

FEDERAL INCOME TAX

SPRING 2013

JOHNNY REX BUCKLES

PROFESSOR OF LAW

CLASSROOM: 240 BLB

TUESDAY, THURSDAY: 5:30 - 7:20 P.M.

I. Purpose of Course.

This course is designed (i) to introduce students to the basic doctrines of federal income tax law in the context of federal tax policy; (ii) to familiarize students with significant provisions of the Internal Revenue Code and United States Treasury regulations that govern personal income taxation, as well as judicial and administrative decisions interpreting the same; and (iii) to help students develop critical problem solving skills in federal income taxation that are foundational to the practice of law.

II. Topics to Be Discussed in this Course, Reading Assignments Corresponding thereto, and Dates thereof (Subject to Revision by the Professor).

<u>DATE</u>	<u>TOPICS</u>	<u>READING ASSIGNMENT¹</u>
1/15	Introduction to Basic Federal Income Tax Law; Introduction to Federal Tax System; Structure of the Federal Income Tax; Theoretical Concepts in Income Taxation	1-24
1/17	Theoretical Concepts in Income Taxation (cont.); Basic Design Concepts of the Income Tax; Sources of Tax Law; Noncash Benefits	24-58
1/22	Noncash Benefits (cont.); Imputed Income; Windfalls	58-82
1/24	Gifts, Bequests and Inheritances	82-110
1/29	Recovery of Capital; Annual Accounting	110-132
1/31	Annual Accounting (cont.); Recoveries for Injuries; Loans; Discharge of Indebtedness	132-163
2/5	Discharge of Indebtedness (cont.); Transfers of Mortgaged Property	163-181

¹ All reading assignments in this schedule are from the required textbook.

2/7	Illegal Income; Interest on State & Local Bonds; Gain from Sale of Primary Residence; Dividends; Realization	181-212
2/12	Realization (cont.); Non-recognition Rules	212-238
2/14	Non-recognition Rules (cont.); Deemed Realization; Original Issue Discount (OID); Open Transaction Doctrine; Installment Method of Reporting Gain	238-256
2/19	Constructive Receipt; Deferred Compensation; Stock Options	256-279
2/21	Stock Options (cont.); Transfers Incident to Marriage & Divorce	280-307
2/26	Reassessment of Design Choices; Introduction To Accounting Methods; Receipts & Payments by Accrual Method Taxpayers	307-330
2/28	Introduction to Personal Deductions; Casualty Losses; Medical Expenses	331-356
3/5	Charitable Contributions; Interest; Taxes	356-383
3/7	Personal & Dependency Exemptions; Various Credits; Business/Personal Borderline; Hobby Losses; Home Offices; Vacation Homes	383-406
3/12 & 3/14	No Class: Spring Break	
3/19	Expenses Unconnected with Trade or Business; Travel, Meals & Entertainment	406-433
3/21	Child Care Expenses; Commuting Expenses; Clothing Expenses	433-455
3/26	Legal Fees; Education Expenses; Capitalization Doctrine; Repair and Maintenance Expenses	455-482
3/28	Accounting for Inventories; Lease v. Purchase; “Ordinary and Necessary” Requirement	483-504
4/2	Depreciation; Depletion; AMT; Introduction to Tax Shelters	504-515; 545-550; 515-523
4/4	Introduction to Tax Shelters (cont.);	523-545

4/9	Income Splitting and Taxation	551-582
4/11	Capital Gains & Losses: Part 1	609-633
4/16	Capital Gains & Losses: Part 2	633-659
4/18	Capital Gains & Losses: Part 3	659-687
4/23	Capital Gains & Losses: Part 4	687-701
4/25	Course Conclusion	
4/30	No class: Reading Day	

III. Required Materials.

- A. **Textbook:** JOSEPH BANKMAN, DANIEL N. SHAVIRO & KIRK J. STARK, FEDERAL INCOME TAXATION (16th ed. 2012).
- B. **Statute Book:** DANIEL J. LATHROPE, SELECTED FEDERAL TAXATION STATUTES AND REGULATIONS (2013 ed.).

In addition to these required materials, students may occasionally receive photocopied materials or links to electronic sources to supplement or replace material appearing in the textbook. Students are responsible for reading such materials as assigned.

IV. Reading Assignments.

Students must read the daily reading assignments of portions of the required textbook, as indicated in this syllabus. In addition, students are responsible for familiarizing themselves with all provisions of the Internal Revenue Code and Treasury regulations mentioned in class or assigned in advance of class by the professor. Students are also responsible for reading all other materials provided by the professor.

V. Class Participation and Professionalism.

Students must participate sufficiently and professionally in class (as determined by the professor) in order to pass this course. Within the scope of the foregoing, students should expect to participate in approximately two or three panels during the course of the semester. Additional panel participation will be required when a student has failed to participate satisfactorily in any panel discussion. Students who are not assigned to a panel on a certain day are nonetheless expected to be prepared to participate in class discussion when the professor determines that panel-led discussions should be supplemented.

The professionalism expected of students includes (1) **showing respect** for every class member at all times; (2) **diligently preparing in advance** for every class unless you notify me in advance of why you cannot prepare adequately; and (3) **seriously striving** to learn the material as it is presented in class, even if that requires you to schedule office visits with the professor and/or participate in a study group.

VI. Evaluation.

Assuming sufficient class participation and professional conduct, a student's grade will be based upon the student's performance on the final exam.

VII. Office Hours.

Unless otherwise announced periodically in class, office hours will be Tuesday and Thursday, 4:00-5:00 p.m. (Room 218, TUII), and other times by appointment. The professor will follow a literal "open door" policy when a student is in his office.

VIII. Student Handbook and Compliance with Honor Code.

Each student is responsible for complying with the requirements governing students in the University of Houston Law Center's student handbook. With respect to the attendance policy, each student must record his or her class attendance and report to the professor concerning the same.