

Introduction to U.S. Tax Law (Law 7931, Class 24844)

1 credit, compressed course week, Fall 2022

MTuWTh (Aug. 15–Aug. 18): 10:00 a.m. – 11:50 a.m.; 1:00 p.m. – 2:20 p.m.
Holland Hall 359

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Office hours:

(1) T/W/Th (Aug. 16, 17, & 18) of compressed course week from 8:30-9:30 a.m.; meetings will be in my office, but I will also keep a Zoom link open on my desktop for students who prefer to meet virtually (<https://ufl.zoom.us/j/3910352185>).

(2) By appointment after compressed week.

Course Description and Preparation Time:

This course is an introduction to the U.S. federal income tax system. The course is designed for international students in the tax or international tax LL.M. program who do not have a J.D. degree from a U.S. ABA-accredited law school. We will be studying selected topics in the taxation of personal, investment, and business activities. This course is 1 credit; students who already have a J.D. degree from a U.S. ABA-accredited law school or who are 7-semester JD/LLM students are not able to obtain credit for the course. Students should spend at least 2 full hours preparing for each hour of class meeting. This is the minimum preparation time needed for students to be able to follow class discussion; the material will likely require additional hours of study for mastery.

Course Expectations and Learning Outcomes:

- Explain the sources of U.S. tax law, including the relationship of the Internal Revenue Code to Treasury regulations.
- Define and describe foundational income tax concepts, such as “gross income,” “basis,” “deductible expense,” and “realization and recognition,” to name a few.
- Apply a selection of Internal Revenue Code provisions, including § 61, § 102, § 162, § 165, § 167, § 1001, § 1012, and § 1016.
- Develop an understanding of a selection of core tax cases, including *Glenshaw Glass* and *Philadelphia Park*.
- Establish a base from which to acquire further tax expertise

Methodology & Course Materials:

The course will be taught through problem-solving and lecture. Students are expected to participate in class (see “Evaluation & Requirements” below). A slideshow review of the key concepts discussed during class will be made available through Canvas, and slides or other visuals may be used in class. At least one optional review session will be scheduled before the final exam; it will be open only to those taking the class for credit. Optional review quizzes may be posted to Canvas.

This course will require regular use of Canvas. Students will read a selection of Code and regulation sections, judicial decisions, and excerpts from online sources. The judicial decisions are accessible through Westlaw, Lexis, or Bloomberg. They will also be posted to Canvas. Students will need access to a complete set of Code and regulations (these are available on these databases).

Outline of Topics and Assignments:

Assignments for the course are provided at the end of this syllabus. For the first morning of class, read the syllabus carefully and complete topics I-III.

Notice of Recording and Conduct Rules Relating to Photos and Recordings

Students are allowed to record video or audio of class lectures. Our class sessions will also be audio visually recorded using Zoom and/or MediaSite, and I will provide access to these recordings through Canvas. However, the purposes for which student recordings and Zoom/MediaSite 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.

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.”

Evaluation, Etiquette & Class Attendance Policy

Grade

20 percent: Participation

80 percent: Final Exam

Participation & Attendance Expectations: All Students

Students are expected to treat each other with respect at all times. Students are required to attend at the times listed above. Students are expected to be prepared to respond to questions about the assigned problems and reading. Attendance will be taken each day.

Repeated lack of preparedness or participation, including not responding to in-class polling, may reduce a student’s participation grade by 5 percentage points per incident, the same amount as for an unexcused absence. Repeated class disruption (e.g., excessive noise, texting, personal internet use, leaving early or arriving late) may also reduce your participation grade by 5 percentage points per incident, the same amount as for an unexcused absence. You will receive a warning prior to having your participation grade reduction on account of an incident relating to lack of preparedness and/or disruptive behavior.

If you are planning to miss class for a religious holiday, please let me know. Absences taken for observance of religious holidays will be excused, but the participation grade may still be reduced by up to 5 percentage points unless there is satisfactory completion of a makeup assignment. For UF’s policy on religious holidays, please see <https://catalog.ufl.edu/UGRD/academic-regulations/attendance-policies/#religiousholidaystext>. If you are absent because of a special situation (sickness, family emergency, job interview, etc.), the absence will be excused after you have provided satisfactory documentation of the situation as requested by me, but the participation grade will still be reduced by 5 percentage points unless you have satisfactorily completed a make-up assignment.

Because this is a compressed course, no unexcused absences are permitted; your participation grade will be reduced by 5 percentage points per unexcused hour you are absent from class. Excessive unexcused absences may result in students being prohibited from further attendance and in a failing grade.

Final Exam

The final exam will be 90 minutes and will be given on the day scheduled by the law school. You will be required to use the software and process designated by the law school

when taking the exam; more information will be provided closer in time to the exam. The exam will be open book, but communication with anyone during the exam is prohibited and will violate the Honor Code (the only exception is if you need to contact Student Affairs or UF IT because of technical issues, illness, or similar).

Exam delays and accommodations must be arranged through the Student Affairs Office; see “Accommodations and Office of Disability Resources” below;
<https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/forms-applications/exam-delays-accommodations-form>.

