

# 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:***

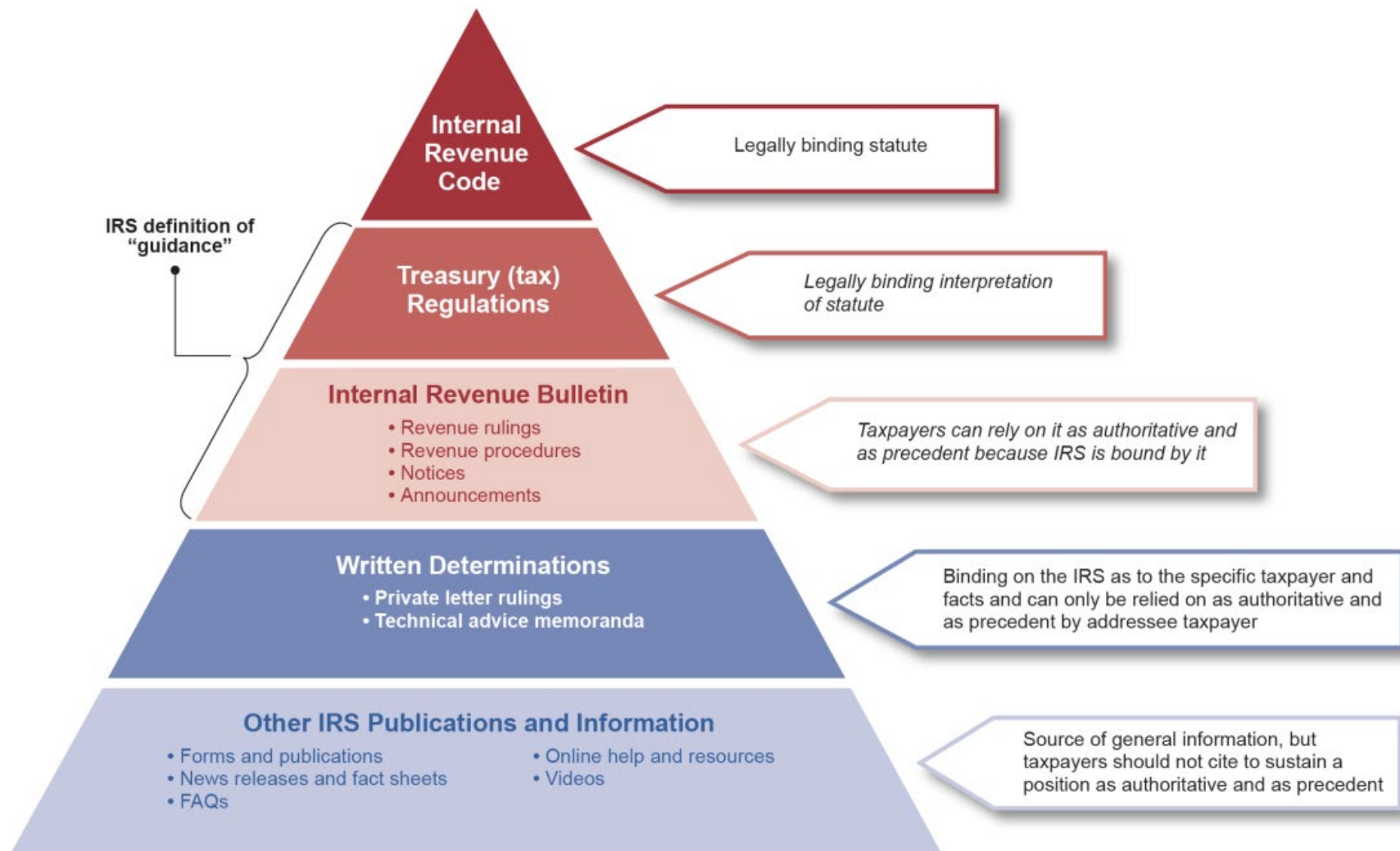
#### **ACKNOWLEDGMENT**

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**

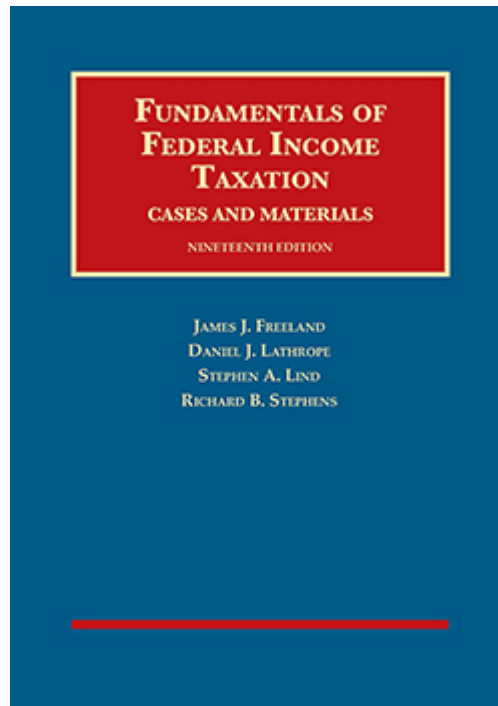
This syllabus is not a contract. Accordingly, it is subject to change at any time with or without notice.

## Hierarchy of Authority for IRS Guidance and Other Information Sources



Source: GAO analysis of IRS documents. | GAO-16-720

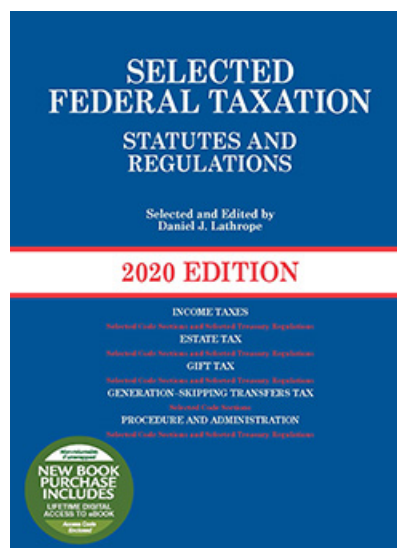
## COURSE BOOKS & MATERIAL



### CASEBOOK:

Fundamentals of Federal Income Taxation, Cases & Materials James J. Freeland, Daniel Lathrope, Stephen Lind, & Richard Stephens, [19th ed. August 2018] (available at TSU Bookstore).

*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:

Selected Federal Income Taxation: Statutes & Regulations, Selected and Edited by Daniel J. Lathrope [2020]. *You may use an older version of the Internal Revenue 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.
- Tax Technical Competence & Problems Solving Skills. Work assigned problems and compare your results with debriefed model answers.
- 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.

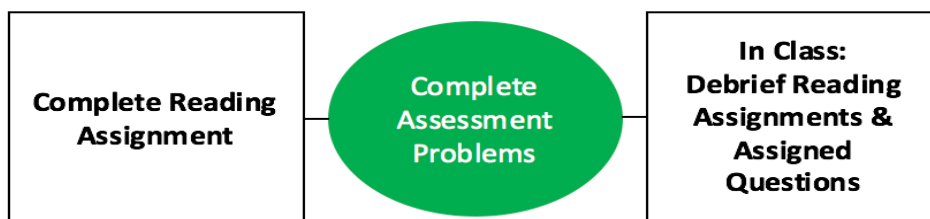
# ASSESSMENT AND GRADING

## 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

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

Tentative (subject to change) letter grade distribution ranges

<u>Letter Grade</u>	<u>Points</u>
As	90-100
Bs	80-89
Cs	70-79
Ds	60-69

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.

