TIME & PLACE: Monday 7:55pm – 9:55pm
McDonough 200

COURSE DESCRIPTION:

The course will exam selected topics of individual taxation that are often relevant when advising high net-worth individuals. The course will include topics such as the basics on itemized deductions; individual net operating losses; interest expense deductions (Mortgage Interest, Investment Interest, and Interest Tracing); loss limitations (Passive Activity Loss and At-Risk); basic income tax considerations in financial planning; and tax exclusion on gain from the sale of a principal residence. The class will be beneficial for students that seek to advise high net worth individuals (such as executives, entrepreneurs, or closely held business owners) in financial planning, tax and estate planning matters.

READING MATERIAL & TEXTS:

There are no textbooks or materials required for this course. The materials required for each class are contained in the daily schedule below (in italics). Citations to treatises included below are required reading, unless specifically indicated as “(Not Required).”

All materials may be provided to the students by the Professor or are readily accessible by students via online research services provided by GULC. Students are assumed to have access to the relevant sections of the (i) Internal Revenue Code, (ii) corresponding Treasury Regulations, (iii) Private Letter Rulings, Technical Advice Memorandums, Chief Counsel Advice, and federal tax opinions relevant to this course.

GRADING:

The final 48-hour take-home exam will account for 100% of the final grade for the course. The exam may be picked up (downloaded) from the Registrar’s office anytime after 9am on May 3, 2016 (Tuesday) and must be returned (uploaded) to the Registrar’s office within 48 hours. However, absent a specific waiver by the Register’s office, students must return (upload) their exam no later than 5pm on May 11 (Wednesday).

CONTACT INFORMATION:

Tel:  
Cell:  
Email:  

As of 1/25/16
<table>
<thead>
<tr>
<th>Class</th>
<th>Lecture Topic/Reading:</th>
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</table>
| Jan 25 Class 1 | TOPIC: Class Introduction, Basic Financial Planning, and Basics of Individual Tax  
- Class Introduction  
  a. Take-Home Exam & Grading  
  b. Course Structure  
- General Overview of Individual Income Tax  
  *IRC §§ 61-63*  
- Introduction to Individual Alternative Minimum Tax (AMT)  
  *IRC §§ 55-59 & Treas. Reg. § 1.55-1*  
- Introduction to Net Investment Income Tax  
  *IRC § 1411*  
- Introduction to Self-Employment Tax  
  *IRC §§ 1401-1402* |
| Feb 1 | CLASS CANCELLED |
| Feb 8 | TOPIC: Individual Loss Limitations |
| Feb 18 (Thurs) | Basics of Loss Allowance (Tax Basis)  
  1. *IRC § 1366(d) (S Corporation Basis Limitation)*  
  2. *IRC § 704(d) (Partnership Basis Limitation)* |
| Feb 22 | Section 465: At-Risk  
  1. *IRC § 465*  
  7. IRS Form 6198 & Instructions (Not Required)  
  8. BNA TMP 550-3rd: At-Risk Rules (Not Required)  
  9. IRS Pub 925: Passive Activity & At Risk Rules (Not Required)* |
| Feb 22 -- Classes 2-4 | Section 469: Passive Activity Loss |
### TOPIC: Passive Activity Loss (Finish)

**Feb 29**

**Class 5**

1. Sale of Personal Residence
   a. IRC § 121 and § 121 Regulations
   c. CCA 201428008 (April 21, 2014)
   d. *Fed. Tax’n Income, Est.& Gifts* ¶ 45.1
   e. *BNA TMP 594: Home Ownership, § IV* (Not Required)

2. Individual Net Operating Loss
   a. IRC § 172 & Treas. Reg. § 1.172-1, -3 through -7
   b. *IRS Form 1045 & Instructions*
   c. *BNA TMP 539, § III, C* (Not Required)

### TOPIC: Income Inclusions, Deductions, and Exclusions

**Mar 7** (Off)

**Mar 14**

**Mar 21**

**Class 6-7**

### TOPIC: Interest Expense Deductions

**Interest Expense, Generally**

1. IRC § 163(a), (h)(1)-(2)
2. Treas. Reg. § 1.163-9T
3. IRC § 265(a)(2)
4. *Fed. Tax’n Income, Est.& Gifts* ¶ 52.1 (Not Required)

**Mortgage Interest Expense Deduction**

1. IRC § 163(h)(3)
2. IRC § 461(g)
3. IRS Notice 88-74
4. Treas. Reg. § 1.163-10T
5. Rev. Rul. 2010-25 compare w/ *Voss v. Comm’r*, 796 F.3d 1051
6. *BNA TMP 594: Home Ownership, § II, D*

