
Contents

| | |
|--|-----------|
| <i>Preface</i> | xxiii |
| Chapter 1 — <i>Introduction</i> | 1 |
| A. In General | 1 |
| 1. Rates, Burdens, and Distribution | 1 |
| 2. Tax Policy Concerns | 11 |
| 3. Return on Investment | 13 |
| B. Procedure and Administration | 16 |
| 1. The Internal Revenue Service | 16 |
| 2. Annual Returns | 17 |
| 3. Investigation, Assessment, and Collection of Deficiencies | 18 |
| 4. Refund Procedure | 18 |
| 5. The Tax Court | 19 |
| 6. Appellate Review | 20 |
| 7. Statutes of Limitations | 20 |
| 8. Interest, Penalties, and Costs | 21 |
| 9. Withholding and Estimated Taxes | 22 |
| C. Constitutional Background | 22 |
| D. Sources of Federal Income Tax Law | 24 |
| E. A Glossary of Basic Terms and Issues | 25 |
| Bibliography | 33 |
| | |
| Part I — <i>Income</i> | 37 |
| Chapter 2 — <i>Income in Kind</i> | 39 |
| A. Noncash Receipts in General | 39 |
| <i>Old Colony Trust Co. v. Commissioner</i> | 39 |
| <i>Arthur Benaglia</i> | 44 |
| <i>Reginald Turner</i> | 48 |
| <i>Haverly v. United States</i> | 51 |

| | |
|---|-----|
| B. Statutory Exclusions | 53 |
| 1. Meals and Lodging: §119 | 53 |
| <i>Commissioner v. Kowalski</i> | 55 |
| <i>Sibla v. Commissioner</i> | 65 |
| 2. Certain Other Fringe Benefits: §132 | 72 |
| <i>Fringe Benefits Provisions [new §§132 and 117(d)]</i> | 72 |
| C. Imputed Income | 77 |
| 1. Owner-Occupied Housing | 78 |
| 2. Other Consumer Durables | 79 |
| 3. Household Services | 79 |
| 4. Leisure | 79 |
| 5. Borderlines | 80 |
| D. Alternative Formulations | 82 |
| E. Deductions | 83 |
| F. Microeconomic Effects | 84 |
| G. Taxing Employers in Lieu of Employees | 85 |
| 1. Withholding | 85 |
| 2. Other Possibilities | 86 |
| H. Other Items | 86 |
| | |
| Chapter 3 — <i>Compensation for Losses</i> | 89 |
| | |
| A. Damage Payments (In General) | 90 |
| <i>Edward H. Clark</i> | 90 |
| <i>Raytheon Production Corp. v. Commissioner</i> | 92 |
| <i>Commissioner v. Glenshaw Glass Co.</i> | 96 |
| B. Personal Injuries | 102 |
| 1. In General | 102 |
| 2. Nonphysical Injuries and Nonphysical Sickness | 103 |
| <i>Solicitor's Opinion 132</i> | 104 |
| <i>Revenue Ruling 74-77</i> | 105 |
| <i>Murphy v. Internal Revenue Service</i> | 110 |
| 3. Punitive Damages | 128 |
| C. Insurance | 128 |
| 1. Medical Insurance | 129 |
| 2. Deducting Extraordinary Medical Expenses (Self-Insurance) | 136 |
| <i>Ochs v. Commissioner</i> | 137 |
| 3. Disability Insurance | 146 |
| 4. Life Insurance | 147 |
| D. Previously Deducted Losses | 151 |
| 1. Annual Accounting | 151 |
| <i>Burnet v. Sanford & Brooks Co.</i> | 151 |

