CORPORATE TAXATION
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SYLLABUS

Course Description

This course includes basic instruction in the federal corporate tax laws as currently implemented by the Internal Revenue Service, providing a working knowledge of the tax law applicable to corporate taxpayers. Key topics of study include concepts of formation, structure, operation, distributions, dividends, redemptions, transfers of stock, liquidations, and taxable and tax-free reorganizations. Students also are exposed to key procedural issues, tax policy, and ethical issues surrounding the practice of corporate tax law.

Course Overview

Corporate Taxation involves the study of the taxation of Subchapter C corporations. This is a code-based course focused on the corporate taxation sections of the Internal Revenue Code (“IRC”). Students are expected to read, understand, and apply the relevant sections of the IRC, as well as the Treasury Regulations, Revenue Rulings, Revenue Procedures, and case law that assist in explaining and interpreting the IRC (“Related Law”).

The appropriate assigned IRC and Related Law are listed within each assigned chapters from the casebook each week, so the students have a clear understanding of their reading and interpretation responsibility every week. The students are encouraged to tab relevant pages and take notes in their IRC books, to get them accustomed to shifting back and forth between related IRC sections and Treasury Regulations. As a reward, the students can bring their marked-up and tabbed IRC books to any in-class mid-term or final examination.

In the classroom, students are assigned pages in the reading (some pages have problems) that address application of specific areas of the IRC and Related Law. In discussing the reading, students must read the appropriate IRC sections and/or Related Law out loud and explain how it applies to the reading material. Other students also take part by adding their interpretations from the same or other section of the IRC and Related Law. The goal is to create a lively discussion on the topic and to encourage students to dig deeper into the IRC for purposes of learning the interplay between different IRC sections.

The course additionally incorporates a significant tax policy element that assists the students in obtaining a perspective on the political, economic, and social issues that contribute to the ongoing transformation of the IRC. These “add on” topics not addressed in the text are to give students a better understanding of the tax law, but students are not required to know them for purposes of any written exam.
In studying the IRC, students are taught the language that tax attorneys use among each other to shortcut references on topics. For example, when refereeing to a “IRC 101(a)(2)(B)(ii)” they are taught to say “101a2 cap B 2 little l”. Students are also taught about the practice of corporate tax law from a planning, interpretive, and tax litigation standpoint. This practice focus is accomplished by discussing real world recent cases that have occurred in the practice world that are more current than the content of the casebook. The goal in showing these recent applications of the law to real world case studies is to get the student to see themselves as tax practitioners, and to see how practice decisions can have a real impact on client lives.

Students are also taught the ethical issues surrounding the practice of corporate tax law, including the recent history of tax advisers who have been civilly and criminally sanctioned for improper advice and conflicts of interest issues.

Course Goals

The objective of the course is to have students become familiar with and understand the legal terms and the basic legal concepts used in the taxation of corporations, and have students consider the tax policy behind the Code and the ethical issues involved in interpreting them and advising taxpayers.

Student Learning Outcomes

Evaluation for this course will entail an assessment of the following expected student learning outcomes:

1. Students should be able to explain the basic tax law principles associated with issues faced by corporate taxpayers.

2. Students should be able to identify relevant tax problems associated with corporate taxpayers.

3. Students should be able to find tax law authority relevant to issues important to corporate taxpayers.

4. Students should be able to demonstrate the ability to apply relevant tax law authority through critical analysis in finding solutions to corporate tax problems.

5. Students should be able to explain, through critical analysis, the resolution of corporate taxpayer problems by means of written and/or oral communications in a logical and appropriate manner.

6. Identify and explain underlying public policy and jurisprudential concerns related to specific corporate tax law concepts.
7. Demonstrate the ability to analyze cases and/or statutes, and differentiate cases in terms of legally relevant facts in specific situations involving corporate taxpayers.

8. Think critically and analytically about the intersection between the corporate tax law and public policy.

9. Learn various other components that relate to the theme of corporate tax liability determination,

10. Understand the purposes of the corporate tax law and the legislative, administrative, and judicial sources of corporate tax law, and

11. Research and report on assigned corporate tax questions.

Casebook

The casebook used in this course is Lind, Schwarz, Lathrope & Rosenberg, *Fundamentals of Corporate Taxation* (8th Edition 2012). In addition, the following book of IRC and Treasury Regulations is also required: *Lathrope’s Selected Federal Taxation Statutes and Regulations, 2012-2013*. Students should use the Lathrope book as a reference tool to cover the actual IRC and Related Law referenced in the assigned Lind, Schwarz, Lathrope & Rosenberg casebook chapters.

