

UNIVERSITY OF HAWAII AT MANOA
ACCOUNTING 638:
ESTATE & GIFT TAXATION AND PLANNING
FALL – 2019
(Revised 10/17/19)

COURSE MEETS: Thursdays, 6:00 p.m. – 8:30 p.m., BusAd D-101
August 29, 2018 through December 19, 2018

INSTRUCTOR: Kurt Kawafuchi, J.D., C.P.A., *Masters of Laws in Taxation*

OFFICE HOURS: Available immediately after the class, or please call Kurt at 688-8986 or e-mail at kkawafuchi@aol.com to schedule an appointment.

TEXTS: **FEDERAL ESTATE & GIFT TAXATION & Supplement (2018 or later Edition) (Abridged Edition For Student Use Only);**
Authors: Richard B. Stephens, Stephen A. Lind, Guy B. Maxfield, Dennis A. Calfee; Publisher: Thomson Reuters.

(Optional) **FEDERAL ESTATE & GIFT TAXES: Code & Regulations Including Related Income Tax Provisions (As of December 31, 2017 or later);** **Publisher: Commerce Clearing House (CCH)**

COURSE PREREQUISITES Accounting 401: Federal Individual Income Taxation with C- or better, or consent.

TENTATIVE **This Syllabus is tentative and subject to change.**

ALTERNATIVE LOCATIONS In the case of a fire drill, bomb threat or other disturbance, please meet at the grassy area on the south side of George Hall.

STUDENTS WITH DISABILITIES Students with disabilities are encouraged to contact the Kokua Program for information and services. Services are confidential and students are not charged for them. Contact KOKUA at 956-7511, kokua@hawaii.edu, or Student Services Center, Room 13.

GRADING: There will be homework assignments, exams, class participation and attendance weighted as follows:

Homework Assignments,	20%
Attendance and Class Participation	
Mid-Term Examination	25%*
Final Examination	40%*
Tax Return Problems	15%
TOTAL	100%*
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* - The instructor reserves the right to curve any exam and the final grade to reflect a fair

distribution of grades.

- COURSE GOALS:**
- (1) Acquire an understanding of federal estate & gift taxation;
 - (2) Learn how to read and analyze the Internal Revenue Code;
 - (3) Strengthen the ability to research and analyze Treasury Regulations, court cases, treatises, and articles relating to a particular code section;
 - (4) Strengthen communication skills;
 - (5) Identify estate & gift tax issues and planning opportunities;
 - (6) Apply estate & gift tax principles to real life problems; and
 - (7) Encourage independent thinking about economic and social implications of the estate and gift tax provisions.

- CLASSROOM APPROACH**
- (1) Please attend classes;
 - (2) Please be on time; and
 - (3) Please participate.

(1) **Assignments, Attendance, and Participation.** 20% of each student's grade will be based on homework assignments, attendance, and class participation. Each student shall prepare solutions to the assigned problems. Written solutions will be graded, "Credit", "Late" (1/2 credit), or "No Credit". Each student is entitled to one pass where the student will receive full credit for missing 1 assignments.

(2) **Mid-Term Examination.** The Mid-Term Examination comprises 25% of each student's grade. It is currently scheduled to be ninety (90) minutes on **Thursday, October 10, 2019**. The Mid-Term Examination will likely contain certain short answer questions including multiple choice, fill-in the blanks, and true-false questions and might contain one or more problem-solving and essay questions. The Mid-Term Examination is open book and notes *but no internet access*.

(3) **Final Examination.** The Final Examination comprises 40% of each student's grade. It is scheduled for the one hundred fifty (150) minutes on **Thursday, December 12, 2018 (or December 12, 2019 (assuming all students agree); or December 19, 2019 if all students do not agree to switch to December 12, 2019**. The Final Examination will likely contain certain short answer questions including multiple choice, fill-in the blanks, and true-false questions and might contain one or more problem-solving and essay questions. The Final Examination is open book and notes *but no internet access*.

(4) **Handout Problems.** 15% of each student's grade will be based on two handout tax return problems. The first gift tax return problem will be due on Thursday, September 12, 2019 and is worth 5% of the grade. The second tax return problem will be due on December 5, 2019, and is worth 10% of the grade. Each student shall prepare solutions to the assigned handout problems. Written solutions will be graded, "Credit", "Late" (1/2 credit), or "No Credit".

