The business world needs more tax advisors who understand partnership tax law. Many businesses—large and small—are organized as limited liability companies (LLC), which are normally taxed as partnerships. Thus, issues involving Subchapter K—the part of the Internal Revenue Code that deals with partnerships—routinely arise in practice. But dealing with partnership tax rules is a daunting task. As one U.S. Tax Court judge put it over 50 years ago:

> The distressingly complex and confusing nature of the provisions of subchapter K present a formidable obstacle to the comprehension of these provisions without the expenditure of a disproportionate amount of time and effort even by one who is sophisticated in tax matters with many years of experience in the tax field. If there should be any lingering doubt on this matter one has only to reread Section 736 [dealing with payments to retiring partners] in its entirety and give an honest answer to the question whether it is reasonably comprehensible to the average [practitioner] or even to the average tax expert who has not given special attention and extended study to the tax problems of partners. Surely, a statute has not achieved 'simplicity' when its complex provisions may confidently be dealt with by at most only a comparatively small number of specialists who have been initiated into its mysteries.¹

Unfortunately, many partnerships throw up their hands when confronted with the seemingly impenetrable partnership tax rules and practice what several scholars have called “intuitive Subchapter K.”² That is, they intuit an answer rather than researching the actual tax law. Intuitive Subchapter K is dangerous and has no place in a CPA’s or an attorney’s tax practice. In this course, we will devote the necessary “disproportionate amount of time and effort” studying Subchapter K to become “initiated into its mysteries.” Our path will be rugged and dark. But at our journey’s end we will have attained sought-after skills that are useful in the real world of tax practice. And we will learn a lot along the way—about the tax law, about thinking critically in addressing tax and business issues, and about our ability to be resilient. For a glimpse of the road ahead, read on.

¹ Foxman v. Comm’r, 41 T.C. 535, 551 n. 9 (1964).
² See, e.g., Andrea Monroe, Too Big To Fail: The Problem of Partnership Allocations, 30 VA. TAX REV. 465, 469 n. 16 (2011) (citing several scholars who have used the term).
Syllabus Contents

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I. Instructor Contact Information

Instructor: Mark J. Cowan, JD, CPA (Connecticut)
Office: MBEB 3102 (3rd floor, South Wing, near the Dean’s office and Department of Accountancy Chair’s office.)
Telephone: 426-1565
E-mail: markcowan@boisestate.edu

Office Hours: Tuesdays, Wednesdays, & Thursdays 9:00am-11:00am or by appointment

Nota #1: I am generally in the office most of the time and can normally meet with you outside of office hours—but it is best to check in advance.

Nota #2: Faculty office wings are automatically locked from 5pm-8am. If you are meeting with me during those hours you must call me so I can let you in.

II. Required Course Materials


3) Online Supplemental Readings [Available in PDF on the Blackboard course website under “Course Documents” in the folder “Online Supplemental Readings.”]

Other Resources Available (go to http://library.boisestate.edu/):
Checkpoint Tax Service
CCH Internet Tax Research Network (IntelliConnect)
BNA Tax Management Portfolios
LexisNexis Academic
Westlaw Campus
Tax Analysts Web Services (Tax Notes Today)
III. Course Description and Learning Objectives

Course Description (from the course catalog):
Tax meaning of partnership, formation transactions between partner and partnership; determination and treatment of partnership income; sales and exchanges of partnership interest; distributions; retirement; death of a partner; drafting the partnership agreement.

Learning Objectives:
At the completion of this course, students will be able to:
1) Identify and explain the tax aspects of forming, operating, selling, and liquidating an entity classified as a partnership for federal income tax purposes.
2) Read and interpret the Internal Revenue Code and Treasury Regulations to solve partnership tax problems.
3) Articulate the major tax policy issues relating to the taxation of partnerships and partners.
4) Appreciate both partnership tax planning and compliance issues.
5) Understand the ethical issues associated with providing professional tax services in the partnership arena.

