

FEDERAL INCOME TAXATION
Professor Holmes
Fall 2009

CLASS SCHEDULE: Tuesdays and Thursdays, 2:00 to 3:50 in Room 329

OFFICE: Room 305

OFFICE HOURS: Tuesdays, 4:00 to 5:00 or by appointment

EMAIL: rholmes6@gmu.edu

REQUIRED TEXTS: FEDERAL INCOME TAXATION by Klein, Bankman, Shaviro (15th ed.) ("Casebook") and SELECTED FEDERAL TAXATION STATUTES AND REGULATIONS by Lathrope ("Code" and "Treas. Reg.")

CLASSROOM PARTICIPATION: Each class builds on concepts from earlier classes, so it is important to prepare for, and attend, each class. Your grade will reflect class participation. Starting with the second class, the class will be divided into two panels: a Tuesday panel (**A-M**) and a Thursday panel (**N-Z**). When your panel is on call, if you know you will be absent or are unable to prepare (*e.g.* due to an illness or religious observance), you should email me *prior to the class* and be prepared to be on call during the next class (*e.g.* if you are due to be on call for Tuesday's class, but miss Tuesday's class due to illness, you will be on call for Thursday's class). If a student is absent or unprepared on a day he or she is scheduled to be on call and fails to notify me beforehand, his or her final grade may be lowered. A student's grade may also be lowered for excessive absences or poor classroom participation. I also reserve the right to raise grades based on exceptional class participation.

TWEN: It is mandatory that you register for the class TWEN page. All class slides, handouts and announcements will be distributed or posted through TWEN.

EXAM: The final exam will be on December 18th, 12:00 noon.

CLASS ASSIGNMENTS: Below is the tentative schedule of assignments. Adjustments may be made as necessary during the course of the semester. Readings are from the Casebook. The Code and Treas. Reg. sections described below are the sections on which you should focus.

Assignment 1: Introduction

Readings: Chapter 1 (skip G p.30-32; I p.40-42)

Code Sections: §§ 1(a)-(d) and Rev. Proc. 2006-53, Sec. 3.01 (p.1847)

Assignment 2: Noncash Benefits

Readings: Chapter 2 A, B (skip quest 4 p.63; notes 1-2 p.64-6, section A.3 p.69-70)

Code Sections: §§ 61(a); 119(a)-(b)(1); 132(a)-(h); Treas. Reg. 1.61-1(a), -2(d)(1)

Assignment 3: Windfalls, Gifts, Unrealized Appreciation

Readings: Chapter 2 C (skip notes 2 & 4-7 p.107-110; note 2 p.116-18)
Code Sections: §§ 102(a)-(c); 1001(a); 1011(a); 1012; 1014(a) ; 1015(a)

Assignment 4: Deferral, Recovery of Capital, Life Insurance, Annuities

Readings: Chapters 1 I and 2 D (skip D.2 & 3 p.122-131; D.5 p.133-7)
Code Sections: §§ 72(a), (b)

Assignment 5: Annual Accounting, Recoveries

Readings: Chapter 2 E, F
Code Sections: §§ 104(a); 172

Assignment 6: Loans, Discharge of Indebtedness, Illegal Income, Municipal Bonds

Readings: Chapter 2 G, I
Code Sections: §§ 103; 108(a); 148

Assignment 7: Realization of Gains and Nonrecognition Provisions

Readings: Chapter 3 A, B (skip A.3 p.232-4; B.3 237-41)
Code Sections: §§ 109; 165(a); 1001; 1031(a)-(d); 1033(a)(1),(a)(2)(A)-(B),(b)(1)-(2); Treas. Reg. 1.1001-1(a)
Handout: Preamble to Treas. Reg. 1.1001-3; PLR 200203033

Assignment 8: Original Issue Discount, Open Transactions, Installment Sales

Readings: Chapter 3 D, E
Code Sections: §§ 453(a)-(e); 1271-1275

Assignment 9: Transfers Incident to Marriage and Divorce

Readings: Chapter 3 G
Code Sections: §§ 71; 1041

Assignment 10: Personal Deductions and Credits

Readings: Chapter 4 A, B, C, D, E, F, G (skip Henderson p.372-3; F.2 p.405-7)
Code Sections: §§ 63; 163(a), (h); 164(a)-(b)(3); 165(a)-(e), (h); 213(a), (d)

Assignment 11: Personal vs. Business Deductions

Readings: Chapter 5 A.1-2, B, C, D, E (skip Churchill Downs p.471-7)
Code Sections: §§ 183(a)-(d); 280A(a)-(c)(1), (3), (5), (d)(1), (e)-(g)

Assignment 12: Business Deductions vs. Capital Expenditures

Readings: Chapter 6 A, B (skip p.526-538)
Code Sections: §§ 162(a); 263(a); 263A(a)-(c)(1), (g)

Assignment 13: Goodwill and Depreciation

Readings: Chapter 6 E, F (skip E.3-4 p.558-564)
Code Sections: §§ 167(a)-(c)(1); 168(a)-(d)(2)

Assignment 14: Tax Shelters/Avoidance

Readings: Chapter 7 H (skip H.6 p.608-610; *Prosman* p.617-620)
Code Sections: §§ 163(d); 469

Assignment 15: Assignment of Income

Readings: Chapter 7 A, B, C, E
Code Sections: §§ 1(g); 482
Handout: Revised Introduction

Assignment 16: Capital Gains and Losses

Readings: Chapter 8 A, B, C, D, E
Code Sections: §§ 1211; 1212(b)(1); 1221; 1222
Handout: Revised Introduction