FEDERAL INCOME TAXATION OF INDIVIDUALS

LAW 740, SEC. 1, RM 212

FALL SEMESTER 2019

(UPDATED AUGUST 9, 2019)

PROFESSOR AITSEBAOMO
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ABOUT THE PROFESSOR

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LOCATION: 236M

OFFICE HOURS: MTWR, 12:30PM to 4:00 PM
(All other times by appointment only)

NOTES FROM THE PROFESSOR:

ACKNOWLEDGMENT

By attending this class, you acknowledge that you have read and understood the content of this syllabus. If you have not or have any questions, please visit with me at your earliest convenience.

NOT A CONTRACT

This syllabus is not a contract. Accordingly, it is subject to change at any time with or without notice.
Hierarchy of Authority for IRS Guidance and Other Information Sources

- **Internal Revenue Code**
  - Legally binding statute

- **Treasury (tax) Regulations**
  - Legally binding interpretation of statute

- **Internal Revenue Bulletin**
  - Revenue rulings
  - Revenue procedures
  - Notices
  - Announcements
  - Taxpayers can rely on it as authoritative and as precedent because IRS is bound by it

- **Written Determinations**
  - Private letter rulings
  - Technical advice memoranda
  - Binding on the IRS as to the specific taxpayer and facts and can only be relied on as authoritative and as precedent by addressee taxpayer

- **Other IRS Publications and Information**
  - Forms and publications
  - News releases and fact sheets
  - FAQs
  - Online help and resources
  - Videos
  - Source of general information, but taxpayers should not cite to sustain a position as authoritative and as precedent

Source: GAO analysis of IRS documents. | GAO-18-720
CASEBOOK:

Please note that you are NOT permitted to use a prior (old) edition of the casebook. A student who continues to use a prior (old) edition of the casebook despite this prohibition will not be permitted to remain in class.
TAX CODE:
COURSE DESCRIPTION

DESCRIPTION:
Federal Income Taxation is a basic tax course designed to introduce students to, and provide students with, a general understanding of the fundamental principles governing the federal income taxation of individuals.

OBJECTIVE:
At the conclusion of this course, students should have acquired the requisite critical thinking skills, problems solving skills, and overall technical competence to clearly solve hypothetical tax problems presented during class lectures and on examinations dealing with: (1) the scope of gross income, including income without receipt of cash; (2) the exclusion of gifts and inheritances; (3) the tax consequences of bequests, devises and inheritances; (4) the application of rules governing the taxation of employee benefits and the exclusion from gross income of certain fringe benefits; (5) application of the rules governing the exclusion of meals and lodging; (6) taxation of prizes and awards, including scholarships and fellowships; (7) tax consequences of gains from dealings in property; (8) computation of basis, amount realized, and gain realized; (9) the application of the principles of Crane v. Commissioner & Commissioner v. Tufts; (10) application of the tax rules governing property acquired between spouses incident to divorce; (11) tax consequences of property acquired from a decedent; (12) taxation of life insurance proceeds and annuities; (13) tax consequences of discharge of indebtedness; (14) taxation of recoveries from personal injuries; (15) taxation of separation and divorce payments, including alimony and separate maintenance payments; (16) tax consequences of gains from the sale of principal residence; (17) assignment of income doctrine, and the alternative minimum tax.
OBJECTIVE/STUDENT LEARNING OUTCOMES AND OUTCOME MEASURES

At the conclusion of this course, students should have acquired the requisite critical thinking skills, problems solving skills, and overall technical competence to clearly solve hypothetical tax problems presented during class lectures and on examinations dealing with:

(1) the scope of gross income, including income without receipt of cash
(2) the exclusion of gifts and inheritances
(3) the tax consequences of bequests, devises and inheritances
(4) the application of rules governing the taxation of employee benefits and the exclusion from gross income of certain fringe benefits
(5) application of the rules governing the exclusion of meals and lodging
(6) taxation of prizes and awards, including scholarships and fellowships
(7) tax consequences of gains from dealings in property
(8) computation of basis, amount realized, and gain realized
(9) the application of the principles of Crane v. Commissioner & Commissioner v. Tufts
(10) application of the tax rules governing property acquired between spouses incident to divorce
(11) tax consequences of property acquired from a decedent
(12) taxation of life insurance proceeds and annuities
(13) tax consequences of discharge of indebtedness
(14) taxation of recoveries from personal injuries
(15) taxation of separation and divorce payments, including alimony and separate maintenance payments
(16) tax consequences of gains from the sale of principal residence
(17) assignment of income doctrine, and the alternative minimum tax.