IV. Grading

Grading Summary:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam #1</td>
<td>15%</td>
</tr>
<tr>
<td>Exam #2</td>
<td>15%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>5%</td>
</tr>
<tr>
<td>Tax Return</td>
<td>5%</td>
</tr>
<tr>
<td>Class Participation &amp; Responsibility</td>
<td>5%</td>
</tr>
<tr>
<td>Research Paper (see Part V, below)</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
Note: Boise State uses a plus/minus grading system. The following chart translates the overall % grade into a letter grade and quality points. I reserve the right to make adjustments as to what percentage qualifies for each letter grade.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Letter Grade</th>
<th>Quality Points Per Credit Hour (GPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>97 and above</td>
<td>A+</td>
<td>4.0</td>
</tr>
<tr>
<td>93-96</td>
<td>A</td>
<td>4.0</td>
</tr>
<tr>
<td>90-92</td>
<td>A-</td>
<td>3.7</td>
</tr>
<tr>
<td>87-89</td>
<td>B+</td>
<td>3.3</td>
</tr>
<tr>
<td>83-86</td>
<td>B</td>
<td>3.0</td>
</tr>
<tr>
<td>80-82</td>
<td>B-</td>
<td>2.7</td>
</tr>
<tr>
<td>77-79</td>
<td>C+</td>
<td>2.3</td>
</tr>
<tr>
<td>73-76</td>
<td>C</td>
<td>2.0</td>
</tr>
<tr>
<td>70-72</td>
<td>C-</td>
<td>1.7</td>
</tr>
<tr>
<td>67-69</td>
<td>D+</td>
<td>1.3</td>
</tr>
<tr>
<td>63-66</td>
<td>D</td>
<td>1.0</td>
</tr>
<tr>
<td>60-62</td>
<td>D-</td>
<td>0.7</td>
</tr>
<tr>
<td>59 and below</td>
<td>F</td>
<td>0.0</td>
</tr>
</tbody>
</table>

**Exams:** We will have two “midterm” exams given during the semester and a comprehensive final exam given during finals week. Each exam will be problem-based but may include other formats such as multiple choice. The exams will be take-home. You may not work with other students on the exams or consult with anyone else. The exams will be held to a very high standard. Your answers must be typed, fully developed, cited to the Internal Revenue Code where applicable, and written clearly. More details on the exams will follow. I reserve the right to change the format of the exam (for example, to an in-class exam) if we encounter any problems with the take-home format.

**Quizzes:** You will do a brief take-home, open book quiz for every major topic that we cover in the course. Quizzes are due after you have done the reading for a topic but BEFORE we have discussed it in class. The idea is to motivate you to read the textbook and the Code before class and to prevent you from falling behind in the readings. You will take each quiz online via the Blackboard class website and will get instant feedback. Quizzes will be available on the Blackboard class website at least a week before the due date and will not be available after the start of class period at which they are due. Accordingly, LATE QUIZZES WILL NOT BE ACCEPTED. Please do the quizzes individually—do not get the answers from others. I reserve the right to switch from an online quizzing system to a manual quizzing system if we encounter technical problems with Blackboard. In calculating your grade, one quiz grade will be dropped. This “free” quiz is meant to allow for an emergency or some other reason why you could not complete a particular quiz on time.
**Tax Return:** Both tax planning and tax compliance are important. We will address planning issues through the homework exercises, class discussions, and the exams. We will address compliance issues by doing one fairly simple partnership tax return.

**Class Participation & Responsibility:** This portion of your grade has two components.

1. **In-class behavior.** You are in a profession where professional behavior and courtesy is expected. Professional behavior obviously enhances the learning environment. Any disruption to that environment will reduce your grade. *In particular, two unprofessional activities have become disruptive in recent semesters:*

   a. **Texting, etc.** The study of taxation requires attention to detail and focus. Texting during class is rude and will cause you to miss important details and concepts. Also, employers have told me they are having problems with new graduates texting, web-surfing, facebooking, etc. when they should be working. Some of these employees have been fired for such behavior. **Please turn off and put away your cell phones during class.** Exception: If you have a family emergency or are the “on-call” parent. In that case, please put your phone out of sight and keep it on vibrate. I would also prefer that you not use a laptop or tablet—unless you have found that is the best way for you to take notes (and then the device should only be used for class-related work).

   b. **Arriving late.** We have a lot of material to cover, and thus we will begin class on time (7:30am). **It is very disruptive and distracting when students arrive late.** While I understand circumstances will sometimes require you to be late (bad weather, unexpected car or family issues), I ask that you make every effort to adjust your schedule to ensure your timely arrival. **If it becomes evident that you are arriving late (more than a couple of times), your class participation grade may be reduced.** In addition, if tardiness becomes a problem this semester, I reserve the right to implement additional measures during the semester to address the problem.