<u>Date</u>	<u>Topic, IRC Secs. And Homework</u>	<u>Text and Problem Assignments</u>
August 29	Introduction: Overview of Federal Transfer Taxation and Federal Gift Taxation: IRC Sections 2501, 2502, 2504(c)/2001(f), 2505, 1015, 102;	1.01 – 1.03 9.01 – 9.03; 9.04-9.04[2], [4],[6],[9] - [11]; 9.05[1]; 9.06; 10.01[1],[2],[3](a);
September 5	Overview of U.S. Gift Taxation IRC §§ 2503, 2504, 2511, 2512, 2513, 2518, 2522, 2523, 6019, 6075(b), 6081 and 6151; Problems: 17 21, 44 (Gift Tax Q.), 45(a), 46(a); Federal Gift Taxation & Computation of Gift Taxation; Nonresident Gift Taxation Review Form 709 and IRC Sections above Problems: Chapter 17: 4-5 , 35, 38	10.01[4], [5](a); 10.02(1)(a); 10.03[1], 10.07[1], [2], 11.01, 11.02[1], 11.03[1]-[3],[5], 11.04 2.01[1]-[3], 2.02[1] – [2], 2.02[3] 3.01 –3.03[1], 3.04[1], 3.05[1],
September 12	Overview of Federal Estate Taxation Federal Estate Taxation 20IRC Sections 2001, 2002, 2010, 2011, 2013, 2051, 2031, 2032, 2032A, 2033, 2203, 2204, 1014, 6075(a), 6081, 6161, 6166 Problems: Chapter 17: 41(a), 43(a), 21, 44-46	
September 19	NO CLASS	
September 26	GUEST SPEAKER RICHARD PECSON	
October 3	MARIE IADERTA <i>Administrative Judge,</i> <i>State of Hawaii Board of Appeals, Worker’s Compensation Board</i> <i>(Former Deputy Director, Hawaii Department of Taxation; and</i> <i>Chief Labor Negotiator and Director of Human Resources, State of Hawaii)</i> Review of Problems assigned to date and hand out suggested answers	
October 10	Pre-Exam Final Review MIDTERM EXAMINATION	
October 17	OVERVEIW OF ESTATE TAX IRC Sections 2031, 2032, 2032A, 2033, 2035, 2036, 2037, 2038, 2039, 2040 2041, 2042, and 2044.	4.01 - 4.02[3], 4.03-4.03[1],[3], 4.04 –4.04[2], 4.05 – 4.05[2], 4.08 –4.08[[5][a], [5][a],[7][a] 10-4.10[2], 4.07-4.07[2][a],[3]
October 24	NO CLASS	

- October 31 Gross Estate and Inclusions 4.01 - 4.02[3], 4.03-4.03[1],[3],
 IRC §§ 2031, 2032, 2032A, 2033 4.04 –4.04[2], 4.05 – 4.05[2],
 2035, 2036, 2037, 2038. 2039, 2040, 4.08 –4.08[[5][a], [5][a],[7][a]
 2041, 2042, and 2044 4.10-4.10[2], 4.07-4.07[2][a],[3]
 Problems: Chapter 17: 32, 34, 37-39,
 41(b), 42, 44, 48
POSSIBLE GUEST SPEAKER DR. ALLEN ZECHA
- November 7 **TENTATIVE-NO CLASS**
 Off Campus Event: Attend Hawaii Tax
 Institute and Paper due 11/14
- November 14 Deductions from Gross Estate, 4.09-4.09[2]; 4.11-4.11[2][a],
 Deductions from the Gross Estate 4.12-4.12[8], [10]
 and Credits: IRC §§ 2056, 2056A, 2057, 4.13-4.13[4][a], 4.14-4.14[2], [5]
 2053, 2054, 2055, 2058, 2010, 2011, 2013, 4.16, Suppl.: S5-42-43, S47-48
 6161, and 6166; Wells case (handout); 1.04, 19.01-19.02[1];
 Reporting including Forms 3520
 Forms 3520-A IRC Sections 2601-2663
 Problems: Chapter 17: 50 54;
 Chapter 18-35, 50, 47
 (Problem 18-47, also answer: “How much
 is included in the gross estates?)
- November 21 (1) Generation Skipping Transfer Tax; 3.01 –3.03[1], 3.04[1], 3.05[1],
 Including GST” Election; (2) Chapter 14; 5.01-5.03[1], 5.05-5.05[1]
 (3) Hawaii estate tax & inheritance taxes; 5.06-5.06[3][a], [d],[h], [9]
 (4) International Estate Planning Handout
 (IRC §§2501(a), 2511, 2101 2108);
 (5) IRS Audits, Appeals, Litigation; and Handout
 Collections; and Statute of Limitations
 (IRC §§6501, 6503(a)(1); 6511, 6321,
 6323(a) and (f), 6324, 6901; and
 31 U.S.C. §3713; Handout
- November 28 **NO CLASS – Happy Thanksgiving!**
- December 5 Finish above topics: Advanced Estate
 Planning Topics; Review for Final Exam
- December 12 **FINAL EXAMINATION (if all students agree to advance final exam)**
If all students do not agree, there will be a guest lecturer and we will cover
additional advanced estate planning topics, and review for final exam
- December 19 **FINAL EXAMINATION (if all students do not agree to December 12, 2019)**