

CORPORATE TAX
Spring 2024
(Three Credit Hours)

Prof. Rachelle H. Perkins

PREREQUISITE: Income Tax

EMAIL: Email me at rholmes6@gmu.edu or use the Blackboard email tool. Students must use their MasonLive 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.

OFFICE HOURS: Online and in-person office hours are available. I will regularly make myself available after our problem sessions to meet with students.

PROBLEM SESSIONS: Thursdays at 9:50am-10:50am in person

REQUIRED TEXTS: FUNDAMENTALS OF CORPORATE TAXATION by Schwarz & Lathrope (10th ed. 2019) (the “Casebook”) and CORPORATE AND PARTNERSHIP INCOME TAX CODE AND REGULATIONS, Selected Sections by Bank & Stark (2023 or later) (“Code” and “Regulations”). If you already have another recent version of the Code and Regulations, you may use that instead.

OVERVIEW: This course examines the statutory and regulatory provisions upon which the corporate income tax structure is based. Topics covered include corporate formations, distributions, redemptions, and tax-free mergers. The majority of the course is problem-based, with additional focus on policy and practical considerations.

LEARNING OUTCOMES: By the end of the course students should have acquired:

- An understanding of the basic principles of corporate tax law
- The skill of statutory and regulatory analysis, including the close reading of statutes and regulations and the application of those statutes and regulations to various fact patterns
- Proficiency in problem solving.

COURSE STRUCTURE: This is a hybrid online and classroom course. In addition to the online course content delivered via the Blackboard learning management system, we will have weekly in class sessions to review problems and discussion questions. This course is organized into 19 learning modules. Each module builds on concepts from earlier modules, so it is imperative to timely prepare. For each module you should (in order):

- 1) Complete the assigned module reading
- 2) Watch the module lecture
- 3) Complete any assigned module problems
- 4) Watch the module problem presentation (if applicable)
- 5) Post an answer to any assigned discussion questions or problems for submission

There may be more than one module assigned for a given week, in which case the above sequence should be used consecutively for each distinct module (i.e. complete steps 1-5 for the first assigned module prior to starting the steps for the next module). Please review the course schedule for weekly module assignments.

SUBMITTED PROBLEM ASSIGNMENTS: There are two problem submission assignments in the course. These assignments are indicated within the module assignments. All answers to assigned problems must be submitted to the designated Blackboard submission folder and are due no later than 11:59 pm EDT on the Sunday of the week due. **You must complete both problems and late or unsubmitted problems will receive a grade of zero.**

DISCUSSION QUESTIONS: For modules that have an assigned discussion question, you are expected to post a substantive comment in response to the question *and* make at least one substantive response to another classmate's posting. Initial posts to discussions are due no later than 11:59 pm EDT on Friday of the week assigned. Responses to classmates are due no later than 11:59 pm EDT on Monday of the following week. By the end of the semester you are required to submit at least **8** discussion questions and responses. That means that you do not have to submit a comment and response for **2** questions (of your choosing). You are, of course, welcome to submit comments for all questions and if you do more than the required 8 your lowest score(s) will be dropped. Late or unsubmitted comments and/or responses will receive a grade of zero.

NETIQUETTE: Netiquette consists of the rules and guidelines for acceptable behavior in electronic communication. Remember, while working in an online course you are in an academic setting and should conduct yourself accordingly. All students are expected to follow netiquette guidelines as outlined below:

- Express yourself with proper spelling, grammar, and punctuation.
- Keep your communications as clear, straightforward, and concise as possible.
- Always review your communications before posting.
- Be constructive, courteous, and respectful of diverse opinions.
- Respect the privacy of others. Do not share personal information (e.g., e-mail addresses, phone numbers, etc.) without permission.
- It is fine to disagree with, or critique ideas, but personal / ad hominem attacks are not acceptable.
- Follow copyright laws and cite work appropriately.

INSTRUCTOR EXPECTATIONS

- Students are expected to keep up with the required readings, to watch the required recordings, and to complete the weekly assignments.
- Students are expected to complete the required readings each week prior to reviewing the accompanying lectures and completing the assignments.
- Students are expected to independently complete all activities, assignments, and exams.

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 Student Academic Affairs.

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. I will be recording course sessions for use by students at the express direction from Associate Dean for Student Academic Affairs to accommodate a student for any required or necessary absences.

INCLEMENT WEATHER INSTRUCTIONAL CONTINGENCY PLAN: In the event the University closes for inclement weather, I will plan to conduct our regularly scheduled course meeting via remote instruction (and will communicate login instructions).

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.

GRADING POLICY

This course follows the grading policies outlined in the Academic Regulations: <https://www.law.gmu.edu/academics/regulations>. Each week you will work on readings and assignments. You will also take a Final Examination.

Category	Points	Percentage
Discussion Questions (8) Submitted Problems (2) (10 * 5 points each)	50	20%
Final Examination	200	80%
Total	250	100%

FINAL EXAM: The final exam will be a three-hour exam and will be worth 80% of your grade and. The exam will be limited open-book. You may use the textbook, the Code and any notes or outlines you have created in the course. **You may not use notes or outlines that others have created.**

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 for Student Academic Affairs. Except in emergencies, such requests should be presented no later than two weeks before the date of the examination.

