

Income Taxation (Law 6600)

M: 3–3:50 p.m.; WH: 2:30–3:45; Room 285C
Fall 2018 Syllabus

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Office hours: MH: 10:00 a.m.-11:30 a.m.
(or by appointment)

Course Description and Preparation Time:

This course is an introduction to the federal income tax system as applied to individuals. We will be studying selected topics in the taxation of personal, investment, and business activities. This course is 4 credits. You should spend at least 2 full hours preparing for each hour of class meeting. This is the minimum preparation time needed for you to be able to follow class discussion; the material is complex and will likely require additional hours of study for mastery.

Course Expectations and Learning Outcomes:

- Define and describe foundational income tax concepts, such as “gross income,” “basis,” “capital gains,” “charitable contribution,” “deductible expense,” “fringe benefit,” “gift,” “itemized deductions,” and “realization and recognition,” to name a few.
- Apply a selection of Internal Revenue Code provisions, including § 61, § 102, § 117, § 132, §§ 162–168, § 1001, §§ 1211–12, and §§ 1221–22, to cite a few.
- Explain the sources of U.S. tax law, including the relationship of the Internal Revenue Code to Treasury regulations.
- Establish a base from which to acquire further tax expertise

Methodology & Course Materials:

The course will be taught through problem-solving and lecture. Students are expected to participate in class (see “Evaluation & Requirements” below). A slideshow review of the key concepts discussed during class will be made available through TWEN for each course segment, but the slides will not be made available until after a segment is completed in class. Class time will not be used to review the slides (or other review materials that may be provided), but optional review sessions may be scheduled.

The primary textbook for this class is *Taxation of Individual Income*, 12th ed., written by J. Martin Burke and Michael K. Friel. In addition, you will be required to

study various provisions of the Internal Revenue Code and Treasury regulations. While the Code and Treasury regulations are available online, I strongly recommend purchasing *Lathrope's Selected Federal Taxation Statutes and Regulations* 2018 by Daniel J. Lathrope. Supplementary materials, including problems and worksheets, may be distributed in class and/or through TWEN. At least two exams from prior years will be made available to students on TWEN, but please be aware that substantial legislative changes have occurred since those exams were written.

Evaluation & Class Attendance Policy

Grade

5 percent: Participation
95 percent: Final Exam

Class Participation & Attendance

You are expected to attend class and to be prepared to respond to questions about the assigned problems and reading; attendance will be taken each day. Repeated lack of preparedness may be counted as an unexcused absence. Repeated class disruption (e.g., excessive noise, texting, personal internet use, arriving late, leaving early) may be counted as an unexcused absence. You will be notified each time you accrue an unexcused absence on account of lack of preparedness and/or disruptive behavior.

Absences taken for observance of religious holidays will be excused with completion of a makeup assignment. If you are planning to miss class for a religious holiday, please let Prof. Luke know. If you are absent because of a special situation (sickness, family emergency, job interview, etc.), the absence **may** be excused at Prof. Luke's discretion after you have provided any documentation of the situation requested by Prof. Luke and you have completed a make-up assignment. If you are dealing with a personal situation of high difficulty and prolonged duration, please seek assistance from Student Affairs as soon as possible.

If you have more than five unexcused absences from regularly scheduled classes, your participation grade will be 0 and you *may* be barred from taking the final exam.

Final Exam

The final exam will be four hours and will be given on the day scheduled by the law school. The exam will be given at the law school and you will be required to use the software designated by the law school when taking the exam. The exam will be open book, but access to the Internet will be prohibited. Whether you will be permitted to have access to digital files (e.g., files on your laptop's hard drive) will be determined at a later date and will depend on the capability of the software.

Exam delays and accommodations must be arranged through the Student Affairs Office. See <http://www.law.ufl.edu/student-affairs/current-students/academic-policies#12>; “Disability Accommodation,” below).

