

**Corporate Taxation I (LAW 7611)**  
M: 10:25-11:50 a.m.; Room: Holland 359  
& Th: 10:25-11:50 a.m.; Room: Holland 270  
Fall 2025 Syllabus

Prof. Charlene Luke

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Office: Holland Hall 264C (inside dean's suite)

(1) M/T: 2:45-4:00 p.m.; meetings will be in my office or on Zoom at the link

<https://ufl.zoom.us/j/3910352185>.

(2) By appointment.

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**Course Description and Preparation Time:**

This course covers the federal income taxation of "C" corporations and their shareholders. Subchapter C corporations and their shareholders are subject to a double-tax regime: the corporate entity is taxed, and corporate distributions to shareholders are also taxed. Subchapter C applies by default to entities incorporated under state law; certain other entities (publicly traded partnerships, for example) may also be taxed under subchapter C. Taxable and tax-free acquisitions, reorganizations, and divisions are not covered in this class but instead are covered in Corporate Taxation II. International tax law affecting corporations is also not covered in this class.

You should spend at least 2 full hours preparing for each class hour. This is the minimum preparation time needed for you to be able to follow class discussion; the material is complex and will require many more hours of study for mastery.

**Course Expectations and Learning Outcomes:**

- Apply a selection of Internal Revenue Code provisions relating to C corporation formation, operations, distributions, redemptions, and liquidations.
- Improve ability to interpret and apply tax statutes and regulations.
- Establish a base from which to acquire further tax expertise.

**Methodology & Course Materials:**

Class meetings will be spent primarily on discussing casebook Problem Sets. Some materials will be covered through asynchronous lectures and a required, related quiz; these will be posted to Canvas. Such asynchronous lectures and associated quizzes are a required part of the class, and the material covered in them is subject to being tested on the midterm and final exam.

A slideshow review of the key concepts discussed during class and in the asynchronous lectures will be made available through Canvas for each course segment, but it 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). Optional review sessions will be scheduled in connection with the midterm exam and with the final exam.

The casebook is *Federal Income Taxation of Corporations* (6<sup>th</sup> ed., Wells, Luke, McMahon, & Simmons). You are also required to study various provisions of the current Internal Revenue Code and Treasury regulations; you may purchase a print edition or rely on the Code and Regulations available in an online legal research database (e.g., Bloomberg Law, Westlaw, Lexis). If there are changes to the law, there may be changes to the assigned material, and additional reading may be added to Canvas.

If you wish to consult a supplementary book on corporate tax, I recommend (1) Leandra Lederman & Emily Cauble, *Understanding Corporate Taxation* (5th ed.) (this is a relatively short overview book with examples); and (2) *Bittker & Eustice: Federal Income Taxation of Corporations and Shareholders* (this is a WG&L treatise, available on Westlaw by navigating to: [https://www.westlaw.com/Browse/Home/SecondarySources/TaxSecondarySources/WarrenGorhamLamontWGL/BusinessEntitiesTreatisesWGL/BittkerEusticeFederalIncomeTaxationofCorporationsShareholdersWGL?transitionType=Default&contextData=\(sc.Default\)&VR=3.0&RS=cblt1.0](https://www.westlaw.com/Browse/Home/SecondarySources/TaxSecondarySources/WarrenGorhamLamontWGL/BusinessEntitiesTreatisesWGL/BittkerEusticeFederalIncomeTaxationofCorporationsShareholdersWGL?transitionType=Default&contextData=(sc.Default)&VR=3.0&RS=cblt1.0)).

### **Outline of Topics and Assignments:**

Topics and reading assignments for the course are provided at the end of this syllabus. The topics to be covered may be revised to reflect the pace of class discussion and/or any new legal developments. For the first class meeting, (1) read the syllabus, and (2) complete Problem Sets 1 & 2 of Topic 1. Unless otherwise advised, you should assume that 3–5 problem subparts will be covered per class session, and you should prepare accordingly. An announcement will be posted to Canvas after each class with an estimate of how many problems will be covered at the next session. Some topics will be covered quickly, while others will take multiple weeks. You should expect that the material in Topic II will take multiple weeks.

### **Notice of Recording and Conduct Rules Relating to Photos and Recordings**

Students are allowed to record video or audio of “class lectures.” The entirety of our class sessions will also be audio visually recorded using Zoom, and I will provide access to these recordings through Canvas. However, the purposes for which student recordings and Zoom recordings may be used are strictly controlled. The only allowable purposes are (1) for personal educational use, (2) in connection with a complaint to the university, or (3) as evidence in, or in preparation for, a criminal or civil proceeding. All other purposes are prohibited. Specifically, students may not publish recorded lectures without the written consent of the instructor.

A “class lecture” is an educational presentation intended to inform or teach enrolled students about a particular subject, including any instructor-led discussions that form part of the presentation, and delivered by any instructor hired or appointed by the University, or by a guest instructor, as part of a University of Florida course. A class lecture does not include student presentations, academic exercises involving solely student participation, assessments (quizzes,

tests, exams), private conversations between students in the class, or between a student and the faculty or lecturer during a class session. Please note that the Zoom recordings will record conversations with students in the class as those will record the entirety of a class session.

