

SYLLABUS
Accountancy 70721
Wealth Planning Taxation
Fall 2021

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Office: 255 MCOB
Office hours: TTH 10:30 am - Noon
and by appointment

Meeting Times: TTH 8:30 am – 9:45 am MCOB 122

Course Materials:

Textbooks: *Estate Planning – 12th Ed.*, Dalton & Langdon, 2020 (Money Education, ISBN: 978-1-946711-33-5). An electronic version of the textbook is also available. It can be purchased through the bookstore or directly from the publisher at www.money-education.com

Internal Revenue Code and Regulations

E-Reserves: Links to articles and other class material are provided on Canvas.

Course Content and Objectives:

The estate tax was enacted in 1916 and has been a subject of debate ever since. Almost every tax legislation in recent history has contemplated changes to or the repeal of estate taxes. The Tax Cuts and Jobs Act made significant changes to the estate and gift tax exemption. As a result, an understanding of the estate tax and transfer tax systems is key to effective tax and personal financial planning.

Accounting 70721 covers a variety of tax and wealth planning topics of interest to individuals and families. Specific topics relate to lifetime transfers, basic estate planning, estate taxes, gift taxes, and generation skipping transfer taxes. Students will prepare a gift tax return and review gifting strategies. The components of the taxable estate are reviewed and discussed. In addition, the theory underlying common personal and wealth transfer strategies are explored. The text is supplemented with sample estate planning documents and articles.

The first half of the course focuses on lifetime transfers and planning. We will discuss gift taxes and techniques to provide the most efficient use of the lifetime exclusion. The remainder of the course deals with the estate and generation skipping transfer tax systems.

Upon completion of this course students will be expected to:

- Learn the fundamental concepts of gift taxation
- Learn the fundamental concepts of estate taxation
- Understand the basics of trusts

- Apply the fundamental estate and gift taxation concepts to develop an understanding of common wealth transfer strategies
- Understand how non-tax considerations affect planning decisions
- Analyze and evaluate client needs for various estate documents, including without limitation wills, trusts, powers of attorney and medical directives
- Recommend appropriate gifting and estate planning strategies and calculate gift and estate taxes
- Improve communication skills through daily participation and assignments that require analytical thought and feedback
- Work collaboratively in teams

Grading:

Grades will be determined based on total points earned. I expect the mean grade to be approximately 3.3 to 3.6 in accordance with College and departmental guidelines. The point distribution will be approximately:

Exam 1	125 pts.	25%
Exam 2	125 pts.	25%
Quizzes (3)	75 pts.	15%
Form 709 Gift Tax Return	75 pts.	15%
Group Assignment	50 pts.	10%
Homework Assignments	25 pts.	5%
Participation	<u>25 pts.</u>	<u>5%</u>
Total	<u>500 pts.</u>	<u>100%</u>

Course Organization & Administration:

The University of Notre Dame is committed to social justice. I share that commitment and strive to maintain a positive learning environment based on open communication, mutual respect, and non-discrimination. In this class we will not discriminate on the basis of race, sex, age, economic class, disability, veteran status, religion, sexual orientation, color or national origin. Any suggestions as to how to further such a positive and open environment will be appreciated and given serious consideration.

Exams: There will be two exams. The exams may consist of multiple choice, true false questions and short answer questions. It is course policy that students must document sufficient official Notre Dame Approval before taking an exam at an alternative time for full credit. If a student arrives late to an exam and is unable to finish by the exam’s conclusion, the student may be allowed additional time at my discretion. Work completed after the exam’s conclusion will be assessed a 25% penalty. If a student misses an entire exam without the aforementioned approval, it will be my discretion to decide whether to give the exam at a later time on the exam date. Students failing to take an exam may receive a failing grade for the semester.

Quizzes: There will be three quizzes given throughout the semester. The timed quizzes will be completed on Canvas. You may use notes or the textbook to assist you during the allotted time. The dates of the quizzes are listed on the course calendar. The completed quiz must be submitted by 11:59 pm on the specified dates. There are no extensions or makeups for quizzes.

Group Assignment: Students are assigned to groups at the beginning of the course. Each group will be required to read, analyze and lead a discussion of an assigned gift tax, charitable planning or estate tax

topic. Groups and individual members are evaluated on the quality of the analysis, the presentation and the class discussion. Each member of the team must speak during the presentation.

Homework: Certain problems or questions will be assigned as individual homework assignments, and must be uploaded to Canvas. Cooperation with other students, including team members, is **not** allowed on these individual homework problems. Late homework will be accepted, however, a 25% penalty may be assessed for each day the assignment is delinquent. Please note, however, that homework assignments may be reviewed and discussed in class and you will be expected to respond to questions if called on. At the end of the semester, your total points for each assignment will be divided by the total points possible to determine the percentage that will be applied to the 25 point total.

