Instructor: Kelly Wentland
Email: kwentlan@gmu.edu
Classroom: Arlington Campus: Founders Hall 111
Class Day/Time: Wednesdays from 6:30-10:05 p.m.
Office Hours: Wednesdays 1:30-2:30 pm or by appointment
Added office hours for two exam weeks:
Mon., Jan. 28 1:30-2:30 pm
Mon., Feb. 25 1:30-2:30 pm
Office: Enterprise Hall Office 116
Scholes, Wolfson, Erickson, Hanlon, Maydew, Shevlin

I. Course Introduction and Objectives

George Mason University Catalog Description:
Provides a framework for making managerial decisions in a global tax environment. Examines business decisions such as location of facilities, employee compensation, mergers and acquisitions, capital and asset structure, and business form. Focuses on tax planning concepts and the effect of taxes on business decisions.

Course goals (in line with those discussed with the MIT Sloan course): Traditional finance and other business courses analyze a broad spectrum of factors affecting business decision-making but typically give little systematic consideration to the role of taxes. In contrast, traditional tax accounting courses concentrate on tax consequences while ignoring the richness of the context in which tax factors operate. The objective of this course is to bridge this gap by
providing a framework for recognizing tax planning opportunities and applying basic principles of tax strategy.

The key themes in this conceptual framework are:

- **All Parties** - Effective tax planning requires the planner to consider the tax implications of a proposed transaction for all parties to the transaction. In many cases, it is differences in tax status that create tax arbitrage opportunities.

- **All Taxes** - Effective tax planning requires considering both explicit taxes (taxes paid directly to the government) and implicit taxes (taxes paid indirectly in the form of lower before-tax rates of return on tax-favored investments).

- **All Costs** - Effective tax planning requires the planner to recognize that taxes represent only one among many business costs, and all costs must be considered in the planning process.

The course begins by defining important terms for this conceptual framework (e.g., implicit taxes, tax clienteles) and offering a brief summary of how tax rules are developed and enforced. We then review concepts for decision making from finance (e.g., future value and compound interest calculations) and adjust these calculations to incorporate a role for taxes. We use these concepts to compare various decisions by individual taxpayers and firms related to: investment or savings, compensation, how to organize a business, corporate operations, and capital structure. We also focus time on understanding nontax cost trade-offs from tax planning.

An ultimate goal of the course is to provide you with an approach to thinking about taxes that will be valuable even as the tax laws change. A useful by-product of this approach is the ability to think critically about various tax provision changes with the recent tax reform.

II. Grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Score</th>
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<tbody>
<tr>
<td>A</td>
<td>≥ 90</td>
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<tr>
<td>B</td>
<td>≥ 80</td>
</tr>
<tr>
<td>C</td>
<td>≥ 70</td>
</tr>
<tr>
<td>F</td>
<td>&lt; 70</td>
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Grading breakdown:

- Participation 10%
- Quizzes (using the average after dropping the lowest 1) 10%
- Assignments (using the average after dropping the lowest 1) 10%
- Midterm 35%
- Final Exam 35%

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1 Plusses and minuses will be used only in "borderline" cases as determined by the instructor. They will only be used in cases where the plus or minus helps the student. In other words, if a student’s score meets the threshold above (say, an 81% final grade), then the student has earned no less than that grade (in the 81% case: B), having crossed the threshold. Below the threshold, and on the borderline, a plus or minus will be given solely at the instructor’s discretion, based on factors like grade trends, distributions, participation/attendance, etc. Student lobbying efforts, however, play no role in final letter grade determinations.
Quizzes:
There will be approximately 6 reading quizzes throughout the semester (depending on the extent to which I group more than one chapter in a quiz), typically taken online in Blackboard (mymasonportal.gmu.edu) prior to the beginning of the class that will go over the related chapter. These quizzes will cover concepts from the chapter reading. There will be no make-up quizzes. However, I will drop the lowest quiz for each student.

Assignments:
There will be approximately 6 out-of-class assignments throughout the class. The assignments will involve a mix of exercises (like those similar to calculations and discussion during class) and may involve case problems that apply these calculations to specific individual and firm taxpayer circumstances. These are more detailed than the quiz problems (e.g. involve calculations and story problems for different taxpayers) and are intended to give students regular feedback on their understanding of the material prior to exams. In addition, this will help the instructor to assess how the class as a whole is grasping certain concepts as we proceed further with chapter material. As with the quizzes, there will be no make-ups, which is why I drop the lowest assignment grade.

Midterm:
The midterm is an in-person exam to be taken during class on Wednesday, Jan. 30. See the course policies below regarding make-up exams.

Final Exam:
The final exam is an in-person exam to be taken during class on Wednesday, Feb. 27. It will primarily cover material since the Midterm. It is not comprehensive insofar as it will not have detailed questions focused on testing pre-Midterm material, but some questions on post-Midterm material may still require a general understanding of pre-Midterm material. Accommodations can be made for students who have more than two exams on the same day or have a specific academic conflict, but will not be made for recreational or convenience purposes (like “this is my last exam of the week, and I would like to go home earlier than the day of the final” for some reason or another).

III. Course Policies

Attendance:
The class moves at a fast pace given we only meet once per week for eight weeks. So, missing a class can quickly put you substantially behind if you don’t make arrangements outside of class to get caught up. Your attendance and active participation in class contribute to your participation portion of the grade. If you miss a class, it is your responsibility to stay up on the material, such as arranging with another student to get a copy of course notes and reach out to me to set up an office visit to go over questions.

