

Final Exam

Wednesday, December 6
Administered by Registrar's Office

Three pickup times

8:30am–9:00am

1:00pm–1:30pm

6:00pm–6:30pm

Part 1: 90-minute multiple choice

Part 2: Two 1-hour essay questions

Open book, open note

Secure exam

Review Sessions (Q&A)

This Friday, Dec. 1

2:30 p.m.

5:30 p.m.

Room TBA

Office Hours (Room 233)

Thursday, Nov. 30: 4:00 to 6:00 p.m.

Monday, Dec. 4: 4:30 to 6:30 p.m.

Tuesday, Dec. 5: 3:00 to 6:00 p.m.

Sign-up sheets on office door

Qualified retirement plans

<i>No. 1</i>	<i>No. 2</i>	<i>No. 3</i>
Contributions deductible	Contributions not deductible	Contributions not deductible
No current tax on earnings	No current tax on earnings	No current tax on earnings
Withdrawals included in gross income	Withdrawals excluded from gross income	Withdrawals partly included (per IRC § 72)
“Traditional” IRC § 219, 408	“Roth” § 408A Educ. §§ 529, 530	“Nondeductible” IRC § 408

Capital gain and loss

IRC § 1(h) - Preferential rates for “net capital gain”

IRC § 1222(11) - Long-term capital gain

IRC § 1211(b) - Capital losses deductible only against capital gain (\$3,000/year ordinary income)

Capital assets - IRC § 1221(a)

Everything but:

- (1) Inventory and property held for sale to customers
- (2) Depreciable property, and real estate used in a business*
- (3) Self-created ©, manuscript, etc.
- (4) Business accounts receivable
- (5)-(7) Esoterica
- (8) Supplies

Examples

<i>Capital assets (capital gain/loss):</i>	<i>Not capital assets (ordinary income/loss):</i>
<ul style="list-style-type: none">-Corporate stock (unless dealer or electing trader)-Land held as an investment-Other investments-Personal-use assets (<i>gains only; losses not deductible at all!</i>)	<ul style="list-style-type: none">-Inventory-Real estate held by developer for sale to customers - <i>Winthrop</i>-Account receivable from sale of above-Screenplay that taxpayer wrote

*IRC § 1231

- Losses are ordinary
- Long-term gains are capital (best of both worlds!)
 - Except gain that is “depreciation recapture” - IRC §§ 1245, 1250

Depreciable equipment IRC § 1245

- Depreciation “recapture”
- Gains are ordinary to extent of depreciation previously taken
- Any amount realized in excess of original basis (unusual) = Sec. 1231 gain (capital)
- Losses are ordinary

Depreciable real property IRC § 1250

- Depreciation “recapture”
- Gains are capital (Sec. 1231), but top rate is 25% - IRC § 1(h)(6)
- Losses are ordinary