Corporate Taxation  
Spring 2017  
Syllabus

M Tu W 3:00 p.m. - 3:50 p.m.  
Room 284

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Office: 312 HOL  
Office Hours: Tu W 1:00 p.m. - 2:00 p.m. and by appointment

Course Description:

This course is an introduction to U.S. federal income taxation of corporations. Using a problem solving approach, we will study foundational topics related to two types of corporate entities: Subchapter C corporations and Subchapter S corporations. Subchapter C corporations and their shareholders are subject to a double-tax regime: the corporate entity is taxed, and corporate dividends to shareholders are also taxed. Subchapter S corporations are qualifying entities for which a special tax election has been made. S corporations are generally not taxed at the corporate level; instead, each S corporation shareholder is taxed on his or her share of the tax items generated by the S corporation.

Course Prerequisite:

Individual Income Tax is a prerequisite for this course. If you find that you need to review basic income tax principles, I recommend Taxation of Individual Income, 11th ed., by J. Martin Burke and Michael K. Friel.

Course Objectives:

By the end of this course, students should:

- Develop a broad-base understanding of corporate taxation;
- Improve proficiency in reading and interpreting the Internal Revenue Code (IRC), Treasury Regulations, Revenue Rulings, and case law; and
- Apply the IRC, Regulations, Revenue Rulings, and case law to factual scenarios by working through the assigned problem sets.

Methodology & Course Materials:

This course requires students to read the assigned materials, including the casebook, relevant IRC sections, Regulations, and Revenue Rulings; and to analyze and solve the
assigned problems. During lecture, we will review the statutory framework and judicilly-developed principles, and discuss the problems. Class participation is critical to success in this course. Before each class, I expect students to prepare answers to the assigned problems (see “Evaluation & Requirements” below). During class, I will call upon students to provide their analysis of and solution to the assigned problems.


**Grading:**

The following elements comprise your grade in this course:

- Final Exam: 90%
- Participation: 10%

**Class Participation & Attendance:**

I expect students to regularly attend class and arrive prepared to respond to questions. Repeated unpreparedness may result in treating one or more scheduled classes as absences. If you notify me before class by email, I may excuse absences or unpreparedness for good reasons, such as religious holidays, recruiting commitments, and extracurricular activities. I also ask that you act with courtesy and professionalism throughout the course and avoid class disruptions (e.g., cell phone noise, texting, internet surfing, arriving late, leaving early). I may adjust your participation grade up or down at the end of the semester based on your preparedness or lack thereof.

If you are dealing with a personal matter, please seek assistance from me and/or the Student Affairs Office as soon as possible. You can find resources for obtaining help at the website [http://www.law.ufl.edu/student-affairs/additional-information/have-a-problem-we-can-help](http://www.law.ufl.edu/student-affairs/additional-information/have-a-problem-we-can-help).

**If you have more than six unexcused absences from regularly scheduled classes, you will receive a participation grade of zero, and you may be barred from taking the final exam.**
Final Exam:

The final exam is a four-hour exam comprised of essay and short answer problems. For essay questions, I expect you write your answer in an appropriate fashion. The law school has scheduled this exam for **Monday, May 1, 2017 at 1:00 p.m.** The exam will test your knowledge of the assigned reading, problems and the related class discussion. The exam is completely open book and open note. Unless I provide otherwise, **you may not consult materials via a computer or other electronic device.** To take the exam on your computer, you must download and use ExamSoft. I strongly encourage you to bring a basic calculator to the exam. The calculator cannot be associated with a device with any wireless communication capability (i.e., calculator may not be a smartphone or tablet app).

The law school policy on delay in taking exams is available at: [http://www.law.ufl.edu/student-affairs/current-students/academic-policies#12](http://www.law.ufl.edu/student-affairs/current-students/academic-policies#12).

Grade Scale & Grading Policies:

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<tr>
<th>Grade</th>
<th>Points</th>
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<tr>
<td>A (Excellent)</td>
<td>4.0</td>
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<tr>
<td>A-</td>
<td>3.67</td>
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<tr>
<td>B+</td>
<td>3.33</td>
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<td>B (Good)</td>
<td>3.00</td>
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<tr>
<td>B-</td>
<td>2.67</td>
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<tr>
<td>C+</td>
<td>2.33</td>
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<tr>
<td>C (Satisfactory)</td>
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<tr>
<td>C-</td>
<td>1.67</td>
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<td>D+</td>
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<td>D (Poor)</td>
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<td>D-</td>
<td>0.67</td>
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<td>E (Failure)</td>
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The law school grading policy is available at: [http://www.law.ufl.edu/student-affairs/current-students/academic-policies#9](http://www.law.ufl.edu/student-affairs/current-students/academic-policies#9).