2. **Class preparation.** Students are expected to come to every class having completed the reading/homework assignments and prepared to discuss them intelligently. To reduce the stress of preparation and to allow everyone a chance to participate, I will ask two of you to sign up to be the “on call” students for each assignment. When you are on call I may ask you to answer some questions about the reading, tell the class about a court case reprinted in the casebook, and/or explain the answers to the problems we are reviewing during that assignment. To get full credit, you must sign up to be on call and actually be prepared when on call. (The number of times you will need to be on call during the semester will be determined based on the size of the class.) If you are not on call for the day/assignment, I still expect you to be prepared (see more under “Advice for Doing Well” in Part VIII, below) and join in the discussion. I reserve the right to try a new system of class participation if the “on-call” system is not working. Such a system may require everyone to be fully prepared for each class.
V. Research Paper Details

You will work in pairs\textsuperscript{3} to research a partnership tax topic of interest. You will then turn in a 7-12ish page paper on the topic. Papers will be graded based on content and clarity of writing. To encourage you to work on the paper throughout the semester (rather than just at the end), a few interim deadlines have been established:

- \textit{Thursday, Sept. 17th}: Deadline for picking a topic and having it approved by me. The topic must be at least tangentially related to partnership tax law and cannot encompass a general topic we are already covering as part of the course. Further, you cannot pick a topic which you have already researched for another class. Try to pick a topic you expect to be useful to you on the job currently or in the future. \textbf{A list of suggested topics is provided below.}

- \textit{Week of Tuesday, Oct. 13th}: Each group must have a draft outline and a list of sources prepared. During this week, each group will meet with me to review their outline and source list.

- \textit{Thursday, Nov. 12th}: Draft paper due for peer review. Bring 2 copies of your paper to class for review by another group in the class—to be assigned by me. Each group will be required to review their assigned paper and provide comments.

- \textit{Thursday, Nov. 19th}: Second Draft Due (updated based on the peer review). I will read the papers over Thanksgiving and give each group comments.

- \textit{Thursday, Dec. 10th}: Final Papers Due.

Failure to meet these deadlines without prior approval may result in a reduction in your paper grade. Turning in deficient outlines, source lists, or drafts may also result in a reduction in your grade. The purpose of the draft requirement is to provide timely feedback on your writing instead of just relying on an end-of-semester submission.

\textsuperscript{3} You must work with another student in the class. If there is an odd number of students in the class, I will allow one group to have three members. But the paper for that group must be longer and more in-depth.
Paper Topic Ideas

Topics should be cleared in advance with me no later than Thursday, Sept. 17th. The topic must be at least tangentially related to partnership tax law and cannot encompass a general topic we are already covering as part of the course. Further, the topic cannot be one that you researched for another course. Some examples of topic ideas are listed below:

The application of the self-employment tax to LLC members

The taxation of Real Estate Investment Trusts (REITs)

Application of Section 108 (on income from the discharge of indebtedness) when partnership debt is cancelled

Partnership audit procedures

Family Limited Partnerships

State taxation of partnership income

The “Carried Interest” Debate

House Ways and Means Committee Chair Camp’s “Small Business Discussion Draft” (Proposal to Reform Subchapter K)

Detailed Review of the Impact of Section 1411 (3.8% investment tax) on Partnerships and Partners

The use of “Series LLCs”

