

**UNIVERSITY OF BALTIMORE
PARTNERSHIP TAXATION**

FALL, 2015

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PLEASE FEEL FREE TO STOP BY AT ANY TIME AND/OR TO MAKE AN APPOINTMENT TO SEE ME.

Course Information

Required

Internal Revenue Code
Regulations

(For JD Students, the combined Code/Reg book by Foundation Press is sufficient)

Partnership Taxation, 3rd Edition, by Lipton, Carmen, Fassler, and Schwidetzky.

Suggested:

Friedland, Understand Partnership and LLC Taxation

Class Participation

It is important to keep your class preparation current. Much of the course will build on subject previously discussed, and the various code sections work in conjunction with one another. If you miss and/or do not prepare for one class, the next class may use terms and concepts you do not understand, which will compound the difficulty of understanding this complex area of the tax law.

I recommend you read your assignments in the following order:

- Text
- Regulations
- Code
- Materials (if applicable)
- Friedland (optional)

Then do the problems.

Exams/Grading

There will be one three hour exam given at the end of the semester. The exam will be designed to continue the learning process. Ninety percent of your grade will be based on the exam, ten percent on class participation. To obtain one hundred percent of the ten percent for class participation, it is only necessary that you make a reasonable effort to prepare for class and do the problems. Only in real life are you expected to have a perfect understanding and perfect answers.

Attendance

Class attendance is a primary obligation of each J.D. 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. A J.D. 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. J.D. students who are forced to withdraw for exceeding the allowed absences should receive a grade of WA (withdrawal due to excessive absences), unless the faculty member believes that a grade of WF is warranted. In this course, J.D. students are allowed a maximum of **two** absences. Attendance will be taken at the beginning of each class.

While LL.M. and M.S. students should endeavor to attend each class, there is no attendance policy applying to these students.

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.

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.

Syllabus

FIRST CLASS: Do i and 1. of syllabus.

i. Introduction to Partnership Taxation text.

1. Partnership Classification

Code: §§ 761, 7701(a)(2), 7701(i), 7704

Regs: §§ 1.761-2, 301.7701-1 to 4(d), 1.7704-1

Prop. Treas. Reg. § 1.761-3

Text: Chapter 1 (skim §1.08)

Problems: 5 and 8

2. Formation

Code: §§ 108(e)(8), 168(i)(7), 351(e)(1), 368(a)(2)(F), 453B
709, 721, 722, 723, 724, 751(b), 751(c), 1223(1), 1223(2)

Regs: §§ 1.351-1(b), 1.351-1(c), 1.709-2, 1.721-1, 1.722-1,
1.1223-3(b), 1.1223-3(f)

Text: Chapters 2 and 8.08A, B, and C.

Problems: 1 and 2

3. Outside Basis and Allocation of Liabilities

Code: I.R.C. §§ 702(a)(4), 704(d), 705, 722, 731, 732, 733, 752

Regs: Treas. Reg. §§ 1.705-1(a)(1), 1.722-1, 1.731-1(a)(1)(ii),
1.752-1, 1.752-2, 1.752-3, 1.752-4, 1.752-7

Text: Chapter 3 (skim pages 68-70)

Problems: 1-4, 6

4. Operation of the Partnership: Calculation of Partnership Taxable Income

Code: §§ 108(d)(6), 108(e)(8)(B), 444, 447 (skim), 448 (skim), 464 (skim), 465, 469, 701, 702, 703, 704(d), 705, 706(b), 706(d), 724, 7519

Regs: §§ 1.702-1, 1.704-1(d), 1.706-1(b), 1.179-2(b)
Prop. Treas. Reg. § 1.465-67, -68

Text: Chapter 4 (skim § 4.05)