| | |
|--|-----|
| 2. Tax-Benefit Limitations | 156 |
| <i>Dobson v. Commissioner</i> | 156 |
| 3. The Inclusionary Side of the Tax-Benefit Rule | 165 |
| | |
| Chapter 4— <i>Gifts and Kindred Items</i> | 169 |
| | |
| A. Income Interests | 169 |
| <i>Irwin v. Gavit</i> | 169 |
| <i>Commissioner v. Early</i> | 172 |
| B. Appreciated Property | 177 |
| 1. Inter Vivos Gifts: §1015 | 177 |
| <i>Taft v. Bowers</i> | 177 |
| 2. Property Acquired from Decedents: §§1014 & 691 | 180 |
| C. Gratuitous Transfers Outside the Family | 185 |
| 1. Prizes and Awards | 185 |
| <i>Pauline C. Washburn</i> | 185 |
| <i>Paul V. Hornung</i> | 187 |
| 2. Scholarships and Fellowship Grants | 189 |
| 3. Commercial and Compensatory Gifts | 190 |
| <i>Commissioner v. Duberstein</i> | 190 |
| <i>Stanton v. United States</i> | 200 |
| <i>United States v. Kaiser</i> | 202 |
| <i>Revenue Ruling 61-136</i> | 205 |
| <i>Estate of Sydney Carter v. Commissioner</i> | 211 |
| 4. Social Insurance, Welfare, and Disaster Relief Payments | 217 |
| <i>Revenue Ruling 2003-12</i> | 218 |
| | |
| Chapter 5— <i>Capital Appreciation</i> | 225 |
| | |
| A. Unrealized Gains | 225 |
| <i>Eisner v. Macomber</i> | 225 |
| B. Time Value of Money | 254 |
| 1. Interest | 255 |
| 2. Present Discounted Value | 255 |
| 3. After-Tax Returns | 256 |
| 4. Effective Tax Rates | 257 |
| 5. Tax Deferral as a Source of Capital | 257 |
| 6. Fruits and Trees | 260 |
| 7. The Equivalence of Tax Deferral and Yield Exemption | 260 |
| C. Realization | 261 |
| 1. Leasehold Improvements | 261 |
| <i>Helvering v. Bruun</i> | 261 |

| | |
|---|-----|
| 2. Mortgage Participation Exchanges | 265 |
| <i>Cottage Savings Ass'n v. Commissioner</i> | 265 |
| 3. Constructive Sales | 274 |
| D. Nonrecognition Exchanges | 277 |
| 1. Like-Kind Exchanges | 277 |
| <i>Alderson v. Commissioner</i> | 277 |
| <i>Revenue Ruling 79-143</i> | 283 |
| <i>Jordan Marsh Co. v. Commissioner</i> | 285 |
| 2. Nonrecognition on Dispositions for Cash | 288 |
| 3. Corporate Reorganizations and Transfers to Controlled Corporations | 291 |
| E. Deferred and Contingent Payment Sales | 293 |
| <i>Bernice Patton Testamentary Trust v. United States</i> | 293 |
| F. Capital Gains | 301 |
| G. Inflation | 304 |
| 1. Bracket Creep | 304 |
| 2. Income Mismeasurement | 304 |
| H. Taxing Consumption Instead of Total Accretion | 305 |
| | |
| Chapter 6— <i>Return of Capital and Timing Issues</i> | 311 |
| A. Return of Capital | 311 |
| 1. Timing Alternatives | 311 |
| <i>Fairfield Plaza, Inc. v. Commissioner</i> | 314 |
| <i>Revenue Ruling 70-510</i> | 317 |
| 2. Capital Expenditures, Depreciation, and Loss Deductions | 319 |
| B. Annuity Contracts | 324 |
| 1. Life Annuities | 324 |
| 2. Deferred Annuities | 328 |
| <i>Deferred Annuities [§72]</i> | 328 |
| C. Cash Method Accounting and Its Limits | 330 |
| 1. Constructive Receipt | 331 |
| <i>Revenue Ruling 60-31</i> | 331 |
| 2. Inclusion in Advance of Receipt: Debt Instruments | 344 |
| D. Accrual Method Accounting and Its Limits | 348 |
| 1. Prepaid Income | 349 |
| <i>American Automobile Ass'n v. United States</i> | 349 |
| <i>Revenue Procedure 2004-34</i> | 361 |
| 2. Security Deposits | 372 |
| <i>Commissioner v. Indianapolis Power & Light Co.</i> | 372 |
| 3. Inventories | 378 |
| <i>Thor Power Tool Co. v. Commissioner</i> | 380 |