Participation: The course is organized around two 75-minute sessions per week. Regular attendance and class participation are expected. Students are expected to come to class to experience a collaborative learning experience. Student's participation in class (and other assigned activities) is an essential element of the learning experience. The value of the course lies in preparing for, listening to, and participating in the class discussion. Participation in class and a positive attitude are critical for earning participation credit. During the semester, in addition to regular textbook problems, there may be cases and articles that students will be asked to read and participate in the class discussion of such. This will provide an excellent opportunity for students to earn participation points.

Students will be graded based on the *quality* (primary) and *quantity* (secondary) of their contributions. Students who receive high participation grades in this component are well prepared, make meaningful comments, and demonstrate logical and insightful thinking. These students are also considerate of other members of the class and do not monopolize class time. Students that receive low participation grades come to class unprepared, arrive late, come and go during class, use cell phones, use computers in activities unrelated to the course, make few comments of any kind, do not respond when called upon, or miss class.

Professionalism: You should treat class time as you would a business meeting. Arrive on time, don't leave early. Engage and participate in the "meeting" (i.e., class discussion). If an unusual circumstance requires that you leave class early, please inform me beforehand. Adhere to the policies and rules outlined in this syllabus. ALWAYS be respectful at all times. Everyone should feel safe to ask questions, test ideas, and different approaches to problem solving. Please treat others in the way that you would expect to be treated. When working in groups, be respectful of your group mates. Be supportive of them and enlist their support. Communicate timely and in a clear and concise manner with your instructor and classmates.

Cell phones must be set to "off" or "silent" during class. The use of cell phones during class is *strictly* prohibited. Cell phones must be stowed out of sight during exams. The use of laptops/IPads/tablets will be allowed during class only for e-books or to access the slides or other course material.

Canvas: I will use the campus Canvas system to provide the syllabus and class schedule, PowerPoint slides, group assignments, quizzes and other material related to the course.

To the extent possible, I will follow the daily class schedule of assignments. Please note that this is an overall planning tool and actual timing of the course may vary from the schedule. The schedule may be altered (add, delete, change timing, etc.) in order to enhance student learning opportunity or for other reasons.

The Academic Code of Honor:

**“As a member of the Notre Dame community,
I will not participate in or tolerate academic dishonesty”.**

Expectations with regard to Academic Integrity follow:

Students will not give or receive aid on **exams**. This includes, but is not limited to, viewing the exams of others, sharing answers with others, using books or notes while taking the exam, and use of cell phones or programmable calculators in unauthorized usage. It also includes discussing the exam in order to help those who are taking it later.

For **case assignments involving groups**, groups must work **completely independently** of other individuals, or groups. Each member of a group has an obligation to ensure that the workload is shared by all members for each assignment. Students are expected to avoid **plagiarism, including the use of material from previous semesters**. See <http://www.nd.edu/~writing/resources/AvoidingPlagiarism.html> for rules on appropriate citations. Notre Dame’s Writing Center is an excellent resource for researching and structuring written assignments.

The honor code requires that a student, with knowledge of the above violations, report such occurrences. If a perceived honor code violation occurs, the procedures outlined in the Student Guide to the Academic Codes of Honor, www.nd.edu/~hnrcode, will be followed.

**WEALTH PLANNING TAXATION
ACCT70721**

In-Class Activities	Quizzes Assignments Presentations	Internal Revenue Code Section & Regs	Recommended Reading Assignments
Session 1 (T 8/24) -- Chapter 1: <i>Introduction to Estate Planning</i>			<i>Chapter 1: Introduction to Estate Planning</i>
Introduction: Instructor, Course Structure, Syllabus & Calendar			pp. 2-13
Introduction to Estate Planning			
Session 2 (TH 8/26) Chapter 3: <i>Types of Property Interests</i>			<i>Chapter 3: Types of Property Interests pp.68-88</i>
Property Interests (Title and Ownership)		§2031(a), §2040(a), (b), §1014(a), §2056(a), §7520	pp. 68-88
Partial Ownership			
Legal vs. Equitable Interest in Property			
Session 3 (T 8/31) Chapter 5: <i>Gift Tax</i>			<i>Chapter 5: Gift Tax</i>
Historical Background of Unified Transfer Tax System		§§2501 - 2524	pp.122-143
Characteristics of a Gift		25.2511-1(c)(1)	
Types of Gifts		§2511	
Below Market Loans		§7872	
Complete and Incomplete Transfers		Reg. §25.2511- 1(g), Reg. §25.2512-8	
Value of Gifts		§2512	
Exclusions and Exemptions		§2523, §2503(b)	
Split Gifts		§2513	
Present and Future Interests		Reg §25.2503-3	
Session 4 (TH 9/2) Chapter 5: <i>Gift Tax</i>			<i>Chapter 5: Gift Tax</i>
			<i>pp. 143-149 & 158-161</i>
The Crummey Provision			<i>Crummey v. Commissioner 397 F.2d 82 (9th Circ.1968)</i>
Five and Five Lapse Rule			
Qualified Transfers		§2503(e)	
Disclaimer		§2518	
Income Tax Issues Related to Gifts		§102, §1015, Reg. §1.1015-1(a)(2)	
Session 5 (T 9/7) Chapter 5: <i>Gift Tax</i>			<i>Chapter 5: Gift Tax</i>
Gift Strategies			<i>pp. 161-167 & 149-157</i>
Advantages of Lifetime Gifts vs. Bequests			
Form 709 Gift Tax Return		§6018, §6075	Instructions to Form 709