In order to achieve the above objectives/outcomes and enhance your overall understanding of the subject matter, class lectures and assignments are structured to help students develop a mastery of the minimum tax competencies enumerated below.

The development and mastery of these competencies is essential to solving the hypothetical tax problems presented in class and on the examination. Consequently, your professor uses a problem approach in his in-class instruction and formative evaluation. Accordingly, you must work all of the homework assignments before coming to class.

Minimum Tax Competencies

- Internal Revenue Code Critical Reading Comprehension skills through Paraphrasing. To help acquire this skill, you should restate in your own words the meaning of statutory provisions as you peruse through the Code. Internalize and write down meaning of provisions on the margin of the Code as you read it.

- Knowledge & Interpretation. Interpret meaning of terms and rules. As stated above, internalizing and writing down the meaning of the Code provisions you’ve read in your
own words will aid you in developing the requisite interpretive skills to progress through the course.

- Identify related Treasury Regulations. See initial class discussion regarding Treasury Regulations.
- Comprehension & Application. Use examples to test your understanding of the principles contained in the provision you’ve read. Compare and contrast rules. Work assigned problems.
- Distinguish & Differentiate between suits filed in Tax Court v. District Court.
- Analytical and Critical Thinking. Compare tax principles and query similarities and/or dissimilarities. Query rationale for rule.
- Understand & Commit to Memory: Pervasive tax concepts of Amount Realized, determination of Basis, and Gain Realized.
- Develop Concise Written and Verbal skills by writing illustrative practice answers to practice questions under examination condition at the conclusion of each chapter and role play your answers with your classmates.
- Evaluation. Must work all assigned problems before each class and compare your answers with debriefed answers to see how well you are progressing along and seek assistance by visiting with your professor and tutor.

OUTCOME MEASURES

At conclusion of all summative assessments (midterm and final examinations), the average of the students taking each examination should attain a score of 70% or better.
ASSESSMENT AND GRADING

FORMATIVE ASSESSMENT PROBLEMS

WHAT IS FORMATIVE ASSESSMENT?

Formative assessment refers to the formal and informal assessment procedures that I will use during the learning process in order to modify teaching and learning activities to improve your content attainment.

HOW WILL I BE FORMATIVELY ASSESSED?

Your syllabus reflects the reading assignments for each class. At the conclusion of each reading assignment is a set of formative assessment problems. You are to work these problems before coming to class to help reinforce your understanding of the material and assimilation of classroom instruction. As the chart above indicates, we will debrief all assigned problems in the classroom to enable you gauge your progress.

FORMATIVE & SUMMATIVE EXAMINATIONS

<table>
<thead>
<tr>
<th></th>
<th>Mid-Term</th>
<th>30%</th>
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<tbody>
<tr>
<td>Non-Cumulative Final Exam</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td>In-Class Practice Quizzes/Practice Problems</td>
<td>*Extra credit points may be given at Professor’s discretion.</td>
<td></td>
</tr>
<tr>
<td>Attendance and Participation, respectively, each would make up 5% of your grade. Details in next section.</td>
<td>10%</td>
<td></td>
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</table>

Tentative (subject to change) letter grade distribution ranges

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Points</th>
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<tbody>
<tr>
<td>As</td>
<td>90-100</td>
</tr>
<tr>
<td>Bs</td>
<td>80-89</td>
</tr>
<tr>
<td>Cs</td>
<td>70-79</td>
</tr>
<tr>
<td>Ds</td>
<td>60-69</td>
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</tbody>
</table>
The assessments utilized in this course are designed to evaluate the student’s critical thinking skills, problem solving skills, writing skills, and overall technical competence. To that end, there will be two summative examinations in this course—a mid-term examination, valued at 30 percent and a non-cumulative final examination, valued at 60 percent.

