

Syllabus for  
**ACT 471 /GACT 571—Estate and Gift Taxation**  
3 Credit Hours  
Spring 2012

I. COURSE DESCRIPTION

A broad overview of the federal transfer tax system including federal gift taxation, federal and state estate taxation, and federal generation-skipping transfer taxation. The course examines various forms of property ownership, transfers of those various ownerships, and related tax implications. Prerequisites: ACT 215 Principles of Accounting I and ACT 216 Principles of Accounting II, and ACT 327 Intermediate Accounting I with a grade of "C" or better or have the permission of the instructor.

II. COURSE GOALS

- A. This course allows the student to study the fundamental body of estate and gift taxation theory and provides the foundations for additional theoretical, practical, and professional development by accountants, attorneys, planned giving officers, and other professionals who would provide individuals and nonprofit organizations accounting, estate planning, and development services consistent with the fundamental philosophy of ORU.
- B. In line with the purpose of this University, this course seeks to do the following:
1. Contribute to the education of the whole person.
  2. Encourage students to place faith in Jesus Christ at the center of their lives.
  3. Encourage the synthesis and integration of the common bond of knowledge provided by the University into a unified whole.
  4. Sharpen the communication, computation, and critical analysis skills of each student.
  5. Develop appreciation for differing cultures.
  6. Increase the students' recognition of God's order, diversity, creativity, and their consequences in the social and historical sciences.
  7. Demonstrate that knowledge and experience are related, not separated.
  8. Assist the students' development of basic skills, acquiring of basic knowledge, and formulation of a world vision.
  9. Advocate the examination of this field of knowledge in the context of its influence upon, and its being influenced by, others.
  10. Promote the continuing process of study in, and support active participation in, activities conducive to good health.
- C. In line with the purpose of the graduate and undergraduate schools of business with a special emphasis in accounting, this course is designed to prepare students for an active role in creating, drafting, implementing, and maintaining individual and organizational estate planning, development, and charitable giving programs. In particular, it is an objective to provide additional skills and experience to the students' broadly based business expertise so that the students will be prepared to enter the professional arena at a high level of preparedness and competence.
- D. In line with the departmental objectives, this course seeks to prepare the student in the following areas:

1. Critical thinking (skills in reasoning, objectivity, analysis, interpretation, research, or decision making relevant to the discipline)
2. Communication (abilities in areas such as written, oral, and nonverbal communication; group process; information technology and/or media production)
3. Broad, comprehensive, foundational knowledge for the professional standards of the major
4. Broad interpretation of the dynamics of business within the social and professional context
5. Internalization of Christian business ethics and professionalism

### III. STUDENT LEARNING OUTCOMES FOR THIS COURSE

#### A. Terminal Objectives

After successfully participating in the course requirements as outlined in this syllabus, the student with a 70 percent minimum level of accuracy will be able to do the following:

1. Analyze various federal gift taxation exposures for lifetime transfers of assets.
2. Analyze various federal and state estate taxation exposures for testamentary transfers of assets.
3. Analyze various federal generation-skipping transfer taxation exposures.
4. Analyze the impact each of the above has for purposes of income taxation.

#### B. Unit Objectives

As a result of successfully completing the following units the student will be able to do the following:

1. Properly analyze and account for federal gift taxation exposures for lifetime transfer of assets.
  - a. Basic nature of the federal gift tax
  - b. Annual gift tax exclusion 2503(b)
  - c. Tuition and medical expense exclusion 2503(e)
  - d. Gift splitting 2513
  - e. Charitable deduction 2522
  - f. Marital deduction 2523
  - g. Gift tax returns
2. Properly analyze and account for federal and state estate taxation exposures for testamentary transfers of assets.
  - a. Basic nature of the tax
  - b. Gross estate
  - c. Valuation
  - d. Deductions
  - e. Credits
  - f. Transfers within three years of death 2036 and 2038
  - g. Retained interests 2036 and 2038
  - h. Annuities and death benefits 2039
  - i. Joint tenancies 2040
  - j. Powers of appointment 2041
  - k. Life insurance 2042
3. Properly analyze and account for federal generation-skipping transfer taxation.
  - a. Basic nature of the tax

