

Letter Head

Date

Sherry F. Queener, Ph.D.  
Director of the Graduate Office, IUPUI  
Associate Dean of the Indiana University Graduate School

Dear Dr. Queener,

Please find the attached document describing the proposed Master of Science in Taxation (MST) from the Kelley School of Business. The field of taxation is complex and requires specialized training for entry level positions, and the MST program will provide specialized instruction in taxation. The MST is a well-known credential among tax professionals and in CPA and law firms. The MST complements the existing masters' programs (MBA, MSA). The proposed MST degree has been approved by the Indianapolis faculty and the Kelley School of Business faculty as a whole.

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Philip L. Cochran  
Associate Dean – Indianapolis Programs  
Thomas W. Binford Chair of Corporate Citizenship  
Director – Randall L. Tobias Center for Leadership Excellence  
Professor of Management and Professor of Philanthropic Studies  
Indiana University Kelley School of Business

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William N. Kulsrud PhD, CPA  
Chair, Master of Science in Accounting Program  
Associate Professor of Accounting  
Indiana University Kelley School of Business

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Jane L. Lambert  
Executive Director, Academic Programs  
Senior Lecturer in Accounting  
Kelley School of Business Indianapolis

**COVER PAGE**

INSTITUTION: Indiana University Purdue University Indianapolis (IUPUI)

COLLEGE/SCHOOL: Kelley School of Business

DEPARTMENT: NA

DEGREE PROGRAM TITLE: Master of Science in Taxation

FORM OF RECOGNITION TO BE AWARDED/DEGREE CODE: Master of Science

SUGGESTED CIP CODE: 521601

LOCATION OF PROGRAM/CAMPUS CODE: Indianapolis/IUINA

PROJECTED DATE OF IMPLEMENTATION: Fall 2008 or upon approval, whichever is first.

DATE PROPOSAL WAS APPROVED BY  
INSTITUTIONAL BOARD OF TRUSTEES: \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF AUTHORIZING  
INSTITUTIONAL OFFICER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE RECEIVED BY  
COMMISSION FOR HIGHER  
EDUCATION

\_\_\_\_\_  
COMMISSION ACTION (DATE)

## **ABSTRACT**

### **Master of Science in Taxation (MST) Indiana University Purdue University Indianapolis (IUPUI)**

#### **Objectives:**

The proposed Master of Science in Taxation (MST) is a 30.0 credit hour degree program designed to (1) to prepare graduates for entry level positions in public and private accounting in taxation and (2) provides graduate-level education for tax professionals who desire to enhance their specialized tax knowledge. The MST is a specialized degree program designed to equip students with the highly technical and demanding skills required to provide tax and business advice in the private sector as well as administer the tax laws in the public sector of the economy.

The MST is designed to meet the needs of students with diverse backgrounds, but all of whom have a specific interest in the tax area. These target audience includes:

- Those who have completed an undergraduate degree with a major in accounting and who wish to meet the 150 hour requirement to be eligible to sit for the CPA exam. Many of these students have taken positions with public accounting firms in the tax area and have little interest in additional courses in other areas. Employers have indicated that they would be more inclined to pay for a specialized degree for these students.
- CPAs who wish to develop a specialization in taxation or personal financial planning. Many accountants enter public practice and subsequently recognize they want to specialize in tax or need to improve their tax expertise.
- Attorneys who need basic tax training or want additional tax expertise.
- Professionals, primarily CPAs, needing continuing education
- Individuals who are interested in studying tax but are not yet interested in a graduate program such as the Kelley MSA<sup>1</sup> program because of the accounting program requirements (e.g., attorneys, financial planners).
- Those who may have non-accounting backgrounds but who want to transition to public accounting in the tax area.
- Additionally, it is anticipated that the MST program will be registered with the Certified Financial Planner Board of Standards. The MST provides the requisite education to sit for the CFP Certification Examination. There are over 30,000 CFPs worldwide, and that

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<sup>1</sup> In the fall 2007, the name of the Master of Professional Accountancy (MPA) program was changed to the Master of Science in Accounting (MSA) program. MSA is used throughout this document to refer to the existing master's degree in accounting.

number is expected to grow substantially in the near future. Over 2,000 sat for the CFP exam at the last exam date (the exam is given three times a year). More and more the CFP is becoming a valued credential for financial advisors.

Interestingly, the most desired credential of those wanting to specialize in tax is an MST (LLM in taxation for attorneys). Based on discussions with practitioners and students, those interested in tax would prefer to obtain a Master of Taxation rather than a Master of Science in Accounting. Therefore, the MST program will provide the course of study and the credential desired by those wanting to pursue a career in taxation.

