

Law 7617: Partnership Taxation

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 relating to partnership formation, operations and distributions.
- Basic rules relating to the interactions of partners with the partnership, a partnership’s sale of its property and a partner’s sale of a partnership interest.

Required Text.

Schwarz et al., Fundamentals of Partnership Taxation (11th ed. 2019) and the Summer 2024 Supplement thereto (together, “Schwarz”).

Recommended Text.

Lathrope, Selected Federal Taxation Statutes and Regulations (2025 edition) (“Lathrope”).

Purchase of Lathrope is recommended. If, however, you prefer to obtain assigned sections of the Internal Revenue Code (the “Code”) and the Treasury Regulations (the “Regulations”) from another source, you may. Lathrope has the advantages that the provisions are edited and you can use the volume during the exam. If you obtain the materials separately, you will need to ensure they are available in an accessible format during the exam. Note that limited access to your computer, but **not** online access, will be permitted during the exam.

Optional Texts.

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

Cunningham & Cunningham, The Logic of Subchapter K (6th 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. *Note that assignments marked with an asterisk (*) include material from the 2024 Supplement.* **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 to understand the material. The specific content of each assigned reading is listed 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 (“peremptory passes”). There is no need to let me know the reason for your taking a peremptory pass. If you believe that you need to pass more frequently or on an extended basis, please contact me outside of class. Students who are excused on the basis of a peremptory pass are effectively present as visitors and may not participate in the discussion. Please note that a pass is not the same as an absence.

The final exam will be a three-hour, limited open-book exam. Students are required to bring either a printed or an electronic version of applicable Code and Regulations sections (stored on their computer), but no internet access will be allowed. The exam will consist of multiple choice questions and may also include 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 online review session on Wednesdays from 4:40 to 5:35. 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.

Wed., 2:45–4:35, 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.

- 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.

- 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://sccr.dso.ufl.edu/policies/student-honor-code-student-conduct-code/>. Failure to comply can result in sanctions, as described in the UF Student Honor Code.
- 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.
- 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://gatorevals.aa.ufl.edu/public-results/>.
- Class Attendance Policy. Attendance in class is required by both the ABA and the Law School. Attendance will be taken at each class meeting. Students are allowed two unexcused absences during the course of the semester at no penalty. Students are responsible for ensuring that they are not recorded as absent if they come in late. A student who fails to meet the attendance requirement will be dropped from the course. The Law School's policy on attendance can be found [here](#).
- Observance of Religious Holidays. UF Law respects students' observance of religious holidays.
 - Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith.
 - Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence.
 - Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances.

Health and Wellness Resources.

- *U Matter, We Care*: If you or someone you know is in distress, please contact umatter@ufl.edu, 352-392-1575, or visit [U Matter, We Care website](#) to refer or report a concern and a team member will reach out to the student in distress.

- *Counseling and Wellness Center*: [Visit the Counseling and Wellness Center website](#) or call 352-392-1575 for information on crisis services as well as non-crisis services.
- *Student Health Care Center*: Call 352-392-1161 for 24/7 information to help you find the care you need, or [visit the Student Health Care Center website](#).
- *University Police Department*: [Visit UF Police Department website](#) or call 352-392-1111 (or 9-1-1 for emergencies).
- *UF Health Shands Emergency Room / Trauma Center*: For immediate medical care call 352-733-0111 or go to the emergency room at 1515 SW Archer Road, Gainesville, FL 32608; [Visit the UF Health Emergency Room and Trauma Center website](#).

SCHEDULE

Assignment¹	Schwarz and add'l authority
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)(1)-(6), (8). Problem at 95, 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. Problem at 161 and be prepared to review Reg. § 1.704-2(m), Ex. 1 CLOSELY in class; NYSBA Report on Target Allocations, Parts I-III.
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, Problem 1 at 251-52, Problem 2 at 252; Prop. Reg. § 1.707-1(c), Ex. 2.
16.	Mid-Semester Review
17.	Ch. 7.B.1.-2. Problem at 258.
18. *	Ch. 7.B.3.-5.; § 1061. Problems 1 & 2 at 271-72, problem at 280.
19. *	Ch. 8.; Reg. §§1.267(b)-1(b), 1.707-5(a)(5), Problems 1, 2 & 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 & 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 regulations.
25. *	Ch. 11.A.-B; Problem 1 at 391-92, Problems 1 and 2 at 407-08.
26. †	Ch. 12.A.-B. Problem at 427.

¹ Assignments marked with an asterisk (“*”) include material in the 2024 Supplement to the casebook. We may or may not cover assignments marked with a dagger (“†”), depending on our progress during the semester.