

University of Washington School of Law  
LAW T 530 Tax Issues in Mergers and Acquisitions

**Syllabus**

Winter 2021

Scheduled time: Thursdays 5:00- 6:55 (2 credits)

Professor Barbara Lock

Office hours: Thursdays 12:00 – 2:00 or by appointment

ZOOM Class Link:

ZOOM Passcode:

**Course Description:**

A thorough analysis of the corporate reorganization provisions, including a detailed consideration of definitional issues regarding what constitutes a reorganization; tax treatment of parties to a reorganization; and discussion of certain other specialized acquisition techniques such as asset purchase elections, contribution/acquisition combinations, and the use of disregarded entities as acquisition vehicles.

*Prerequisites:* Introduction to Individual Income Taxation, T501 Taxation of Corporations & Shareholders.

**Learning Objectives:**

After completing this course, you will be able to identify and analyze the requirements and consequences of both taxable and nontaxable corporate acquisitions and divisions, including:

- the tax consequences of **taxable asset and taxable stock acquisitions**;
- the reasons someone would engage in a **taxable rather than non-taxable acquisition**;
- the requirements and consequences of both a **§338(h)(10)** and a **§336(e)** election;
- the treatment of **expenses and corporate debt** in connection with an acquisition;
- the **judicial and statutory requirements** of the various types of §368 non-taxable acquisitive reorganizations (A, B, C, and acquisitive D);
- the **corporate-level and shareholder-level tax treatment** of acquisitive reorganizations;
- the basic requirements for, and taxation of, **corporate divisions** (§355 and divisive D (D/355));
- **transfers of control** in divisive reorganizations;
- **alternatives to §355**; and
- the requirements and consequences of **one-party reorganizations** (E and F).

**Textbook:** Abrams and Leatherman, *Federal Corporate Taxation* 8th Edition (2020) **Suggested Text:** Lathrope (editor), *Selected Federal Taxation Statutes and Regulations* (2020 edition).

## Final Exam

The final exam will be two hours in ExamSoft, secure mode. The final exam may be taken anytime 3/15 8:30 AM – 3/20 11:59 PM without reschedule.

## Course Methodology/Class Participation/Expectations

My teaching philosophy is that you learn tax by diving in and tackling problems. You need to apply what you have read for the complicated material to really sink in. For this reason, reading assignments will not be voluminous (but they will be dense, so read carefully). In addition to the reading assignments, you will have a weekly problem set assignment intended to help you apply what you have learned from the reading and my lecture.

- **Weekly problem set assignments** will count for **40%** of your grade (4% each).
- **The final exam** will count for **60%** of your grade.

This class will involve a mix of synchronous and asynchronous instruction. Each week, I will post a 50-minute lecture to Canvas, along with the problem assignment, by Tuesday noon. Please listen to the lecture and complete the problems by class time Thursday. **You will receive credit for the problems only if you submit your answers to the designated Canvas drop-box by Thursday at 5:00 p.m.** If this scheduling causes you trouble, please let me know. Your answers need not be correct for you to receive some credit, but they must be thorough.

**Each Thursday we will meet at 5:00 via Zoom to discuss the problems for fifty minutes. Class will end at 5:50. Your attendance is required (see law school attendance policy below).**

If you have purchased the Doernberg, Abrams, and Leatherman casebook (Federal Income Taxation of Corporations and Partnerships) for another course, you may find chapters 9-12 on reorganizations helpful for this course, but you are not required nor expected to buy that book. I may also add supplemental reading assignments throughout the quarter, if I think they will be helpful. If I do, I will post those assignments when (or before) I post the week's problem set.

## Course Evaluation

Course evaluations are open online during the last week of classes. Because we do not have class on March 11, I cannot make class time available for filling out your evaluation, but please do so. I value your input!

## Cell Phones (Computers)

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> (Links to an external site.)

## 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.

## 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](http://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/> (Links to an external site.).

## Class Meetings

### CLASS 1 – January 7

Taxable Acquisitions: Asset and Stock Purchases; Expenses in Connection with an Acquisition; Corporate Acquisitions and the Use of Debt

Reading: Chapter 9, pp. 227 – 233 and 253 - 261

### CLASS 2 – January 14

Taxable Acquisitions: Sections 338(h)(10) and 336(e) Elections

Reading: Chapter 9, pp. 233 -253

### CLASS 3 – January 21

Acquisitive Reorganizations: Judicial Requirements

Reading: Chapter 10, pp. 261-274

CLASS 4 – January 28

Acquisitive Reorganizations: Statutory Requirements for A, B, C, and Non-Divisive D Reorganizations

Reading: Chapter 10, p. 274-287

CLASS 5 – February 4

Acquisitive Reorganizations: Statutory Requirements for Triangular Reorganizations, Drop-downs and Push-ups, Multi-step, and G Reorganizations; Status of Creditors in a Reorganization

Reading: Chapter 10. pp. 287 - 306

CLASS 6 – February 11

Acquisitive Reorganizations: Corporate-Level Taxation

Reading: Chapter 10, pp. 306 - 311

CLASS 7 – February 18

Acquisitive Reorganizations: Shareholder-Level Taxation; A Note on Securities

Reading: Chapter 10, pp. 311 -322

-

-

CLASS 8 – February 25

Divisive Reorganizations: Basic Requirements; Taxation of Successful and Failed Divisions

Reading: Chapter 10, pp. 322 - 334

CLASS 9 – March 4

Divisive Reorganizations: Transfers of Control; Alternatives to Section 355

Reading: Chapter 10, pp. 334 - 342

CLASS 10 – No class March 11/lecture posted March 9

One-Party Reorganizations

Reading: Chapter 10, pp. 342 - 351