Email: merle.erickson@chicagobooth.edu  
Office: Room HPC 451  
Phone: (773) 834-0716  
Fax: (773) 702-0458  
Office hours: By appointment  

Course Teaching Assistant:  
Anna Nakhmurina  
anne@chicagobooth.edu  
Office Hours: TBA

Materials:
1) There are extensive handouts each week, which are available online at:  
http://faculty.chicagobooth.edu/merle.erickson/teaching/private/  
2) Taxes and Business Strategy, 5th edition (Scholes, Wolfson, Erickson, Hanlon, Maydew and Shevlin; a.k.a. SWEHMS), with casebook, Cases in Tax Strategy 5th edition (Erickson). The casebook is in electronic form and is available for online purchase through www.study.net at:  
http://www.study.net/r_mat.asp?crs_id=30073369. The casebook is not part of the course packet and must be purchased separately.

Course Objective:
This course is designed to give you the tools to identify, understand, and evaluate tax planning opportunities. To maximize the lasting benefit you will get from this course, we begin by developing a conceptual framework for thinking about how tax rules affect business decisions. Once developed, the framework is brought to life by application to a variety of settings of particular interest to MBA students (e.g., mergers and acquisitions and tax arbitrage). Many applications are U.S. based, but the underlying tax strategies have applicability in many other jurisdictions.

Prerequisites:
You don’t need any prior knowledge of taxation to take this class. The only prerequisite is a B30000-level understanding of accounting. Some knowledge of elementary finance is useful, but not required.

Lecture Notes:
Lecture notes are on my website (http://faculty.chicagobooth.edu/merle.erickson/teaching/private/). Please print out a set before class. I suggest a 3 ring binder for lecture notes.

Lectures:
Tape recording and/or video recording of lectures is strictly prohibited.

Tardiness and Missed Classes:
I understand that occasionally students are unable to arrive to class on time due to professional commitments such as interviews and/or meetings. Please do not hesitate to come to class late when you are delayed for these reasons. When arriving late, please be considerate of your fellow classmates. Notice; do not come late to class unless you absolutely are unable to be in class on time. If you have time to stop for coffee or a Whopper with cheese, you probably should have been to class on time. If you miss a class, please have a classmate get a copy of any materials handed out in class. To the extent possible, also make arrangements to turn in assignments in a timely fashion.
B30118 Syllabus Continued

Class Communication:
I frequently use the Booth e-mail system to distribute pertinent class information. Please make arrangements to access your Booth e-mail or have a classmate notify you of the information disseminated.

Grades:
Your grade is based on your score out of a possible 360 points. You may take this class pass/fail. 205 points are required to pass. The points are allocated as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>One problem set</td>
<td>20</td>
</tr>
<tr>
<td>Six Cases</td>
<td>120</td>
</tr>
<tr>
<td>Class Participation</td>
<td>20</td>
</tr>
<tr>
<td>Final exam</td>
<td>200</td>
</tr>
</tbody>
</table>

Problem Sets:
Students are encouraged to work in groups, and you may turn in the problem set as a group (1 problem set per group). If you are out of town or otherwise can’t make it to class, you can either put the problem set in my mailbox (2nd floor of HPC near the Dean’s office), mail it to me (postmarked by the due date), or fax it to me. If you fax it, make sure that the font used on your printout is legible after faxing. Please do not e-mail me assignments. I will not accept them. I recommend that you do all assignments on a spreadsheet or a word processor.

Cases:
We will do six cases this quarter: Analysis of Enron’s use of MIPS, Seagram’s sale of 25% of Du Pont back to Du Pont for $9 billion, Disney’s 2012 acquisition of LucasFilm, Valuation of the AirTran NOLs in Southwest’s acquisition of AirTran, Quaker Oats’ divestiture of Snapple and Triarc’s subsequent sale of Snapple, and the Jade Trading “tax shelter” case. Case grades will be based on written answers to several questions associated with each transaction. Students are encouraged to work in groups, and students should turn in 1 case per group (maximum of 4 people per group).

Guest Speakers:
We will have a guest speaker, an international tax lawyer from Baker & McKenzie, who will discuss international tax planning. The guest speaker will speak on the evening of Monday, November 30th at Gleacher Center (starting at about 6 pm). I will videotape the talk in the event you cannot attend the evening of November 30th. Material covered at this lecture is not on the final exam. We will not have a regular class meeting during week #10 (November 30 and December 1) and instead will have the guest speaker on the evening of November 30th. Students therefore will have from Thanksgiving break until the final to study for the final exam.

