

Instructor: Andrew Bird
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Office Hours: By appointment, or after class
Webpage: www.cmu.edu/blackboard

Class Hours: MW 6:30 p.m. — 10:00 p.m. POS 146

Suggested Reading:

1. Taxes and Business Strategy: A Planning Approach (5th Edition) by Scholes et al.
2. Financial Reporting and Analysis (6th Edition) by Revsine et al.

Course Objective: The goal of this course is to build a microeconomic and corporate finance-based framework to incorporate taxes into business decision making. We will also discuss the accounting rules for financial reporting of taxes in the financial statements and how we can use these disclosures to learn about and assess a company's tax strategy. In this course, we will develop both general principles for thinking about taxes, which are applicable to any institutional setting, as well as study many specific contemporary tax planning examples, such as corporate inversions and the 'Double Irish Dutch Sandwich'.

Grading: There are three components of your grade:

Class participation (i.e. you must participate actively in class)	30%
Group Assignment (written and presentation)	30%
Final Project (written and presentation)	40%

Group Assignment (groups of 2-3 to be chosen in class): This assignment will give you practice in applying your understanding of the financial reporting rules for taxes. You will choose two similar companies and compare/contrast their tax strategies, as gleaned from the footnotes of their respective 10-Ks. You will present your findings in class on April 15. A 2-3 page write-up (+tables) of your findings must be handed in at the start of class on the day of your presentation. More details and guidelines for completing this assignment will be discussed in class.

Final Project: The final project is to be completed individually. It involves researching an area of taxation, such as a particular case study or tax rule, which goes beyond what we cover in class. You should produce a 4-5 page document detailing the tax issue in question, the applicable rules, how the tax issue affects some aspect of business decision making, and potentially speculate on the broader consequences of this issue (if relevant for your particular case). If you are having any trouble coming up with a topic, I would be happy to provide suggestions.

For both assignments, you should discuss your topic with me before you start working.

2015 Mini 4 Class Schedule (Tentative)	
<i>Monday, March 23</i>	Introduction, Savings Vehicles and Organizational Form
<i>Monday, March 30</i>	Financial Reporting of Taxes
<i>Monday, April 6</i>	International Taxation
<i>Monday, April 13</i>	Mergers and Acquisitions
<i>Wednesday, April 15 (split class)</i>	Presentations on Financial Reporting of Taxes
<i>Monday, April 20</i>	Compensation
<i>Monday, April 27</i>	Final Project Presentations

Possible Alternative Class Topics and Final Project Topics

- A. Pension and retirement planning
- B. Estate and gift tax planning
- C. Optimal tax policy (economic perspectives on our tax system)
- D. Treatment of losses in M&A
- E. State corporate taxation and formula apportionment
- F. Amazon and retail sales tax collection
- G. UK and the 'Google Tax'
- H. Miscellaneous loopholes
- I. Private equity and carried interest
- J. The role of international tax treaties and treaty shopping
- K. Tax efficient divestitures – e.g. Yahoo
- L. International taxation of individuals and FATCA
- M. Individual tax evasion and Swiss banks
- N. Competing international tax reform proposals
- O. Institutional shareholders and tax avoidance
- P. Lobbying and 'rifleshot' tax provisions
- Q. Taxes and capital structure
- R. Converting from S Corp to C Corp
- S. Interesting features of other countries' tax systems