VI. Homework Assignments & Tentative Schedule

The tentative schedule of topics to be covered and specific homework assignments are listed on the pages that follow. It is important that you read both the casebook and Code sections/regulations that have been assigned and make a good-faith effort to complete the problems in each chapter. These problems will not be collected but students will be expected to discuss them in class (see above under class participation). As noted above, most assignments include a take home quiz, which must be completed online (via Blackboard) by the start of the class on which the assignment is due. As the semester progresses, I may add additional assignments and/or eliminate specific problems, cases, or other portions of a particular chapter. I will announce all such changes in class and on Blackboard.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, Aug. 25</td>
<td>Introduction to the Course</td>
<td>“Pre-Course Assessment of Basic Tax Law Knowledge” Due</td>
</tr>
<tr>
<td>Thursday, Aug. 27</td>
<td>Review of Tax Fundamentals (e.g., basis, capital gains, etc.)</td>
<td>Warm-Up Assignment</td>
</tr>
<tr>
<td>Tuesday, Sept. 1</td>
<td>An Overview of the Taxation of Partnerships and Partners</td>
<td>Chapter 1 Assignment</td>
</tr>
<tr>
<td>Thursday, Sept. 3</td>
<td>An Overview of the Taxation of Partnerships and Partners (finish)</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Sept. 8</td>
<td>Formation of a Partnership</td>
<td>Chapter 2 (Assignment 1 of 3)</td>
</tr>
<tr>
<td>Thursday, Sept. 10</td>
<td>Formation of a Partnership</td>
<td>Chapter 2 (Assignment 2 of 3)</td>
</tr>
<tr>
<td>Tuesday, Sept. 15</td>
<td>Formation of a Partnership</td>
<td>Chapter 2 (Assignment 3 of 3)</td>
</tr>
<tr>
<td>Thursday, Sept. 17</td>
<td>Formation of a Partnership</td>
<td>DEADLINE FOR APPROVAL OF PAPER TOPIC</td>
</tr>
<tr>
<td>Tuesday, Sept. 22</td>
<td>Operations of a Partnership: General Rules</td>
<td>Chapter 3 (Assignment 1 of 2)</td>
</tr>
<tr>
<td>Thursday, Sept. 24</td>
<td>Operations of a Partnership: General Rules</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Sept. 29</td>
<td>Operations of a Partnership: General Rules</td>
<td>Chapter 3 (Assignment 2 of 2)</td>
</tr>
<tr>
<td>Thursday, Oct. 1</td>
<td>Catch-up</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Oct. 6</td>
<td>Partnership Allocations: Special Allocations Under Section 704(b)</td>
<td>EXAM#1 DUE</td>
</tr>
<tr>
<td>Date</td>
<td>Topic</td>
<td>Assignment</td>
</tr>
<tr>
<td>--------------</td>
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</tr>
<tr>
<td>Thursday, Oct. 8</td>
<td>Partnership Allocations: Special Allocations Under Section 704(b)</td>
<td>Chapter 4 (Assignment 1 of 4)</td>
</tr>
</tbody>
</table>
| Tuesday, Oct. 13 | Partnership Allocations: Special Allocations Under Section 704(b)       | Chapter 4 (Assignment 2 of 4)  
|               | OUTLINES FOR PAPER AND SOURCE LIST DUE\(^4\)                          |            |
| Thursday, Oct. 15 | Partnership Allocations: Nonrecourse Deductions                      | Chapter 4 (Assignment 3 of 4) |
| Tuesday, Oct. 20 | Partnership Allocations: Nonrecourse Deductions                      |            |
| Thursday, Oct. 22 | Partnership Allocations: Allocations with Respect to Contributed Property | TAX RETURN DUE  
|               | Chapter 4 (Assignment 4 of 4)                                        |            |
| Tuesday, Oct. 27 | Partnership Allocations: Allocations with Respect to Contributed Property |            |
| Thursday, Oct. 29 | Catch-up Transactions Between Partners & Partnerships (Start if time)  | Chapter 5 (Assignment 1 of 2)  
|               | Distribute EXAM #2 (Covers all work to date; but focuses primarily on Chapter 4) |            |
| Tuesday, Nov. 3  | Transactions Between Partners & Partnerships Discussion of Partnership Agreements | EXAM #2 DUE |
| Thursday, Nov. 5  | Transactions Between Partners & Partnerships                          | Chapter 5 (Assignment 2 of 2)  |
| Tuesday, Nov. 10 | Sales & Exchanges of Interests                                        | Chapter 6 (Assignment 1 of 2)  |
| Thursday, Nov. 12 | Sales & Exchanges of Interests Peer Review of Papers                  | DRAFT VERSION OF PAPER DUE: Bring 2 copies of your papers to class for Peer Review |

