

Professor Harold “Hap” May

**Law Center
University of Houston**

Bankruptcy Taxation

Syllabus

Spring Semester 2024

BANKRUPTCY TAXATION

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1. **Purpose of this Syllabus.** The purpose of the syllabus is to provide details concerning the requirements applicable to this course, including the schedule for class sessions, examination policies, professor availability, and similar matters. You will find the course topic and Reading Assignment Sheet at the end of this Syllabus.
2. **Required materials for this course:**
 - a. PAUL ASOFSKY AND BRET WELLS, *BANKRUPTCY TAXATION (2022)* (available on Canvas)
 - b. Wolters Kluwer / CCH Publications, “Federal Income Tax — Code & Regulations, Selected Sections,” 2021-2022 Edition (ISBN: 9780808056287). This volume contains (i) provisions of the Internal Revenue Code of 1986 (the most recent complete “codification” of the tax statutes), as subsequently amended on numerous occasions, and (ii) selected important “regulations,” as promulgated by the U.S. Department of the Treasury. Students must have the actual paper copy of this statute book for class discussion.
 - c. Charles J. Tabb, “Bankruptcy Code, Rules, and Official Forms,” 2021 Law School Edition, West Publishing (ISBN: 9781647088903).
 - d. Additional supplemental materials may be provided and if so provided will be made available on Canvas, emailed to you directly, or handed out in class.
3. **Course Objective.** This course will involve the comprehensive examination of the federal income tax laws applicable to corporations that go through a bankruptcy proceeding. The objective of this class is to consider both (1) the technical federal income tax rules and (2) the underlying fundamental tax policy objectives of the federal corporate income tax rules.
4. **Class Sessions Times and Attendance Policy.** This class will meet on Mondays at 4:00 p.m. to 6:00 p.m. Consistent with university policy, a minimum of 80 percent attendance is required for each student. I will pass around an attendance sheet at the beginning of every class period. You are responsible for ensuring that you have signed the attendance sheet. Those individuals not satisfying the attendance requirement will be reported to UH Law Center administrative officials to be dropped from the course. There are no scheduled make-up classes at this time, but make-up sessions are possible for this course.
5. **Class session coverage, focus & discussion.** The material to be covered during the anticipated 14 class sessions will be in the order as presented in the attached Reading Assignment sheet. You should be prepared to discuss the reading assignment where we left off in the prior class and then be prepared to discuss the next succeeding reading assignment set forth in the Reading Assignment sheet.

Please note that the dates for covering these materials may shift. If such changes in reading coverage or course objectives are made, I will post an updated **Reading Assignment (As Revised)** to Canvas at least 24 hours before class. Thus, even if you missed the prior class, you can easily determine the scope of coverage for the upcoming class and the anticipated coverage for the remainder of the semester.

6. **Class Preparation and Participation.** There will be at least one student “on call” or “on panel” for each class. On the first day of class, I will pass out a sign-up sheet on which students can choose which day they will on call to discuss that day’s reading and assignments. If you are on-call, please be prepared to discuss the day’s reading and other such assignments. I may choose to cold call others, but the person on call will be the main person to discuss with me. Others are free to participate. If you know you will not be able to attend on the day you have signed up to be on call and need to change your on-call day, you will need to ask another student who has not already been on call to switch with you, and once you have coordinated the swap, let me know.
7. **Video Recording of Lectures.** I do not anticipate recording video of class lectures. **Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor.** If you have or think you may have a disability such that you need to record class-related activities, please contact Ms. Samantha Ary of Student Services at sary@central.uh.edu or 713.743.2182. Alternatively students may contact the Center for Students with Disabilities. If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.
8. **Personal Computers.** The permitted use of personal computers in the classroom is **solely** for the purposes of (i) reviewing preparation notes and (ii) taking notes during class. Specifically **excluded** from in-class computer usage is anything beyond these activities, e.g., “surfing the web” and messaging. Nonparticipation due to diversionary uses of your personal computer constitutes an absence from the class. In the event this occurs, you are not eligible to sign the attendance sheet and are subject to appropriate action as the professor may determine in his sole discretion.
9. **Modality of Instruction.** This class is live, face-to-face. If I anticipate the possibility that I may not be able to attend class face-to-face on a given week, class will be held via Zoom. I will inform you of that event prior to, and provide the Zoom link ahead of time.

