

FEDERAL INCOME TAXATION
Professor Rachelle H. Perkins
Spring 2023

CLASS SCHEDULE: Tuesdays and Thursdays, 9:50 am to 11:50 am

OFFICE: Room 433E

OFFICE HOURS: By appointment

EMAIL: rholmes6@gmu.edu

REQUIRED TEXTS: FEDERAL INCOME TAXATION by Bankman, Shaviro, et al (18th ed.) (“Casebook”) and SELECTED SECTIONS FEDERAL INCOME TAX CODE AND REGULATIONS by Bank, Stark (“Code” and “Treas. Reg.”) (any version within the last year or so is fine).

Information on discounted Tax Code book orders is available on the TWEN course homepage

OVERVIEW: This course considers the fundamental statutory and regulatory principles upon which the federal income tax structure is based, with an emphasis on individual income taxation. Topics covered include the definition and characterization of income, deductions, and the tax treatment of loans and property transactions.

LEARNING OUTCOMES: By the end of the course:

- Students should have acquired an understanding of the basic principles of federal income tax law, including major policy concerns
- Students should be able to demonstrate an ability to closely read cases and other precedents, and apply those concepts to facts
- Students should have acquired an understanding of statutory and regulatory analysis, including the close reading of statutes and regulations and the application of those statutes and regulations to facts

CLASSROOM PARTICIPATION: Each class builds on concepts from earlier classes, so it is important to prepare for, and attend, each class. Your grade will reflect class participation.

Starting with the second class on Thursday, January 19th, the class will be divided into two panels based on your last name: a Tuesday panel (**A-Kir**) and a Thursday panel (**Kis-Z**). When your panel is on call, if you know you will be absent or are unable to prepare (*e.g.* due to an illness or religious observance), you **must email me prior to the class and be prepared to be on call during the next class** and you will not be penalized (*e.g.* if you are due to be on call for Tuesday’s class, but miss Tuesday’s class due to illness, you will be on call for Thursday’s class). This make-up option is **ONLY** available for excused absences that have been cleared with me **beforehand or are the result of an emergency situation**. However, if you are otherwise absent or unprepared on a day you are scheduled to be on call, your final grade may be lowered. Your grade may also be lowered for excessive absences or poor classroom participation. I also reserve the right to raise grades based on exceptional class participation.

Each student is also given **one** free pass during the semester. This pass must be taken **prior** to the class for which you plan to be unprepared. In order to use a pass, you must email me **at least**

30 minutes prior to the beginning of class. A free pass cannot be used while you are being called on. You will simply be marked as unprepared. This free pass can be used at any time and for whatever reason – no explanation is needed in the email. If you have an excused absence and do not wish to make up your on-call day during the next class session, you may instead use your free pass if you so choose.

EXAM: The final exam will be on May 5th, 12:00 noon.

TWEN: It is mandatory that you register for the class TWEN page. All class slides, handouts and announcements will be distributed or posted through TWEN (password: perkinstax23)

EMAIL COMMUNICATION: Students must use their Mason email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.

COURSE STRUCTURE & RULES: This course is scheduled as an in-person course. However, in the event we must pivot online for a class or classes (e.g. weather), you will receive instructions on how to access the virtual classroom.

INSTRUCTOR EXPECTATIONS

- Students are expected to keep up with the required readings and be prepared to participate in class, even when their panel is not on call.
- Students are expected to be constructive, courteous, and respectful of diverse opinions during classroom discussions.
- It is fine to disagree with, or critique ideas, but personal/ad hominem attacks are not acceptable.

ATTENDANCE: Regular and punctual attendance are required to earn academic credit. Attendance requirements for academic credit will follow the policies set forth in Academic Regulation 4-1. Should circumstances occur where you anticipate the possibility of missing a substantial number of class sessions (e.g. a serious illness), you should immediately contact the Associate Dean for Administration and Student Affairs, Annamaria Nields.

CLASS RECORDINGS PROHIBITED: Pursuant to Academic Regulation 4-2.2, no portion of a class session or an examination may be preserved by means of a recording device such as an audio recording device or camera. Any exceptions to this policy must be expressly permitted in writing by me. It is possible that at some point I may have to record a course session for use by students at the express direction from Associate Dean, Student Academic Affairs to accommodate a student for any required or necessary absences.