Currently, most in-residence MST programs are offered at schools in major metropolitan areas such as Indianapolis. For example, the following universities offer MST degrees.

- Arizona State University
- Bentley
- Baruch
- Depaul
- Fordham
- Georgia State
- Minnesota
- Northeastern
- San Jose State
- University of Denver
- University of Southern California
- Villanova

***Field of Taxation.*** Over the years, the field of taxation has grown into a highly specialized area of accounting, and many accountants choose to develop careers as tax specialists. According to the American Institute of Certified Public Accountants, currently approximately 46,000 U.S. public accounting firms employ over 330,000 Certified Public Accountants (CPAs), and virtually all of these firms provide tax services. The Public Accounting Report for 2001 indicated that for the “Big 5” national accounting firms, taxation services represent between 18 – 39 percent of the firm’s revenues. For example, for Ernst and Young, tax services for 2001 generated 39% of the firm’s revenues. Tax services have long been recognized as a staple of the accounting profession. More recently, however, the growing complexity of both federal and state laws has created an increasing demand for tax advice and tax professionals.

The proposed MST is designed to respond to this need for specialized accounting services.

***MST and AACSB Accreditation.*** The current AACSB<sup>2</sup> standards for a specialized master's program in accounting (including MST programs) do not provide a certain number of hours of taxation. Per the AACSB standards, the content and number of semester credit hours is not set forth specifically but rather is the number appropriate for the program's mission. The MST will meet this standard by requiring students to take 30 hours of coursework, at least 21 hours of which must be related to taxation. The MST program is designed so that a part-time student taking a normal load may complete the program in 22 months, although it might be possible to complete the curriculum in one calendar year. The 30 hour length is consistent with the 30 hour length of the existing MSA program.

### **Clientele to be Served:**

Students will be drawn from three groups:

- Students who were undergraduate accounting majors and who need additional hours to be eligible to sit for the CPA Exam.
- Students whose undergraduate degrees were not in accounting but who want to pursue careers in taxation.
- Professionals who want additional specialization in tax.

Students will be drawn primarily from the Indianapolis, Central Indiana area and possibly from surrounding states where students cannot obtain MST degrees. We would hope to admit 20-30 students per year into the program once the program is fully operational. It is anticipated that students will take from 12 – 24 months to complete the MST.

### **MST Curriculum:**

The MST program is a 30.0 credit hour degree program offered at the Kelley School of Business Indianapolis. The curriculum includes seven core courses (all 3.0 hours for a total of 21.0 hours) and electives (9.0 hours). All tax courses proposed for the MST are currently either taught or approved to be taught. Electives come from courses currently being taught in the Kelley MBA and MSA programs. Accordingly, no new courses will be required to offer the MST. In addition to the tax courses offered by the Kelley School, MST students could, with approval, take tax courses at the Indiana University School of Law Indianapolis. See Exhibit 1 for descriptions of the tax courses used to support the MST offered by Kelley Indianapolis.

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<sup>2</sup> The AACSB is the accrediting organization for Business Schools. The Kelley School of Business is accredited by the AACSB. Further, the AACSB allows accounting programs to be accredited separately. The Kelley School of Business accounting programs have received separate AACSB accreditation.

<b>MST Coursework</b>
<b>Core Courses--Required 21 hours (all 3.0 courses)</b>
A515 Introduction to Taxation (Prerequisite for all other tax courses) (3.0)
A539 (Corporate Tax I) (3.0)
A551 (Tax Research) (3.0)
A552 (Corporate Taxation II) <b>P-A539</b> (3.0)
A556 (Accounting Periods & Methods) (3.0)
A522 (Partnerships) (3.0)
A555 (S Corps) (3.0)-
<b>Electives--9.0 hours.</b>
A528 (State and Local Taxation) (3.0)
A516 (Estate and Gift Taxation) (3.0)
A558 (Taxation of Tax Exempt Organizations) (3.0)
A580 (Selected Tax Topics) (3.0)
Approved Kelley MSA and MBA courses
<b>Other Potential Elective Tax Courses</b>
<i>Courses in the IU School of Law Indianapolis</i>
DN648 Income Taxation of Individuals, Fiduciaries, and Business Associations (4 cr.)
DN730 Taxation of Partnerships and Partners (2 cr.)
DN725 Taxation of Transferors, Fiduciaries, and Beneficiaries (3 cr.)
DN805 State and Local Taxation (2 cr.)
DN854 Seminar in Business and Estate Planning (2 cr.)
DN869 Taxation of Corporations and Shareholders (2 cr.)
DN893 Tax Procedure (2 cr.)
DN722 Trusts and Estates (3 or 4 cr.)
DN619 Debtor-Creditor Relations (3 cr.)
DN846 Corporate Reorganization and Bankruptcy (2 cr.)

