

Letter Head

March 5, 2008

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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Associate Dean – Indianapolis Programs
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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 MSA¹ 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

¹ 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.

Like many specialized areas, advanced knowledge can be obtained through continuing education and certificate programs. In this regard, a few schools offer a course of study that results in a certificate in taxation. For example, the University of Missouri – St. Louis offers an 18-credit hour graduate certification in taxation. However, a review of the programs offered nationally reveals that the MST or Master of Taxation (MT) is easily the most recognized and the credential of choice for those in tax. The American Institute of Certified Public Accountants once offered a professional certification in tax (a seven course program) but it was not successful in part because a degree was not granted.

Currently, most MST programs are offered at schools in major metropolitan areas such as Indianapolis. As can be seen in the listing below, graduate tax programs are common along the eastern seaboard and the west coast. In contrast, fewer programs are offered in Midwestern cities. Programs do exist in Chicago and Detroit, but there are no MST degree programs in Louisville, Columbus, Cleveland, St. Louis or Toledo. Thus by establishing an MST in Indianapolis, IUPUI and the city could obtain a competitive advantage over some Midwestern cities and remain competitive with others. It seems clear that there is an opportunity to create such a program and Indianapolis needs to offer this kind of degree.

The following universities offer fully accredited MST degrees.

Atlanta

- Georgia State (Atlanta)

Boston

- Bentley University (Boston)
- Boston University (Boston)
- Bryant University (Boston)
- Suffolk University (Boston)
- Northeastern (Boston)

Chicago

- DePaul University (Chicago)
- Northern Illinois University (Chicago)

Cincinnati

- University of Cincinnati (Cincinnati)

Cleveland

- University of Akron (Cleveland)

Denver

- University of Denver (Denver)

Detroit

- Wayne State University (Detroit)

Minneapolis

- University of Minnesota (Minneapolis-St. Paul)

Los Angeles

- University of Southern California (Los Angeles)
- California State Fullerton (Fullerton)

Miami

- University of Miami (Miami)
- Florida International University (Miami)
- Florida Atlantic University (Miami)

Milwaukee

- Wisconsin Milwaukee (Milwaukee)

New York

- Baruch (New York)
- Fordham University (New York)
- St. John's University (New York)
- Pace University (New York)

Orlando

- University of Central Florida (Orlando)

Philadelphia

- Villanova University (Philadelphia)
- Drexel University (Philadelphia)

Phoenix

- Arizona State University (Phoenix)

Pittsburgh

- Robert Morris University (Pittsburgh)
- Duquesne University (Joint law and accounting) (Pittsburgh)

Richmond

- Virginia Commonwealth (Richmond)

San Francisco

- San Jose State (San Francisco)

St. Louis

- University of Missouri –St.Louis (certificate program)

Washington D.C.

- American University (Washington D.C.)

Field of Taxation. Over the years, the field of taxation has grown into a highly specialized area of accounting and law, 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.² For example, for Ernst and Young, tax services for 2001 generated 39 percent 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 AACSB³ 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. MST students will be required to complete seven core tax 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

² There are currently four national public accounting firms: Ernst and Young, KPMG, Deloitte and PricewaterhouseCoopers. These are generally referred to as the "Big 4."

³ 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.

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 need to be approved in order 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. It should be emphasized that the viability of the program does not depend on electives from the Law School or other schools. In this regard, discussions have been held with the Law School, which is supportive of the MST program. Since the inception of the MSA program, a few students have taken Law School courses with approval by the Law School. See Exhibit 1 for descriptions of the tax courses used to support the MST offered by Kelley Indianapolis.

| MST Coursework |
|---|
| Core Courses--Required 21 hours (all 3.0 courses) |
| 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) P-A539 (3.0) |
| A556 (Accounting Periods & Methods) (3.0) |
| A522 (Partnerships) (3.0) |
| A555 (S Corps) (3.0)- |
| Electives--9.0 hours. |
| 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 |
| Other Potential Elective Tax Courses |
| <i>Courses in the IU School of Law Indianapolis, available with approval by the School of Law</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 (i.e., industry), 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

According to recent reports, the area of tax and accounting has seen tremendous growth rates in the last several years. A study by American Institute of Certified Public Accountants indicated that in 2004, there was a 17 percent increase in the number of new accounting graduate hires by the firms compared to 2003.⁴ The number of Bachelor degrees hired increased 13 percent (to 15,000) and Master's hires increased 33 percent (to 4,700). Similarly, the average growth in revenues in 2006 was 16.5 percent compared to 9.1 percent in 2005. Firms outside the national firms posted even stronger results with the top 100 accounting firms have realized double digit growth rates at an average rate of 21.9 percent compared to 14.7 percent for the national firms. The majority of the services provided by non-national firms is tax related.

