Class Reading Assignments and Syllabus
Federal Taxation of Bankruptcy and Workouts
Fall 2016
Robert Liquerman and William Beard

Professor Liquerman will present the first seven classes and Professor Beard the final six. Based on the obligations of the instructors, this schedule may vary; however, every effort will be made to stick with the class order listed below.

The first seven classes will focus on the Internal Revenue Code provisions that deal with taxpayers restructuring either in a bankruptcy proceeding or outside of bankruptcy. The focus will generally be on cancellation of indebtedness and other corporate tax issues. The final six classes will focus on how the Bankruptcy Code deals with existing tax obligations and with other related tax issues, such as determining the correct amount of tax through a bankruptcy court rather than a traditional tax determination forum.

The text for the class is Bankruptcy and Insolvency Taxation by Grant Newman and Robert Liquerman. For the first seven classes essentially all of the reading material will come from this text. For the final six classes the text will be used to supplement cases and other materials related to the issues discussed in those classes. The cases and other materials are available through Westlaw. In addition to the text you will also need the Internal Revenue Code and the Bankruptcy Code.

The final grade in this course will be solely dependent upon the final exam. Classroom participation will not be considered in determining your grade; however, your instructors very much encourage and appreciate your participation. The final exam will consist of essay questions. The final exam will be open book. You may bring any material to the exam that you feel will assist you in hard copy but you will not be permitted to access outlines or any other materials on your computer. Only material written as an exam answer will be considered in determining the grade. Please use a word processor if your handwriting is not legible.

Please feel free to contact either of us if you have questions during the semester.

Robert Liquerman

William Beard

You may call either of us to schedule an appointment. If you do send an e-mail use the header to assist in determining that the message is not spam to be deleted without opening. Both of us will stay as long after class as there are questions to be answered.
classes 1 - 3  CANCELLATION OF INDEBTEDNESS *Please note classes 1 and 8 will be switched

   2. N&L Chapter 2, sections 2.1 - 2.9

Classes 4  Debt/Equity Characterization

Read: 1. I.R.C. 385, REG-108060-15 (Proposed Section 385 Regulations and Preamble)

Classes 5-6  LIMITATION ON THE USE OF LOSSES

Read: 1. N&L Chapter 6, sections 6.4 - 6.8
   2. I.R.C. 269; 382, 383, 384

Class 7  BANKRUPTCY REORGANIZATIONS

Read: 1. N&L Chapter 5, sections 5.1-5.3, 5.4(a), 5.6, 5.8
   2. I.R.C. 368(a)(1)(A); (E)&(G); 354(a)&(b); Prop. Treas. Reg. 163314-03; 2005-1 C.B. 835 (Proposed Regulations on Transactions Involving the Transfer of No Net Value): T.D. 9434, 2009-4 I.R.B 339 (Final Regulations on Continuity of Interest for Bankruptcy and Insolvency)

Class 8  OVERVIEW OF BANKRUPTCY *Please note classes 1 and 8 will be switched

Read: 1. Bankruptcy Code Table of Contents
   2. B.C. 101(5); 106(a); 109(b), (d), and (e); 301; 303(a); 307; 362(a); 341; 501(a); 502(a) and (b); 505(a)(1), 507(a)(1)(A), (2), and (8); 521(a); 522(b)(1); 523(a)(1), (2) and (6); 524(a)(1) and (2); 541(a)(1); 704(a)(1)-(9); 725; 726(a); 727(a); 1102(a)(1); 1103; 1104(a)(1); 1107(a); 1108; 1112(b)(1); 1115(a); 1121(a) and (c); 1123(a) and (b); 1124(1); 1125(a) and (b); 1129(a) and (b); 1302(b); 1306; 1326(a)(1); 1322(a)(1); 1325; 1328(a) and (b)
   3. 28 U.S.C. 157(a)-(c), 158(a) and (c)(1), and 1334(a), (b) & (e)
   4. Federal Rules of Bankruptcy Procedure 7001, 9014(a), and 8002(a)
5. Optional: B.C. 330; 503(a) and (b); 544(a); 547(b); Stern v. Marshall, 564 U.S. 462 (2011)