| | |
|--|-----|
| 4. Accruing Future Expenses | 391 |
| <i>United States v. General Dynamics Corp.</i> | 391 |
| <i>Premature Accruals [§461(h)]</i> | 397 |
| E. Inconsistent Methods and Matching | 406 |
| 1. Related Party Transactions | 406 |
| <i>Treatment of Certain Related Party</i> | |
| <i>Transactions [§267]</i> | 406 |
| 2. Inconsistency Between Years | 408 |
| a. Erroneous Treatment in Closed Year | 408 |
| <i>S Rep. No. 75-1567</i> | 409 |
| b. Changes in Accounting Method | 411 |
| F. Compensating Employees | 412 |
| 1. Deferred Compensation | 412 |
| <i>Albertson's, Inc. v. Commissioner</i> | 412 |
| 2. Stock Options and Restricted Property | 423 |
| <i>Commissioner v. LoBue</i> | 423 |
| <i>Alves v. Commissioner</i> | 428 |
| | |
| Chapter 7— <i>Receipts Subject to Offsetting Liabilities</i> | 437 |
| | |
| A. Cancellation of Indebtedness | 437 |
| <i>United States v. Kirby Lumber Co.</i> | 437 |
| <i>Bankruptcy Tax Act of 1980</i> | 439 |
| <i>David Zarin</i> | 442 |
| <i>Zarin v. Commissioner</i> | 450 |
| B. Claim of Right | 453 |
| <i>North American Oil Consolidated v. Burnet</i> | 453 |
| <i>United States v. Lewis</i> | 455 |
| <i>Alcoa, Inc. v. United States</i> | 458 |
| C. Embezzled Funds | 468 |
| <i>James v. United States</i> | 468 |
| <i>McKinney v. United States</i> | 476 |
| D. Nonrecourse Borrowing | 479 |
| <i>Crane v. Commissioner</i> | 479 |
| <i>Parker v. Delaney</i> | 486 |
| 1. Inadequately Secured Nonrecourse Debt | 491 |
| <i>Commissioner v. Tufts</i> | 491 |
| <i>Revenue Ruling 91-31</i> | 501 |
| 2. Mortgaging Out | 503 |
| <i>Woodsam Associates, Inc. v. Commissioner</i> | 504 |
| 3. Gifts of Encumbered Property | 507 |
| <i>Estate of Levine v. Commissioner</i> | 507 |
| <i>Diedrich v. Commissioner</i> | 514 |

| | |
|--|------------|
| Chapter 8— <i>Tax Expenditures: State and Municipal Bond Interest</i> | 519 |
| A. The Exclusion of Interest on State and Local Obligations | 519 |
| 1. Constitutional Considerations | 520 |
| <i>South Carolina v. Baker</i> | 520 |
| 2. The Subsidy to Issuers of Tax-Exempt Obligations | 523 |
| <i>Municipal Taxable Bond Alternative Bill of 1976</i> | 523 |
| 3. Tax-Exempt Borrowing to Finance Private Activities | 526 |
| <i>Tax-Exempt Bonds</i> | 526 |
| B. Tax Expenditures in General | 531 |
| <i>Analytical Perspectives, Budget of the U.S. Government,</i> | |
| <i>Fiscal Year 2015</i> | 532 |
| <i>Edward D. Kleinbard, Rethinking Tax Expenditures</i> | 542 |
| C. Concepts of Income | 554 |
| | |
| Part II— <i>Deductions and Credits</i> | 557 |
| | |
| Chapter 9— <i>Deductions, Credits, and Computation of Tax</i> | 559 |
| A. Adjusted Gross Income | 560 |
| 1. Costs Incurred in Carrying on a Business (Other than Employment) | 560 |
| 2. Other Nonitemized (Above-the-Line) Deductions | 562 |
| B. Personal Exemptions and the Standard Deduction | 563 |
| C. Itemized Deductions | 565 |
| D. Miscellaneous Itemized Deductions | 566 |
| <i>Revenue Ruling 2012-25</i> | 569 |
| E. Applying the Rate Schedules | 577 |
| F. Credits | 578 |
| G. Additional Taxes | 580 |
| | |
| Chapter 10— <i>Interest, Taxes, and Casualty Losses (Home Ownership)</i> | 583 |
| A. Interest | 583 |
| 1. What Is Interest? §163(a) | 584 |
| <i>Knetsch v. United States</i> | 584 |
| <i>Goldstein v. Commissioner</i> | 589 |
| 2. Debt to Purchase or Carry Tax-Exempt Obligations: §265(a)(2) | 595 |
| <i>Revenue Procedure 72-18</i> | 595 |
| 3. Investment Interest | 600 |
| <i>Estate of Yaeger v. Commissioner</i> | 600 |