Publication without permission of the instructor is prohibited. To “publish” means to share, transmit, circulate, distribute, or provide access to a recording, regardless of format or medium, to another person (or persons), including but not limited to another student within the same class section. Additionally, a recording, or transcript of a recording, is considered published if it is posted on or uploaded to, in whole or in part, any media platform, including but not limited to social media, book, magazine, newspaper, leaflet, or third-party note/tutoring services. A student who publishes a recording without written consent may be subject to a civil cause of action instituted by a person injured by the publication and/or discipline under UF Regulation 4.040 Student Honor Code and Student Conduct Code.

### **Evaluation, Etiquette & Class Attendance Policy**

#### Grade

20 percent: Participation & Attendance  
30 percent: Mid-Term Test on Topics 1 & 2  
50 percent: Final Exam

#### Participation & Attendance Expectations

Students are expected to treat each other with respect at all times. You are required to attend during regular class times. Attendance will be taken each day and spot checks for attendance may be taken. Students are expected to be prepared to respond to questions about the assigned problems and reading.

If you experience a personal difficulty that impacts your ability to participate in and attend class, please talk to someone. If you are not comfortable talking with me, please reach out to Student Life or to Mental Health Counselor Ritzy Ettinger. If you are in need of an accommodation, please see “Accommodations and Disability Resource Center” below.

Between two and six of our regularly scheduled class sessions will be cancelled and instead will be held through asynchronous lectures. The dates we will not meet will be announced as the semester progresses. You will be responsible to complete assigned asynchronous lectures and related quizzes as part of your participation and attendance grade. Material covered in these asynchronous lectures will be subject to being tested on the mid-term and/or final exam. If we have a guest speaker who is participating virtually, the class may be held virtually to facilitate interactions with the guest (this will occur no more than 2 times and may not occur at all).

A student’s participation grade will be reduced by 5 percentage points (but not below 0) per unexcused absence after two such unexcused absences. Failure to complete an asynchronous lecture and related quiz by November 19, 2025 (the day before the reading period begins) will constitute an unexcused absence. Repeated lack of preparedness or participation may reduce a

student's participation grade by 5 percentage points per incident, the same amount as for an unexcused absence. Repeated class disruption (e.g., excessive noise, texting, personal internet use, leaving early or arriving late) may also reduce a student's participation grade by 5 percentage points per incident, the same amount as for an unexcused absence. You will receive a warning prior to having your participation grade reduction on account of an incident relating to lack of preparedness and/or disruptive behavior. If you are absent because of a special situation (sickness, family emergency, job interview, etc.), the absence will be excused after you have provided satisfactory documentation of the situation as requested by me or by Academic Affairs, and the participation grade will be reduced by 5 percentage points **unless** there is satisfactory completion of a make-up assignment.

If you are planning to miss class for a religious holiday, please let me know. Absences taken for observance of religious holidays will be excused, but the participation grade will be reduced by 5 percentage points **unless** there is satisfactory completion of a makeup assignment. (This is, however, subject to the overall ability of students to have two absences before the participation grade is affected.) For UF's policy on religious holidays, please see <https://catalog.ufl.edu/UGRD/academic-regulations/attendance-policies/#religiousholidaystext>.

Makeup assignments will generally consist of watching the Zoom recording of the missed class and turning in notes and questions from that viewing. Makeup assignments must be completed by November 19, 2025 (the day before the reading period begins).

Cumulative attendance records will be periodically posted to Canvas.

**If your participation/attendance grade is 0 before the exam period begins, you *may* be barred from taking the final exam, and you *will* be barred from participating in the retesting process (see below).**

#### Additional Expectations: Zoom Etiquette

Unless you registered in the online section of the course, you are required to attend in person in the designated classroom. With **advance** permission, in-person students may be permitted to attend through Zoom; permission will only be granted in situations, described below, that would warrant an excused absence after completion of a makeup assignment.

If you attend over Zoom, please ensure your Zoom name matches your preferred name and with your last name also shown. You are expected to turn on video of yourself while attendance is taken and when responding to or asking questions. You do not need to have video on when taking notes and listening to the class, but you need to be ready to respond to questions, whether directed to you individually or in the form of class surveys. You are expected to keep your microphone on mute unless you have been called on to ask or answer a question. **Do not use the chat function to ask me questions during class; Zoom chat will not be monitored by me while I am teaching, and students attending in person will not be able to see the Zoom chat.** If you are trying to ask a question, but your "virtual hand" is not being seen by me, please unmute yourself and indicate you have had your virtual hand raised if more than 5 minutes have passed without

acknowledgement. If you have a technical problem during the class, please contact UF IT (<https://www.law.ufl.edu/technology-services>).

