San José State University
Lucas College and Graduate School of Business
BUS 227C

Tax Symposium: The New Partnership Audit Regime – From Filing to Audit

Semester: Early Spring
Year: 2020

Instructor: Prof. Joel Busch, CPA, Esq.
Office Location: Lucas Graduate School of Business
Telephone: 408-924-3494
Email: joel.busch@sjsu.edu
Office Hours: 30 minutes before class and by appointment
Class Days/Time: Thursday, 1/2 - 6:00 – 10:00P
Wednesdays, 1/8 and 1/15 - 6:00 – 10:00P
Classroom: Lucas Graduate School of Business Silicon Valley Site
2933 Bunker Hill Lane - Suite 120
Santa Clara, CA 95054
Prerequisites: Graduate standing in the MST Program or enrolled via Open University

Course Description

Legislation enacted in 2015 created a new method of auditing partnerships starting for 2018 returns. The changes are relevant well before a possible audit as there are new questions on Form 1065 and new forms. It also affects the ability to file an amended return. This symposium covers these important new rules and how they operate for California returns.
Assignments and Grading Policy

READING ASSIGNMENTS:

Class readings for each class session will be posted on the Canvas website and/or provided in class. Students are to read the assigned materials before the beginning of the applicable class session. No formal textbook is required for this course.

EXAMS:

There is a final exam which will be administered in the last class session. The final is based on the material presented in class and assigned in the readings (and videos, if applicable). Under almost all circumstances there are no make-up exams. On rare occasions and at my discretion, students may be allowed to make up an exam. Students must give advance notification with documentation in order for me to make a decision regarding a make-up exam. If an exam is missed without prior consent, the exam grade will be zero under almost all circumstances. Point adjustments may be applied to exams not taken on the last class session.

CANVAS ONLINE QUIZZES

There will be two quizzes that will be taken on the Canvas website outside of class hours. Each quiz is to be completed individually. The quizzes will be undertaken online via the course Canvas website.

The due dates for the two quizzes are as follows:

- Quiz #1 - Wednesday, January 8, 2020 @ 6:00 p.m.
- Quiz #2 - Wednesday, January 15, 2020 @ 6:00 p.m.

A significant loss of points may apply for quizzes submitted after the deadline.

POINTS:

<table>
<thead>
<tr>
<th>quizzes</th>
<th>40 (20 points each x 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

GRADING POLICY:

Grades will follow the pattern of 90% or higher for an A, 80% or higher for a B, 70% or higher for a C, etc.. Plus and minus grades will be used for scores within two percentage points (rounded) of the grade breakpoint. I may lower the percentage required to earn a certain grade, however, the percentage needed to earn a certain grade will not be increased.
Class Participation: While you are encouraged to ask or answer questions in class, points will not be awarded for class participation.

University Policies
Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs’ Syllabus Information web page at: http://www.sjsu.edu/gup/syllabusinfo/

Lucas College and Graduate School of Business:

Mission: We are the institution of opportunity in Silicon Valley, educating future leaders through experiential learning and character development in a global business community and by conducting research that contributes to business theory, practice and education.

Course Learning Outcomes

Upon completion of this course students will be able to:

CLO 1: Know and identify the various Federal partnership audit and compliance changes made under the Bipartisan Budget Act (BBA) of 2015.

CLO 2: Understand and explain the extent of how California conforms to the Federal BBA changes for partnerships and multi-member LLCs.

CLO 3: In detail, take into account and explain to a potential client the ethical and practical considerations of who can and should be named as the newly-created Partnership Representative.

CLO 4: Be able to identify the illegal and unethical practice of law by non-attorneys in the context of updating and amending partnership and LLC operating agreements and to explain the proper role of the tax practitioner in this process.

CLO 5: Develop conceptual and analytic skills with real world applications.

CLO 6: Identify, understand and resolve complex and multijurisdictional tax issues within the context of our global economy and society.

CLO 7: Learn and acquire research skills for exploring both familiar and novel areas of the tax law and to communicate the findings using clear terms.

CLO 8: Appreciate tax policy issues and foundations of the tax law.

CLO 9: Understand the ethical implications of tax practice.

CLO 10: Develop skills for effective tax practice including keeping current, interacting with others, and career advancement.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Presenter</th>
<th>Time (Est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Thursday January 2, 2020</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduction to the Course</td>
<td>Joel Busch, San Jose State University</td>
<td>6:00 – 6:15</td>
</tr>
<tr>
<td>Comparison of partnership audit and compliance rules both before and after the centralized audit regime, including Federal elections and considerations.</td>
<td>Yanfen Wu and Hoangdan Nguyen, PwC</td>
<td>6:15 – 7:45</td>
</tr>
<tr>
<td>Application of the centralized audit regime rules in real-world scenarios – including an introduction to ethical factors in the process of making (or not making) certain elections.</td>
<td>Joel Busch</td>
<td>8:15 to 9:45</td>
</tr>
</tbody>
</table>

**Assigned Readings and Videos:**

1) (Video) – Partnership Audit Changes (AICPA):
   [https://players.brightcove.net/1485859309/S1e5P5RgOg_default/index.html?videoId=4805580168001](https://players.brightcove.net/1485859309/S1e5P5RgOg_default/index.html?videoId=4805580168001)

2) IRC Sect. 6226

(Symposium Session #2 on the Following Page)
### Wednesday January 8, 2020

<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker/Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>6:00 – 7:00</td>
<td>Josh Grossman, Grant Thornton LLP: An overview and review of the Federal BBA partnership audit rules and available elections. California Senate Bill 790 and California’s conformity to the Federal BBA partnership audit rules. California requests to decouple from Federal elections. Other nuances and limitations within SB 790 on the ability to decouple from Federal elections. Guidance on tiered-partnerships and PTPs at the Federal and California levels. Other state tax considerations.</td>
</tr>
<tr>
<td>7:00 to 7:30</td>
<td>*** Break ***</td>
</tr>
<tr>
<td>7:30 – 9:45</td>
<td>Bill Abel (Sensiba San Filippo LLP): Detailed review of the various fundamental Federal differences under the BBA versus TEFRA – including options and elections for adjustments (including when they are available). Guidance and suggestions when working with clients and law firms regarding partnership or LLC operating agreement amendments to account for the new rules, as well as impact on partnership/LLC interest purchases and sales. The importance of the role of the Partnership Representative. Compliance / new tax forms related to new partnership rules. Impacts on amended tax returns.</td>
</tr>
</tbody>
</table>

(Assigned pre-class reading on the following page)
Assigned Readings for Class Session #2:

1) IRC §6225

2) (Skim) Treas. Reg. §§301-6225-1 through -3 and 301.6226-1 through -4

3) California Rev. and Tax. §18622.5 (Post S.B. 790 Version)

4) Partnership Level Tax? Only after Centralized Federal Partnership Audit (FTB) – Available at:

(Symposium Session #3 on the Following Page)
Wednesday, January 15, 2020

Review of Prior Course Sessions

Advanced Compliance, Planning and Ethical Topics regarding the Centralized Audit Regime under the BBA

*** Final Exam ***

Assigned Readings:

1. Should a CPA Agree to be a Partnership Representative (AICPA):


2. Other potential assigned readings to be posted on Canvas