

FEDERAL INCOME TAX
SPRING 2017
JOHNNY REX BUCKLES
PROFESSOR OF LAW
CLASSROOM:
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 tax law.

II. Topics to Be Discussed in this Course.

<u>Assignment</u>	<u>Topics</u>	<u>Pages</u>
1	Introduction to Basic Federal Income Tax Law; Introduction to Federal Tax System; Structure of the Federal Income Tax; Concept of Income	1-27
2	Norms of Tax Policy; Tax Expenditures; Constitutional Scheme of Taxation	27-54
3	The Making of Tax Law; Administration of Tax Law	54-81
4	Compensation Income	83-117
5	Imputed Income; Gifts; Scholarships; Appreciation; Introduction to Recovery of Basis; Realization: Part 1	117-147
6	Realization: Part 2; Annuities; Life Insurance; Borrowings	147-171
7	Discharge of Indebtedness Income; Effect of Debt on Basis and Amount Realized	171-198
8	Damages; Tax-Exempt Interest; Introduction to Deduction for Business Expenses	198-219

9	Particular Business Expenses; Business v. Personal Expenses;	219-249
10	Travel & Entertainment Expenses; Home Office Expenses	249-274
11	Capitalization; Time Value of Money; Acquisition and Disposition of Assets; Intangible Assets; Repairs v. Improvements	274-306
12	“Borderline” Outlays; Depreciation; Depletion	306-328
13	Interest Expense; Losses (in general); Business v. Personal Losses	328-354
14	Hobby Losses; Casualty Losses; Limitations on Deducting Losses; Bad Debts	355-371; 394-397
15	Tax Shelter Losses	371-394
16	Introduction to Personal Deductions and Credits; Taxes; Medical Expenses	397-410; 438-446
17	Charitable Contributions	410-438
18	Taxation of the Family	447-470
19	Assignment of Income	470-495
20	Capital Gains and Losses: Part 1	497-524
21	Capital Gains and Losses: Part 2	529-560
22	Capital Gains and Losses: Part 3	561-576; 579-582; 587-588; 524-529
23	Nonrecognition Transactions; Introduction to Accounting Problems; The Taxable Year; Tax Benefit Rule	588-613
24	Claim of Right Doctrine; NOLs; Cash Method of Accounting	613-639
25	Accrual Method of Accounting	639-669

26	Reporting Installment Gain; Imputed Interest and OID	674-686
27	Deferred Compensation; Inventories	686-705
28	Change in Accounting Method; The AMT	704-705; 707-719

III. **Required Materials.**

- A. **Textbook:** Michael J. Graetz & Deborah H. Schenk. Federal Income Taxation: Principles and Policies (7th ed. 2013).
- B. **Statute Book:** Daniel J. Lathrope. Selected Federal Taxation Statutes and Regulations (most recent ed.).

In addition to these required materials, students may occasionally receive photocopied or electronic materials 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. 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 photocopied materials and electronically distributed 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. Significant daily preparedness and participation is expected. Within the scope of the foregoing, students should expect to participate about every second or third day in a rotating “on call” fashion. Additional participation will be required when a student has failed to participate satisfactorily in class discussion on a day on which the student is on call. Students who are not expected to be “on call” on a certain day are nonetheless expected to be prepared to participate in class discussion, if necessary.

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 (scheduled from 6:00-10:00 p.m. on May 4, 2017).

VII. Office Hours.

Unless otherwise announced periodically in class, office hours will be Tuesday and Thursday, 2:00–2:55 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 – no exceptions.

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.