

### **Law 7617: Partnership Taxation (LL.M.)**

Credit Hours. 3

Course Description.

From the UF Law Website:

“The primary objective of the course is to introduce students to federal taxation of partners and partnerships (including limited liability companies). It covers partnership formation, including contributions of property and admission of service partners, allocation of income and loss, tax accounting, and sharing of recourse and nonrecourse liabilities. Advanced topics include transactions between partners and partnerships, sales of partnership interests, distributions of property, optional and mandatory basis adjustments, planning for retirement or death of a partner, and partnership terminations and mergers. The emphasis is on careful analysis of Code provisions, Treasury Regulations, other administrative materials and important judicial decisions in relation to assigned problems.”

Course Objectives/Learning Outcomes.

Students successfully completing the course will understand:

- Considerations applicable to the choice of the partnership as a business entity.
- Basic rules governing partnership formation, operations, distributions and liquidations.
- Basic rules governing the interactions of partners with the partnership, a partnership’s sale of its property and a partner’s sale of a partnership interest.

Required Texts.

Schwarz et al., Fundamentals of Partnership Taxation (11<sup>th</sup> ed. 2019) and the Summer 2022 Supplement thereto (together, “Schwarz”).

Peroni, Selected Federal Taxation Statutes and Regulations (2022-23 edition) (“Peroni”).

Optional Texts.

Burke, Federal Income Taxation of Partners and Partnerships in a Nutshell (6<sup>th</sup> ed. 2019).

Cunningham & Cunningham, The Logic of Subchapter K (6<sup>th</sup> ed. 2019).

Statement on Workload.

Students should expect to spend, on average, at least two full hours preparing for every 55 minutes of class, and often more.

Readings.

The attached schedule lists readings from Schwarz, which include applicable sections from the Code and the Regulations. (Assignments that include material

from the Summer 2022 Supplement are designated with an asterisk (“\*”). You must carefully read the assigned Code and Regulations sections listed in Schwarz as well as any additional materials listed on the schedule. In addition, from time to time you may need to read other Code or Regulations sections that are not listed to understand the material. The specific content of each assigned reading is indicated 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. 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.

#### 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 (“free passes”). There is no need to let me know the reason for your taking a free pass. 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 on the basis of a free pass are effectively present as visitors and may not participate in the discussion.

The final will be a limited open-book, in class exam of approximately three hours on a fixed date. The final will consist of multiple choice questions and possibly one or more essay questions.

Exam delays: The Law School policy on exam delays and accommodations can be found [here](#).

Weekly Review Session. Starting with the second week of class, we will have an optional review session on Mondays from 3:30 to 4:25. In the session, we review the material we covered in the preceding week. The focus will be on the problems assigned.

#### 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:

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., 5:30 to 6:30 (in person in my office), and Wed., 5:20 to 6:20 (via Zoom except 4/5 and 4/12, which will be in person in my office), and by appointment. I strongly encourage you to see me if you have questions about the material. I am also 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 (<https://disability.ufl.edu/students/accommodations/>). 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 <https://teach.ufl.edu/resource-library/syllabus/>. 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. 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>Assignment<sup>1</sup></b>	<b>Schwarz and add'l authority</b>
1. *	Ch. 1.A.-B. Evaluate the seven examples on page 3. How would each be treated under the entity theory? Under the aggregate theory?
2.	Ch. 1.C.; §7704(g); Reg. §301.7701-3(g). Problem 1 at 26.
3.	Ch. 2.A.; §§704(a), (c)(1), 1245(a), (b)(3), 6662(a), (b)(6), (i), 7701(o); Reg. §1.721-2. All problems.
4.	Ch. 2.B.-C.; Reg. §1.752-1(d). All problems.
5.	Ch. 3.A. (but skip <i>Demirjian</i> ). Problem at 78.
6.	Ch. 3.B. Problem at 82 and Problem 1 at 93.
7. *	Ch. 3.C.; §163(j). Problem at 94, Problem 1 at 99, Problem 1 at 106-07.
8. *	Ch. 4.A-B.2.c. Problem 1 at 150-51.
9. *	Ch. 4.B.2.d.-f. Problem 2 at 151.
10.	Ch. 4.B.3.-4.; be prepared to review Reg. § 1.704-2(m), Ex. 1 CLOSELY in class; NYSBA Report on Target Allocations, Parts I-III. Problem at 161.
11.	Ch. 5.A.1.-2. Problem 1(a) – (d) at 188.
12. *	Ch. 5.A.3.-6.; Reg. §1.704-3(b)(2), Ex. 1 (entire example). Problem 2(a) – (c), (g), at 188-89; assume in Problem 2(g) that the property has 10 years remaining in its recovery period (20 years total).
13.	Ch. 5.B.-C.; Reg. §1.706-4(a) (including Example at Reg. §1.706-4(a)(4). All problems at 192 and 197.
14. *	Ch. 6. Problems 1 and 2 at 221-22.
15.	Ch. 7.A; Prop. Reg. §§ 1.707-1(c), Ex. 2, 1.707-2 (both proposed 7/23/15). Problem 2 at 231 & Problem 1 at 237.
16.	Mid-Semester Review.
17.	Ch. 7.B.1.-2. Problem at 258.
18. *	Ch. 7.B.3.-5.; § 1061. Problems 1 and 2 at 271-72, Problem at 280.
19. *	Ch. 8.; Reg. §§1.267(b)-1(b), 1.707-5(a)(5). Problems 1, 2 and 3 at 300-01.
20.	Ch. 9A.1.-3.a.; skim §197. Problem 1 at 320-21, Problem at 322-23.
21. *	Ch. 9.B.; Reg. §§1.743-1(j)(4)(i)(A) – (B), (j)(4)(ii)(A) – (B); may skim §§734(e) and (f). Problems 2 and 3 at 337-38.
22. *	Ch. 10.A.-C; §731(c) may be skimmed. Problem 1 at 351, Problem 3 at 352, Problem 1 at 354-55, Problem at 360-61.
23. †	Ch. 10.D. Problem at 366-67.
24.	Ch. 10.E. Problem 1 at 380-81; analyze under both the existing and the proposed §751 regs.
25.	Ch. 11.A.-B. Problem 1 at 391-92, Problem 1 at 407-08.
26. †	Ch. 12.A.B. Problem at 427.

<sup>1</sup> Assignments marked with an asterisk (“\*”) contain material from the Summer 2022 Supplement to Schwarz. Assignments marked with a dagger (“†”) will be covered if time permits.