Problems: 1, 3-5, 8

5. Operations of a Partnership: Allocation of Partnership Income and Losses

A. Code: I.R.C. § 704(b),

Regs: §§ 1.704-1(b)(1)(i), (iii), (iv), -1(b)(2)(i)-(iii), (iv)(a)-(e), (h), (n), (p), (q), -1(b)(3), -1(b)(5) Examples 1, 2, 3, 4, 5, 6, 7,8, 15(i), 1.1245-1(e)

Text: §§ 5.01-5.04

Problems: 1-5

B. Code: §§ 704(a), (c)(1)(A), (3), 724

Regs: Treas. Reg. §§ 1.704-3(a)(1)-(5), (10), -3(b), (c), (d), -3(e)(1), 1.704-1(b)(1)(vi), -1(b)(2)(iv)(d)(1),(3), 1.704-1(b)(2)(iv)(f), 1.704-1(b)(4)(i), -1(b)(5) Examples 14(i)-(iv)

Text: §§ 5.05, 5.06

Problems: 14-16

- C. Regs: §§ 1.704-2(b), (c), (d), (e), (f)(1)-(3), (6),(7) Example 1, (g), (h), (i), (j), (m) Examples 1(i)-(iv), (vi), (vii), (viii),3(i)
Text: §§ 5.07
Problem: 17
- D. Code: § 704(e)
Regs: Treas. Reg. §§ 1.704-1(e)
Text: § 5.08
- E. Code: § I.R.C. §§ 706(c)(2)(b), (d)
Regs: §§ 1.706-1(c)(1), (2) (4)
Text: § 5.09

6. Disposition of Partnership Interests

- A. Code: §§ 357, 706, 708, 741, 743(b), 743(d), 751(a), 751(c), 751(d), 752(d), 754, 755, 761(e)
Regs: §§ 1.704-4(c)(3), 1.706-1, 1.708-1, 1.737-2(a), 1.742-1, 1.743-1, 1.755-1, 1.761-1(c), 1.1001-2, 1.1011(b), 1.1223-3
Text: Chapter 6 (skim 6.05, 6.06)
Problems: 1, 8-9

7. Partnership Distributions

- A. Code: §§ 731, 732(a), (c)(1), (3), (d), 733, 735, 1245(b)(6)
- Regs: §§ 1.731-1(a)(1), (3), (c), -2, 1.732-1(a), (c), (d), 1.733-1, 1.735-1, 1.1245(f)(2), (3), 1.704-1(b)(2)(iv)(e)(1)
- Text: §§ 7.01-7.06
- Problems: 1
- B. Code: §§ 731(b), 734, 754, 755, 1245(b)(3)
- Regs: §§ 1.734-1, 1.755-1(a), (c)
- Text: § 7.07
- Problem: 3
- C. Code: §§ 731(d), 732(e), 751(b)
- Regs: §§ 1.751-1(b)-(e), (g), example 2
- Text: § 7.08
- Problem: 4
- D. Code: §§ 708(a), (b)(1), 731(a)(2), 732(c)(2), 761(d), (e)(1), 736
- Regs: §§ 1.708-1(a), (b), 1.731-1(a)(2), 1.732-2(b), (c), 1.736-1
- Text: § 7.09
- Problems: 5

8. Transactions Between Partner and Partnership—Section 707(a) and 707(c);
Section 707(b); Issuance of a Partnership Interest for Services

Code: §§ 707, 267

Regs: §§ 1.707-1, 1.707-3, 1.707-4, 1.707-5, 1.707-6, 1.707-8
Skim Prop. Treas. Reg. § 1.707-7

Text: Chapter 8 (skim discussion of proposed regs in § 8.06)

9. Anti-Abuse Provisions

Code: §§ 707(a)(2)(B), 704(c)(1)(B), 737, (skim 731(c)),
707(a)(2)(A), 732(f)

Regs: §§ 1.701-2, 1.707-3, -4, -5, -6, 1.737, 1.732-3, 1.1502-34
Skim Prop. Treas. Reg. § 1.337(d)-3

Text: Chapter 13