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We hope that you will enjoy studying with, and learning from, the Mastering Series.

Russell L. Weaver
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University of Louisville, Louis D. Brandeis School of Law

Preface

The income tax affects individuals in many ways. First, of course, they must compute the amount they owe (or any refund due to them) on an annual basis. Second, they confront tax consequences when they sell property or make gifts to family members. The attorneys who advise them encounter tax issues in every practice area. If they represent businesses accused of civil or criminal wrongdoing, they try to structure damages and other payments to preserve their deductibility. If they practice matrimonial law, they must understand the tax consequences of property settlements and custody. If they specialize in real property transactions, they regularly encounter the tax consequences of debt restructuring, eminent domain, and like-kind exchanges.

This book covers concepts you are likely to encounter in a basic federal income tax course. These range from the components of taxable income and tax—gross income, exclusions, deductions, and credits—to the rules that govern timing and character of income and deductions. Recognizing that tax must be considered in context, we focus on the most common income and deduction provisions and indicate how they affect taxpayers in various settings. We include numerous examples to illustrate the concepts in addition to citations to relevant authority.

Because it may appear that you must know everything about the income tax to understand any of its provisions, we begin with an overview of how the parts fit together. But our primary focus is on the material in subsequent chapters. We hope you find this book and its structure a useful guide to learning federal income tax.

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