

**University of Washington School of Law**  
**Fall Quarter, 2021**  
**Taxation of Corporations and Shareholders, T501**  
**Credits: 3**  
**Class meets Tuesday and Thursday 4:00 P.M.**  
**First Class Tuesday September 28**  
**Room 117**

Instructor: Cameron J. Wiebe  
Office: N/A  
Office Hours: All times by appointment

**ZOOM Class Link: TBD**  
**ZOOM Passcode: TBD**

## **SYLLABUS**

### **Class Description**

A detailed examination of the federal income tax relationships between corporations and their shareholders. Following introductory material related to choice of business entity, there is a detailed consideration of corporate formation, distributions, redemptions, liquidations, and mergers and acquisitions. Also discussed and analyzed will be the debt vs. equity issues involved in a corporation's capital structure and a general analysis of relevant tax considerations relating to the sale of corporate businesses.

### **Learning Objectives**

The ABA now requires that we publish learning objectives/outcomes in each course syllabus. Here is a link to the Legal Analysis Research and Writing webpage that will give you an idea of the type of outcomes that have been set for that program:  
<https://www.law.washington.edu/writing/goals.aspx>.

### **Textbook**

Title: Federal Taxation of Corporations and Shareholders, Student Edition

Author: Bittker And Eustice

This text is available at the UW Book Store and I believe there is an online option available to you.

### **Grading**

Grades will generally be assigned based on the student's performance on the Final Exam.

### **Final Exam**

The Final Exam is expected to be 3 hours in length and may be a mixture of multiple-choice questions and essays or simply essays. The Final Exam is expected to be administered on ExamSoft in Non-Secure mode with Blocked Internet. The final exam is currently scheduled for December 13, 2021. You are responsible for reviewing the exam schedule to determine

if there are any changes. The exam schedule for this quarter is posted at <https://www.law.washington.edu/students/exams/default.aspx> .

### **Class Participation/Expectations**

Classes are conducted as partial lecture and review of certain problem sets that will be distributed throughout the quarter.

### **Course Evaluation**

Course evaluations are open online during the last week of classes. Please bring a laptop or mobile device to class on this date to participate in the evaluation. If class is being conducted virtually only, the evaluation will be made available to you on one of the virtual platforms.

### **Review Session**

Currently planned for Tuesday, December 7, 2021. If additional review time is required, we will address on an ad hoc basis.

### **Cell Phones (Computers)**

If we're in class, please avoid use of cell phones during class time. Use of computers for taking notes in class is allowed and encouraged. In addition, the Law School's policy on exams, paper and use of computers on exams is set out here:

<https://www.law.washington.edu/students/academics/exams.aspx>

### **Guests and Visitors**

Guests and Visitors are welcome pending permission from Professor Wiebe.

### **Law School Attendance Policy**

Under changes to ABA Accreditation Standard 304, adopted in August 2004, a law school shall require regular and punctual class attendance.

At any time after the fifth week of a course (halfway through a summer session course), a student who has been determined by the instructor to have attended fewer than 80 percent of the class sessions in any course will be required to drop the course from his or her registration upon the instructor's so indicating to the Academic Services Office.

An instructor may also impose stricter attendance standards or other sanctions for nonattendance, including lowering of a grade, provided that students are informed at the start of the course of the instructor's attendance rules and possible sanctions.

### **Access and Accommodation**

Your experience in this class is important to me. If you have already established accommodations with Disability Resources for Students (DRS), please communicate your approved accommodations to me at your earliest convenience so we can discuss your needs in this course.

If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), you are welcome to contact DRS at 206-543-8924 or [uwdrs@uw.edu](mailto:uwdrs@uw.edu) or

disability.uw.edu. DRS offers resources and coordinates reasonable accommodations for students with disabilities and/or temporary health conditions.

Reasonable accommodations are established through an interactive process between you, your instructor(s) and DRS. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law.

### **Religious Accommodations**

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at Faculty Syllabus Guidelines and Resources. Accommodations must be requested within the first two weeks of this course using the Religious Accommodations Request form available at <https://registrar.washington.edu/students/religious-accommodations-request/>.

