

Tax I
Fall 2014

LawT 953/491- LL.M --- Law 953/512 – J.D. -- TaxA 651/185 - M.S.

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Textbooks

Freeland, Lathrope, Lind & Stephens, *Fundamentals of Federal Income Taxation*
(17th ed., 2013)
Lathrope, Daniel J., *Selected Federal Taxation Statutes and Regulations*
(2015 Edition)

Grading, Class Participation Computers and Final Examination

Ninety percent of the final grade will be based on a final examination and ten percent will be based on class participation. Class participation includes discussions of the assigned reading materials (including the Internal Revenue Code and regulations) and participation in the resolution of problems at the end of each subchapter. Meaningful participation is difficult without regular attendance.

Students may use laptop computers for class related purposes. If students elect to use a computer for the final examination, designated software must be used to temporarily disable most computer functions and convert the laptop into a basic word processor.

A three hour examination will include a combination of multiple choice, fill in the blank and essay questions. The Internal Revenue Code and regulations (single volume Lathrope edition) may be used. Other materials will not be permitted.

Attendance Policy for J.D. Students

Class attendance is a primary obligation of each J.D. student whose right to continued enrollment in the course and to take the examination is conditioned upon a record of attendance satisfactory to the professor. A J.D. student who exceeds the maximum allowable absences may be compelled to withdraw from the course, or may be barred from sitting for the final exam. J.D. students who are forced to withdraw for exceeding the allowed absences should receive a grade of WA (withdrawal due to excessive absences), unless the faculty member believes that a grade of WF is warranted. In this course, J.D. students are allowed a maximum of two absences. Attendance will be taken at the beginning of each class.

While LL.M. and M.S. students should endeavor to attend each class, there is no attendance policy applying to these students.

Class Cancellation

If there is inclement weather, students should visit the University of Baltimore web page or call the University's Snow Closing Line at (410) 837-4201. Absent a University closing, students should presume that classes are running on the normal schedule. Cancellations for any other reason are unlikely, but would be accompanied by email notices to students and a notice posted on the classroom door.

Disability Policy

If you are a student with a documented disability who requires an academic accommodation, please contact Leslie Metzger, Director for Student Support in the Office of Academic Affairs at 410-516-5623 or via email at lmetzger@ubalt.edu.

Academic Integrity:

Students are obligated to refrain from acts that they know or, under the circumstances, have reason to know will impair the academic integrity of the University and/or the School of Law. Violations of academic integrity include, but are not limited to: cheating; plagiarism; misuse of library materials; use of another's book or study materials without consent; unapproved multiple submissions; material misrepresentation of one's academic history or standing; misrepresentation of any academic matter; intentionally giving another student false or inaccurate information about class requirements; inappropriate discussion of exams; and misrepresenting or falsifying class attendance reports.

First Class Assignment:

Chapters one and two will be discussed during the first class. Skim sub-chapters 1A, 1B, 1C, 1D and 1F. Read chapter 2, code § 61 and Treas. Reg. §§ 1.61-1, -2(a)(1), -2(d)(1) and -14(a). Be prepared to discuss the following problems:

page 54 -- 1 - 2, 4 - 6;
page 57 -- 1 - 2.

Assignments for the entire semester are attached.

Federal Income Tax I
Class Topics & Reading Assignments
Fall 2014

1. **August 18, 2014**

Chapter 1: Orientation

Overview	Research
Skim Subchapters 1A, B, C, D & F	

Chapter 2: Gross Income

Entire chapter
Code § 61
Treas. Reg. §§ 1.61-1, -2(a)(1), -2(d)(1), -14(a)
Problems: Page 54: 1-2, 4-6
Problems: Page 57: 1-2

2. **August 25, 2014**

Chapter 18: Deduction for Individuals Only

Adjusted Gross Income	Personal & Dependency Exemptions	Standard Deduction
Subchapter 18A, Skim Subchapters E, F (pp. 530 - 537) Code § 62(a) & (c)		

Chapter 3: Exclusion of Gifts & Inheritances

Gifts	Bequests
Entire chapter Code § 102(a), (b) – 1 st sentence, (c) Treas. Reg. § 1.102-1(a), (b)	