### **Employment Possibilities:**

Graduates will seek jobs in public accounting, private accounting, government, and non-profit organizations that need tax expertise. Many students will already be in the accounting profession and will be pursuing the MST to meet the 150 hour requirement to sit for the CPA exam and/or to develop a tax specialty

The Kelley School of Business Career Placement Office (CPO) serves accounting students and employers. For '06-'07 for Accounting recruiting (undergraduates and graduates), 28 firms recruited on campus for accounting majors, and the 28 firms conducted 411 interviews. Therefore, demand for accounting students is strong. Many of these positions were for tax positions. Note, however, that these statistics do not reflect the actual demand for accounting graduates because many students already have jobs or find jobs on their own.

## **A. Program Description**

### **1. Describe the proposed program and state its objectives.**

The proposed Master of Science in Taxation (MST) is a 30.0 credit hour degree program designed to (1) to prepare graduates for entry level positions in public and private accounting in taxation and (2) provides graduate-level education for tax professionals who desire to enhance their specialized tax knowledge. The MST is a specialized degree program designed to equip students with the highly technical and demanding skills required to provide tax and business advice in the private sector as well as administer the tax laws in the public sector of the economy.

The MST is designed to meet the needs of students with diverse backgrounds, but all of whom have a specific interest in the tax area. These target audience includes:

- Those who have completed an undergraduate degree with a major in accounting and who wish to meet the 150 hour requirement to be eligible to sit for the CPA exam. Many of these students have taken positions with public accounting firms in the tax area and have little interest in additional courses in other areas. Employers have indicated that they would be more inclined to pay for a specialized degree for these students.
- CPAs who wish to develop a specialization in taxation or personal financial planning. Many accountants enter public practice and subsequently recognize they want to specialize tax or need to improve their tax expertise.
- Attorneys who need basic tax training or want additional tax expertise.
- Professionals, primarily CPAs, needing continuing education
- Individuals who are interested in studying tax but are not yet interested in a graduate program such as the Kelley MSA program because of the accounting program requirements (e.g., attorneys, financial planners).
- Those who may have non-accounting backgrounds but who want to transition to public accounting in the tax area.
- Additionally, it is anticipated that the MST program will be registered with the Certified Financial Planner Board of Standards. The MST provides the requisite education to sit for the CFP Certification Examination. There are over 30,000 CFPs worldwide, and that number is expected to grow substantially in the near future. Over 2,000 sat for the CFP exam at the last exam date (the exam is given three times a year). More and more the CFP is becoming a valued credential for financial advisors.

Interestingly, the most desired credential of those wanting to specialize in tax is an MST (LLM in taxation for attorneys). Based on discussions with practitioners and students, those interested in tax would prefer to obtain a Master of Taxation rather than a Master of Science in Accounting. Therefore, the MST program will provide the course of study and the credential desired by those wanting to pursue a career in taxation.

### Approvals

The MST program was approved by the Kelley faculty.  
Kelley School of Business Indianapolis Faculty 3.7.07  
Kelley School of Business Faculty 4.27.07

## **2. Describe admission requirements, anticipated student clientele, and student financial support.**

### Admission Requirements:

Students may apply to the program after completing a bachelor's degree from an accredited college or university or during their senior year of college or have completed a law degree. An undergraduate major in accounting is not a requirement.

The evaluation of an admission application is primarily an appraisal of an applicant's capability to pursue graduate work at Indiana University. This appraisal involves both a quantitative and qualitative assessment. In the qualitative phase, letters of reference, any work experience and other elements of the applicant's resume are reviewed. The quantitative component assesses the applicant's academic credentials as based on his or her GPA and score on the Graduate Management Admissions Test (GMAT) or LSAT for lawyers or students enrolled in law school.

***Official College/University Transcripts:*** For admission, an evaluation is made of the applicant's cumulative grade point average (GPA) from each institution attended, the area of concentration, the balance of verbal and communications courses, quantitative, and analytical courses, and the trend of grades.

***Graduate Management Admissions Test Score:*** Students are normally required to take the Graduate Management Admission Test (GMAT). However, the Law School Admission Test (LSAT) or the Graduate Record Examination (GRE) may be accepted in lieu of the GMAT. These test requirements are waived for applicants who have passed the CPA exam or have a law degree. In evaluating the GMAT score, applicants are permitted to take the GMAT more than once, in which case, the highest score is considered.



