FEDERAL INCOME TAXATION  
Professor Perkins  
Fall 2016

CLASS SCHEDULE: Tuesdays and Thursdays, 10:00 am to 11:50 am  
OFFICE: Room 433J  
OFFICE HOURS: By appointment  
EMAIL: rperkin4@gmu.edu  
REQUIRED TEXTS: FEDERAL INCOME TAXATION by Klein, Bankman, Shaviro (16th ed.) ("Casebook") and SELECTED FEDERAL TAXATION STATUTES AND REGULATIONS by Lathrope ("Code" and "Treas. Reg.")

OVERVIEW: This course considers the fundamental statutory and regulatory principles upon which the federal income tax structure is based, with an emphasis on individual income taxation. Topics covered include the definition and characterization of income, deductions, and the tax treatment of loans and property transactions.

LEARNING OUTCOMES: By the end of the course:

- Students should have acquired an understanding of the basic principles of federal income tax law, including major policy concerns
- Students should be able to demonstrate an ability to closely read cases and other precedents, and apply those concepts to facts
- Students should have acquired an understanding of statutory and regulatory analysis, including the close reading of statutes and regulations and the application of those statutes and regulations to facts

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-L) and a Thursday panel (M-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 must email me prior to the class and be prepared to be on call during the next class and you will not be penalized (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). This make-up option is ONLY available for excused absences that have been cleared with me beforehand. However, if you are otherwise absent or unprepared on a day you are scheduled to be on call, your final grade may be lowered. Your 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.

Each student is also given one free pass during the semester. This pass must be taken prior to the class for which you plan to be unprepared. In order to use a pass, you must email me at least 30 minutes prior to the beginning of class. A free pass cannot be used while you are
being called on. You will simply be marked as unprepared. This free pass can be used at any time and for whatever reason – no explanation is needed in the email. If you have an excused absence and do not wish to make up your on-call day during the next class session, you may instead use your free pass if you so choose.

**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 (password: perkinstax)

**EXAM:** The final exam will be on December 17th, 12:00 noon.

**CLASS ASSIGNMENTS:** Below is the tentative schedule of assignments. They are grouped by topics and not by class days (in other words any particular assignment may span multiple class days). Weekly reading schedules will be given ahead of time based on the pace and progress of the class. Readings are from the Casebook. The Code and Treas. Reg. sections described below are the sections on which you should focus. You should prepare all questions and example sets in the Casebook unless otherwise indicated below. You will not, however, be responsible for the material presented in the “Comparative Focus” boxes that are interspersed throughout the Casebook.

**Assignment 1: Introduction (for August 18th)**
Readings: Chapter 1 (skip G p.27-31; I p.37-40)
Code Sections: §§ 1(a)-(d) and Rev. Proc. 2015-53 (parts 1 and 3.01 only) (TWEN)

**Assignment 2: Noncash Benefits**
Readings: Chapter 2 A, B (skip ex 2 p.50; quest 4 p.60; notes 1-2 p.61-63; quests 1-2, 6-8 p.65; sect A.3 p.66-67)
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, Bequests**
Readings: Chapter 2 C (skip notes 3-6 p.101-103; note 2 p.109)
Code Sections: §§ 102(a)-(c); 1001(a); 1011(a); 1012; 1014(a) ; 1015(a)

**Assignment 4: Deferral & Recovery of Capital**
Readings: Chapters 1 I and 2 D (skip D.2 & 3 p.113-120; D.5 p.122-7)
Code Sections: §§ 1001 ; 1011 ; 1012 ; 1014(a) ; 1015(a)

**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.212-5; B.3 238-41)
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)
Handouts: Preamble to Treas. Reg. 1.1001-3; Rev. Rul. 84-145, §1031 Basis and Gain Worksheet

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 F.2 p.381-3)
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
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.480 (after notes)-482)
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.502-504)
Code Sections: §§ 167(a)-(c)(1); 168(a)-(d)(2)

Assignment 14: Tax Shelters/Avoidance
Readings: Chapter 6 H (skip H.10 543-545)
Code Sections: §§ 163(d); 469

Assignment 15: Assignment of Income
Readings: Chapter 7 A, B, C, D
Code Sections: §§ 1(g); 482

Assignment 16: Capital Gains and Losses
Readings: Chapter 8 A, B, C, D, E
Code Sections: §§ 1211; 1212(b)(1); 1221; 1222