

TAX 660 Final Project Guidelines and Rubric

Overview

Working as an accounting associate in a financial organization requires the ability to apply tax and accounting knowledge in unique ways. Being able to identify issues and communicate them effectively to team members and clients is essential for any financial career working in a privately held enterprise or working with privately held clients. The final project for this course involves researching relevant tax code and creating of a set of memorandums to advise a hypothetical group of individuals; you will organize, operate, and ultimately restructure a merchandising business.

In the final project, you will demonstrate your ability to communicate your effective investment and business strategy recommendations to your client. Your proposed strategy could save the client millions of dollars over time, so it is imperative that you utilize your tax research skills and maintain compliance with all governing rules and regulations.

The project is divided into three milestones, which will be submitted at various points throughout the course to scaffold learning and ensure quality final submissions. These milestones will be submitted in **Modules Four, Six, and Seven**. The comprehensive set of memorandums will be submitted in **Module Nine**.

In this assignment, you will demonstrate your mastery of the following course outcomes:

- TAX-660-01: Evaluate tax consequences related to various elements of business formation for advising stakeholders on the most advantageous organizational structure
- TAX-660-02: Determine appropriate tax strategies associated with operating a multijurisdictional business for advising stakeholders on merchandising methodologies
- TAX-660-03: Assess the tax costs and benefits associated with restructuring a business to recommend appropriate tax strategies based on relevant tax law
- TAX-660-04: Propose effective strategies in estate planning for maximizing the tax benefit of stakeholders
- TAX-660-05: Communicate key considerations to stakeholders for use in making sound tax-oriented business decisions based on chosen strategy

Prompt

You will assume the role of tax advisor for a company made up of four stakeholders. In this case study, each stakeholder brings different assets and tax situations to the table. You must design the appropriate business structure for the company as a startup, advise tax solutions when the business is in operation, and counsel a tax strategy for each stakeholder during a restructuring. Your advice will be communicated in a series of memorandums for each scenario. Read the [full narrative of the scenarios](#), which will be addressed separately in the milestones.

Specifically, the following **critical elements** must be addressed:

I. **Establishing the Business**

- A. Explain the general **tax advantages and disadvantages** of each form of business. Include a discussion of how each business form addresses owner concerns related to personal liability, return on investment, and tax costs related to compensation. [TAX-660-01]
- B. Justify your choice of **form of business entity** for this venture based on stakeholder requirements for maximizing tax outcomes of business owners. Determine tax implications for your investors related to various investment options, including calculating the tax benefits/costs and identifying relevant tax law, code, and regulations. [TAX-660-01]
- C. Make a recommendation for the **capital structure** of the business, including 1) the value assigned to the organizers' equity accounts versus debt payable to the organizers and 2) each of the organizers' cost basis in Tai-Ga. [TAX-660-01]
- D. Compose a **memorandum to stakeholders**, including an executive summary of your recommendation and a detailed support section. [TAX-660-05]

II. **Operating the Business**

- A. Determine the appropriate **inventory cost flow** assumption for a merchandising business. [TAX-660-02]
- B. Determine the appropriate overall **business accounting method** (cash, accrual, hybrid). [TAX-660-02]
- C. Determine the appropriate **depreciation method and asset lives**, including consideration of Section 179. [TAX-660-02]
- D. Determine the appropriate **fiscal year end** for a recommended business entity. [TAX-660-02]
- E. Explain the tax implications related to **multijurisdictional operations** of a business, including interstate and international considerations. [TAX-660-02]
- F. Compose a **memorandum to stakeholders**, including an executive summary of your recommendation and a detailed support section. [TAX-660-05]

III. **Restructuring the Business**

- A. Determine tax consequences of the different distribution/contribution options in a business restructuring:
 - 1. Identify **relevant tax law** for restructuring the business. [TAX-660-03]
 - 2. Calculate the **tax costs** of a restructuring plan. [TAX-660-03]
 - 3. Calculate the **tax benefits** of a restructuring plan. [TAX-660-03]
- B. Compose a **memorandum to stakeholders** outlining restructuring recommendations, including an executive summary of your recommendation and a detailed support section based on research and analysis of relevant information. [TAX-660-05]

IV. **Estate Planning**

- A. Analyze a client scenario to determine appropriate **factors in estate planning** for maximizing the tax benefit of the stakeholder. [TAX-660-04]
- B. Formulate a **recommendation** to the client based on research of IRS and other resources. [TAX-660-04]
- C. Interpret **research** of IRS and other resources to determine relevance to all other stakeholder scenarios. [TAX-660-04]
- D. Determine the appropriate information to advise each of the stakeholders, then communicate the impact of research results by composing a brief **recommendation memorandum** to the stakeholders. [TAX-660-05]

Milestones Overview

Milestone One: Establishing the Business

In **Module Four**, you will submit a recommendation on the appropriate form for the new business, called Tai-Ga. **This milestone will be graded with the Milestone One Rubric.**