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In-Class Activities	Quizzes Assignments Presentations	Internal Revenue Code Section & Regs	Recommended Reading Assignments
Session 6 (TH 9/9) Chapter 7: Transfers During Life and at Death	Quiz #1 due 11:59 pm		<i>Chapter 7: Transfers During Life and At Death</i>
Guest Speaker -- Mark Bauters Deloitte Tax			
Lifetime Transfers			<i>pp. 228-243</i>
Grantor Retained Trusts		§2036, Reg. §25.2512-5T(d)(2), §2702(b)(1)	pp. 244-256 & 261-268
Intentionally Defective Grantor Trusts		§§671-679	
Qualified Personal Residence Trust		§7520	
Family Limited Partnerships		§2701	
Applicable Federal Rates (AFR) https://apps.irs.gov/app/picklist/list/federalRates.html			
Valuation Discounts		§2701	
Session 7 (T 9/14) Chapter 7: Transfers During Life and at Death			<i>Chapter 7: Transfers During Life and At Death</i>
Lifetime Transfers			<i>pp. 228-243</i>
Installment Sales		§453	
Applicable Federal Rates (AFR) https://apps.irs.gov/app/picklist/list/federalRates.html			
Partial Sales Transactions			
Private Annuities			
Self Canceling Installment Notes		§453(B)(F), §691	
Transfers at Death		§6035	Form 8971
Session 8 (TH 9/16) Current Gift & Transfer Tax Topics Discussion			Cases and Information to be provided on Canvas
Discuss current cases and articles	Group Presentations		
Review gift tax return group project			
Session 9 (T 9/21) Chapter 8: Trusts			<i>Chapter 8: Trusts</i>
Definitions			<i>pp. 278-296</i>
Benefits of a Trust			<i>Uniform Principal & Income Act, 7b U.L.A. 141 (2004)</i>
Rule Against Perpetuities			
Trust Classification: Grantor, Simple or Complex		§§651 - 667	
Accounting and Income Taxation of Trusts		§§641-671	
Session 10 (TH 9/23) Chapter 8: Trusts	Quiz #2 due 11:59 pm		<i>Chapter 8: Trusts</i>
Trusts used in Estate Planning			pp. 296-321
Revocable Trusts		§2038, §676	
Irrevocable Trusts			
Intervivos Trusts		§2036, §2038	
Credit Shelter Trusts			
Power of Appointment Trusts		§2056(b)(5)	

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In-Class Activities	Quizzes Assignments Presentations	Internal Revenue Code Section & Regs	Recommended Reading Assignments
Session 11 (T 9/28) Chapter 9: Charitable Giving			<i>Chapter 9: Charitable Giving</i>
Charitable Contributions Overview			<i>pp.332-352</i>
Types of Charitable Organizations			
Charitable Gifts During Life			
Income Tax Deductibility Rules		§170	
Session 12 (TH 9/30) Chapter 9: Charitable Giving			<i>Chapter 9: Charitable Giving</i>
Charitable Gifts of A Split Interest	Form 709 Gift Tax Return		<i>pp.352-366</i>
Pooled Income Funds		Reg §1.642(c)-5 - 1.642(c)(7)	
Charitable Remainder Trusts		§664	
Charitable Lead Trusts			
Testamentary Gifts to Charity		§2055	
Session 13 (T 10/5)			
Exam #1			
10/7 - READING DAY -- NO CLASS			
10/8 - 10/15 INTER-TERM -- NO CLASSES			
10/16 - 10/24 FALL BREAK -- NO CLASSES			
Session 14 (T 10/26) Chapter 2: Basic Estate Planning Documents			<i>Chapter 2: Basic Estate Planning Documents</i>
Intestacy			pp. 18-59
Wills			Uniform Probate Code
Types of Wills			
Requirements for Validity			
Common Will Provisions			
Per Stirpes v. Per Capita			
Powers of Attorney v. Power of Appointment		§2041	
Non-Financial Documents			
Session 15 (TH 10/28) Chapter 4: The Probate Process			<i>Chapter 4: The Probate Process</i>
Testate v. Intestate Succession			<i>pp. 96-114</i>
Advantages and Disadvantages of Probate		§2002	
Nontraditional Relationships			<i>Obergefell v. Hodges, 135 S. Ct. 2584, 576 U.S. (2015)</i>
Property Passing Through Probate			
Non-Probate Property			
Calculating the Probate Estate			
Session 16 (T 11/2) Current Charitable Gifting Topics Discussion			Cases and information to be provided on Canvas
Discuss current cases and topics	Group Presentations		
Session 17 (TH 11/4) Planning for the Closely Held Business Owner			
Guest Speaker -- Jim Raaf Andersen Tax			