The exam format is “problem-type,” and the questions are substantially similar to the in-class handout problems/answers and the homework problems contained in your casebook. The examinations will be CLOSED book.

**YOUR MIDTERM EXAMINATION will be administered on Thursday, October 10, 2019 from 2pm – 4pm. Let me know on or before September 5, 2019, if you have a conflict.**

In addition, professor will administer formative practice quizzes/practice problems (under exam conditions) after each chapter. The purpose of these formative practice problems is to provide you with an opportunity to practice how to write real examination answers to real examination questions before the actual examination. Also, it gives you an opportunity to “see” how the professor tests. **Note: The aforementioned quizzes/practice problems will be graded and returned to you and your professor, at his discretion, may award extra credit points to your final grade based on your performance in these quizzes/practice problems.**
ACCOMMODATIONS

For accommodations, please see Assistant Dean Virgie Mouton in Suite 223B or her assistant Ms. Rita Johnson, in the Dean’s suite.
PARTICIPATION, ATTENDANCE & PROFESSIONALISM

CLASS PARTICIPATION

Class participation is mandatory. 5 percent of your final grade will be based on your class participation record. You accumulate class participation points pro rata throughout the semester by volunteering to brief cases during class and being prepared for every class including being able to respond correctly when called upon to answer a question. You earn zero class participation points during a particular class when you are unable to brief or respond correctly to questions asked. **Do NOT wait till the end of the semester to try to earn your class participation points!**

ATTENDANCE

Section 9 of the Students Rules & Regulations provides the following: 
*Class attendance is required of all students. Excessive absence from classes may result in the following: (a) administrative withdrawal from the course; or (b) grade reduction of up to two letter grades in courses required to be taken in sequence (where a student may not be withdrawn from a class). Excessive absence is defined as any absence in excess of the permitted absence. (See below) “Absence” shall be defined as either a failure to attend class, or a failure to be present at the commencement of class.”*

Class meets 11AM-12.15PM, TR, Rm. 212. 5 percent of your final grade is based on your class attendance record. To earn the 5 percentage points, you must not miss more than 5 classes. Also, a student who misses more than 5 classes may receive a grade reduction as provided in the students’ rules and regulations. You do not have to inform me of your absences or give any explanation for them. I may provide no other notice to you that you are in danger of a grade reduction.

USE OF LAPTOPS

The use of Laptops or any other internet electronic access device during class session is strictly prohibited, unless prior authorization for such use for class notes taking only is sought by the student and granted by the professor. A student who violates this prohibition will be excused from remaining in the classroom.

IN-CLASS CONDUCT

You must turn off all of your cell phones or electronic devices during class. No side talk (amongst students) of any kind is permitted while the Professor is teaching or calling the class roll unless prior permission is sought and received from the Professor. You must not leave the
Class room before the end of the class lecture (except to the rest room) unless prior permission is sought and received from the professor. You are prohibited from surfing the internet with your laptop or any other electronic device during class unless prior authorization is sought and received from the Professor. A violation of any of the above rules would result in the violating student(s) being excused from class each time the violation occurs at the discretion of the Professor.

**POLICIES & PROCEDURES**

See 2019-20 Students Rules and Regulations for additional policies and procedures pertaining to students.
# READING ASSIGNMENTS

## AND FORMATIVE ASSESSMENT PROBLEMS

The following assignments & problems have been broken down by topic. Preparing to discuss a topic means you have both (1) read all of the content within that topic chart and (2) completed the assigned problems within that topic chart.

<table>
<thead>
<tr>
<th>#1 Read Orientation</th>
<th>Chapter 1, pg. 3-40. This material will not be discussed in class; however, we will, from time to time, refer to relevant portions of the material during the semester: Read all of it.</th>
</tr>
</thead>
</table>

- **Topic #2 Gross Income**
  - The Scope of IRC §61. I Read pg. 43-49
  - Equivocal Receipt of Financial Benefit
    - IRC §61
  - Treas. Reg. §§ 1.61-1, -2(a)(1), -2(d)(1), -14(a)
  - Cesarini v. United States, pg. 44-59
  - Old Colony Trust Co. v. Commissioner, pg. 49-51
  - Commissioner v. Glenshaw Glass Co., pg. 52-55
  - Charley v. Commissioner, pg. 55-60.
  - Problems 1-6, pg. 60-61

