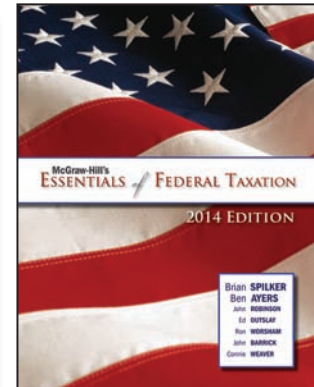
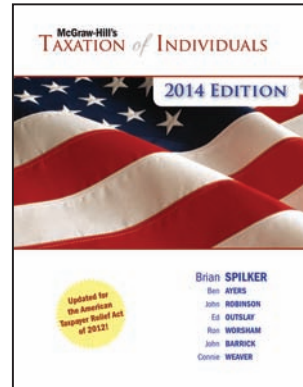
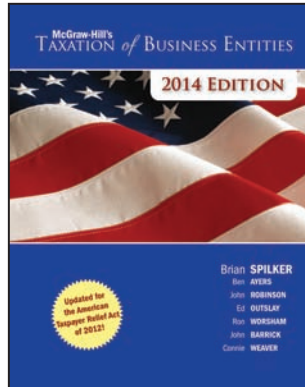
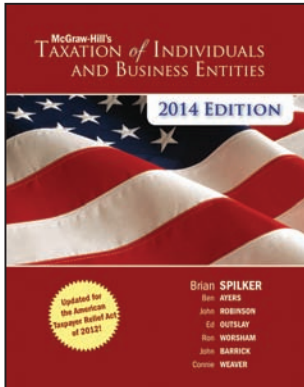


TEACHING THE CODE IN CONTEXT

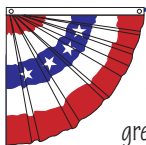


The basic approach to teaching taxation hasn't changed in decades. Today's student deserves a new approach. McGraw-Hill's Taxation of Individuals and Business Entities is a bold and innovative series that has been adopted by over 300 schools across the country.

McGraw-Hill's Taxation is designed to provide a unique, innovative, and engaging learning experience for students studying taxation. The breadth of the topical coverage, **the storyline approach to presenting the material**, the emphasis on the tax and nontax consequences of multiple parties involved in transactions, and the integration of financial and tax accounting topics make this book ideal for the modern tax curriculum.

This is the best advanced tax book on the market. It's very readable, student-friendly, and provides great supplements.

– Ann Esarco,
McHenry County College



A lot of thought and planning went into the structure and content of the text, and a great product was achieved. **One of the most unique and helpful features is the common storyline** throughout each chapter.

– Raymond J. Shaffer,
Youngstown State University

Since the first manuscript was written in 2005, 354 professors have contributed 369 book reviews, in addition to 20 focus groups and symposia. Throughout this preface, their comments on the book's organization, pedagogy, and unique features are a testament to the **market-driven nature of Taxation's development.**

Spilker has achieved an **excellent blend of the decision-making oriented tax texts and the legal technical approach.**

It is consistent with my teaching style and aligns well with my curriculum and content requirements.

– Steve Gill, San Diego State University

A MODERN APPROACH FOR TODAY'S STUDENT

This text provides a new approach to the teaching of the technical material. The style of the text material is easier to read and understand. The examples and storyline are interesting and informative. The arrangement makes more sense in the understanding of related topics.

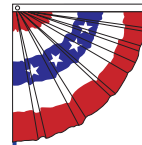
– Robert Bertucelli, Long Island University – Post

Spilker's taxation series was built around the following four core precepts:

1 Storyline Approach: Each chapter begins with a storyline that introduces a set of characters or a business entity facing specific tax-related situations. Each chapter's examples are related to the storyline, providing students with opportunities to **learn the code in context**.

2 Conversational Writing Style: The authors took special care to write a textbook that fosters a friendly dialogue between the text and each individual student. The tone of the presentation is intentionally conversational—creating the impression of *speaking with the student*, as opposed to *lecturing to the student*.

3 Superior Organization of Related Topics: *McGraw-Hill's Taxation* takes a fresh approach to taxation by grouping related topics together in **theme chapters**, including separate chapters on home ownership, compensation, investments, and retirement savings and deferred compensation.



*I believe it **breaks down complex topics in a way that's easy to understand.***

Definitely easier than other tax textbooks that I've had experience with.

– Jacob Gatlin, Athens State University

4 Real-World Focus: Students learn best when they see how concepts are applied in the real world. For that reason, real-world examples and articles are included in **“Taxes in the Real World”** boxes throughout the book. These vignettes demonstrate current issues in taxation and show the relevance of tax issues in all areas of business.