Outline of Topics and Required Reading:

I have included the class assignments at the end of this syllabus. I may revise the schedule and add or omit certain topics or problems based on the pace of our class discussions and any new legal developments. For purposes of the final exam, you are responsible for all assigned material. However, the exam questions will focus on the topics and problems we discuss in class.
Other Policies, including Statement on Disability Accommodation:

Additional law school and university policies are available at (1) http://www.law.ufl.edu/student-affairs/current-students/academic-policies (academic policies) and (2) http://www.law.ufl.edu/student-affairs/additional-information/honor-code-and-committee (honor code).

Students requesting classroom accommodation must first register with the Office of Disability Resources. The UF Office of Disability Resources will provide documentation to the student who must then provide this documentation to the Law School Office of Student Affairs when requesting accommodation.

Class Assignments:

“CB” refers to the primary casebook for the class, Taxation of Individual Income, 11th ed., by J. Martin Burke and Michael K. Friel. In addition to reading the pages listed, you are responsible for (1) reading the IRC and Regulations referenced at the beginning of each chapter and (2) completing the assigned problems from the Study Problems book.

At the beginning of the semester, I will try to provide you with a schedule listing the approximate number of class periods that we will spend on the subject. At the end of each class, I will try to notify you of the anticipated coverage for the next class. Please note that this syllabus is subject to change as we move through the semester. We may spend more time than scheduled on one chapter and less on another, or cancel a chapter. I will announce any change in class and distribute a revised syllabus as necessary. In addition, from time to time, I may modify the assigned reading and problems by announcement in class, either to reflect recent developments or to cope with time constraints.

Reading & Problem Assignments

“CB” refers to the McDaniel, McMahon, & Simmons casebook; problems are from the related problem book. You are also responsible for reading the related Code provisions, Treasury regulations, and any updates to the CB. Please see “Class Assignments” above for more information regarding these assignments.

I. Taxation of Corporate Income and Identifying Taxable Corporate Entities


- Chapter 1 Problems: Complete all problems, except omit problem 2(b) of Section 2.A (pg. 2).
II. Formation of the Corporation

- CB: 53-63 (until “Securities ‘Swap Funds’”), 69-72 (beginning with “‘Solely for Stock’—The Receipt of Other Property”), 77-120

- Chapter 2 Problems: Section 1.A, problems 1-2 (pgs. 4-5); Section 1.C, problem 1 (pg. 6) (for each shareholder, substitute $200,000 cash for the $200,000 corporate promissory note; assume that corporate debt of $600,000 incurred at the same time as the other transactions is used to fund the cash payments); Section 2, all problems (pgs. 7-10); Section 3, problems 1 & 2(a) (pg. 11); Section 4, problem 1(a)-(b), problem 2(a), problem 3(b)-(c) (pgs. 13-14).

III. The Capital Structure of the Corporation

- CB: 121-145 (until “Loans between Related Corporations”), 147-49 (beginning with “Transmutation of Debt to Equity” until “Convertible Obligations, Hybrid Securities, and Other Financial Instruments”), 151-161 (beginning with “Planning Considerations”)

- Problems: None assigned

IV. Dividend Distributions


- Chapter 4 Problems: Section 2, problems 1, 2 & 4 (pgs. 19-21); Section 3, problems 1-5 (pgs. 21-23); Section 4, problems 2, 4 & 6 (pg. 24); Section 5, all problems (pgs. 25-26)

V. Stock Redemptions & “Bootstrap” Acquisitions Involving Individuals

- CB: 231-261 (until “Partial Liquidations”), 501-517 (until “Bootstrap Transactions Involving Corporations”)

- Chapter 5 Problems: Section 1, all problems (pg. 27); Section 2, problems 1(a)-(d), 2-4, 6 (pgs. 27-30); Section 3, problems 1-4 (pgs. 30-32) (both problems 4); Section 4, problem 1 (pg. 33)

- Chapter 11 Problems: Section 1, all problems (pgs. 74-75)
VI. Partial Liquidations & Complete Liquidations

- CB: 261-272 (until “Redemptions Through the Use of Related Corporations”), 325-337 (until “Distribution of Installment Notes”), 339-352
- Chapter 5 Problems: Section 5, problems 1(a)-(c), 2 (pgs. 34-36)
- Chapter 7 Problems: Section 3, problems 1(a)-(c), 2, 4(a)(1), 4(b)-(c), 5-7 (pgs. 43-47); Section 4, all problems, (pgs. 47-49)

VII. Stock Dividends

- CB: skim 291-323
- Chapter 6 Problems: None assigned

VIII. S Corporations

- CB: 355-409 (until “Qualified Subchapter S Subsidiaries”); CB Supplement: 3-5
- Chapter 8 Problems: Section 2, all problems (pgs. 50-54), except skip problem 2, pg. 51, and skip problem 2, pg. 54; section 3, all problems (pgs. 54-57)