Welcome to the wonderful world of corporate tax! The purpose of this course is to explore the various US federal income tax issues associated with the formation of a corporation, and the treatment of corporate distributions, redemptions of stock, and liquidations.

The focus of the course will be on the application of various Internal Revenue Code (Code) provisions to relatively basic transactions. These Code provisions will largely define the specific transactions to be discussed in class, so you should always revert to the controlling Code provisions in moments of uncertainty or to simply ground your thinking. In addition, there will be an emphasis on Treasury Regulations, Internal Revenue Service rulings and revenue procedures and, to a lesser extent, case law. No other readings are mandatory for this class, although certain outside reading (i.e., Bittker & Eustice) has been identified for your consumption if you so choose – the passages so identified are intended to assist you in understanding the authorities presented. If you need to further supplement your understanding, we recommend that you also consult the various Bureau of National Affairs (BNA) Tax Management Portfolios specific to the topics covered in this course.

You grade in this course will be based on a final exam and your class participation. Class preparedness and participation will make this course more fun for the students and the instructors alike, and will facilitate your understanding of topics that may seem somewhat esoteric at first blush. Accordingly, 10% of your final grade will be based on your classroom participation. We also reserve the right to further adjust your final grade by an additional 5% to take into account particularly robust or, in limited cases, particularly disruptive, classroom participation.

Although we both also work off-campus, we maintain an “open door” policy and encourage you to contact us by phone or email if you have anything that you would like to discuss. We will make every attempt to respond to you in a timely manner, but please understand and
anticipate that it may take 24-48 hours before we have an opportunity to respond. Our central goal is to ensure that you understand the material that is covered in this course.

Please seek answers to all of your open questions prior to 11:59 p.m. on April 30, 2013. We adhere to a strict policy of not responding to post-review course queries delivered to us after that time.

The final examination will be an open-book examination of three hours duration. The exam is scheduled for May 2, 2013 at 6:00 PM.

**COURSE MATERIALS**

*Mandatory*

- US Internal Revenue Code & Regulations (relevant Code sections and related regulations should be brought to each class)
- Cases, rulings and procedures assigned in this syllabus

*Optional*

- BNA Tax Management Portfolios – various subject matters

**ANTICIPATED CLASS SCHEDULE**

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Mar. 12   NO CLASS – Spring Break
Mar. 14   NO CLASS – Spring Break
Mar. 19   Assignment #10
Mar. 21   Assignment #10
Mar. 26   Assignment #11
Mar. 28   Assignment #12
Apr. 2    Assignment #12
Apr. 4    Assignment #13
Apr. 9    Assignment #13
Apr. 11   Wrap-up any remaining material
Apr. 16   MAKE-UP CLASS
Apr. 18   MAKE-UP CLASS
May 2     EXAM
ASSIGNMENTS

1. INTRODUCTION TO CORPORATE TAX


Regs: §§ 301.7701-1, 301.7701-2, 301, 7701-3, 301.7701-4

B&E: Skim Chapters I & 2.

2. REQUIREMENTS OF § 351 NONRECOGNITION

Code: §§ 351, 357, 358, 361, 362, 368(c), 1001, 1012, 1032, 1223.


B&E: ¶¶ 1.04; 3.01, 3.02, 3.04, 3.07-3.09, 3.12, 3.15[1]; 5.06[1], 5.07.

3. TRANSFER OF PROPERTY; RECEIPT OF BOOT; GAIN RECOGNITION; BASIS DETERMINATION

Code: §§ 267(a)(1), 267(b)(2), 351, 358, 362(a), (c), and (e), 7701(a)(42).


B&E: ¶¶ 3.04; 3.05, 3.10-3.14.
4. **TREATMENT OF LIABILITIES; MIDSTREAM TRANSFERS**

**Code:** §§ 357, 358.

**Regs:** §§ 1.357-1, 1.357-2.


**B&E:** ¶¶ 3.06, 3.16-3.19.

5. **CAPITAL STRUCTURE – DEBT/EQUITY**

**Code:** Skim §§ 243, 246(b), 246(c), 385.

**Cases and Rulings:** Fin Ray Realty Co. v. United States, 398 F.2d 694 (3d Cir. 1968); Rev. Rul. 90-27, 1990-1 C.B. 51; Notice 94-47, 1994-1 C.B. 357.

**B&E:** ¶¶ 1.08; 4.01-4.04, 4.62; 5.05.

6. **DISTRIBUTIONS IN GENERAL; EARNINGS AND PROFITS**

**Code:** §§ 1(h)(11), 61(a)(7), 301, 312, 316(a), 317(a).

**Regs:** §§ 1.61-9(c), 1.301-1(a)-1.301-1(c), 1.301-1(f) Ex. (1), 1.301-1(g), 1.301-1(l), 1.301-1(m), 1.312-1, 1.312-6, 1.316-1, 1.316-2(a) 1.316-2(c), 1.317-1, 1.302-2(b).


**B&E:** ¶¶ 8.01-8.04, 8.07.
7. **STOCK REDEMPTIONS AND PARTIAL LIQUIDATIONS**

**Code:** §§ 61(a)(3), 301, 311, 312, 316(a), 317(a), 337(d)(1), 453(a).

**Regs:** §§ 1.301-1(a), 1.312-3, 1.312-4, 1.312-7(c)(1), 1.312-7(c)(2) Ex. (3).

**Cases and Rulings:** General Utilities and Operating Co. v. Helvering, 296 U.S. 200 (1935).

B&E: ¶¶ 8.20-8.22.

8. **STOCK REDEMPTIONS AND PARTIAL LIQUIDATIONS (CONTINUED)**

**Code:** §§ 302, 312(a), 312(n)(7), 317(b), 318, 1001, 1059(c)(1).

**Regs:** §§ 1.302-1, 1.302-2, 1.302-3, 1.318-1, 1.318-2, 1.318-3, 1.318-4, 1.1012-1(c)(1)-1.1012-1(c)(5).


9. **STOCK REDEMPTIONS (CONTINUED)**

**Code:** §§ 302(b)(3), 302(b)(4), 302(c), 302(e), 311, 318, 312(a), 312(n)(7).

**Regs:** §§ 1.302-2(c), 1.302-4, 1.346-1.


10. **REDEMPTIONS BY RELATED CORPORATIONS**

**Code:** §§ 301, 302, 304, 317, 318, 351, 362, 1001, 1012.

**Regs:** §§ 1.302-2(c), 1.304-1, 1.304-4T, 1.304-5, 1.318-1(b)(1).


**B&E:** ¶¶ 9.05, 9.09, 9.24[4].

11. **NONTAXABLE STOCK DISTRIBUTIONS; PREFERRED STOCK BAILOUTS**

**Code:** §§ 305(a), 305(d), 305(f), 306-307.

**Regs:** §§ 1.302-3(a), 1.305-1(a), 1.306-1-1.306-3, 1.307-1, 1.312-1(e).

**B&E:** ¶¶ 8.40, 8.41[1], 8.41[4], 8.42[1], 8.42[3], 8.60-8.66.

12. **COMPLETE LIQUIDATIONS**

**Code:** §§ 331, 334(a), 336.

**Regs:** §§ 1.331-1, 1.332-2(c), 1.334-1(a).


**B&E:** ¶¶ 10.01-10.08.
13. **Subsidiary Liquidations**

**Code:** §§ 332, 334(b), 336-337, 338, 381(a)(1), 1504(a)(2), 1504(a)(4).

**Regs:** §§ 1.332-1-1.332-7, 1.334-1(b), 1.381(c)(2)-1.


**B&E:** ¶¶ 10.20-10.24; 12.63[2].