Federal Income Taxation
Spring 2007
Professor Miranda Perry Fleischer

Description:
This course provides an introduction to basic principles of tax policy generally as well as an in-depth analysis of the major structural components of the current federal individual income tax system. The course primarily emphasizes how the current tax rules actually work, but will also cover policy issues such as whether the current rules are fair and how we as a class think they should work. Some attention may also be paid to basic tax planning techniques (that is, how tax advisors may use particular rules to their clients’ advantage).

The course is taught largely using a problem-based method; the problems assigned for each unit provide a framework for us to discuss the applicable rules and policies. The problems and readings for each unit will be available on the class TWEN page. Please be sure to log on to Westlaw and add our class’s TWEN page to your course list.

Required Materials:

Optional Materials:

Class Participation:
Ten percent of your final grade will be based on class attendance and participation. I expect you to be prepared every class and will call on you without prior notice. If, however, you are unable to prepare for class on a particular day because of extenuating circumstances, please attend class. Leave a note with your name on it on the desk at the front of the room (before the start of class) and I will not call on you during that class. You may not use this “pass” more than three times during the semester. If you do not leave me a note but are unprepared when I call on you, your grade will be negatively affected.

For each class, you are expected to have done the assigned readings and to have attempted to work through the assigned problems in advance. When I call on you, I expect you to be able to explain how you approached each of the assigned problems. I also expect you to be able to discuss the assigned readings and any policy issues raised by the readings and the problems.
In addition to the on-call system, voluntary participation is encouraged. Your grade will be positively affected by consistent, insightful contributions. Substantive postings to the TWEN discussion site count toward class participation.

Our schedule is tentative. If you miss class, it is your responsibility to ask a classmate how much material we covered and to prepare the appropriate material for the next class.

**Grading:**

Ninety percent of your final grade will be based on a three-hour written final examination. The exam will be limited open book. You may refer to the Lathrope volume of statutes and regulations and any hand-written marginal notes that you have written therein, as well as two 8 ½ x 11 sheets of paper (that is, four sides) of handwritten notes. You may also use a calculator.

You are responsible for all the Code sections, regulations, and readings assigned, whether or not discussed in class, unless I specifically state otherwise. From time to time, in class I will assign additional Code provisions and regulations that were not initially assigned. Those are fair game also. In other words, everything we cover is potentially on the exam unless I specifically state otherwise.

**Class Meetings:**

Class meets from 2:30 to 4:20 on Mondays and Wednesdays. We will take a 5-10 minute break in the middle of each class.

**Contact Information and Office Hours:**

Office 429  
735.0778  
miranda.perry@colorado.edu  
Office hours will be Tuesdays from 1:30 to 3:30, or by appointment.
**Tentative Schedule**
The readings and problems for each Unit will be posted on the TWEN page as the semester unfolds, with ample time for you to prepare for each class. Units IA and IB have already been posted. We will cover these units on January 17 and 22. The following units will be posted shortly.

Please note that the following schedule is extremely tentative and will almost certainly change depending upon our pace. Depending on what interests us as a class this semester, we will spend more or less time on certain units than predicted below.

That said, unless I state otherwise at the end of class, for the next class, you should go ahead and prepare the reading and problems for the next Unit. For Units projected to take more than one class, I will indicate to you how much to prepare for each class.

**Unit I: Introduction**
A. Tax Policy Basics (Day 1) (January 17)
B. Structural Overview (Day 2) (January 22)

**Unit II: What is Income?**
A. Form of Receipt (Day 3)
B. Fringe Benefits (Days 4-5)
C. Gifts, Bequests and Prizes (Day 6)
D. Basis Recovery (Days 7-8)
E. Realization (Day 9)
F. Life Insurance and Annuities (Day 10)
G. Borrowed Funds (Day 11)
H. Debt, Basis, and Amount Realized (Days 12-13)
I. Misc. Exclusions from Income, Tax Expenditures, and Tax Capitalization (Day 14)

**Unit III: Deductions and Credits**
A. Business Expenses (Day 15)
B. Mixed Expenses (Day 16)
C. Capitalized Expenses (Day 17)
D. Depreciation (Days 18-19)
E. Interest (Day 20)
F. Losses (Day 21)
G. Personal Deductions and Credits (Day 22)

**Unit IV: Characterization**
A. Introduction to Capital Gains (Days 23-24)
B. What is a Capital Asset? (Day 25)
C. Nonrecognition (Day 26)

Review: Day 27.