This growth is reflected in the increased applications to the MSA program and the number of interviews by employers. For the 2007-2008 academic year, the number of students admitted (unconditional and conditional) to the program increased by more than 50 percent. The Kelley School of Business Career Placement Office (CPO) serves accounting students and employers. In fall 2006, 25 accounting firms recruited on campus and conducted 377 interviews of undergraduate and graduate accounting majors. For fall 2007, 32 firms recruited on campus for accounting majors, and the 32 firms conducted 415 interviews. This represented more than a 10 percent increase in interviews. All of the available data suggests that the 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

⁴ The Supply of Accounting Graduates and the Demand for Public Accounting Recruits—2005 for Academic Year 2003–2004

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 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 tax 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. Currently, 27 hours of tax courses are being taught on a regular basis primarily for MSA students but also some MBA students. 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 currently offered at the Indiana University School of Law Indianapolis. Currently, a joint MBA-JD program exists between the Kelley School and the Law School. Moreover, historically, on a case by case basis, students in the Kelley School have taken courses in the Law School and vice versa. Since the inception of the MSA program in 1998, a few MSA students have taken courses in the Law School with appropriate approval by the Law School. The Law School has expressed its support (see letter).

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 Federal Income Taxes Prerequisite for all other courses (3.0)

A551 Tax Research (3.0)

A539 Corporate Tax I (3.0)

A535 Corporate Tax II: Reorganizations, Consolidated Returns **P-A539** (3.0)

A522 Partnerships (3.0)

A555 S Corps (3.0)-

A556 Periods & Methods (3.0)

Electives--9.0 hours.

A516 Gift & Estate (3.0)

A528 State and Local Tax (3.0)

A544 Consolidated Tax Returns (3.0)

A554 Income Taxation of Estates and Trusts

A557 International Taxation (3.0)

A558 Tax Exempt Organizations (3.0)

A559 Current and Deferred Compensation

A580 Selected Tax Topics (3.0)

Approved Kelley MSA and 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.)

DN846 Corporate Reorganization and Bankruptcy (2 cr.)

REQUIRED COURSE. 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.

REQUIRED COURSE. A539 Corporate Taxation I: (3 cr.) P: A515 or equivalent. This course provides an introduction to the taxation of regular corporations, partnerships, limited liability companies, and S corporations. *Note this course emphasizes the taxation of C corporations and is the introductory course to corporate taxation.*

REQUIRED COURSE. 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.

REQUIRED COURSE. 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.

REQUIRED COURSE. 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.

REQUIRED COURSE. 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.

REQUIRED COURSE. 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.

POTENTIAL ELECTIVE. 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.

POTENTIAL ELECTIVE. 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.

POTENTIAL ELECTIVE. 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.

POTENTIAL ELECTIVE. 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.

POTENTIAL ELECTIVE. 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.

POTENTIAL ELECTIVE. 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.

POTENTIAL ELECTIVE. 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.:

POTENTIAL ELECTIVE. 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.

Sample MST 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 (3.0 credit hours)

Fall (6.0):

A552: Corporate tax II (3.0 credit hours)

A555: S Corp taxation (3.0 credit hours)

Spring (3.0)

Elective (3.0 credit hours)

Summer(3.0)

A556: Periods and methods (3.0 credit hours)

RELATIONSHIP TO MASTER OF SCIENCE IN ACCOUNTING

While many believe that accounting and tax are the same, this is not necessarily true. To illustrate, the practices of most accounting firms are divided into two areas: tax services and audit and assurance services. Prospective employees normally start their careers in either tax or audit. These differences between accounting and tax are reflected in MSA and MST programs, not only in the admission requirements but also the coursework. Nationally, the MSA and MST programs reflect these differences, with students pursuing accounting and auditing specialties seeking an MSA and students pursuing tax preferring the MST.