 <b>TEXAS SOUTHERN UNIVERSITY THURGOOD MARSHALL SCHOOL OF LAW</b> <b>ACADEMIC CALENDAR 2019–2020</b>		
<b><u>FALL SEMESTER ACCELERATED (TURBO) COURSE</u></b>		
First Day of Accelerated Summer	Monday	August 5, 2019
Last Day to Add/Drop Classes	Monday	August 5, 2019
Last Day of Classes	Friday	August 16, 2019
<b><u>FALL SEMESTER 2019 (SEVENTY-ONE DAYS OF CLASSES)</u></b>		
Orientation	Monday–Friday	August 12–16, 2019
First Day of Class	Monday	August 19, 2019
Last Day to ADD/DROP	Wednesday	August 21, 2019
Labor Day (NO CLASSES)	Monday	September 2, 2019
Purge of all unpaid course selections	Wednesday	September 18, 2019
Mid Term Examinations	Monday–Friday	October 14–18, 2019
Last Day to Drop a Class	Friday	November 8, 2019
Last Day of Classes	Tuesday	November 26, 2019
First Year Professors' Grades due	Tuesday	November 26, 2019
Reading Period (NO CLASSES)	Wednesday	November 27, 2019
Thanksgiving Holiday	Thursday–Friday	November 28–29, 2019
Reading Period (NO CLASS)	Saturday–Sunday	November 30–December 1, 2019
Final Examinations	Monday–Friday	December 2–December 13, 2019
Commencement Exercises	Saturday	December 14, 2019
<b><u>SPRING SEMESTER 2020 (SEVENTY DAYS OF CLASSES)</u></b>		
School Opens	Thursday	January 2, 2020
First Day of Class	Monday	January 13, 2020
Last Day to ADD/DROP	Wednesday	January 15, 2020
M L K Holiday (NO CLASSES)	Monday	January 20, 2020
Purge of all unpaid course selections	Friday	February 7, 2020
Mid Term Examinations	Monday–Friday	March 9–13, 2020
Spring Break	Monday–Friday	March 16–20, 2020
Spring Break (University Closed)	Wednesday–Friday	March 18–20, 2020
Last Day to Drop a Class	Thursday	April 9, 2020
Good Friday (NO CLASSES)	Friday	April 10, 2020
Last Day of Classes	Tuesday	April 28, 2020
First Year Professors' Grades due	Tuesday	April 28, 2020
Reading Period (NO CLASSES)	Wednesday–Thursday	April 29–April 30, 2020
Simulated Bar Exam*	Friday	May 1, 2020 ( <i>tentative</i> )
Reading Period (NO CLASSES)	Saturday–Sunday	May 2–May 3, 2020
Final Examinations	Monday–Friday	May 4–May 15, 2020
Hooding Ceremony	Friday	May 15, 2020
Commencement Exercises	Saturday	May 16, 2020
Please note that the calendar events and /or dates are subject to change. Updated August 6, 2019		

## 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.

<b>#1</b> <b>Read Orientation</b>	<b>Chapter 1, pg. 3-40.</b> <i>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: <b>Read all of it.</b></i>
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☐ Check Here When You Have Completed the Above Assignment

<b>Topic #2</b> <b>Gross Income</b>	The Scope of IRC §61.   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
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☐ Check Here When You Have Completed the Above Assignment

<b>Topic #3</b> <b>Income Without Receipt of Cash or Property</b>	IRC § 61 Treas. Reg. §§ 1.61-2(a)(1), -2(d)(1)  <i>Helvering v. Independent Life Ins. Co.</i> pg. 61.  <i>Rev. Rul.</i> 79-24, pg. 61.  <i>Dean v. Commissioner</i> , pg. 62  Prob. 1-2, pg. 63
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☐ Check Here When You Have Completed the Above Assignment

**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)
- (ii) Rules of Inclusion and Exclusion, pg. 65-66.
- (iii) Gifts: The Income Tax Meaning of Gift. IRC §102(a).
- (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
  - B. *Wolder v. Commissioner*, pg. 83-86.
  - 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)



	<p>Treas. Reg. § 1.119-1  <i>Hatt v. Commissioner</i>, pg. 100-103(Top)  Problems 1-4 pg. 103-104</p>
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☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #7</u></b>  <b>Awards &amp; Prices</b></p>	<p><b>Prizes</b></p> <p>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 <i>McDonell v. Commissioner</i>, pg. 105-110.</p> <p>Work Prob. 1, pg. 110.</p> <p><b>Scholarships and Fellowships</b></p> <p>IRC § 117; 127(a), (b)(1), (c)(1)  Prop. Reg. §1.117-6(b), (c)(1) -(4), (d)(1) -(3)  Read pg. 110-113.</p> <p>Work Probs. 1-2 pg. 113-114.</p>
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☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #8</u></b>  <b>Gains from Dealings in Property</b></p>	<p><b>Factors in the Determination of Gain</b></p> <p>IRC §§ 1001(a), (b) first sentence, (c); 1011(a); 1012  Treas. Reg. §1.1001-1(a).</p> <p><b>A. Determination of Basis</b></p> <p>Cost as Basis</p> <p>IRC §§ 109; 1011(a); 1012(a); 1016(a)(1); 1019  Treas. Reg. § 1.61-2(d)(2)(i); 1.1012-1(a)</p> <p><i>Philadelphia Park Amusement Co. v. United States</i> 116-120.</p> <p>Prob. 1–2, pg. 120-121.</p> <p><b>B. Property Acquired by Gift</b></p> <p>IRC §§ 1015(a); 1015(d)(1)(A), (4), and (6)  Treas. Reg. § 1.1015-1(a).  <i>Taft v. Bowers</i>, pg. 121-124.  <i>Farid-Es-Sultaneh v. Commissioner</i>, pg. 124-127  Work Prob. 1-2, pg. 128.</p>
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☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #9-1</u></b>  <b>Property Acquired Between Spouses &amp; Incident to Divorce</b></p>	<p>IRC § 1041(a), (b)  Treas. Reg. § 1.1041-1T(a) and (d)  Read pg. 128-130</p> <p>Work Prob. Pg. 1(a) – (e), pg. 130-131.</p>
<p><b><u>Topic #9-2</u></b>  <b>Property Acquired from a Decedent</b></p>	<p>IRC §§ 1014(a), (b)(1), and (6), (e);  Treas. Reg. § 1.1014-3(a); 20.2031-1(b)  Read pg. 131-133</p> <p>Work Prob. 1 pg. 133</p>
<p><b><u>Topic #9-3</u></b>  <b>The Amount Realized</b></p>	<p>IRC § 1001(b)  Treas. Reg. § 1.1001-1(a), -2(a), (b), (c) Ex (1) and (2)</p> <p><i>International Freighting Corp v. Commissioner</i>, pg. 133-136</p>

☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #10</u></b>  <b>The Amount Realized Continued...</b></p>	<p><i>Crane v. Commissioner</i>, pg. 136-146</p> <p><i>Commissioner v. Tufts</i>, 145-154</p> <p>Work Prob. 1-3, pg. 154-155</p>
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☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #11</u></b>  <b>Discharge of Indebtedness</b></p>	<p>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)</p> <p><i>United States v. Kirby Lumber Co.</i> pg. 167-168.</p> <p><i>Zarin v. Commissioner</i>, pg. 168-181.</p> <p>Rev. Rul. 2008-34, pg. 181-183  Work Prob. 1-4 pg. 184-185</p>
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**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

<p><b><u>Topic #15-1</u></b> <b>Life Insurance Proceeds and Annuities</b></p>	<p><b>(A) Life Insurance Proceeds</b> 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</p>
<p><b><u>Topic #15-2</u></b> <b>Annuities</b></p>	<p><b>(B) Annuity Payments</b> 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.</p>

☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #16-1</u></b> <b>Damages and Related Receipts</b></p>	<p><b>(A) Introduction</b>, pg. 187</p>
<p><b><u>Topic #16-2</u></b> <b>Damages and Related Receipts</b></p>	<p><b>(B) Damages in General</b> <i>Raytheon Production Corp. v. Commissioner</i>, pg. 188-190  Work Prob. 1(a)-d, pg. 190-191</p>
<p><b><u>Topic #16-3</u></b> <b>Damages and Related Receipts</b></p>	<p><b>(C) Damages and Other Recoveries For Personal Injuries</b>  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</p>

☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #17-1</u></b> <b>Assignment of Income</b></p>	<p><b>(A) Introduction</b>, pg. 237-239</p>
<p><b><u>Topic #17-2</u></b> <b>Assignment of Income</b></p>	<p><b>(B) Income from Services</b> <i>Lucas v. Earl</i>, pg. 239-240</p>

<p><b><u>Topic #17-3</u></b></p>	<p><i>Commissioner v. Giannini</i>, pg. 240-246.</p> <p>Rev. Rul. 66-167, pg. 246-247</p> <p>Rev. Rul. 74-581, pg. 248-250 Work Problem 1(a) – (d), pg. 250.</p>
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☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic#18</u></b> <b>Income From Property</b></p>	<p><i>Helvering v. Horst</i>, pg. 250-254</p> <p><i>Blair v. Commissioner</i>, pg. 254-256</p> <p><i>Estate of Stanahan v. Commissioner</i>, pg. 260-264</p> <p><i>Susie Salvatore</i>, pg. 285-288</p> <p>Rev. Rul. 69-102, pg. 264-269</p> <p>Work Problems 1-3, pg. 269-270</p>
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☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #19</u></b> <b>Income Producing Entities</b></p>	<p><b>(A) Introduction</b>, pg. 271-277</p>
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☐ Check Here When You Have Completed the Above Assignment

