

UNIVERSITY OF NOTRE DAME
DEPARTMENT OF ACCOUNTANCY
ACCT 70771/0 SPRING 2022
ACCOUNTING FOR INCOME TAXES
SYLLABUS

COURSE DESCRIPTION AND OBJECTIVES:

This course is intended to provide you with an introduction to the rules and applications of ASC 740, Accounting for Income Taxes. Specific topics include:

- Scope, objectives and basic principles of ASC 740
- Recognition and measurement of current and deferred income tax assets and liabilities, including assessing the need for a valuation allowance
- Accounting for uncertainty in income tax positions
- Accounting for income taxes in a business combination
- Accounting for income taxes in foreign operations
- Financial statement presentation and disclosure
- Process and internal control considerations

Upon completing this course, you should have an understanding of the topics outlined above, including

- the ability to perform basic computations,
- an understanding the application of professional judgment where required,
- familiarity with income tax disclosures in financial statements

CLASS SCHEDULE AND LOCATION:

Tuesday evenings 5:00-7:45pm from March 15 – April 26
Mendoza College of Business room 122

INSTRUCTOR:

Ann Marie Achille, ND '96, '00
Aachill2@nd.edu
(312) 315-1015
Office hours by appointment

COURSE MATERIALS:

BNA Accounting Policy & Practice *Portfolio 5001: Accounting for Income Taxes*
In-class exercises as distributed

GRADING:

In-class participation and professionalism 30%

Weekly quizzes or other assignments 40%

Final exam 30%

Assignments:

Assignments will consist of multiple choice, free response and/or computational problems. They will be completed outside of classroom time and will be due the week after being assigned.

Class participation and professionalism:

Pre-reading is assigned because it will help familiarize you with what can be difficult material. **Students who have completed pre-reading** will more quickly absorb classroom material, be better prepared for classroom participation and be better able to advance to more difficult topics as we move throughout the course.

In-class cases or other problems may be used to facilitate learning of the course material and evaluation of such learning during class. They will be completed either individually or in small groups. **Your active participation** in problem solving as well as discussing the solutions will be required.

A portion of this grade component will also be based on your overall in-class participation and professionalism. You are expected to be actively engaged in the learning process during class time. This includes asking and answering questions and supporting others as they do the same. Professionalism includes both your participation in the learning process and your focus on learning over personal correspondence or other potential distractions. **We will conduct class in a manner consistent with everyday life in a professional business setting.**

ACADEMIC CODE OF HONOR:

The University's Honor Code reminds our community of our shared purpose both within the University as well as more broadly as we seek to pursue lives of integrity in the business world.

We are all responsible to uphold the Academic Code of Honor (the "Code") as described in the *Mendoza College of Business Graduate Academic Code of Honor*. The Code includes an understanding that all submitted work must be your own and that you must report any personal violations of the Code to the Instructor or Honesty Committee. Further, if you become aware of a violation of the Code by others, you must take Responsible Actions as outlined in the Code. Utilizing cases, problem sets, exams, quizzes or other like materials from students previously enrolled in this course or a similar one is considered a violation of the Code.

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REQUIRED READINGS:

Pre-reading is assigned because it will start to familiarize you with what can be challenging material. Assignments below are from the **BNA Accounting Policy & Practice Portfolio 5001: Accounting for Income Taxes**. Click the Bookmark icon in the PDF posted in Canvas and use the bookmarks to jump to the reading assignments.

CLASS ONE – MARCH 15

Introductions

Objectives and Basic Principles of ASC 740

Understanding permanent differences and other drivers of the Effective Tax Rate

Identifying and measuring Book-Tax Differences

Identifying and Measuring Temporary Differences

Compute Current Tax Expense and Current Tax Payable

Prepare: View Class 1 video and read BNA Portfolio 5001 Section II. Temporary Differences A. Definition and B. Examples (focus on types of temporary differences vs. numerical examples)

CLASS TWO – MARCH 22

Compute Deferred Tax Expense and Deferred Tax Liability

Accounting for state income taxes

Provision to Return Reconciliation

Current and deferred tax account reconciliations

Financial Statement Presentation and Disclosure

Prepare: View Class 2 video and read BNA Portfolio 5001 Section IV: Financial Statement Presentation & Disclosure

CLASS THREE – MARCH 29

Determining the Need for a Valuation Allowance

Accounting for Uncertainty in Income Taxes

Prepare: View Class 3 video and read BNA Portfolio 5001 Section III: D. Valuation Allowance and E. Tax Planning Strategies; Section V: Uncertain Tax Positions

CLASS FOUR – APRIL 5

Business Combinations

Accounting for Income Taxes of Foreign Operations

- Rate differential and impact on the global ETR
- CFC vs. Branch accounting
- Indefinite reinvestment assertions

Prepare: View Class 4 video and read BNA Portfolio 5001 Section VII: Business Combinations and Section VI. Special Topics, C. International 1 + 2

CLASS FIVE – APRIL 12

Accounting for Income Taxes in Interim Periods

Case study practice

Distribute Final Exam

CLASS SIX – APRIL 19

Walkthrough of Final Exam

CLASS SEVEN – APRIL 26

Technology supporting accounting for income taxes

Class wrap-up