

## **Law 6610: Corporate Taxation**

Credit Hours. 3

Course Prerequisites and Description.

Prerequisite: Income Taxation (LAW 6600) (may be waived by instructor)

Course description from the UF Law website: “Addresses income tax topics which might be encountered by a general practitioner advising a closely held corporation and its investors. Income tax consequences of transfers of property and services to a corporation, distributions to investors, and corporate liquidations and mergers will be explored.

Coverage given to tax treatment of ‘S Corporations,’ an increasingly important choice of entity for small businesses.”

Course Objectives/Learning Outcomes.

Students successfully completing the course will:

- Be able to evaluate the basic tax considerations relating to: the choice of entity; the formation, operation and liquidation of corporations; and transactions involving the sale or exchange of corporations and their assets, including an introduction to tax-deferred corporate reorganizations (time permitting).
- Develop a basic knowledge of the tax considerations relating to the formation and operation of “S corporations.”
- Be able to evaluate the basics of effective tax planning as it relates to each of the topics listed above.

Required Text.

Schwarz et al., Fundamentals of Business Enterprise Taxation (6<sup>th</sup> ed. 2017) and Summer 2018 Supplement thereto (together, “Schwarz”).

Recommended Text.

Dickinson, Selected Federal Taxation Statutes and Regulations (2018-19 edition).

Purchase of Dickinson is strongly recommended. If, however, you prefer to obtain assigned sections of the Internal Revenue Code (the “Code”) and the Treasury Regulations (the “Regulations”) from another source, you may. Dickinson has the advantages that the provisions are edited and you can use the volume during the exam. If you obtain the materials separately, you will need to ensure they are available in an accessible format during the exam. Note that access to your computer, but **not** online access, will be permitted during the exam.

Optional Texts.

Bittker et al., Federal Income Taxation of Corporations and Shareholders (updated regularly) (“Bittker”).

Block, Corporate Taxation: Examples & Explanations (4<sup>th</sup> ed. 2009).

Burke, Federal Income Taxation of Corporations and Stockholders in a Nutshell (7<sup>th</sup> ed. 2014).

Ginsburg et al., Mergers, Acquisitions, and Buyouts (2017) (“Ginsburg”).

Block and Ginsburg are available on reserve; Block is also available for purchase. Bittker is available online at: , and Burke is available online at: .

For decades, Bittker was the standard treatise on corporate tax. It provides a clear discussion of the operation of the statute. Although it has not been substantially revised since 2000, it is updated regularly. Ginsburg is probably the most widely-used treatise among practitioners today. One way it differs from Bittker is in its largely transactional orientation. It is also quite comprehensive.

Block and Burke are helpful basic guides through some of the same material.

#### Statement on Workload.

Students should expect to spend, on average, at least two full hours preparing for every 50-minute hour of class, and often more.

#### Readings.

The attached schedule lists readings from Schwarz, which include applicable sections from the Code and the Regulations. You must carefully read the assigned Code and Regulations sections listed in Schwarz, *as well as those*, if any, listed on the schedule. In addition, from time to time you may need to read other Code or Regulations sections to understand the material. Assignments marked with an asterisk (“\*”) contain material from the Summer 2018 Supplement that you must read to complete the assignment. The specific content of each assigned reading is listed in the Table of Contents of Schwarz.

Do not do problems unless they are specifically assigned. Assigned problems are intended to be covered during class. Unless otherwise indicated, you do not need to turn in your answers.

The schedule assigns a number rather than a class date to each assignment. In the normal course, we will spend one class period per assignment, but we may spend more (or occasionally less) than a class period on an assignment. As a general matter, please prepare the next numbered assignment for the next class. If we end class in the middle of an assignment, please prepare the remainder of that assignment and the next assignment for the next class.

Please note that this is an ambitious syllabus. Depending on our progress during the semester, we may end up skipping some of the advanced topics.

Attendance and Final Exam.

You are expected to attend class. It is strongly recommended, but not required, that you take notes by hand.

You are on call every class, unless you notify me before class by email that you would like to pass. Each student may take up to three passes at no penalty during the semester without offering any reason. If you believe that you need to pass more frequently or on an extended basis, please contact me outside of class or email me. Students who are excused from being on call are effectively present as visitors and may not participate in the discussion.

The final will be an in-class, limited open-book exam. It is scheduled for Nov. 30 at 1:00 p.m.

Grading.

Grades will be awarded in accordance with the College of Law's posted grading policy (available at <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/academic-policies>). Grades are based primarily on performance on the final exam, but your grade may be adjusted upward or downward one step (e.g., B to B-, or B+ to A-) based on class participation. In addition, unexcused absences or excessive passes can result in a reduction in your grade, and more than six unexcused absences will result in your being disallowed from taking the final exam and receiving a grade of E for the course.

