Prof. Rakowski
North Addition 437
643-5706

Fall 2013

LAW 259A INDIVIDUAL INCOME TAXATION

BSS = Bankman, Shaviro, Stark, Federal Income Taxation (16th ed. 2012)
Chirel = Chirelstein & Zelenak, Federal Income Taxation (12th ed. 2012)

INTRODUCTION

				IRC Sections
W	8/21	Overview, History, Procedure	BSS: 1-11, 24-43 Chirel: 1-7	
M	8/26	Goals and Justice of Income Taxation, Imputed Income	BSS: 11-24, 71-78 Chirel: 27-29	

WHAT IS INCOME?

Tu	8/27	Non-Cash Benefits	BSS: 45-58 Chirel: 8-12, 19(¶4)-27	61, 119(a)-(b)
W	8/28	Employee Fringe Benefits	BSS: 58-67 Chirel: 107-08(#1) *Handout #1 & BSS 68 (#1,3,4)*	132, 125
Tu	9/3	Prizes, Windfalls, Business Gifts	BSS: 67-71, 78-99 Chirel: 75-78, 108-110(#2)	74, 274(b) & (j), Reg. 1.61-14, 102
W	9/4	Gratuities, Scholarships, Welfare, Social Security, Gifts and Bequests	BSS: 99-110 Chirel: 63-69, 110-11(#3) *Handout #2*	117, 1011-12, 1014-15
M	9/9	Capital Recovery, Life Insurance	BSS: 110-17 Chirel: 29-35, 39-43	101, 264, 79

Tu	9/10	Annuities, Pensions, Gambling	BSS: 117-23 Chirel: 35-39 *Handout #3*	72(a)-(c), 165(d)
W	9/11	Loss Recovery, Annual Accounting Rule, Claim of Right, NOL Carryovers	BSS: 123-39 Chirel: 55(¶1)-56, 298-307	172(a) & (b)(1)(A) & (c) 1341
M	9/16	Tax Benefit Rule, Compensation for Injuries	BSS: 139-45 Chirel: 44-48, 111-12(#4) *Handout #4*	111, 104-106
Tu	9/17	Cancellation of Debt	BSS: 145-59 Chirel: 48-54, 56-63, 112-13(#6) *Handout #5*	61(a)(12), 108(a)(1)&(b) & (e)(4)-(5) & (f), 1017(a)
W	9/18	Nonrecourse Loans and Property Transactions	BSS: 163-81 Chirel: 342-55, 358-62	1001(a)-(c)
M	9/23	Illegal Income, State and Local Bond Interest, Home Sales, Dividend Rate	BSS: 181-93, 521-22 (bonds) Chirel: 56(¶1&¶2), 166-69, 172-74, 242(#4), 478-85, 391-95 *Handout #6*	103, 265, 121, Reg.1.165-9

THE TIMING OF INCOME

Tu	9/24	Realization Requirement, Tenant Improvements, Lease Cancellation	BSS: 195-96, 205(§ 4), 206(§7), 207-12, 642-47 Chirel: 78-96, 372-75, 420-25, 429-31 *Handout #7*	109, 1019

W	9/25	Nonrecourse Borrowing in Excess of Basis, Business Loss Recognition, Like-Kind Exchanges	BSS: 212-16, 227-29, 232-34, 241-43 Chirel: 362-66, 99-102, 382-91, 396(#1) *Handout #8*	165(a)-(b), 1031
Fri	9/27 1 pm	Like-Kind Exchanges (continued), Involuntary Conversions	*Handout #9*	1033
M	9/30	Below-Market Loans (§ 7872), Imputed Interest	BSS: 245-49 Chirel: 275-76, 439-43 *Handouts #10 & 11*	7872, 1271-76, 1278(b), 483, 163(e)(1)
Tu	10/1	(continued)		
W	10/2	Open Transactions, Installment Sales	BSS: 249-56 Chirel: 376-82, 397-98(#3), 447-49 *Handout #12*	453(a)-(d) & (i)
M	10/7	Constructive Receipt, Retirement Benefits, Deferred Compensation, Qualified Pension Plans, IRAs	BSS: 256-75 Chirel: 12-19, 102-06, 312-18, 338-41	
Tu	10/8	Employee Stock Options, Restricted Property	BSS: 275-90 Chirel: 459-64, 492-95	83, 421–22, 1234
W	10/9	Marital Separation and Divorce, Child Support	BSS: 290-308 Chirel: 96-99, 289-93, 295-96(#3)	71, 215, 1041
M	10/14	Should We Have a Consumption Tax Instead of an Income Tax?	BSS: 308-12 Chirel: 486-91 *Handout #13*	
Tu	10/15	Cash and Accrual Accounting Methods	BSS: 312-30 Chirel: 297-98, 311, 318-32	441, 446, 448(a), 451, 455, 461