***Letter(s) of Recommendation:*** As part of the evaluation process letter(s) of recommendation to gain a more complete understanding of the applicant's character and background are required

#### Anticipated Student Clientele

Students will be drawn from three groups:

- Students who were undergraduate accounting majors who need additional hours to be eligible to sit for the CPA Exam.
- Students whose undergraduate degrees were not in accounting but who want to pursue careers in taxation.
- Professionals who want additional specialization in tax.

Students will be drawn from the Indianapolis area and possibly from surrounding states where students cannot obtain MST degrees. We would hope to admit 20-30 students per year into the program, which would take form 12 – 24 months to complete.

#### Student Financial Support

Little financial aid is available to MST students.

### **3. Describe the proposed curriculum**

The MST degree is a 30.0 credit hour degree program offered at the Kelley School of Business Indianapolis. The curriculum includes seven core courses (all 3.0 hours for a total of 21.0 hours) and electives (9.0 hours). All tax courses proposed for the MST are currently either taught or approved to be taught. Accordingly, no new courses will be required to offer the MST. In addition to the tax courses offered by the Kelley School, MST students could, with approval, take tax courses at the Indiana University School of Law Indianapolis. See Exhibit 1 for descriptions of the tax courses used to support the MST offered by Kelley Indianapolis.

Course Status:

The following courses are already either taught or approved at IUPUI.

**MST Coursework**

**Core Courses--Required 21 hours (all 3.0 courses)**

A515 INTRO (Prerequisite for all other courses) (3.0)

A539 (Corporate Tax I) (3.0)

A551 (Tax Research) (3.0)

A552 (Corp Tax II) **P-A539** (3.0)

A556 (Periods & Methods) (3.0)

A522 (Partnerships) (3.0)

A555 (S Corps) (3.0)-

**Electives--9.0 hours.**

A528 (State and Local Tax) (3.0)

A516 (Gift & Estate) (3.0)

A558 (Tax Exempts) (3.0)

A580 (Selected Tax Topics) (3.0)

Approved Kelley MSA, MBA courses

**Other Potential Elective Tax Courses**

*Courses in the IU School of Law Indianapolis*

DN648 Income Taxation of Individuals, Fiduciaries, and Business Associations (4 cr.)

DN730 Taxation of Partnerships and Partners (2 cr.)

DN725 Taxation of Transferors, Fiduciaries, and Beneficiaries (3 cr.)

DN805 State and Local Taxation (2 cr.)

DN854 Seminar in Business and Estate Planning (2 cr.)

DN869 Taxation of Corporations and Shareholders (2 cr.)

DN893 Tax Procedure (2 cr.)

DN722 Trusts and Estates (3 or 4 cr.)

DN619 Debtor-Creditor Relations (3 cr.)

DN846 Corporate Reorganization and Bankruptcy (2 cr.)

### Sample Curriculum

The following sample syllabus assumes that a student is attending part-time, taking 6 hours per term, except for the spring term which is especially busy for tax professionals.

Fall (6.0):

A515: Introduction to taxation (3.0 credit hours)

Students who have had the equivalent course in the past 2 years will substitute an elective

A551: Tax research (3.0 credit hours)

Spring (6.0):

A 539: Corporate tax (3.0 credit hours)

A522: Partnerships (3.0 credit hours)

Note: students who want to take only 3.0 hours will take A539.

Summer (6.0):

A528: State and local taxation (3.0 credit hours)

Elective

Fall (6.0):

A552: Corporate tax II (3.0 credit hours)

A555: S Corp taxation (3.0 credit hours)

Spring (3.0)

Elective

Summer(3.0)

A556: Periods and methods (3.0 credit hours)

#### **4. Describe form of recognition (type of certificate or degree and why, suggested CIP code, language to appear on diploma)**

The degree awarded will be the Master of Science in Taxation.

The institution's suggested CIP code is CIP code 521601

**Taxation.** A program that prepares individuals to provide tax advice and management services to individuals and corporations. Includes instruction in tax law and regulations, tax record systems, individual and corporate income taxation, tax planning, partnerships and fiduciary relationships, estates and trusts, property depreciation, capital gains and losses, dispositions, transfers, liquidity, valuation, and applications to specific tax problems. ([Occupational Crosswalk](#))

The language to appear on the diploma is as follows: Master of Science in Taxation

**5. List program faculty and administrators.**

No new faculty will be needed to support the MST program.

