

WEST'S FEDERAL TAX RESEARCH

FOURTH EDITION

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West's Federal Tax Research

Fourth Edition

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This book is dedicated to our parents

William A. and Shirley Raabe

Irene M. Whittenburg

Warren L. and Sara L. Bost

who first taught us to respect and question authority

Preface

We are pleased to offer the fourth edition of this popular text, which has been prepared as a comprehensive, stand-alone reference tool for the reader who wishes to become proficient in the practice of federal tax research. It is written for readers who are familiar with the fundamentals of the federal income and transfer tax law, at a level that typically is achieved upon the completion of two comprehensive introductory courses in taxation in either (1) the accounting program in a business school or (2) second- or third-year courses in a law school.

Accordingly, the text is most appropriate for (1) upper-level accounting students in a business school (i.e., seniors in a four-year program or those in the fifth year of a 150-hour program) who desire additional information concerning the practice of taxation; (2) those who are enrolled in a nontax graduate program in business administration (e.g., an MBA or MS—management program), and who would like further practical training in the functions of taxation in today's business environment; (3) second- or third-year law school students, especially those who desire a more detailed and pragmatic introduction to a specialized tax practice; (4) those who are commencing a graduate degree program in taxation, in either a business school or a law school, and require a varied and sophisticated introduction to the procedures of tax research and to the routine functions and implications of a tax practice; and (5) practicing accountants and attorneys who need an introduction, updating, or refresher relative to tax practice and research as an element of their career paths.

Sensing that existing textbooks too often ignore the detailed, pragmatic approach that today's students require in developing effective and efficient tax research skills, the authors have employed an unprecedented degree of “hands-on” tax research analysis throughout the text. This book does not stop, as do so many others, with a *discussion* of tax research procedures or of the sources of the federal tax law; nor does it try to satisfy with a mere sampling of the pertinent tax reference materials. Rather, its pedagogy reflects the authors' conviction that the reader must be engaged in a series of exercises that require an individualized experience with the most important elements of the federal tax law.

This conviction is evident in the most important aspects of the structure of the book.

- An extremely readable style, which encourages the student to complete and understand even the most complex aspects of tax research and practice.

- ▶ Hundreds of exercises and discussion questions that require the reader personally to explore the reference materials of the well-developed tax library in developing solutions.
- ▶ Assignments that require the reader to construct case briefs, file memos, client letters, and other elements of a comprehensive client file.
- ▶ Hundreds of pages of reproductions and illustrations that have been excerpted from the most important tax reference materials.
- ▶ Summary charts, diagrams, and other study aids, interspersed throughout the text, that summarize the elements of the primary and secondary sources of the federal tax law and allow for development of the reader's own research routines and techniques.
- ▶ Dozens of real-life research cases that demand extensive research by the reader, and appropriate applications of inductive and deductive reasoning, to develop conclusions.
- ▶ An extensive introduction to the necessary aspects of tax practice, including preparer penalties, statutes of limitation, interest conventions, and return selection for IRS audit.
- ▶ Development of a tax planning orientation to tax practice by the reader in a manner that is unequalled in other texts of this sort.
- ▶ A thorough and comprehensive examination of electronic tax research tools, i.e., computerized databases and Internet applications, including an introduction to the structure and procedures of the most popular such resources, and a rich illustration of the commands and logic required to construct an efficient computerized data search.
- ▶ Extensive coverage of materials that keep the practitioner current with respect to changes in tax-related law.
- ▶ Attention to other developments that affect those who conduct tax research, including revisions to codes of ethics, IRS organizational structure and enforcement functions, and other principles that control tax practice.

The unprecedented coverage in earlier editions of this text relative to the computer-oriented tools available to tax researchers was extremely well received. Accordingly, and in light of the growing importance of these tools for the practitioner, the discussion of such materials has been deepened in this edition, and involves a close look at Internet and CD-ROM-based research, and other developments that have extended the boundaries of tax research.

Although various instructors may wish to alter the specific sequence in which the chapters of the text are examined, several comments relative to the effective use of the book are in order.

- ▶ The text's exercises, cases, and advanced cases offer enough variety in both difficulty and subject matter that they may be assigned to individual readers, or to student groups of two or three, for their optimal use. The instructor also should consider giving each student in the course a different research case to complete, thereby both discouraging joint work and reducing the strain upon the pertinent library resources.
- ▶ Given both the nature of the tax research process and the limited tax library resources that are available to most firms and universities, the instructor must take care (1) to assign discussion materials for which the necessary resources are available, and (2) to work through the assignment him- or herself, to



ascertain that one's target solution to the assignment reflects the very latest in the development of the federal tax law.

- ▶ Deliberation relative to several of the research cases could be delayed until the discussion concerning a specific electronic research service, which will provide additional illustrations. Alternatively, the reader could be encouraged to rework a previous assignment, once the computerized tax reference tools have been introduced.

Other pedagogical support for the text will help to maintain this text's preeminence in providing instructors with teaching tools that assist in delivering this difficult course.

- ▶ Up-to-date solutions to the various chapter-end questions, exercises, cases, and advanced cases.
- ▶ Lecture notes and outlines, augmented by professional-quality transparency masters.
- ▶ An extensive test bank and an expanded set of in-class quizzes for use in classroom discussion.
- ▶ Additional support and update material provided at the text's home page on the World Wide Web.

The authors welcome your comments and suggestions for further improvements to this text. Please feel free to use the following addresses to convey these remarks.

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The authors are grateful to the many instructors and students who assisted in the development of this text, both by their use thereof and by their resulting constructive criticisms. In addition, we have benefited from the contributions of the professional reviewers of the text, who are listed below, for their numerous contributions of both substance and style. Any errors, of course, are the sole responsibilities of the authors.

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