**Partnership Taxation (LAW 7617)**

M/W 10:30 a.m.-11:55 a.m.; Room 359

Spring 2021 Syllabus

Prof. Charlene Luke

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Virtual Office hours:

(1) Zoom: W/Th 3:00 p.m. – 4:00 p.m. eastern

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

 Meeting ID: 391 035 2185

(2) By appointment.

**The classroom protocols described below may need to be adjusted to take into account changing circumstances. Please be sure to check your email and the class Canvas site regularly.**

**Course Description and Preparation Time:**

This course is an introduction to the federal income taxation of subchapter K entities and their owners. Multi-owner, unincorporated business entities are generally taxed as subchapter K entities. Thus, subchapter K entities include not only general partnerships but also multi-member LLCs. This course is 3 credits. You should spend at least 2 full hours preparing for each hour of class time. 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 tax partnership formation, allocations, distributions, 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:**

In-person class meetings will be spent primarily on discussing Problem Sets. Asynchronous lectures may be posted to Canvas to facilitate completing the material. Students will be expected to watch asynchronous lectures that are posted, and completing those lectures is required for purposes of the participation grade.

Students will need to able to access and use the app Socrative during class (https://www.socrative.com/; the primary Socrative room for this course is Luke721).

A slideshow review of the key concepts discussed during class 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). Virtual, optional review sessions will be scheduled.

The casebook is *Federal Income Taxation of Partnerships and S Corporations* (6th ed. 2020, McMahon, Simmons, Luke & Wells). You are also required to study various provisions of the current Internal Revenue Code and Treasury regulations; if you prefer to access these online at Bloomberg, Lexis, Westlaw or similar, that will be fine. 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, I recommend (1) *Partnership Income Taxation: Concepts and Insights* (6th ed. 2018, Repetti, Lyon & Luke); and (2) *The Logic of Subchapter K* (6th ed. 2020, Cunningham & Cunningham).

**Outline of Topics and Assignments:**

Topics for the course are provided at the end of this syllabus. You are also responsible for reading the related Code provisions and Treasury regulations. 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 problem subparts will be covered per class session, and you should prepare accordingly. For the first class meeting, complete Topic I.

**Recording and Conduct Rules Relating to Photos and Recordings**

Our in-person class sessions will be audio and visually recorded (through Mediasite rather than through Zoom/Captivo). Access to these recordings will only be available to students as required for accommodations or for extended medical-related absences through the Student Affairs office. If you anticipate that you may need a remote option, please change to the section of partnership tax taught by Professor Burke before the end of drop/add.

Students are expected to treat each other with respect at all times. Students may not take, record, circulate, or post audio, photos, or videos of classroom discussions. I do, however, permit students to take photos of the whiteboard for personal study use only and not for circulation or external posting.

Students failing to follow these rules will be referred to the College of Law Honor Code Council and the University’s Office of Student Conduct and Conflict Resolution.

**Evaluation, Etiquette & Class Attendance Policy**

Grade

20 percent: Participation & Attendance

 80 percent: Final Exam

Participation & Attendance Expectations

You are expected to attend in person at the times listed above; **there will not be a synchronous remote option for this section of partnership tax**; if you anticipate that you may need a remote option, please change to the section of partnership tax taught by Professor Burke before the end of drop/add.

You are expected to be prepared to respond to questions about the assigned problems and reading, including through participation in interactive Socrative polls. Attendance will be taken each day.

At least 2, and as many as 6, of our regularly scheduled in person class sessions will instead be held through asynchronous lectures. The dates we will not meet in person will be announced as the semester progresses, and you will be asked to verify completion of watching assigned asynchronous lecture material in order to avoid an unexcused absence relating to this asynchronous material.

Repeated lack of preparedness or participation, including not completing verifications relating to asynchronous material, or not responding to in-class polling, may be counted as unexcused absences. Repeated class disruption (e.g., excessive noise, texting, personal internet use, leaving early, or arriving late) may be counted as an unexcused absence. You will be notified if you accrue an unexcused absence on account of lack of preparedness and/or disruptive behavior.

You are required to follow UF Law safety protocols at all times in the classroom, including wearing a mask over your mouth and nose that meets UF Health guidelines at all times and maintaining physical distance. You need to follow my direction with respect to physical distancing. If you forget to bring a mask, we will have some available.

You need to arrive at least 5 minutes before class starts and enter your assigned classroom through the entrance door; you will be asked to take the most distant open seat available from the entry door. You may sit only in seats that have been designated as open through placement of the plexiglass shields. You are not to move these shields. Sanitizing supplies will be available in the classroom if you wish to wipe down your desk prior to sitting down. Please place your name plate where it will be visible as these protocols will prevent the use of a seating chart.

Please stay in your assigned classroom during the entire scheduled time for each block. If you need to exit, please do so as quickly and with as little disruption as possible. Eating and drinking are not permitted in the classroom because masks must be worn at all times over the mouth and nose.

When class ends, I will exit first through the exit door. You will not be able to linger in the classroom. You will not be able to approach the podium to ask questions or follow to my office. You will need to attend virtual office hours or email to ask questions, and I will work to ensure you have many opportunities to do that.