\(^4\) These will be discussed in meetings (to be scheduled at some point this week) between me and each group individually. The outline and source lists are not due in class; they are due at your scheduled meeting.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, Nov. 17</td>
<td>Sales &amp; Exchanges of Interests</td>
<td>Chapter 6 (Assignment 2 of 2)</td>
</tr>
<tr>
<td>Thursday, Nov. 19</td>
<td>Operating Distributions</td>
<td>Chapter 7 (Assignment 1 of 3) 2nd DRAFT VERSION OF PAPER DUE</td>
</tr>
<tr>
<td>Tuesday, Nov. 24</td>
<td>THANKSGIVING HOLIDAY—NO CLASS</td>
<td></td>
</tr>
<tr>
<td>Thursday, Nov. 26</td>
<td>THANKSGIVING HOLIDAY—NO CLASS</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Dec. 1</td>
<td>Operating Distributions</td>
<td>Chapter 7 (Assignment 2 of 3)</td>
</tr>
<tr>
<td>Thursday, Dec. 3</td>
<td>Operating Distributions</td>
<td>Chapter 7 (Assignment 3 of 3)</td>
</tr>
<tr>
<td>Tuesday, Dec. 8</td>
<td>Operating Distributions Liquiditating Distributions &amp; Terminations (Reader’s Digest Version)</td>
<td>Chapter 8 Assignment</td>
</tr>
<tr>
<td>Thursday, Dec. 10</td>
<td>Liquidating Distributions (Reader’s Digest Version) Course Wrap-Up Distribute Final Exam (Covers the entire course with special focus on Chapters 5-8)</td>
<td>FINAL VERSION OF PAPER DUE</td>
</tr>
<tr>
<td>Wednesday, Dec. 16</td>
<td>FINAL EXAM DUE in MBEB 3102 by 9:00 a.m.</td>
<td></td>
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</tbody>
</table>
VII. Specific Assignments

The following sets forth the specific homework that you should complete prior to the date assigned in the syllabus. Chapter and page references are to the textbook; Code and Regulation sections are in the Code book. Any Online Supplemental Readings are noted.

Note #1: I have generally not asked you to read the examples in the regulations. You may find it helpful to look over some of the examples in the regulations, however, if you are having trouble working the problems in the book. This is particularly true with respect to the regulations under Section 704(b) reviewed in Chapter 4.

Note #2: Occasionally, the problems in the book may direct you to some Code section or regulation that is not in the Code book and that was not handed out in class. If you encounter this situation, please look up the code or regulation section on CCH, Checkpoint (RIA), etc. so you can complete the problem.

**Warm-Up:**

**Review of Tax Fundamentals**

1) Read §§ 1001, 1011, 1012, 1014(a), 1015(a), 1016(a)(1)&(2), 1031, 1221(a)
2) Skim §§ 1231, 1245, 1250, 1411 (Online Supplemental Readings)
3) Read “Sources of the Law” (Online Supplemental Readings) [Note: This is a handy introduction to the sources of tax law that I found in a book on nonprofit taxation. You can ignore any discussion of tax exempt organizations referenced in the handout; most of the sources of law discussed are important for partnership taxation. If you have taken a tax research class, view this as a quick refresher.]
4) Read “Finding Code Sections” (Online Supplemental Readings). Please follow the directions given to take the Checkpoint tax service out for a test drive. This will help you in looking up Code and Reg. sections when you need to.
5) There is no quiz for this assignment.

**Chapter 1:**

**An Overview of the Taxation of Partnerships and Partners**

1) Read the entire chapter and try to work all problems
2) Read “Textbook Updates to Ch. 1” (Online Supplemental Readings)
3) Read § 761(a)
4) Skim Reg. §§ 301.7701-1, 2, & 3(a)-(c) [Found near the back of the Code book]
5) Read “Joint Committee on Taxation ‘Choice of Entity’ Report” through page 17; skip the remainder of the document (Online Supplemental Readings)
6) Read “Gingrich-Edwards Loophole” (Online Supplemental Readings)
7) **Complete the Chapter 1 Quiz**
Chapter 2:
Formation of a Partnership
Assignment 1 of 3 (Basics)
1) Read page 32 – bottom of page 45 and try to work all problems contained therein
2) Read §§ 721, 722, 723, 724, 1223(1) & (2)
3) Read Reg. §§ 1.721-1(a)-(b), 1.722-1, 1.723-1
4) Skim §§ 704(b), 704(c)
5) Complete the Chapter 2/Assignment #1 Quiz

Chapter 2:
Formation of a Partnership
Assignment 2 of 3 (Treatment of Liabilities)
1) Read bottom of page 45- top of page 53 and try to work all problems contained therein
2) Read § 752
3) Skim Reg. §§ 1.752-1, 1.752-2(a) & (b)
4) Complete the Chapter 2/Assignment #2 Quiz

Chapter 2:
Formation of a Partnership
Assignment 3 of 3 (Contribution of Services)
1) Read top of page 53- middle of page 62 (skip the Hale case) and bottom of page 63- middle of page 75 and try to work all problems contained therein. Skim middle of page 75- middle of page 81 [Note: Don’t spend much time with this—it explains proposed regulations which may or may not become the law.] Read middle of page 81-page 83 and try to work the problem contained therein.
2) Skim § 83(a) – (c)
3) Read § 709
4) Read Reg. § 1.709-2
5) Read Reg. § 1.709-1 (Online Supplemental Readings) [Note: This Regulation, which was finalized in August of 2011, replaces the version that is in the Code Book]
6) Complete the Chapter 2/Assignment #3 Quiz