5 Integrated Examples: The examples used throughout the chapter relate directly to the storyline presented at the beginning of each chapter, so students become familiar with one set of facts and learn how to apply those facts to different scenarios. In addition to providing in-context examples, we provide **“What if”** scenarios within many examples to **illustrate how variations in the facts might or might not change the answers.**

*This is an excellent textbook. The **story line and examples in each chapter provide context** for students to understand how tax concepts affect both businesses and individuals.*

– Anne Christensen,

Montana State University – Bozeman



A STORYLINE APPROACH THAT WILL RESONATE WITH STUDENTS



Bill and Mercedes received a notice from the Internal Revenue Service (IRS) that their return is under audit for certain interest deductions. As you might expect, they are quite concerned, especially because it has been several years since they claimed the deductions and they worry that all their supporting documentation may not be in place. Several questions run through their minds. How could the IRS audit a return that was filed so long ago? Why was their tax return selected, and what should they expect during the audit? The interest deductions they reported were based on advice from their CPA. What would cause the IRS and a CPA to interpret the law differently? What is their financial exposure if the deductions are ultimately disallowed?

Will they have to pay interest and penalties in addition to the tax they might owe? ■

Storyline Summary	
<i>Taxpayers:</i>	Bill and Mercedes
<i>Family description:</i>	Bill and Mercedes are married with one daughter, Margaret.
<i>Employment status:</i>	Bill is an economics professor; Mercedes is a small business owner.
<i>Filing status:</i>	Married, filing jointly

Each chapter begins with a storyline that introduces a set of characters facing specific tax-related situations. This revolutionary approach to teaching tax emphasizes real people facing real tax dilemmas. Students learn to apply practical tax information to specific business and personal situations.

The text provides very useful tools that students can read and understand, making it easier to **break the myth that “tax is hard.”**

– Daniel Hoops, Walsh College

I absolutely love this textbook. This textbook makes my job of teaching so much easier.

– Chuck Pier,

Angelo State University

Examples

Examples are the cornerstone of any textbook covering taxation. For this reason, *McGraw-Hill’s Taxation* authors took special care to create clear and helpful examples that relate to the storyline of the chapter. Students learn to refer to the facts presented in the storyline and apply them to other scenarios—in this way, they build a greater base of knowledge through application. Many examples also include “What if?” scenarios that add more complexity to the example or explore related tax concepts.

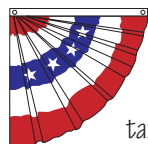
Example 2-1

Bill and Mercedes file their 2009 federal tax return on September 6, 2010, after receiving an automatic extension to file their return by October 15, 2010. In 2013, the IRS selects their 2009 tax return for audit. When does the statute of limitations end for Bill and Mercedes’ 2009 tax return?

Answer: Assuming the six-year and “unlimited” statute of limitation rules do not apply, the statute of limitations ends on September 6, 2013 (three years after the later of the actual filing date and the original due date).

What if: When would the statute of limitations end for Bill and Mercedes for their 2009 tax return if the couple filed the return on March 22, 2010 (before the original due date of April 15, 2010)?

Answer: In this scenario the statute of limitations would end on April 15, 2013, because the later of the actual filing date and the original due date is April 15, 2010.



The **case study approach** is **excellent** as you follow the taxpayers through the chapters.

– Irwin Uhr,
Hunter College

THE PEDAGOGY YOUR STUDENTS NEED TO PUT THE CODE IN CONTEXT

Taxes in the Real World

Taxes in the Real World are short boxes used throughout the book to demonstrate the real-world use of tax concepts. Current articles on tax issues, real-world application of chapter-specific tax rules, and short vignettes on popular news about tax are some of the issues covered in Taxes in the Real World boxes.



“Taxes in the Real World” are interesting stories that **bring the content to life** and provide examples that students can often relate to in their personal lives. The use of many real-world scenarios, examples, and stories **enhances student comprehension** of the course materials.

– Sandra Kemper, Regis University

Taxes in the Real World *Republicans vs. Democrats*

We often boil down the tax policy of our major political parties into its simplest form: Democrats raise taxes to fund social programs, and Republicans lower taxes to benefit big businesses and the wealthy. Both ideas simplify the policy of each party, yet both ideas are essentially true.

Whether you agree with more government spending or tax breaks for corporations, each party's agenda will affect your taxes.

Political Ideology: Republican

“We believe government should tax only to raise money for its essential functions.” The Republicans state their case plainly on the Republican National Convention website. That is, Republicans believe government should spend money only to enforce contracts, maintain basic infrastructure and national security, and protect citizens against criminals.

The literature of the House Republican Conference goes on to illuminate the role of the government and how tax policies affect individuals: “The money the government spends does not belong to the government; it belongs to the taxpayers who earned it. Republicans believe Americans deserve to keep more of their own money to save and invest for the future, and low tax policies help drive a strong and healthy economy.”

Tax relief is the Republican route to growing the economy. A Republican government would reduce taxes for businesses to allow businesses to grow and thus hire more employees. Republicans also seek to limit income taxes for individuals so that people can hold on to more disposable income, which they can then spend, save, or invest.

Political Ideology: Democrat

The tax policy for the Democratic Party calls for raising certain taxes to provide money for government spending, which in turn generates business. The party platform asserts that government spending provides “good jobs and will help the economy today.”

