

From the Program Director

The John Marshall Law School proudly offers a Master of Science (M.S.) in Tax Law, for non-lawyers who wish to become proficient in tax law. This is a unique opportunity for accountants, financial planners, and personal financial advisors to become conversant with the law and policy issues affecting tax law. The M.S. degree in Tax Law will provide accountants, financial planners, and personal financial advisors with an impressive knowledge of tax law, as well as new skills to think analytically and critically in this ever-changing field of law.

After taking two introductory law courses and two introductory tax courses, students pursuing this degree will be assimilated into the same tax courses available to attorneys seeking a graduate legal degree in tax law. We are extremely proud of the depth and breadth of the materials covered in our curriculum and the quality of teaching. As a result of continuous input from our faculty and Advisory Board, the curriculum remains timely, focused and relevant to the field of tax law.

The program has two tracks: a general degree track and a specialization track. The general degree track offers a Masters of Law in Taxation (LL.M.) and provides students with the broad knowledge necessary to practice tax law effectively. The specialization tracks offer additional intensified and in-depth training in the following four areas of tax law:

- Corporate Taxation (Corporate Taxation I and II and Taxation of Closely Held Businesses for a total of 8 hours)
- Estate & Personal Financial Planning (Gift & Estate Tax Law, Basic Estate Planning and Personal Financial Planning, plus 2 hours in the advanced estate planning courses, for a total of 8 hours)

- Taxation of Closely Held Businesses (Taxation of Closely Held Businesses and Personal Financial Planning, plus 2 hours of either Survey of Retirement Plan Issues, Gift & Estate Tax Law, or Partnership Taxation, for a total of 8 hours)
- Employee Benefits (Survey of Retirement Plan Issues, Survey of Welfare Plan Issues, and Survey of Executive Compensation Plans, for a total of 6 hours).

With more than 20 courses to choose from, students must complete a total of 24 credit hours, including certain required courses, in order to obtain the LL.M. degree. Students who have specialized in one or more of the specialization tracks will receive a certificate acknowledging their proficiency in that area of law.

Students may complete the program full-time over two semesters, or take up to five years on a part-time basis. The student body is diverse, some with little exposure to tax law, while others are practicing daily in the area. To accommodate students, classes are held in the late afternoon and evenings, and on Saturdays. One-week accelerated courses are also offered during the summer.

We invite you to join this exciting program, thereby enhancing your education and marketability. Please feel free to call or e-mail me with your questions. Personal appointments are also encouraged and welcomed.



Professor Kathryn J. Kennedy
Director of the Center for Tax Law
& Employee Benefits

Professor Kathryn J. Kennedy is a graduate of Northwestern University School of Law, *summa cum laude*, and a Fellow of the Society of Actuaries. She practiced law and actuarial science before joining The John Marshall Law School full-time faculty. She is active in the American Bar Association, Illinois State Bar Association, and Chicago Bar Association. She is the past-chair of the ISBA Employee Benefits Section. She is a frequent speaker and writer on employee benefits issues.

Kathryn J. Kennedy

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Courses

Required Courses

Introduction to Legal Analysis (1)

This course introduces non-lawyers to the inner workings of the legal system, legal methods (including research techniques), and the process of legal education. (Open only to M.S. students and must be taken prior to any substantive employee benefit courses.)

Substantive Law Overview (2)

This course introduces non-lawyers to the basic substantive areas of law. Policy considerations as well as legal issue spotting will be emphasized. (Open only to M.S. students and must be taken prior to any substantive employee benefit courses.)

Advanced Federal Income Tax (2) TX 340

An advanced review of the inclusions to, and exclusions from, gross income, and of deductions therefrom in arriving at taxable income. The taxation of individuals will be stressed. Various doctrines, such as constructive receipt and step-transaction, will be analyzed. Characterization of transactions as capital or ordinary will be covered in depth. Federal income tax procedure will be surveyed. This is not a basic income tax course. Students requiring a basic course should make special arrangements with the Director.

Consolidated Returns (2) TX 302

This course will review the relevant law and regulations governing the taxation of corporations filing consolidated federal income tax returns. It will cover the following subjects: eligibility to file consolidated returns; treatment of business transaction with the group; treatment of dividends and other distributions within the group; adjustments to the basis of stock of members of the group; treatment of dispositions of subsidiaries of a group; consolidated return treatment of the group's favorable tax attributes; use of disregarded entities by a consolidated group; and treatment of earnings and profit accounts.

Students may take either Corporate Taxation I or Corporate Taxation: A Survey

Corporate Taxation I (3) TX 350

This is the first of two separate courses relating to the taxation of corporations and their shareholders. These courses focus on corporations governed by subchapter C, as distinguished from other forms of doing business such as partnerships and S corporations. This course will cover the organization of a C corporation, the distinction between debt and equity, distributions (including redemptions, stock distributions and related company stock sales treated as distributions), and various other related issues. Detailed analysis will be given to corporation liquidations and to the allocation rules for income and deductions among taxpayers.