Chapter 3:
Operations of a Partnership: General Rules
Assignment 1 of 2 (Basics)
1) Read page 84-top of page 89. Skip middle of page 89-midddle of page 101. Read middle of page 101 -top of page 108 and try to work all problems contained therein.
2) Read §§ 701, 702, 703, 704(a), 705, 706(a)-(c)
3) Read Reg. §§ 1.702-1, 1.706-1(a) & (b)
4) Read the “Singhal Case” (Online Supplemental Readings)
5) Skim Form 1065 & Sch. K-1 (Online Supplemental Readings) [The instructions for Form 1065 and Sch. K-1 are also posted, but reviewing them is optional.]
6) Complete the Chapter 3/Assignment #1 Quiz
Chapter 3:
Operations of a Partnership: General Rules
Assignment 2 of 2 (Loss Limitations)

1) Skip top of page 108-top of page 110. Read pages 110-123 and try to work all problems contained therein.
2) Read § 704(d)
3) Skim §§ 49, 465, 469 (Online Supplemental Readings)
4) Skim Reg. § 1.469-5T (Online Supplemental Readings)
5) Read “Proposed Regulations for LLC Interests and the Passive Loss Rules” [These address some current “hot” issues in practice but keep in mind they are only proposed regulations—and therefore not “the law” at this time.]
6) Complete the Chapter 3/Assignment #2 Quiz

Chapter 4:
Partnership Allocations
Assignment 1 of 4 (Economic Effect)

2) Read §§ 704(a), 704(b)
3) Read Reg. §§ 1.704-1(a); 1.704-1(b)(1)(i) & (iii); 1.704-1(b)(2)(i) & (ii)
4) Complete Chapter 4/Assignment #1 Quiz

Chapter 4:
Partnership Allocations
Assignment 2 of 4 (Substantiality)

1) Read middle of page 145-middle of page 151. Skip middle of page 151-top of page 156. Read middle of page 156- top of page 162 and try to work all problems contained therein.
2) Read Reg. § 1.704-1(b)(2)(iii); 1.704-1(b)(3)--Starts on page 534 of the Code book
3) Complete Chapter 4/Assignment #2 Quiz

Chapter 4:
Partnership Allocations
Assignment 3 of 4 (Nonrecourse Deductions)

1) Read middle of page 162-middle of page 175 and try to work all problems contained therein.
2) Read Reg. §1.704-2(b)-(f)(6), (g) & (j)(2)
3) Complete Chapter 4/Assignment #3 Quiz
Chapter 4:
Partnership Allocations
Assignment 4 of 4 (Allocations with Respect to Contributed Property)
1) Read middle of page 175- top of page 193 and try to work all problems contained therein. Skip the rest of the chapter.
2) Read §§ 704(c)(1), 724
3) Read Reg. §§ 1.704-3(a)(1)-(6) & (10); 1.704-3(b)(1); 1.704-3(c)(1)-(3); 1.704-3(d)(1)-(5)
4) Complete Chapter 4/Assignment #4 Quiz

Chapter 5:
Transactions Between Partners and Partnerships
Assignment 1 of 2
2) Read §§ 707(a) & (c); 267(a)(2) & (e)(1) & (2)
3) Read Reg. §§ 1.707-1(a) & (c)
4) Complete Chapter 5/Assignment #1 Quiz

Chapter 5:
Transactions Between Partners and Partnerships
Assignment 2 of 2
1) Read pages 242-254. Do only the following problems:
   a. On the problems that start on page 246, do only Problems 1(a) & 4 [i.e., skip Problems 1(b)-(d), 2, & 3]
   b. On the problems that start on page 253, do only Problems 2 & 3 [i.e., skip Problem 1]
2) Read §§ 267(a)(1) & (d); 707(b); 1239(a)-(c)
3) Skim Reg. §§ 1.707-3(a)-(d); 1.707-4(a) & (b); 1.707-5(a)(1), (6), & (7)
4) Complete Chapter 5/Assignment #2 Quiz