2 The number could vary depending on whether we make it through all the planned chapters or not.
3 The number could vary depending on whether we make it through all the planned chapters or not.
General Make-Up and Extra Credit Policy:
There will be no make-up quizzes or assignments given. This is why I drop a number of quizzes and assignments. This should buffer against the occasional unusual circumstance or conflict. If you have a foreseeable conflict with an exam date, then please notify me at least one week in advance of the scheduled in-class exam date to allow accommodations to be made.

The exception to this is absence because of sudden illness or family emergency, which will require official documentation to support the absence. An unapproved absence will result in a grade of zero on the exam. The Midterm must be taken within a reasonable time limit (usually within a week from the scheduled date). The final exam must be taken within 3 days of the scheduled time given the quick turnover to the next mod. Note that it is a student’s responsibility to make required arrangements for alternative exam dates in advance, otherwise the grade will be a zero for that exam.

George Mason E-mail and Blackboard:
Students are expected to check their George Mason e-mail and Blackboard on a daily basis. In order to comply with student privacy laws, students must use their Mason email account to receive important University information, including messages related to this class, and when corresponding with me or fellow students for our class.

Course information and supporting materials will be available through Blackboard. I will disseminate course information using both outlets, including announcements, course content, grades, and (possibly) class cancellations. If you have any questions or problems about accessing these, please see me or IT.

Students with disabilities:  If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Services (ODS) at 703-993-2474. All academic accommodations must be arranged through the ODS. Facilitation for disabilities in the classroom will be applied after I receive the appropriate faculty contact sheet from ODS.

Honor Code:
Student members of the George Mason University community pledge not to cheat, plagiarize, steal, or lie in matters related to academic work.

All academic work in this course, including quizzes, assignments, and exams, is to be your own work, unless otherwise specifically described by the instructor. It is your responsibility if you have any doubt to confirm whether or not collaboration is permitted. In this class, an honor code violation would occur if unauthorized collaboration took place or if unauthorized materials were used on quizzes, assignments, or exams. Examples of unauthorized collaboration include but are not limited to copying off another student’s quiz, assignment, or exam, discussing questions on the quiz, assignment, or exam during the exam, and a student who has taken an exam earlier telling other students answers or specific questions on the exam. Examples of unauthorized materials include but are not limited to use of laptops, phones, calculators,
notes, or the textbook on a quiz, assignment, or exam in a way that is different than what I have explicitly allowed. If any part of this honor code statement is not clear, ask me for a clarification.

I expect all students to follow the GMU Honor Code. Violations of the Honor Code will be forwarded to the Honor Council for resolution. The following are the recommended responses for honor code violations for the School of Business.

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<thead>
<tr>
<th>Type of Violation</th>
<th>First Offense</th>
<th>Second Offense</th>
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<tbody>
<tr>
<td>Plagiarism, lying, cheating on an assignment, homework, or including other’s work as your own</td>
<td>An F in the class</td>
<td>An F in the class and dismissal from program</td>
</tr>
<tr>
<td>Egregious Violation [e.g., stealing an exam; passing on confidential course material; cheating on an exam, project, or otherwise violating specified rules for an exam or project; etc.]</td>
<td>An F in the class and dismissal from program</td>
<td>An F in the class and dismissal from program</td>
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**Bad Weather Days:**
If you are unsure if classes will be taught on days when weather is especially bad, please e-mail me. If I am unable to get to class, I will inform you via your George Mason e-mail and/or our course’s Blackboard site. If you have not heard from me, then the default is to assume that class will proceed as scheduled.

**Other Policies:**
Policies not explicitly stated in this syllabus are delegated to the UNC George Mason University Catalog General Policies and the George Mason University Honor Code.
### IV. Tentative Course Schedule*

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic Description</th>
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<tbody>
<tr>
<td>Wednesday</td>
<td>Introduction to Tax Strategy – Ch. 1 and</td>
</tr>
<tr>
<td>Jan. 9</td>
<td>Tax-Planning Fundamentals – Ch. 2 (2.1 and 2.3 only for Ch. 2)</td>
</tr>
<tr>
<td>Wednesday</td>
<td>Returns on Alternative Savings Vehicles – Ch. 3 (3.1 and 3.2 only)</td>
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<tr>
<td>Jan. 16</td>
<td>Nontax Costs of Tax Planning – Ch. 6</td>
</tr>
<tr>
<td>Wednesday</td>
<td>MIDTERM (Ch. 1, 2, 3, and 6)</td>
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<tr>
<td>Jan. 30</td>
<td>Compensation Planning – Ch. 8</td>
</tr>
<tr>
<td>Wednesday</td>
<td>Choosing the Optimal Organizational Form – Ch. 4</td>
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<tr>
<td>Feb. 6</td>
<td>Corporations: Formation, Operation, Capital Structure, and Liquidation – Ch. 12</td>
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<tr>
<td>Wednesday</td>
<td>FINAL EXAM (Ch. 8, 4, and 12)</td>
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<td>Feb. 20</td>
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<tr>
<td>Wednesday</td>
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<tr>
<td>Feb. 27</td>
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* The instructor reserves the right to make any necessary changes to the syllabus and course schedule with appropriate announcements in class and on Blackboard.