### Midterm Exam on Topics 1 & 2

The midterm exam will be 2 hours long and will consist of multiple-choice questions and one essay question. The date will be set after the pace of class discussion is determined, but it will be no earlier than one week after the completion of Topic II (on Formation of the Corporation). You will be required to use the software and process designated by the law school when taking the exam. The exam will be open book, but communication with anyone will be prohibited and will violate the Honor Code (the only exception is if you need to contact Academic Affairs or UF IT because of technical issues, illness, or similar). Use during the exam of AI tools, such as ChatGPT, is prohibited and will also violate the Honor Code.

Exam delays and accommodations must be arranged through the Student Affairs Office; see “Accommodations and Disability Resource Center” below; <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/forms-applications/exam-delays-accommodations-form>.

### Final Exam

The final exam will be 3 hours and will consist of essay questions focused primarily on Topics 3–6 (note that answering questions within these topics may require being able to demonstrate knowledge of Topics 1 & 2). You will be required to use the software and process designated by the law school when taking the exam. The exam will be open book, but communication with anyone will be prohibited and will violate the Honor Code (the only exception is if you need to contact Student Affairs or UF IT because of technical issues, illness, or similar). Use during the exam of AI tools, such as ChatGPT, is prohibited and will also violate the Honor Code.

Exam delays and accommodations must be arranged through the Student Affairs Office; see “Accommodations and Disability Resource Center” below; <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/forms-applications/exam-delays-accommodations-form>.

### Retesting Process

Students who would receive a grade in the course lower than a B **and** who have a participation and attendance grade higher than 0 before the final exam period starts (see above) will have the opportunity to retest for a grade increase. The highest possible exam grade obtainable through the retesting process will be the lower of (1) a B or (2) one full grade increase from the initial grade earned in the course. For example, a student who would otherwise receive a B- and who has met the participation/attendance grade requirement would be eligible to retest for a course grade no higher than a B. A student who would otherwise receive a C- and who has met the participation/attendance requirement would be eligible to retest for a grade no higher than a B-. The retesting process will not be used to lower grades. Re-testing is scheduled through discussion between the individual student and Prof. Luke, but re-testing must be completed no

later than 2 months after grades are posted (note, this is separate from any requirement imposed by UF for graduation).

#### 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 is available at <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies>. **Note that the mandatory mean does not apply to LL.M. students.**

#### **Accommodation and Disability Recourse Center**

Students requesting classroom and/or testing accommodations must first register with the Office of Disability Resources. The UF Disability Resource Center (<https://disability.ufl.edu/>) will provide documentation to the student, who must then provide this documentation to the UF Law Student Affairs office. The UF Law Student Affairs will then communicate with me as needed to assure the accommodation is provided. (Note: for guidance on requesting exam delays for other reasons (e.g., illness), 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 who fail to follow the prohibition on circulating or posting class material will be referred to the College of Law Honor Code Council and the University’s Office of Student Conduct and Conflict Resolution.

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. **Complete student anonymity is preserved during and after the evaluation process.** Students will be notified when the evaluation period opens and can complete evaluations through the email they receive from GatorEvals in their Canvas course

menu under GatorEvals or via <https://my-ufl.bluera.com/>. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

## Topic & Reading Assignments

The topics and reading assignments in the casebook are listed below. You are required to complete any Problem Sets included within the assigned reading, unless otherwise noted. You are also responsible for reading the related Code provisions and Treasury regulations. You are expected to read any handouts posted to Canvas. (Note: optional slides and an optional asynchronous lecture will be provided regarding Chapter 6 (IRC §§305-306). Chapter 6 will not be tested.)

Please note that the assignment list below is not organized week-by-week. Canvas announcements will be used to indicate after each class the anticipated coverage for the subsequent class. Some Topics will be covered quickly; others will take multiple weeks.

The selection of class topics and page numbers assigned may be adjusted to reflect the pace of class discussion and any new legal developments.

Students are encouraged, but not required, to read pages within a particular chapter that are not assigned in order to understand additional nuance and complexity.

### 1. Taxation of Corporate Income and Identifying Taxable Corporate Entities

Read: Chapter 1, pgs. 3-18, 20-53

### 2. Formation of the Corporation

Read: Chapter 2, pgs. 55-66, 68 (starting with *Hempt Bros.* case)-80, 83-84 (about nonqualified preferred stock), 85 (starting with Section 2)-104, 106-31, 132 (starting with Section 4)-136

### 3. The Capital Structure of the Corporation

Read: Chapter 3, pgs. 137-185, but omit Problem Sets 2-3

### 4. Dividend Distributions

Read: Chapter 4, pgs. 201-205, 208-222, 224 (starting with Section 3)-232, 234 (starting with Section 4)-254, 256 (starting with Section 5)-262

### 5. Stock Redemptions & Bootstrap Acquisitions

Read: Chapter 5, pgs. 265-270, 272-282, 284-306; and Chapter 9, pgs. 473-488, 489-90 (complete Problem Set 1, problems 1-2), 490 (starting with Section 2)-497

### 6. Partial Liquidations & Complete Liquidations

Read: Chapter 5, pgs. 307-320; Chapter 7, pgs. 387-398, 399-406, 409-423