



## *Taxes and Business Strategy*

### Fall 2023

*“Many areas of business can be worked through via brute force logic, except taxes.”*  
– Tuck alumni and CEO

Professor: [Leslie Robinson](#), 114 Buchanan  
Phone: 603.646.4018  
Class facilitator: [Elijah LaPlaca](#), 004 Woodbury  
Course scribe: [Kim Werner](#)

### *Objectives*

This course has two objectives: **First**, you will *gain exposure to key areas where taxes play a role in implementing business strategy*. Business strategy broadly refers to a firm’s working plan for achieving its vision, prioritizing objectives, competing successfully, and optimizing financial performance. Taxes affect many strategic business decisions such as forming a new business and raising capital, investment strategies, financing projects, compensating employees, making shareholder distributions, expanding through acquisition, divesting lines of business, or expanding internationally. There are trade-offs in meeting organizational objectives at the lowest tax cost. **Second**, this course will *introduce you to a framework for thinking about tax strategy*. A tax code is a living set of regulations that are constantly changing and adapting in response to politics, perceived abuse, and business innovation. It is this ebb and flow that creates both challenges and opportunities for taxpayers. The details of tax law are quite nuanced (and will often require advice from a tax lawyer), but there is a thematic approach to effective tax planning that can guide decision-making even as specific laws and governments change.

### *Course Framework*

The framework put forth by Scholes and Wolfson (1993)<sup>1</sup> will be a useful guide to our analysis of taxes in personal and business decisions. The framework suggests evaluating all decisions from three perspectives: **all taxes, all parties, and all costs**. The key idea is to remember that tax planning is much broader than narrowly focusing on tax minimization. Tax minimization is

---

<sup>1</sup> See optional course textbook under Resources.

simply the reduction in a single tax liability without regard for other costs, other parties to the transaction, or consideration of other taxes. The focus should always be on maximizing after-tax returns not on minimizing taxes. You will develop a deeper understanding of this framework for tax planning as we move through the course and apply it in different contexts.

## ***Grading***

Your course grade will be based on the following components:

Class participation	20%
Concept checks (must complete 13 individually)	20%
Case memos (must complete 7 individually)*	35%
Group project (completed in groups of 4)	25%

\*The Yahoo/Alibaba case must be 1 of the 7 due to a visiting executive.

## ***Class Participation***

There is a direct relation between how much you prepare for class and how much you take away from the course. This course is primarily case-based. Most class sessions involve an in-class case discussion that builds off an assignment. Case discussions will generally include both a quantitative and qualitative evaluation of a real or hypothetical scenario. We will review any important aspects of a calculation in class before jumping into the broader discussion.

Every student is capable of contributing to the case discussion. The class participation grade is based on quality, not quantity. I do not, however, expect you to be insightful every time you say something. Please ask questions to help create a lively exchange of ideas. Recognizing that students with different backgrounds will contribute differently to class discussion, and that some of us are more introverted than others, I will use cold calls to foster inclusiveness as needed. If an emergency precludes you from preparing adequately for a particular class, you should notify me before class. Tardiness, excessive breaks during class, lack of attendance, etc. will have a negative impact on your participation grade.

Please communicate all absences to class scribe, [Kim Werner](#).

## ***Concept Checks***

After each class session, I will present you with a concept check to complete that will review the key ideas surrounding that topic. They must be completed by midnight on the day that we cover the content in class. These concept checks are designed to take no more than 20 minutes but

there is no time limit and you can use any of the course materials to complete the assignment. They should be completed individually and you should not discuss the content with other TBS students until the following day. **I will drop your three lowest scores** at the end of the course.

### *Case Memos*

To encourage you to think deeply about the material for the upcoming class, case assignments will present you with a scenario that requires a thoughtful analysis. My expectation is that your analysis will be summarized in a written memo that outlines your views and conclusions along with any underlying assumptions. For each assignment, I provide a list of prep questions in Canvas intended to guide, not restrict, your analysis of the problem. Do not simply answer the questions I pose; they are there to help you structure your thinking about the issues presented. **Memos that simply answer the list of prep questions without a thoughtful narrative will not receive full credit.**

**Each student must complete a minimum of 7 case memos during the course. This is not a group assignment.** Your memo should not exceed two pages of text. Supporting figures or tables to show your calculations may be added as an appendix, but be sure they are simple and relevant. Submit your memo to Canvas prior to class. I will not grade late assignments.

