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.

Course Objectives:

The primary objective 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.

You will also use and develop higher-level skills such as the ability to analyze, synthesize and critically evaluate information and rules and then to communicate that critical learning to others in an informative, constructive and ethical manner.

Learning Objectives:

The College of Business at SDSU has goals for our MSA students (those addressed by this course are italicized):

- Communication Skills
- Group/Interpersonal Skills
- Ethics
- Research Skills
- Global/International Skills
ACCOUNTING 659: SEMINAR US INTERNATIONAL TAX

The Charles W Lamden School of Accountancy (SOA) has learning objectives and a complete list of these can be found on the SOA’s website. This course intends to address the following of those learning objectives:

1. Use relevant research tools and academic/professional literature to analyze and take a position in relation to international and cross-border business situations.

2. Address unstructured problems in the area of international taxation.

3. Comprehend an international perspective and appreciate the significance of diversity and cultural differences in the global business environment.

4. Apply ethical rules, theories and regulatory guidelines to the practice of public, private and tax accounting; understand the need for professional integrity and objectivity.

Accounting 659 intends to provide students with the opportunity to meet each of the following course level learning objectives:

1. Identify and describe key US international tax concepts.

2. Apply tax law by performing income tax calculations on international and cross-border transactions.

3. Draw supportable conclusions regarding tax issues by using research skills (including accessing and interpreting sources of authoritative support) to identify and evaluate opportunities.

4. Research US international tax law and apply to transactions to comply with the law whilst minimizing tax costs, and maximizing after tax cash flows.

5. Describe how US and foreign taxes are interrelated in calculating total US tax liabilities and payments.

6. Communicate tax conclusions in a clear and concise manner to relevant stakeholders.

Meeting the Objectives:

To help you in meeting these objectives there are a wide array of education elements including:

- A required textbook: Taxation of International Transactions (Gustafson, Peroni and Pugh published by West Publishing). Please make sure it is the fourth edition. The fourth edition is black in color;
- A required textbook: 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.
ACCOUNTING 659: SEMINAR US INTERNATIONAL TAX

- A recommended textbook: 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;
- IRS Forms – if the class notes an IRS form, then please ensure you have printed off the form and instructions from the IRS website and bring this to class. For example, I would expect you to bring a copy of Form 8833 to Class 7.
- Required reading prior to each class lecture;
- Twelve three hour and forty minute class meetings which will usually be broken into a lecture followed by group work to reinforce the pre-lecture reading and the lecture material;
- Three class tests which will be assessed and returned to you;
- One tax research case that you will need to print, read and bring to class for discussion in class;
- One major test;
- One class presentation;
- Office hours to try and help you with any difficulties you may be having.

Our Learning Community:

Just like any other human relationship, successful relationships in the classroom require mutual respect and communication. I promise to do my part to foster the positive aspects of this learning community, and I expect the same in return from each student.

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.
- If you send me an e-mail, I will attempt to respond within 48 hours (if not earlier).
- 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 the textbook pages as outlined in the syllabus prior to coming to class.
- 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.
- 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.
Academic Honesty:

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 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.

How to contact me:

<table>
<thead>
<tr>
<th>Instructor</th>
<th>Office</th>
<th>e-mail</th>
<th>Phone</th>
<th>Office Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narelle MacKenzie</td>
<td>SS2429</td>
<td><a href="mailto:NarelleMacKenzieCPA@live.com">NarelleMacKenzieCPA@live.com</a></td>
<td>(858) 210-8768 (you should only call my phone in case of an emergency otherwise, please e-mail me)</td>
<td>M before class, by appointment W before class by appointment</td>
</tr>
</tbody>
</table>

Assessment:

You may not make up a class test. There is no extra credit in this course, and please do not ask me, as the answer will be a negative response.

<table>
<thead>
<tr>
<th>Assessment</th>
<th>% of grade</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class test 1</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Class test 2</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Class test 3</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Major test</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Class Presentation</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Class participation</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Total for course</td>
<td>100%</td>
<td>100</td>
</tr>
</tbody>
</table>

The class tests, major test and class presentation are all individual assignments and not group work.

The group work in class is group work and not individual assignments.
Class tests:
Class tests are written answers, and in general you should provide the reasoning for your answer. The class tests are given at the beginning of the class. Class test 1 will cover the work in Classes 1-4. Class test 2 will cover the work in Class 5. Class test 3 will cover the work in Class 6.

Major test:
The test will be provided to you at the beginning of the class period. It will cover the work in Classes 6-9.

Class Presentation:
The details of the requirements for the presentation will be provided after Class 10. This is an individual assignment, and will entail a presentation to the class and to external evaluators.

Class Participation:
You need to be in class to participate (please see separate note on attendance). Active class participation is expected and you will be evaluated on participation during the lecture and during the group exercises. The assignment (please see separate note on Homework) will form part of the Class participation assessment.

Homework:
I set an assignment the first night of class (Class 1) for handing in at the beginning of the second class (Class 2). The only other set homework is the reading from the text that is set for the next class. I expect that you will have done the reading from the text prior to coming to class. For example, prior to the class on July 10, I expect you will have read pp 16-60 of the text. This class is intensive and if you do not do the reading prior to attending the class you may not understand some of the things we are discussing in the class.

Attendance:
I take attendance for this class. Each class meeting is 3 hours and 40 minutes. If you are unable to attend class, do not expect that I will make up that lecture for you individually. Please ask a fellow student for the notes from the class and the answers to any work we have done in class for any class that you may miss.

Course Logistics:
Scheduled class times are:

<table>
<thead>
<tr>
<th>Days</th>
<th>Times</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW</td>
<td>18:00-21:40</td>
<td>GMCS 329</td>
</tr>
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</table>
## Course Calendar:

<table>
<thead>
<tr>
<th>Class</th>
<th>Date (2013)</th>
<th>Topic</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>July 8</td>
<td>Introduction Course Overview Residency, Sec. 911</td>
<td>Code: 871-877, 881-885, 911 and Regs IRS Form(s): 1040NR, 2555, 8938, TDF90.22-1</td>
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<tr>
<td>2</td>
<td>July 10</td>
<td>Jurisdiction to Tax Scheme of Taxation</td>
<td>Code: 7701(b) and Regs. Text: pp 16-60 (¶ 1070-1225)</td>
</tr>
<tr>
<td>5</td>
<td>July 22</td>
<td>Class test 1 (30 minutes) FDAP Earnings stripping Branch Profits Tax,</td>
<td>Code: 163(j), 884(a), 897 and Regs. Text: pp 222-227, 277-292 Sec. 897 (¶ 3230-3240, 4185-4275) IRS Form(s): 1120-F, 5472</td>
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<tr>
<td>8</td>
<td>July 31</td>
<td>CFC, Subpart F, 956</td>
<td>Code: 951-958 Text: pp 485-581(¶ 6000-6190)</td>
</tr>
<tr>
<td>9</td>
<td>August 5</td>
<td>CFC-continued, 959, 1248</td>
<td>Code: 898, 959, 964, 1248, 6038, 6046 Text: pp 584-602, 603-608 (¶ 6200-6230, 6240-6245) IRS Form(s): 5471</td>
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<tr>
<td>10</td>
<td>August 7</td>
<td>Major class test (120 minutes)</td>
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</tr>
</tbody>
</table>

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11     August 12   Section 482

12     August 14   Class presentations

Code: 482 and Regs
Text: pp 710-760 (¶ 8000-8175)