

**Tax I**  
**Fall 2015**

LawT 953/491- LL.M --- Law 953/512 – J.D. -- TaxA 651/185 - M.S.

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**Textbooks**

Freeland, Lathrope, Lind & Stephens, *Fundamentals of Federal Income Taxation*  
(17th ed., 2013)  
Lathrope, Daniel J., *Selected Federal Taxation Statutes and Regulations*  
(2016 Edition)

**Grading, Class Participation Computers and Final Examination**

Ninety percent of the final grade will be based on a final examination and ten percent will be based on class participation. Class participation includes discussions of the assigned reading materials (including the Internal Revenue Code and regulations) and participation in the resolution of problems at the end of each subchapter. Meaningful participation is difficult without regular attendance.

Students may use laptop computers for class related purposes. If students elect to use a computer for the final examination, designated software must be used to temporarily disable most computer functions and convert the laptop into a basic word processor.

A three hour examination will include a combination of multiple choice, fill in the blank and essay questions. The Internal Revenue Code and regulations (single volume Lathrope edition) may be used. Other materials will not be permitted.

**Attendance Policy for J.D. Students**

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 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. Absent a University closing, students should presume that classes are running on the normal schedule. Cancellations for any other reason are unlikely, but would be accompanied by email notices to students and a notice posted on the classroom door.

## **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.

## **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.

## **First Class Assignment:**

Chapters one and two will be discussed during the first class. Skim sub-chapters 1A, 1B, 1C, 1D and 1F. Read chapter 2, I.R.C. § 61 and Treas. Reg. §§ 1.61-1, -2(a)(1), -2(d)(1) and -14(a). Be prepared to discuss the following problems:

page 54 -- 1 - 2, 4 - 6;  
page 57 -- 1 - 2.

Assignments for the entire semester are attached.



4. September 14, 2015

**Chapter 5: Awards**

**Prizes**

**Scholarships &  
Fellowships**

Entire chapter  
Code §§ 74; 117; 127(a), (b)(1), (c)(1)  
Treas. Reg. § 1.74-1;  
Prop. Reg. §§ 1.74-1(b); 1.117-6(b), (c)(1) – (4), (d)(1) – (3)

**Chapter 6: Gain from Dealings in Property**

**Gain Computation**

**Basis – General Basis  
Cost, Gift, Bequest, Divorce**

**Amount Realized**

Entire chapter  
Code §§ 1001(a) – (c); 1011(a); 1012; 109; 1014(a)(1), (b)(1) & (6), (e); 1015(a);  
1016(a)(1); 1019; 1041(a) & (b)  
Treas. Reg. §§ 1.1001-1(a), -2(a)-(b), (c) Examples 1 & 2; 1.61-2(d)(2)(i); 1.1012-1(a);  
1.1015-1(a); 1.1014-3(a); 1.1041-1T(a) & (d); 20.2031-1(b)

5. September 21, 2015

**Chapter 6: Gain from Dealings in Property – Cont'd.**

6. September 28, 2015

**Chapter 6: Gain from Dealings in Property – Cont'd.**

**Chapter 21: Capital Gains and Losses (Overview)**

Subchapters 21A; 21D; 21F (pp. 747-748); 21H (pp. 780-782)  
Code §§ 1221(a); 1222

7. October 5, 2015

**Chapter 7: Life Insurance Proceeds and Annuities**

Entire chapter  
Code §§ 101(a), (c), (d) & (g); 72(a)(1), (b) & (c)  
Treas. Reg. §§ 1.101-1(a)(1), (b)(1), -4(a)(1)(i), (b)(1), (c); 1.72-4(a)

**Chapter 8: Discharge of Indebtedness**

Entire chapter  
Code §§ 61(a)(12); 102(a); 108(a), (b)(1) – (3), (d)(1) – 5, (e)(1) & (5),  
1017(a), (b)(1) - (2), (3)(A) & (B)  
Treas. Reg. §§ 1.61-12(a); 1.1001-2(a), 2(c) Ex. 8

8. October 12, 2015

**Chapter 9: Damages & Related Receipts**

**Damages in  
General**

**Damages for  
Personal Injuries**

Entire chapter  
Code §§ 104(a); 105(a) – (c) & (e); 106(a)  
Treas. Reg. §§ 1.104-1(a), (c), (d); 1.105-1(a); 1.106-1

**Chapter 10: Separation & Divorce**

**Alimony & Separate  
Maintenance**

**Property  
Settlements**

**Child Support**

Chapter 10 (except Subch. 10.C.2 – Alimony Payments by a Third Party)  
Code §§ 71 (omit (c)(2) & (3)); 215(a) & (b); 7701(a)(17); 1041; See § 1015  
Treas. Reg. §§ 1.71-1T(a) & (b) (omit Q 6, 7, 11, 12), (c); 1.1041-1T(b)

