

Federal Income Taxation (Professor Mitchell Gans)

Book: Fundamentals of Federal Income Taxation, by Freeland, Lathrope, Lind and Stephens (Seventeenth Edition) (Foundation Press)

Attendance: Attendance sheet will be circulated each class

Syllabus for Federal Income Tax for 2014

First Assignment:

Read chapter 1 in the casebook. For general background, read chapters 27, 28 and 29 (these chapters will not be discussed during the first week of class). After we complete the first assignment, we will move straight through the book (except as otherwise indicated below). If you remain twenty pages ahead of class discussion, you will be prepared.

We will start the first class with a discussion of the tax lawyer's tools, which is covered in chapter 1 of the casebook. We will discuss the Code, committee reports, the regulations, revenue rulings, and private letter rulings. We also discuss the various ways in which taxpayers can litigate with the IRS and the related subject of forum shopping. This discussion will extend over approximately four classes.

Once this discussion is complete, we will focus on the calculation of the taxpayer's liability (which is discussed in chapter 27). We will explore the progressive nature of the tax-rate system from a policy perspective. In this connection, we will discuss marriage penalty and marriage bonus, as well as the difference between marginal rate and average rate. For an article on the marriage penalty, see Lawrence Zelenak, For Better and Worse: The Differing Income Tax Treatments of Marriage at Different Income Levels, 93 N.C. L. Rev. 783 (2015).

We will then turn to chapter 2 and calculation of gross income. In connection with the discussion of Independent Life Insurance Co, you may want to read Benjamin H Harris and C Eugene Steuerle, New Perspectives on Homeownership Tax Incentives, 2013 TNT 246-8 (Tax Notes, 12/23/13).

In connection with our discussion of chapter 2, we will make reference to the materials in chapter 12.

We will then move through chapters 3, 4 and 5.

When we cover chapter 6, we will make some reference to the materials on depreciation (which is covered in chapter 14E). In connection with our discussion of chapter 6, we will also make reference to the concept of non-recognition of gain (which is the subject of chapter 26).

Depending on time, we will cover all of the material thru chapter 10 (though we may well not have time to cover chapter 9 and/or 10).

At the end of the semester, we will discuss capital gains and capital losses (which is covered in chapter 21).

Goals of the course:

By the end of the course, students should:

- 1) understand the logic of the Internal Revenue Code (IRC);
- 2) have an understanding of the significance of regulations and other forms of administrative interpretation;
- 3) have an understanding of the ways in which the tax law can impact on business or non-tax decisions (for example, the decision whether to purchase or rent a home); and
- 4) have an understanding of the objectives of an appropriate tax system.