The first distinction between the MSA and MST programs can be found in the admission requirements. Those who are admitted to the MSA program must have met the common body of business knowledge conditions set forth by the AACSB. These include such courses as marketing, management economics, statistics, basic accounting, finance, operations, and law. Students who have undergraduate business degrees meet these requirements. Others seeking

admission to the MSA program must take up to 33 hours of prerequisites to meet these requirements. In contrast, those seeking admission to the MST program need only an undergraduate degree and an introductory accounting course. To illustrate, an attorney who is interested in tax but has little or no business background may be admitted to the MST program without having to complete business courses. Similarly, a tax professional who has no business background but who wishes to increase his or her breadth and depth of tax knowledge can focus directly on tax without having to take basic business courses. It should be noted, however, that individuals who wish to become certified public accountants generally are required under state law to complete certain courses in business as well as courses in financial accounting, cost accounting, auditing and tax.

The MSA and MST programs also differ in their coursework. An MSA student must complete 30 hours of coursework. Only 4.5 credit hours of this 30 hours must be in tax. Of the remaining 25.5 hours, 10.5 hours must be in accounting (e.g., intermediate accounting, advanced accounting, governmental accounting, auditing, tax, systems or other accounting courses) and the balance of the program, 15 hours may be more accounting, business, law or other approved courses. Alternatively, MST students are far more limited in what courses they may take. An MST student is required to complete 21 hours of tax courses. Of the remaining 9 hours, the MST student may take more tax or related coursework. As may be apparent, the MSA degree might be characterized as more of a generalist degree, although some specialization is available. In contrast, those pursuing the MST degree must complete a very specialized course of study. The two degree programs are compared below.

| MSA (Non-Undergraduate Accounting) Careers in Auditing, Corporate, or Government | | MST Careers in Tax | |
|---|-------------|--|--|
| Required | | Required | |
| A515 Federal Income Taxes | 3.0 | A515 Federal Income Taxes | |
| A551 Tax Research (1.5 hour version for MSA) | 1.5 | A551 Tax Research | |
| A511 Financial Acct Theory & Practice | 3.0 | A539 Corporate Tax I | |
| A514 Auditing Theory & Practice | 3.0 | A535 Corporate Tax II | |
| L503 Advanced Business Law | 3.0 | A522 Federal Taxation of Partnerships & partners | |
| Accounting electives (1) | 4.5 | A555 Taxation of S Corporations | |
| | | A556 Timing Issues in Taxation | |
| | | | |
| Total Required Accounting and Law | 15.0 | Total Required Tax Courses | |
| Electives (1) | 15.0 | Electives | |
| | | | |
| Total | 30.0 | Total | |
| | | | |
| Potential Electives | | Potential Electives | |
| A520 Corporate Financial Reporting | 3.0 | A516 (Gift & Estate) (3.0) | |
| A560 Information Technology Auditing | 3.0 | A528 (State and Local Tax) (3.0) | |
| A566 Advanced Auditing | 3.0 | A554 Income Taxation of Estates and Trusts | |
| A575 Internal Auditing & Corporate Governance | 3.0 | A557 International Taxation (3.0) | |
| A523 Business Information Systems (1) | 3.0 | A558 Tax Exempts (3.0) | |
| A517 Financial Statement Analysis | 3.0 | A559 Current and Deferred Compensation | |
| A562 Advanced Accounting (1) | 3.0 | A580 (Selected Tax Topics) (3.0) | |
| A508 Governmental Accounting (1) | 3.0 | Approved Kelley MSA, MBA courses | |
| A539 Corporate Tax I | | Other Potential Elective Tax courses | |
| A535 Corporate Tax II | 3.0 | | |
| A522 Federal Taxation of Partnerships & partners | 3.0 | | |
| A555 Taxation of S Corporation | 3.0 | | |
| A556 Timing Issues in Taxation | 3.0 | | |
| A516 Federal Estate and Gift Taxation | 3.0 | | |
| A528 (State and Local Tax) (3.0) | 3.0 | | |
| A554 Income Taxation of Estates and Trusts | 3.0 | | |
| A557 International Taxation (3.0) | 3.0 | | |
| A558 Tax Exempts (3.0) | 3.0 | | |
| A559 Current and Deferred Compensation | | | |
| A580 (Selected Tax Topics) (3.0) | | | |
| Approved Kelley MSA, MBA courses | | | |
| Other Potential Elective Tax Courses | | | |
| | | | |
| | | | |
| Required courses in MST | | | |
| Non-Tax Elective courses in MST or MSA | | | |
| Tax Elective in MST or MSA | | | |

- (1) Students who were not undergraduate accounting majors will almost certainly take three courses, A523, A508, and A562 for a total of 9.0 hours, and then choose among other electives (e.g., if interested in internal auditing, would take A575, A560)

The MST is a graduate degree devoted solely to taxation. Consequently, MST students are required to complete 21 hours of tax courses and more tax if they desire. These students usually are interested only in tax and not general business courses such as those in finance, marketing, operations, supply chain, human resources, or other business courses. In contrast, the MSA represents a general accounting degree and for many represents the minimum threshold that must be achieved to practice.