Face Covering Policy. To reduce the spread of COVID-19, the University strongly encourages everyone (vaccinated or not) to wear face coverings indoors on campus including classrooms for both faculty and students. I will be wearing a mask to and from class, but I will be lecturing at the front of the room without a mask so that those who attending online and those in the class can hear me clearly.

Reasonable Academic Adjustments/Auxiliary Aids. The University of Houston complies with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, pertaining to the provision of reasonable academic adjustments/auxiliary aids for disabled students. In accordance with Section 504 and ADA guidelines, UH strives to provide reasonable academic adjustments/auxiliary aids to students who request and require them. If you believe that you have a disability requiring an academic adjustments/auxiliary aid, please contact the [Justin Dart Jr. Student Accessibility Center](#) (formerly the Justin Dart, Jr. Center for Students with DisABILITIES).

9. **The Use of Artificial Intelligence Is Prohibited in the Course** The use of artificial intelligence (AI) is prohibited in this course. Thus, using AI or AI-generated text for formal assessments (such as your midterm or final exams), informal assessments (such as drafting essay answers to hypothetical problems), extra credit assignments, or group or individual exercises and activities is not permitted. This prohibition includes any work product created for this course that is submitted to the instructor, a tutor, or presented in a class session. This prohibition applies whether the material is to be graded or ungraded. This prohibition applies whether the assessment, assignment, exercise, or activity is prepared in or outside of class. Your writings for this course are to be your own work composed without the aid of AI.

10. Grading for the course:

- a) Final Examination. The grade in this course will be entirely dependent upon the final examination. Course materials will be permitted in the examination room but will be limited to: (i) the student's casebook, (ii) the CCH code and regulations volume, (iv) this syllabus, (iv) any course supplemental materials handed-out during class (as provided during the semester), and (v) student prepared outlines. Not permitted in the examination room are commercially prepared materials and outlines (including but not limited to any reading materials referenced in this Syllabus). Course materials are permitted for the essay portion of the final exam, but the exam may also include multiple choice questions. If so, then that portion of the exam is a closed book exam.
- b) Impact of Class Participation. Class participation is expected in this class. Significant class participation may positively impact your grade.

11. **Questions to professor.** My office hours are Mondays from 2:00 p.m. to 3:30 p.m. on Mondays, after the class session, or at mutually convenient times. If you have questions, please contact me by telephone at 713-417-9335, or by email at professor@may-firm.com. I am available to answer questions until the end of the last class day.

12. **Assistant.** My course assistant is Chelsea El-Azzi. If you have questions or concerns and have not received a timely response from me, please reach out to Chelsea at chelsea.el-azzi@may-firm.com.

13. **Honor Code.** Students may be asked to sign an honor code statement as part of their submission of any graded work including but not limited to projects, quizzes, and exams. Students acknowledge the following: "I understand and agree to abide by the provisions in the Law Center Honor Code. I understand that academic honesty is taken very seriously

and, in the cases of violations, penalties may include suspension or expulsion from the University of Houston."

14. Counseling Options. Counseling and Psychological Services (CAPS) can help students who are having difficulties managing stress, adjusting to the demands of a professional program, or feeling sad and hopeless. You can reach CAPS (www.uh.edu/caps) by calling 713-743-5454 during and after business hours for routine appointments or if you or someone you know is in crisis. No appointment is necessary for the "Let's Talk" program, a drop-in consultation service at convenient locations and hours around campus. http://www.uh.edu/caps/outreach/lets_talk.html

15. Sexual Misconduct Policy. The University is committed to maintaining and strengthening an educational, working and living environment where students, faculty, staff, and visitors are free from discrimination and sexual misconduct. If you have experienced an incident of discrimination or sexual misconduct, there is a confidential reporting process available to you. For more information, please refer to the University system's Anti-Discrimination Policy SAM 01.D.07 and Sexual Misconduct Policy SAM 01.D.08, available here:

<http://www.uhsystem.edu/compliance-ethics/uhs-policies/sams/01-general-information/index.php>

http://www.uhsystem.edu/compliance-ethics/_docs/sam/01/1d7.pdf (antidiscrimination)

http://www.uhsystem.edu/compliance-ethics/_docs/sam/01/1d8.pdf (sexual misconduct)

Please be aware that under the sexual misconduct policy, SAM 01.D.08, faculty are required to report to the University any information received regarding sexual misconduct as defined in the policy. Please note that the reporting obligations under the sexual misconduct policy reach to employees and students. Also, as a required reporting party, Law Center employees and faculty members are not a confidential resource.

