

**Syllabus For
INCOME TAXATION
(Course: Law 6600-14398) (F2022)**

Professor: David A. Brennen Office Hours: MW (9:55-10:25/11:50-12:20) or by appt
Office: HH 312E Email: brennen@law.ufl.edu
Phone: 352-273-0968 Class: MTW (10:30-11:45 pm) (HH 355C)

Description of the Course: In Income Tax we will explore various aspects of federal personal income taxation. You will be required to become adept at reading and analyzing various sections of the Internal Revenue Code and Regulations. In addition to a broad overview of the laws impacting U.S. Personal Federal Income Tax in the first week of class, the course is divided up into three units: **Income, Deductions and Property Transactions**. You should learn in this course how to analyze any basic federal income tax problem. You will be evaluated on your (1) knowledge of material covered in class, (2) ability to utilize substantive tax knowledge in a practical setting, and (3) ability to independently discern the meaning of a tax law provision without professor input. In addition, you should be able to locate primary materials in federal tax law and understand the relationship of these materials to one another.

Prerequisites: none.

Grading: Elements of your grade include the following:

1. Classroom Participation/Attendance/Preparation

Attendance will be taken at each class meeting. Students are responsible for ensuring that they are not recorded as absent if they come in late. Attendance in class is required by both the ABA and the Law School. If you miss more than eight classes, your grade for the semester may be adversely affected. If you have a legitimate reason for missing class, you should contact me before or soon after class ends for your absence to be excused. Less than satisfactory on-time attendance, participation and/or preparation will have a negative effect of as much as one full letter grade for the course. A student who fails to meet the attendance requirement will be dropped from the course. The law school's policies on grading and attendance can be found here: <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies>

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2. Final Examination -

The final examination for this course is a limited open book in-person exam that will be administered on Thursday, December 15, 2022. You will have four hours to complete the exam. The Final Examination will be cumulative. This means that you may only refer to the materials contained in an examination packet that I will provide to you, your freely annotated "Selected Federal Taxation Statutes and Regulations - 2023 Edition," and a non-programmable calculator. During this examination, you may not refer to your prepared notes, any classmate's prepared notes, commercially prepared notes, your textbook or any other items not specifically permitted. You may not consult with any live person or computer database, other than to ask examination proctors and law school staff appropriate administrative questions. The questions on the examination will consist of one or more of the following types: essay, short answer, fill-in-the-blank, multiple choice and true/false. One of the questions may require that you calculate the hypothetical tax liability for the President and First Lady based on information provided with the examination. You will be given four hours in which to complete the examination.

3. Exam Delays and Accommodations

The Law School policy on exam delays and accommodations can be found here: <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies>

4. Class Demeanor

Please do not arrive late to class, leave early, or leave to take a break during class absent extenuating circumstances. Please turn off your cell phone during class. I reserve the right to lower your final grade if you engage in behavior that disrupts the learning environment for your classmates.

Recording of Lectures: The Office of Student Affairs will record all classes via Mediasite in case you must miss class for health reasons. The Office of Student Affairs will determine when you may have access to these recordings, and the recordings will be password protected. These recordings will be retained only for a short period of time and it is your responsibility to contact the Office of Student Affairs as soon as possible after an absence.

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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). 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.

Communicating Assignments: All assignments will be either announced in class, posted to Canvas or both. Thus, each of you should check Canvas for Income Tax daily. I may provide you with an anticipated assignment list; however, the list is only a guide and may not accurately reflect actual coverage in the course.

Course Workload and Class Preparation: Students should expect to spend at least two hours outside of class reading and preparing for every hour of class.

Online 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. 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.bluera.com/ufl/>. Summaries of course evaluation results are available to students here: <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies>

Diversity, Equity and Inclusion:

1. Preferred Name and Pronouns

It is important to the learning environment that you feel welcome and safe in this class; and that you are comfortable participating in class discussions and communicating with me on any issues related to the class. If your preferred name is not the name listed on the official UF roll, please let me know as soon as possible by e-mail or otherwise. I would like to acknowledge your preferred name, and pronouns that reflect your identity. Please let me know how you would like to be addressed in class, if your name and pronouns are not reflected by your UF-ros-tered name. I welcome you to the class and look forward to a rewarding learning adventure together.