- b. 1986 gstd
  - c. Application of gstd, inclusion ratio, and applicable fraction
  - d. \$1 million exemption
  - e. Allocation of exemption
  - f. Exclusions 2611(b) and 2642(c)
  - g. Valuation
  - h. Gstd taxable amount
  - i. Generational assignments, multiple transfers, and basis adjustments
  - j. The return
  - k. \$2 million exclusion 1433(b)(3)
4. Explain and discuss the various forms of ownership including concurrent ownership and testamentary versus nontestamentary transfers of assets and the attending gift, estate, and income taxation consequences.
- a. Tenancy in common
  - b. Joint tenancy, tenancy by the entirety
  - c. Community property

#### IV. TEXTBOOKS AND OTHER LEARNING RESOURCES

##### Required Materials

##### Textbooks

John C. Bost (2006). *Estate Planning and Taxation*, (14<sup>th</sup> ed.). Kendall/Hunt Publishing. ISBN: 0-7575-2606-3

Stephens, Lind, and Calfee (2004). *Federal Estate & Gift Taxation Study Problems*, (8<sup>th</sup> ed.). Warren, Gorham, & Lamont Publishers. ISBN: 0-7913-4750-8

#### V. POLICIES AND PROCEDURES

##### A. University Policies and Procedures

1. Attendance at each class or laboratory is mandatory at Oral Roberts University. Excessive absences can reduce a student's grade or deny credit for the course.
2. Students taking a late exam because of an unauthorized absence are charged a late exam fee.
3. Students and faculty at Oral Roberts University must adhere to all laws addressing the ethical use of others' materials, whether it is in the form of print, electronic, video, multimedia, or computer software. Plagiarism and other forms of cheating involve both lying and stealing and are violations of ORU's Honor Code: "I will not cheat or plagiarize; I will do my own academic work and will not inappropriately collaborate with other students on assignments." Plagiarism is usually defined as copying someone else's ideas, words, or sentence structure and submitting them as one's own. Other forms of academic dishonesty include (but are not limited to) the following:
  - a. Submitting another's work as one's own or colluding with someone else and submitting that work as though it were his or hers;
  - b. Failing to meet group assignment or project requirements while claiming to have done so;
  - c. Failing to cite sources used in a paper;

d. Creating results for experiments, observations, interviews, or projects that were not done;

e. Receiving or giving unauthorized help on assignments.

By submitting an assignment in any form, the student gives permission for the assignment to be checked for plagiarism, either by submitting the work for electronic verification or by other means. Penalties for any of the above infractions may result in disciplinary action including failing the assignment or failing the course or expulsion from the University, as determined by department and University guidelines.

4. Final exams cannot be given before their scheduled times. Students need to check the final exam schedule before planning return flights or other events at the end of the semester.
5. Students are to be in compliance with University, school, and departmental policies regarding Whole Person Assessment requirements. Students should consult the WPA handbooks for requirements regarding general education and the students' majors.
  - a. The penalty for not submitting electronically or for incorrectly submitting an WPA artifact is a zero for that assignment.
  - b. By submitting an assignment, the student gives permission for the assignment to be assessed electronically.

## B. Course Policies and Procedures

### Evaluation Procedures

1. Undergraduate students
  - a. Point distributions

4 hourly exams at 100 points each	=	400
Daily work and class participation	=	<u>100</u>
Total points possible	=	500
  - b. Grading Scale

A = 90%	=	450
B = 80%	=	400
C = 70%	=	350
D = 60%	=	300
F = Below 60%	=	Below 300 points
2. Graduate Students:
  - a. Point distribution

4 hourly exams at 100 points each	=	400
Daily work and class participation	=	100
Class project	=	<u>100</u>
Total points possible	=	600
  - b. Grading scale:

A = 90%	=	540
B = 80%	=	480
C = 70%	=	420
D = 60%	=	360
F = Below 60%	=	Below 360 points
3. One hundred points total will be awarded for daily work and class participation. Each unexcused absence greater than three (3) will result in a loss of 10 points per absence.
4. Whole Person Assessment Requirements – None
5. Professor Contact Information