Kelley School of Business Tenure-Track Accounting Faculty

John M. Hassell, OneAmerica Chair and Professor of Accounting  
Robert W. Jamison, Professor of Accounting  
Eric N. Johnson, Associate Professor of Accounting  
William N. Kulsrud, Associate Professor of Accounting  
Evelyn Patterson, Associate Professor of Accounting  
Richard L. Rogers, Associate Professor of Accounting  
John Reed Smith, Associate Professor of Accounting

**Program Chair:** William N. Kulsrud  
Associate Professor of Accounting  
BS 4002  
317.274.3322; 317.274.3312 (fax)  
[wkulsrud@iupui.edu](mailto:wkulsrud@iupui.edu)

**Program Advisor:** Susan Cauble  
**Assistant Director of Graduate Programs,** MSA Coordinator  
BUS 3024A  
317.274.3451, 317.274.2483  
[sehaines@iupui.edu](mailto:sehaines@iupui.edu)

Kelley School of Business Adjunct Faculty Who Regularly Teach Tax Courses.

Linda Curry, MPA, Enrolled Agent. Accounting Periods and Methods; IRS Practices and Procedures,  
Richard Hoffman, JD, CPA, State and Local Taxation  
Jamie O'Brien, JD. Tax Exempt Organizations  
George Spaeth, CPA

IU School of Law Indianapolis Faculty Who Teach Tax Related Courses

Lawrence A. Jegen III, Thomas F. Sheehan Professor of Tax Law and Policy

## **6. Describe need learning resources**

No additional resources are necessary.

## **7. Describe other program strengths**

Faculty strength in taxation, reputation of the Kelley School, and urban location.

# **B. Program Rational**

## **1. Institutional factors**

The MST adds to the portfolio of degrees offer by the Kelley School of Business and professional masters degrees offered at IUPUI. The MST degree fills a specific niche in accounting education to prepare students for careers in taxation.

### Planning Process

The degree program has been under consideration and development for the past two years. The faculty approvals are as follows:

- Kelley School of Business Indianapolis Faculty 3.7.07
- Kelley School of Business Faculty 4.27.07

### Timeline

The MST can be implemented in Fall 2008, or sooner if approved.

### Resources

The MST program can be offered with existing resources. The Kelley School of Business Indianapolis is fortunate to have two full-time tax faculty members who are nationally known as tax educators:

- Bill Kulsrud (<http://kelley.iupui.edu/default.cfm?ID=335&netid=wkulsrud>)
- Bob Jamison (<http://kelley.iupui.edu/default.cfm?ID=335&netid=rjamison>)

In addition, because several tax courses are highly specialized, the Kelley School has a set of highly qualified and experienced tax practitioners who serve as adjunct faculty.

## **2. Student Demand**

Nationally, the MST is sought after and well-recognized, but only schools in major metropolitan areas can support the MST degree. While we have no market studies to judge demand, the accounting faculty is confident that sufficient numbers of students will be available to support the MST. We estimate that in a steady state 20-30 students would start the MST each year.

## **3. Transferability**

Transfer of credit may be requested for courses that were taken for graduate credit while the student was enrolled as a graduate student in an accredited institution in a program leading to an advanced degree. A grade of "A" or "B" is required for transfer and only six (6) hours of transfer credit will be awarded. Within the IU system, students may enroll in graduate courses in other academic units or within the Business school with written permission of the MPA Chairperson.

## **4. Access to graduate and professional programs** N/A

## **5. Demand and employment factors**

The Kelley School of Business Career Placement Office (CPO) serves accounting students and employers. For '06-'07 for Accounting recruiting (undergraduates and graduates), 28 firms recruited on campus for accounting majors, and the 28 firms conducted 411 interviews. Therefore, demand for accounting students is strong. Many of these positions were for tax positions.

## **6. Regional, state, and national factors**

The MST program will be the first MST program in Indiana, although several schools offer tax courses at the master's level. Nationally, MST programs are offered primarily in urban locations. For example, the following universities offer MST degrees.

- Arizona State University
- Bentley
- Baruch
- Depaul
- Fordham
- Georgia State
- Minnesota
- Northeastern
- San Jose State
- University of Denver
- University of Southern California
- Villanova

## C. Program Implementation and Evaluation/Assessment

### Implementation

The MST program will begin in Fall 2008, or earlier if approved. No additional resources are needed to start the MST program.

### Evaluation

The AACSB reaccredits schools every seven years, and the Kelley School of Business Accounting programs are separately accredited. Accordingly, an assessment of the MST will be conducted every seven years.