Grade Scale & Grading Policies:

<u>Grade</u>	<u>Points</u>
A (Excellent)	4.0
A-	3.67
B+	3.33
B (Good)	3.00
B-	2.67
C+	2.33
C (Satisfactory)	2.00
C-	1.67
D+	1.33
D (Poor)	1.00
D-	0.67
E (Failure)	0.00

The law school grading policy applies to this course and is available at <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies>. **Note that the mandatory mean does not apply to LL.M. students.**

Topics and Assignments:

Topics for the course are provided at the end of this syllabus. Detailed problem and reading assignments are also listed. The topics to be covered may be revised to reflect the pace of class discussion.

Accommodation and Office of Disability Resources

Students requesting classroom and/or testing accommodations must first register with the Office of Disability Resources. The UF Disability Resource Center (<https://disability.ufl.edu/>) will provide documentation to the student who must then provide this documentation to the Law School Office of Student Affairs when requesting accommodation. Student Affairs will then communicate with me as needed to assure the accommodation is provided. (Note: for guidance on requesting exam delays for other reasons (e.g., accident), see “Final Exam” section above.)

Honor Code and Other Policies:

Students are required to follow the Honor Code. To review its requirements, see <http://www.law.ufl.edu/student-affairs/additional-information/honor-code-and-committee>. Students who fail to follow UF safety protocols or the prohibition on circulating or posting class material will be referred to the College of Law Honor Code Council and the University's Office of Student Conduct and Conflict Resolution.

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. **Student anonymity is preserved during and after the evaluation process.** Students will be notified when the evaluation period opens and can 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 at <https://gatorevals.aa.ufl.edu/public-results/>.

Topics and Class Assignments:

I.R.C. stands for Internal Revenue Code, which is title 26 of the United States Code. Treas. Reg. stands for Treasury Regulations; the ones listed are in Title 26 of the Code of Federal Regulations. The italicized names are case names. The first number is the volume number. The abbreviation indicates the reporter and often also provides information about the court deciding the case; for example, cases reported in “U.S.” are US Supreme Court cases. The second number is the page number. The year is in parenthesis.

The amount of time noted is the anticipated amount of time, but some topics may take a longer or shorter amount of time, depending on class discussion. We will go in the order below until we run out of class meetings. You will not be tested on items we do not have time to cover in class.

I. Sources of U.S. Tax Law (1 class hour)

Reading Assignment: *Introduction* to the book *U.S. Federal Income Taxation of Individuals 2022* by Deborah A. Geier (available as a free ebook at <https://www.cali.org/books/us-federal-income-taxation-individuals#>)

II. Gross Income (1 class hour)

Reading Assignment: I.R.C. § 61; Treas. Reg. §§ 1.61–2(a), (d)(1) & (d)(2)(i), 1.61–14; *Commissioner v. Glenshaw Glass Co.*, 348 U.S. 426 (1955); *James v. United States*, 366 U.S. 213 (1961)

Complete Problem Assignment 1 (posted to Canvas)

III. Who Is the Taxpayer? (1 class hour)

Reading Assignment: I.R.C. §§ 1(a)–(e), 11, 7701(a)(1)–(3); *Lucas v. Earl*, 281 U.S. 111 (1930); *Old Colony Trust Co. v. Commissioner*, 279 U.S. 716 (1929); *Helvering v. Horst*, 311 U.S. 112 (1940)

Complete Problem Assignment 2 (posted to Canvas)

IV. Tax Computation & Introduction to Exclusions, Losses, Expenses, and Cost Recovery (2.5 class hours)

Reading Assignment: I.R.C. §§ 62(a), 63(a)–(d), 67(a)–(b) & (g), 102, 162(a), 165(a)–(c), 167, 212(1)–(2), 262, 263(a); Treas. Reg. § 1.165–1; *Commissioner v. Duberstein*, 363 U.S. 278 (1960); *INDOPCO v. Commissioner*, 503 U.S. 79 (1992); *Henry v. Commissioner*, 36 T.C. 879 (1961)

Complete Problem Assignment 3 (posted to Canvas)

V. Cost Basis, Realization, and Recognition (2.5 class hours)

Reading Assignment: I.R.C. §§ 1001, 1011, 1012, 1016; *Philadelphia Park Amusement Co. v. United States*, 126 F. Supp. 184 (1954)

Complete Problem Assignment 4 (posted to Canvas)

VI. Effect of Recourse Debt on Basis & Realization (1.5 class hours)

Reading Assignment: Treas.Reg. § 1.1001-2; *Crane v. Commissioner*, 331 U.S. 1 (1947)

Complete Problem Assignment 5 (posted to Canvas)

VII. Introduction to Character: Capital Gains and Losses (2.5 class hours)

Reading Assignment: I.R.C. §§ 65, 165(f)–(g), 1221, 1222, 1211(b), 1212(b); *Suburban Realty Co. v. U.S.*, 615 F.2d 171 (5th Cir. 1980)

Complete Problem Assignment 6 (posted to Canvas)