You may also change your "Display Name" in Canvas. Canvas uses the ""Display Name"" as set in myUFL. The Display Name is what you want people to see in the UF Directory, such as ""Ally"" instead of ""Allison."" To update your display name, go to one.ufl.edu, click on the dropdown at the top right, and select ""Directory Profile."" Click ""Edit"" on the right of the name panel, uncheck ""Use my legal name"" under ""Display Name,"" update how you wish your name to be displayed, and click ""Submit"" at the bottom. This change may take up to 24

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hours to appear in Canvas. This does not change your legal name for official UF records.

2. Civil Discourse and Inclusive Excellence in the Classroom

As a law student and future lawyer, it is important that you be able to engage in rigorous discourse and critical evaluation while also demonstrating civility and respect for others. This is even more important in the case of controversial issues and other topics that may trigger strong emotions.

As a group, we are likely diverse across racial, ethnic, sexual orientation, gender identity, economic, religious, and political lines. As we enter one of the great learning spaces in the world—the law school classroom—and develop our unique personal and professional identities, I encourage each of us to:

- commit to self-examination of our values and assumptions
- speak honestly, thoughtfully, and respectfully
- listen carefully and respectfully
- reserve the right to change our mind and allow for others to do the same
- allow ourselves and each other to verbalize ideas and to push the boundaries of logic and reasoning both as a means of exploring our beliefs as well as a method of sharpening our skills as lawyers

Course Materials:

Required:

- 1) regular access to a computer with WEB browsing capabilities
- 2) an electronic mail address issued by University of Kentucky College of Law
- 3) Taxation of Individual Income, (12th Ed. 2021, Carolina Academic Press) by Burke and Friel
- 4) Selected Federal Taxation Statutes and Regulations, (2022 Ed., West) by Lathrope*

*All University of Florida students can receive 15% off the cost of any print or electronic books purchased from the West Academic online store by clicking this link - <https://www.westacademic.com/Lathropes-Selected-Federal-Taxation-Statutes-and-Regulations-2023-with-Motro-Tax-Map-9781636592633> - and using the school-specific discount code **WAUF** at checkout. If you choose to create an account (via the “Create an Account” link at the top of the page) and sign in prior to completing the purchase, students can also receive free shipping within the US by using that code. If you have any issues using the online store or require technical support, you can reach our support team at **1-877-888-1330** (option 4) or via email to support@westacademic.com. You can expect to receive the hard copy approximately 5-7 business days after you order.

*****ASSIGNMENT FOR FIRST WEEK*****

Syllabus For:
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Week 1: Overview of Personal Federal Income Tax

- 8/22/22 Ch. 1 - Introduction to Federal Income Taxation
Read: Text - Chap. 1 (pp. 3-21)
Problems: Calculate Biden's 2020 Tax Liability (See attachment to syllabus)
- 8/23/22 Ch. 1 - Introduction to Federal Income Taxation (cont.)
- Ch. 2 - Gross Income: Concepts and Limitations
Text - Chap. 2 (pp. 23-52)
Code - §61 (skim §§31,85,86)
Regs. - 1.61-1, 1.61-2(a)(1), (d)(1), (2)(i), 1.61-8(a), 1.61-9(a), 1.61-11(a), 1.61-14(a)
Problems: 1-2
- 8/24/22 Ch. 2 - Gross Income: Concepts and Limitations (cont.)
*****TOPICS TO BE COVERED IN THE COURSE *****

- I - Introduction to Federal Income Taxation (Wk1)
- II - Gross Income: Concepts and Limitations(Wks1-6)
- III - Gross Income: Effect of an Obligation to Repay
- IV - Gross Income: Gains Derived from Dealings in Property
- V - Gross Income: Gratuitous Transfers
- VI - Gross Income: Sales of a Principal Residence
- VII - Gross Income: Scholarships and Prizes
- VIII - Gross Income: Life Insurance, Annuities and IRA's
- IX - Gross Income: Discharge of Indebtedness
- X - Gross Income: Fringe Benefits
- XI - Deductions: Business and Profit Seeking Expense Deduction (Wks6-12)
- XII - Deductions: Qualified Business Income Expense
- XIII - Deductions: Capital Expenditures
- XIV - Deductions: Depreciation
- XV - Deductions: Losses and Bad Debts
- XVI - Deductions: Travel Expenses and Business Meals
- XVII - Deductions: Education Expenses
- XVIII - Deductions: Dual Use Property
- XIX - Deductions: Interest Deduction
- XX - Deductions: Tax Deduction
- XXI - Property Transactions: Capital Gains and Losses (Wks13-14)
- XXII - Property Transactions: Quasi-Capital Assets
- XXIII - Property Transactions: Depreciation Recapture
- XXIV - Review Federal Income Tax

