

## **Introduction to Business Entity Taxation (JRM 5612)**

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Virtual office hours: W: 5:45-7:45 p.m. over Zoom at the link <https://ufl.zoom.us/j/3910352185>  
or by appointment

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### **COURSE DESCRIPTION:**

This course will provide an introduction to the federal income tax principles governing business entities, including corporations, “S” corporations, partnerships, and limited liability companies. The course compares, at a general level, the federal income tax differences that apply to the entities and their owners at key times in the lifecycle of business entities. As this course is an introductory course, it focuses on owners who are individuals and does not address owners that are business entities.

This class includes at least 25 hours (1500 minutes) of lectures, quizzes, tests, or other instruction that is directly supervised by the instructor; it also will require students to spend at least 60 hours (3600 minutes) of out-of-class work.

### **COURSE OBJECTIVES AND LEARNING OUTCOMES:**

Through completion of this course, students will:

- Categorize state law entities, including LLCs, within the principal federal tax regimes for business operations;
- Explain the primary federal income tax differences among the three principal business entity tax regimes (i.e., “C” corporations, “S” corporations, and “K” partnerships/LLCs) at formation, during operation, and at liquidation;
- Understand the primary differences between the federal income taxation of a sole proprietorship/disregarded entity and an entity taxed under subchapters C, K, or S;
- Obtain a foundation to take more advanced tax courses on business entity taxation.

## COURSE GRADE COMPONENTS:

- 52 points: Completion of 13 weekly lectures (whether through live session attendance or viewing live session recording), associated readings, & Canvas check-in quizzes (4 points per week)
- 24 points: “C” Corporation Test
- 24 points: Passthrough Entities Test

See below for an explanation of each of the items listed above. All times listed refer to Eastern Time or Eastern Daylight Time (as applicable).

## WEEKLY LECTURES, ASSIGNED READINGS, AND CHECK-IN QUIZZES

Twelve live lectures will be held from 8-9 p.m. on Wednesdays on the dates provided below. Should cancellation of a live session be necessary (e.g., because of instructor illness), an asynchronous recorded lecture will be recorded as soon as practicable and substituted. Each live lecture will be recorded. Students are required either to attend the live lecture or to watch the recording of the live lecture (or substituted asynchronous recording, if applicable).

Completion of the lecture and assigned reading is verified through completion of the associated Canvas check-in quiz. Each check-in quiz consists of (1) one question requesting students to verify lecture completion (whether through attendance at the live lecture or subsequent viewing of the recorded lecture); (2) one question requesting students to verify completion of the assigned reading for each week; and (3) three to six substantive questions reviewing the covered lecture material. Full points will be awarded through a positive answer on the two verification questions and completion of the substantive review questions (whether or not the review questions are answered successfully).

Reading assignment materials are provided within each Canvas module; reading assignments are subject to change to account for current events. To receive full credit for each weekly module (4 points each for a total of 52 points), the Canvas check-in quiz must be completed before the related Exam window opens (due date specified below). Note: the material covered in the final module will not be tested on an Exam. Late completion of a module will be accepted until April 27 but at a 50% penalty.

Date	Topic & Reading Assignment
Jan. 21	<p><i>Topic:</i> Course Overview; “Check-the-Box” Regulations and Alignment with State-Law Entities</p> <p><i>Assigned Reading:</i> (1) Topic PowerPoint Slides; (2) Excerpt of Check-the-Box Regulations (T.D. 8697, 1997-1 C.B. 215); (3) Excerpt of I.R.C. § 7701; and (4) Excerpts of § 7701 “Check-the-Box” Regulations.</p> <p><i>Due:</i> Mar. 1 by 11:59 p.m.</p>