### Assessment

Currently, the Kelley School offers the MSA degree. Assessment of for the MST program will follow the pattern used in the MSA program. The MSA program assessment process is shown below.

The Kelley Indianapolis MSA Policy Committee identified the following six goals for the MSA program (adopted September 7, 2006). Following each goal is the assessment strategy.

- 1. Accounting Knowledge.** The overriding goal of the MSA Program is to ensure that its graduates will be well grounded in fundamental accounting principles relating to financial statement preparation and analysis, management decision making, internal controls and security, risk assessment, business processes, auditing and assurance and principles of federal income taxation. All MSA graduates will have sufficient awareness of the concepts of accounting and tax to recognize problems and concerns that may require further research.

**Assessment Strategy:** Evaluation of performance on the CPA exam, exit exam, and in the classroom, survey of recent alumni and employers

- 2. Accounting Research.** Graduates will be competent in researching the accounting, tax, and business related research sources as well as other financial literature independently to solve problems that are beyond the scope of fundamental accounting and tax knowledge. They will have access to major accounting and tax data services and training in their use. Graduates will develop the research skills that will enable them to be successful in their professional career as well as become lifetime learners.

**Assessment Strategy:** Evaluation of exercises, projects, and papers requiring use of research libraries and on-line research resources, survey of recent alumni and employers

3. **Critical Thinking.** Graduates will have the ability to analyze, integrate and communicate complex accounting, tax and financial information to arrive at reasoned conclusions and make informed decisions. They will be able to solve challenging problems by evaluating the logic, validity, and relevance of data. They will be able to recognize issues and raise concerns regarding potential problem situations. Graduates will achieve disciplinary competence in specialized areas.

**Assessment Strategy:** Evaluation of performance on the CPA exam, case studies, and in the classroom, survey of recent alumni and employers,

4. **Communication Skills.** Graduates will be able to communicate in a clear, concise and effective manner in both written and oral form.

**Assessment Strategy:** Evaluation of writing assignments and oral presentations, observation

5. **Professional Responsibilities.** Graduates will be aware of their professional responsibilities concerning ethical choices they will encounter in the accounting, tax and financial reporting regulatory environments. They will understand the roles of accountants in society in providing and ensuring the integrity of financial and other information.

**Assessment Strategy** Evaluation of performance on case studies and in classroom discussion of ethics and professional responsibilities

6. **Professional Development.** Graduates will appreciate the need to set career goals. They will understand the importance of networking, developing professional relationships and becoming involved in professional organizations. They will understand the nature of leadership and the importance of volunteering. They will not only be able to work independently but also will have a better understanding of how to work with others and function in a team setting.

**Assessment Strategy:** Evaluation of performance on the CPA exam case studies, and in the classroom, survey of recent alumni and employers, tracking of graduates' career progression

In developing a set of goals for the MSA program, the MSA Policy Committee recognizes that a number of different constituencies must be served. The goal of virtually all MSA students is to obtain a sufficient number of credit hours to be eligible to sit for the CPA exam.

Notwithstanding this common objective, MSA students have a variety of backgrounds and interests which often demand a unique plan of study. Typical MSA students include:



- 1. Undergraduate accounting majors who may want to concentrate in a particular area of accounting (e.g., auditing and assurance, tax, corporate financial reporting) or may wish to generalize.*
- 2. Undergraduate business majors who have majors in finance or other areas who want to obtain the accounting credit hours and skills to sit for the CPA exam.*
- 3. Undergraduate nonbusiness majors who are interested in sitting for the CPA exam but who lack an understanding of the basic concepts of business (economics, accounting, finance, marketing, operations, law, statistics).*

In light of these different constituencies, the MSA Policy Committee agrees that *an overriding goal of the MSA program is to maintain sufficient flexibility to meet the diverse educational needs and professional goals of the students.*

**D. Tabular Information: (attached)**

1. Enrollment and Completion Data
2. Total Program Direct costs and Sources of Program Revenues
3. New Program Proposal Summary
4. Letters of Agreement with Academic Units N/A

**Table 1**  
**Enrollment and Completion Data**  
**Annual Totals by Year**

For planning purposes, this table assumes that after 5 years the MST program would reach a steady state of 25 entering students each year. We assume the 25 are net new students, although some substitution may occur from the current MSA program into the MST Program.

