

Alabama Law Tax LLM
Personal Income Tax
Professor Kahn
Fall 2022

SYLLABUS

This is the introductory course for the Graduate Tax Program. This course is designed to both teach many of the basic rules of the federal income taxation of individuals and introduce concepts that will be further developed during later courses in the Graduate Tax Program.

The required texts for the course are: Kahn and Kahn, *Federal Income Tax* (Foundation Press, 8th Ed.) and *Selected Federal Taxation Statutes and Regulations* (West, 2022 ed.) (note that you may also use an older edition of the statutes and regulations). Although not required, many students find the following supplementary books helpful: Bankman, Griffith, Pratt, *Federal Income Tax Examples and Explanations*, Chirelstein and Zelenak, *Federal Income Taxation* and Alscott, *Taxation in Six Concepts*.

References to "K" are to sections or chapters of Kahn and Kahn, *Federal Income Tax*. References to "Supp" are to the supplement materials (available for download on the course website at www.jeffreykahn.com). The problem sets referred to on the syllabus are also available for download on the website. References to "IRC" numbers are to sections of the Internal Revenue Code of 1986, as amended. When a Code section is assigned, the student should also read the regulations that apply to that section unless there is a large number of regulations under that section (as is the case, for example, in IRC § 61). Regulations will be listed in the assignments below only if selected regulations under a Code provision are to be read or if the listed regulation is promulgated under a Code provision that is not assigned in that unit. If an assigned provision is not included in the volume of the Selected Statutes and Regulations that you are using, you can locate that provision though Lexis or Westlaw.

ATTENDANCE & PARTICIPATION

The class meets virtually on Tuesdays and Thursdays from 5:30 pm to 7:10 pm CST. This course will be taught by use of the problem method approach. The focus of our classroom discussion will be on the problems that raise specific questions related to the assigned topic. However, I usually will lecture a bit for each class reviewing the basics of the material. Students should arrive to class prepared to discuss the day's assignment, particularly the problems that we will review.

GRADING

The student's final grade will be based on the final exam.

"OFFICE HOURS"

I don't have specific office hour times but students are welcome to email questions to me at any time (and if needed we can set up a virtual office meeting at a convenient time).

GUEST LECTURE

I will be out of town on Thursday, September 22, so we will have a guest lecturer (my colleague Professor Steve Johnson who also teaches in the Alabama LLM program) for that class. The topic and readings will be provided the week before that class.

ASSIGNMENTS

CLASS ONE - INTRODUCTION

K, 1.0000 to 1.5000

Mayo Foundation (Supp)

Minzer (Supp)

CLASS TWO & THREE- Fringe Benefits and BarTERS

K, 1.6400 to 1.7130, 1.8000 to 1.9300, Chapter Two, 3.0000 to 3.1630

IRC §§ 61, 119 (omit 119(c) and (d)), and 132

Treas. Reg. §§ 1.61-2(a)(1), 1.61-2(d)(1) and (2), 1.61-14(a), 1.61-21(a)(1)-(4), (b)(1) and (2)

Problems

Problem Set #1 [In answering these questions, ignore IRC § 4977(c)]

CLASS FOUR & FIVE - Realization

K, 1.6000 to 1.6230, 1.7200 to 1.7336-2, 24.1000 to 24.1110, 24.2300 to 24.2331

Treas. Reg. § 1.61-6(a)

Eisner v. Macomber (Supp)

Rev. Rul. 79-24 (Supp)

Rev. Rul. 80-52 (Supp)

Problems

Problem Set #1.5

CLASS SIX - Damages

K, Chapter Four, 9.3800

Glenshaw Glass (Supp)

PLR 200041022 (Supp)

PLR 200121031 (Supp)

IRC § 104(a) [Note: IRC § 130]

Problems

Problem Set #2

CLASS SEVEN- Recovery of Loss & Tax Benefit Rule

Clark (Supp)

PLR 9743035 (Supp)

Review K, 4.2500 to 4.2520

K, Chapter Five

IRC § 111(a) and (c)

Hillsboro Nat. Bank (Supp)

Problems

Problem Set #3

CLASS EIGHT - Gifts

K, 6.0000 to 6.1120, 6.6000 to 6.8430

IRC §§ 102, 267(a)(1), (b)(1), (c)(4), 1014(a), 1015(a), (e), 1041(a), (b)

[Note: IRC §§ 84(a), and 1015(d)]

Treas. Regs. §§ 1.1001-1(e), 1.1015-4

Taft (Supp)

Problems

Problem Set #4 [Answer these questions without regard to IRC § 1015(d)]

CLASS NINE - Standard for Determining Gifts and Bequests

K, 6.2000 to 6.5000, 6.8500, 6.9000A, 9.3600 to 9.3620

IRC § 102, 1041(a), (b) [Note: §§ 85, 86(a)-(c), 274(b)]

Prop. Reg. § 1.102-1(f)(2)

Duberstein (Supp)

Olk (Supp)

Problems

Problem Set # 5

CLASS TEN – Prizes, Annuities, Life Insurance and Time Value of Money

K, 3.1100 to 3.1110, 9.1000 to 9.1200, 9.2000 to 9.2500, 9.3200 to 9.3570

IRC §§ 74(a), (b), (d), 117

Prop. Reg. §§ 1.74-1(b), 1.117-6

Problems

Problem Set # 6

CLASS ELEVEN - Claim of Right and Illegal Income

K, Chapter Eight

IRC § 1341

Lewis (Supp)

Problems

Problem Set # 8

CLASS TWELVE - Medical

K, Chapter 19

Ochs (Supp)

Problems

Problem Set #10

CLASS THIRTEEN – Review Session