It is anticipated that some MSA students may migrate from the MSA program to the MST program, but this situation should not have any effect on classes offered or resources required. By offering individuals interested in tax the credential of choice (the MST), the program should attract new students to the tax courses that we already offer. Over the last ten years, the MSA program has consistently received inquiries about an MST. The MST is what individuals who plan to commit to a tax career want. There will be some movement of students from nontax courses to tax courses, but enrollments are strong in the MSA program and the MSA program should not suffer. The addition of the MST should increase enrollments with new, high quality, students and, consequently, the MSA should benefit to the extent that MST students take MSA courses as electives.

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

Program Advisor: Susan Cauble
Assistant Director of Graduate Programs, MSA Coordinator
 BUS 3024A
 317.274.3451, 317.274.2483
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, JD, 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.

The best information available for demand is the enrollments in the tax courses that are currently available to MSA students as electives. Normally the graduate tax course offerings in the MSA consist of two graduate tax courses in the fall, two in the spring and two during the summer. The class size ranges from 15-20. One online course on Estate and Gift Taxation and has 16 students. If the MST is offered, it is expected that those numbers would slowly double. Note that the addition of the MST credential will have little impact on MSA because the same array of tax courses will continue to be offered. By adding the MST and *requiring* 21 credit hours of tax, it is anticipated that the number enrolled in the tax courses will increase.

Results of an informal survey of graduate tax programs offered by universities in metropolitan areas demonstrated that there is a market for these programs. It is difficult to compare the statistics gathered because programs are not uniform (some part-time, some full-time, some part-time and full-time, some one year programs, some two year programs, etc.). It should be emphasized that the Indianapolis MST would be one of the few MST programs in the Midwest. Below is the information from an informal survey of MST programs.

- University of Minnesota (Minneapolis): 150 students in 3 year program
- Arizona State University (Phoenix): 30 students admitted per year
- University of Washington (Seattle): graduate 90 per year
- Villanova (Philadelphia): joint MST/LLM part-time program: 250 students
- Florida International (Miami): admit 50 per year
- University of Miami (Miami, FL): 50 graduates per year
- San Jose State University (San Jose, CA outside of San Francisco): 165 students (20 different courses over three years and normally have 15-40 students in a class)
- University of Alabama (Tuscaloosa) 20 students full-time
- University of Central Florida (Orlando): graduate 100 per year
- University of Denver (Denver): 30 graduates per 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.

The following universities offer fully accredited MST degrees.

Atlanta

- Georgia State (Atlanta)

Boston

- Bentley University (Boston)
- Boston University (Boston)
- Bryant University (Boston)
- Suffolk University (Boston)
- Northeastern (Boston)

Chicago

- Depaul University (Chicago)
- Northern Illinois University (Chicago)

Cincinnati

- University of Cincinnati (Cincinnati)

Cleveland

- University of Akron (Cleveland)

Denver

- University of Denver (Denver)

Detroit

- Wayne State University (Detroit)

Minneapolis

- University of Minnesota (Minneapolis-St. Paul)

Los Angeles

- University of Southern California (Los Angeles)
- California State Fullerton (Fullerton)

Miami

- University of Miami (Miami)
- Florida International University (Miami)
- Florida Atlantic University (Miami)

Milwaukee

- Wisconsin Milwaukee (Milwaukee)

New York

- Baruch (New York)
- Fordham University (New York)
- St. John's University (New York)
- Pace University (New York)

Orlando

- University of Central Florida (Orlando)

Philadelphia

- Villanova University (Philadelphia)
- Drexel University (Philadelphia)

Phoenix

- Arizona State University (Phoenix)

Pittsburgh

- Robert Morris University (Pittsburgh)
- Duquesne University (Joint law and accounting) (Pittsburgh)

Richmond

- Virginia Commonwealth (Richmond)

San Francisco

- San Jose State (San Francisco)

St. Louis

- University of Missouri –St.Louis (certificate program)

Washington D.C.

- American University (Washington D.C.)

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. The MSA degree was recently reaccredited by the AACSB. Assessment of the MST program will follow the pattern used in the MSA program as adapted to meet the specific objectives of the MST program.

