

## READING ASSIGNMENTS PART I

### NOTES:

- You should read the Syllabus (available on course web site - <https://mkirsch.nd.edu/fedtax>) before the first class
- Unless otherwise noted, assignments listed as “Handouts” are available on the course website.
- Focus on the Code and Regulations sections listed below (rather than the Code and Regulation sections listed in each header in the casebook)
- You are responsible for preparing (prior to class) all assigned problems
- The heading numerals (*e.g.*, “1. Orientation”) correspond to the book chapter number, not the class session number. We will not necessarily be covering one book chapter in each class session (indeed, some chapters will be spread over several class sessions). At the end of each class session, I will announce how far we will cover in the next class.

### PART ONE – INTRODUCTION

#### 1. Orientation

A & B. A Look Forward / A Glimpse Backward

Text: pp. 3-11

C. The Income Tax and the United States Constitution

Text: pp. 11-18. Skim the casebook Student Update (available at [this link](#)) with respect to pages 12-15. There is no need for a detailed reading of the update’s discussion of constitutional issues and the Supreme Court’s recent *Moore*. I will provide a very brief overview in class, but we will not be addressing the details.

#### D. The Tax Practitioner's Tools

Text: pp. 18-32. Skim the Student Update (available at [this link](#)) with respect to pages 29-31. It summarizes the Supreme Court's recent *Loper Bright* case, which overruled the *Chevron* doctrine regarding administrative regulations. This issue is beyond the scope of this course, so I will provide a very brief overview in class but we will not be addressing the details.

Code: §§ 7805; 7806. Skim § 7701 (listing of general definitions)

#### E. An Introduction to Tax Policy Fundamentals

Text: pp. 32-33

Handout: Excerpt on tax policy from Government Accountability Office, *Understanding the Tax Reform Debate: Background, Criteria & Questions* (ignore the out-of-date corporate tax rate table on p. 49)

#### F. The Road Ahead

Text: pp. 34-36

Handout: *Simplified Overview of Income Tax Determination*

### 28. Procedure and Professional Responsibility

#### A. Overview of Federal Tax Procedures

##### 1 & 2. Introduction / The Self-Assessment System

Text: pp. 967-969

Code: §§ 6011(a); 6072(a); 6081(a)

##### 3 & 4. Administrative Procedures / Judicial Procedures

Text: pp. 969-81 (stop reading at the *Judicial Finality* heading on p. 981)

Code: §§ 6213(a); 6501(c)(4); 7463(a); 7482(a), (b)(1). Note §§ 7430, 7491

Problems: p. 987 (Problem 1 only)

B. Special Rules Applicable to Deficiency Procedures (Merely skim this material; I will briefly summarize this topic in class)

1. Timing Rules, Interest and Penalties

Text: pp. 988-92

Code: §§ 6501(a), (b)(1), (c)(1), (3), (4) & (e)(1)(A); 6503(a)(1); 6601(a); 6621(a)(2); 7502(a)(1), (b), (f). Note §§ 6651; 6662; 6663; 7201; 7203; 7206

Problem: None

C. Special Rules Applicable to Refund Procedures (Merely skim this material; I will briefly summarize this topic in class)

Text: pp. 996-1000

Code: §§ 6511(a); 6511(b); 6513(a); 6611(a); 6621(a)(1); 7502(a), (b), (f)

Problem: None

**29. Professional Responsibility Issues**

Text: pp. 1001-05

Code: § 6694

Regs: § 1.6662-4(d)(1), (2), (3)(i), (ii) & (iii)

Problem: p. 1005 (focus on Code § 6694)

**PART TWO – IDENTIFICATION OF INCOME SUBJECT TO TAXATION**

**2. Gross Income: The Scope of Section 61**

A. Introduction to Income

Text: pp. 39-40

Code: § 61

#### D. The Economists' Definition of Income

Note that we are going slightly out of order, looking at the broad economists' definition before diving into the Code's definition. The Haig-Simons economic definition provides a useful conceptual framework against which to consider the Internal Revenue Code. It also has some relevance in the context of the Supreme Court's recent *Moore* case, where the Court did not explicitly decide whether the realization requirement is constitutionally mandated.

Text: pp. 60-62

Handout: Excerpt on the tax base from Alvin Warren, *Three Versions of Tax Reform*

#### B. Equivocal Receipt of Financial Benefit

Text: pp. 40-56

Code: § 61

Regs: §§ 1.61-1(a); 1.61-2(a)(1), -2(d)(1); 1.61-14(a)

Problems: pp. 56-57 (skip Problem 5)

#### C. Income Without Receipt of Cash or Property

Text: pp. 57-58 (skip the *Dean* case)

Code: § 61

Regs: §§ 1.61-2(a)(1), -2(d)(1)

Problem: p. 59 (Problem 2 only)

### 3. The Exclusion of Gifts and Inheritances

#### A. Rules of Inclusion and Exclusion

Text: 63-64

Code: §§ 102(a) & first sentence of (b)

Regs: § 1.102-1(f) (proposed)

## B. Gifts

### 1. The Income Tax Meaning of Gift

Text: pp. 64-74

Code: § 102(a)

Problems: p. 74

### 2. Employee Gifts

Text: pp. 74-76

Code: § 102(c); 274(b)(1)

Regs: § 1.102-1(f) (proposed)

Problems: p. 76 (Problem 3 only)

## C. Bequests, Devises, and Inheritances

Text: pp. 76-84

Code: §§ 102(a), (b) first sentence, (c)

Regs: § 1.102-1(a), -1(b)

Problems: pp. 84-85 (skip Problems 1(i), 2, and 3)

## 4. Employee Benefits

### A. Exclusions for Fringe Benefits

Text: pp. 87-96

Code: §§ 132; 61(a)(1). Note §§ 79(a); 106(a); 112; 125; 127; 129

Regs: § 1.132-1(b)(4); 1.132-2(a)(1), (2) & (3); 1.132-6(d)(2)(i); 1.132-6(e)(1);  
1.132-8(a)(1), -8(a)(2)(i)

Problems: p. 97 (skip Problems 1(g), (h), (j), (k), (o) & (p))

In addition, consider the extent to which any person has gross income under the following scenarios:

(x) Employee of a commercial airline is entitled to acquire vouchers that allow Employee, her spouse, or her dependent children to fly free on her airline. The seats are available only on a “stand-by” basis – i.e., if there are empty seats after all paying passengers have boarded. Employee’s spouse utilizes a voucher for a free flight that otherwise would have cost \$500.

(y) Same as (x), except the vouchers can also be used by Employee’s siblings, and her brother utilizes a voucher for a free flight that otherwise would have cost \$500.

(z) Same as (x), except the vouchers can also be used by Employee’s parents, and her mother utilizes a voucher for a free flight that otherwise would have cost \$500.

## 5. Awards

### A. Prizes

Text: pp. 106-108 (skip *McDonell* case; only read the casebook Note)

Code: § 74; 274(j). Note §§ 102(c); 132(a)(4), (e)

Regs: §§ 1.74-1(a); 1.74-1(b), (c)(1) (proposed)

Problem: None

### B. Scholarships and Fellowships

Text: pp. 108-111

Code: §§ 117. Note § 127(a), (b)(1), (c)(1)

Regs: §§ 1.117-6(b), -6(c)(1)-(4), -6 (d)(1)-(3) (proposed)

Problems: p. 111 (Problem 1 only)