- **Topic #3 Income Without Receipt of Cash or Property**
  - IRC § 61
  - Treas. Reg. §§ 1.61-2(a)(1), -2(d)(1)
  - Rev. Rul. 79-24, pg. 61.
  - Dean v. Commissioner, pg. 62
  - Prob. 1-2, pg. 63

- **Check Here When You Have Completed the Above Assignment**

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Federal Income Taxation of Individuals, Section 1, Professor Aitsebaomo Page | 15
### Topic #4.1
**The Exclusion of Gifts and Inheritances**

- **Read the following & work problems**
  - (i) IRC § 102(a) and (b) first sentence. Treas. Reg. § 1.102-1(a), (b)
  - (iv) Commissioner v. Duberstein, Pg. 66-76.
  - (v) Prob. 1-2 pg. 76

- **Check Here When You Have Completed the Above Assignment**

### Topic #4.2
**Employee Gifts**

- **Read the following & work problems**
  - (i) IRC §§ 102(c); 274(b); Glance IRC §§74(c); 132(e); 274(j). Proposed Reg. §§1.102-1(f). Read bottom pg. 76-78.
  - (ii) Work Problems 1-3 pg. 78.

- **Check Here When You Have Completed the Above Assignment**

### Topic #5
**Bequests, Devises, and Inheritances**

- **Read the following & work problems**
  - IRC §§102(a). (b) first sentence, (c).
  - Treas. Reg. §§1.102-1(a), (b).
  - A. *Lyeth v. Hoey*, pg. 78-83
  - C. Prob. 1-3, pg. 86-87.

- **Check Here When You Have Completed the Above Assignment**

### Topic #6
**Employee Benefits**

- **Exclusions for Fringe Benefits**
  - Skim thru IRC § 132 (skip (j)(2) and (5), (m), and (n))
  - Glance thru IRC §§61(a)(1); 79; 83; 112; 125.
  - Read Treas. Reg. § 1.61-1(a); -21(a)(1); and (2); (b)(1); and (2)
  - Read pg. 89-98.
  - Work Problems 1(a-p), pg. 99-100

- **Exclusions for Meals and Lodging**
  - Read IRC §§ 107; 119(a); 119(d)
Treas. Reg. § 1.119-1
Hatt v. Commissioner, pg. 100-103(Top)
Problems 1-4 pg. 103-104

☐ Check Here When You Have Completed the Above Assignment

<table>
<thead>
<tr>
<th>Topic #7</th>
<th>Awards &amp; Prices</th>
</tr>
</thead>
</table>
| Prizes   | IRC§ 74; 102(c); 132(a)(4); (e); 274(j)  
Treas. Reg. § 1.74-1; Prop. Reg. 1.74-1(b)  
Read pg. 109.  
Read McDonell v. Commissioner, pg. 105-110.  
Work Prob. 1, pg. 110. |

| Scholarships and Fellowships | IRC § 117; 127(a), (b)(1), (c)(1)  
Prop. Reg. §1.117-6(b), (c)(1) -4, (d)(1) -(3)  
Read pg. 110-113.  
Work Probs. 1-2 pg. 113-114. |

☐ Check Here When You Have Completed the Above Assignment

<table>
<thead>
<tr>
<th>Topic #8</th>
<th>Gains from Dealings in Property</th>
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</thead>
</table>
| Factors in the Determination of Gain | IRC §§ 1001(a), (b) first sentence, (c); 1011(a); 1012  

A. Determination of Basis  
Cost as Basis  
IRC §§ 109; 1011(a); 1012(a); 1016(a)(1); 1019  
Treas. Reg. § 1.61-2(d)(2)(i); 1.1012-1(a)  
Philadelphia Park Amusement Co. v. United States 116-120.  
Prob. 1–2, pg. 120-121.