Class Preparation, Participation & Class Rules

Students should be prepared to discuss the IRC, reading, and any problems without the use of notes during class. Subject to the law school policies, students may bring drinks. Students can take notes on their laptops, but if they are caught texting, surfing on Facebook, or talking in class, they will be asked to leave the class immediately, marked absent, and eventually it will result in points off their grades. Students should respect the Professor and class enough to follow this rule.

To be fully prepared for class, students must read the assigned IRC, Related Law, and chapter reading, and be prepared to discuss it in detail. If a student does not have time to completely prepare for class, it may be better not to attend. Most students find that they need to spend at least 6 hours in order to be adequately prepared for the discussion in each weekly class session.

Final Exam & Final Grade

The final examination will be the primary determinant of any student’s grade. Each grade will be calculated 100% by the grade on the final examination, unless a student receives a downward adjustment of ½ of 1 grade level if the student exhibits unsatisfactory classroom participation (a student is unprepared when called upon in class, or fails to turn in an adequate version of any assigned project). The final exam will be a take-home final exam.
Class Time & Office Hours

Class meets on Thursdays from 6:15 to 9:30 p.m.

My office hours are on Mondays (4:30pm-6pm) and Thursdays (4:30pm-6pm), although students should feel free to drop by my office anytime in the afternoons since I am often there. My office is on the 8th floor of the 1422 building. If any student is having trouble with the class work, they are highly encouraged to come talk to me and be very honest about his or her difficulties. If I don’t know a student is having trouble, I cannot help the student.

Assignments

Wk 1  (1/17)  Chapter 1: Overview of the Taxation of Corporations & Shareholders
   Pages: 1-34, 48-53 (39 pages total)
   Skip Bollinger, Excerpt, & Notes on Page 48

   Skip Intermountain, Peracchi, Hempt, Notes (p. 106-108), & Indmar

Wk 3  (1/31)  Corporate Formation Project

Wk 4  (2/7)  Chapter 4: Non-liquidating Distributions
   Pages: 148-169, 174-181, 193 (Problem only) (29 pages total)
   Skip Nicholls, & TSN

Wk 5  (2/14)  Chapter 5: Redemptions and Partial Liquidations
   Pages: 194-206, 213-223 229-258, 266 (Problem), 274 (Problem), 274-279 (56 pages total)
   Skip Lynch, Davis, Arnes, Grove, Niedermeyer, & 286-289

Wk 6  (2/21)  Chapter 6: Stock Dividends and Section 306 Stock & Chapter 7: Complete Liquidations
   Skip Excerpt, Fireovid, Court Holding Co., Cumberland (including Notes) & Riggs

Wk 7  (2/28)  Chapter 8: Taxable Corporate Acquisitions
   Pages: 349-358, 361-379 (27 pages total)
   Skip Kimbrell & Excerpt (including Notes)

Wk 8  (3/7)  Chapter 9: Acquisitive Reorganizations
   Pages: 392-389, 401-404, 409-411, 414-450 (49 pages total)
Skip Southwestern, Seagram (including Notes), Bentsen & Excerpt

Wk 9 (3/21) Chapter 10: Corporate Divisions
Pages: 455-459, 463-465, 471-476, 482-517 (38 pages total)
Skip Helvering (including Notes), Lockwood’s, Notes (476-482)

Wk 10 (3/28) Chapter 11: Non-acquisitive, Non-divisive Reorganizations &
Chapter 12: Limitations on Carryovers of Corporate Attributes
Pages: 518-524, 528-530, 541(problem)-546, 552-563, 573-587
(38 pages total)
Skip Bazley, Smothers (including Notes), Excerpt, & Garber

Wk 11 (3/4) Putting It All Together

Wk 12 (4/11) Chapter 13: Affiliated Corporations
Pages: 588-609 (21 pages total)

Pages: 610-612, 618-630, 635(note)-639, 642-659 (32 pages total)
Skip UPS, Myrons, & Gazette (including Notes)

Wk 14 (4/25) Chapter 15: S Corporations
Pages: 662-679, 685-706 (31 pages total)
Skip Harris (including Notes), Radtke (including Notes) & 71-713