

CAPITAL TRANSACTIONS SYLLABUS

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This continues the introductory course (Personal Income Tax) in the Graduate Tax Program.

We will continue to use: Kahn and Kahn, Federal Income Tax (Foundation Press, 7th Ed.) and Selected Federal Taxation Statutes and Regulations (West, 2018 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.

Note that this is now a 3-hour course. Please read all the assigned materials and work the assigned problems before class.

CLASS ONE - Alimony

K, Chapter Fifteen

IRC §§ 71, 215 and 682 [Note: IRC §§ 62(a)(10), 453B(g), 1015(e), and 1041]

Problems

Problem Set # 11

CLASS TWO – Deduction for Losses & Limits on Losses

K, 18.0000 to 18.6000

IRC §§ 165(a)-(c), (e), (h), 280B, 1016(a)(1) [Note: IRC §§ 123, 465, and 469]

Treas. Reg. § 1.161-1

Problems

Problem Set # 12

CLASS THREE – Business Expense 1

K, 18.7000, 21.0000 to 21.1182, 21.1200 to 21.1390A, 21.1470 to 21.1475, 21.1490 to 21.1492
IRC §§ 21, 62, 67, 68, 162(a), 183, 212, 262

[Note: IRC §§ 165, 274(b) and (d), 280A, and 1016(a)(2)]

Pevsner (Supp)

Gilmore (Supp)

Hunter (Supp)

Rev. Rul. 75-120 (Supp)

Problems

Problem Set # 13

CLASS FOUR- Business Expense 2

K, 21.3000 to 21.4300

IRC §§ 62, 67, 68, 82, 162(a), 183, 212, 217, 262, 263A(a), (b), (c)(1), (h), 274(a), (e), (k), (m),
and (n) [Note: IRC §§ 165, 274(b) and (d), 280A]

Smith (Supp)

Flowers (Supp)

Hantzis (Supp)

Problems

Problem Set # 14

CLASS FIVE – Ordinary and Necessary

K, 21.1400 to 21.1462, 21.1490A to 21.1600

IRC §§ 162(a), (f), 195, 263(a), 263A(a)-(c), (f), 280A

Popov (Supp)

Welch (Supp)

Rev. Rul. 99-23 (Supp)

Rev. Rul 2000-7 (Supp)

Problems

Problem Set # 15

CLASS SIX – Depreciation

K, 21.1480 to 21.1483, Chapter Twenty-Two

IRC §§ 167(a)-(c), 168(a)-(e), (f)(1), (g)(1)-(3), (7), (i), 179, 183, 197, 263(a)(1)(G), 280A and
1016(a)(2) [Note: § 280F]

Simon (Supp)

Depreciation Tables Taken From Rev. Proc. 87-57 (Supp)

Problems

Problem Set # 16

CLASS SEVEN – Recapture of Depreciation

K, 26.0000 to 26.1100, 26.3000 to 26.3240

IRC §§ 1017(d), 1245 (Omit IRC § 1245(a)(4) and (b)(5)-(8))

[Note: IRC §§ 1041, 1223(9)]

Treas. Reg. 1.179-1(e)(1), (3)

Prop. Reg. § 1.168-5(b), (f)(3), (4), 1.1016-3(a)(3)

Problems

Problem Set # 17

CLASS EIGHT – Realization Revisited & Review

K, 24.1000 to 24.1720

IRC §§ 1001, 1011, 1015(e), 1041, 7701(g)

Treas. Reg. § 1.1001-2

Problems

Problem Set # 18

CLASS NINE – Capital Assets

General

K, 25.0000 to 25.3230, 25.5000 to 25.7123

IRC §§ 1(h), 1221(a), 1222, 1223(1), (2) and (9), 1211, 1212(b), and 165(f)

Treas. Reg. § 1.1012-1(c)

Statutory Exclusion from Capital Asset

K, 25.3300 to 25.3350

IRC § 1221(a)

Bielfeldt (Supp)

Malat (Supp)

Judicially Created Exceptions to Capital Gain Treatment

K, 25.4200 to 25.4440

Corn Products (Supp)

Arkansas Best (Supp)

Merchants National Bank (Supp)

Arrowsmith (Supp)

Note: § 1221(a)(7)

Sale of a Business

K, 26.4000 to 26.4121

McGowan (Supp)

CLASS TEN – Quasi-Capital Assets

K, 26.0000 to 26.2237-3

IRC §§ 1231, 165(h), 1(h) [Note: § 64]

International Shoe (Supp)

Problems

Problem Set # 19

CLASS ELEVEN – Anticipatory and Anticipation

Anticipatory Assignment of Income

K, 14.0000 to 14.2610

Treas. Reg. § 1.61-2(c)

Lucas v. Earl (Supp)

Poe v. Seaborn (Supp)

Blair (Supp)

Horst (Supp)

Eubank (Supp)

Heim (Supp)

Note: IRC §§ 1(g), 269, 482, 446(b), and 61

Anticipation of Income

K, Chapter Twenty-Seven, 24.1400 to 24.1450

IRC §§ 1241, 273, 1001(e) [Note: § 167(e)]

Treas. Reg. § 1.1001-1(f)

Hort (Supp)

McAllister (Supp)

P.G. Lake (Supp)

Lattera (Supp)

Banks (Supp)

Problems

Problem Set # 20

CLASS TWELVE – Wash Sales

K, 24A.1000 to 24A.1343 (CHECK!)

IRC §§ 267(a)(1), (b), (c)(4), (d), (g) and 1091

Problems

Problem Set # 21

CLASS THIRTEEN – TBD

CLASS FOURTEEN – Review Session