

ACCOUNTING 659: SEMINAR INTERNATIONAL TAX

ACCTG 659-01

FALL 2015

Instructor: Narelle E. MacKenzie CPA

COURSE INFORMATION

Class Days: Wednesday

Class Times: 7pm-9.40pm

Class Location: GMCS 306

E-mail: NarelleMacKenzieCPA@live.com

Office Hours Times: Wednesday 2pm-3.30pm

Office Hours Location: SSE2429

Units: Three (3)

Course Overview

The primary objective of the course is to help you understand the US International Tax rules. You will gain an in-depth understanding of the fundamentals of the US tax law in an international context and apply that understanding with international tax planning concepts. The focus of this course is the US federal income tax rules as it relates to international and cross-border transactions.

The global economy is an economic reality and taxes are a key component of the global economy as they are paid by taxpayers and fund governments. The United States of America ("US") has the highest federal corporate tax rate of any OECD country. The highest US corporate income tax rate is 35% and the highest US federal individual tax rate is 39.6%. When you factor in state income taxes, the corporate and individual tax rates are even higher than these amounts if the US person is subject to state income taxes. Taxpayers have a moral and ethical obligation to pay the appropriate amount of taxes – no more, no less.

As students learned in Accounting 321 and Accounting 503, taxation is complex and that understanding the US tax rules is critical to informed decision-making for US taxpayers. This course is the comprehensive study of the federal US tax rules as they apply in an international tax context. Topics include: taxation of US persons; taxation of non-US persons; source of income; FDAP income and withholding; inbound taxation; outbound taxation; foreign tax credits; the role of tax treaties; US anti-deferral regimes and transfer pricing.

Today's accounting and business graduates must possess higher-level skills such as the ability to analyze, synthesize and critically evaluate information rather than just know how to prepare information. I will strive to make sure you meet this challenge and help you require the added skills to be effective decision makers and advisors. In addition, this course has a substantial component involved in developing your skills in communicating your tax knowledge to others much in the way a tax advisor would, in an informative, constructive and ethical manner.

Student Learning Outcomes

MSA students will graduate with:

- Communication Skills
- Group/Interpersonal Skills
- Ethics
- Research Skills
- Global/International Skills

Acctg 659 contributes to these goals through its student learning outcomes so that by the end of the course students should be able to:

1. Identify and explain key US international tax concepts.

2. Apply international tax concepts.
3. Perform international tax calculations.
4. Explain the federal constitutional and statutory limitations on federal taxation, and be familiar with some major judicial and statutory authorities.
5. Draw supportable conclusions regarding tax issues by using research skills (including accessing and interpreting sources of authoritative support) to identify and evaluate issues.
6. Apply oral and written communication skills to high quality professional presentations and group discussions.

This is the link to the cba website: <http://cbaweb.sdsu.edu/assessment/slo>

This course intends to address the following of those student learning objectives:

1. Compare, contrast, interpret, or criticize taxation and business decisions and information using professional business communication (MSA);
2. Actively participate in team decision making, utilizing skills such as interpersonal skills, motivation, attitude and meaningful contributions to team decision making (MSA);
3. Apply ethical judgment and professional standards in analyzing situations and formulating taxation and business decisions (MSA);
4. Use relevant research tools and academic/professional literature to analyze or take a position in taxation and business situations (MSA); and
5. Address unstructured problems in the area of taxation. Unstructured problem solving involves using discipline-specific technical knowledge and skills to anticipate issues, formulate hypotheses, develop conclusions, or recognize the strategic role of taxation in business organizations and society (MSA).

Enrollment Information

- Prerequisites: Approved graduate students in taxation major, accounting major, or other approved major.

Course Materials

- Required text for the class: Practical Guide to US Taxation of International Transactions, Ninth Edition (Robert J. Misesy, Jr, and Michael S. Schsdewald, published by Walters Kluwer, CCH). You should bring the Misesy text book to each class.
- Required text for the class: Selected Sections of Internal Revenue Code and Regulations, International Income Taxation (published by CCH). Please make sure it is the most recent edition. Alternatively, you may also use a full set of the code and regulations. You should bring the Code and regulations to each class.
- Recommended text for the class, but not required: International Taxation in a Nut Shell (Doernberg, published by Thompson West). Please make sure it is the ninth edition. Most prior students have found this to be very beneficial when used in conjunction with the required textbook.
- You must have access to BlackBoard as this is where all course documents, assignments and additional materials will be posted.

Course Structure and Conduct

- Sixteen (16) two hours and forty minute class meetings during which we will do a variety of teaching and learning activities, including
 - class lectures
 - group work in class
- Homework assignments to be submitted via Turnitin
- One midterm exam which will be assessed and returned;
- One individual class presentation;
- One final exam; and
- Office hours to try and help you with any difficulties you may be having.

Successful relationships in the classroom require mutual respect and communication.

