Federal Income Taxation Syllabus  
(subject to change)

Fall 2018  
Wednesday 5:00 pm to 7:30 pm  
Room 102  
Law 525-3  
Office Hours: Tues. 11:30 to 2:30  
Prof. Drennan  
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314-943-4683 (cell)  
Office: Room 220

"You must pay taxes. But there’s no law that says you gotta leave a tip."
(Morgan Stanley Brokerage advertisement)

"The hardest thing in the world to understand is the Income Tax."
(Albert Einstein)

The opera reminds me of my tax audit. It was in a language I didn’t understand. And it ended in tragedy." ("Jeff MacNelly’s Shoe")

"I have something my doctor calls ‘narcotaxes.’ Within 20 minutes of hearing someone launch into an explanation of tax laws, my eyes become glassy, my body losses all feeling, and I go into a shallow coma.” (Russell Baker)

"Virtually all persons or objects in this country . . . may have tax problems. Every day the economy generates thousands of sales, loans, gifts, purchases, leases, wills, and the like, which suggests the possibility of tax problems for somebody. Our economy is tax relevant in almost every detail.”
(Potter Stewart)

Materials:


Item #3: Corpak Part 1 – This will provide additional reading material for the first four classes (approximately) to be provided on TWEN before the first class

Item #4: Corpak Parts 2, 3, and 4 – These follows Corpak 1, and Parts 2 and 3 will provide additional reading material for the classes. Part 4 provides additional materials. These will be provided on TWEN.

Item #5: Class Worksheets. The Worksheet for the first two class will be handed out in class. Eventually, worksheets for other classes will be provided on TWEN.

Item #6: There may be additional handout materials from time to time.

Course Description: This course is a survey of the federal income taxation of individuals. Topics will include the definition of gross income, exclusions from gross income, the requirements for various tax deductions, timing issues, and capital gains and losses. The course will highlight
income tax problems frequently faced by attorneys in general practice, such as the tax aspects of settlements and damage awards, the deductibility of attorney fees, and the tax consequences of sales and exchanges.

**Grades & Final Exam Information:** There will be one exam at the end of the semester, on Monday, December 10, beginning at 8:15 a.m. The exam likely will be a mix of multiple choice and essay questions. It is anticipated that during the exam you can use the Statutory Supplement for the course (which is titled “Selected Sections: Federal Income Tax Code and Regulations” by Steven A. Bank and Kirk J. Stark) (any single edition is acceptable), including any hand-written notes you have made in the Statutory Supplement (including notes on the blank pages at the beginning and end of the book), but you cannot attach other pages or other items to the Statutory Supplement other than flags or post-it notes used as flags. Otherwise, this is a closed book exam, and no calculators are permitted. It is anticipated that the grades for the course will be determined by performance on the final examination.

**Attendance Policy:** You are allowed to miss three (3) classes.

**Writing Assignment:** We will have a writing assignment to comply with the writing-across-the-curriculum requirement and the requirement to have a bar exam-type assessment. Satisfactory completion of the assignment is required to be eligible to take the exam and complete the course.

**Recording of Classes:** Students may audio record class from their regular location in the classroom, unless the professor announces in class that this policy has changed. The professor may audio record classes, and the professor may video record using the Law School’s technology. Classes may also be recorded for ADA compliance purposes.

**Student Learning Objectives:** At the end of this course, students will be able to:

- Analyze a federal income tax return and describe aspects of the individual’s economic activity for the year and make predictions about the individual’s total economic wealth.
- Estimate the amount that a plaintiff needs to recover in a settlement (or in a damage recovery) to receive a target amount after-tax.
- Estimate the amount that a defendant can pay in a settlement (or in a damage recovery) based on the after-tax cost the defendant plans to incur to conclude the lawsuit.
- Analyze a method for a client to save capital gains taxes on a sale of certain types of property.
- Identify tax issues involved when a client receives amounts; make effective arguments about whether those amounts are taxable income; and if taxable, what year those amount will be taxed.
- Identify tax issues involved when a client pays certain amounts; make effective arguments about whether those amounts are tax deductible; and if tax deductible, in what year the amount may be deducted.

**Emergency Procedures:** Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response
information is available on posters in buildings on campus, available on BERT’s website at www.bert.siu.edu. Department of Safety’s website www.dps.siu.edu (disaster drop down), and in an Emergency Response Guideline pamphlet. Know how to respond to each type of emergency.

Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency. The Building Emergency Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.

**Disability Policy:** The School of Law no longer makes determinations about appropriate accommodations for disabilities. Those decisions are now made by the University Disability Support Services (“DSS”) Office. In regards to these procedures: Disability Support Services provides the required academic and programmatic support services to students with permanent and temporary disabilities. DSS provides centralized coordination and referral services. To utilize DSS services, students must come to the DSS to open cases. The process involves interviews, reviews of student-supplied documentation, and completion of Disability Accommodation Agreements. http://disabilityservices.siu.edu/. Upon completion of a Disability Accommodation Agreement with DSS, students should bring the agreement to the School of Law Registrar’s Office to ensure the School of Law provides the proper classroom and examination accommodations.

**Saluki Cares:** The purpose of Saluki Cares is to develop, facilitate, and coordinate a university-wide program of care and support for students in any type of distress – physical, emotional, financial, or personal. By working closely with faculty, staff, students and their families, SIU will continue to display a culture of care and demonstrate to our students and their families that they are an important part of the community. For information on Saluki Cares: (618) 453-5714 or siucares@siu.edu, http://salukicares.siu.edu/index.html. At the School of Law, Assistant Dean Judi Ray is also available to help students access university resources. Her email is judiray@siu.edu, and her phone number is 618-453-3135.

**Workload Expectation:** The American Bar Association standards for accrediting law schools contain a formula for calculating the amount of work that constitutes one credit hour. According to ABA Standard 310(b)(1), a “credit hour” is an amount of work that reasonably approximates: (1) not less than one hour of classroom or direct faculty instruction and two hours of out-of-class student work per week for fifteen weeks, or the equivalent amount of work over a different amount of time. This is a 3-credit hour class, meaning that we will spend three 50-minute blocks of time together each week (all on Wednesday nights). The amount of assigned reading and out of class preparation should take you about 6 hours for the week. All told, applying the ABA standard to the number of credits offered for this class, you should plan on spending a total of 9 hours per week (3 in class and 6 preparing for class) on course-related work.