Milestone Two: Operating the Business

In **Module Six**, you will submit a professional memorandum that provides recommendations for key operating decisions. **This milestone will be graded with the Milestone Two Rubric.**

Milestone Three: Restructuring the Business

In **Module Seven**, you will consider the tax and nontax consequences of transactions involving stock or ownership as you advise Tai-Ga on restructuring the entity five years after formation of the business. **This milestone will be graded with the Milestone Three Rubric.**

Final Submission

In **Module Nine**, you will submit your final project. It should be a complete, polished artifact containing **all** of the critical elements of the final product. It should reflect the incorporation of feedback gained throughout the course, and include the new material from section IV, Estate Planning. **This submission will be graded with the Final Project Rubric.**

Deliverables

Milestone	Deliverable	Module Due	Grading
One	Establishing the Business	Four	Graded separately; Milestone One Rubric
Two	Operating the Business	Six	Graded separately; Milestone Two Rubric
Three	Restructuring the Business	Seven	Graded separately; Milestone Three Rubric
	Final Submission	Nine	Graded separately; Final Project Rubric

Final Project Rubric

Guidelines for Submission: Your final paper should be a 12- to 15-page Microsoft Word document (excluding the cover page and reference pages), with double spacing, 12-point Times New Roman font, one-inch margins, and at least three sources cited in APA format.

Critical Element	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Value
Establishing the Business: Tax Advantages and Disadvantages [TAX-660-01]	Meets “Proficient” criteria and demonstrates sophisticated awareness of the business forms and tax relationships	Explains the general tax advantages and disadvantages of each form of business	Explains the general tax advantages and disadvantages of each form of business, but explanation is cursory or contains inaccuracies	Does not explain the general tax advantages and disadvantages of each form of business	5
Establishing the Business: Form of Business Entity [TAX-660-01]	Meets “Proficient” criteria and demonstrates in-depth knowledge of business entity choice ramifications	Justifies choice of form of business entity based on stakeholder requirements and tax implications for investors related to various investment options, including calculating the tax benefits/costs and identifying relevant tax law, code, and regulations	Justifies choice of form of business entity based on stakeholder requirements and tax implications for investors, but explanation is cursory, contains inaccuracies, or is missing key elements	Does not justify choice of form of business entity based on stakeholder requirements and tax implications for investors	6
Establishing the Business: Capital Structure [TAX-660-01]	Meets “Proficient” criteria and demonstrates sophisticated awareness of the impact of capital structure on the business	Makes an appropriate recommendation for capital structure of the business, including value assigned to the organizers’ equity accounts versus debt payable to the organizers and each of the organizers’ cost basis in Tai-Ga	Makes a recommendation for capital structure of the business, but the recommendation is inappropriate, contains inaccuracies, or is missing key elements	Does not make a recommendation for capital structure of the business	5
Establishing the Business: Memorandum to Stakeholders [TAX-660-05]	Meets “Proficient” criteria and shows keen insight into the appropriate composition of each section of the memo	Composes a memorandum to stakeholders, including an executive summary of recommendation and a detailed support section	Composes a memorandum to stakeholders, but memo is cursory, contains inaccuracies, or is missing key elements	Does not compose a memorandum to stakeholders	5
Operating the Business: Inventory Cost Flow [TAX-660-02]	Meets “Proficient” criteria and demonstrates in-depth knowledge of inventory cost flow calculations	Determines appropriate inventory cost flow assumption for a merchandising business	Determines appropriate inventory cost flow assumption for a merchandising business, but assumption contains inaccuracies or is missing key elements	Does not determine appropriate inventory cost flow assumption for a merchandising business	5

Operating the Business: Business Accounting Method [TAX-660-02]	Meets “Proficient” criteria and demonstrates in-depth knowledge of the business accounting method	Determines appropriate overall business accounting method	Determines appropriate overall business accounting method, but explanation contains inaccuracies or is missing key elements	Does not determine appropriate overall business accounting method	5
Operating the Business: Depreciation Method and Asset Lives [TAX-660-02]	Meets “Proficient” criteria and demonstrates in-depth knowledge of the depreciation method and asset lives	Determines appropriate depreciation method and asset lives, including consideration of Section 179	Determines appropriate depreciation method and asset lives, but explanation contains inaccuracies or is missing key elements	Does not determine appropriate depreciation method and asset lives	6
Operating the Business: Fiscal Year End [TAX-660-02]	Meets “Proficient” criteria and demonstrates keen insight into the fiscal year end determination	Determines appropriate fiscal year end for recommended business entity	Determines appropriate fiscal year end for recommended business entity, but explanation contains inaccuracies	Does not determine appropriate fiscal year end for recommended business entity	5
Operating the Business: Multijurisdictional Operations [TAX-660-02]	Meets “Proficient” criteria and explanation shows a complex grasp of tax implications related to multijurisdictional operations	Explains the tax implications related to multijurisdictional operations of a business, including interstate and international	Explains the tax implications related to multijurisdictional operations of a business, but explanation contains inaccuracies or is missing key elements	Does not explain the tax implications related to multijurisdictional operations of a business, including interstate and international	5
Operating the Business: Memorandum to Stakeholders [TAX-660-05]	Meets “Proficient” criteria and shows keen insight into the appropriate composition of each section of the memo	Composes a memorandum to stakeholders, including an executive summary of your recommendation and a detailed support section	Composes a memorandum to stakeholders, but memo is cursory, contains inaccuracies, or is missing key elements	Does not compose a memorandum to stakeholders	5
Restructuring the Business: Relevant Tax Law [TAX-660-03]	Meets “Proficient” criteria and shows a complex grasp of tax law related to this restructuring	Identifies relevant tax law for restructuring the business	Identifies relevant tax law for restructuring the business, but explanation contains inaccuracies or is missing key elements	Does not identify relevant tax law for restructuring the business	6
Restructuring the Business: Tax Costs [TAX-660-03]	Meets “Proficient” criteria and shows a complex grasp of the tax costs of a restructuring plan	Calculates the tax costs of a restructuring plan for each of the stakeholders involved and the business entity	Calculates the tax costs of a restructuring plan for each of the stakeholders involved and the business entity, but calculations contain inaccuracies or are missing key elements	Does not calculate the tax costs of a restructuring plan for each of the stakeholders involved and the business entity	6

