

Understanding Taxation of Business Entities

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Understanding Taxation of Business Entities

SECOND EDITION

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To my parents, wife, and children, who have supported me in so many ways.

—Fred Brown*

To my grandmothers, Mary Augusta Jones and Suzanne Schwidetzky, both of whom attended university around 1900. Mary Augusta came from a working class background in the US and, paradoxically, had an easier time of it than Suzanne, who came from an upper class background in Germany. They were feminist pioneers decades before the word “feminist” entered our vocabulary.

—Walter Schwidetzky

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Preface

This book is an overreaction to a problem experienced in teaching business entity taxation. We could not find a single-volume supplemental text to recommend to students that we felt fully met their needs. From our own experience in teaching this and similar courses, we knew that there are some areas a professor covers in detail, others that are just skimmed over, and still others that are somewhere in between. We wanted a book that is user-friendly and that would allow students to opt for just a broad overview or dive into the material in more detail. At the same time, we wanted a twofer, a text that would be valuable to students who take separate courses in corporate and partnership taxation. Students would be spared the cost of buying two different texts. Further, it is common for professors teaching one subject to refer to the other. For example, if an owner contributes property to a corporation subject to debt which exceeds the owner's basis, the corporate tax rules typically have a different answer than the partnership tax rules. Having a single-volume text makes it easy for a student to get up to speed in both areas. Since we could not find what we wanted, we wrote what we wanted.

In response to feedback we have gotten from professors, the second edition could be thought of as a threefer. It can be a supplemental text for students taking a course in business entity taxation or separate courses in corporate and partnership taxation. But in the second edition, we added a problem set and a teacher's manual. The second edition thus can be used as the main text for any of the three courses.

We hope you find our effort helpful.

