

# Tax

*In this subject, CALI has Lessons and eLangdell Press Texts. There are also Casebook Correlations and CALI Topic Grids available on the CALI website to aid you in assigning lessons.*

## Basic Federal Income Taxation

### The Concept of Gross Income

This lesson will introduce you to the concept of Gross Income, usually the first concept students encounter in their study of the Federal income tax system. This lesson will also discuss certain exclusions, deductions and other concepts encountered in the calculation of Gross Income. This lesson will be useful to the novice student as it introduces the student to the typical analysis tax lawyers engage in.

**Lesson Completion Time:** 60-75 minutes

**Author:** Reginald Mombrun, Professor of Law. North Carolina Central University School of Law

*The following lessons are best used after studying the material in class. Unlike many of CALI's other lessons, these take a more problem oriented approach to learning the material. Each lesson provides students with additional problem sets to work through, allowing students to refine their ability to apply the Code and Regulations to a variety of situations.*

*Each lesson takes between 15-30 minutes to complete. They were authored by James Edward Maule, Professor of Law, Villanova University School of Law*

### ASSIGNMENT OF INCOME

Property  
Services

### DEDUCTIONS:

Basic Depreciation, ACRS, and MACRS Concepts

Below Market Loans  
Charitable Contribution Deductions: Basic Concepts and Computations  
Deductions for Income-Producing Activities  
Education Expenses

General Applicability of Deduction Limitations  
Interest Deductions  
Medical Expense Deductions  
Moving Expenses  
Personal Casualty Loss Deduction: Computation, Limitations  
Trade or Business Deductions  
Traveling Expenses

## GROSS INCOME:

Alimony and Alimony Recapture  
Annuities and Life Insurance Proceeds  
Claim of Right Doctrine  
Damages and Related Receipts  
Exclusion of Interest on Certain United States Savings Bonds  
Gifts, Bequests, Prizes, and Donative Cancellations of Indebtedness  
Indirect Transfers for Services  
Realization Concepts in Gross Income  
Receipt of Property as Compensation  
Scholarships  
The Taxability of Employment Connected Payments: Fringe Benefits, Meals and Lodging, Unemployment Compensation, and Social Security Benefits

## PROPERTY TRANSACTIONS:

Capital Asset Identification  
Capital Gain Mechanics  
Capital Loss Mechanics  
Computation of Gain and Loss Realized  
Exclusion of Gain on the Sale of a Principal Residence  
Identification of Section 1231 Property  
Section 1231 Mechanics

## TAXABLE INCOME AND TAX COMPUTATION:

Claim of Right Mitigation Doctrine  
Lesson Completion Time: 25 minutes  
Author: James Edward Maule, Professor of Law, Villanova University School of Law  
Dependent Care Credit  
Filing Status

Personal and Dependency Exemptions  
Taxation of Minor Children's Income

## TIMING:

Cash and Accrual Methods of Accounting  
Fundamentals of Installment Sales  
Installment Sales: Second Dispositions by Related Parties and Contingent Payments

# Taxation of Business Entities

## DEFINITION AND FORMATION:

Formation of C Corporations: Advanced Issues  
Formation of C Corporations: Basic Issues  
Formation of C Corporations: The Effect of Liabilities  
Partnership Classification  
Partnership Definition  
Partnership Formation: Basic Issues  
Partnership Formation: Liabilities  
Partnership Liabilities: In General  
S Corporation Formation: Elections  
S Corporation Formation: Eligibility

## LIQUIDATIONS AND S ELECTION TERMINATION:

C Corporation Liquidations: Effects on Shareholders  
C Corporations: Distributions of Property in Complete Liquidations  
C Corporations: Effects of Complete Liquidations  
S Corporations: Termination Consequences  
S Corporations: Termination of S Election by Revocation  
S Corporations: Termination of S Election: Causes

## OPERATING DISTRIBUTIONS AND ALLOCATIONS:

C Corporation Cash Distributions  
C Corporation Distributions of Interests  
C Corporation Property Distributions  
C Corporations: Defining Section 306 Stock  
C Corporations: Section 306 Exceptions

C Corporations: Section 306 Stock Dispositions  
Calculation of C Corporation Earnings and Profits  
Partnership Allocations When Partners' Interests Vary  
Partnership Contributed Property Allocations  
Partnership Operating Distributions  
Partnership Special Allocations: Basic Issues  
Partnership Special Allocations: Nonrecourse Deductions  
At Risk and Passive Loss Limitations  
Partnership: Section 704(d) Loss Limitation  
Partnership: Section 704(e) Allocation Rules  
S Corporation Cash Distributions