Many Democrats are adherents to Keynesian economics, or aggregate demand, which holds that when the government funds programs, those programs pump new money into the economy. Keynesians believe that prices tend to stay relatively stable and therefore any kind of spending, whether by consumers or the government, will grow the economy.

Like the Republicans, Democrats believe the government should subsidize vital services that keep cities, states, and the country running; infrastructure such as road and bridge maintenance and repairs for schools. Democrats also call for tax cuts for the middle class. But who benefits most under each platform? The conventional wisdom is that corporations and the wealthy will benefit more with a Republican tax policy, while small businesses and middle-class households will benefit from a Democratic tax policy.

<http://www.investopedia.com/articles/economics/09/us-parties-republican-democrat-taxes.asp#zz2A39IKvln>

The Key Facts

Marginal Key Facts provide quick synopses of the critical pieces of information presented throughout each chapter.

Bill and Mercedes' marginal tax rate on \$80,000 of additional deductions (25.51 percent) differs from their marginal tax rate on \$80,000 of additional taxable income (29.06 percent) in these scenarios because of the relatively large increase in income and deductions. Taxpayers often will face the same marginal tax rates for small changes in income and deductions.

The marginal tax rate is particularly useful in tax planning because it represents the rate of taxation or savings that would apply to additional taxable income (or tax

THE KEY FACTS

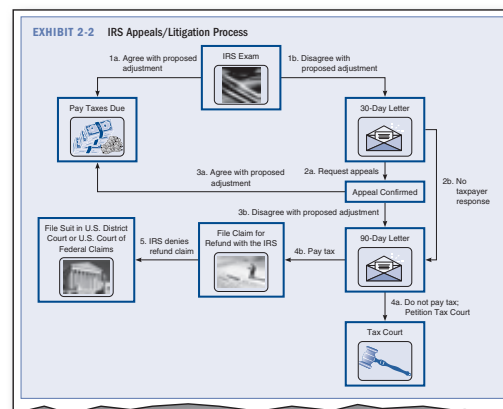
Different Ways to Measure Tax Rates

- **Marginal tax rate**
- The tax that applies to next increment of income or deduction.

$$\text{Marginal Tax Rate} = \frac{\Delta \text{Tax}}{\Delta \text{Taxable Income}}$$


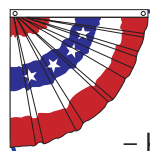
Exhibits

Today's students are visual learners, and McGraw-Hill's Taxation delivers by making appropriate use of charts, diagrams, and tabular demonstrations of key material.



A good textbook that uses **great examples throughout the chapters** to give a student an understanding of the tax theory and how it applies to the taxpayers.

– Jennifer Wright,
Drexel University

Spilker's use of examples immediately following the concept is a **great way to reinforce the concepts**.

– Karen Wisniewski, County College of Morris

PRACTICE MAKES PERFECT WITH A ...

SUMMARY

LO 2-1 Identify the filing requirements for income tax returns and the statute of limitations for assessment.

- All corporations must file a tax return annually regardless of their taxable income. Estates and trusts are required to file annual income tax returns if their gross income exceeds \$600. The filing requirements for individual taxpayers depend on the taxpayer's filing status, age, and gross income.
- Individual and partnership tax returns are due on the fifteenth day of the fourth month following year-end. For corporations, tax returns must be filed by the fifteenth day of the third month following the corporation's fiscal year end. Any taxpayer unable to file a tax return by the original due date can request an extension to file.
- For both amended tax returns filed by a taxpayer and proposed tax assessments by the IRS, the statute of limitations generally ends three years from the *later* of (1) the date the tax return was actually filed or (2) the tax return's original due date.

LO 2-2 Outline the IRS audit process, how returns are selected, the different types of audits, and what happens after the audit.

- The IRS uses a number of computer programs and outside data sources to identify tax

Summary

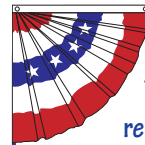
A unique feature of *McGraw-Hill's Taxation* is the end-of-chapter summary or organized around learning objectives. Each objective has a brief, bullet-point summary that covers the major topics and concepts for that chapter, including references to critical exhibits and examples.

All end-of-chapter material is tied to learning objectives:

Learning Objectives

Upon completing this chapter, you should be able to:

- LO 2-1** Identify the filing requirements for income tax returns and the statute of limitations for assessment.
- LO 2-2** Outline the IRS audit process, how returns are selected, the different types of audits, and what happens after the audit.
- LO 2-3** Evaluate the relative weights of the various tax law sources.
- LO 2-4** Describe the legislative process as it pertains to taxation.



You can tell the authors of this textbook are still in the classroom and responsible for the day-to-day education of accounting students. Examples are representative of the end-of-chapter problems, and the end-of-chapter summary is an excellent study tool.