B. Property Acquired by Gift | IRC §§ 1015(a); 1015(d)(1)(A), (4), and (6)  
Treas. Reg. § 1.1015-1(a).  
Farid-Es-Sultaneh v. Commissioner, pg. 124-127  
Work Prob. 1-2, pg. 128. |

☐ Check Here When You Have Completed the Above Assignment
<table>
<thead>
<tr>
<th>Topic #9-1</th>
<th>Property Acquired Between Spouses &amp; Incident to Divorce</th>
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</thead>
</table>
| IRC § 1041(a), (b)  
Treas. Reg. § 1.1041-1T(a) and (d)  
Read pg. 128-130 | Work Prob. Pg. 1(a) – (e), pg. 130-131. |

<table>
<thead>
<tr>
<th>Topic #9-2</th>
<th>Property Acquired from a Decedent</th>
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</table>
| IRC §§ 1014(a), (b)(1), and (6), (e);  
Treas. Reg. §1.1014-3(a); 20.2031-1(b)  
Read pg. 131-133 | Work Prob. 1 pg. 133 |

<table>
<thead>
<tr>
<th>Topic #9-3</th>
<th>The Amount Realized</th>
</tr>
</thead>
</table>
| IRC § 1001(b)  
Treas. Reg. § 1.1001-1(a), -2(a), (b), (c) Ex (1) and (2) |  
*International Freighting Corp v. Commissioner*, pg. 133-136 |

☐ Check Here When You Have Completed the Above Assignment

<table>
<thead>
<tr>
<th>Topic #10</th>
<th>The Amount Realized Continued…</th>
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</thead>
<tbody>
<tr>
<td>Crane v. Commissioner, pg. 136-146</td>
<td></td>
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</table>
Commissioner v. Tufts, 145-154 |

Work Prob. 1-3, pg. 154-155

☐ Check Here When You Have Completed the Above Assignment

<table>
<thead>
<tr>
<th>Topic #11</th>
<th>Discharge of Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRC §§ 61(a)(12); 102(a); 108(a), (b)(1)-(3), (d)(1)-(5), (e)(1) and (5); 1017(a), Treas. Reg. § 1.61-12(a); 1.1001-2(a), 2(c) Ex (8)</td>
<td></td>
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</table>

Rev. Rul. 2008-34, pg. 181-183  
Work Prob. 1-4 pg. 184-185 |
**Topic #12**
Separation and Divorce

**A. Alimony and Separate Maintenance Payments**
IRC §§ 71(a), (b)(1); 215(a); and (b)

Read pg. 201-202

Work Problems 1(a-c) pg. 202-203

**B. Property Settlements**, 203 – 206
Read IRC §1041; See §1015(e)
Treas. Reg. §§1.1041-T(b)

*Young v. Commissioner*, pg. 206-211
Work Prob. 1-2 pg. 211-212

☐ Check Here When You Have Completed the Above Assignment

**Topic #13**
Other Exclusions from Gross Income

**Gain from Sale of a Principal Residence**
IRC §§ 121 (omit (d)(4) and (5), (e))

Treas. Reg. §§ 1.121-1(a), (b)(1), (2), and (4) Ex. 1, (c)(1), (d), -2(a)(1) -4) Ex. 2, -3(b), (c)(1)-(4) Ex 1, (d)(1)-(3) Ex 1, (e)(1) and (2), (f), (g)(1)-(2) Ex. 1.

Read pg. 213-218

Work Prob. 1-4, pg. 218-220.

☐ Check Here When You Have Completed the Above Assignment

**Topic #14**
Exclusion and Other Tax Benefits Related to the Costs of Higher Education

Read pg. 221-229, but focus would be IRC §25A only

Work Prob. 1-2, pg. 229

☐ Check Here When You Have Completed the Above Assignment
<table>
<thead>
<tr>
<th>Topic #15-1</th>
<th>Life Insurance Proceeds and Annuities</th>
</tr>
</thead>
</table>
| (A) Life Insurance Proceeds | IRC §§ 101(a), (c), (d), (g)  
Treas. Reg. §§ 1.101-1(a)(1), (b)(1), -4(a)(1(i), (b)(1), (c)  
Read pg. 157-160  
Work Prob. 1-3, pg. 160-161 |

<table>
<thead>
<tr>
<th>Topic #15-2</th>
<th>Annuities</th>
</tr>
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</table>
| (B) Annuity Payments | IRC §§ 72(a)(1), (b), (c)  
Treas. Reg. § 1.72-4(a), -9 (Table V)  
Read pg. 161 – 165.  
Work Prob. 1(a) –(d), pg. 165-166. |

