

**Federal Income Taxation**  
**Spring 2011**  
**Professor Miranda Perry Fleischer**

**Unit IA: Tax Policy Basics**

We will spend the first class on January 11 exploring the basics of tax policy before delving into the nuts and bolts of our current tax system on January 13.

For the first class, please read pages 1-4, 12-23 (you may skim this), and 28-41 (but focus on this) from *Federal Income Taxation: Principles and Policies* (6<sup>th</sup> ed. 2008), by Michael J. Graetz and Deborah H. Schenk. Be prepared to discuss the following issues:

- (1) You are an aide to a Senator who says that she is thinking of proposing a special tax of \$10,000 per BMW on people who buy BMW cars. Do you think that this is a good idea or a bad idea? Why? What principles do you think should be used to evaluate this idea?
- (2) Should someone who earns \$200,000 a year be taxed more heavily than someone who earns \$50,000 a year? Why or why not? If you answer yes, how much more?

We will be using TWEN for the remainder of the semester, so be sure to add our class to your course list. The next two assignments have already been posted, as well as a course syllabus.