	Year 1 2008-09	Year 2 2009-10	Year 3 2010-2011	Year 4 2011-2012	Year 5 2012-2013
<b>A. Program Credit Hours Generated</b>					
1. Existing Courses	180	390	540	690	750
2. New Courses	0	0	0	0	0
Total	180	390	540	690	750
<b>B. Full-Time Equivalents (FTEs)</b>					
1. Generated by full-time students	0	0	0	0	0
2. Generated by part-time students	5	12.5	17.5	22.5	25
Total	5	12.5	17.5	22.5	25
<b>C. Program Majors (Headcount)</b>					
1. Full-time students (1)	0	0	0	0	0
2. Part-time students (1)					
New students	10	15	20	25	25
Continuing students	0	10	15	20	25
Total	10	25	35	45	50

(1) It is difficult to forecast demand for full-time students. Accordingly, we treat all students as part-time taking 6 hours per term, or 18 hours per year for entering first-year students and 12 hours per year for returning second-year students. Some students, particularly international students, may take 12 hours per term.

**Table 2**  
**Total Direct Program Costs and Sources of Program Revenue**

		Year 1	Year 2	Year 3	Year 4	Year 5
		2008-09	2009-10	2010-2011	2011-2012	2012-2013
<b>A. Total Direct Program Costs</b>						
	Existing departmental faculty	0	0	0	0	0
	Other existing resources	0	0	0	0	0
	Incremental resources (1)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
	TOTAL	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>B. Sources of Program Revenue</b>						
	Reallocation	0	0	0	0	0
	New-to-Campus Student Fees (2)	\$81,000	\$184,275	\$267,908	\$359,443	\$410,233
	Other (non-state)		0	0	0	0
	New State Appropriations	0	0	0	0	0
	TOTAL	\$81,000	\$184,275	\$267,908	\$359,443	\$410,233

(1) Budget for increased advertising & promotional materials.

(2) Assumes in-state students only and in-state fees only. Assumes 2008-09 in-state tuition of \$450 per hour (\$900 out of state), with a 5% increase per year.

Tuition in-state per hour	\$450	\$472.50	\$496.13	\$520.93	\$546.98
Tuition out-of-state per hour	\$900	\$945.00	\$992.25	\$1,041.86	\$1,093.96
Hours Per Table 1	180	390	540	690	750

**Table 3**  
**New Program Proposal Summary**

1. Prepared by Institution  
Institution/Location: Indiana University Purdue University Indianapolis  
Program: Master of Science in Taxation  
Proposed CIP Code:  
Base Budget Year: 2007

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>2008-09</b>	<b>2009-10</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>
Enrollment Projections (Headcount)	10	25	35	45	50
Enrollment Projection (FTE)	5	12.5	17.5	22.5	25
Degree Completions Projection	0	10	15	20	25
New State Funds Requested (Actual)	0	0	0	0	0
New State Funds Requested (Increases)	0	0	0	0	0

2. Prepared by Commission on Higher Education

## **Exhibit 1**

### **MST Course Descriptions**

The following are course descriptions for tax already used in the Kelley Indianapolis MSA program. Course descriptions follow the listing of courses. In addition to the tax courses offered by the Kelley School, MST students could, with approval, take tax courses at the Indiana University School of Law Indianapolis.

- A515
- A516
- A522
- A528
- A539
- A544
- A551
- A552
- A554
- A555
- A556
- A557
- A558
- A559
- A580

**A515 Federal Income Taxes (3 cr.).** Introduction to federal income taxation. Focus is on the income taxation of individuals and tax planning for individuals. The goal of this course is to introduce students to the federal income tax law of the U.S. The course provides an overview of the following elements of the tax computation: gross income, deductions, credits, property transactions, alternative minimum tax, employment taxes, and an overview of the estate and gift tax. While the course primarily focuses on the income taxation of individuals, the basic treatment of other entities is considered, including the taxation of corporations, partnerships, limited liability companies, trusts and estates. Moreover, it should be emphasized that many of the basic tax rules examined apply to all entities. In addition, a portion of the course is devoted to tax research, enabling students to appreciate the sources of tax law such as the Internal Revenue Code, Regulations, administrative pronouncements and case law.

**A516 Federal Estate and Gift Taxation (3 cr.) P: A515 or equivalent.** Tax treatment of wealth transfers at death (the estate tax) and during lifetime (the gift tax), with emphasis on estate planning. Also includes an examination of the income taxation of estates and trusts.

**A522 Federal Taxation of Partnerships and Partners (3 cr.) P: A515 or equivalent.** Tax aspects of the definition, formation, operation, liquidation, and termination of partnerships and limited liability companies.