Computation of 2021 Federal Income Tax Liability of Joseph R. and Jill Biden

INSTRUCTIONS: In essay form and based on the following hypothetical information, compute the 2021 federal income tax liability for President and Mrs. Biden, who are cash method taxpayers. Please write out your answer in paragraph form and, where appropriate, refer to proper Code and regulation sections. You should refer to your code/regulation supplement and [Rev. Proc. 2020-45, Section 3: 2021 Adjustment Items](#), for assistance. Per the revenue ruling, the 2021 inflation-adjusted amounts are: standard deduction for married persons filing jointly is \$25,100. Please show all calculations and explain where appropriate. Other than themselves, the Bidens have no minor children nor others for whom they provide more than half of living expenses for tax year 2021. (60 mins) **YOU WILL BE TESTED ON A VERSION OF THIS PROBLEM EITHER IN CLASS OR DURING THE FINAL EXAMINATION.** (I do not attest to the accuracy of any of this information.).

1. The Bidens received the following amounts as wages: \$378,333 from DFAS-CIVPay Directorate and \$67,116 from Northern Virginia Community Corp.
2. The Bidens received \$57,452 in gross receipts from pension and annuity accounts, \$52,599 of which was taxable income.
3. The Bidens received \$54,665 in social security benefits, \$46,465 of which was taxable income, plus another \$966 in non-Roth IRA distributions
4. Mr. Biden received \$3,228 in taxable interest from investments with Bank of America and incurred \$49 in investment expense, resulting in \$3,179 of net investment income and \$121 in net investment income tax.
5. The Bidens received \$32,761 in distribution income from GIACOPPA Corp and \$29,234 from Celticcapri – both S-corporations.
6. The Bidens paid \$2,800 for household staff, resulting in \$445 in household employment taxes.
7. The Bidens paid \$861 in excess social security taxes.
8. The Bidens paid \$27,124 in state income taxes.
9. The Bidens had \$85,145 withheld on Forms W2, \$12,937 withheld on Forms 1099, plus \$1,605 in excess withholding for Medicare in 2021 tax year.
10. The Bidens paid \$17,338 in ad valorem property taxes.

11. The Bidens paid \$14,896 in home mortgage interest expense.
12. The Bidens gave the following amounts to public charity in 2021:
 - a. \$2,000 to Nova
 - b. \$1,800 to Westminster Presbyterian Church
 - c. \$1,000 to Ministry of Caring
 - d. \$5,000 to Beau Biden Foundation
 - e. \$600 to St. Patrick's Center
 - f. \$550 to Holy Trinity Catholic Church
 - g. \$3,194 to Tragedy Assistance Program
 - h. \$50 to St. Edmunds
 - i. \$2,200 to St. Joseph on the Brandywine
 - j. \$1,000 to Cranson Heights Fire Company
13. The Bidens owe \$1,840 in additional Medicare taxes due to their income being in excess of \$250,000.
14. In 2021 the Bidens made \$49,000 in 2021 estimate tax payments.

(Excerpts from Rev. Proc. 2020-45, Section 3: 2021 Adjusted Items)

Published: October 26, 2020

Sec. 1 TAX RATE TABLES

SECTION 3. 2021 ADJUSTED ITEMS

.01 *Tax Rate Tables.* For taxable years beginning in 2021, the tax rate tables under § 1 are as follows:

TABLE 1--Section 1(j)(2)(A).--MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES

<u>If Taxable Income Is:</u>	<u>The Tax Is:</u>
Not over \$19,900	10% of the taxable income
Over \$19,900 but not over \$81,050	\$1,990 plus 12% of the excess over \$19,900
Over \$81,050 but not over \$172,750	\$9,328 plus 22% of the excess over \$81,050
Over \$172,750 but not over \$329,850	\$29,502 plus 24% of the excess over \$172,750
Over \$329,850 but not over \$418,850	\$67,206 plus 32% of the excess over \$329,850
Over \$418,850 but not over \$628,300	\$95,686 plus 35% of the excess over \$418,850
Over \$628,300	\$168,993.50 plus 37% of the excess over \$628,300