### **Class Meetings**

#### CLASS 1 – Tuesday, September 28

Topic: *Introduction/Choice of Entity*

Readings / Assignments: **IRC Sec.** 7701(a)(3)  
**Treas. Regs.** Sec. 301-7701-1(a)(1) & 2; 301.7701-2(a), (b), (c)(1) & (2), 301.7701-3(a),(b)(1), (d)(1), (e)(4)  
**B&E Sections:** 1.05[1][2], 1.06, 1.07, 2.02, 2.05

#### CLASS 2 – Thursday, September 30

Topic: *The Corporate Tax*

Readings / Assignments: **IRC Secs.** 1 (skim); 11; 59A (skim); 243; 441(a)-(g); 448(a), (b), (c)  
**B&E Sections:** 5.01-5.04 (But pay special attention to updates from the Cumm. Supp.); 5.02; 5.03[3], [4]; 5.05[1], [2]; 5.07

#### CLASS 3 – Tuesday, October 5

Topic: *Corporate Formation*

Readings / Assignments: **IRC Secs.** 118(a), (b); 195; 248; 351(a), (b), (c), (d)(1)-(2), (g); 357(a)-(d); 358(a), (b)(1), (d); 362(a), (c), (e); 368(c); 1032(a); 1223(1), (2); 1245(b)(3).  
**Treas. Regs.** 1.118-1: 1.248-1(b); 1.351-1(a), (b); 1.351-2(a); 1.357-1: 1.357-2; 1.358-1; 1.358-2, 1.358-3; 1.362-1; 1.1032-1(a)-(d).  
**B&E Sections:** 3.01-3.03; 3.05; 3.06[2], [3], [4]; 3.07- 3.14.  
**Problem Set 1**

#### CLASS 4 – Thursday, October 7

Topic: Continuation of Class 3

CLASS 5 – Tuesday, October 12

Topic: *Capital Structure, Dividends, Earnings and Profits*

Readings / Assignments: **IRC Secs.** 1(h)(11); 163; 165(g); 166(a), (d), (e); 243(a), (b)(1); 301(a)-(d); 312(a)-(f), (k)(1)-(3); 316(a); 317(a); 1244(a)-(c).  
**Treas. Regs.** 1.165-5(a)-(c); 1.301-1(a)-(c); 1.312-6(a), (b), (d)(first sentence); 1.312-7(b)(1)(first sentence); 1.316-1(a)-(2); 1.316-2(a)-(c); 1.1244(a)-1(a), (b).  
**B&E Sections:** Student Ed. 4.01-4.03; (skim 4.05); 8.01 – 8.05; 8.07  
*Online Ed. 4.01 – 4.03; (skim 4.05); 8.01 – 8.05; 8.07*  
**Problem Set 2**

CLASS 6 – Thursday, October 14

Topic: Continuation of Class 5

CLASS 7 – Tuesday, October 19

Topic: *Property Distributions, Constructive Dividends, Section 243, Redemptions*

Readings / Assignments: **IRC Secs.** 243(a)(1), (3), (c); 246(a)(1), (b)(1), (c); 246A; 301(a)-(e); 302; 311; 312(a), (b), (c), (f)(1); 317(b); 318; 1059(a)-(e)(1).  
**Treas. Regs.** 1.301-1(d)(1)(ii), (j); 1.302-3; 1.302-4; 1.312-3; 1.318-1; 1.318-2; 1.318-3(a), (b); 1.318-4  
**B&E Sections:** *Student Edition* 5.05; 8.06; 8.20-8.23; 9.01-9.05  
*Online Edition* 5.05; 8.06; 8.20 – 8.23; 9.01 – 9.05  
**Problem Set 3**

