Meeting: Tuesdays and Thursdays, 4:00-5:20 Room 117

Contact: E-mail: mhat@uw.edu
Office: 429
Office hours: Thursdays, 2:00-3:00 and by appointment
Phone: 806-290-0858 (cell)
Assistant: Micah Wyatt, micahw96@uw.edu

Text: Schwarz and Lathrope, Fundamentals of Partnership Taxation (9th edition)

Seating: Each student is assigned to a team, and each team will be assigned a seating area in the classroom.

Team: Each student is assigned to a team. Class time will involve team work on assignments. Team members are expected to work closely on these assignments, as well as to function as a team when participating in class discussions. Team members are encouraged to meet outside of class time as well, but no one is required to do so.

Journal: In addition to class participation and the final exam, you are required to maintain a Business Tax Issues Journal in Word format. During the semester, expect to be called upon in class to discuss your recent entries, and, at the end of the semester, you will e-mail the Journal to me for review. The format of the Journal should be a cut-and-pasted blog or media report on a current business-related tax issue followed by a paragraph of your reaction to the entry. The purpose of maintaining the Journal is to encourage your active review of these issues in the media. You should have 10 entries in your journal when it is completed. You may use any blog or media outlet, including www.taxprof.typepad.com.

Exam: The final exam will last 3 hours. Limited materials may be allowed for your use during the exam. Details about the exam will be announced at least 2 weeks before the exam.

Grade: Your final grade in the course will be the grade on the final exam. However, your final grade may be lowered by up to 0.3 points (e.g., 3.0 to 2.7) for poor class participation, including either poor participation on your team or poor preparation of your Business Tax Issues Journal.

Accommodations:

To request academic accommodations due to a disability, please contact
Disability Resources for Students (DRS), 448 Schmitz, (206) 543-8924 (V), (206) 543-8925 (TTY). If you have a letter from DRS, please present the letter to me so we can discuss the accommodations you might need in this class.

**DISCUSSION SCHEDULE**

**January 7:**  
**Partnership Taxation: Overview**  
Read: Company Agreement of NewCo, LLC (pay close attention to provisions related to voting rights and distributions, and also note each place at which names, addresses, signatures, values, and other information needs to be inserted into the agreement). Your team will be responsible for revising and finalizing this agreement in class on January 9.  
Read: pp. 1-30; Code and Regulations as assigned in handout  
Solve: problems 1 and 2 on p. 17

**January 9:**  
**Drafting and Discussion Exercise. Using the NewCo, LLC form, your team will prepare an operating agreement. Your team’s company will manufacture doors. The first person named in your team list will contribute equipment; the second person will contribute inventory; the third person will contribute a warehouse; and the other team members will contribute cash in equal amounts. Draft the agreement, including your names, addresses, signature lines, the capital contribution information, and the appropriate sharing percentages. You will need to negotiate management issues, such as who will be the Manager(s), the powers of the Manager(s), and the powers reserved to the Member(s). Be sure you each understand your voting rights and when and on what terms you will receive distributions, as well as any other matters that seem important. You may modify the terms of the form in any way agreeable to the team members with the greatest voting rights. You should determine what forms you will need to file with the state and federal authorities. The team should be prepared to explain the final agreement to the class, discussing the options you considered and the decisions you made.**

**January 15:**  
**Partnership Formation: Contributions of Property**  
Read: pp. 32-39; Code and Regulations as assigned in text  
Solve: Problem, p. 38  
Team Exercise: TBA

**January 16:**  
**Partnership Formation: Partnership Accounting**  
Read: 39-45; Code and Regulations as assigned in text  
Solve: Problem, p. 45

**January 21:**  
Team Exercise: TBA

**January 23:**  
**Partnership Formation: Contributing Encumbered Property and Services**
January 28:  
**Partnership Operations: Flow-Through Taxation**
Read: pp. 84-89, 101-107; Code and Regulations as assigned in text
Solve: Problem, p. 104; Problem, p. 107
Team Exercise: TBA

January 30:  
**Partnership Operations: Limiting Deductibility of Losses**
Read: pp. 110-123; Code and Regulations as assigned in text
Problem, p. 111; Problems 2(a), (b), p. 115; and Problem 2, p. 123
Team Exercise: TBA

February 4:  
**Partnership Allocations: Economic Effect**
Read pp. 124-145; Code and Regulations as assigned in text
Team Exercise: TBA

February 6:  
**Partnership Allocations: Substantiality of Economic Effect**
Read: pp. 145-161; Code and Regulations as assigned in text
Solve: problems 1(a), (b), (d) on p. 160 (cost recovery = $20,000 each and every year); problems 2(a) and (b) on p. 161

February 11:  
**Partnership Allocations: Items Related to Nonrecourse Debt**
Read: pp. 162-172; Code and Regulations as assigned in text
Solve: Problems (a) and (c), p. 172.
Read: Company Agreement of NewCo, LLC (pay close attention to provisions related to minimum gain chargeback).
Team Exercise: TBA

February 13:  
**Partnership Allocations: Sales and Exchanges of Contributed Property**
Read: pp. 175-185; Code and Regulations as assigned in text
Team Exercise: TBA

February 18:  
**Partnership Allocations: Depreciation of Contributed Property**
Read: pp. 185-192; Code and Regulations as assigned in text
Solve: problem 2 on p. 192
Team Exercise: TBA

February 20:  
**Partnership Allocations: Outside Basis and Partnership Debts**
Read: pp. 193-204; Code and Regulations as assigned in text
Solve: problems 1(a), (c) on pp. 210-11
Team Exercise: TBA

February 25:  
**Operating Distributions**
Read: pp. 289-309; Code and Regulations as assigned in text
Solve: Problems 1(a), (b), and (c), p. 300; Problems (a) and (b), p. 309
Team Exercise: TBA

February 27: **Selling a Partnership Interest**
Read: pp. 222-223, 255-271; Code and Regulations as assigned in text
Solve: Problems 1(a), (b), p. 271
Team Exercise: TBA

March 4: **Buying a Partnership Interest**
Read: pp. 279-285; Code and Regulations as assigned in text
Solve: Problems 1(a)-(k), pp. 287-288
Team Exercise: TBA

March 6: **Payments to Partners for Services**
Read: pp. 222-248; Code and Regulations as assigned in text
Solve: Problem 1, p. 247
Team Exercise: TBA

March 11: **REVIEW**