EXAM CONFLICTS: In accordance with AR 4-4.1, excuses and requests for permission not to sit for an examination when scheduled must be presented, with appropriate documentation, to the Associate Dean, Student Academic Affairs. Except in emergencies, such requests should be presented no later than two weeks before the date of the examination.

ACADEMIC INTEGRITY: It is expected that students adhere to the Antonin Scalia Law School Honor Code. The Honor Code prohibits lying, cheating, or stealing. This includes a student obligation to never represent the work of another as their own, and to never provide or accept unauthorized assistance on any school related assignment. The Honor Code is available here: <https://sls.gmu.edu/honor/>.

CLASSROOM ACCOMMODATIONS: Disability Services at George Mason University is committed to providing equitable access to learning opportunities for all students by upholding laws that ensure equal treatment of people with disabilities. If you are seeking accommodations for this class, please visit <http://ds.gmu.edu/> for detailed information about the Disabilities Registration Process. Faculty may not receive or respond to requests for an accommodation. All requests must be handled by the office of Disability Services. You may contact Disability Services directly via email at ods@gmu.edu or phone at (703) 993-2474. If you have any questions about how in-class or testing accommodations are implemented at the law school, please contact the Assistant Dean, Student Academic Affairs for more information.

ADDITIONAL SCHOOL POLICIES AND RESOURCES:

STUDENT HONOR CODE - [Click Here](#)

ACADEMIC REGULATIONS - [Click Here](#)

UNIVERSITY LIFE: University Life provides student support resources such as Counseling and Psychological Services (<https://caps.gmu.edu/>), Student Health Services (<https://shs.gmu.edu/>), and the Student Support and Advocacy Center (<https://ssac.gmu.edu/>). For more information about University Life on the Arlington Campus, please visit: <https://ularlington.gmu.edu/>

CLASS ASSIGNMENTS

Below is the **preliminary schedule of assignments**. They are grouped by topics and not by class days (in other words any particular assignment may span multiple class days). Weekly reading schedules will be given ahead of time based on the pace and progress of the class. Readings are from the Casebook. The Code and Treas. Reg. sections described below are the sections on which you should focus. You should prepare all questions and example sets in the Casebook unless otherwise indicated below.

Assignment 1: Introduction (for January 17th)

Readings: Chapter 1 (skip E p.36-39); Chapter 2 A, B
Code Sections: §§ 1(a)-(d); 61 and Rev. Proc. 2022-38 (parts 1 and 3.01 only) (TWEN: Class Materials)

Assignment 2: Windfalls & Noncash Benefits

Readings: Chapter 2 C, D, E (skip Notes 1-2 p.87-88); Chapter 3 A
Code Sections: §§ 61(a); 102(a) ; 119(a)-(b)(1) and (2); 132(a)-(h); Treas. Reg. 1.61-1(a) and -2(d)(1)

Assignment 3: Gifts, Unrealized Appreciation, Bequests

Readings: Chapter 3 B

Assignment 4: Deferral & Recovery of Capital

Readings: Chapters 1 E and 2 G

Assignment 5: Annual Accounting, Recoveries

Readings: Chapter 4 A and Chapter 2 H

Assignment 6: Loans, Discharge of Indebtedness, Illegal Income, Municipal Bonds

Readings: Chapter 2 I and Chapter 5 A, B, C

Assignment 7: Realization of Gains and Nonrecognition Provisions

Readings: Chapter 4 C, D

Handouts: Preamble to Treas. Reg. 1.1001-3; §1031 Basis and Gain Worksheet

Assignment 8: Original Issue Discount, Open Transactions, Installment Sales

Readings: Chapter 4 E, F and Chapter 5 D

Assignment 9: Transfers Incident to Marriage and Divorce

Readings: Chapter 3 C

Assignment 10: Personal Deductions and Credits

Readings: Chapter 10 A, B, C, D, E, F, G

Assignment 11: Personal vs. Business Deductions

Readings: Chapter 9 A, B, C, D, E, G

Assignment 12: Business Deductions, Capital Expenditures

Readings: Chapter 7 A, B, C, D

Assignment 13: Goodwill and Depreciation

Readings: Chapter 7 F, G

Assignment 14: Assignment of Income

Readings: Chapter 6 A, B, C, D

Assignment 15: Capital Gains and Losses

Readings: Chapter 12 A, B, C, D, E

Assignment 16: Tax Shelters/Avoidance (Time Permitting)

Readings: Chapter 8