Dr. Marshal Wright  
[mwright@oru.edu](mailto:mwright@oru.edu)  
495-6988

## VI. COURSE CALENDAR

<u>CLASS</u>	<u>CLASS TOPIC ASSIGNMENT</u>	
1.	Intro and review syllabus.	
2.	Intro to the Wealth Transfer System	
3.	Intro to the Wealth Transfer System	
4.	Intro to the Wealth Transfer System	
5.	CD ROM Training	
6.	Section 2001	Problem #1
7.	Sections 2010-2012,	
8.	Sections 2013, 2014, 2031	
9.	Sections 2031, 2033	Problem #2
10.	Sections 2033, 2034	
11.	Exam #1 Review	
12.	Exam #1	
13.	Section 2035	Problem #3
14.	Review Problem #3, Section 2036	
15.	Section 2036	Problem #4
16.	Review Problem #4, Section 2037	
17.	Section 2037	Problem #5
18.	Review Exam #1, Review Problem #5	
19.	Section 2038	Problem #6
20.	Review Problem #6, Exam #2 Review	
21.	Exam #2	
22.	Section 2039	Problem #7
23.	Review Problem #7, Section 2040	
24.	Section 2040	Problem #8
25.	Review Problem #8, Section 2041	
26.	Section 2041	Problem #9
27.	Review Exam #2	
28.	Review Problem #9, Section 2042	
29.	Section 2042	Problem #10
30.	Review Problem #10, Section 2056	
31.	Section 2056	Problem #14
32.	Review Problem #14, Exam #3 Review	
33.	Exam #3	
34.	Estate Tax Cumulative Review	
35.	Intro to the Gift Tax,	
36.	Sections 2501, 2502-2505, 2512	Problem #17
37.	Review Problem #17,	Problem #21
38.	Review Problem #21, Review Exam #3	
39.	Section 2513	Problem #23
40.	Review Problem #23	
41.	Exam #4 Review	
42.	Exam #4 Review	
43.	Final	

## Course Inventory for ORU's Student Learning Outcomes

### *Estate and Gift Taxation ACT 471/GACT 571 Spring 2012*

This course contributes to the ORU student learning outcomes as indicated below:

**Significant Contribution** – Addresses the outcome directly and includes targeted assessment.

**Moderate Contribution** – Address the outcome directly or indirectly and includes some assessment.

**Minimal Contribution** – Address the outcome indirectly and includes little or no assessment.

**No Contribution** – Does not address the outcome.

The student Learning glossary at <http://ir.oru.edu/doc/glossary.pdf> defines each outcome and each of the proficiencies/capacities.

<b>OUTCOMES and Proficiencies/Capacities</b>		Significant Contribution	Moderate Contribution	Minimal Contribution	No Contribution
<b>1</b>	<b>Outcome #1 – SPIRITUALLY ALIVE</b>				
	<i>Proficiencies/Capacities</i>				
1A	Biblical knowledge		X		
1B	Sensitivity to the Holy Spirit			X	
1C	Evangelistic capability			X	
1D	Ethical behavior		X		
<b>2</b>	<b>Outcome #2 – INTELLECTUALLY ALERT</b>				
	<i>Proficiencies/Capacities</i>				
2A	Critical thinking	X			
2B	Analytical problem solving	X			
2C	Global and historical perspectives		X		
2D	Aesthetic appreciation				X
2E	Intellectual creativity	X			
2F	Information literacy	X			
<b>3</b>	<b>Outcome #3 – PHYSICALLY DISCIPLINED</b>				
	<i>Proficiencies/Capacities</i>				
3A	Healthy lifestyle				X
3B	Physically active lifestyle				X
3C	Properly balanced nutrition plan				X
<b>4</b>	<b>Outcome #4 – SOCIALLY ADEPT</b>				
	<i>Proficiencies/Capacities</i>				
4A	Communication skills	X			
4B	Interpersonal skills			X	
4C	Appreciation of cultural and linguistic differences			X	
4D	Responsible citizenship	X			
4E	Leadership capacity			X	