CLASS 8 – Thursday, October 21

Topic: Continuation of Class 7

CLASS 9 – Tuesday, October 26

Topic: *Redemptions Continued, Partial Liquidations, Buy-Sell Agreements*

Readings / Assignments: **IRC Secs.** 162(k); 302; 303(a), (b)(1)-(3), (c); 304(a), (b)(1), (2), (3)(A)&(B), (c); 311; 312(n)(7)  
**Treas. Regs.** 1.304-2(a), (c); 1.304-3(a)  
**B&E Sections:** *Student Edition* 9.06-9.09; 9.20-9.25  
*Online Edition* 9.06-9.09; 9.20-9.25  
**Problem Set 4**

CLASS 10 – Thursday, October 28

Topic: Continuation of Class 9

CLASS 11 – Tuesday, November 2

Topic: *Stock Dividends*

Readings / Assignments: **IRC Secs.** 305; 306; 307; 312(d)(1), (f)(2); 317(a); 1223(4)

**Treas. Regs.** 1.305-1; 1.305-2; 1.305-3(a), (b), (c), (e)  
Examples 1-4, 8, 10, 11; 1.305-4; 1.305-5(a); 1.305-6; 1.306-2;  
1.306-3(a)-(c), (e); 1.305-7(a)  
**B&E Sections:** *Student Edition* 8.40 – 8.42; 8.60-8.64  
*Online Edition* 8.40-8.42; 8.60-8.64  
**Problem Set 5**

CLASS 12 – Thursday, November 4

Topic: Continuation of Class 11

CLASS 13 – Tuesday, November 9

Topic: *Complete Liquidations and Subsidiary Liquidations*

Readings / Assignments: **IRC Secs.** 331; 332(a) & (b); 334; 336(a)-(d); 337; 346(a);  
453((h)(1)(A)-(B); 1223(1)

**Treas. Regs.** 1.331-1(a), (b), (e); 1.332-1; 1.332-2, 1.332-5;  
1.332-7; 1.453-11(a)(1), (2)(i), (3), (d)

**B&E Sections:** *Student Edition* 10.00-10.26

*Online Edition* 10.00-10.26

**Problem Set 6**

Thursday, November 11 - Veterans Day

Class 14 – Tuesday, November 16

Topic: Continuation of Class 13

CLASS 15 – Thursday, November 18

Topic: *Taxable Acquisition and Exit Planning*

Readings / Assignments: **IRC Secs.** 336(e), 338(a) – (e), (g); (h); 1060

**Treas. Regs.** 1.338-4(a)-(e); 1.338-5(a)-(e); 1.338-6(a)-(c)(1); 1.1060-1(a)(1).

**B&E Sections:** *Student Edition* 10:30-10:45

*Online Edition* 10:30-10:45

**Problem Set 7**

CLASS 16 – Tuesday November 23

Topic: Continuation of Class 15

Thursday November 25 - **Thanksgiving**

CLASS 17 – Tuesday, November 30

Topic: *Tax Free Reorganizations*

Readings / Assignments: **IRC Secs.** 368(a)(1), (2)(A)-(E), (G), (H), (b), (c); 354(a)(1),  
(2)(A)-(C)(i), (b); 356(a)-(d)(1); 361(a)

**Treas. Reg.** 1.368-1(a), (b), (c), (d)(1)-(4), (e)(1); 1.368-2(b)(1)(i) and (ii), (2), (c), (d)(1) & (2), (j)(1)-(5)

CLASS 18 – Tuesday, December 2

Topic: *Consolidated Groups*

Readings / Assignments: **IRC Secs.** 267(a)(1), (f); 482; 1501; 1502; 1503(a);  
1504(a)&(b).

**Treas. Regs.** 1.1502-11(a); 1502-12; 1502-13(a)(1)-(3),  
(6)(i), (b)(1)-(6), (d)(1)-(2)(i), (f)(1)-(5)

**B&E Sections:** *Student Edition* 13.40; 13.42[1], [2][b], [4], [6], [8]; 13.43[1]-[3] *Online Edition* 13.40; 13.42[1], [2][b], [4], [6], [8]; 13.43[1]-[3]

CLASS 19 – Tuesday, December 7

Topic: Review

Readings / Assignments: N/A