My responsibilities:

- I will be prepared for every class.
- I will attempt to answer any questions that you have, if not immediately, then as soon as possible thereafter.
- I will try and create a classroom environment that feels safe – safe for you to ask questions without fear of embarrassment and safe for you to be yourself and focus on learning.
- I will do my best to be fair in my assessment of your performance and assignment of grades and to report these grades as quickly as possible.
- I will attempt to help you understand what you read in the textbook and also add value to the course by adding insights and information that is not in the text.
- I will try to continuously improve this class.

Your responsibilities:

- I expect that you will come to class. Your presence in class benefits us all.
- I expect you to come to class prepared. That includes reading each chapter prior to coming to class for that chapter, and have obtained copies of relevant cases.
- I expect you will plan your schedule appropriately to allow sufficient time outside of class to be successful in this course.
- I expect that you will ask questions of me and your colleagues when you do not understand something you read, something I said, or something one of your colleagues said in class. It is imperative that any confusion you might have be as temporary as possible. If you have a question, then chances are that someone else in the class may have a similar question.
- I expect you to come prepared to meetings during office hours. Try and write out the question or for possibly quicker responses, try and e-mail the question first.
- I expect you to be able to access the internet to research the issue(s) for the class presentation.
- I expect your communications with me to be professional and your questions must avoid issues that are adequately addressed in class, e-mail or in Blackboard.
- I expect you to obtain access to e-mail and Blackboard and check both frequently.

Students with Disabilities

If you are a student with a disability and believe you will need accommodations for this class, it is your responsibility to contact Student Disability Services at (619) 594-6473. To avoid any delay in the receipt of your accommodations, you should contact Student Disability Services as soon as possible. Please note that accommodations are not retroactive, and that accommodations based upon disability cannot be provided until you have presented your instructor with an accommodation letter from Student Disability Services. Your cooperation is appreciated.

Academic Honesty

The University adheres to a strict [policy regarding cheating and plagiarism](http://www.sa.sdsu.edu/srr/conduct1.html). These activities will not be tolerated in this class. Become familiar with the policy (<http://www.sa.sdsu.edu/srr/conduct1.html>).

Accounting is a profession that depends on trust – individuals, companies and society as a whole place reliance on the decisions and opinions of accountants. For most of history, accountants were viewed among the most trusted members of society. In recent years, certain events have eroded this trust. Rebuilding this trust will take a long time but can be accomplished if future accountants ensure that such lapses do not recur. I take my role in this effort very seriously (and I expect you will as well).

The class presentation and quizzes are individual assignments unless specifically instructed otherwise.

The SDSU Standards for Student Conduct (<http://www.sa.sdsu.edu/srr/conduct1.html>) states that unacceptable student behavior includes “cheating, plagiarism, or other forms of academic dishonesty that are intended to gain unfair academic advantage.” Any student suspected of academic dishonesty will be reported to the SDSU Center for Student Rights and Responsibilities; if found responsible for academic dishonesty, the student will receive an F in ACCTG 659

Examples of Plagiarism include but are not limited to:

- Using sources verbatim or paraphrasing without giving proper attribution (this can include phrases, sentences, paragraphs and/or pages of work)

- Copying and pasting work from an online or offline source directly and calling it your own
- Using information you find from an online or offline source without giving the author credit
- Replacing words or phrases from another source and inserting your own words or phrases
- Submitting a piece of work you did for one class to another class

When you put your name at the top of the assignment, the prevailing notion is that all the ideas, words, or specific substance are those of your own creation and not another unless it is made obvious to the reader that is not the case.

As stated above, I reserve the right to assign a grade of F in ACCTG 659 if you plagiarize.

If you have questions on what is plagiarism, please consult the [policy](#) and this [helpful guide from the Library](#)

Turnitin

Students agree that by taking this course all required papers may be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. You may submit your papers in such a way that no identifying information about you is included. Another option is that you may request, in writing, that your papers not be submitted to Turnitin.com. However, if you choose this option you will be required to provide documentation to substantiate that the papers are your original work and do not include any plagiarized material.

Assessments and Grading

Course grades for graduate students will be assigned in accordance with San Diego State University policy (see Graduate Bulletin, pp. 62-64). Graduate grades shall be: A (outstanding achievement, available for the highest accomplishment), B (average, awarded for satisfactory performance), C (minimally passing), D (unacceptable for graduate credit, course must be repeated), F (failing).

Table1. Your course grade will be based on the following weighted components

<i>Assessment</i>	<i>% of grade</i>	<i>Points</i>
<i>Homework</i>	5	50
<i>Final Exam</i>	45	450
<i>Midterm Exam</i>	30	300
<i>Presentation</i>	20	200
<i>Total for tax module</i>	100%	1,000

The assessment is objective, and with the exception of required university policies, there are no provisions for missing exams or presentations.

Please note there is no extra credit for this class.

Final Exam:

The final exam will be cumulative for material presented for the whole course.

The final exam will be taken in your classroom at the time scheduled by the university. It is scheduled for **two hours**. You **MUST** take your exam during the scheduled exam time. There are no provisions for missed exams other than those required under University policy. The exams are long and difficult and often test not only your ability to master the material but also to efficiently communicate your knowledge back to me. Time management is an important element to success on exams.