Jan. 28	<p><i>Topic:</i> Tax-Free “C” Corporation Organization &amp; Contributions to Existing “C” Corporations: Control, Property, &amp; Basis</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 118, 351, 358, 362, 368(c), 1001, &amp; 1032; (3) Excerpt of <i>Intermountain Lumber Company v. Commissioner</i>, 65 T.C. 1025 (1976); and (4) Excerpt of <i>Estate of Kamborian v. Commissioner</i>, 469 F.2d 219 (1<sup>st</sup> Cir. 1972).</p> <p><i>Due:</i> Mar. 1 by 11:59 p.m.</p>
Feb. 4	<p><i>Topic:</i> Tax-Free “C” Corporation Organization &amp; Contributions to Existing “C” Corporations: Services &amp; Boot</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 83, 162, 351, 358, 362, 368(c), 1001, &amp; 1032; (3) Excerpt of IRS Publication 525; (4) Excerpts of § 83 Regulations; (5) Excerpt of Rev. Rul. 68–55, 1968–1 C.B. 140.</p> <p><i>Due:</i> Mar. 1 by 11:59 p.m.</p>
Feb. 11	<p><i>Topics:</i> Debt vs. Equity; “C” Corporation Dividends Paid to Individuals</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 1, 163, 166, 301, 311, &amp; 312; and (3) Excerpt of <i>Indmar Products Co., Inc. v. Commissioner</i>, 444 F.3d 771 (6th Cir. 2006).</p> <p><i>Due:</i> Mar. 1 by 11:59 p.m.</p>
Feb. 18	<p><i>Topic:</i> Stock Buybacks</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 301, 302, 311, 318, &amp; 1012; and (3) Excerpt of <i>United States v. Davis</i>, 397 U.S. 301 (1970).</p> <p><i>Due:</i> Mar. 1 by 11:59 p.m.</p>
Feb. 25	<p><i>Topic:</i> Taxable “C” Corporation Liquidations</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 267, 331, &amp; 336</p> <p><i>Due:</i> Mar. 1 by 11:59 p.m.</p>
Mar. 4	<p><i>Topic:</i> “S” Corporation Election Eligibility</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 1361,</p>

	<p>1362, 1371</p> <p><i>Due:</i> Apr. 19 by 11:59 p.m.</p>
Mar. 11	<p><i>Topic:</i> “S” Corporation Passthrough of Income/Losses</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 1363, 1366, 1367, 1371</p> <p><i>Due:</i> Apr. 19 by 11:59 p.m.</p>
Mar. 25	<p><i>Topic:</i> “S” Corporation Distributions</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 311, 331, 336, 1367, 1368, 1371</p> <p><i>Due:</i> Apr. 19 by 11:59 p.m.</p>
Apr. 1	<p><i>Topic:</i> Subchapter “K”: Partnership Formation</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 83, 721, 722, 723, 724, 1061; &amp; (3) Excerpt of Explanation for 2005 Proposed Regulations</p> <p><i>Due:</i> Apr. 19 by 11:59 p.m.</p>
Apr. 8	<p><i>Topic:</i> Subchapter “K” Passthrough of Income/Losses</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 704, 705; (3) Excerpts of § 704 and § 705 Regulations; &amp; (4) Excerpt of <i>Orrisch v. Commissioner</i>, 55 T.C. 395</p> <p><i>Due:</i> Apr. 19 by 11:59 p.m.</p>
Apr. 15	<p><i>Topic:</i> Subchapter “K”: Partnership Transfers to Partners</p> <p><i>Assigned Reading:</i> (1) Module PowerPoint Slides; (2) Excerpts of I.R.C. §§ 707, 731, 732, 733, 735; and (3) Excerpt of <i>United States v. Basye</i>, 410 U.S. 441 (1973)</p> <p><i>Due:</i> Apr. 19 by 11:59 p.m.</p>
Apr. 22	<p><i>Topic:</i> Introduction to Choice-of Entity Analysis</p> <p><i>Assigned Reading:</i> Module PowerPoint Slides</p>

	<p><i>Due: Apr. 27 by 11:59 p.m.</i></p> <p>(Note: The material in this module <u>not</u> tested in Passthrough Entities Exam)</p>
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## EXAMS:

Each of the two exams will be 2 hours long and will consist of multiple-choice questions and one essay question. Before you start the exam, ensure that you have an uninterrupted block of time and that you will be able to finish before the cutoff time for completion.