Chapter 6:
Sales and Exchanges of Partnership Interests
Assignment 1 of 2 (Overview and Seller Side)
2) Read §§ 741; 751(a), (c), & (d); 706(c); 708
3) Skim Reg. § 1.751-1(a), (c)(1), & (d)(2)
4) Complete Chapter 6/Assignment #1 Quiz
Chapter 6:  
Sales and Exchanges of Partnership Interests  
Assignment 2 of 2 (Buyer Side)

1) Read pages 279-288 and try to work all problems contained therein but you can skip part (c) of Problem 2 and Problem 3 on page 288. 
2) Read §§ 742, 743(a)-(d), 754, 755(a)-(b) 
3) Skim Reg. §§ 1.755-1(a)(1)-(5); 1.755-1(b)(1)-(3) 
4) Complete Chapter 6/Assignment #2 Quiz

Chapter 7:  
Operating Distributions  
Assignment 1 of 3 (Basics)

1) Read page 289-middle of page 301 and try to work the problems contained therein.  
2) Read §§ 731(a) & (b), 732(a)-(e), 733 
3) Skim Reg. §§ 1.731-1, 1.732-1(a)-(c) 
4) Complete Chapter 7/Assignment #1 Quiz

Chapter 7:  
Operating Distributions  
Assignment 2 of 3 (754 Elections & Mixing Bowls)

1) Read middle of page 301- top of page 315 and try to work the problems contained therein; but skip Problem 2 on page 304. 
2) Read §§ 704(c)(1)(B), 734, 735, 737 
3) Skim Reg. § 1.734-1 
4) Complete Chapter 7/Assignment #2 Quiz

Chapter 7:  
Operating Distributions  
Assignment 3 of 3 (Disproportionate Distributions)

1) Read page 315- top of page 322, skip the middle of page 322-middle of page 324, and, while maintaining your sanity, try to work the problems on pages 324-326; but skip Problems 1(b), 3, & 5 on pages 324-326. 
2) Read § 751(b) 
3) Skim Reg. § 1.751-1(b) & (d)(1) 
4) Complete Chapter 7/Assignment #3 Quiz
Chapter 8: Liquidating Distributions and Terminations (Reader’s Digest Version)

2) On pages 347, do Problem 1, part (b) only. Skip the rest of the problems on pages 347-348. Skip page 348-middle of page 357.
3) Read bottom of page 357-top of page 358. Skip the middle of page 358-middle of page 381.
4) Read bottom of page 381-middle of page 383. Skip the rest of the chapter readings and problems.
5) Watch the “KPMG Video” (Online Supplemental Readings). This video highlights how some of the issues we studied this semester come up in the real world of tax consulting.
6) Read §§ 708, 736
7) Complete Chapter 8 Quiz

The Mission and Core Values of the College of Business and Economics:
Our dream is to be a collaborative, engaged and dynamic community of learners. We inspire our students and colleagues to achieve their full potential by creating and sharing relevant knowledge, skills and experiences for the benefit of local and global communities. We value:

**Relevance:** We address important business and societal issues by being effective, innovative and risk-tolerant. Our effectiveness is based on rigorous teaching and research and a commitment to life-long learning and community engagement.

**Respect:** We strive to be an inclusive, collegial community that values all forms of diversity. We are committed to integrity and ethical behavior in all that we do.

**Responsibility:** We foster an environment that empowers students, staff and faculty. We are dedicated to accountability, transparency and fairness.
VIII. Advice for Doing Well

Partnership tax is a difficult subject. You will need to put a lot of time into both preparing for class and reviewing after class. I suggest using a three-step process\(^5\) to succeed in this class:

1) **Immersion:** Read the assigned materials before class, complete the quiz and work through any problems assigned. This stage will be frustrating, since the material is at times difficult and will be new to you. Immersion, however, is necessary to enable you to get the most out of our class meetings. When we review homework problems in class, for example, we will go over them quickly because I will assume you have read them and tried to work them prior to class. Therefore, the immersion stage is critical. Note: the level of required preparation will depend on whether you are on call. See more details below.

2) **Participation:** Come to class, pay attention, take good notes, and ask any questions that you may have. A lot of the material on exams is based on class discussions. Like with many accounting courses, the material in ACCT 525 often builds on itself. If you miss class, you not only miss the material covered on that day but also the foundation knowledge necessary to understand related topics that come later in the course.