**** Labor Day -- September 1, 2014 -- No Class**

3. **September 8, 2014**

Chapter 4: Employee Benefits

Exclusion for Fringe Benefits	Exclusion for Meals & Lodging
Entire chapter Code §§ 107; 119(a); 132 (omit (j)(2) & (5), (m) & (n)) Treas. Reg. §§ 1.61-1(a), -2(a)(1) & (2), (b)(1) & (2); 1.119-1	

Chapter 11: Other Exclusions from Gross Income

Sale of Principal Residence	Income Earned Abroad	Higher Education Expenses	Federal Taxes & State Activities
Entire chapter Code §§ 121 (omit (d)(4 & 5), (e); 911; 25A; 135; 529-530; 103; 115; 141(a) and (e) Treas. Reg. §§ 1.121-1(a), (b)(1), (2) & (4) Example 1, (c)(1), (d); -2(a)(1) - (4) Example 2; -3(b), (c)(1) - (4) Example 1, (d)(1) - (3) Example 1, (e)(1) and (2), (f), (g)(1)-(2) Example 1.			

4. September 15, 2014

Chapter 5: Awards

Prizes

**Scholarships &
Fellowships**

Entire chapter
Code §§ 74; 117; 127(a), (b)(1), (c)(1)
Treas. Reg. § 1.74-1;
Prop. Reg. §§ 1.74-1(b); 1.117-6(b), (c)(1) – (4), (d)(1) – (3)

Chapter 6: Gain from Dealings in Property

Gain Computation

**Basis – General Basis
Cost, Gift, Bequest, Divorce**

Amount Realized

Entire chapter
Code §§ 1001(a) – (c); 1011(a); 1012; 109; 1014(a)(1), (b)(1) & (6), (e); 1015(a);
1016(a)(1); 1019; 1041(a) & (b)
Treas. Reg. §§ 1.1001-1(a), -2(a)-(b), (c) Examples 1 & 2; 1.61-2(d)(2)(i); 1.1012-1(a);
1.1015-1(a); 1.1014-3(a); 1.1041-1T(a) & (d); 20.2031-1(b)

5. September 22, 2014

Chapter 6: Gain from Dealings in Property – Cont'd.

6. September 29, 2014

Chapter 6: Gain from Dealings in Property – Cont'd.

Chapter 21: Capital Gains and Losses (Overview)

Subchapters 21A; 21D; 21F (pp. 747-748); 21H (pp. 780-782)
Code §§ 1221(a); 1222

7. October 6, 2014

Chapter 7: Life Insurance Proceeds and Annuities

Entire chapter
Code §§ 101(a), (c), (d) & (g); 72(a)(1), (b) & (c)
Treas. Reg. §§ 1.101-1(a)(1), (b)(1), -4(a)(1)(i), (b)(1), (c); 1.72-4(a)

Chapter 8: Discharge of Indebtedness

Entire chapter
Code §§ 61(a)(12); 102(a); 108(a), (b)(1) – (3), (d)(1) – 5, (e)(1) & (5),
1017(a), (b)(1) - (2), (3)(A) & (B)
Treas. Reg. §§ 1.61-12(a); 1.1001-2(a), 2(c) Ex. 8

8. October 13, 2014

Chapter 9: Damages & Related Receipts

**Damages in
General**

**Damages for
Personal Injuries**

Entire chapter
Code §§ 104(a); 105(a) – (c) & (e); 106(a)
Treas. Reg. §§ 1.104-1(a), (c), (d); 1.105-1(a); 1.106-1

Chapter 10: Separation & Divorce

**Alimony & Separate
Maintenance**

**Property
Settlements**

Child Support

Chapter 10 (except Subch. 10.C.2 – Alimony Payments by a Third Party)
Code §§ 71 (omit (c)(2) & (3)); 215(a) & (b); 7701(a)(17); 1041; See § 1015
Treas. Reg. §§ 1.71-1T(a) & (b) (omit Q 6, 7, 11, 12), (c); 1.1041-1T(b)