STUDENT HONOR CODE - [Click Here](#)

ACADEMIC REGULATIONS - [Click Here](#)

MODULE ASSIGNMENTS: Following are the assignment modules. Adjustments may be made as necessary during the course of the semester. Readings are from the Casebook. The Casebook lists the relevant Code and Regulation sections on which you should focus at the beginning of each section. You should complete all assigned readings from the Casebook and review the corresponding Code and Regulation sections.

Week 1 (1/16-1/21):

Module 1: Introduction

Reading: Chapter 1 A, B, C, D.1, E.1 and 2.a, F

Problems: None

Discussion Question: None

Module 2: Formation of a Corporation – Introduction to §351

Reading: Chapter 2 A

Problems: Pages 59 (a) – (c) (ignore consequences to E)

Discussion Question: Pages 59 – 60, Problem (d)

Week 2 (1/22-1/28):

Module 3: Formation of a Corporation – Requirements for §351

Reading: Chapter 2 B

Problems: Page 66 (a) – (d); Pages 69 – 70 (a) – (d)

Discussion Question: Posted Question

Module 4: Formation of a Corporation – Treatment of Boot

Reading: Chapter 2 C.1

Problems: Page 79 (part (a) only; ignore consequences to C)

Discussion Question: None

Week 3 (1/29-2/4):

Module 5: Formation of a Corporation – Assumption of Liabilities

Reading: Chapter 2 D, F.2

Problems: Page 98, Problem 1(a)-(d) and Problem 2

Discussion Question: Page 98, Problem 1(e)

Module 6: Debt v. Equity

Reading: Chapter 3 A, B

Problems: Pages 147-8, Problem 1

Discussion Question: Page 148, Problem 2

Week 4 (2/5-2/11):

Module 7: Distributions of Cash and Earnings & Profits

Reading: Chapter 4 A, B, C
Problems: Skip Page 163; Do Page 168 (a) – (c)
Problem for Submission: Page 168, Problem (d)

Module 8: Distributions of Property and Constructive Distributions

Reading: Chapter 4 D and E (intro only; skip *Nicholls* and notes) and Posted Handout
Problems: Page 173 (a) – (d)
Handout: Rev. Rul. 69-630
Discussion Question: None

Week 5 (2/12-2/18):

Module 9: Dividends Received Deduction and Extraordinary Dividends

Reading: Chapter 4 F.1, 2 and 3
Problems: Page 187
Discussion Question: None

Module 10: Bootstrap Sales

Reading: Chapter 4 G
Problems: Page 200
Discussion Question: Posted Question

Week 6 (2/19-2/25):

Module 11: Stock Redemptions

Reading: Chapter 5 A, B, C
Problems: Pages 206, 211, 228 (skip (2) and (3)), 243-4, Problems (1) – (2)
Discussion Question: Posted Question

Week 7 (2/26-3/3):

Module 12: Partial Liquidations & Consequences to Distributing Corporations

Reading: Chapter 5 D, E, F.1
Problems: Pages 248-9
Discussion Question: Page 256, Problem

Week 8 (3/11-3/17):

Module 13: Redemptions through Related Corporations

Reading: Chapter 5 G
Problems: Pages 293, Problems 2(a) – (b)
Problem for Submission: Page 292, Problem 1

Week 9 (3/18-3/24):

Module 14: Stock Dividends

Reading: Chapter 6 A, B, C

Problems: Pages 310 (skip (2)), 323-4, Problem 1(skip (f))

Discussion Question: Page 324, Problem 2

Week 10 (3/25-3/31):

Module 15: Corporate Liquidations

Reading: Chapter 7 A, B (skip *Court Holding & Cumberland*), C (skip *Riggs* case)

Problems: Pages 329-30 (skip (c)-(e)), 342-3 (skip 2), 354-5 1(a) – (c)

Discussion Question: Page 355, Problem 1(d)

Module 16: Taxable Acquisitions

Reading: Chapter 8 A, B.1, C.1, D

Problems: None

Discussion Question: None

Week 11 (4/1-4/7):

Module 17: Tax-Free Stock and Asset Reorganizations (“A”, “B” & “C”)

Reading: Chapter 9 A, B.1 (skip p.408-11 *Bentsen*), B.2, B.3

Problems: Pages 433-4, Set #1 (problems 1(a)-(e)); Set #2 (problems 1(f)-(i))

Discussion Question: None

Week 12 (4/8-4/14):

Module 18: Triangular Asset and Stock Reorganizations

Reading: Chapter 9 B.4

Problems: Page 434, Problem 2 (skip (d))

Discussion Question: Page 434, Problem 3

Week 13 (4/15-4/21):

Module 19: Shareholder and Corporate Consequences of Reorganizations

Reading: Chapter 9 C

Problems: Pages 446-7 (a) – (b)

Discussion Question: None

Exam Review