## REAL ESTATE TAXATION

## **HANDOUT #1**

- 1. Review Table of Contents of Code, in particular provisions in:
  - \* Subchapter B, Parts I, VI and VII;
  - \* Subchapter C;
  - \* Subchapters E, K, M, O, P, S; and
  - \* Subtitle F, Chapter 61.
- 2. The following terms appear in the Code. Distinguish them.

Title

Subtitle (9 subtitles)

Chapter (1-1399)

Subchapter

Paragraph

Subparagraph

3. Be prepared to discuss the differences between the following:

**Regular Tax Court Opinions** 

Memorandum Tax Court Decisions

**Treasury Regulations** 

**Temporary Treasury Regulations** 

**Proposed Treasury Regulations** 

Revenue Rulings

Revenue Procedures

Private Letter Rulings

**Notices** 

- 4. What is the significance between a legislative regulation versus an interpretive regulation? See I.R.C. § 7805, Treas. Reg. 301.7805-1.
- 5. Please review to Section 61(a).
  - \* What subtitle is this section referring to?
  - \* How many subtitles comprise Internal Revenue Code?
  - \* What "Title" is the Internal Revenue Code?
  - \* What chapter contains Section 61?

- 6. What subchapter governs computation of gain/loss (refer to §1001(c))?
- 7. Where would you look to determine what reporting requirements, if any, apply to a given transaction?
- 8. In assessing, whether to go forward with a particular transaction, the downside must always be considered, e.g., will the downside be only the payment of taxes and interest (if this is the case, is there really a downside) or will penalties apply? Where would you look to determine the applicable penalties, if any?
- 9. What impact does a taxpayer's method of accounting have on a particular transaction or activity? Where are the rules located?
- 10. Give thought to pros/cons of real estate ownership/operation by various types of entities.
- 11. Review Internal Revenue Code §1221, §1223, §1211, §1231, §1201(h), §1237, §1245, and §1250 dealing with capital gains and losses.