I. INTRODUCTION
   A. Scope of the Course
   B. Planning Opportunities and Pitfalls
   C. Administrative Enforcement
   D. Judicial Review
   E. Tax Terms
      1. Income from whatever source derived
      2. Who is taxable?
   F. Annual tax periods and Accounting: Calendar Year, Fiscal Year

II. CHANGES IN THE 2018 LEGISLATION
   A. The new tax rates
   B. (dictation coming)

III. WHAT IS INCOME?
   A. Legal or illegal:
   B. Debt forgiveness:
   C. Compare gross receipts:
   D. Constructive Receipts:
   E. Realization:
   F. Imputed income
   G. When is a gift income?
   H. Illegal receipts
   I. Capital gains and holding periods
   J. Qualified dividends
   K. Stock options
   L. Alimony

IV. EXCLUSIONS FROM INCOME
   A. Gifts and Bequests:
   B. Prizes and awards:
   C. Scholarships and Fellowships:
   D. Life Insurance and other death benefits:
V. DEDUCTIONS

A. Defined:
B. Three types:
C. Cost of Goods Sold
D. What is not deductible;
E. Changes made by the new tax law:
F. “Ordinary and necessary” expenses
G. Public policy
H. Reasonable compensation:
I. Traveling expenses:
J. Hobby losses
K. Capital expenditures:
L. Depreciation and depletion
M. The 3% exclusion for itemized deductions has been illuminated
N. Only business or profit related interest expenses deductible
O. Home office:
P. Qualified residence interest:
Q. Taxes: $10K limit
R. Alimony
S. Illegal businesses
T. Luxury automobiles
U. Losses:
V. Casualty losses
W. Worthless securities
X. Charitable contributions and future interests
Y. Caveat: ordinary income and short term capital gain items
Z. Medical and dental expenses
AA. Personal and dependency exemption
BB. Standard deduction
CC. Credits

VI. SALES OF PROPERTY AND CAPITAL GAINS
A. Distinction between ordinary income and capital gain
B. Basis
   1. cost:
   2. adjustments to basis:
   3. carry over basis:
   4. stepped up basis: Section 1014(b)
   5. amount realized: cash, plus property, plus debt forgiveness
C. IRS: the fair weather friend principle: the importance of timing
D. Maximum rate
E. Holding period
F. Patents and copy rights
G. Section 1244 Stock
H. Recaptured depreciation:
   I. Non recognition
      1. 1031 Exchanges
      2. Corporate reorganizations
      3. Wash Sales

VII. RETIREMENT PLANS
A. Traditional savings plans for the individual
B. Tax free appreciation over many years
C. Disadvantage
D. Pension and Profit Sharing Plans
   1. Advantage:
   2. Pension plan:
   3. Profit sharing plans:
   4. Underwater Problem:
E. Tax advantaged investments.
   1. Tax shelters
   2. What remains today
      a. Depletion
      b. Depreciation
      c. Credits
      d. Incorporation
      e. Split Trusts
      f. Assignment of Income
      g. Preferred Compensation
      h. Loans to a Corporation
F. Taxation of minors

VIII. TRUSTS AND ESTATES
1. Separate taxable entities
2. Separate entity
4. Power to control beneficial enjoyment.
5. Administrative powers
6. Power to revoke
7. Income taxable to a person rather than the grantor
8. Charitable Remainder Trusts

IX. ESTATE AND GIFT TAX
A. Scope: property owned by the decedent at the time of death or transferred by a donor during his/her lifetime
B. Rate: marginal tax is 40% 2018. The exclusion amount is $11.18M for 2018 + CPI
C. Elect the unused portion of the exclusion for surviving spouse.
D. Same sex couples
E. Gift and Estate Tax Integrated
F. Indirect gifts
G. Transfer of property by a corporation
H. Valuation: fair market value
I. Donor retains an equity interest
J. Qualified Disclaimer
K. Gift tax annual exclusion
L. Transfer in trust.
M. Gift to minors: cf. parents’ legal obligation to support
   cf. contributions directly to educational organizations
N. Gifts to spouses
O. Gifts to charity
P. Property in which the decedent retained an interest
Q. Gifts in contemplation of death
R. Gifts of life insurance
S. Jointly held property
T. Community property
U. Estate and gift tax marital deduction: Intervening interests
V. Planning implications
W. Caveat December 31, 2025.
X. Generation-skipping tax.
Y. Revocable trusts
Z. Planning. A lifetime gift vs. a testamentary one
AA. “Stepped-up basis”
BB. Divorce and separation agreements.
CC. Avoiding probate.

X. CLOSING ADVICE
1. Use a will instead of a revocable trust
2. Don’t use a form?
3. If you have an estate the state will provide you one that may not represent your wishes
4. Unless your affairs are extremely simple don’t prepare your own taxes
5. Computer programs are good, but you may miss something
6. Higher a qualified estate planning lawyer to do your will, trusts, powers of attorney, medical
directives, etc. The alternative is the public administrator and substantial attorney’s fees.