

# **A Student's Guide to the Internal Revenue Code**



# A Student's Guide to the Internal Revenue Code

SEVENTH EDITION

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# Preface

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Taxation is a very scary subject to many law students and attorneys. One of the primary reasons for “tax phobia” is that the substantive tax laws constantly change. Thus, tax students, and tax professionals for that matter, are frustrated by the feeling that everything they learn is subject to repeal. Since much of the substantive tax law learned by a modern law student or attorney will indeed change, it is futile for students, attorneys, or accountants to memorize substantive tax law.

On the other hand, while the tax laws themselves change, the language of the Internal Revenue Code (hereinafter “the Code”), which is the source of the tax law, remains constant. Thus, a student who learns how to read the Code effectively will be able to understand each new tax reform.

The purpose of this *Student’s Guide* is to help you teach yourself the language of taxation. To that end, the first part of this book (Chapters 1–3) is dedicated to a discussion of statutory organization and language. The second part of the book (Chapters 4–7) serves as an introduction to some very basic tax constants, which will affect any future legislation, and will give you a frame of reference from which to view tax law, no matter what future tax reform might bring. The third part of the *Student’s Guide* (Chapter 8) teaches you how to use and research the cases, regulations and Internal Revenue proclamations that have an effect on the formation of tax law and policy. Finally, and maybe most important, the fourth part of the manual (Chapters 9 and 10) involves problems and sample exams that will test your ability to apply the language of the Internal Revenue Code.

It should be noted that Appendix III contains answers to ALL 16 problem sets included in Chapter 9, and Appendix IV contains sample answers to Practice Exams #1, #2 and #3 in Chapter 10. **If you have questions about these answers, please feel free to email us at [igershon@olemiss.edu](mailto:igershon@olemiss.edu) or [jeffrey.maine@maine.edu](mailto:jeffrey.maine@maine.edu). Also, we will be happy to supply you with the sample answers to Practice Exams #4, #5 and #6 in Chapter 10 if you email us your solutions first!** Although the Seventh Edition provides answers to many problems and practice examinations, we encourage you to work through the problems on your own before looking at our answers

Some additional thoughts as you begin to explore the tax law: relax and enjoy! Many students make tax law more complicated than it needs to be by expecting the worst. Generally, the Code’s solution to a problem is the most logical. Ask yourself what would be the common sense solution to the problem you are attacking. As you become more comfortable with the Code, you will find that the Code’s solution often

will be exactly the same as your common sense solution. Finally, you do not need to be a mathematical or accounting genius to excel as a tax student. If you can understand the methodology of tax, you can easily “crunch” the numbers on your pocket calculator, or your personal computer, because numbers in tax are merely placeholders. We hope that you are as pleasantly surprised by the study of this fascinating body of the law as we were.

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