Evaluation and Assessment of Master of Science in Taxation

Statement of Philosophy.

The underlying philosophy of teaching and learning in the Master of Science in Accounting and the proposed Master of Science in Taxation is that learning is a lifelong process of discovery. With that as the foundation, our job as teachers is to act as a catalyst for discovery. Our goal is not to merely transfer information and teach technical competency, but to cultivate in our students a curiosity about the world and a thirst for knowledge that will stay with them throughout their lives. This view is particularly relevant given the exponential growth of knowledge and the accelerating rate at which the world is changing. It is clearer today than ever before that what is current today may be obsolete tomorrow. Thus, learning must be a lifelong pursuit, and learning *how to learn* is as important as is mastering the current "common body of knowledge" of the discipline. We believe the overriding objective of our accounting and tax programs should be to teach students to learn on their own. Our graduates must be prepared to enter the profession as we know it today but have the ability to learn so they can adapt to the needs of tomorrow. At the core, our mission is to enable students to adapt successfully as the need arises. As Erwin Panofsky stated in 1955:

The aim of the academic process as such is to impart to the student, not a maximum of knowledge but a maximum of adaptability - not so much to teach him subject matter as to teach him method. When the [student] leaves the university, his most valuable possession is neither the fairly uneven acquaintance with [the tax law] which he is expected to acquire through lecture courses, seminars, and private reading, nor the more thorough familiarity with the special field from which the subject of his thesis has been taken, but an ability to turn himself into a specialist in whatever domain may happen to attract his fancy in later life (Erwin Panofsky, *Meaning in the Visual Arts*: Garden City, NY, 1955).

As Panofsky suggests, at the core, our mission is not to simply impart technical skills to our students, although that is an important part of our programs, but teach them how to learn. As teachers and as a program, our role is to facilitate this process by making the subject interesting and relevant, thereby generating excitement and motivation for learning. We believe that when provided with favorable learning conditions, most people become intrinsically motivated to learn and, therefore, succeed at *whatever* they ultimately choose to pursue.

Expected Learning Outcomes for Master of Science in Taxation Degree

The expected learning outcomes for students who complete the Master of Science in Taxation course of study are set forth below. Following each outcome is an explanation of how the outcome can be verified, how it may be taught or learned, and a strategy for assessment.

Outcome: Knowledge of Tax Principles: Graduates will demonstrate technical competency and expertise in advanced subject areas of taxation. Such areas include the taxation of individuals, business entities (C corporations, S corporations, partnerships, limited liability companies), international taxation, state and local taxation, estate and gift taxation, income taxation of trusts and estates, tax accounting methods and periods, tax-exempt organizations as well as other specialized areas.

Verification: Given an economic transaction or set of transactions, graduates will be able to identify tax issues and be capable of solving complex tax problems, reaching authoritative and defensible solutions.

Learning Method: In-class lectures, active and cooperative learning, discussions; projects (case studies, problems, presentations)

Assessment Strategy:

- Instructor assessment at the course level. Performance on examinations and projects (case studies, problems, presentations) devoted to measuring knowledge of tax principles. Exams will require analysis, reasoning, and critical thinking.
- Faculty members often use classroom dialogue, sometimes referred to as Socratic dialogue, as a way to assess the extent that students have read the course materials, as well as assess their level of legal reasoning, analysis, critical thinking, and capacity to explore implications of different legal outcomes. Some faculty members award class participation points as a way to evaluate student performance in this area.
- Evaluation of written assignments.
- External assessment of student skills through participation in various regional and national competitions.
- Recorded online presentations
- Evaluations by fellow students
- Student self-assessment
- Placement of students in position related to their degrees
- Feedback by employers
- Performance on CPA exam
- Admission to other graduate programs
- Accreditation reviews

Outcome: Analysis and Critical Thinking: Graduates will be able to collect critical facts, identify tax issues, analyze tax problems in light of legal precedent and authorities, draw logical and defensible conclusions and communicate them effectively.

Verification: Given an economic transaction or set of transactions, graduates are able to identify tax issues and be capable of reaching authoritative and defensible solutions.

