

Federal Income Tax

Fall 2010

University of Cincinnati College of Law
Professor Stephanie Hunter M^cMahon

Course Goals. This course has three primary goals:

1) To continue students' development as attorneys. As an attorney you must inspire confidence in your listeners and in those reading your work. At times when you practice as a junior attorney you will get questions where you definitely know the answer and are able to speak and to write confidently. But at other times you will be put on the spot and forced to hazard an educated guess on questions you are not sure of. It is important to learn to convey confidence and competence in your response even when you need additional research to determine the substantive answer to a client or supervisor's question.

2) To examine the fundamental rules, definitions, and concepts of federal income taxation. After this course you should have a solid grasp of the overall structure of the income tax and a sense of how it applies to individuals, including the answers to such questions as what is "income," when income is taxed, and what can be deducted from income.

3) To develop the skills of statutory interpretation. Focusing on the Internal Revenue Code and the accompanying Treasury Department regulations, you will explore statutes and how lawyers and legal institutions have interpreted them over time. This is a fundamental legal skill that extends far beyond tax law.

Methodology. This class uses the problem method. Determining what the law is and applying it to the facts of a problem require a close reading of assigned statutes, regulations, and cases. While this is not a course in accounting, you will have to do some basic math (addition, subtraction, multiplication, and division, as well as some basic fractions). Feel free to bring a calculator.

Materials. The assigned texts are (i) Burke & Friel, *Taxation of Individual Income*, 9th edition, and (ii) Bank and Stark, *Federal Income Tax Code and Regulations*, 2010-11 edition. It is very important to have current materials. Bring BOTH texts to each class session. **You must read the Code and Regulations to be prepared for this course.**

In addition, I will post supplemental, mandatory materials under "Course Documents" on the class's TWEN website.

Optional materials: Marvin Chirelstein, *Federal Income Taxation* (2009). I highly recommend this book. If you decide to use it, be sure to obtain the latest edition.

Class Meetings, Contact Information, and Office Hours. The class will meet on Tuesdays and Thursdays from 1:30 to 2:55 in Room 118. My regular office hours are Tuesdays and Thursdays from 12:30 to 1:30 in Room 430. I will also make myself available to meet with students by appointment. I can be reached by email at Stephanie.McMahon@UC.edu or by phone at 556-4206.

Please feel free to contact me as often as you wish to ask me questions or communicate any suggestions or concerns about the course, law school, or the legal profession and your future role in it. I encourage you to write me comments or questions about the subjects we will be covering in class. As these questions will often be of interest to your fellow students, *I reserve the right to forward your questions to your classmates, without your name attached, unless, of course, your email asks that your communication remain confidential, in which case I will always honor the request for confidentiality.*

Hypos and use of TWEN Discussion Board: Students often raise interesting hypotheticals in class that involve variations on the assigned problems. When hypotheticals are raised in class, I will generally ask the student who raised it what he or she thinks is the answer. If time permits, I may ask for others to add to the analysis of the hypothetical. If you ask a question in class that will take us beyond the assigned material or will require substantial time reviewing material previously discussed, I may defer answering the question at length until outside of class time or I may simply post the hypothetical on the Discussion Board of the TWEN site after class so that class discussion of the hypothetical can take place there. If you ask a question that I reserve for further discussion outside of class, please do not take it personally and feel free to follow up with me outside of class in person or by email. I also encourage students with hypotheticals not raised in class to post them on the Discussion Board for other students to respond to. I will respond periodically to student posts on the Discussion Board.

Tax advice: I am sorry but I cannot provide tax advice to students. Of course, I am happy to help with questions relating to the course, but I cannot address students' personal tax situations or those of their friends, family, etc.

Attendance. Class attendance is essential. Not only is regular class attendance a requirement for you to get your degree and be admitted to the bar, but students who miss a lot of classes generally perform poorly on the exam. To facilitate your development as attorneys, there is no panel of students on call and I will try to call on many different students each class, so you must come to class prepared to participate in classroom discussion. Students may have their final grade raised or lowered by as much as a ½ letter grade (e.g., from a B+ to an A-) as a result of their participation. Chronic absenteeism or unpreparedness may result in sanctions, including the receipt of a "UWF" grade where appropriate.

To be fully prepared for class, you will need to have read and carefully considered the assigned Code sections, Treasury Regulations, cases, rulings, etc. There are also assigned problems to help you work through the material; you must write out complete answers in order to be prepared for class. When analyzing the problems, focus on (1) the relevant legal principles; (2) the application of the principles to the facts; and (3) the conclusion. You need to be prepared to explain your analysis.

If you do not have time to completely prepare for class, I recommend the following priority order for the materials: (i) the assigned Code sections, (ii) the assigned Regulation sections, (iii) the assigned material in the casebook, and (iv) the problems.

Grading. Fifteen percent of your grade is composed of a problem set of professional emails of the type a practicing lawyer might send to a client. The problems will focus on statutory interpretation. You will be assigned to groups to complete this assignment. I expect to post the problems in the Assignment Drop Box on the class TWEN website on Tuesday, October 5, and answers will be due to me via the same source by 5:00 p.m., Monday, October 25. Although these dates are subject to change, I will not accept responses after the deadline that is established. I will post a style sheet with format suggestions when I post the problems.

The remaining eight-five percent of your grade is a final examination. The exam will consist of a set of multiple choice questions plus two short answers to be completed in an email format. One of the most important skills of a good lawyer (and one of the most important skills that you must demonstrate on my exam) is the ability to *apply law to facts and come to conclusions*.

Course Schedule. The following is a guide; I will designate which topic(s) will be covered next at the end of each class and I will post that assignment on the course's TWEN website's Calendar. **The Code and Regulations sections assigned are those listed on my syllabus and not those listed in the casebook's Assignment section.** The assignments are grouped by topic; after the first class, they do not necessarily correspond to class sessions. Supplemental, mandatory materials on the Assignments page are listed in *italics* and are posted on the course's TWEN website under Course Documents. *Always read the Code and Regulation provisions under study and always bring your Code book to class!*