| | |
|---|---------|
| 4. Home Mortgage and Other Personal Interest | 606 |
| <i>White, Proper Income Tax Treatment of Deductions for Personal Expense</i> | 608 |
| B. Taxes | 610 |
| <i>Revenue Ruling 79-180</i> | 611 |
| C. Homeowners | 615 |
| 1. Distortion Produced by the Deductions | 615 |
| 2. Exclusion of Imputed Rental Value | 616 |
| <i>Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2007</i> | 617 |
| <i>President's Advisory Panel on Tax Reform, Simple, Fair and Pro-Growth</i> | 618 |
| D. Casualty Losses | 625 |
| <i>William H. Carpenter</i> | 626 |
| Chapter 11 — <i>Charitable Contributions and Tax Exemption</i> | 631 |
| A. Qualified Organizations | 631 |
| <i>Regan v. Taxation with Representation of Washington</i> | 631 |
| <i>Bob Jones University v. United States</i> | 638 |
| B. Unrelated Business Income | 655 |
| <i>United States v. American Bar Endowment</i> | 655 |
| C. What Is a Contribution? | 664 |
| <i>Dowell v. United States</i> | 664 |
| D. Appreciated Property | 670 |
| <i>Hilla Rebay</i> | 670 |
| Chapter 12 — <i>Personal, Living, or Family Expenses</i> | 677 |
| A. Childcare | 677 |
| <i>Henry C. Smith</i> | 677 |
| B. Clothing | 681 |
| <i>Pevsner v. Commissioner</i> | 681 |
| C. Traveling: §162(a)(2) | 684 |
| 1. Away | 684 |
| <i>United States v. Correll</i> | 684 |
| 2. From Home | 688 |
| <i>Commissioner v. Flowers</i> | 688 |
| <i>Hantzis v. Commissioner</i> | 693 |
| D. Travel and Entertainment | 699 |
| <i>Rudolph v. United States</i> | 699 |
| <i>Sanitary Farms Dairy, Inc.</i> | 703 |
| <i>Moss v. Commissioner</i> | 707 |
| <i>Cohan v. Commissioner</i> | 711 |

| | |
|---|-----|
| 1. The 1962 Legislation | 712 |
| 2. The 1986 Legislation | 715 |
| <i>Percentage Reduction for Meals & Entertainment</i> | 715 |
| E. Activities Not for Profit (Hobbies) | 719 |
| <i>Besseney v. Commissioner</i> | 719 |
| F. Housing | 726 |
| 1. Loss on Sale | 726 |
| <i>Weir v. Commissioner</i> | 726 |
| 2. Rental Losses | 730 |
| 3. Home Offices | 733 |
| <i>Drucker v. Commissioner</i> | 733 |
| <i>Commissioner v. Soliman</i> | 736 |
| G. Marital Litigation | 745 |
| <i>United States v. Gilmore</i> | 745 |
| <i>United States v. Patrick</i> | 751 |
| <i>Hunter v. United States</i> | 753 |
| <i>Ruth K. Wild</i> | 753 |
| H. Education and Training | 759 |
| 1. Business Expense Deduction | 759 |
| <i>Jorgensen v. Commissioner</i> | 759 |
| 2. Tax Benefits for Education | 772 |
| | |
| Chapter 13 — <i>Business and Investment Expenses</i> | 783 |
| | |
| A. Ordinary and Necessary | 783 |
| <i>Welch v. Helvering</i> | 783 |
| B. Public Policy Limitations | 787 |
| <i>Commissioner v. Tellier</i> | 787 |
| <i>Raymond Mazzei</i> | 790 |
| C. Capital Expenditures | 799 |
| <i>Mt. Morris Drive-In Theatre Co.</i> | 799 |
| <i>Mt. Morris Drive-In Theatre Co. v. Commissioner</i> | 802 |
| <i>Commissioner v. Idaho Power Co.</i> | 803 |
| <i>INDOPCO, Inc. v. Commissioner</i> | 813 |
| D. A Reasonable Allowance for Salaries | 821 |
| <i>Patton v. Commissioner</i> | 821 |
| E. Carrying on Any Trade or Business | 826 |
| <i>Estate of Rockefeller v. Commissioner</i> | 826 |
| | |
| Chapter 14 — <i>Losses</i> | 835 |
| | |
| A. In General: §165 | 835 |
| <i>United States v. S.S. White Dental Manufacturing Co.</i> | 835 |
| <i>Revenue Ruling 2009-9</i> | 839 |