Learning Process: Problem solving, case studies, research exercises

Assessment Strategy:

- Instructor assessment at the course level. Performance on examinations and projects (case studies, problems, presentations) devoted to determining knowledge of tax principles. Exams will require analysis, reasoning, and critical thinking.
- Evaluation of written assignments.
- External assessment of student skills through participation in various regional and national competitions.
- Evaluations by fellow students
- Student self-assessment
- Placement of students in position related to their degrees
- Feedback by employers
- Performance on CPA exam
- Admission to other graduate programs
- Accreditation of program

Outcome: Communication: Graduates will be able to communicate in written and oral forms both to members of the tax profession and the lay community in a manner that is clear, logical, and persuasive. Graduates will be able to write or present a report with a clear main point, using relevant examples and graphic illustrations to support their position.

Verification: Written assignments (e.g., specifically the tax research and writing course) and oral presentations will be effective and intelligently communicate the message.

Learning Process: Writing assignments and oral presentations. Special seminars on writing, presenting and the various types of oral communications

Assessment Strategy:

- Instructor assessment at the course level.
- Evaluation of written assignments (e.g., specifically the tax research and writing course) and oral presentations (live and captured online). All students will be required to make sufficient presentations during the program so that comparisons can be done and improvement noted. Presentations will be captured online through the Adobe Connect technology.
- The faculty member teaching tax research will prepare a report highlighting overall student strengths, weaknesses, and trends. Copies of this report will be provided to the program director. These annual reports will refer to assessments from prior years so that comparisons can be made over time and improvements made.

- Practicing professionals will review a sample of videotaped presentations, then participate in a focus group to discuss students' ability to communicate effectively in professional practice, identify additional needs, and offer feedback to individual students
- External assessment of student skills through participation in various regional and national competitions.
- Recorded online presentations
- Evaluations by fellow students
- Student self-assessment

Outcome: Tax (Legal) Research: Graduates will demonstrate effective use of the tools of legal research (both hard copy and online tools), be able to create an effective research plan for assessing a tax problem, and demonstrate the ability to use appropriate citation form for advocacy and expository legal writing.

Verification: Given a tax problem, graduates can find the answer using the legal research materials online and in the library and communicate their findings in an effective and defensible manner.

Learning Process: Tax research cases requiring legal research. Students must submit legal writing products as part of their tax research course and throughout the program.

Assessment Strategy:

- Instructor assessment at the course level of written assignments.
- Evaluation focused on ability to identify critical facts, analyze issues based in light of legal precedent and to communicate the findings in an effective, clear and persuasive written manner.

Outcome: Professionalism and Ethics: Graduates will demonstrate competency in understanding the ethical standards of conduct expected of members of the tax profession, be able to recognize ethical dilemmas and resolve them appropriately. Graduate will understand the ethics of the profession, have the ability to make value-based judgments, and a disposition to address issues with concern for the public interest.

Verification: Given an ethical dilemma, graduates will be able to reach a reasoned conclusion in light of ethical standards of conduct expected by the profession

Learning Process: Case studies, discussions, application of ethical principles in specific, real-world situations.

Assessment Strategy:

- Instructor assessment at the course level. Examination of comprehension of technical ethical principles.

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 |
|--|-------------------|-------------------|---------------------|---------------------|---------------------|
| A. Program Credit Hours Generated | | | | | |
| 1. Existing Courses | 180 | 390 | 540 | 690 | 750 |
| 2. New Courses | 0 | 0 | 0 | 0 | 0 |
| Total | 180 | 390 | 540 | 690 | 750 |
| B. Full-Time Equivalents (FTEs) | | | | | |
| 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 |
| C. Program Majors (Headcount) | | | | | |
| 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 |
| A. Total Direct Program Costs | | | | | | |
| | 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. Sources of Program Revenue | | | | | | |
| | 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

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------------|----------------|----------------|------------------|------------------|------------------|
| | 2008-09 | 2009-10 | 2010-2011 | 2011-2012 | 2012-2013 |
| 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.

LAW SCHOOL LETTER OF SUPPORT

To: Graduate Affairs Counsel

From: Paul N. Cox

Vice Dean and Centennial Professor of Law

Re: Proposed Kelley School of Business Master in Taxation Degree

The Indiana University School of Law, Indianapolis, supports the creation of a Master in Taxation degree in the Kelley School of Business. The degree proposal contemplates that, with appropriate approval by both the Kelley School and the School of Law, Kelley graduate students may be allowed to take certain tax courses offered by the School of Law. There have been a limited number of instances in the past in which Kelley School students have been permitted, with the concurrence of both schools, to enroll in courses at the Law School. The Kelley School proposal appears to continue this practice of case by case assessment by both schools, a practice that has worked well in the past.