<p>Restructuring the Business: Tax Benefits [TAX-660-03]</p>	<p>Meets “Proficient” criteria and shows a complex grasp of the tax benefits of a restructuring plan</p>	<p>Calculates the tax benefits of a restructuring plan for each of the stakeholders involved and the business entity</p>	<p>Calculates the tax benefits of a restructuring plan for each of the stakeholders involved and the business entity, but calculations contain inaccuracies or are missing key elements</p>	<p>Does not calculate the tax benefits of a restructuring plan for each of the stakeholders involved and the business entity</p>	<p>6</p>
<p>Restructuring the Business: Memorandum to Stakeholders [TAX-660-05]</p>	<p>Meets “Proficient” criteria and shows keen insight into the appropriate composition of each section of the memo</p>	<p>Composes memorandum to stakeholders outlining restructuring recommendations, including an executive summary of the recommendation and a detailed support section based on research and analysis of relevant information</p>	<p>Composes memorandum to stakeholders outlining restructuring recommendations, but memo is cursory, contains inaccuracies, or is missing key element</p>	<p>Does not compose memorandum to stakeholders outlining restructuring recommendations</p>	<p>5</p>
<p>Estate Planning: Factors in Estate Planning [TAX-660-04]</p>	<p>Meets “Proficient” criteria and demonstrates a complex grasp of estate planning concepts for stakeholder</p>	<p>Analyzes a client scenario to determine appropriate factors in estate planning for maximizing the tax benefit of the stakeholder</p>	<p>Analyzes a client scenario to determine appropriate factors in estate planning for maximizing the tax benefit of the stakeholder, but analysis contains inaccuracies or is missing key elements</p>	<p>Does not analyze a client scenario to determine appropriate factors in estate planning for maximizing the tax benefit of the stakeholder</p>	<p>5</p>
<p>Estate Planning: Recommendation [TAX-660-04]</p>	<p>Meets “Proficient” criteria and demonstrates a complex grasp of estate planning concepts for stakeholder</p>	<p>Formulates recommendation to client based on research of IRS and other resources</p>	<p>Formulates recommendation to client based on research of IRS and other resources, but recommendation contains inaccuracies or is missing key elements</p>	<p>Does not formulate recommendation to client based on research of IRS and other resources</p>	<p>5</p>
<p>Estate Planning: Research [TAX-660-04]</p>	<p>Meets “Proficient” criteria, and interpretation demonstrates a complex grasp of estate planning concepts for all stakeholder scenarios</p>	<p>Interprets research of IRS and other resources to determine relevance to all stakeholder scenarios</p>	<p>Interprets research of IRS and other resources to determine relevance to all stakeholder scenarios, but interpretation contains inaccuracies or is missing key elements</p>	<p>Does not interpret research of IRS and other resources to determine relevance to all stakeholder scenarios</p>	<p>5</p>

<p>Estate Planning: Recommendation Memorandum [TAX-660-05]</p>	<p>Meets “Proficient” criteria, and memo shows nuanced understanding of the appropriate composition of each section of the memo</p>	<p>Determines the appropriate information to advise each of the stakeholders and then communicates the impact of research results by composing a brief recommendation memorandum to the stakeholders</p>	<p>Determines and communicates the impact of research results by composing a brief recommendation memorandum to the stakeholders, but memo is cursory, contains inaccuracies, or is missing key elements</p>	<p>Does not determine the appropriate information to advise each of the stakeholders or communicate the impact of research results by composing a brief recommendation memorandum to the stakeholders</p>	<p>5</p>
<p>Articulation of Response</p>	<p>Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy-to-read format</p>	<p>Submission has no major errors related to citations, grammar, spelling, syntax, or organization</p>	<p>Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas</p>	<p>Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas</p>	<p>5</p>
Total					100%