

Federal Income Taxation
Law 236
Prof. Chorvat
Fall 2022

Required Casebook: FEDERAL INCOME TAXATION by Bankman, Shaviro, Stark & Kleinbard, 18th edition.

Recommended: A copy of the Internal Revenue Code and Regulations. I sent a recommendation to the bookstore, however, any reasonably current (within the last year or so) version of selected sections from the Internal Revenue Code and Treasury Regulations designed to be used in basic income tax class should be sufficient. You can also access the Code and Regs on-line if you wish, but you will need to access them regularly, as we will be discussing these materials in every single class.

Office Hours: Mondays 3:30-4:30 P.M. (or by appointment)

Learning Outcomes:

Of course, the main intended learning outcome of the course is to gain familiarity with the principles of the federal income tax. But it is also intended that you will obtain insight into how the interplay between the code, the regulations, case law and various administrative materials creates what is referred to as the “income tax law”. It is also intended that you gain a basic understanding of the effect of income tax on the structure of a wide variety of activities, both economic and non-economic.

By the end of the course, you should be able to formulate arguments for and against positions taken by taxpayers and the government.

The purpose of this course is not to make you an expert in tax law. That would not be possible in a semester or even two or three years of the study of tax law. The purpose of this course is to introduce you to federal income tax law with a focus on the practice of law. That is, the focus is on learning to be an advocate for either the government or for taxpayers. As such the main focus is on the structure of the law itself. The policies behind the law are discussed only to the extent that they help to aid in understanding the structure of the law. The nature of the policies behind law are the focus of the course entitled Tax Policy.

All references below to “Chapters” refer to chapters in FEDERAL INCOME TAXATION casebook. The code sections specified below are the sections on which you should focus for the respective assignment. Each assignment is expected to take approximately one week. The two major exceptions are the first assignment, which will likely take approximately one class to perhaps one and one half classes and the fifth assignment which will likely take at least three classes. Electronic versions of the extra cases and handouts can be found on the TWEN and the Blackboard sites for the class. The PowerPoint slides that I will use during the lecture are also to be found on the TWEN and Blackboard sites. There is also additional supplemental material posted to the both of these sites.

The Code sections listed in connection with each assignment are the essential code sections for that assignment, but not necessarily the only ones that might apply. That is, the assignment will focus on these sections, however other code sections will also be discussed. It is important to review these code sections before class to be able to follow and contribute to the discussion. The lecture notes and additional material on the TWEN and Blackboard sites discuss the other Code and Regulation sections that will be discussed in class.

Assignment I.

Readings: Chapter 1, Chapter 2 A and B

Code Sections: §§ 61, 62, 63, 1001, 1011, 1012, Skim *Nat'l Fed. Of Business v. Sebelius* (on TWEN)

This class will only roughly follow the book. The purpose of this lecture is to lay the groundwork for the course.

Assignment II.

Readings: Chapter 2 C, D, E, F, G, H (skim 4.C.1 in connection with Chapter 2 C)

Code Sections: §§ 117, 119, 121, (skim 125), 132

Assignment III.

Readings: Chapter 2 I, J, Chapter 3 A, B Skim C (we will cover the *Davis* case in class),

Chapter 4 A

Code Sections: §§ 102, 172, 1014, 1015, 1341

Assignment IV.

Readings: Chapter 5 A, B, C, E, F, G (not D)

Code Sections: 61 (a)(3), 61(a)(12), 101, 103, 104

Assignment V.

Readings Chapter 7, *Indopco* (on TWEN), Depreciation Handout

Code Sections: §§ 162, 263, 167, 168

This assignment will likely take at least three classes

Assignment VI.

Readings Chapter 10 A, B, C, D, E, F plus *Hernandez*

Code Sections: §§ 61, 62, 63, 163, 164, 165(a), (c), 170, 213, 262

Assignment VII.

Readings Chapter 9

Code Sections: §§ 67, 183, 212, 262, 274,

Assignment VIII.

Readings: Chapter 4 C & D plus *Philadelphia Park, Jordan Marsh* (on TWEN)

Code Sections: §§ 61, 165, 1001, 1031

Assignment IX.

Readings: Chapter 6A, B, C, D, E, F

Code Sections: §§ 1, 83, 482

Assignment X

Readings: Chapter 12 A, B, C, D, E, F, Capital Gains Handout

Code Sections: §§ 1211-1222

Assignment XI

Readings: Chapter 12 G, H, I.

Code Sections: §§ 1211-1222, also § 469

Assignment XII

Readings: Chapter 4 B, E, F, G, Chapter 5 D

Code Sections: §§ 422, 453, 483, 1041, 1271-5

Assignment XIII (if time permits)

Readings Chapter 8

Code Sections: §§ 7701(o)