Corporate Taxation for the ITP

Syllabus
Fall 2017

Professor Noël B. Cunningham

Required Texts:
Daniel Lathrope, Selected Federal Taxation Statutes and Regulations (West 2017).
Schwarz & Lathrope, Fundamentals of Corporate Taxation (9th ed. 2016)

Learning Outcomes:

This course is limited to International Tax Program students and is designed for students who are not familiar with U.S. tax law. The goals of the course are threefold. First, students will learn the basic structure and operation of the U.S. income tax, including general principles that will apply in all of their other courses. Second, students will learn the various sources of U.S. tax law and their relative importance. These sources include the Internal Revenue Code, the regulations, various other administrative pronouncements, and case law. Finally, students will gain an in depth knowledge of the U.S. taxation of corporations and their shareholders.

Part I: Basic Concepts Underlying U.S. Taxation – Approximately 10 hours

Note: Over the course of the semester there will sometimes be problems and assignments in addition to those in the casebook. These items will be posted on NYU Classes. This is the case for Part I.

A. General Introduction to U.S. Tax Law – One Hour
B. Gross Income Defined – One Hour
C. Taxable Income
   1. Corporations – One Hour
   2. Individuals – One Hour
D. Basis, Realization and Gains and Losses – One Hour
E. Acquisition, Holding and Disposition of Property – Two Hours
F. Mortgages – One Hour
G. Interest and the Time Value of Money – One Hour

H. Installment Sales – One Hour

Part II: Corporate Taxation –

N.B. The number of classes allocated to each topic is only an approximation

A. Formation: § 351 – 4 Classes

1. Overview & Choice of Entity:
   Reading: Schwarz & Lathrope, pp. 2-18, 32-38
   No problems
2. Section 351
   a. The Basics
      Reading: Schwarz & Lathrope, pp. 55-79
      Problems: pp. 59-60, 66, 69-70 (skip (e)&(f)) & 79
   b. Assumption of Liabilities
      Reading: Schwarz & Lathrope, pp. 80-99
      Problems: p. 98
   c. Incorporation of a Going Concern
      Reading: Schwarz & Lathrope, pp. 99-109
      Problem: pp. 108-09

B. Non-liquidating Distributions – 3 Classes

1. In General
   Reading: Schwarz & Lathrope, pp. 151-71
   Problems: pp. 161, 166, & 171
2. Constructive Distributions
   Reading: Schwarz & Lathrope, pp. 171-77
3. Limitation on DRD
   Reading: Schwarz & Lathrope, pp. 177-84
   N.B.: Read, but do not study, the sections on “Debt Financed Stock” and “Section 301(e)”
   Problem: pp. 184 ((a) – (d) only)

C. Redemptions – 4 Classes

1. Redemptions Tested at Shareholder Level
   Reading: Schwarz & Lathrope, pp. 199 - 243
   Problems: pp. 205, 209 (problem #1 only), 227 (#1(a)-(e) only) & 242-43.
2. Partial Liquidations
   Reading: Schwarz & Lathrope, pp. 243-248
No Problems

3. Consequences to Distributing Corporation
   Reading: Schwarz & Lathrope, pp. 248-51, 253-256
   Problems: pp. 250-51 & 255

4. Redemptions through Related Corporations
   Reading: Schwarz & Lathrope, pp. 279-92
   Problems: pp. 292 (do only #2(a)-(c))

D. Stock Dividends: §§ 305 & 306 – 2 Classes

1. Section 305
   Reading: Schwarz & Lathrope, pp. 295-308
   Problems: pp. 309-09 (do only #1(a)-(e) & #2))

2. Section 306
   Reading: Schwarz & Lathrope, pp. 309-22
   Problems: pp. 321-22 (omit #1(e), (f) & (i))

E. Liquidations – 3 Classes

1. Complete Liquidations
   Reading: Schwarz & Lathrope, pp. 323-41
   Problems: pp. 327-28 (omit (c) - (e)), 340-41 ((a)- (d) only)

2. Liquidation of Subsidiary
   Reading: Schwarz & Lathrope, pp. 341-54
   Problems: pp. 353-54 (omit #3)

F. Taxable Corporate Acquisitions – 2 Classes

1. Introduction
   Reading: Schwarz & Lathrope, pp. 355-63

2. Section 338
   Reading: Schwarz & Lathrope, pp. 363-81
   Problems: pp. 380-81

G. Acquisitive Reorganizations – 6 Classes

Note: We will begin our exploration of acquisitive reorganizations by examining some of the early cases which are essential to understand the current provisions. These cases will be posted on NYU Classes.

1. Type A
   Reading: Schwarz & Lathrope, pp. 393-415
   Problems #1(a)-(e), pp. 436-38

2. Type B
   Reading: Schwarz & Lathrope, pp. 416-19
   Problems #1(f)-(g), pp. 436-38

3. Type C
   Reading: Schwarz & Lathrope, pp. 419-23
Problems #1(h)-(i), pp. 436-38

4. Triangular and Multistep
   Reading: Schwarz & Lathrope, pp. 423-36
   Problems #1(j)-(m), 2 & 3, pp. 436-38

5. Tax treatment to the Parties
   Reading: Schwarz & Lathrope, pp. 438-49
   Problems: pp. 450-51

6. Carryover of Tax Attributes
   Reading: Schwarz & Lathrope, pp. 563-66
   No problems

H. Corporate Divisions: § 355 – Only to the extent that time permits
   1. Introduction
      Reading: Schwarz & Lathrope, pp. 457-502
      Problems: To be assigned

   2. Tax Treatment of the Parties
      Reading: Schwarz & Lathrope, pp. 503-13
      Problems: To be assigned.