☐ Check Here When You Have Completed the Above Assignment

<table>
<thead>
<tr>
<th>Topic #16-1</th>
<th>Damages and Related Receipts</th>
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</thead>
<tbody>
<tr>
<td>(A) Introduction, pg. 187</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic #16-2</th>
<th>Damages and Related Receipts</th>
</tr>
</thead>
</table>
| (B) Damages in General | *Raytheon Production Corp. v. Commissioner*, pg. 188-190  
Work Prob. 1(a)-d, pg. 190-191 |

<table>
<thead>
<tr>
<th>Topic #16-3</th>
<th>Damages and Related Receipts</th>
</tr>
</thead>
</table>
| (C) Damages and Other Recoveries For Personal Injuries | IRC §§ 104(a), 105(a) – (c) and (e); 106(a)  
Treas. Reg. § 1.104-1(a), (c), (d), 1.105-1(a), 1.106-1.  
Read Pg. 191-197  
Rev. Rul. 79-313, pg. 197-198  
Work Prob. 1-3, pg. 199-200 |

☐ Check Here When You Have Completed the Above Assignment

<table>
<thead>
<tr>
<th>Topic #17-1</th>
<th>Assignment of Income</th>
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<tbody>
<tr>
<td>(A) Introduction, pg. 237-239</td>
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<tr>
<th>Topic #17-2</th>
<th>Assignment of Income</th>
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</thead>
<tbody>
<tr>
<td>(B) Income from Services</td>
<td><em>Lucas v. Earl</em>, pg. 239-240</td>
</tr>
</tbody>
</table>
| Topic #17-3 | Commissioner v. Giannini, pg. 240-246.  
Rev. Rul. 66-167, pg. 246-247  
Rev. Rul. 74-581, pg. 248-250  
Work Problem 1(a) – (d), pg. 250. |
| --- | --- |

- **Check Here When You Have Completed the Above Assignment**

| Topic #18 | Helvering v. Horst, pg. 250-254  
Blair v. Commissioner, pg. 254-256  
Estate of Stanahan v. Commissioner, pg. 260-264  
Susie Salvatore, pg. 285-288  
Rev. Rul. 69-102, pg. 264-269  
Work Problems 1-3, pg. 269-270 |
| Topic#18 | Income From Property |

- **Check Here When You Have Completed the Above Assignment**

| Topic #19 | (A) Introduction, pg. 271-277 |
| Topic #19 | Income Producing Entities |

- **Check Here When You Have Completed the Above Assignment**

| Topic #20 | IRC §§ 701; 704(e); 761(b)See 1(g); 707(c)  
Treas. Reg. § 1.704-1(e)(1), (2)(i).  
Commissioner v. Culbertson, pg. 278-284  
Work Prob. 1-2, pg. 284-285 |
| Topic #20 | Partnerships |

- **Check Here When You Have Completed the Above Assignment**

| Topic #21 | IRC §§ 11(a) and (b); 482; See §269A  
Overton v. Commissioner, pg. 285-287  
Johnson v. Commissioner, pg. 288-291  
Borge v. Commissioner, pg. 291-294  
Prob. 1, pg. 295 |
| Topic #21 | Corporations |
### Topic #22
**Trusts and Estates**

- IRC §§ 671; 672(a), (b), (e); 673; 676; 677
- Treas. Reg. §§ 1.671-1(a)-(c); 1.676(a)-1
  - Corliss v. Bowers pg. 295-296
  - Helvering v. Clifford, pg. 296-304
- Work problems 1-2, pgs. 3-4-305

### Topic #23
**Business Deductions**

#### (A) Introduction
- IRC §§ 1, 63
- pg. 309-311

#### (B) Ordinary and Necessary Business Deductions
- IRC §§ 162(a)
- Treas. Reg. § 1.162-1(a)

  - Welch v. Helvering, pg. 311-314


### Topic #24
**Business Deductions Cont’d**

- IRC §162(a); 263(a)
- Treas. Reg. §§ 1.162-4; 1.263(a)-2, -4(a) through (e)(1), (d)(1), (e)(1)(i), (2), (3), (4)(i), -5(a), (b)(1).
- Midland Empire Packing Co. v. Commissioner, pg. 318-324
- Indopco, Inc. v. Commissioner, pg. 325-334
- Work Prob. 1 – 3, pg. 334