The final exam is an open book exam. You may not access notes in electronic form during the quiz. Any access to electronics during the exam will result in a zero (0) score for the exam. No exceptions.

Mid-term exam:

The mid-term exam will be cumulative for material presented up to that date of the midterm.

The midterm will be open book and will be submitted via Turnitin.

Presentation:

There will be one class presentation. You will research a topic and present it to the rest of the class and to external evaluators. An oral communication rubric will be provided, and this will form the assessment of the presentation. The case will be prepared during time outside of class.

Homework:

There will be assigned homework.

Attendance:

I do not take attendance except during the class presentations. Each class meeting is 2 hours and 40 minutes. If you are unable to attend class, do not expect that I will make up that lecture or go through the in-class exercises for you individually in office hours. It is your responsibility to catch up any the information that was provided in class from another classmate.

There is a ten (10) point deduction if you arrive late or leave early during the class presentations. No exceptions.

Grade of Incomplete. A grade of Incomplete (I) indicates that a portion of required coursework has not been completed and evaluated in the prescribed time period due to unforeseen, but fully justified, reasons and that there is still a possibility of earning credit. It is your responsibility to bring pertinent information to the instructor and to reach agreement on the means by which the remaining course requirements will be satisfied. The conditions for removal of the Incomplete shall be reduced to writing by the instructor and given to you with a copy placed on file with the department chair until the Incomplete is removed or the time limit for removal has passed. A final grade is assigned when the work agreed upon has been completed and evaluated. An Incomplete shall not be assigned when the only way you could make up the work would be to attend a major portion of the class when it is next offered. Contract forms for Incomplete grades are available at the [Office of the Registrar website](#)

For my professional background, please refer to my LinkedIn profile: <https://www.linkedin.com/pub/narelle-mackenzie/16/547/b9a>

For additional information, please refer to my website: <http://www.narellemackenziecpa.com/profile/>

Tentative Course Schedule

Week	Topics	Homework	Reading
1: August 26	<p>Introduction to the class, course overview.</p> <p>Overview of US International Transactions</p> <p>Taxation of Individuals: Resident Aliens, Exclusion of Foreign Earned Income, Mark to Market for Expatriates and Reporting of Foreign Assets</p> <p>Guest lecturer: Kate Leonard, Partner, Hutchinson & Bloodgood LLP; Honorary Counsel General of Japan in San Diego; President, San Diego Consular Corp</p>	<p>Please ensure you turn in the assigned assignment through Turnitin prior to the beginning of Class 2.</p>	<p>¶¶101 – 104</p> <p>¶¶201 – 208</p> <p>§§871 - 877, 877A, 881 – 885, 911, 7701(b), 6039G</p>

Week	Topics	Homework	Reading
2: September 2	Source of Income		¶¶1301-303 §§861 – 865, and associated regulations
3: September 9	Foreign Tax Credit and Limitation		¶¶401-414 §§901 – 909, and associated regulations
4: September 16	Foreign Tax Credit and Limitation (cont.) Foreign Tax Credit and Limitation	Please ensure you obtain a copy of the case assigned to your group for Class 5.	
5: September 23	US Trade or Business, FDAP, Withholding	Please ensure you obtain a copy of the case assigned for Class 6.	¶¶901 - 905 §§871-875, 881-885, 1441-2 and associated regulations
6: September 30	US Trade or Business, Branch Taxes, Anti-Earnings Stripping Provisions		¶¶1001 - 1004 §§163(j), 884(a), 897 and associated regulations
7: October 7	Controlled Foreign Corporations, Subpart F, 956, 959 and 1248		¶¶501, 801 - 805 §§951 – 959, 898, 964, 1248, 6038, 6046 and associated regulations
8: October 14	Controlled Foreign Corporations, Subpart F, 956, 959 and 1248 (cont.)		
9: October 21	Mid-term exam		
10: October 28	Section 367 – Outbound, Inbound and Foreign-to-Foreign Transfers of Property Guest lecturer: Bruce Stelzner , Partner, International Tax, KPMG LLP		¶¶1401 – 1407 IRC §§367, 7874, and associated regulations
11: November 4	Transfer Pricing Guest lecturer: David L. Cheney , Director, Transfer Pricing PriceWaterhouseCoopers LLP		¶¶1201 – 1205 IRC §482, and associated regulations
12: November 11	NO CLASS – VETERAN’S DAY		
13: November 18	Transfer Pricing (continued) Guest lecturer: David L. Cheney , Director, Transfer Pricing PriceWaterhouseCoopers, LLP	Please ensure you obtain a copy of the case assigned to your group for Class 15.	
14: November 25	NO CLASS – THANKSGIVING BREAK		
15: December 2	Tax Treaties		¶¶1301 – 1303 US Model income Tax Treaty – refer to ¶1304
16: December 9	Class presentations		
December 16	FINAL EXAM 7pm – 9pm		