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In-Class Activities	Quizzes Assignments Presentations	Internal Revenue Code Section & Regs	Recommended Reading Assignments
Session 18 (T 11/9) Chapter 6: The Estate Tax			<i>Chapter 6: The Estate Tax</i>
The Gross Estate Overview		§§2001 - 2056	<i>pp. 176-189</i>
Property Owned by the Decedent		§2033	
Gifts Made Within Three Years of Death		§2035	
Transfers with a Retained Life Estate		§2036	
Transfers Taking Effect at Death		§2037	
Revocable Transfers		§2038	
Annuities		§2039	
Joint Interests		§2040	
Session 19 (TH 11/11) Chapter 6: The Estate Tax			<i>Chapter 6: The Estate Tax</i>
Powers of Appointment		§2041	<i>pp. 189-203</i>
Life Insurance		§2042	
Valuation		§2031	
Alternate Valuation Date		§2032	
Deductions		§§2053- 2055	
Session 20 (T 11/16) Chapter 6: The Estate Tax			<i>Chapter 6: The Estate Tax</i>
Determining the Tentative Estate Tax		§2051	<i>pp.203-219</i>
Credits		§§2010 - 2016	
Portability		§2010, Reg. §20.2010-2	
Basis to Heirs and Legatees		§1014, §6035	
Calculating the Estate Tax		§2001, §2002	
Session 21 (TH 11/18) Current Estate Tax Topics Discussion	Quiz #3 due 11:59 pm		Cases and information to be provided on Canvas
Discuss current cases and topics	Group Presentation		
Session 22 (T 11/23) Chapter 10: The Unlimited Marital Deduction			<i>Chapter 10: The Unlimited Marital Deduction</i>
Unlimited Deduction Overview			<i>pp.374-413</i>
Qualifications for the Marital Deduction		§2056	
Terminable Interest Rule		§2056(b)(7)	
Outright Bequests			
General Power of Appointment Trusts		§678, §2041, §2056(b)(5)	
Qualified Terminable Interest Property (QTIP) Trusts		§2056(b)(7), Reg. §20.2056	
Non-Citizen Spouse		§2056(d)	
11/24 - 11/28 THANKSGIVING BREAK -- NO CLASSES			

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In-Class Activities	Quizzes Assignments Presentations	Internal Revenue Code Section & Regs	Recommended Reading Assignments
Session 23 (T 11/30) Chapter 13: Generation Skipping Transfers			<i>Chapter 13: Generation Skipping Transfers</i>
Generation Skipping Transfer (GST) Tax Overview		§§2601-2664	<i>pp.496-506</i>
Transferors, Transferees, Skip Persons		§2652(a), §2613	
Direct Skip		§2612(c)	
Taxable Termination		§2612(a)	
Taxable Distribution		§2612(b)	
Session 24 (TH 12/2) Chapter 13: Generation Skipping Transfers			<i>Chapter 13: Generation Skipping Transfers</i>
Exceptions, Exclusions and Exemption			<i>pp.507-521</i>
Inclusion Ratio		§2631	
Returns and Filing Requirements		§2632, §2642	
GST Trusts		§2662	
Session 25 (T 12/7) Chapter 11: Life Insurance			<i>Chapter 11: Life Insurance</i>
Uses of Life Insurance			<i>pp.421-456</i>
Types of Life Insurance			
Parties to a Policy			
Income Tax Treatment		§101	
Gift Tax Treatment		Reg. §25.2512-6	
Federal Estate Tax Treatment		§2042, Reg. §20.2031-8(a)	
Irrevocable Life Insurance Trust		§2042, §2035	
Session 26 (TH 12/9)			
Catch up day			
Exam #2 Tuesday, 12/14 8:30 am - 10:30 am			