– Debra Petrizzo, Franklin University

DISCUSSION QUESTIONS

- (LO 2-1)** Name three factors that determine whether a taxpayer must file a tax return.
- (LO 2-1)** Benita is concerned that she will not be able to file her return by April 15. Can she request an extension to file her return? If so, what must she do so? Assuming she requests an extension, what happens if the extension due date falls on a Saturday?
- (LO 2-1)** Agua Linda Inc. is a calendar-year corporation. What is the original due date for the corporate tax return? What happens if the due date falls on a Saturday?
- (LO 2-2)** Approximately what percentage of tax returns are audited?

Discussion Questions are provided for each of the major concepts in each chapter, providing students with an opportunity to review key parts of the chapter and answer evocative questions about what they have learned.

This is a very readable text. **Students will understand it on their own**, generally, freeing more class time for application, practice, and student questions.


– Valrie Chambers,

Texas A&M University – Corpus Christi



...WIDE VARIETY OF ASSIGNMENT MATERIAL

Problems are designed to test the comprehension of more complex topics. Each problem at the end of the chapter is tied to one of that chapter's learning objectives, with multiple problems for critical topics.


PROBLEMS 

All applicable problems are available with McGraw-Hill's *Connect® Accounting*.

43. (LO 2-1) Ahmed does not have enough cash on hand to pay his taxes. He was excited to hear that he can request an extension to file his tax return. Does this solve his problem? What are the ramifications if he doesn't pay his tax liability by April 15?

44. (LO 2-1) Molto Stancha Corporation had zero earnings this fiscal year; in fact,


Tax Forms Problems are a set of requirements included in the end-of-chapter material of the 2014 edition. These problems require students to complete a tax form (or part of a tax form), providing students with valuable experience and practice with filling out these forms. These requirements—and their relevant forms—are also included in *Connect Accounting*. Each Tax Forms problem includes an icon to differentiate it from regular problems.

 70. Shauna Coleman is single. She works as an architectural designer for Streamline Design (SD). Shauna wanted to determine her taxable income for this year. She correctly calculated her AGI. However, she wasn't sure how to compute the rest of her taxable income. She provided the following information with hopes that you could use it to determine her taxable income.

a. Shauna paid \$4,675 for medical expenses and Blake, Shauna's boyfriend, drove Shauna (in her car) a total of 115 miles so that she could receive care for a broken ankle she sustained in a biking accident.


b. Shauna paid a total of \$3,400 in health insurance premiums during the year.

Research Problems are special problems throughout the end of the chapter assignment material. These require students to do both basic and more complex research on topics outside of the scope of the book. Each Research Problem includes an icon to differentiate it from regular problems.

 69. (LO 2-5) Katie recently won a ceramic dalmatian valued at \$800 on a television game show. She questions whether this prize is taxable since it was a "gift" she won on the show.

a. Use an available tax research service to answer Katie's question.


b. Write a letter to Katie communicating the results of your research.


 70. (LO 2-5) Pierre recently received a tax penalty for failing to file a tax return. He was upset to receive the penalty, but he was comforted by the thought that

The textbook is comprehensive, uses an integrated approach to taxation, contains clear illustrations and examples in each chapter, and has a **wealth of end-of-chapter assignment material.**


– James P. Trebby, Marquette University

Planning Problems are another unique set of problems, also located at the end of the chapter assignment material. These require students to test their tax planning skills after covering the chapter topics. Each Planning Problem includes an icon to differentiate it from regular problems.


56. (LO 2-2) Jackie has a corporate client that has recently received a 30-day notice from the IRS with a \$100,000 tax assessment. Her client is considering requesting an appeals conference to contest the assessment. What factors should Jackie advise her client to consider before requesting an appeals conference? 

57. (LO 2-2) The IRS recently completed an audit of Shea's tax return and assessed \$15,000 additional tax. Shea requested an appeals conference but was unable to settle the case at the conference. She is contemplating which trial court to choose to hear her case. Provide her a recommendation based on the following alternative facts: 

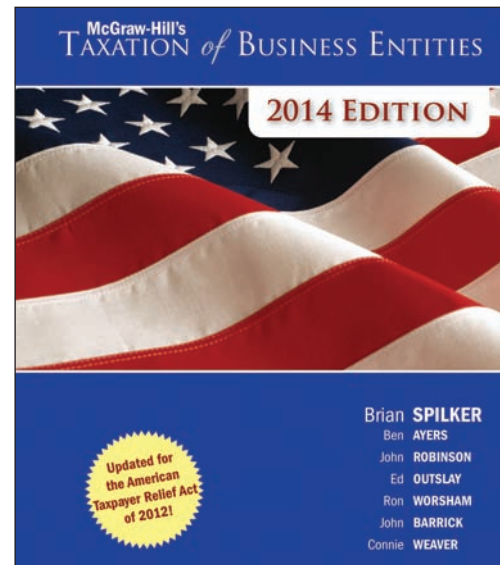
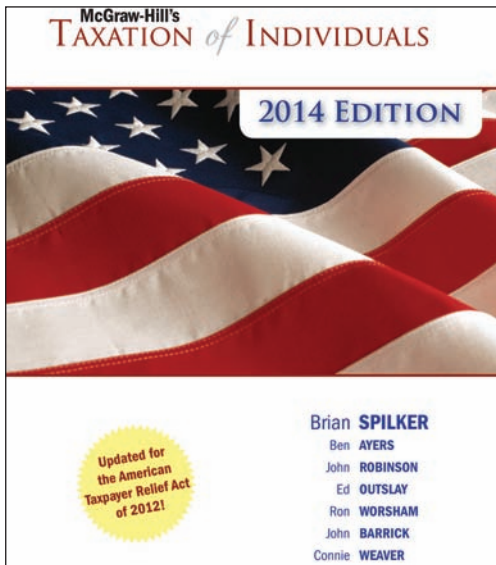
Comprehensive and Tax Return Problems address multiple concepts in a single problem. Comprehensive problems are ideal for cumulative topics; for this reason, they are located at the end of all chapters. In the end-of-book Appendix C, we include Tax Return Problems that cover multiple chapters.