If you are experiencing COVID-19 symptoms (<https://www.cdc.gov/coronavirus/2019-ncov/symptoms-testing/symptoms.html>), do not come to campus or, if you are already on campus, please immediately leave campus. Use the UF Health screening system and follow the instructions about when you are able to return to campus (<https://coronavirus.ufhealth.org/screen-test-protect/covid-19-exposure-and-symptoms-who-do-i-call-if/>). If you learn from UF Health that are no longer cleared to be on campus, you may return to campus only when instructed to do so by UF Health. If you have been notified by a different health department that you have been in contact with someone who has tested positive, you should reach out to UF Health for instruction.

These protocols are intended to foster a safe environment. Failure to follow these protocols, including failure to wear a mask over your mouth and nose, will count as an unexcused absence. Failure to correct behavior will also lead to a report to the Office of Student Conduct and Conflict Resolution, and you also will no longer be permitted on the UF Law campus. Finally, noncompliance will be reported to the relevant state board of bar examiners.

Absences taken (1) because you are not cleared to be on campus or (2) for observance of religious holidays will be excused with completion of a makeup assignment. If you are absent because of other reasons (e.g., other illness, family emergency, job interview, etc.), the absence **may** be excused at my discretion **(1)** after you have provided any documentation of the situation requested by me (please note I will respect your privacy—e.g., I may request a note from a doctor that your absence should be excused, but I will not ask to know the underlying issue), **and** (2) you have completed a make-up assignment.

**If you have more than three unexcused absences, your participation grade will be 0, you *may* be barred from taking exams, and you *will* be barred from participating in the retesting process (see below).**

Final Exam

The final exam will be 4 hours and will consist of essay questions. It will be given on the day scheduled by the law school. 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).

Retesting Process

Students who receive a grade in the course lower than a B **and** who have accrued three or fewer unexcused absences (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 receiving a B- and who has met the attendance requirement would be eligible to retest for a course grade no higher than a B. A student receiving a C- and who has met the 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).

Exam delays and accommodations, including additional time if your first language is not English, must be arranged exclusively through the Student Affairs Office. See <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/forms-applications/exam-delays-accommodations-form>; “Disability Accommodation,” below).

Grade Scale & Grading Policies:

 Grade Points

 A 4.0

 A- 3.67

 B+ 3.33

 B 3.00

 B- 2.67

 C+ 2.33

 C 2.00

 C- 1.67

 D+ 1.33

 D 1.00

 D- 0.67

 E 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.**

**Disability Accommodation**

Students requesting class and/or testing accommodations must first register with the Office of Disability Resources (<https://disability.ufl.edu/students/get-started/>). 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.) If you are seeking additional time because English is not your first language, please contact Student Affairs directly.

**Honor Code and Other Polices:**

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 UF safety protocols or 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. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.”

**Topic Assignments**

The problem and reading assignments are listed below. You are also responsible for reading the related Code provisions and Treasury regulations. 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 problem subparts will be covered per class session, and you should prepare accordingly. For the first class meeting, complete Topic I.

I. *Introduction to Partnership Taxation*

 Reading: Chapter 1

 Problems: All Chapter 1 Problem Sets

II. *Partnership Taxable Income*

 Reading: Chapter 2, Sections 1–2

 Problems: Chapter 2 Problem Sets 1–2

III. *Formation of a Partnership*

 Reading: Chapter 3, Sections 1 & 3

 Problems: Chapter 3 Problem Sets 1 & 3–4

IV. *Substantial Economic Effect Test*

 Reading: Chapter 4, Section 1 and 2A

 Problems: Chapter 4, Problem Sets 1–2

V. *Book/Tax Disparity*

 Reading: Chapter 4, Section 3

 Problems: Chapter 4, Problem Set 4

VI. *Varying Interests*

 Reading: Chapter 4, Section 5

 Problems: Chapter 4, Problem Set 5

VII. *Recourse Liabilities*

 Reading: Chapter 5, Section 1; Chapter 3, Section 2

 Problems: Chapter 5, Problem Set 1; Chapter 3, Problem Set 2 (except omit Problem 1(b)).

VIII. *Nonrecourse Debt Allocations and Assignment*

 Reading: Chapter 4, Section 2B; Chapter 5, Section 2

Problems: Chapter 4, Problem Set 3; Chapter 3, Problem Set 2 (only Problem 1(b)); Chapter 5, Problem Set 2

IX. *Transactions Between Partners and the Partnership*

 Reading: Chapter 6

 Problems: All Chapter 6 Problem Sets

X. *Sale of Partnership Interests by Partners*

 Reading: Chapter 8

 Problems: All Chapter 8 Problem Sets

XI. *Current and Liquidating Distributions*

 Reading: Chapter 9, Sections 1–6

 Problems: Chapter 9, Problem Sets 1–6, & 8

XII. *Non-Subchapter K Code Provisions of Particular Relevance to Tax Partnerships*

 Reading: Chapter 7 (skim); Chapter 2, Section 3 (skim)

 Problems: None