Income Tax I (259A, Section 2) Professor Gergen Fall 2012

Syllabus

The textbook for the course is Bankman, Shaviro and Stark, Federal Income Taxation (16th ed. 2012). You should make a practice of looking at Code sections that are focal point of the materials in the casebook.

Class	Topic	Text
1	Introduction to the income tax, noncash benefits provided by an employer	1-16, 45-52
2	Meals and lodging, introductory materials on self-reporting and sources of tax law	52-58, 24-27, 40-43
3	Other fringe benefits, health benefits, introductory materials on tax expenditures	58-67, 16-18
4	Tax base and calculation of tax payable, average v. marginal rates, progressivity and rate structure, tax provisions in Affordable Care Act	31-33, 20-21, 551-553, bSpace materials
5	Another approach to valuation, imputed income	67-78
6	Windfalls and gifts	78-91
7	More on gifts and other "gratuitous" transfers	91-103
8	Gifts of property, introductory materials on taxation of investments	103-110, 33- 36
9	Recovery of capital and gambling	110-122
10	Recovery of loss, annual accounting, and claim of right	122-139
11	Tax benefit rule, recoveries for injuries, discharge of debt	139-150
12	Misconceived discharge theory	150-163
13	Transfers of property subject to debt	163-173
14	<i>Tufts</i> and debt-financed tax shelters, introductory materials on opinion practice and market for tax advice	173-181, 515-519, 523-527,
15	Preference income, tax arbitrage, and tax incident	27-31 186-194, 18- 19
16	Realization doctrine	195-212
17	Form and substance in realization	212-226
18	Nonrecognition rules: like-kind exchanges	227-238
19	Constructive sales	241-245, bSpace

		materials
20	Original interest discount and related rules, installment sales	245-256
21	Constructive receipt and non-qualified deferred compensation	256-270
22	Qualified plans and introductory materials on the value of deferral	270-275, 37- 40
23	Stock options and other restricted property	275-290
24	Taxation of the household, the marriage penalty, non- traditional households	554-570
25	Transfers of property incident to divorce, alimony and child support	290-307
26	Some theoretical issues, a consumption tax, and introduction to personal deductions	307-312, 331-335
27	Casualty losses	335-349
28	Charitable contributions	356-369
29	Interest, state and local taxes, personal and dependency exemptions, and the AMT	377-384, 545-550
30	EITC and other credits based on personal circumstances, another look at tax provisions in ACA	384-388, bSpace materials
31	Mixed business and personal expenses, hobby losses	389-400
32	Travel and entertainment	415-433
33	Child-care expenses and commuting expenses	433-452
34	Clothing expenses, legal expenses, and educational expenses	452-464
35	Capitalization: general principles	465-472
36	Uniform capitalization rules (263A), repair and maintenance expenses, inventory accounting	472- 485
37	Ordinary and necessary, expenditures on intangibles, depreciation, amortization of intangibles	489-494, 504-512
38	Capital gains and losses, capital v. ordinary	609-624
39	Ordinary assets	624-638
40	Arkansas Best and carve outs	638-651
41	Some border-line cases	651-656, 670-678
42	Anti-abuse doctrines	529-545

Class assignments and participation A designated group of students will be on call each day once we get past the drop-add period. Please be sure to be prepared on your days. You should strive to keep up with the readings. We will cover a fair amount of material and much of it is cumulative. I adhere to the syllabus.

Grading and exam The grade for the course will be based mostly on the exam. I may take class participation in the account as a tie-breaker. If you are repeatedly absent or unprepared on days you are on call, then I reserve the right to adjust your grade accordingly.

The exam will be an eight-hour "floating" exam, meaning you may take the exam any time over the exam period during eight hours of your choosing. The exam will consist of essay questions of varying length. You may consult whatever materials you want during the exam. You may not consult with other people.

Class notes I will make my class notes available on bSpace, typically within a week of the class.

Contacting me My formal office hours are Tuesday afternoon from 2:00 to 4:00. My office is 598 Simon. My email is <u>mgergen@law.berkeley.edu</u>. My phone number is 643-9577. I am usually around and welcome you to come by with questions any time other than while I am teaching or before class. Email me if you want to schedule a time. My administrative assistant is Sean Hill. His email is <u>shill@law.berkeley.edu</u>. His phone number is 642-9001.