COURSE OUTLINE

Taxation of Real Estate: Course # 9930
Tuesdays and Thursdays, 4:10 – 5:20 pm

Professor/Instructor:
John D. Bonanno
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Office Hours: Tuesday and Thursday afternoons by Appointment.

Required Texts: (1) Federal Income Taxation of Real Estate; Sixth Edition; Robinson Gerald.

Mission Statement, Stat Ross Department of Accountancy: The missions of the Stan Ross Department of Accountancy are (1) to operate the undergraduate, master’s and doctoral programs in accountancy, (2) to provide accounting knowledge to students with majors in areas other than accounting, and (3) to serve its student, academic, and business constituencies through engagement in high quality research. Consistent with the Zicklin School’s mission, the Department seeks to provide high quality, high value education to enhance the professional aims of its students.

The Department’s master’s programs in accountancy seek to expand the knowledge and skills that students bring from undergraduate school and the workplace.

Course Description and Learning Goals: This is an advanced course, which assumes prior or corequisite knowledge of federal income taxation: The learning goals of the course are as follows:

- Develop an understanding of the tax consequences associated with the real estate taxation, including home ownership, leases, involuntary conversion, abandonment, foreclosures, installment sales and like-kind exchanges.
- Ethical Awareness - Students will be sensitive to ethical issues in tax practice, understand the importance of ethical behavior and their responsibilities as tax professionals to uphold ethical principles in their dealings;
- This course will not focus on the actual preparation of tax forms.

Introductory Note

This is a challenging course. You must come to class prepared. Please bring all necessary materials to class.

I will not use your participation (or lack thereof) to determine your grade. However, I reserve the right to consider the quality of class participation either (i) to assist me in making grading decisions related to extreme cases (either good or bad) or (ii) to ensure that I am complying with the College’s curve requirements. Class participation will not affect your grade by more than half a letter grade in any case.
You should understand in advance that it is impossible to cover every relevant issue in real estate taxation in the 13 class sessions that we will have. Accordingly, we will attempt to focus our time on those areas that are of critical importance in understanding the fundamentals of real estate taxation. With an understanding of these fundamental areas, you should be able to tackle other areas not covered in class in your future (or ongoing) careers.

Class Syllabus, Reading & Problem Assignments:

Calendar

1. Sept 1
2. Sept 6
3. Sept 8
4. Sept 13
5. Sept 15
6. Sept 20
7. Sept 22
8. Sept 27
9. Sept 29
10. Oct 4 no class
11 Oct 6
12 Oct 11
13.Oct 13
14. Oct 18
15. Oct 20 midterm
16. Oct 25
17. Oct 27
18. Nov 1
19. Nov 3
20. Nov 8
21. Nov 10
22. Nov 15
23. Nov 17
24. Nov 22
25. Nov 24 no class
26. Nov 29
27. Dec 1
28. Dec 6
29 Dec 8
30 Dec 13 Last Day of Class

Final Exam to be determined

Course Outline:

Class Date: Class 1, 2 and 3
Reading: Title 1 Purchase of a Residence pages 1-1 thru pages 1-11; Supplement S1-1 to S1-5 Title 2
Ownership of a Residence pages 2-3 to pages 2-74 Supplement S2-2 to S-11; Title 3 Sale of Residence
pages 3-1 to 3-33 3-2 Supplement 3-1 to Sec 3-33 Supplement S3-1 to S-33

Class Date: Class 4, 5 and 6
Reading: Title 4 Rent and Related Payments to Landlords pages 4-2,4-3,4-22 to 4-36.Title 5 Leases:
Acquisitions, Dispositions, and Improvement pages 5-2 to 5-28 Title 6- Operating Expenses, Taxes
and Depreciation pages 6-3 to 6-31; pages 6-74 t0 6-110; Title 7- Mortgage Financing pages 7-72 to 7-36
Class Date: Class 7, 8, and 9.
Reading: Title 9 Settlement and Foreclosure—From Borrower’s Viewpoint pages 9-2 to 9-25
Supplement S9-1 to S9-4; Title 13 Involuntary Conversions and Demolition pages 13-2 to pages 13-18
Supplement S13-1 to S13-2

Class Date: Class 11 and 12
Reading: Title 12: Exchange of Real Property (Like Kind Exchanges): pages 12-35 12-93

Class Date: Class 13 and 14
Reading: Title 12: Exchange of Real Property (Installment Sales) pages 12-4 to 21-31

Class 15 midterm

Class Date: Class 16
Reading: Title 7 Mortgage Financing pages 7-3 to 7-26

Class Date: Class 17, 18, 19
Reading: Title 8 Special Financing Techniques pages 8-3 to 8-37; 8-47 to 8-52; 8-69 to 8-71

Class Date: Class 20, 21, 22
Reading: Title 16 Tax-Oriented Deal-Closing and Financing Techniques pages 16-2 to 16-30

Class Date: Class 23
Reading: Title 8 Real Estate Investment Trusts page 8-27

Class Date: Class 24
No reading: Foreign Investors Real Property Tax Act

Class Date: Class 26
No reading: Gifts of Real Estate

Class Date: Class 27-30 to be determined

Tests and Grading:
Examinations – One mid-term and one final examination, each counting for 1/2 of the final grade. The final examination is cumulative. You will be able to use a calculator and the Code and treasury regulations and your notes for the midterm and the final examination. You must be present on the day scheduled for each examination. Requests for make-up examinations must be made at least one week before the examination unless your absence is due to illness. All requests for make-up examinations must be cleared by me at my discretion.

Attendance is mandatory. More than three unexplained absences will result in a lowered final grade.

Contemporary Topics and Ethics: The course will address contemporary topics and ethical issues as the subject matter and time may permit. To stay current on tax issues, students may be interested in reading the tax column that appears on the front page of the Wall Street Journal each Wednesday or view Tax Notes Today on line. The class is also encouraged to access the following tax research sources (Accessing Electronic Resources: On Campus from the Newman Library’s homepage, http://newman.baruch.cuny.edu select “Information Resources”):

*CCH Tax Research, Westlaw, *Office of Management and Budget
http://www.whitehouse.gov/omb
Rita Ormsby is the accounting librarian who is available to assist students in accessing Newman Library resources: Rita_Ormsby@baruch.cuny.edu.

**Academic Honesty:** Academic dishonesty is unacceptable and will not be tolerated. Cheating, forgery, plagiarism and collusion in dishonest acts undermine the college's educational mission and the students' personal and intellectual growth. Baruch students are expected to bear individual responsibility for their work, to learn the rules and definitions that underlie the practice of academic integrity, and to uphold its ideals. Ignorance of the rules is not an acceptable excuse for disobeying them. Any student who attempts to compromise or devalue the academic process will be sanctioned. For further information on matters relating to Student Academic Dishonesty and Student Affairs, you may go to the Baruch College website at Baruch.cuny.edu and select “Academics” and “Academic Honesty” from the scroll bar, or contact The **Dean of Students Office** (646) 312-4570, Room 2-255, Vertical Campus.