## OPERATIONS:

Partnership: Entity Level Determinations  
Separately Stated Items  
S Corporation Shareholder Taxation: Entity Level Determinations  
Lesson Completion Time: 20 minutes

## REDEMPTIONS AND PARTIAL LIQUIDATIONS:

C Corporations: Constructive Ownership Determinations  
C Corporations: Redemption Consequences  
C Corporations: Section 302(b)(1) Redemptions  
C Corporations: Section 302(b)(2) Redemptions  
C Corporations: Section 302(b)(3) Redemptions  
C Corporations: Section 302(b)(4) Redemptions  
Partial Partnership Liquidations: Disproportionate Distributions I  
Partial Partnership Liquidations: Disproportionate Distributions II  
Partial Partnership Liquidations: Disproportionate Distributions III  
Partial Partnership Liquidations: Proportionate Distributions  
Partnerships: Identifying Section 736 Payments  
Partnerships: Treatment of Section 736 Payments

## SALES OF INTERESTS:

Partnerships: Identifying Section 751 Assets  
Sales of Partnership Interests

# Corporate Taxation

## DISTRIBUTIONS

Calculation of C Corporation Earnings and Profits  
Consequences on the Disposition of Section 306 Stock  
Defining Section 306 Stock  
Distributions of Cash by C Corporations  
Distributions of Interests by C Corporations  
Distributions of Property by C Corporations  
Section 306 Exceptions

## FORMATION:

Formation of C Corporations: Advanced Issues  
Formation of C Corporations: Basic Issues  
Formation of C Corporations: The Effect of Liabilities

## LIQUIDATIONS:

Corporate Liquidations: Effects on Shareholders: Sections 331 & 334(a)  
Distributions of Property in Complete Liquidations: Section 336  
Subsidiary Liquidations: Section 332

## REDEMPTIONS:

Consequences of Redemptions Under Section 302  
Constructive Ownership of Stock  
Redemption Through the Use of Related Corporations: Section 304  
Redemptions in Partial Liquidations: Section 302(b)(4)  
Redemptions Not Equivalent to Dividends: Section 302(b)(1)  
Redemptions Terminating Shareholder's Interests: Section 302(b)(3)  
Substantially Disproportionate Redemptions: Section 302(b)(2)

## REORGANIZATIONS:

A Reorganizations: Definition  
B Reorganizations: Definition  
C Reorganizations: Definition  
D Reorganizations: Definition  
E Reorganizations: Definition

- F Reorganizations: Definition
- G Reorganizations: Definition
- Tax Consequences of A Reorganizations
- Tax Consequences of Acquisitive D Reorganizations
- Tax Consequences of B Reorganizations
- Tax Consequences of C Reorganizations
- Tax Consequences of Divisive D Reorganizations

## S Corporation Taxation

### DISTRIBUTIONS:

- Distributions of Cash by an S Corporation

### FORMATION AND QUALIFICATION:

- Eligibility as Small Business Corporation
- S Corporation Elections

### S CORPORATION BUILT-IN GAINS:

- Computation of the Tax
- General

### TAXATION OF THE S CORPORATION:

- S Corporation LIFO Recapture Rules
- S Corporation Tax on Passive Investment Income

### TAXATION OF THE SHAREHOLDER:

- S Corporation Entity Level Determinations
- S Corporation Separately Stated Items

### TERMINATION OF THE S ELECTION:

- The Post-Termination Transition Period of an S Corporation
- The Termination of S Election by Revocation
- Causes
- Consequences

# eLangdell Press Texts:

## Basic Income Tax

**Author:** William P. Kratzke, Cecil C. Humphreys Professor of Law, The University of Memphis Cecil C. Humphreys School of Law

**Length:** 192,814 Words, 643 Pages in PDF

This book is a basic income tax text. It is intended to be a readable text, suitable for a three-hour course for a class comprised of law students with widely different backgrounds. The text integrates several of the CALI drills that Professor James Edward Maule (Villanova University) prepared

## The Ethics of Tax Lawyering, Second Edition

**Author:** Michael Hatfield, Professor of Law, Texas Tech University School of Law

**Length:** 22,500 Words, 51 Pages in PDF

This chapter's objective is to raise interesting tax ethics issues in practical contexts. There are 44 notes and questions to prompt and guide discussions, and primary source materials to inform the discussions (e.g., cases, IRC provisions, and Circular 230 excerpts)