**A528 State and Local Taxation (1.5 - 3 cr.) P: A515 or equivalent.** Examines the basic principles of state and local taxation. Taxes studied are income taxes, sales taxes, use taxes, inheritance taxes, estate taxes, personal property taxes, real property taxes, and excise taxes.

**A539 Advanced Taxation I: Entity Issues (3 cr.) P: A515 or equivalent.** This course provides an introduction to the taxation of regular corporations, partnerships, limited liability companies, and S corporations. Recommended for all students preparing for the CPA exam.

**A544 Federal Taxation of Corporations Filing Consolidated Returns (1.5 - 3 cr.) P: A515 or equivalent.** The principal focus of this course is on the consolidation return regulations, including concepts and history; eligibility to file; computation of consolidated and separate taxable income; intercompany transactions; SRLY rules; consolidated basis adjustments, loss disallowance rules and procedures. Other tax issues raised by affiliated corporations include the multiple corporation limitations of Section 1561.

**A551. Tax Research (1.5-3.0) P: A515 or concurrent.** Covers how to access the primary and secondary sources of tax law, including the Internal Revenue Code, regulations and other administrative pronouncements and judicial decisions. Explains the research process and the use of research tools to locate sources of tax law. Utilizes both paper products and electronic (internet) resources. Emphasizes how to read and interpret source materials. Tax research assignments stress writing skills and the need for effective communication of research findings.

**A552 Federal Taxation of Corporations and Shareholders (3 cr.) P: A515 or equivalent, A539 or equivalent.** Federal tax aspects of various corporate transactions including corporate formations, operations, distributions, redemptions, liquidations, mergers, acquisitions and divisions and the impact of these transactions on corporate shareholders.

**A554 Income Taxation of Trusts and Estates (1.5 cr) P: A515 or equivalent.** Analyzes the income taxation of trusts and estates and their creators, beneficiaries and fiduciaries, including computation of fiduciary accounting income, distributable net income and taxable income, taxation of simple and complex trusts, computation of income in respect of a decedent, preparation of the decedent's final income tax return and the returns of trusts and estates from inception through termination.

**A555 Taxation of S Corporations (1.5 - 3 cr.) P: A515 or equivalent** Examines tax treatment, tax problems and tax planning techniques involving S corporations; eligibility rules; election, revocation, termination; treatment of income, deductions and credits; determining the shareholder's taxable income; pass-through of corporate net operating loss; distributions of previously taxed income; special taxes applicable to S corporations.

**A556 Timing Issues in Taxation: Accounting Periods and Methods (1.5 - 3 cr.) P: A515 or equivalent.** Examines timing issues related to the Federal income tax including adoption of and changes in accounting periods, cash and accrual methods of accounting, tax consequences of changing from one method of accounting to another, installment methods of accounting; time value of money issues (original issue discount); inventory accounting (LIFO), the Uniform Capitalization Rules, and accounting for long-term contracts.

**A557 International Taxation P: A515 or equivalent (1.5 - 3 cr).** Examines federal tax issues related to foreign transactions, including issues affecting U.S. citizens and residents working, investing in or doing business overseas, and foreigners working, investing in or doing business in the U.S.

**A558 Taxation of Tax Exempt Organizations (1.5 - 3 cr.)** Examines the tax treatment of public and private charities exempt under I.R.C. Sec. 501(c)(3), as well as business leagues, social clubs, and other types of tax-exempt organizations. Includes discussion of the requirements for exemption from federal income tax and the tax treatment of the unrelated business income tax and private foundation status and its repercussions.

**A559 Federal Taxation of Current and Deferred Compensation (1.5 - 3 cr.) P: A515 or equivalent.** Introduces the taxation of current and deferred compensation. Current compensation coverage includes receipt of property, stock options, golden parachutes, etc. Deferred compensation topics addressed are qualified and nonqualified retirement plans including pension and profit-sharing plans, stock bonus plans, self-employed retirement plans and individual retirement; examines basic concepts of plans and trust, participation and vesting requirements, hours of service and break-in service rules, discrimination in benefits or contributions, deduction for employer contributions, limitations on benefits and contributions, taxability of distributions, fiduciary responsibility and reporting and disclosure requirements..

**A580 - Selected Topics in Taxation (1.5-3 cr.)** Addresses special tax topics that receive little or no coverage in the other tax courses. Topics have included: the passive loss rules, at-risk provisions, net operating losses, use of C corporation losses acquired in a merger or acquisition, alternative minimum tax, advanced like-kind exchanges, purchase price allocations, amortization of intangibles, consolidated returns and similar topics.