CLASS 9 - 10
OVERVIEW OF TAX PROCEDURE; AUTOMATIC STAY

Read: 1. I.R.C. 6201(a); 6203; 6159(a); 6213(a) and (f); 6303(a); 6211(a); 6320; 6321; 6323(a),(b), (f), & (j) 6325(a) & (b); 6330; 6331(a), (b), (d), & (e); 6402(a); 6411(a) and (b); 6501(a); 6502; 6503(a)(1) & (h)

2. B.C. 105(a); 362(a); 362(b)(1)(4), (9), and (26); 362(c)(1) and (2); 362(d)(1) and (2); 362(k); 363(b), (c) and (e); 542(b); 553(a)

3. Revenue Ruling 2003-80


5. Optional: I.R.C. 6221-6234; 7407; 7408; 7122(a); 7422(a); 7433(e); United States v. Craft, 535 U.S. 274 (2002); United States v. Whiting Pools, 462 U.S. 198 (1983); In re Atlantic Business and Community Corp., 901 F.2d 325, 329 (3rd 1990); Roberts v. Commissioner, 175 F.3d 889 (11th Cir. 1999); In re Soares, 107 F.3d 969, 975-6 (1st Cir. 1997)

CLASS 11
CLASSIFICATION OF CLAIMS

Read: 1. B.C. 101(5) & (10); 105(a); 501(a) & (c); 502(a); 502(b)(1), (2) and (9); 503(a) & (b); 506(a) and (b); 507(a)(1), (2) & (8); 511; 522(c)(2)(B); 541(a) & (c)(2); 544(a)(1); 553(a); 724; 725; 726(a) & (b); 1123(b)(5); 1129(a)(7) & (9); 1129(b); 1305; 1322(a); 1325(a)(4), (5) & (9); 1325(b)(1)

2. I.R.C. 1398(a)--(e); 1399; 6321


4. In re Barowsky, 946 F.2d 1516 (10th Cir. 1991)


CLASS 12  CLASSIFICATION OF CLAIMS; DISCHARGE OF TAXES

Read: 1.  B.C. 105(a); 523(a)(1) & (7); 524(a) & (e); 553; 727(a) & (b); 1115; 1141(d); 1305; 1306; 1322(a) and (b)(10); 1328(a) & (b)

2.  I.R.C. 6020(a) and (b); 7433(e)

3.  In re Isom, 901 F.2d 744 (9th Cir. 1990)

4.  In re Toti, 24 F.3d 806 (7th Cir. 1994)

5.  Optional: Chief Counsel Notice 2006-002, 2005 WL 3272050; Beard v. Commissioner, 82 T.C. 766, aff’d 793 F.2d 139 (6th Cir. 1986); In re Gordon Selway, Inc., 270 F.3d 280 (6th Cir. 2001); Bruning v. United States, 376 U.S. 358 (1964); In re Colsen, 446 F.3d 836 (8th Cir. 2006); Chief Counsel Notice 2010-016; In re McCoy, 666 F.3d 924 (5th Cir. 2012); In re Smith, 2016 U.S. App. LEXIS 12859 (9th Cir. July 13, 2016); In re White Farm Equipment, 943 F.2d 752 (7th Cir. 1991), cert. denied, 112 S. Ct. 1292 (1992)

CLASS 13  DISCHARGE; TAX MERITS LITIGATION IN BANKRUPTCY

Read: 1.  B.C. 106(a); 505; 1231(b)

2.  28 U.S.C. 157(a) and (d); 1334(b) and (d)

3.  I.R.C. 6871(b)


7.  Optional: Revenue Ruling 2006-16; Siegal v. Federal Home Loan Mortgage Corp., 143 F.3d 525 (9th Cir. 1998); Hambrick v. Commissioner, 118 T.Ct. 348 (2002); Matter of Teal, 16 F.3d 619 (5th Cir. 1994); In re Wolverine Radio Co., 930 F.2d 1132 (6th Cir. 1991).