<p><b><u>Topic #20</u></b> <b>Partnerships</b></p>	<p>IRC §§ 701; 704(e); 761(b)See 1(g); 707(c) Treas. Reg. § 1.704-1(e)(1), (2)(i). <i>Commissioner v. Culbertson</i>, pg. 278-284 Work Prob. 1-2, pg. 284-285</p>
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<p><b><u>Topic #21</u></b> <b>Corporations</b></p>	<p>IRC §§ 11(a) and (b); 482; See §269A</p> <p><i>Overton v. Commissioner</i>, pg. 285-287</p> <p><i>Johnson v. Commissioner</i>, pg. 288-291</p> <p><i>Borge v. Commissioner</i>, pg. 291-294 Prob. 1, pg. 295</p>
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<b><u>Topic #22</u></b> <b>Trusts and Estates</b>	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
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<b><u>Topic #23</u></b> <b>Business Deductions</b>	<b>(A) Introduction</b> , pg. 309-311 IRC §§ 1, 63
<b><u>Topic #23</u></b> <b>Business Deductions</b>	<b>(B) Ordinary and Necessary Business Deductions</b> IRC §§ 162(a) Treas. Reg. § 1.162-1(a)  <b>Welch v. Helvering</b> , pg. 311-314  Work Prob. 1-2, pg. 314.

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<b><u>Topic #24</u></b> <b>Business Deductions Cont'd</b>	IRC § 162(a); 263(a) Treas. Reg. §§ 1.162-4; 1.263(a)-2, -4(a) through (c)(1), (d)(1), (e)(1)(i), (2), (3), (4)(i), -5(a), (b)(1). <i>Midland Empire Packing Co. v. Commissioner</i> , pg. 318-324 <i>Indopco, Inc. v. Commissioner</i> , pg. 325-334 Work Prob. 1 – 3, pg. 334  <b>“Carrying On” Business</b> IRC §§ 162(a); 195; 262 Treas. Reg. § 1.195-1(a)  <i>Morton Frank v. Commissioner</i> , pg. 334-342  Work Prob. 1-2, pg. 342.
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<p><b><u>Topic #25</u></b> <b>Depreciation</b></p>	<p>Introduction pg. 394-404 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) Treas. Reg. §§ 1.162-4; 1.167(a)-1(a), -10; 1.167(b)-o(a), -1(a), -2(a).</p>
<p><b><u>Topic #25</u></b> <b>Depreciation Concept and Principles cont'd</b></p>	<p>Sharp v. United States, pg. 404 – 409 Simon v. Commissioner, pg. 409-417 Work problems 1(a-b) pg. 417-418.</p>

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<p><b><u>Topic #26</u></b> <b>Depreciation and Amortization Rules</b></p>	<p>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) Read pgs. 418-426 Work Problems 1-4, pgs. 426-428</p>
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<p><b><u>Topic #27</u></b> <b>Depreciation Rules for Realty</b></p>	<p>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). Read pgs. 428-431. Work problems 1(a-f).</p>
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<p><b><u>Topic #28</u></b> <b>Capital Gains and Losses</b></p>	<p><b>A. Introduction</b>, pg. 683-688 <b>B. Mechanics of Capital Gains</b>, pg. 688-695 IRC §§ 1(h) [omit (h)(2), (5)(B), (6), (8), (9), (10), (11)]; 1222</p>
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<p><b><u>Topic #29</u></b> <b>Mechanics</b></p>	<p>A. Work Problems 1-3, pg. 695-696.  <b>B. The Mechanics of Capital Losses</b>  <b>C. IRC §§ 1211(b); 1212(b)(1); (2)(A)(i); 1222(10).</b>  Read pg. 696-701</p> <p>Work Prob. 1, pg. 701</p>
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<p><b><u>Topic #30</u></b> <b>The Meaning of “Capital Asset”</b></p>	<p>IRC §§ 1221(a)(1)-(4)  <i>Mauldin v. Commissioner</i>, pg. 701-705.  <i>Malat v. Riddell</i>, pg. 705-709.</p>
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<p><b><u>Topic #31</u></b> <b>The Sale or Exchange Requirement</b></p>	<p>IRC§ 1222</p> <p><i>Kenan v. Commissioner</i>, pg. 709-713  <i>Hudson v. Commissioner</i>, pg. 714-716</p> <p>Work Prob. 1, pg. 717</p>
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<p><b><u>Topic #32</u></b> <b>The Holding Period</b></p>	<p>IRC §§ 1223(1), (2), (9)</p> <p>Rev. Rul. 66-7. Pg. 717-718</p> <p>Rev. Rul. 66-97, pg. 718-722  Work Prob. 1-3, pg. 722-723</p>
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