

**S CORPORATION SEMINAR
(LAW 7911)
(2 credit hours)**

Professor Karen Burke

Fall 2018

Office Hours, Telephone and E-mail

My office is located in Holland Hall 325B. Regular office hours are Wednesday, 2:00–4:00 p.m., or by appointment. If I am in my office and the door is open, you are welcome to drop by. You can also reach me by telephone at 352.273.0924 or by e-mail at burkek@law.ufl.edu.

Course Materials

The course will consist of readings and problems on taxation of S corporations and shareholders. The recommended textbook is McNulty & Burke, *Federal Income Taxation of S Corporations (Foundation)* (2d ed. 2015). The McNulty & Burke textbook has an appendix of useful S Corporation references and selected S Forms. I will also post specific references to the material in Burke, *Federal Income Taxation of Corporations and Shareholders* (West) (8th ed., 2018) (Chapter 12) (to be posted), corresponding to the readings in the recommended textbook. In addition, I have prepared a comprehensive set of S problems that will be discussed in class. Students should also have a copy of a current edition of the Code and Regulations.

Course Objectives

The primary objective of the course is to introduce students to current topics in taxation of S corporations. Topics covered include eligibility, election mechanics, shareholder agreements, shareholder-level taxation of income, loss, and distributions, use of shareholder debt, employment taxes, qualified S subsidiaries, corporate-level taxation of built-in gain, termination of S status, and acquisitions and dispositions involving S corporations. The seminar will also examine the newly-enacted § 199A deduction for passthrough owners (including sole proprietors, partners and S shareholders) and the § 1411 tax on net investment income.

A central theme is choice of entity, focusing on the comparative advantages and disadvantages of S corporations, C corporations, and partnerships. Because taxation of S corporations reflects a “hybrid” of corporate and partnership tax principles, the seminar provides a useful review of Subchapter C principles as they affect S corporations as well as a basic introduction to passthrough taxation.

Class Meetings, Attendance and Reading Assignments

The seminar will meet each Monday (4:00 – 5:40), beginning on Oct. 1 and continuing through Nov. 5. Students are expected to attend the seminar meetings regularly and to participate in discussion of assigned reading material and problems; in addition, students may expect to

spend at least 60 hours in research and writing. A student with more than two unexcused class absences may be penalized in the final grade or excluded from the course.

Topical Outline

During the six class meetings, topics will be covered in the following order. Reading assignments and problems will be posted on the course page (TWEN).

- Oct. 1 Introduction
- Oct. 8 Acquiring and Maintaining S Status
- Oct. 15 Effects of S Election—Operation of the S Corporation
- Oct. 22 Effects of the S Election—Distributions to Shareholders
- Oct. 29 Tax Consequences for S Shareholders and Special S Taxes
- Nov. 5 Choice of Entity: S Corporations versus Tax Partnerships

Research Topics and Papers

Paper topics may relate to S corporations or aspects of partnership or corporate taxation; students are encouraged to develop their topics as early as possible. I will provide a list of possible research areas and will be available to discuss specific topics proposed by individual students. The written paper is intended to satisfy the writing requirement for the LL.M. program; it is expected that papers will be completed during the spring or summer semester.

The final paper reflecting the results of the research will be 25–30 pages long (including footnotes). Students are expected to submit a brief outline and first draft for review and comment prior to completing the final draft. Footnotes should approximate Law Review style. Papers should be in Word (or WordPerfect) format, with standard 1-inch margins and text in 12-pitch font, and should be submitted as an e-mail attachment. A student who submits a paper after the deadline may be penalized in the final grade.

Evaluation

Students will be evaluated primarily on seminar participation and on the quality of their research papers. Consideration will also be given to active, voluntary participation of consistently high quality in class discussion. Grades will follow the law school grading policy, which is available at <http://www.law.ufl.edu/students/policies.shtml#9>.

Honor Code

Students are subject to the UF Student Honor Code, which can be found at <http://www.dso.ufl.edu/students.php>.

Disability Accommodation

Students with disabilities requesting accommodations should first register with the Disability Resource Center (352.392.8565, www.dso.ufl.edu/drc/) by providing appropriate

documentation. Once registered, students will receive an accommodation letter which must be presented to the Law School Office of Student Affairs when requesting accommodations. Students with disabilities should follow this procedure as early as possible in the semester.

Learning Outcomes

Upon completion of the seminar, students should have (1) a solid grasp of the taxation of S corporations at both a conceptual and practical level, (2) a basic understanding of the advantages and disadvantages of S corporations versus other passthrough forms, (3) a demonstrated ability to thoroughly research and analyze current topics relevant to taxation of business entities.