Materials:
1. Taxes and business strategy, 3rd edition, by Scholes, Wolfson, Erickson, Maydew and Shevlin, hereafter SWEMS

Course objective:
This course is designed to provide you with the tools to identify and understand tax planning opportunities. The course begins by developing a conceptual framework for analyzing tax planning transactions and then applies these tools to various tax planning scenarios. Along the way you will necessarily be introduced to some tax rules and regulations, but this is a consequence of the course rather than the focus of the course.

Lecture notes:
Other than the outline in this syllabus there are no lecture notes. I will provide you with copies of the powerpoint slides I will use in class. I expect you to read through the assigned sections prior to coming to class, but most of the learning process will take place during the lecture as you take notes and during the completion of the related problem sets after the material is covered in class.

Tardiness and missed classes:
I do not take attendance. If you miss a class I expect you to get the lecture notes from a fellow classmate. Please turn off all cell phones, beepers, and any other device whose purpose is to make noise. If you must leave such a device on, please set it to “vibrate”. If you arrive late, please be as quite as possible upon arrival.

Preparation for lecture:
The SWEMS book can be a tough read. The attached schedule indicates which chapters and sections we will cover if time allows. The best way to prepare for the lecture is to read through the assigned sections and come to class prepared to learn.

Exams:
There will be two exams. The first exam is in class, closed book, closed notes and will be taken at the end of the third class and will last 60 mins. The first exam will cover the tax planning framework that is covered in the first two weeks of the class. The second exam will be a final exam and will cover only the applications chapters (from classes 3 through 10). The final exam
material will be very similar to the quiz material discussed below. The format of the exams will be short answer/short problem. There is no make up for either of these two exams. If you will miss the third class for any reason you must tell me within the first week of class so we can make other arrangements.

**Grading:**
It is only natural that from time to time you might have some questions about your quizzes or exam and how it was graded. To make the process tractable, all questions are to be put in an email with the specifics of your question, and sent to me. I will not address quiz or exam questions outside of this mechanism (i.e., during breaks).

**Quizzes:**
There will be seven (7) quizzes starting with the fourth class. The quizzes are closed book and closed notes and will be given during the last 20 or 30 minutes of the class. The quizzes will cover the applications chapters covered in class in the previous week. Only material covered in class by me and in the notes will be included on the quizzes. The format of the quizzes will be short answer/short problem. Quizzes will be graded and returned to you on the following class. We will count the highest 5 quiz grades, and drop your lowest two. Quizzes not taken receive a score of zero. There are no make up quizzes, missed quizzes can count towards the two you can drop.

**Case presentations:**
There will be 10 case presentations. You will be required to take part in presenting one case. The cases will highlight a tax planning strategy that your group will attempt to “sell” to the class. You must be prepared to respond to questions from the audience and from me. Your grade will be based on how technically complete and correct your presentation is (50%), and how in-depth your presentation is (50%). Everyone in the group gets the same grade, this is a team effort. You will have only 20 minutes to present your case, so you need to be well polished and efficient with your time. You may use any presentation method you wish, but at a minimum you should have presentation slides prepared. I will provide the presenting group with most of the answers to the case two weeks prior to the case presentation, but as with all real life cases, a full and complete set of “correct” answers does not exist. Every member of a group must present some portion of the case, no bystanders.

**Grading:**
First exam:                          25%
5 quizzes, 5 points each:            25%
Case presentation:                  25%
Final exam:                         25%

There are no provisions for extra credit in the class
Class 1
Introduction, course outline, grading policies.
Lecture – Tax strategy framework I
  SWEMS chapter 2 sections 1 and 2
  SWEMS chapter 3 sections 1, 2 and 3

Class 2
Lecture – Tax strategy framework II
  SWEMS chapter 4 sections 1, 3, and 4
  SWEMS chapter 5 all sections
  SWEMS chapter 6 section 5

Class 3
Lecture – Individual tax planning
  SWEMS chapter 8 sections 1, 2, and 5
  SWEMS chapter 9 sections 1, 2, and 6
Exam last 60 mins of class, material based on first two classes only

Class 4
Lecture – Investments and estate tax planning
  SWEMS chapter 18 sections 1 through 5
Quiz 1 on individual tax planning
Case 1 Sprint executive stock options

Class 5
Lecture – Corporate formation, operations, and distributions planning
  SWEMS chapter 12 sections 2, 4, and 5
Quiz 2 on investments and estate tax planning
Case 2 Estee Lauder estate transfer

Class 6
Lecture – Corporate multinational and multistate tax planning I
  SWEMS chapter 10 sections 1 and 3
  SWEMS chapter 11 sections 1, 2, and 3
Quiz 3 on Corporate formation, operations, and distributions
Case 3 enron’s use of mips
Class 7
Lecture – Corporate multinational and multistate tax planning II
  SWEMS chapter 10 sections 1 and 3
  SWEMS chapter 11 sections 1, 2, and 3
Quiz 4 on multinational tax planning
Case 4 dupont stock redemption

Class 8
Lecture – Corporate mergers, acquisitions, and divestitures planning I
  SWEMS chapter 13 all sections
  SWEMS chapter 14 section 1
  SWEMS chapter 16 sections 1 and 2
  SWEMS chapter 17 sections 1 and 2
Quiz 5 on multistate tax issues
Case 5 inversions
Case 6 compaq dividend capture strategy

Class 9
Lecture – Corporate mergers, acquisitions, and divestitures planning II
  SWEMS chapter 13 all sections
  SWEMS chapter 14 section 1
  SWEMS chapter 16 sections 1 and 2
  SWEMS chapter 17 sections 1 and 2
Quiz 6 on corporate mergers and acquisitions
Case 7 black and decker coli tax shelter
Case 8 sc2 transactions

Class 10
Lecture – Tax Evasion
Quiz 7 on corporate divestitures
Case 9 worldcoms acquisition of mci
Case 10 quaker oats divestiture of smapple

Final Exams  (you may take the final at any of these three times)

Daytime: Tuesday, March 17, 12:10 to 2:10, 261 AOB IV
Sacramento: Tuesday, March 17, 6:00 to 8:00 OCM 2
San Ramon: Saturday, March 21, 9:00 to 11:00