Grade Scale & Grading Policies:

<u>Grade</u>	<u>Points</u>
A (Excellent)	4.0
A-	3.67
B+	3.33
B (Good)	3.00
B-	2.67
C+	2.33
C (Satisfactory)	2.00
C-	1.67
D+	1.33
D (Poor)	1.00
D-	0.67
E (Failure)	0.00

The law school grading policy applies to this course and is available at <http://www.law.ufl.edu/student-affairs/current-students/academic-policies#9>.

Topics and Assignments:

Topics for the course are provided at the end of this syllabus. Detailed problem and reading assignments are also listed. The topics to be covered may be revised to reflect the pace of class discussion and/or any new legal developments. Unless otherwise advised, you should assume that five problems will be covered per class session, and you should prepare accordingly. For the first class meeting, complete Section I of the assignment schedule.

Optional review sessions (including to go over review problems) may be scheduled during the semester, depending on student interest.

Disability Accommodation

Students requesting classroom and/or testing accommodations 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. Student Affairs will then communicate with Prof. Luke as needed to assure the accommodation is provided. (Note: for guidance on requesting exam delays for other reasons (e.g., accident), see “Final Exam” section above).

Honor Code and Other Policies:

Students are required to follow the Honor Code. To review its requirements see <http://www.law.ufl.edu/student-affairs/additional-information/honor-code-and-committee>.

Students are expected to provide feedback on the quality of instruction in this course. These evaluations are conducted online 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 past assessments are available to students, also at <https://evaluations.ufl.edu>. Additional law school and university policies may be found at <http://www.law.ufl.edu/student-affairs/current-students/academic-policies>.

Topics and Class Assignments:

CB refers to the primary casebook for the class, *Taxation of Individual Income*, 12th ed., by J. Martin Burke and Michael K. Friel. Unless otherwise noted, you are also responsible for (1) completing the problems at the beginning of each chapter and (2) reading the Code and Treasury regulation provisions referenced at the beginning of each chapter in the casebook.

The schedule may be revised to reflect the pace of class discussion or any new legal developments. Unless otherwise advised, you should assume that five problems will be covered per class session, and you should prepare accordingly.

I. Introduction: CB 1-21

II. Gross Income

- A. General Concepts: CB 23-52
- B. Gains and Losses from Dealings in Property: CB 75-89
- C. Gifts, Bequests & Inheritance: CB 91-112
- D. Scholarships and Prizes: CB 133-144
- F. Assignment of Income: CB 811-834

III. Treatment of Debt

- A. Effect of an Obligation to Repay: CB 53-74
- B. Discharge of Indebtedness: CB 165-184
- C. Losses and Bad Debts: CB 383-408
- D. Nonrecourse Debt: Basis & Amount Realized: CB 855-886

IV. Business & For-Profit Activities; Personal Expenses

- A. Business and Profit-Seeking Expenses: CB 249-288
- B. Fringe Benefits: CB 217-248
- C. Deduction for Qualified Business Income: CB 289-302
- D. Interest Deduction: CB 497-520
- E. Deduction for Taxes: CB 521-530 (except omit all problems)
- F. Medical Expenses & Compensation for Personal Injury & Sickness: CB 553-562; CB 185-215

V. Property Transactions

- A. Capital Expenditures: CB 303-338
- B. Depreciation & Depreciation Recapture: CB 339-382, 801-810 (except omit all problems)
- C. Capital Gains and Losses: CB 737-792
- D. Section 1231 Assets: CB 793-800 (except omit all problems)
- E. Sale of a Principal Residence: CB 113-132
- F. Transactions between Related Parties: CB 601-613

G. Transfers Incident to Divorce: CB 887-904

H. Like-Kind Exchanges: CB 905-942

I. Casualty Losses: CB 531-552

J. Charitable Deductions: CB 563-600

VI. Timing Issues

A. Cash Method Accounting: CB 629-666

B. Annual Accounting: CB 709-736

C. Accrual Method Accounting: CB 667-708