Corporate Taxation: A Survey (2) TX 353

This course is a survey course that will cover the material presented in Corporate Taxation I-II on a less intensive basis. It is directed to those students who intend to specialize in areas other than corporate taxation, yet at the same time wish to learn the broad fundamentals of corporate taxation. Students who have taken Corporate Taxation I or II will only be eligible to take this course with the permission of the center's Director.

Gift and Estate Tax Law (2) TX 370

This course consists of a comprehensive survey of the principles and procedures of federal estate, gift, and generation-skipping taxation, including the relevant principles of valuation, the concept of complete vs. incomplete gifts, the reciprocal trust doctrine, the taxability of property owned by a decedent, life insurance, annuities, death benefits under retirement plans, joint property, powers of appointment, and transfers with retained income and reversionary interests. The course also includes a thorough analysis of the various deductions, credits, and exclusions available for transfer tax purposes.

Tax Accounting (2) TX 301

This course will provide an in-depth analysis of the Code, regulations, rulings, and cases governing tax accounting issues. A broad range of topics will be covered concerning the timing of income and deductions under Subchapter E of the Internal Revenue code, including accounting periods and methods (cash, accrual and installment sales), requests to change methods of accounting, inventory rules (costing, valuation, and the requirements for maintaining inventories), principles so income recognition, prepaid income, cash equivalency and constructive receipt, special methods involving long-term contracts, depreciation, estimated expenses, prepaid expenses, expensing versus capitalizing costs, and time value of money concepts. These topics will be analyzed from both a technical viewpoint and a tax policy perspective.

Tax/Employee Benefits Research (2) TX 333

This course acquaints students with the large amount of research materials available in the tax and employee benefits areas and develops their skills in researching issues through the effective use of these materials. Primary and secondary sources will be examined in depth. Emphasis will be placed on researching judicial decisions, legislative histories, and administrative rulings. The course will also develop skills in using computerized research tools. No final examination will be given. Student evaluations will be based on various research assignments.

Elective Courses

Advanced Estate Planning (2) TX 373

Prerequisite: Gift and Estate Tax Law; Basic Estate Planning; Federal Income Tax

This course studies the application of the federal and state transfer taxes to hypothetical fact situations. It includes an analysis of all relevant estate planning considerations, including the related income tax aspects. Particular emphasis is given to the drafting considerations to implement various estate planning choices. Applicable probate law, along with methods of avoiding probate, is also considered.

Basic Estate Planning (2) TX 371

Prerequisite: Gift and Estate Tax Law

A study of the application of federal and state transfer taxes to hypothetical fact situations. The course includes an analysis of all relevant estate planning considerations, including gift, estate and generation skipping tax aspects. Some income tax issues relating to trusts and estates are discussed but are not focused on. Applicable probate law, along with methods of avoiding probate, is also considered.

Business Practices for Tax Lawyers (2) TX 330

This course presents a study of the language and fundamentals of business activities. Topics will include basic accounting and interpretation of financial statements, as well as various businesses activities which give rise to tax issues, including debt, securities, mergers, and bankruptcy. The course provides the background necessary to apply tax law principles to common business transactions.

Charitable Giving in Estate Planning (2) TX 375

Prerequisites: Gift and Estate Tax Law; Federal Income Tax (the later courses may be taken concurrently with TX 375)

This course provides an in-depth analysis of income, estate and gift tax consequences of transmitting wealth via charitable giving; The legal and ethical problems involved with fund-raising will be discussed, as well as consideration of alternative funding methods. The income tax aspects of charitable giving by trusts and estates will be covered, as well as the transfer tax issues. Generation skipping taxes will also be discussed. Selected sophisticated forms of giving, such as charitable lead trusts, pooled income funds, bargain sales, and charitable gift annuities, will be analyzed.

Corporate Taxation II (3) TX 351

This course is the second of a two-course series in corporate taxation. An in-depth study will be made of corporate reorganizations under Section 368 of the Code, including both stock and asset acquisitions, as well as corporate separations under Section 355. Also to be addressed are issues related to affiliated corporations, and the survival and transfer of corporate attributes. Problem sets will be handed out to illustrate the workings of these highly technical rules, but the course will go beyond the technical to emphasize tax planning considerations.

Federal Income Taxation of Property Transactions (2) TX 341

Prerequisite: Advanced Federal Income Tax

This course covers in-depth the federal income tax consequences arising from sales, exchanges and other dispositions of property. Matters covered are determination of the taxable event, the amount realized, adjusted basis, and loss limitations (including passive activity and at-risk provisions). The course includes a detailed analysis of taxable transactions, including the use of the installment method of accounting, as well as study of the non-recognition provisions including like-kind exchanges and involuntary conversions, but excluding corporate reorganizations. The course covers various methods of acquisitions and disposition of businesses, including special allocation rules for certain assets.