3) **Assimilation:** Review your class notes and homework problems after we have gone over them and see me with any questions you may have. You should do this within a few days after each class. We will cover the material thoroughly in class, but we only have the opportunity to cover the material once. We do not have the luxury of reviewing the material over and over. Therefore, it is critical that you keep up with the material and review and ask questions as we go. The key for success in this class is keeping up with the material throughout the semester. **DO NOT WAIT UNTIL YOU GET THE EXAM TO LEARN THE MATERIAL!**

\(^5\) Partially inspired by, and roughly adapted from James Edward Maule’s July 2009 “Student Focus” blog postings, which give advice to law students on studying basic tax. Basically, I have taken advice I have given in the past to accounting students on studying for tax courses and have roughly reorganized them using Maule’s terminology.
Your approach to the three-step process (especially at the immersion stage) will depend on whether you are on-call:

**For days that you are on call:** Do all aspects of the assignment, read all the assigned readings thoroughly, work all the assigned problems until you have mastered them, prepare the assigned quiz, and come to class prepared to discuss the details of the readings, cases, problems, etc. assigned. Note: If you run into any problems while preparing for your on call days, you may of course come see me for assistance. After class, review the lecture outlines, any problems you missed, etc. and see me with any questions.

**For days that you are NOT on call:** Read the assignment carefully, complete the quiz, and make a good-faith effort to work through the problems. If you get stuck on the problems, don’t waste time spinning your wheels. You should know the facts of the problems, however, and should have at least attempted to come up with the answers prior to class. You will not be able to keep up with the class discussion if you have not done this. Come to class and then spend time AFTER class reviewing the lecture outlines, the problems you missed, etc. Then come to me for additional help if needed. You should do a thorough review of the class material right after we cover it—do not wait until exam time to address your problem areas.

**IX. Other Information**

**Important Dates:**
- Last day to apply for December graduation: Friday, August 28th
- Last day to drop without a “W”: Friday, September 4th
- Last day to drop with a “W”: Friday, October 30th

**Class Website:**
We will be using Blackboard in this course. It will be used to post all documents, make announcements, and (as noted above) for online quizzes. I will also post announcements on jobs, professional events, scholarships, etc. as I get them. All students should gain access to Blackboard and the class website on Blackboard. For more information, log on to Blackboard via the myBoiseState portal. Use your myBoiseState ID and password to get into the system. Students are responsible for checking the class website for important announcements (e.g., cancellation of class, changes in assignments, etc.).

**Lecture Materials:**
To save you time in taking notes, most lecture material will be provided in Word outlines. The outlines omit certain answers to examples, key phrases, etc. that you will need to fill in as we review the material in class. Lecture outlines will be available on the class website in the event that you miss class. However, such outlines will not include the answers to the examples, key phrases, etc. that were filled-in during class.
College of Business & Economics Core:
This course addresses the following parts of the College of Business & Economics Core Curriculum Learning Goals:
1. Analytical and Disciplinary Concepts and Methods
   1.1. Accounting
   1.7. Legal environment
2. General Management Knowledge/Ability
   2.1. Written Communication
3. Problem Solving

Reminder of Policy on Academic Honesty:
You are encouraged to become familiar with the University’s Policy of academic dishonesty found in the Student Code of Conduct. The content of the Code applies to this course. If you are in doubt regarding the requirements, please consult me before you complete any requirements of the course. In accordance with Boise State University policy, any instance of dishonesty in the class can result in sanctions—including the possibility of a failing grade for the course.

Reminder on Boise State’s Statement of Shared Values:
All members of the campus community are expected to adhere to Boise State’s Statement of Shared Values (adopted Spring 2007). The common values are Academic Excellence, Caring, Citizenship, Fairness, Respect, Responsibility, and Trustworthiness. See http://academics.boisestate.edu/facultyombuds/files/2009/02/sharedvaluesstatement3.pdf

Note on Course Materials:
Materials provided or generated in this course, including (but not limited to) handouts, notes, exams, quizzes, projects, homework answer keys, etc. are for your own personal use and reference. You are not to pass them on to others, including future students. Passing course materials on to others would (in some cases) violate copyright agreements. More importantly, such materials would have a negative impact on the recipient’s learning process and performance in the course. First, the law is always changing, often in subtle but important ways. Second, topics emphasized and tested in the course change from semester to semester as the business world changes. Third, and most importantly, when students use old course materials for reference they are prevented from doing the thinking and struggling with the material necessary to truly learn. Accordingly, such students will not do well on the exams. For these same reasons, you are not to refer to any course materials received from former students or other sources (such as homework answer keys from the publisher). Doing so would negatively affect your performance and significantly disrupt the learning process.