9. October 20, 2014

Chapter 12: Assignment of Income

Income from Services	Income from Property
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Entire chapter
Code §§ 1(a) – (e), (h); 6013(a)

Chapter 16: Deductions Not Limited to Business

Interest, Taxes	Bad Debts, Charity	Casualty, Theft
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Subchapter 16A; Scan subchapters B, C & D and 17F
Code §§ 163(a), (h); 280A(d)(1); 7872; 164(a), (b)(1) & (5), (c), (d)(1); 275; 1001(b)(2)
Treas. Reg. §§ 1.164-3(a) – (d)
Prop. Reg. §§ 1.7872-1(a)

10. October 27, 2014

Chapter 18: Deductions for individuals Only

Moving Expenses	Extraordinary Medical Expenses	Qualified Tuition Expenses	Attorney's Fees
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Subchapters 18B, C & D; Skim *Banks* case
Code §§ 62(a)(15) & (18); 274(n)(1); 82; 132(a)(6) and (g); 217; 213(a), (b), (d)(1) – (4)
and (9); 263(a)(1)
Treas. Reg. §§ 1.217-2(b)(2) – (4), (8); 1.213-1(a)(1), (e)(1) – (4)(i)(a)

Chapter 14: Business Deductions

§ 162 Overview	Salaries, Travel, Rental, Education	Miscellaneous	Depreciation
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Entire chapter
Code §§ 1; 63; 162(a); 263(a); 274(a), (d), (e), (k), (l), (m)(2), (n); 195; 262;
165(a), (b) & (c)(1); 280B;
167(a) & (c); 168(a) - (c), (e)(1) – (2), (f)(1) & (5), (g)(1) – (2), (7), (i)(1);
1016(a)(2)
Treas. Reg. §§ 1.162-1(a), -2 (omit -2(c)), -4, -5(a), (b)(1), 2(i), 3(i), (c), (e)(1),
1.162-4, -7, -8, -9, -11(a), -20(a)(2); 1.167(a)(1)-1(a), -10;
1.167(b)-0(a), -1(a), -2(a); 1.195-1T(b);
1.263(a)-2, -4(a) – (c)(1), (d)(1), (e)(1)(i), (2) – (3), (4)(i), -5(a), (b)(1);
1.274-2(a)(1), (c) & (d);

11. November 3, 2014

Chapter 14: Business Deductions – Cont'd

12. November 10, 2014

Chapter 15: Deductions for Profit-Making, Non-Business Activities

§ 212 Expenses	Transactions Entered Into for Profit
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Entire chapter
Code §§ 212, 274(h)(7); 121(a), (d)(6); 165(a), (b), (c)(2); 167(a)(2); 168(a), 212
Treas. Reg. §§ 1.212-1(g), (h), (k), (l), (m); 1.262-1(b)(7); 1.165-9(b); 1.167(g)-1;
1.212-1(h)

13. November 17, 2014

Chapter 17: Restrictions on Deductions

Not for Profit **Illegal Activities**
Activities - § 183

Subchapters 17A, C, D,

F -- (Skip at-risk discussion in 17B and passive activity loss rules in 17E)

Code §§ 183(a) – (d); 280A(a), (b), (c)(1), (3) & (5), (d)(1), (e) – (g); 162(c), (f) & (g)

Treas. Reg. § 1.183-2(a) & (b)

14. November 24, 2014

Chapter 18: Deductions for Individuals Only

Adjusted Gross **Personal & Dependency** **Standard**
Income **Exemptions** **Deduction**

Subchapter 18A, E & F (but not the *Banks* case)

Code §§ 62(a), (c) & (e); 151 (omit (d)(3)); 152 (omit (f)(6)); 63; 67; 274(n)(1)

Treas. Reg. §§ 1.62-1T(b) & (d); 1.162-17(b), (e)(3); 1.67-1T(a)

Chapter 27: Alternative Minimum Tax

Subchapter 27C (pp. 978 – 982, Scan 982 – 986)

Code §§ 55(a) - (d); 56(a)(1), (3), (4) & (6), (b)(1) & (3);

57(a)(5) – (7); 58(b)

Final Exam