**Investment Interest Expense Deduction**

1. IRC § 163(d)
2. Rev. Rul. 70-221
3. *Fed. Tax’n Income, Est.& Gifts* ¶ 52.5 (Not Required)
### Interest Tracing
1. Treas. Reg. § 1.163-8T
2. IRS Notice 89-35
3. *Fed. Tax’n Income, Est. & Gifts* ¶ 52.10 (Not Required)

### Self-Charged Interest
1. Treas. Reg. § 1.469-7 (In PAL Materials)
2. BNA TMP 549-2nd: Passive Loss Rules, IV, A, 1, c, 3

### TOPIC: Non-Interest Itemized Deductions

#### State, Local & Foreign Taxes
1. IRC § 164 & Treas. Reg. § 1.164-1 through -7 (Skim)
2. IRC § 275
3. *Sale of State Tax Credits, CCA 201147024*
4. *Fed. Tax’n Income, Est. & Gifts* ¶ 32.1 (Not Required)

#### Charitable Contributions
1. IRC § 170(a) – (f)
2. Treas. Reg. § 1.170A-1, -3, -4, -8, -10 (Skim)
4. Rolfs v. Comm’r, 668 F.3d 888 (7th Cir, 2011)
5. *Fed. Tax’n Income, Est. & Gifts* ¶ 35 (Not Required)

#### Casualty & Theft Losses
1. IRC § 165(a), (c)
2. Cox v. United States, 537 F.2d 1066 (9th Cir. 1976)
3. Rev. Rul. 2009-8
4. *Fed. Tax’n Income, Est. & Gifts* ¶ 34.1

#### Miscellaneous Itemized Deduction Subject to 2% Floor
1. IRC §§ 67 & 212
2. Treas. Reg. § 1.67-1T, -2T
3. Treas. Reg. § 1.212-1
4. Treas. Reg. § 1.162-1, -6, -15

### Apr 4
**TOPIC: Basics of Financial Planning, Investments, and Tax Implications:**

1. What is Financial Planning?
2. Liability Management - what to do with student loans, other debt, tax deductibility, lease vs. own?
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Apr 11</td>
<td>TOPIC: Other Individual Tax Systems</td>
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<tr>
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<td>Class 10: Individual Alternative Minimum Tax (AMT)</td>
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<tr>
<td></td>
<td>1. IRC §§ 55-59 &amp; Treas. Reg. § 1.55-1</td>
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<td>2. IRS Form 6251 &amp; Instructions</td>
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<td>3. BNA TMP 587-2nd: Noncorporate AMT (Not Required)</td>
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<td>Class 10: Self-Employment Tax</td>
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<td>1. IRC §§ 1401-1402</td>
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<td>2. Treas. Reg. § 1.1402(a)-1 through -18</td>
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<td>3. Treas. Reg. § 1.1402(b)-1</td>
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<td>4. Treas. Reg. § 1.1402(c)-1</td>
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<td>5. BNA TMP 392-6th: Withholding, Social Security and Unemployment Taxes on Compensation, Part II, B (Not Required)</td>
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<tr>
<td>Apr 18</td>
<td>Section 1411 – Net Investment Income Tax</td>
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<td>April 25</td>
<td>[a/ka the “Unearned Income Medicare Contribution”]</td>
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<td>1. IRC § 1411</td>
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<td>2. 2013 Final Reg: Net Investment Income Tax (TD 9644)</td>
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<td>4. Form 8960 + Instructions &amp; IRS Website FAQs</td>
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<td>Class 11 – General Basics of Tax</td>
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<td>Treas. Reg. § 1.1411-1, -2, -4(a)-(f), -5, -6, -8, -9</td>
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<tr>
<td>Class 12 – Special 469 Interactions, Sale of Partnership Interests, CFCs &amp; PFICs Treas. Reg. § 1.1411-4(g), -5(b), and -10 Prop Reg § 1.1411-4(g), -7 (2013)</td>
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<tr>
<td>May 2</td>
<td>Review Class – If Requested / As Needed</td>
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<tr>
<td><strong>Final Exam</strong></td>
<td><strong>Earliest Download: May 3, 2016</strong></td>
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**General Exam Parameters:**
- There is no prescribed form for exam answers.
- There will be a page limit (approximately one double-spaced page per 5 points)
- Bullet point lists and/or imbedded spreadsheets (to show calculations) are acceptable. Citations are not required (and points will not be reduced for lack thereof), but they may be helpful shorthand in light of the length limitation described above.