PERSONAL DEDUCTIONS, EXEMPTIONS, AND CREDITS

W	10/16	Itemized Deductions and Standard Deduction, Casualty Losses, Medical Expenses	BSS: 331-56 Chirel: 203-07, 209-13, 223-25 *Handouts #14 & 15*	63, 68, 165(c)(3) & (h), 213, 21
M	10/21	Charitable Contributions	BSS: 356-76 Chirel: 213-14, 240-41(#2) *Handout #16*	170, 1011(b)
Tu	10/22	Home Mortgage and Consumer Interest, State and Local Taxes, Personal Exemptions, Special Credits, Tax Computation, Alternative Minimum Tax	BSS: 377-88, 545-50 Chirel: 165-66, 214-20, 225-29, 207-09, 233-36 *Handout #17*	163(h), 221, 164, 151-52, 22-24, 62(a), 63(a)-(b), 55
W	10/23	(continued)		

MIXED BUSINESS AND PERSONAL EXPENDITURES

M	10/28	Miscellaneous Itemized Deductions, Hobby Losses, Passive Activity Losses, Limit on Investment Interest, Listed Property	BSS: 389-400, 414-15, 518-21 Chirel: 114-17, 220-23, 237-38, 239-40(#1), 355-58, 398-99(#4)	67, 212, 183, 469(a)-(d) [skim 469], 163(d), 465
Tu	10/29	Home Offices, House Rentals, Listed Property	BSS: 400-14 *Handout #18*	280A, 280F
W	10/30	Travel and Entertainment Expenses	BSS: 415-33 Chirel: 131-38	274
M	11/4	Child Care and Commuting Expenses, Moving Expenses	BSS: 433-52 Chirel: 117-20, 123-28, 129-31, 138-40 *Handouts #19 & #20*	21, 129, 162(a), 262, 217, 82

Tu	11/5	Clothing, Legal, Educational and Job-Seeking Expenses	BSS: 452-64, 493-94 (§§ 5-7) Chirel: 120-23, 128-29, 151-53, 229-33 *Handout #21*	212, 222, 25A

DEDUCTIONS FOR COSTS OF EARNING INCOME

W	11/6	Deductible Business Expenses vs. Nondeductible Capital Outlays, Start-Up Costs	BSS: 465-82 Chirel: 141-49, 241-42(#3), 242-43(#5)	263, 263A, 195
Tu	11/12	Business Losses, Bad Debts, Inventory Accounting, Sale vs. Lease	BSS: 483-89 Chirel: 174-80, 332-37, 149-51 *Handout #22*	165-66
W	11/13	Ordinary and Necessary Business Expenses, Public Policy Limitations, Golden Parachutes, Depreciation, § 1245 Recapture	BSS: 489-512 Chirel: 115-17, 153-65, 180-202	162, 280G, 167-68 [skim], 179, 197, 1245, 1(h)(1) & (6)

INCOME SPLITTING

M	11/18	Taxing Individuals vs. Taxing Couples or Families	BSS: 551-69 Chirel: 244-53, 285-89 *Handouts #23 & #24*	
Tu	11/19	Kiddie Tax, Transferring Property vs. Income Generated by Property, Income Shifting	BSS: 569-82, 592-93 Chirel: 276-84, 253-61, 267-70, 294-95 (#1&2)	1(g), 63(c)(5) [note inflation adjustment]

CAPITAL GAINS & LOSSES

W	11/20	Computation, Policy Arguments, Section 1231 Assets	BSS: 609-20 Chirel: 400-11, 456-59 *Handout #25*	1(h), 1211-23, 1231

M	11/25	Capital Asset Definition, Corn Products & Arkansas Best	BSS: 620-42 Chirel: 450-56, 412-20	
Tu	11/26	Contract Rights, Patents and Copyrights, Sale of a Business, Arrowsmith	BSS: 670-78, 687-91, 697-701 Chirel: 431-39, 307-08, 464-72	1235
		Review Session		

FINAL EXAM