COMPREHENSIVE PROBLEMS 

All applicable problems are available with McGraw-Hill's *Connect® Accounting*.

 53. Marc and Michelle are married and earned salaries this year of \$64,000 and \$12,000, respectively. In addition to their salaries, they received interest of \$350 from municipal bonds and \$500 from corporate bonds. Marc and Michelle also paid \$2,500 of qualifying moving expenses, and Marc paid alimony to a prior spouse in the amount of \$1,500. Marc and Michelle have a 10-year-old son, Matthew, who lived with them throughout the entire year. Thus, Marc and Michelle are allowed to claim a \$1,000 child tax credit for Matthew. Marc and Michelle paid \$6,000 of expenditures that qualify as itemized deductions and they had a total of \$5,500 in federal income taxes withheld from their paychecks during the course of the year.

Four Volumes to Fit...



McGraw-Hill's Taxation of Individuals is organized to emphasize topics that are most important to undergraduates taking their first tax course. The first three chapters provide an introduction to taxation and then carefully guide students through tax research and tax planning. Part II discusses the fundamental elements of individual income tax, starting with the tax formula in Chapter 4 and then proceeding to more depth on individual topics in Chapters 5–7. Part III then discusses tax issues associated with business and investment activities. On the business side, it addresses business income and deductions, accounting methods, and tax consequences associated with purchasing assets and property dispositions (sales, trades, or other dispositions). For investments it covers portfolio-type investments such as stocks and bonds and business investments including loss limitations associated with these investments. Part IV is unique among tax textbooks; this section combines related tax issues for compensation, retirement savings, and home ownership.

Part I: Introduction to Taxation

1. An Introduction to Tax
2. Tax Compliance, the IRS, and Tax Authorities
3. Tax Planning Strategies and Related Limitations

Part II: Basic Individual Taxation

4. Individual Income Tax Overview
5. Gross Income and Exclusions
6. Individual Deductions
7. Individual Income Tax Computation and Tax Credits

Part III: Business- and Investment-Related Transactions

8. Business Income, Deductions, and Accounting Methods
9. Property Acquisition and Cost Recovery
10. Property Dispositions
11. Investments

Part IV: Specialized Topics

12. Compensation
13. Retirement Savings and Deferred Compensation
14. Tax Consequences of Home Ownership

McGraw-Hill's Taxation of Business Entities begins with the process for determining gross income and deductions for businesses, and the tax consequences associated with purchasing assets and property dispositions (sales, trades, or other dispositions). Part II provides a comprehensive overview of entities, and the formation, reorganization, and liquidation of corporations. Unique to this series is a complete chapter on accounting for income taxes, which provides a primer on the basics of calculating the income tax provision. Included in the narrative is a discussion of temporary and permanent differences and their impact on a company's book "effective tax rate." Part III provides a detailed discussion of partnerships and S corporations. The last part of the book covers state and local taxation, multinational taxation, and transfer taxes and wealth planning.

Part I: Business- and Investment-Related Transactions

1. Business Income, Deductions, and Accounting Methods
2. Property Acquisition and Cost Recovery
3. Property Dispositions

Part II: Entity Overview and Taxation of C Corporations

4. Entities Overview
5. Corporate Operations
6. Accounting for Income Taxes
7. Corporate Taxation: Nonliquidating Distributions
8. Corporate Formation, Reorganization, and Liquidation