Income Taxation of Estates & Trusts (2) TX 372

Prerequisite: Gift and Estate Tax Law and Federal Income Tax

A thorough review of the income taxation of personal trusts and estates. The course will also cover the rights, powers, and duties of a fiduciary, principles of trust accounting, virtual representation, and total return trusts, planning opportunities and drafting issues.

Independent Study (1-3) TX 398

Research on an issue of tax law and formation of an original idea in connection with that issue, culminating in a written work of published quality.

Life Insurance: Tax Aspects in Business, Estate, Employee Benefits and Financial Planning (2) TX 336

Life insurance is a financial vehicle commonly used in funding many of the financial plans and benefit programs dealt with in the courses offered in the program. Because it is such a technical subject and also because tax practitioners are obliged to understand how life insurance products operate, how they may be

utilized, and the tax aspects applicable, we offer a separate course on this subject. The course will stress the tax aspects of funding buy-sell agreements; estate and gift tax consequences of life insurance acquired as part of one's estate or financial plan; income and estate tax aspects of life insurance included in pension, profit sharing, and group health plans; and income, estate, and gift tax matters associated with insurance-funded executive benefit plans.

Personal Financial Planning (2) TX 335

Prerequisites: Gift and Estate Tax Law; Basic Estate Planning

This course is an overview of the planning that an individual should consider during his or her lifetime, including the disposition of property at death. It includes income tax concepts as they relate to personal financial planning, investment considerations, and risk management, use of trusts, retirement options (when implementing plans and when withdrawing from plans) and gift and estate tax problems, including post-mortem planning. The course concludes with several cases to illustrate the tax savings that can be achieved with proper planning. This course will enable students to do personal financial planning for their clients, which is one of the growth areas for practicing lawyers. Because of the nature of the material there is no required sequence to this course with respect to the estate planning courses (TX 370 and 371).

Post-Mortem Planning and Estate Administration (2) TX 374

Prerequisites: Gift and Estate Tax Law; Basic Estate Planning; Federal Income Tax

This course covers federal tax issues and state probate law issues that occur in the settlement of a decedent's estate. Topics covered will include the use of disclaimers and/or the QTIP election to obtain the optimum marital deduction bequest; post death accounting issues facing owners of pass-through entities; income tax consequences of property distributions in satisfaction of bequests; valuation issues and estate tax deferral considerations; and apportioning the tax burden.

State and Local Taxes (2) TX 385

A study of state income, excise, real property, and franchise taxes; retailer's occupation and related taxes (sales tax); and City of Chicago taxes. Appropriate tax planning becomes more difficult as expanding governmental revenue needs lead to increasingly complicated state and local tax structures. The course is designed to provide a beginning familiarity with the practical aspects of a state and local tax practice, with emphasis on Illinois law.

Tax Exempt Organizations (2) TX 386

This course covers problems associated with obtaining and maintaining exemption from federal income tax under subchapter F of the Internal Revenue Code. Special emphasis is placed on private foundations, the extent of permissible commercial activities or transactions, unrelated business income tax problems, prohibited transactions, charitable contribution limitations, intermediate sanctions and discussions of the professional responsibilities of attorneys dealing with non-profit organizations. The mechanics of obtaining exemptions, as well as the philosophy behind such preferred status, are examined. Organizing and operating not-for-profit corporations and tax exempt trusts are also reviewed in-depth.

Taxation of Closely Held Businesses (2) TX 334

Prerequisites: Advanced Income Tax; Recommended: Partnership Taxation and Corporate Taxation

This course will examine tax aspects of sole proprietorships, C corporations, S corporations, partnerships, and limited liability companies for small and closely held businesses. We will begin by examining issues that arise when selecting the type of entity, the annual accounting method, and setting compensation. Then, for each entity, we will discuss the consequences related to formation, distribution of profits and losses, and termination. Finally, we will examine how the selection of entity impacts the type of employee benefits that may be provided by the entity and the transfers of ownership interests during lifetime and upon death.

U.S. Taxation of International Transactions and Foreign Taxpayers (2) TX 387

A study of the U.S. taxation of international commercial transactions involving U.S. and foreign taxpayers. As business becomes more international in scope, most practitioners will be exposed to foreign taxation. This course covers the U.S. taxation of the income of U.S. taxpayers operating abroad through branches and subsidiaries; the U.S. foreign tax credit provisions; cross-border asset transfers; related party income allocations; foreign currency issues; the U.S. taxation of non-resident individuals and foreign corporations; and bilateral income tax treaties.