

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

Tax Symposium: Tax Fundamentals of Non-
Profit Entities and TCJA Changes

Semester: Early Spring
Year: 2021

Instructor:	Joel Busch, CPA, Esq.
Office Location:	Lucas Graduate School of Business
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Office Hours:	Flexible (via Zoom) - please email for an appointment
Class Days/Time:	Thursdays, 1/7, 1/14 and 1/21 - 6:00 – 10:00P
Classroom:	Online (Via Zoom)
Prerequisites:	Graduate standing in the MST Program or enrolled via Open University

Course Description

The Tax Cuts and Jobs Act made a number of significant changes applicable to non-profit organizations. This symposium covers the tax fundamentals for tax-exempt (non-profit) entities along with the TCJA changes including related IRS guidance. The changes apply to non-profits with multiple unrelated trade / business activities and those that provide certain fringe benefits to their employees. Additional topics include Federal and California tax compliance fundamentals (including the unrelated business income tax (UBIT) and non-conformity between Federal and California tax law) as well as best practices for practitioners with non-profit entity clients.

MST Program Administrative Guidelines

- Please see the 2020/2021 New Student Handbook available in the MS Taxation Students Canvas Course.

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.

EXAM:

There is a final exam which will be a take-home exam – to be completed by Monday, January 25 at 11:59 p.m. The final exam will be based on the material presented in class and assigned in the readings and videos).

The final exam is only to be taken individually with no assistance from any other person – including any other student in the course.

Details of the format of the exam will be announced in class and/or in Canvas on or shortly before or after the second 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 take-home Canvas quizzes are as follows:

- Quiz #1 - Thursday, January 14, 2021 @ 6:00 p.m.
- Quiz #2 - Thursday, January 21, 2021 @ 6:00 p.m.

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

POINTS:	Quizzes	40 (20 points each x 2)
	Final	<u>60</u>
	Total	100

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](http://www.sjsu.edu/gup/syllabusinfo/) at:
<http://www.sjsu.edu/gup/syllabusinfo/>

Lucas College and Graduate School of Business:

Course Learning Outcomes

Upon completion of this course students will be able to:

CLO 1: Understand the fundamental Federal tax compliance rules for nonprofit organizations, including recent tax law changes that apply on certain payments to employees

CLO 2: Know the primary steps to obtain tax-exempt status with the IRS and the California FTB

CLO 3: Understand the fundamental rules related to unrelated business taxable income by nonprofit organizations.

CLO 4: Recognize the major areas of conformity and non-conformity between California and Federal income tax.

CLO 5: Become familiar with certain non-income tax exemptions and other non-income tax rules for nonprofit organizations at the state of California level.

LCoB Mission Statement

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.

MST Program Learning Goals

1	Complex and Multi-jurisdictional Tax Issues	To identify, understand and resolve complex and multijurisdictional tax issues within the context of our global economy and society.
2	Research Skills	To learn research skills for exploring both familiar and novel areas of the tax law and to communicate the findings in clear terms.
3	Analytical Skills	To develop conceptual and analytic skills with real world applications.
4	Tax Policy	To appreciate tax policy issues and foundations of the tax law.
5	Ethical Implications of Tax Practice	To understand the ethical implications of tax practice.
6	Tax Practice and Career Advancement	To develop skills for effective tax practice including keeping current, interacting with others, and career advancement.

Schedule

(Subject to Change with Fair Notice)

Topic	Presenter	Time (Est.)
Thursday January 7, 2021		
Introduction to the Course	Joel Busch, San Jose State University	6:00 – 6:20
Fundamentals of Federal taxation of non-profit organizations – including compliance, qualification requirements and recent changes under the TCJA.	Jennifer Becker Harris and Celia Davis, Clark Nuber P.S.	6:20 – 8:45
Additional Federal rules applicable to non-profit organizations – including certain excise taxes.	Joel Busch	9:00 to 9:45
<u>Assigned Readings/Videos:</u>		
1) (Video) – Applying for Section 501(c)(3) status (IRS): https://www.stayexempt.irs.gov/home/starting-out/applying-section-501c3-status		
2) (Video) – Form 990 Overview (IRS): https://www.stayexempt.irs.gov/home/existing-organizations/form-990-overview		

Thursday January 14, 2021

<p>*** (Online Canvas Quiz #1 Due at 6:00 p.m.) ***</p> <ol style="list-style-type: none">1) Review of the topics in the first class session2) Fundamentals of the California taxation of nonprofit organizations – including primary conformity and non-conformity areas and updates for the 2021 tax year.3) Special California tax exemptions and rules on non-income taxes for nonprofits. <p><u>Assigned Readings for Class Session #2:</u></p> <p>Skim FTB Publication 927, available at: https://www.ftb.ca.gov/forms/misc/927.html</p> <p>Skim CDTFA Publication 18, available at: https://www.cdtfa.ca.gov/formspubs/pub18.pdf</p>	<p>Joel Busch, San Jose State University</p>	<p>6:00 – 9:45 p.m.</p>
<p><u>Thursday, January 21, 2021</u></p> <p>*** (Online Canvas Quiz #2 Due at 6:00 p.m.) ***</p> <p>Unrelated business taxable income (UBTI); Types of 501(c)(3) organizations and basic private foundation rules; IRS regulation of nonprofit activity and charitable giving tax issues for funders and nonprofits.</p> <p><u>Assigned Readings and Videos for Class Session #3:</u></p> <ol style="list-style-type: none">1) (Video) Unrelated Business Income (IRS) – available at: https://www.stayexempt.irs.gov/home/existing-organizations/unrelated-business-income2) Private Letter Ruling 202041009 <p>Final Exam Due on Monday, January 25 at 11:59 p.m</p>	<p>Nancy McGlamery, Susan Sheffler, Eric Gorovitz and Matt Clausen - Adler & Colvin</p>	<p>6:00 to 10:00 p.m.</p>