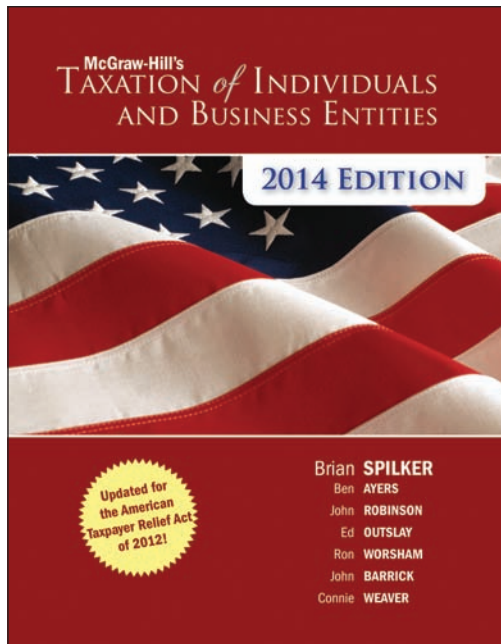
Part III: Taxation of Flow-Through Entities

9. Forming and Operating Partnerships
10. Dispositions of Partnership Interests and Partnership Distributions
11. S Corporations

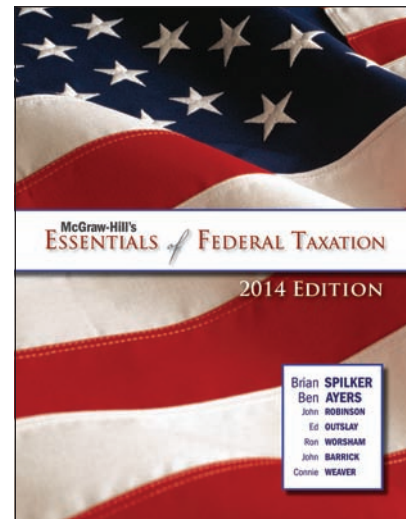
Part IV: Multijurisdictional Taxation and Transfer Taxes

12. State and Local Taxes
13. The U.S. Taxation of Multinational Transactions
14. Transfer Taxes and Wealth Planning

...Four Course Approaches



McGraw-Hill's Taxation of Individuals and Business Entities covers all chapters included in the two split volumes in one convenient volume. See Table of Contents on page xxvi.



McGraw-Hill's Essentials of Federal Taxation is designed for a one-semester course, covering the basics of taxation of individuals and business entities. To facilitate a one-semester course, *McGraw-Hill's Essentials of Federal Taxation* folds the key topics from the investments, compensation, retirement savings, and home ownership chapters in *Taxation of Individuals* into three individual taxation chapters that discuss gross income and exclusions, for AGI deductions, and from AGI deductions, respectively. The essentials volume also includes a two-chapter C corporation sequence that uses a life-cycle approach covering corporate formations and then corporate operations in the first chapter and nonliquidating and liquidating corporate distributions in the second chapter. **Available for fall 2013 courses**, this volume is perfect for those teaching a one-semester course and for those who struggle to get through the 25-chapter comprehensive volume.

Part I: Introduction to Taxation

1. An Introduction to Tax
2. Tax Compliance, the IRS, and Tax Authorities
3. Tax Planning Strategies and Related Limitations

Part II: Individual Taxation

4. Individual Income Tax Overview
5. Gross Income and Exclusions
6. Individual for AGI Deductions
7. Individual from AGI Deductions
8. Individual Income Tax Computation and Tax Credits

Part III: Business-Related Transactions

9. Business Income, Deductions, and Accounting Methods
10. Property Acquisition and Cost Recovery
11. Property Dispositions

Part IV: Entity Overview and Taxation of C Corporations

12. Entities Overview
13. Corporate Formations and Operations
14. Corporate Nonliquidating and Liquidating Distributions

Part V: Taxation of Flow-Through Entities

15. Forming and Operating Partnerships
16. Dispositions of Partnership Interests and Partnership Distributions
17. S Corporations

AUTHOR-WRITTEN SUPPLEMENTS ENSURE QUALITY AND CONSISTENCY



The authors write all of the supplements for *McGraw-Hill's Taxation*, including the Instructor's Resource Manual, Solutions Manual, Testbank, and PowerPoints®. Each supplement, including *Connect Accounting*, has been reviewed by the author team to ensure consistency with the text material and accuracy. Given the authors' personal involvement in each supplement, you can be assured of their high quality and accuracy.

Instructor's Resource Manual

This manual provides for each chapter: (a) a chapter overview; (b) a comprehensive lecture outline; (c) a variety of suggested class activities (real-world, ethics, professional development activities including research, analysis, communication and judgment, and others); and (d) an assignment chart indicating topic, learning objective, and difficulty for every question and problem.

Solutions Manual

The Solutions Manual includes detailed solutions for every question, problem, and comprehensive problem in the text.

Testbank

Written by the authors, this comprehensive Testbank contains over 2,500 true/false questions, multiple-choice questions, and problems.

PowerPoints®

The PowerPoint slides are available on the Online Learning Center (OLC). Separate sets of PowerPoints are available for instructors and students.

TaxACT®

McGraw-Hill's Taxation can be packaged with tax software from TaxACT, one of the leading preparation software companies in the market today. The 2013 edition includes availability of both Individuals and Business Entities software, including the 1040 forms and TaxACT Preparer's Business 3-Pack (with Forms 1065, 1120, and 1120S).