Final Exam:
The final exam is closed book and closed note. Exams tend to draw most heavily from the class notes and problem set, followed by the assigned readings. Numerous old final exams (with solutions) are on my web page. The final exam for the Monday afternoon section will be from 1:30 to 4:30 pm, on December 7th, at HPC. The final for the Tuesday afternoon section will be from 1:30 to 4:30 pm on December 8th, at HPC. The final exam for the Monday evening section will be Monday, December 7th, at Gleacher from 6:00 to 9:00 p.m. There will be one alternate date to take the final exam on Sunday December 6th (12 pm to 3 pm) at Gleacher. If you can not make any of these exam times, you’ll have to take an incomplete and take the final exam the next time I teach the course (Fall 2016). I may allow a few students to take the exam with a section
other than the one in which they are registered, but only with advance notice and in case of an uncontrollable conflict.

**Participation:**
Participation grades will be based on student's ability to answer basic questions about the material, in particular case questions.

**Honor Code:**
Students in my class are required to adhere to the standards of conduct in the Booth Honor Code and the Booth Standards of Scholarship. On the final exam, I also require students to sign the following Booth Honor Code pledge; “I pledge my honor that I have not violated the Honor Code during this examination.”
Week 1 (9/28 and 9/29):  
*Introduction; Tax planning for investments*

Read:  
Scholes, Wolfson, Erickson, Hanlon Maydew and Shevlin (*SWEHMS*)  
Chapter 1  
Scholes, Wolfson, Erickson, Hanlon Maydew and Shevlin Chapter 2,  
(*SWEHMS*) (page 1 through section 2.3)

Week 2 (10/5 and 10/6):  
*Tax planning for investments; Compensation planning*

Read:  
*SWEHMS* Chapter 3 (Taxes and Investments)  
*SWEHMS* Chapter 8 (Compensation Planning)

Week 3 (10/12 and 10/13):  
*Taxation of corporations and their alternatives; Capital structure, Corporate Distributions*

*Seagram/Du Pont Case*

Read:  
*SWEHMS* Chapter 4  
Background Reading:  
*SWEHMS* Chapter 12 (pages 1-22)

Due:  
*Seagram/Du Pont: Case Questions*

Week 4 (10/19 and 10/20):  
*Introduction to Tax planning for mergers, acquisitions, and divestitures*

*Enron MIPS Case*

Read:  
*SWEHMS* (Chapter 13)

Due:  
*Enron MIPS Case: Case Questions*

Week 5 (10/26 and 10/27):  
*Tax planning for acquisitions of freestanding C corporations*

Read:  
*SWEHMS* (Chapter 14)  
*SWEHMS* (Chapter 16)

Due:  
Problem Set
Week 6 (11/2 and 11/3):

Tax planning for divestitures
Disney/LucasFilm Merger (end of class)

Read: SWEHMS (Chapter 17)
Due: Disney/LucasFilm: Case Questions

Week 7 (11/9 and 11/10):

Tax planning for divestitures cont’d;
Pricing and structuring the acquisition of a conduit entity (S corporations)
Southwest/Airtran NOL Case

Read: SWEHMS (Chapter 15)
Due: Southwest/Airtran NOL valuation: Case Questions

Week 8 (11/16 and 11/17):

Pricing and structuring the acquisition of a conduit entity (S corporations)
Introduction to Merger Based Inversions and Tax Benefits from Inversions
Snapple Divestiture Case

Review: SWEHMS (Chapter 15)
Due: Snapple Divestiture Case I and II: Case Questions

Week 9 (11/23 and 11/24):

Tax Arbitrage, Recent Developments in Tax Planning
Jade Trading Case (end of class)

Read: SWEHMS Chapter 5
Due: Jade Trading: Case Questions

Week 10 (11/30): Guest Speaker; International Tax Planning (6 p.m., Gleacher Center, Room 100)

Week 10 (11/30 and 12/1): No Regular Class Meeting – Guest Speaker on the evening of 11/30 is the course for this week

Final Exam Review Session: December 5, Gleacher Room 100, 6:00 p.m.

***********************************************************************

Final Exam
Section 01 – Monday, 12/7/15, 1:30 to 4:30 pm (HPC)
Section 02 – Tuesday, 12/8/15, 1:30 to 4:30 pm (HPC)
Section 81 – Monday, 12/7/15, 6:00 to 9:00 pm (Gleacher)