9. October 19, 2015

**Chapter 12: Assignment of Income**

**Income from Services**                      **Income from Property**

Entire chapter  
Code §§ 1(a) – (e), (h); 6013(a)

**Chapter 16: Deductions Not Limited to Business**

**Interest, Taxes**                      **Bad Debts, Charity**                      **Casualty, Theft**

Subchapter 16A; Scan subchapters B, C & D and 17F  
Code §§ 163(a), (h); 280A(d)(1); 7872; 164(a), (b)(1) & (5), (c), (d)(1); 275; 1001(b)(2)  
Treas. Reg. §§ 1.164-3(a) – (d)  
Prop. Reg. §§ 1.7872-1(a)

10. October 26, 2015

**Chapter 18: Deductions for individuals Only**

**Moving Expenses**                      **Extraordinary Medical Expenses**                      **Qualified Tuition Expenses**                      **Attorney’s Fees**

Subchapters 18B, C & D; Skim *Banks* case  
Code §§ 62(a)(15) & (18); 274(n)(1); 82; 132(a)(6) and (g); 217; 213(a), (b), (d)(1) – (4) and (9); 263(a)(1)  
Treas. Reg. §§ 1.217-2(b)(2) – (4), (8); 1.213-1(a)(1), (e)(1) – (4)(i)(a)

**Chapter 14: Business Deductions**

**§ 162 Overview**                      **Salaries, Travel, Rental, Education**                      **Miscellaneous**                      **Depreciation**

Entire chapter  
Code §§ 1; 63; 162(a); 263(a); 274(a), (d), (e), (k), (l), (m)(2), (n); 195; 262; 165(a), (b) & (c)(1); 280B; 167(a) & (c); 168(a) - (c), (e)(1) – (2), (f)(1) & (5), (g)(1) – (2), (7), (i)(1); 1016(a)(2)  
Treas. Reg. §§ 1.162-1(a), -2 (omit -2(c)), -4, -5(a), (b)(1), 2(i), 3(i), (c), (e)(1), 1.162-4, -7, -8, -9, -11(a), -20(a)(2); 1.167(a)(1)-1(a), -10; 1.167(b)-0(a), -1(a), -2(a); 1.195-1T(b); 1.263(a)-2(d)(1) & (2) Examples 1, 5, 6 & 8, (f)(1) & 2(i), 1.263(a)-3(d), (e)(2)(i) and (3)(i), 3(j)(1) and (j)(3) Example 13, (k)(1)(vi), (7) Examples 14 & 15, (l)(1) 1.263-4(a) – (c)(1), (d)(1), (e)(1)(i), (2) – (3), (4)(i), -5(a), (b)(1); 1.274-2(a)(1), (c) & (d);

11. November 2, 2015

**Chapter 14: Business Deductions – Cont’d**

12. November 9, 2015

**Chapter 15: Deductions for Profit-Making, Non-Business Activities**

**§ 212 Expenses**                      **Transactions Entered Into for Profit**

Entire chapter  
Code §§ 212, 274(h)(7); 121(a), (d)(6); 165(a), (b), (c)(2); 167(a)(2); 168(a), 212  
Treas. Reg. §§ 1.212-1(g), (h), (k), (l), (m); 1.262-1(b)(7); 1.165-9(b); 1.167(g)-1; 1.212-1(h)

13. November 16, 2015

**Chapter 17: Restrictions on Deductions**

**Not for Profit**                      **Illegal Activities**  
**Activities - § 183**

Subchapters 17A, C, D,

F -- (Skip at-risk discussion in 17B and passive activity loss rules in 17E)

Code §§ 183(a) – (d); 280A(a), (b), (c)(1), (3) & (5), (d)(1), (e) – (g); 162(c), (f) & (g)

Treas. Reg. § 1.183-2(a) & (b)

14. November 23, 2015

**Chapter 18: Deductions for Individuals Only**

**Adjusted Gross**                      **Personal & Dependency**                      **Standard**  
**Income**                                      **Exemptions**                                      **Deduction**

Subchapter 18A, E & F (but not the *Banks* case)

Code §§ 62(a), (c) & (e); 151 (omit (d)(3)); 152 (omit (f)(6)); 63; 67; 274(n)(1)

Treas. Reg. §§ 1.62-1T(b) & (d); 1.162-17(b), (e)(3); 1.67-1T(a)

**Chapter 27: Alternative Minimum Tax**

Subchapter 27C (pp. 978 – 982, Scan 982 – 986)

Code §§ 55(a) - (d); 56(a)(1), (3), (4) & (6), (b)(1) & (3);

57(a)(5) – (7); 58(b)

**Final Exam Period: December 1 to December 11**