Sec. 1(g) KIDDIE TAX

.02 *Unearned Income of Minor Children Taxed as if Parent's Income (the "Kiddie Tax").* For taxable years beginning in 2021, the amount in § 1(g)(4)(A)(ii)(I), which is used to reduce the net unearned income reported on the child's return that is subject to the "kiddie tax," is \$1,100. This \$1,100 amount is the same as the amount provided in § 63(c)(5)(A), as adjusted for inflation. The same \$1,100 amount is used for purposes of § 1(g)(7) (that is, to determine whether a parent may elect to include a child's gross income in the parent's gross income and to calculate the "kiddie tax"). For example, one of the requirements for the parental election is that a child's gross income is more than the amount referenced in § 1(g)(4)(A)(ii)(I) but less than 10 times that amount; thus, a child's gross income for 2021 must be more than \$1,100 but less than \$11,000.

Sec. 24 CHILD TAX CREDIT

.05 *Child Tax Credit.* For taxable years beginning in 2021, the value used in § 24(d)(1)(A) to determine the amount of credit under § 24 that may be refundable is \$1,400.

Sec. 25 LIFETIME LEARNING CREDITS

For taxable years beginning in 2021, a taxpayer's modified adjusted gross income in excess of \$59,000 (\$119,000 for a joint return) is used to determine the reduction under § 25A(d)(2) in the amount of the Lifetime Learning Credit otherwise allowable under § 25A(a)(2). The Lifetime Learning Credit is completely phased out for taxpayers with modified adjusted gross income in excess of \$69,000 (\$139,000 for a joint return).

Sec. 32 EARNED INCOME TAX CREDIT

(1) *In general.* For taxable years beginning in 2021, the following amounts are used to determine the earned income credit under § 32(b). The "earned income amount" is the amount of earned income at or above which the maximum amount of the earned income credit is allowed. The "threshold phaseout amount" is the amount of adjusted gross income (or, if greater, earned income) above which the maximum amount of the credit begins to phase out. The "completed phaseout amount" is the amount of adjusted gross income (or, if greater, earned income) at or above which no credit is allowed. The threshold phaseout amounts and the completed phaseout amounts shown in the table below for married taxpayers filing a joint return include the increase provided in 32(b)(2)(B), as adjusted for inflation for taxable years beginning in 2021.

Item	Number of Qualifying Children			
	One	Two	Three or More	None
Earned Income Amount	\$10,640	\$14,950	\$14,950	\$7,100
Maximum Amount of Credit	\$3,618	\$5,980	\$6,728	\$ 543
Threshold Phaseout Amount	\$19,520	\$19,520	\$19,520	\$ 8,880
Completed Phaseout Amount	\$42,158	\$47,915	\$51,464	\$ 15,980
Threshold Phaseout Amount (Married Filing Jointly)	\$25,470	\$ 25,470	\$25,470	\$ 14,820
Completed Phaseout Amount	\$48,108	\$53,865	\$57,414	\$21,920
(Married Filing Jointly)				

The instructions for the Form 1040 series provide tables showing the amount of the earned income credit for each type of taxpayer.

(2) *Excessive investment income.* For taxable years beginning in 2021, the earned income tax credit is not allowed under § 32(i) if the aggregate amount of certain investment income exceeds \$3,650.

Syllabus For:
FEDERAL INCOME TAX
(Course: Law 202) (Sec #01) (F2004)

Sec. 63 STANDARD DEDUCTION

(1) *In general.* For taxable years beginning in 2021, the standard deduction amounts under §63(c)(2) are as follows:

Filing Status	Standard Deduction
MARRIED INDIVIDUALS FILING JOINT RETURNS AND	
SURVIVING SPOUSES (§1(a))	\$ 25,100
HEADS OF HOUSEHOLDS (§1(b))	\$ 18,800
UNMARRIED INDIVIDUALS (OTHER THAN	
SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS) (§1(c))	\$ 12,550
MARRIED INDIVIDUALS FILING SEPARATE RETURNS (§1(d))	\$ 12,500

(2) *Dependent.* For taxable years beginning in 2021, the standard deduction amount under § 63(c)(5) for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) \$1,100, or (2) the sum of \$350 and the individual's earned income.

(3) *Aged and blind.* For taxable years beginning in 2021, the additional standard deduction amount under § 63(f) for the aged or the blind is \$1,350. The additional standard deduction amount is increased to \$1,700 if the individual is also unmarried and not a surviving spouse.