Letter grades correspond to grade points as follows:

<b>Letter Grade</b>	<b>Point Equivalent</b>
A (Excellent)	4.0
A-	3.67
B+	3.33
B (Good)	3.0
B-	2.67
C+	2.33
C (Satisfactory)	2.0
C-	1.67
D+	1.33
D (Poor)	1.0
D-	0.67
E (Failure)	0.0

Office Hours.

Mon., 4:30 – 6:00, and by appointment. I strongly encourage you to see me if you have questions about the material. I also am happy to discuss any aspect of tax law or tax practice with you.

Course Policies.

1. Accommodations. Students requesting accommodation for disabilities must first register with the Dean of Students Office (<http://www.dso.ufl.edu/drc/>). The Dean of Students Office will provide documentation to the student, who must then provide this documentation to Student Affairs (Dean Rachel Inman) when requesting accommodation. You must submit this documentation prior to submitting assignments or taking the quizzes or exams. Accommodations are not retroactive. Therefore, students should contact the office as soon as possible in the term for which they are seeking accommodations.
2. University Policy on Academic Misconduct. Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand and comply with the UF Student Honor Code, available at: <https://www.dso.ufl.edu/%20sccr/process/student-conduct-honor-code>. Failure to comply can result in sanctions, as described in the UF Student Honor Code.
3. Netiquette: Common Courtesy. All members of the class are expected to follow rules of common courtesy in all email messages, threaded discussions and chats. They also are advised to adhere to the guidelines and rules set forth in the University's policy, available at <http://teach.ufl.edu/wp-content/uploads/2012/08/NetiquetteGuideforOnlineCourses.pdf>. Students who consistently or intentionally fail to follow these rules may be subject to discipline, including but not limited to grade reduction and referral to the Law School or University for further disciplinary action.
4. Recording Devices and Cell Phones. Recording of any class without my express permission is prohibited. Cellular telephones should not be used during class, and ringers must be silenced.
5. Online Course Evaluation. Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>. Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>.

SCHEDULE

<b>Assign-ment<sup>1</sup></b>	<b>Schwarz and additional authority</b>
1. *	1-23; §199A(a) – (f); Problem at 23 (as modified in Summer 2018 Supplement)
2. *	23-28; 39-42; 451-56; 460-64; §163(j); sample problems on CTB
3. *	465-87; IRS Notices 2010-62, 2014-58
4.	497-511; Problem at 501, Problem at 508
5.	512-21; Problem at 521
6.	522-40; Reg. §15A.453-1(b)(1) – (2); Problem 1 at 540
7. *	541-54; Problem at 551-52
8. *	559-66 (to “C. Hybrid Instruments”); 570-79; Problems 1 and 2 at 574
9. *	581-96; Problems at 591 and 596, §§163(a), (d)
10. *	596-615; §§301(e), 312(k), (n); Problem (a)-(c) at 601, Problem at 614-15
11.	615-28; Problem at 627-28
12.	629-55; Problem 2 at 634, Problem 1(a) – (c) at 670
13.	655-70; Problem 1(d) at 670; Problem 4 at 672. <u>Note printing errors</u> on p. 662: Shareholder B has 19 shares (not 9), and Shareholder C has 18 shares (not 8).
14.	673-85; Problem at 685
15.	701-13; §318. Problems at 713-14. (This material may take two classes to cover.) Note that recent editions of Dickinson have not included the proposed regulations that are assigned; therefore you may need to get them online and download or print them.
16.	717-30; Problem 1(a)-(e) at 730
17.	739-56; Problems at 756-57
18.	758-69; §1223(2); Problem 1 at 769, Problem 3 at 770
19. *	771-96; §338(h)(10); Problem 1 at 796. For the problem, you do not need to calculate tax due; rather, determine taxable income or loss for each question.
20. *	803-16, 821-29
21.	829-37; Problem 1(a)-(g) at 847-48
22.	849-61; Problems 1 and 2 at 861-62. You may omit Reg. § 1.356-4.
23.	866-76; Problem 1 at 876
24. *	989-1003; Problems at 998-999 & 1003-04
25. *	1004-19; Reg. §1.1(h)-1(a), -1(b)(1)-(2), -1(c). Problems 1 & 2 at 1019-20
26. *	1020-29; Problem 1 at 1029

<sup>1</sup> Assignments marked with an asterisk (“\*”) include material in the 2018 Supplement to the casebook.