ONLINE LEARNING OPPORTUNITIES THAT ACCOMMODATE A VARIETY OF LEARNING STYLES

www.mhhe.com/spilker2014

Spilker offers an Online Learning Center (OLC) that follows *McGraw-Hill's Taxation* chapter-by-chapter. It requires no building or maintenance on your part and is ready to go the moment you and your students type in the URL. You and your students can access the OLC website for such benefits as:

- Self-grading quizzes
- Kaplan CPA Simulations
- Tax forms
- Student PowerPoint® Presentations
- Text updates
- Instructor's Resource Manual
- Solutions Manual
- Instructor PowerPoint® Presentations
- EZ Test Online
- Sample syllabi

ASSURANCE OF LEARNING READY

Many educational institutions today are focused on the notion of *assurance of learning*, an important element of some accreditation standards. *McGraw-Hill's Taxation* is designed specifically to support your assurance of learning initiatives with a simple, yet powerful solution.

Each test bank question for *McGraw-Hill's Taxation* maps to a specific chapter learning objective listed in the text. You can use our test bank software, EZ Test Online, or *Connect Accounting* to easily query for learning objectives that directly relate to the learning objectives for your course. You can then use the reporting features of EZ Test Online to aggregate student results in similar fashion, making the collection and presentation of assurance of learning data simple and easy.

AACSB STATEMENT

The McGraw-Hill Companies is a proud corporate member of AACSB International. Understanding the importance and value of AACSB accreditation, *McGraw-Hill's Taxation* recognizes the curricula guidelines detailed in the AACSB standards for business accreditation by connecting selected questions in the text and the test bank to the six general knowledge and skill guidelines in the AACSB standards.

The statements contained in *McGraw-Hill's Taxation* are provided only as a guide for the users of this textbook. The AACSB leaves content coverage and assessment within the purview of individual schools, the mission of the school, and the faculty. While *McGraw-Hill's Taxation* and the teaching package make no claim of any specific AACSB qualification or evaluation, we have within *McGraw-Hill's Taxation* labeled selected questions according to the six general knowledge and skills areas.

McGRAW-HILL CUSTOMER EXPERIENCE CONTACT INFORMATION

At McGraw-Hill, we understand that getting the most from new technology can be challenging. That's why our services don't stop after you purchase our products. You can e-mail our Product Specialists 24 hours a day to get product training online. Or you can search our knowledge bank of Frequently Asked Questions on our support website. For Customer Support, call **800-331-5094** or visit www.mhhe.com/support. One of our Technical Support Analysts will be able to assist you in a timely fashion.

KAPLAN SIMULATIONS



CPA REVIEW

Apply the knowledge you've gained through *McGraw-Hill's Taxation* with CPA Review simulations from Kaplan and McGraw-Hill Education! Each CPA simulation demonstrates taxation concepts in a Web-based interface, identical to that used in the actual CPA exam. CPA simulations are found in the homework material after the very last case in selected chapters in your book.

McGraw-Hill's CONNECT[®] ACCOUNTING

Less Managing. More Teaching. Greater Learning.



McGraw-Hill's *Connect Accounting* is an online assignment and assessment solution that connects students with the tools and resources they'll need to achieve success.

McGraw-Hill's *Connect Accounting* helps prepare students for their future by enabling faster learning, more efficient studying, and higher retention of knowledge.

McGraw-Hill's *Connect Accounting* features

Connect Accounting offers a number of powerful tools and features to make managing assignments easier, so faculty can spend more time teaching. With *Connect Accounting*, students can engage with their coursework anytime and anywhere, making the learning process more accessible and efficient. *Connect Accounting* offers you the features described below.

Intelligent Response Technology (IRT) *New for the 2014 edition!*

IRT is a redesigned student interface for our end-of-chapter assessment content. The benefits include improved answer acceptance to reduce students' frustration with formatting issues (such as rounding). Also, select questions have been redesigned to test students' knowledge more fully. They now include tables for students to work through rather than requiring that all calculations be done off line.

LearnSmart™ *New for the 2014 edition!*

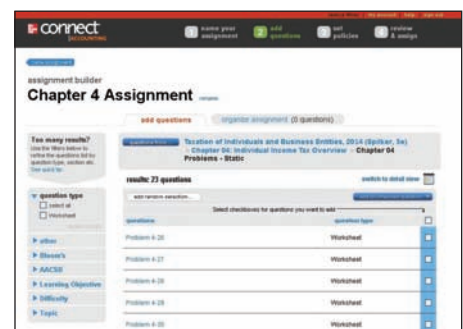
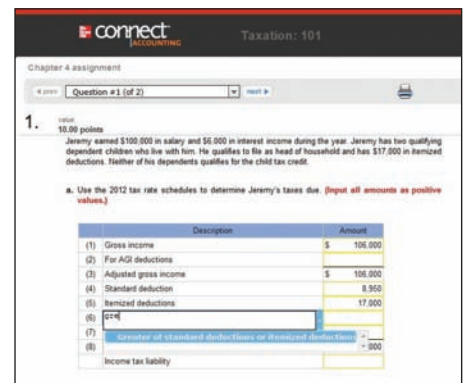
LearnSmart adaptive self-study technology within *Connect Accounting* helps students make the best use of their study time. LearnSmart provides a seamless combination of practice, assessment, and remediation for every concept in the textbook. LearnSmart's intelligent software adapts to students by supplying questions on a new concept when they are ready to learn it. With LearnSmart, students will spend less time on topics they understand and practice more on those they have yet to master.