| | |
|--|-----|
| B. Wash Sales and Transactions Among Related Parties | 847 |
| <i>McWilliams v. Commissioner</i> | 847 |
| C. Capital Losses: §1211 | 853 |
| <i>O. L. Burnett</i> | 854 |
| D. Section 1231 | 856 |
| 1. Property Used in a Trade or Business | 856 |
| 2. Involuntary Conversions | 857 |
| 3. Statutory Structure and Interpretation | 858 |
| E. Bad Debts | 859 |
| <i>Whipple v. Commissioner</i> | 859 |
| | |
| Chapter 15 — <i>Capital Cost Recovery</i> | 869 |
| | |
| A. What Is Depreciable | 870 |
| 1. Antique Musical Instruments | 870 |
| <i>Richard L. Simon</i> | 870 |
| 2. Land and Improvements | 878 |
| <i>World Publishing Co. v. Commissioner</i> | 878 |
| 3. Goodwill and Other Intangibles | 885 |
| <i>Newark Morning Ledger Co. v. United States</i> | 885 |
| 4. Section 197 | 897 |
| <i>Amortization of Goodwill and Certain Other Intangibles</i> | 897 |
| B. Rates and Methods | 901 |
| 1. The Straight-Line Method | 902 |
| 2. Declining Balance Methods | 902 |
| 3. Useful Lives | 903 |
| 4. Optional Expensing | 904 |
| 5. Alternative Depreciation — §168(g) | 904 |
| 6. Purposes for Setting Rates and Methods | 904 |
| C. The Economics of Capital Cost Allowances | 906 |
| 1. Complete Acceleration, or Expensing | 907 |
| 2. No Acceleration — Economic Depreciation | 909 |
| 3. Other Cases | 912 |
| D. Other Investment Stimuli | 912 |
| E. Disposition of Depreciable Property: Recapture or Conversion | 914 |
| F. Depletion of Mineral Deposits | 916 |
| | |
| Chapter 16 — <i>Leverage, Leasing, and Tax Shelter Limitations</i> | 921 |
| | |
| A. Leverage | 921 |
| 1. Overvaluation | 921 |
| <i>Estate of Franklin v. Commissioner</i> | 921 |
| <i>Pleasant Summit Land Corp. v. Commissioner</i> | 926 |

| | |
|--|------------|
| 2. The At-Risk Limitation | 929 |
| 3. The Economics of Leverage and Taxes | 930 |
| B. Leasing | 933 |
| 1. Real Estate | 933 |
| <i>Carol W. Hilton</i> | 937 |
| 2. Machinery and Equipment | 950 |
| a. Safe Harbor Leasing | 950 |
| b. Objective Guidelines | 951 |
| <i>Objective Guidelines Used in Structuring Transactions</i> | 951 |
| 3. Leasing to Tax-Exempt Entities | 953 |
| <i>Reform of Tax Treatment of Certain Leasing Arrangements</i> | 953 |
| C. The Passive Activity Loss Limitation | 955 |
| 1. Passive Activities | 956 |
| 2. Disposition of Interests | 957 |
| 3. Activities | 957 |
| 4. Portfolio and Earned Income | 958 |
| 5. Rental and Oil and Gas Activities | 958 |
| D. The Alternative Minimum Tax | 960 |
| <i>Present Law and Background Relating to the Individual</i> | |
| <i>Alternative Minimum Tax</i> | 961 |
| E. Corporate Tax Shelters | 977 |
| | |
| Part III—Attribution of Income Among Taxpayers | 981 |
| | |
| Chapter 17—Taxation and the Family | 983 |
| A. Interspousal Income Attribution | 983 |
| 1. First Principles | 983 |
| <i>Lucas v. Earl</i> | 983 |
| <i>Poe v. Seaborn</i> | 984 |
| 2. Split Income and Joint Returns | 990 |
| 3. Determination of Marital Status | 991 |
| <i>Revenue Ruling 2013-17</i> | 991 |
| B. The Marriage Bonus and the Marriage Penalty | 999 |
| 1. Constitutionality of the Marriage Penalty | 999 |
| <i>Mapes v. United States</i> | 999 |
| 2. Legislative Relief | 1008 |
| <i>Repeal Two-Earner Deduction</i> | 1008 |
| 3. Self-Help | 1013 |
| <i>Boyer v. Commissioner</i> | 1013 |
| C. Support, Gift, or Compensation? | 1019 |
| <i>United States v. Harris</i> | 1019 |
| D. Children and Dependents | 1025 |
| <i>Adjust Tax Rate on Unearned Income of Minor Children</i> | 1025 |