  - “Carrying On” Business
  - IRC §§ 162(a); 195; 262
  - Treas. Reg. § 1.195-1(a)

  - Morton Frank v. Commissioner, pg. 334-342

<table>
<thead>
<tr>
<th>Topic #25</th>
<th>Depreciation</th>
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<tbody>
<tr>
<td><strong>Introduction pg. 394-404</strong>&lt;br&gt;IRC §§ 167(a), (c); 168(a)-(c), (e)(1); (f)(1); (g)(1)(E), (2) and (7); 1016(a)(2). See §§62(a)(1) and (4); 168(d); 263(a); 263A(a); (b); (c)(1)&lt;br&gt;Treas. Reg. §§ 1.162-4; 1.167(a)-1(a), -10; 1.167(b)-o(a), -1(a), -2(a).</td>
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<tr>
<th>Topic #25</th>
<th>Depreciation Concept and Principles cont’d</th>
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<tr>
<td><strong>Sharp v. United States, pg. 404 – 409</strong>&lt;br&gt;<strong>Simon v. Commissioner, pg. 409-417</strong>&lt;br&gt;<strong>Work problems 1(a-b) pg. 417-418.</strong></td>
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- **Check Here When You Have Completed the Above Assignment**

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<th>Topic #26</th>
<th>Depreciation and Amortization Rules</th>
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<tr>
<td><strong>IRC §§ 167(a), (c)(1); 168(a)-(c), (d)(1); (4)(A); (e)(1), (g)(1)(E), (2), (3)(D), and (7), (k)(1), (2)(A), (E)(ii), and (F)(i), (6)(A), and (7); 179, (d)(4)-(10); (e), (f); 280F(a), (b), (d), (9), and (10)</strong>&lt;br&gt;<strong>Read pgs. 418-426</strong>&lt;br&gt;<strong>Work Problems 1-4, pgs. 426-428</strong></td>
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<tr>
<td><strong>IRC §§ 168(a), (b)(3)(A), (B), and (G), (4), (c), (d)(2) and (4)(B), (e)(2) and (6), (g)(1)(E), (2), and (7); 179(f).</strong>&lt;br&gt;<strong>Read pgs. 428-431.</strong>&lt;br&gt;<strong>Work problems 1(a-f).</strong></td>
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<tr>
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<th>Capital Gains and Losses</th>
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<tr>
<td><strong>A. Introduction, pg. 683-688</strong>&lt;br&gt;<strong>B. Mechanics of Capital Gains, pg. 688-695</strong>&lt;br&gt;<strong>IRC §§ 1(h) [omit (h)(2), (5)(B), (6), (8), (9), (10), (11)]; 1222</strong></td>
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- **Check Here When You Have Completed the Above Assignment**
### Topic #29  
**Mechanics**

A. Work Problems 1-3, pg. 695-696.

B. The Mechanics of Capital Losses

C. IRC §§ 1211(b); 1212(b)(1); (2)(A)(i); 1222(10).

Read pg. 696-701

Work Prob. 1, pg. 701

- Check Here When You Have Completed the Above Assignment

### Topic #30  
**The Meaning of “Capital Asset”**

IRC §§ 1221(a)(1)-(4)

*Mauldin v. Commissioner*, pg. 701-705.


- Check Here When You Have Completed the Above Assignment

### Topic #31  
**The Sale or Exchange Requirement**

IRC § 1222

*Kenan v. Commissioner*, pg. 709-713

*Hudson v. Commissioner*, pg. 714-716

Work Prob. 1, pg. 717

- Check Here When You Have Completed the Above Assignment

### Topic #32  
**The Holding Period**

IRC §§ 1223(1), (2), (9)

Rev. Rul. 66-7, Pg. 717-718

Rev. Rul. 66-97, pg. 718-722

Work Prob. 1-3, pg. 722-723

- Check Here When You Have Completed the Above Assignment