16. Bankruptcy Taxation Suggested Additional Reading Materials. A partial listing of potential supplemental materials is as follows:

- a. Gordon D. Henderson and Stuart J. Goldring, *Tax Planning for Troubled Corporations: Bankruptcy and Nonbankruptcy Restructurings* (Wolters Kluwer ed. 2022).
- b. Carl M. Jenks, Candace A. Ridgeway, Edward A. Purnell and Colleen E. Laduzinski, *Portfolio 790-2nd Corporate Bankruptcy* (BNA Tax Management Portfolio).
- c. Carl M. Jenks, Candace A. Ridgeway, Edward A. Purnell and Colleen E. Laduzinski, *Portfolio 791-1st Corporate Bankruptcy – Special Topics* (BNA Tax Management Portfolio).
- d. See also the UH Law Library Guide to Federal Tax Research (as prepared by Chris Dykes of the UH Law Library staff) which is located at the following website: <http://www.law.uh.edu/libraries/ResearchResources/LegalResearchGuides/FederalTaxLawResearchGuide>. This guide identifies both printed materials and electronic resources (e.g., Checkpoint, Lexis-Nexis, BNA Tax and Accounting Center - Tax

Management Portfolios, Westlaw and Tax Analysts Web Service).

These supplemental materials may be beneficial for you in your preparation for this course. The supplemental materials and any other outside commercially prepared materials are not permitted to be taken into the final examination.

UNIVERSITY OF HOUSTON LAW CENTER

BANKRUPTCY TAX

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2024 Spring Course Topic and Reading Assignments

Here is the Spring 2024 schedule of classes and Reading List for the Bankruptcy Tax course at the University of Houston Law Center:

Class 1. Overview of Course; Intersection of Tax and Bankruptcy; Trust fund taxes: Prefiling considerations.

Reading: Asofsky Casebook Chapter 1 and Chapter 2.

Class 2. Individual Bankruptcy; Distinction Among Chapters 7, 11, and 13.

Reading: Finish Asofsky Casebook Chapter 2.

Class 3. Discharge of Individual Tax Debts.

Reading: Asofsky Casebook Chapter 3.

Class 4. Corporate Bankruptcy; Debtor's Income and Deductions.

Reading: Asofsky Casebook Chapter 4.

Class 5. Allowance and Priority of Tax, Interest and Penalties.

Reading: Asofsky Casebook Chapter 5.

Class 6. Federal Income Tax Consequences of Debt Modification; Determination of Issue Price.

Reading: Asofsky Casebook Chapter 6.

Class 7. Income From Cancellation of Debt ("COD"); Definitional Aspects.

Reading: Asofsky Casebook Chapter 7.

Class 8. COD, continued: Purchase Price Reduction; Contested Liabilities, Net Increase in Assets Required; Bankruptcy and Insolvency

Reading: Asofsky Casebook Chapter 8.

Class 9. Attribute Reduction for Bankrupt and Insolvent Debtors

Reading: Asofsky Casebook Chapter 9.

Class 10. Bankruptcy Reorganization Structures—G Reorganizations, Recapitalizations, Basis Step Up Transactions

Reading: Asofsky Casebook Chapter 10.

Class 11. Section 382 - Overview and Policy Considerations; Ownership Change Defined

Reading: Asofsky Casebook Chapter 11.

Class 12. Section 382 - Annual Limitation on use of NOLs; Section 382(1)(6) Bankruptcy Relief.

Reading: Asofsky Casebook Chapter 12.

Class 13. Section 382(1)(5) Bankruptcy Relief; Stock and/or Claims Trading Orders; Comparison of Sections 382(1)(5) and 382(1)(6).

Anatomy of a Chapter 11 case.

Reading: Asofsky Casebook Chapter 13.