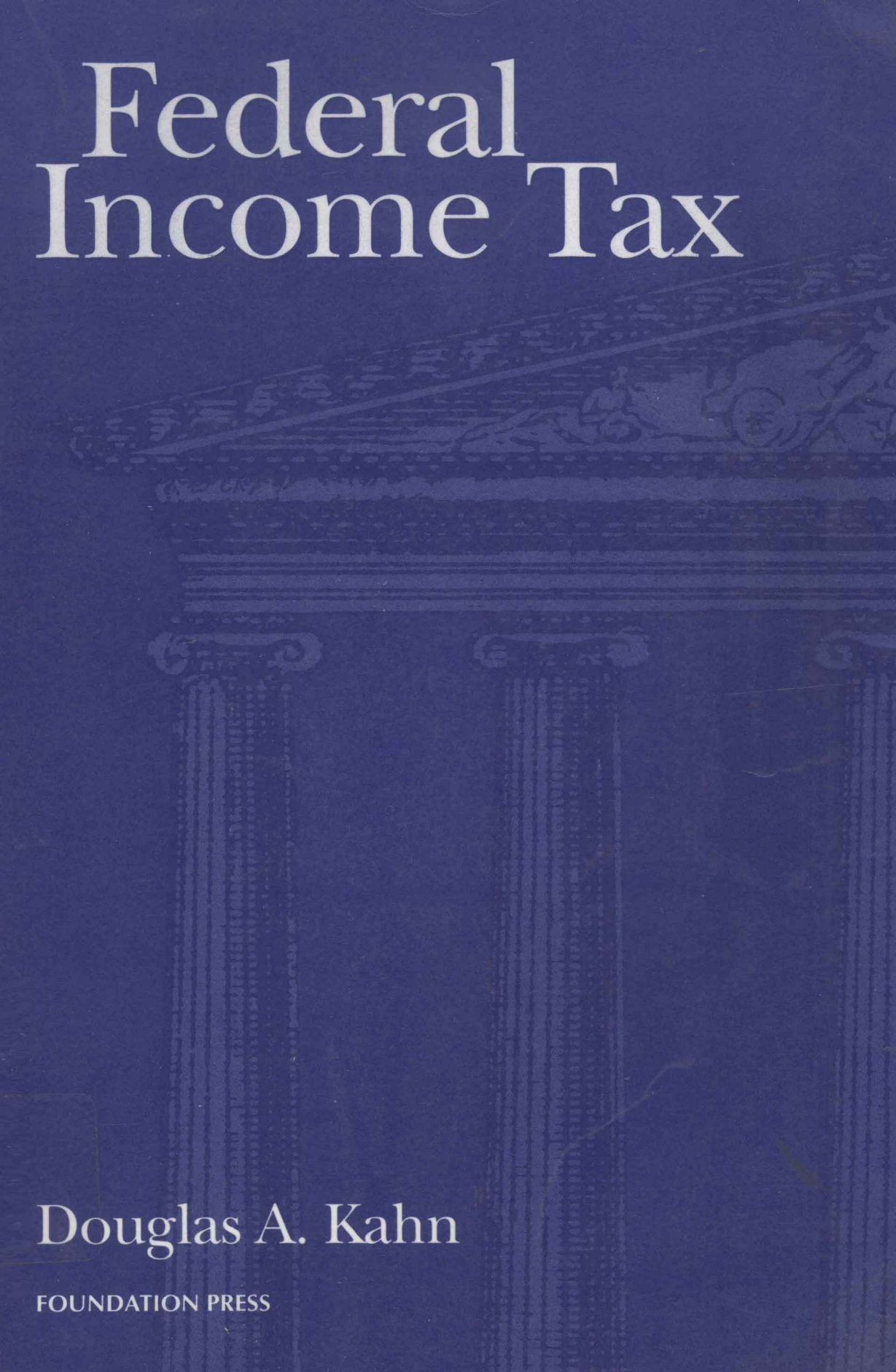


Federal Income Tax



Douglas A. Kahn

FOUNDATION PRESS

FEDERAL INCOME TAX

A Student's Guide to the Internal Revenue Code

By

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PREFACE

This book is intended primarily for students in a basic course in federal income taxation and is designed to introduce the reader to the basic concepts underlying the federal income tax system and to explain the fundamental provisions of the Internal Revenue Code. It is often difficult to understand a textual discussion of a tax problem in the abstract; consequently, the author has illustrated many of the tax principles discussed herein with hypothetical examples to insure that the operation of each tax principle is seen against a concrete factual background.

The materials emphasize tax rules and the determination of taxable income for individuals. Omitted are the tax laws relating to: corporations and shareholders; estates, trusts and beneficiaries; and partners and partnerships. Those areas are customarily covered briefly, if at all, in a basic tax course and are the subject of separate advanced tax courses.

This book is designed to help students learn and understand the material encompassed in federal income taxation. There are no footnotes. Case citations are kept to a minimum to preserve a comprehensive flow, but there are numerous citations to primary sources so that the student who wishes to explore specific issues in greater detail can do so. In order to facilitate a succinct treatment of the basic law and issues of income taxation, it has been necessary to generalize. While the author has sought to limit generalizations to well-accepted controlling principles, the reader should recognize this work's built-in limitations. It is not designed for the daily practice of tax law wherein exceptions to generalizations and exceptions to the exceptions frequently dominate a practical problem. The author has attempted to "flag" possible overgeneralizations and always indicates the important common qualifications to the rule. While the book does cover the technical and mechanical operation of many important tax provisions (such as depreciation), the ultimate goal has not been to cover all the intricate details of the Internal Revenue Code and Regulations, but to prepare a basic treatise on a complex topic whose application is subject to many refined levels of sophistication. The author has also attempted to explain the purpose and function of many of these rules.

The text is structured to assist your classroom study and to supplement the readings of standard casebooks in the area. The text is indexed to Code sections, to cases, and by concepts in order to facilitate its use.

The book is up to date as of November 1, 1989.

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November 26, 1989

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