The exams will be taken through Canvas and must be taken during the following exam windows:

	Exam Availability on Canvas to Take <b>2-Hour Timed Exam</b>
“C” Corporation Exam	Mar 2 (8:00 a.m.)–Mar. 9 (8:00 p.m. completion cutoff)
Passthrough Entities Exam	Apr. 20 (8:00 a.m.)–Apr. 27 (8:00 p.m. completion cutoff)

The exam will be open book, but communication with anyone will be prohibited and will violate the Honor Code (the only exception is if you need to contact Dean McIntyre, Academic Affairs, or UF IT because of technical issues, illness, or similar). Use during the exam of AI tools, such as ChatGPT, is prohibited and will also violate the Honor Code.

## NOTICE OF RECORDING AND CONDUCT RULES RELATING TO PHOTOS AND RECORDINGS:

Students are allowed to record video or audio of “class lectures” (defined below). The entirety of our live sessions will also be audio visually recorded using Zoom, and access to these recordings will be provided through Canvas to all students. However, the purposes for which student recordings and Zoom 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 Zoom 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.

## ETIQUETTE:

Students are expected to treat each other with respect at all times. If you attend live sessions, please ensure your Zoom name matches your preferred name and with your last name also shown. You are expected to turn on video of yourself while responding to or asking questions (whether in a live session or during office hours). During live class sessions, you are expected to keep your microphone on mute unless you have been called on to ask (or answer) a question. **Please do not use the chat function to ask me questions during class; I am not able to monitor chat effectively while I am teaching, and students watching the recording later will not be able to benefit from the Zoom chat.** If you are trying to ask a question, but your “virtual hand” is not being seen by me, please unmute yourself and indicate you have had your virtual hand raised if more than a couple of minutes have passed without acknowledgement. If you have a technical problem during a live session, please contact UF IT (<https://www.law.ufl.edu/technology-services>).

## UF ACADEMIC POLICIES AND RESOURCES:

Other information about UF academic policies and resources can be found at [this link](#).

## COMPLIANCE WITH UF HONOR CODE:

Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Law Honor Code located [here](#). The UF Law Honor Code also prohibits use of artificial intelligence, including, but not limited to, ChatGPT and Harvey, to assist in completing quizzes, exams, papers, or other assessments unless expressly authorized by the professor to do so.

## INFORMATION ON UF LAW GRADING POLICIES:

The following chart describes the specific letter grade/grade point equivalent in place:

Letter Grade	Point Equivalent	Letter Grade	Point Equivalent
A (Excellent)	4.0	C (Satisfactory)	2.0
A-	3.67	C-	1.67

B+	3.33	D+	1.33
B	3.0	D (Poor)	1.0
B-	2.67	D-	0.67
C+	2.33	E (Failure)	0.0

The law school grading policy is available [here](#). **Note that the mandatory mean and mandatory distributions do not apply to M.S.L. students.**

### **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.

### **EXAM DELAYS AND ACCOMMODATIONS:**

The law school policy on exam delays and accommodations can be found [here](#).

### **STATEMENT RELATED TO ACCOMODATIONS FOR STUDENTS WITH DISABILITIES:**

Students requesting accommodations for disabilities must first register with the Disability Resource Center (<https://disability.ufl.edu/>). Once registered, students will receive an accommodation letter, which must be presented to the Assistant Dean for Student Affairs (Assistant Dean Brian Mitchell). Students with disabilities should follow this procedure as early as possible in the semester. It is important for students to share their accommodation letter with their instructor and discuss their access needs as early as possible in the semester. Students may access information about various resources on the UF Law Student Resources Canvas page, available at <https://ufl.instructure.com/courses/427635>.

### **STUDENT COURSE EVALUATIONS:**

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Click [here](#) for guidance on how to give feedback in a professional and respectful manner. Students will be notified when the evaluation period opens and may complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via <https://ufl.bluer.com/ufl/>. Summaries of course evaluation results are available to students [here](#).