| | |
|--|-----------------|
| E. Separation and Divorce | 1030 |
| 1. Support Payments | 1030 |
| <i>Bernatschke v. United States</i> | 1031 |
| 2. Property Transfers | 1041 |
| <i>United States v. Davis</i> | 1041 |
| <i>Farid-es-Sultaneh v. Commissioner</i> | 1046 |
| <i>Transfer of Property Between Spouses or Incident to Divorce</i> [§1041] | 1051 |
| Chapter 18— <i>Investment Income</i> | 1057 |
| A. The Basic Supreme Court Cases | 1058 |
| <i>Corliss v. Bowers</i> | 1058 |
| <i>Douglas v. Willcuts</i> | 1060 |
| <i>Burnet v. Wells</i> | 1063 |
| <i>Blair v. Commissioner</i> | 1069 |
| <i>Helvering v. Clifford</i> | 1074 |
| <i>Helvering v. Horst</i> | 1080 |
| <i>Helvering v. Eubank</i> | 1085 |
| B. Statutory Rules for Nongrantor Trusts | 1089 |
| 1. Simple Trusts and Distributable Net Income | 1089 |
| 2. Complex Trusts and the Tier System | 1090 |
| 3. Accumulation Distributions | 1091 |
| 4. Fiscal Years | 1091 |
| C. Grantor Trusts | 1092 |
| D. Interest-Free Loans | 1094 |
| <i>Below-Market and Interest-Free Loans</i> [§7872] | 1095 |
| Part IV—<i>Capital Gains and Losses</i> | 1101 |
| Chapter 19— <i>Capital Gains</i> | 1103 |
| A. The Statutory Scheme | 1104 |
| 1. The Deduction for Capital Gains | 1105 |
| 2. Maximum Rates for Capital Gains | 1106 |
| 3. Capital Losses | 1107 |
| 4. Short-term Capital Gains (and Losses) | 1108 |
| 5. Section 1231 | 1109 |
| 6. Definitional Problems—Sale or Exchange | 1110 |
| 7. Definitional Problems—Capital Assets | 1111 |
| 8. Depreciation Recapture | 1111 |
| 9. Qualified Dividends | 1112 |
| 10. The Multiple Rate Ceilings in §1(h) | 1113 |

| | |
|--|----------|
| B. The Quest for a Concept | 1116 |
| 1. Sale of a Business | 1116 |
| <i>Williams v. McGowan</i> | 1116 |
| 2. A Temporary Taking | 1121 |
| <i>Commissioner v. Gillette Motor Transport, Inc.</i> | 1121 |
| 3. Discounted Notes and Bonds | 1125 |
| <i>United States v. Midland-Ross Corp.</i> | 1125 |
| 4. Purchased Remainder Interests | 1131 |
| <i>Jones v. Commissioner</i> | 1131 |
| C. Property Held Primarily for Sale to Customers | 1131 |
| <i>Curtis Co. v. Commissioner</i> | 1131 |
| <i>Malat v. Riddell</i> | 1136 |
| D. Reasons for Preferential Treatment of Capital Gains | 1139 |
| <i>Martin A. Sullivan, Economic Analysis: Is the Income Tax Really Progressive?</i> | 1142 |
| Chapter 20 — <i>Capital Losses</i> | 1147 |
| A. The <i>Arrowsmith</i> Doctrine | 1147 |
| <i>Arrowsmith v. Commissioner</i> | 1147 |
| B. The <i>Corn Products</i> Doctrine and its Demise | 1150 |
| <i>Corn Products Refining Co. v. Commissioner</i> | 1150 |
| <i>Arkansas Best Corporation v. Commissioner</i> | 1155 |
| Chapter 21 — <i>Future Income Streams</i> | 1163 |
| A. Receipt of a Lump-sum Payment for a Future Income Stream | 1163 |
| <i>Hort v. Commissioner</i> | 1163 |
| <i>McAllister v. Commissioner</i> | 1166 |
| <i>Commissioner v. P.G. Lake, Inc.</i> | 1171 |
| B. Receipt of Payments Out of a Future Income Stream | 1181 |
| <i>Commissioner v. Carter</i> | 1181 |
| <i>Commissioner v. Brown</i> | 1185 |
| <i>Stern v. United States</i> | 1199 |
| <i>Busse v. Commissioner</i> | 1204 |
| <i>Commissioner v. Ferrer</i> | 1207 |
| Appendix — <i>Rates of Return and Effective Rates of Tax on Investments</i> | 1223 |
| <i>Table of Cases</i> | 1235 |
| <i>Table of Statutes</i> | 1249 |
| <i>Table of Treasury Regulations, Revenue Rulings and Procedures, and Miscellaneous IRS Pronouncements</i> | 1265 |
| <i>Index</i> | 1269 |