LAW 7613: Corporate Taxation II

Credit Hours. 3

Course Prerequisites and Description.
Prerequisite: Corporate Tax I. The prerequisite may be waived by the instructor.

This course covers taxable corporate acquisitions, bootstrap acquisitions, acquisitive corporate reorganizations and corporate divisions. Depending upon our pace, we may also cover non-acquisitive reorganizations and penalty taxes.

Course Objectives/Learning Outcomes.
Students successfully completing the course will understand the basic rules applicable to corporate acquisitions (both taxable and tax-deferred) and tax-deferred corporate divisions.

Required Text.

McMahon et al., Federal Income Taxation of Corporations (5th ed. 2019) (“McMahon”).

Recommended Text.

Dickinson, Selected Federal Taxation Statutes and Regulations (2019-20 edition) (“Dickinson”).

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 (regularly updated) (“Bittker”). Available on Westlaw in the FTXCorp database.

Burke, Federal Income Taxation of Corporations and Stockholders in a Nutshell (8th ed. 2018). Available on West Academic (<https://subscription.westacademic.com/>).

Ginsburg et al., Mergers, Acquisitions, and Buyouts (regularly updated) (“Ginsburg”). Available through CCH Intelliconnect. (You can access from campus or obtain your own account by signing up from an on-campus, VPN-connected computer at <https://intelliconnect.cch.com>. The title Mergers, Acquisitions & Buyouts can be accessed by selecting Titles in the blue top menu.)

For decades, Bittker was the standard treatise on corporate tax. It provides a clear discussion of the operation of the statute. 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 though less focused on the history and policy of the statute.

Burke offers a basic guide through much 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 McMahon, which include applicable sections from the Code and the Regulations. You must carefully read the assigned Code and Regulations sections listed in McMahon. In addition, from time to time you may need to read other Code or Regulations sections to understand the material. The specific content of each assigned reading is listed in the Table of Contents of McMahon.

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. Please note that additional problems may be assigned during the semester.

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 topics or covering them in more abbreviated fashion, as noted on the schedule.

**Please complete Assignment 1 for the first day of class.**

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 April 29, 2020, at 8:30 a.m.

Weekly Review Session. Each Thursday, from 4:10 to 5:00, starting with the second week of class, we will have an attendance-optional session that reviews the material we covered during the preceding week.

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:

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| **Letter Grade** | **Point Equivalent** |
| 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  |

**Note that the mandatory Law School mean does not apply to LLM students.**

Office Hours.

Mon., 3:15 – 4:45, 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, including career plans.

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/>.

| **Assign-ment[[1]](#footnote-1)** | **McMahon** |
| --- | --- |
|  | 431-47; Problem 1 on p. 433, Problems 1 & 2 on pp. 447-48 |
|  | 449-61; Problems 1, 2 & 3 on pp. 469-70 |
|  | 462-69; Problems 4 & 5 on pp. 470-71 |
|  | 490-97; Problem 1 on p. 497 |
|  | 507-16; Problems 1 – 4 on pp. 516-18 |
|  | 518-33; Problems 1 – 3 on pp. 533-35 |
|  | 536-50; Problems 1, 2 & 4 on pp. 550-51 |
|  | 551-60; Problems 1, 4 & 7 on pp. 560-61. Note that for each problem, the question is whether the transaction satisfies the continuity of business enterprise requirement. |
|  | 562-77; Problems 1, 3 & 4 on pp. 577-80 |
|  | 580-81; Problems 1 & 2 on p. 581 |
|  | 582-96; Problems 1 – 4 on pp. 596-99. Note that for each of Problems 1, 2 and 3, the question is whether the transaction qualifies as a Type B reorganization. |
|  | 599-612; Problems 1, 2 & 5 on pp. 612-14 |
|  | 615-28; Problems 1(a), 2, 3 & 7 on pp. 628-31 |
|  | 633-46, 656-59; Problems 1, 2 & 3 on p. 646 |
| 1. †
 | 659-82; Problems 1 & 2 on p. 693 |
| 1. †
 | 682-92; Problems 3 & 4 on pp. 693-94  |
| 1. †
 | 697-715; Problem 1(a) – (d) on pp. 715-16 |
| 1. †
 | 716-26; Problems 1 & 2 on pp. 726-27 |
|  | 729-38; Problems 1 & 2 on pp. 738-39 |
|  | 739-54 |
|  | 754-68; Problems 1 & 4 on pp. 768-770 |
|  | 770-86; Problems 2, 4 & 5 on pp. 786-87 |
|  | 788-96; Problems 1, 2 & 3 on pp. 796-97 |
|  | 797-807; Problems 1, 2 & 3 on pp. 807-08 |
|  | 808-19; Problems 1 & 2 on pp. 819-20 |
|  | 820-34; Problems 1 & 2 |
| 1. †
 | 899-914 |

1. Assignments marked with a dagger (†) may be omitted or reduced in scope depending on our pace. [↑](#footnote-ref-1)