The Fundamentals of Federal Taxation
The Fundamentals of Federal Taxation
Problems and Materials

FIFTH EDITION

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Durham, North Carolina
To Maggie, Ben and Alex

— Jack Miller

To My Mother and Father

— Jeff Maine
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Preface and Acknowledgments

This edition brings the text current to February 2018 and reflects changes made by recent tax acts, including the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA is the most sweeping change in the income tax in nearly 30 years, but many of its changes for individual taxpayers are temporary, and the Act merely suspends rather than repeals prior law. Most of those suspensions of prior law are slated to end in 2026, and most of the positive provisions that replaced them are slated to sunset at that same time. This leads to some necessity for the student to appreciate both the present and the suspended law. In this edition we have married our discussion of present law with a description of prior and suspended law as appropriate.

It has been said that the hardest thing about writing a good book is knowing what to leave out. That is certainly true of a book about the law of taxation. The Internal Revenue Code and the regulations interpreting it extend for many thousands of pages. An introduction to its labyrinthian nature must necessarily leave a great deal out. In the materials that follow, we have sought to highlight those parts of federal tax law that are most relevant to the every-day experiences of life in the United States. The level of coverage is not entirely uniform because part of appreciating the law of taxation is seeing its varying depths. Though our approach has been far from encyclopedic, we have tried to make the study of taxation engaging, concrete and specific through examples and problems. By the same token, we have made a consistent effort to delineate the policies that underlie our tax system and to note deviations from generally accepted principles of sound tax policy. Because most people who study taxation do so in order to serve a client, we have also emphasized planning principles.

We have broken the subject matter of this book into many more chapters than is typical of law casebooks. The purpose for this approach is simply to make the book easier for teachers to assign and for students to read. The typical chapter can be covered in one or two class periods. If the instructor chooses to omit a topic, she or he need only direct the student to skip the appropriate chapter. The assignments are structured to make efficient and effective use of student preparation time by segmenting and prioritizing the material.

As is typical of tax law casebooks, this book is intended to be used in conjunction with selected sections of the Internal Revenue Code and the federal tax regulations. Several publishers produce one volume editions that well serve that purpose.
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