

UNIVERSITY OF BALTIMORE SCHOOL OF LAW
SEMESTER YEAR: SUMMER 2016

Course: Advanced Real Estate Taxation

LAWT/992/491-LL.M.
TAXA/692/185-M.S.
LAW/992/512-J.D.

Instructor: Steven M. Gevarter, Esquire
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Days/Time: Thursdays from 6:00 – 9:10 p.m. beginning May 19, 2016 through July 14, 2016

Location: ROOM

Course Description:

A study of the tax planning underlying real estate transactions over their life cycle, whether acquired for investment, business or personal use. Topics focus primarily upon the federal income tax issues involved in the acquisition of real estate, including the choice of entity for its ownership; the costs and expenses associated with construction and development; the leasing of such property; the problems faced when real estate financed with debt becomes financially distressed; and the eventual sale or other disposition of the property. Several state taxes, such as state income tax, recordation and transfer taxes and property taxes are also examined.

Course Materials:

- (i) The Internal Revenue Code of 1986 (“Code”).
- (ii) Income Tax Regulations (“Regs”).
- (iii) Various handouts.

Course Objectives and Outcomes: (or Concepts and Goals)

To learn the substantive tax rules that apply to the acquisition, development, use and disposition of real property, including personal residences and vacation homes, and how to apply those rules in the context of actual transactions.

Assignments:

Class	TITLE	DATE
1	Overview; Acquiring Ownership of Real Property; Choice of Entity	May 19
	Course administrative matters Overview of the life cycle of a real estate project Form of ownership: sole proprietorships, tenancies-in-common, C	

	corporations, S corporations, partnerships, limited liability companies and business trusts Tax basis issues, including mortgage financing The tax treatment of acquisition expenses and the allocation of those costs	
		May 26
2	The Development of Real Property; Financing Real Estate Improvements; Cancellation of Indebtedness and Other Debt Modifications	
	Sale-leaseback and other lease financing Construction costs Capitalized expenditures vs. deductible expenses Rehabilitation, Low-Income Housing and New Markets tax credits Troubled financings: Settlement of debt at a discount Foreclosures and deeds in lieu of foreclosures Abandonment Other debt modifications Repossession of seller-financed property	
3	Rental and Leasing Arrangements	June 2
	Payments between landlord and tenant Deferred or “stepped rental agreements” Leases with purchase options Deposits Lease acquisition and disposition payments Leasehold improvements and additions	
4	Real Estate Operations	June 9
	Investigatory, pre-opening and other start-up expenses Real estate operating expenses Repairs vs. improvements Real estate taxes Depreciation At-risk rules Passive activity limitations	
5	Sales, Exchanges and Other Dispositions of Real Estate – Part I	June 16

	Sales by “dealers” Character of gain or loss by investors Subdivision by investors Seller-financed sales (i.e., installment sales)	
6	Sales, Exchanges and Other Dispositions of Real Estate – Part II	June 23
	Like-kind exchanges Casualty, condemnation and other involuntary conversions Contributions and gifts Upreits	
7	Personal Residences and Vacation Homes	June 30
	Mortgage interest expense Real estate taxes Casualty losses State and federal tax credits Mixed-use residences (i.e., business use or rental of part of a home) Sale of a personal residence Vacation homes Cooperatives, condominiums and associations	
8	State Taxes and Foreign Investor Issues	July 7
	State transfer and recordation taxes State property taxes FIRPTA Information Reporting	
9	Examination	July 14

Grades:

There will be a single three hour exam at the end of the semester. You will be permitted to use the Code and Regs, class notes, and any other secondary sources (e.g., articles, CCH, Prentice-Hall, published outlines, RIA, and Tax Management Portfolios). Ninety percent of your grade will be based upon the exam. Ten percent will be based upon class participation, including analysis and discussion of materials.

Assignments/Participation:

You are expected to complete all reading assignments and to regularly participate in class discussion in order to demonstrate that you have read and reflected on the issues raised in the assignment.

Attendance:

Class attendance is a primary obligation of each 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. [Attendance Policy <http://law.ubalt.edu/template.cfm?page=267>.] A 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. A student who is compelled to withdraw or is barred from sitting for the final exam may receive an "F" in the course. Attendance will be taken at the beginning of each class. A student who is present but unprepared for class may be treated as absent.

Computers:

Students may use laptop computers for class related purposes.

Food and Beverage: Snacks and drinks are permitted during class provided that you avoid loud and messy items. Please clean up after yourself and save anything inappropriate for a break.

Class Cancellation:

If the instructor must cancel a class, notices will be sent to students via email and posted on the classroom door. 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. If the University is not closed, students should presume that classes are running on the normal schedule.

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. [Reference to School of Law Honor Code <http://law.ubalt.edu/template.cfm?page=477>.]

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.