Simple assignment management With *Connect Accounting*, creating assignments is easier than ever, so you can spend more time teaching and less time managing. The assignment management function enables you to:

- Create and deliver assignments easily with selectable end-of-chapter questions and test bank items.
- Streamline lesson planning, student progress reporting, and assignment grading to make classroom management more efficient than ever.
- Go paperless with the eBook and online submission and grading of student assignments.

Smart grading When it comes to studying, time is precious. *Connect Accounting* helps students learn more efficiently by providing feedback and practice material when they need it, where they need it. When it comes to teaching, your time also is precious. The grading function enables you to:

- Use algorithmically generated numbers for selected problems. This feature allows each student to complete an individualized problem, with customized explanations of each calculation.
- Have assignments scored automatically, giving students immediate feedback on their work.



- Access and review each response; manually change grades or leave comments for students to review.
- Reinforce classroom concepts with practice tests and instant quizzes.

Instructor Library The *Connect Accounting* Instructor Library is your repository for additional resources to improve student engagement in and out of class. You can select and use any asset that enhances your lecture. The *Connect Accounting* Instructor Library includes the eBook, PowerPoints, and online quizzes.

Student Library The *Connect Accounting* Student Library is the place for students to access additional resources. The Student Library:

- Offers students quick access to lectures, practice materials, the eBook, and more.
- Provides instant practice material and study questions, easily accessible on the go.

Student reports *Connect Accounting* keeps instructors informed about how each student, section, and class is performing, allowing for more productive use of lecture and office hours. The reports function enables you to:

- View scored work immediately and track individual or group performance with assignment and grade reports.
- Access an instant view of student or class performance relative to learning objectives.
- Collect data and generate reports required by many accreditation organizations, such as AACSB and AICPA.

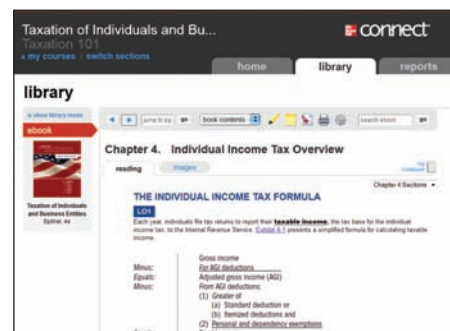


McGraw-Hill's Connect® Plus Accounting McGraw-Hill reinvents the learning experience for the modern student with *Connect Plus Accounting*. A seamless integration of an eBook and *Connect Accounting*, *Connect Plus Accounting* provides all of the *Connect Accounting* features plus the following:

- An integrated, media-rich eBook, allowing for anytime, anywhere access to the textbook.
- Dynamic links between the problems or questions you assign to your students and the location in the eBook where that problem or question is covered.
- A powerful search function to pinpoint and connect key concepts in a snap.

In short, *Connect Accounting* offers you and your students powerful tools and features that optimize your time and energies, enabling you to focus on course content, teaching, and student learning. *Connect Accounting* also offers a wealth of content resources for both instructors and students. This state-of-the-art, thoroughly tested system supports you in preparing students for the world that awaits.

For more information about Connect, go to www.mcgrawhillconnect.com, or contact your local McGraw-Hill sales representative.



TEGRITY CAMPUS: LECTURES 24/7



Tegrity Campus is a service that makes class time available 24/7 by automatically capturing every lecture in a searchable format for students to review when they study and complete assignments. With a simple one-click start-and-stop process, you capture all computer screens and corresponding audio. Students can replay any part of any class with easy-to-use browser-based viewing on a PC or Mac.

Educators know that the more students can see, hear, and experience class resources, the better they learn. In fact, studies prove it. With Tegrity Campus, students quickly recall key moments by using Tegrity Campus's unique search feature. This search helps students efficiently find what they need, when they need it, across an entire semester of class recordings. Help turn all your students' study time into learning moments immediately supported by your lecture.

To learn more about Tegrity watch a 2-minute Flash demo at <http://tegritycampus.mhhe.com>.

A HEARTFELT THANKS TO THE MANY COLLEAGUES WHO SHAPED THIS BOOK

The version of the book you are reading would not be the same book without the valuable suggestions, keen insights, and constructive criticisms of the list of reviewers below. Each professor listed here contributed in substantive ways to the organization of chapters, coverage of topics, and the use of pedagogy. We are grateful to them for taking the time to read chapters or attend reviewer conferences, focus groups, and symposia in support of the development for the book:



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