The broader purpose of requiring written memos throughout the course is to challenge you to explain technical issues using clear and concise language, and to identify (and focus on) only the most important issues and calculations (if applicable). Save the more nuanced details and exceptions for class discussion. Try to incorporate one or more aspects of the course framework.

### *Group Project*

Please choose a [project group in Canvas](#) as soon as possible. You may form a group across different sections of Taxes and Business Strategy but keep in mind that at least one group member must present in one of the class sessions during the last week of the course.

The objective of the group project is to allow you to explore at a deeper level some aspect of taxation that is of interest to you. Guidelines for this assignment will be left intentionally general to permit some latitude in identifying a topic of interest. The topic you choose must feature taxation as a central, not tangential, issue. **You must chose your topic by October 25 at 5pm in the Google doc (see link below).**

**[TBS Group Projects \(F23\) Google doc](#)****Links to an external site.** (topic choice and presentation schedule)

One strategy for identifying a topic is to consider the tax implications of economic choices from

your work or educational experience where taxes appear to be particularly important but not well understood. Another angle would be to consider the effects of a proposed tax policy on a particular constituency or to understand the genesis of an existing policy including any important historical events that shaped the policy. Yet another possibility is to take a transaction from the news that appears to have had tax as an important factor and lay out the issues as if you were an advisor or decision-maker at that time. You are welcome to explore issues beyond the U.S. borders or a tax issue that we touched on only tangentially (or maybe not at all) during the course (perhaps it is industry specific). I am happy to discuss topic choice with you.

Once you identify a topic, treat this project as if you are developing a case study to use in an MBA level course such as TBS. You should begin by identifying and providing some background on the problem, policy or transaction and realistic alternatives. If it is a transaction, a diagram is often useful. Next, you should identify the prominent economic issues inherent in your topic and apply as many principles and concepts from this class to investigate the issue as you can. Regardless of your topic, your analysis should be done relative to at least one alternative choice, i.e. there should be some form of numerical analysis comparing at least two options. Conclude by making a persuasive, balanced, and reasoned recommendation on the topic to a decision-maker, whether it be an individual or policymaker.

### ***Resources***

- All background reading, case materials, and discussion questions to prepare for class are in Canvas.
- Optional textbook: Erickson, Hanlon, Maydew and Shevlin, [\*Scholes, Wolfson's 'Taxes and Business Strategy'\*](#), Cambridge Business Publishers. There are several copies on reserve in the Feldberg library.
- If you need extra help with the material, do not hesitate to reach out. Please send me an email so we can arrange a convenient time to meet.

### ***Optional Reading (updated for F23)***

I keep a list of optional reading that relates to or extends class discussion. You will find this list in Canvas as I update this list each year. I encourage you to explore topics that you find interesting beyond what we discuss in class. Note that you may also find these articles useful in thinking about a possible TBS group project topic.

### ***Zoom Office Hours***

6-7pm on evenings prior to a class day - e.g., if class is on a Monday and Tuesday, I will hold office hours on Sunday evening and Monday evening. You do not need to pre-announce your arrival, simply drop in and ask your question.

<https://dartmouth.zoom.us/my/lesrob>

I will only answer clarifying questions for upcoming material. For past material, I will answer any questions you have. Note that there may be some exceptions to this cadence due to scheduling conflicts on my end. I will announce any deviations from this schedule via Canvas.

### ***Honor Principle***

Discussing the course material and assignments with other currently enrolled TBS students is highly encouraged. Looking at notes, handouts, problem sets, spreadsheets, or solutions from prior course offerings of Taxes and Business Strategy all constitute violations of the Tuck Academic Honor Principle. After the course is over, you will not provide any materials from the course to future TBS students.

### ***Course Overview*** (see Canvas for details)

Session 1: Intro + Savings & Investment

Session 2: Savings & Investment

Session 3: Compensation

Session 4: Compensation

Session 5: Business Income

Session 6: Business Income

Session 7: Business Income

Session 8: Business Income

Session 9: Business Reorganizations

Session 10: Business Reorganizations

Session 11: Business Reorganizations

Session 12: Jurisdictional Taxes

Session 13: Jurisdictional Taxes

Session 14: Jurisdictional Taxes

Session 15: Social Responsibility

Session 16: Philanthropy

Session 17: Group Project Presentations

Session 18: Group Project Presentations