

San Jose State University

Master's in Tax Program

BUS 225B Syllabus

Taxation of Corporate Reorganizations

Late Spring, 2017

First Class April 19, 2017 (6pm – 10 pm)

Adjunct Instructor Eric D. Ryan, Esq.

This Syllabus as of April 5, 2017 – Watch for Subsequent Changes

Class meetings	Ten 4-hour Classes. Generally Wednesdays April 19 to June 7 (6 pm – 10 pm); however, no class April 26. Saturdays April 29 (9 am – 1 pm), and May 6 (two classes; 9 am to 5 pm).
Office hours	By appointment only
Office	At Bunker Hill facility unless otherwise specified
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Course Description / Student Learning Objectives

Income tax treatment of corporate reorganizations and amalgamations, including acquisitions, tax-free and taxable as well as corporate division. Tax treatment of net operating losses, earnings and profits, property basis and other corporate attributes. Prerequisite: BUS 223A, BUS 223G

- To understand the income taxation tax-free reorganizations and planning options related to each of the various types of reorganizations.
- To understand the income taxation of taxable acquisitions.
- To understand the income taxation of corporate separations.
- To understand the affect to a corporation's tax attribute as a result of reorganizations, split-ups, and acquisitions.
- To understand practical applications of mergers and acquisitions, and many common business processes around these activities for Silicon Valley corporations.

Course Materials

There is no course book. Rather, each topic will have its own assignment, typically reading the relevant IRC Statute, Treasury Regulations. Additionally, Revenue Rulings, Court Cases,

articles, and/or a BNA Portfolio segment will be assigned at least one week prior to the Lesson. Generally, the Instructor will lecture with a slide deck, which will be placed in the Canvas system on or before the date of the lecture.

In addition, current articles and commentary may be assigned as homework preparations, in which case internet links will be provided, or e-copies placed in the Canvas system.

Summary of Course Activities

From time to time, professional tax experts in specific issues will co-instruct with the class Instructor. Students are requested to be professional and courteous to all instructors. Moreover, students are requested to ask questions, reply to open discussion points, and enhance the learning environment for the entire class.

Students will be asked to participate in a Small Group. Each Small Group will be focused on one High Tech sub-industry (Networking Equipment; Semiconductors; Software-as-a-Service, etc.), chosen by the end of Lesson #1. Each Small Group will have 3 representative companies which the Small Group will study, as models for business analyzing M&A activity for that sub-industry.

Each Small Group will be assigned a presentation, which will be made to the entire class. The Small Group presentation will be approximately 15 to 20 minutes in length. Each Small Group presentation must be accompanied by a 3 to 10-page outline (typically, PowerPoint) of the materials to be presented, provided to the Instructor prior to the presentation. The class presentation must be oral and should include all Group members.

The midterm and final exams will contain items assigned for reading as homework and discussion topics presented by the Instructor, guest instructors, and the Small Groups during class.

Students must be aware of SJSU's policy and consequences on academic dishonesty and are to undertake course work with integrity and honesty. See <http://www.sjsu.edu/senate/docs/F15-7.pdf>. However, Small Group presentations are collaborative efforts by their nature.

Grading

Assignment	Points
Small Group Student Presentation	30
Midterm	120
Final exam	120
TOTAL	270

Notes: Grades will follow A-90%; B-80%, C-70%; however, grades may be made on a curve if necessary. Grades will include a + or – within 2 points of the breaks.

MST Program Learning Objectives:

1. To identify, understand and resolve complex and multijurisdictional tax issues within the context of our global economy and society..
2. To learn and acquire research skills for exploring both familiar and novel areas of the tax law and to communicate the findings using clear terms.
3. To develop conceptual and critical analytic skills with real world applications.
4. To appreciate tax policy issues and foundations of the tax law.
5. To understand the ethical implications of tax practice.
6. To develop skills for effective tax practice including keeping current, interacting with others, and career advancement.

University Policies

Academic integrity

Students should know the University's Academic Integrity Policy that is available at <http://www.sjsu.edu/senate/docs/F15-7.pdf>. Your own commitment to learning, as evidenced by your enrollment at San Jose State University and the University's integrity policy, require you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The website for Student Conduct and Ethical Development is available at <http://www.sjsu.edu/studentconduct/>.

Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person's ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include in your assignment any material you have submitted, or plan to submit for another class, please note that SJSU's Academic Policy F15-7 requires approval of instructors.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 requires that students with disabilities requesting accommodations must register with the DRC (Disability Resource Center) to establish a record of their disability.

Consent for Recording of Class and Public Sharing of Instructor Material

University Policy S12-7, <http://www.sjsu.edu/senate/docs/S12-7.pdf>, requires students to obtain instructor's permission to record the course.

- Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor's permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.”
- Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent.
- You may request permission, either in writing or orally, at any time during the semester.
- If students or guests may be on the recording, permission of those students or guests should be obtained as well.

Lesson Topics, Including Reading & Homework

San Jose State University Master's in Tax Program

225B Syllabus Taxation of Corporate Reorganizations Late Spring, 2017

Lesson 1 April 19, 2017 6pm to 10 pm Introduction; Overview of Course

Topics:

Introduction to Taxable and Nontaxable Transactions.

Adjusted tax basis and capital gains. Sale vs. License.

Incorporation under § 351 in general.

Asset allocations under § 1060

Capitalization and amortization of assets under § 197.

Basic US GAAP reporting for acquisitions.

How to read a SEC Form 10-k.

Assignment of Small Group Presentation

Pre-reading / Preparation for Lesson #1:

Read Code §§ 1012, 1221, 351, 354, 358, 1060 and 197, and the regulations thereunder.

No pre-reading of US GAAP is required.

Lesson 2 Saturday, April 29, 2017, 9 am to 1 pm.

(No Class Wednesday, April 26, 2017)

Student Presentations / § 338 Elections

Begin Tax Free Acquisition of Stock or Assets

Topics:

Student Small Group Presentations

Section 338 Elections

Section 336(e) Elections

Tax Reporting for taxable acquisitions and § 338 / 336(e) elections

-

Type “A” Reorganization (§ 368(a)(1)(B)).

Characterization of Boot (§ 356).

Tax Free Type “B” Reorganization (§ 368(a)(1)(B)).

Type “C” Reorganization (§ 368(a)(1)(C)).

Type “D” Reorganization (§ 368(a)(1)(D)).

Liquidation - Reincorporation Doctrine.

Triangular Reorganizations (§368(a)(2)(D) and (a)(2)(E)).

Other operating rules.

Pre-reading / Preparation for Lesson #2:

Prepare your group presentations

Read the code and treasury regulations under §§ 338, 336(e), 368, 354 and 356.

Lesson 3 May 3, 2017 6 pm to 10 pm Tax Free Reorganizations Continued

Topics:

Continue Tax Free Reorganizations (Type E and Type F), Step Transaction, effects to parties involved in the reorganization, contingent consideration.

Type G Reorganizations

Non-Statutory Requirements for Reorganizations

Tax reporting for tax free reorganizations

Pre-reading / Preparation for Lesson #3:

Read the code and treasury regulations under §358, 368.

Lesson 4 May 6, 2017 9 am to 1 pm Expenses of M&A; State Taxes

Topics:

Continue Tax Free Reorganizations if necessary.

Tax treatment of costs and expenses related to mergers and acquisitions. Rev. Proc. 2011-29.

State tax issues with mergers and acquisitions

Pre-reading / Preparation for Lesson #4:

Read § 263

State tax reading TBD

Lesson 5 May 6, 2017 1 pm to 5 pm Due Diligence; Midterm Exam

Topics:

Due Diligence activities and issues

Pre-reading / Preparation for Lesson #5

No preparation required for Due Diligence.

Study for Midterm Exam.

Lesson 6 May 10, 2017 6 pm to 10 pm Carryover of Attributes

Topics:

Limitations on Carryovers Tax Attributes (§§ 269, 381-384)

Pre-reading / Preparation for Lesson #6

Read each of the code sections and the treasury regulations above.

Lesson 7 May 17, 2017 6 pm t 10 pm Tax Free Corporate Divisions

Topics:

Spin-offs, Split-ups and Split-offs (§ 355).

Pre-reading / Preparation for Lesson #6:

Read the code section and the treasury regulations above.

Lesson 8 May 24, 2017 6 pm to 10 pm International M&A

Topics:

Outbound transfers of assets (§ 367).

Restrictions on Inversions (§ 7874).

Flips into US corporations (§ 351).

Post-acquisition transfers of intangibles (§ 482).

Pre-reading / Preparation for Lesson #8:

Read the code sections and the treasury regulations above.

Lesson 9 May 31, 2017 Tax Issues Inherent in M&A

Topics:

Tax planning opportunities

Earnings and profits (§312)

Stock options (§§83, 1032)

Pre-reading / Preparation for Lesson #9:

Read the code sections and the treasury regulations above.

Lesson 10 June 7, 2017 6 pm to 10 pm Careers in M&A; Final Exam

Topics:

Careers in M&A

Final Exam

Pre-reading / Preparation for Final Exam:

No preparation required for Careers in M&A

Study for Final Exam.