**Income Taxation (Law 6600)**

M/Th: 9–10:25 a.m.; Room 355B

Spring 2024 Syllabus

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(1) W/Th 11:00 a.m. – noon; meetings will be in my office, but I will also keep a Zoom link open on my desktop for students who prefer to meet virtually (<https://ufl.zoom.us/j/3910352185>).

(2) 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 3 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,” “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:**

Class meetings will be spent primarily on discussing Problem Sets. Some materials will be covered through asynchronous lectures and required quizzes that will be posted to Canvas. Such asynchronous lectures and quizzes will factor into your participation grade (see below).

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 quizzes that review the basic concepts through multiple choice questions will be posted to Canvas (note: the final exam will not contain multiple choice). Optional review sessions will be scheduled in connection with the final exam and may also be scheduled during the semester as needed.

The casebook is *Federal Income Taxation* (8th ed., McMahon, Simmons, Borden & Wells). You are also required to study various provisions of the current Internal Revenue Code and Treasury regulations, which are available online through Westlaw, Lexis, Bloomberg Law, and other databases. 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) J. Martin Burke & Michael K. Friel, *Understanding Federal Income Taxation* (7th ed. 2023); and (2) Marvin Chirelstein & Lawrence Zelenak, *Federal Income Taxation: Concepts & Insights* (15th edition 2023).

At least two exams from prior years will be made available to students on Canvas, but please be aware that legislative changes have occurred since those exams were written.

**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 Mediasite (to the extent it is available and functioning), and I will provide access to these recordings through Canvas to all students. However, the purposes for which student recordings and Mediasite 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 Mediasite 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

80 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, including through the use of Canvas surveys. 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 Affairs, which includes Mental Health Counselor Ritzy Ettinger on its team. If you are in need of an accommodation, please see the link included in “Other Policies” below.

As many as five (5) and at least two (2) of our regularly scheduled class sessions 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.

A student’s participation grade will be reduced by 5 percentage points per unexcused absence (but not below 0). Failure to complete an asynchronous lecture and related quiz by April 22, 2024 (the day before the reading period begins) will reduce a student’s participation grade by 5 percentage points per missing lecture/quiz (but not below 0).

Repeated lack of preparedness or participation, including not responding to in-class Canvas surveys, may reduce a student’s participation grade by 5 percentage points per incident. 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 reduced on account of an incident relating to lack of preparedness and/or disruptive behavior.

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. For UF’s policy on religious holidays, please see the link included in “Other Policies” below.

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 Student Affairs, but the participation grade will still be reduced by 5 percentage points **unless** there is satisfactory completion of a make-up assignment.

Makeup assignments will generally consist of watching the Mediasite recording of the missed class and turning in notes and questions from that viewing. Makeup assignments must be completed by April 22, 2024 (the day before the reading period begins).

**If your participation/attendance grade is 0 before the exam begins, you *may* be barred from taking the final exam.**

Final Exam

The final exam will be 3 hours and will consist of mix of short questions and longer essays. The exam is currently scheduled to take place on Wednesday, May 8, and it will be administered remotely. 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 any form of communication about the exam contents with anyone or any interaction with AI will be prohibited and will violate the Honor Code.

Exam delays and accommodations must be arranged through the Student Affairs Office; please see “Other Policies” and go to the link.

**Other Polices:**

Other information about UF Levin College of Law policies, including compliance with the UF Honor Code, Grading, Accommodations, Class Recordings, and Course Evaluations can be found at this link: <https://ufl.instructure.com/courses/427635/files/74674656?wrap=1>. You will need to log into UF e-learning to see the document.

**Topics and Class Assignments:**

CB refers to the primary casebook for the class, *Federal Income Taxation*, 8th ed., by Simmons, McMahon, Borden & Wells. Unless otherwise noted, you are also responsible for (1) completing the Problem Sets contained within the assigned pages and (2) reading the Code and Treasury regulation provisions referenced immediately below the CB’s section headings.

The schedule may be revised to reflect the pace of class discussion or any new legal developments. Unless otherwise advised, you should assume that four to six problems will be covered per class session, and you should prepare accordingly. Note that we will skip around quite a bit within the casebook.

For the first class meeting, complete “I. Introduction.”

I. Introduction

CB 7-36 (omit all Problem Sets)

II. Gross Income

A. General Concepts: CB 63-73, 89-102

B. Gifts, Inheritances & Similar Items: CB 127-144, 148-56

C. Damage Awards, Settlements & Insurance Recoveries: 319-341

III. Property and Income Dispositions: Overview

A. Gains from Dealings in Property: CB 73-85, 201-243

B. Relationship of Basis to Income Recognition: CB 253-263

C. Shifting Income: CB 1375-1404

D. Tax Aspects of Divorce & Separation: 1421-1435

IV Treatment of Debt for Borrower

A. Income from Cancellation of Indebtedness: 343-370

B. Role of Debt in Property Transactions: CB 1277-1303

V. Business/Investment Expenses & Losses

A. Business and Profit-Seeking Expenses: CB 405-452; CB 659-85; CB 703-717

B. Nondeductible Capital Expenditures: CB 453-480; CB 711-717

C. Cost Recovery Mechanisms: *asynchronous lecture*; read CB 491-500; skim CB 501-538 (omit all Problem Sets)

D. Transactional Losses: CB 539-577

E. Interest as a Profit-Seeking Expense: CB 579-589, 594-601 (omit Problem Set 3)

VI. Capital Gains and Losses

A. Definition of Capital Asset: CB 868-934 (omit Problem Set 5)

B. Gains/Losses from Capital Assets: 934-45; CB 851-868 (omitProblem 2, Problem Set 1)

VII. Individual Exclusions, Deductions & Credits

A. Overview of Personal Itemized Deductions & Personal Credits: *asynchronous lecture*; skim 731-826 (omit all Problem Sets)

B. Employee Fringe Benefits: CB 102-125

C. Sale of a Principal Residence: CB 243-251

VIII. Additional Topics (as time permits)

A. Involuntary Conversions: CB 1015-1034

B. Sales of Business-Use Assets: CB 959-981

C. Start-Up Costs vs. Expansion: CB 480-489; 717-727

D. Like-Kind Exchanges of Real Property: CB 985-1014