

Tax Research Techniques

10th Edition

Robert L. Gardner, Ph.D.
Dave N. Stewart, CPA, Ph.D.
Ronald G. Worsham, Jr., CPA, Ph.D.

Table of Contents

Chapter 1 – Tax Research in Perspective	1
Learning Objectives	1
Introduction.....	1
Meaning of Research in General.....	1
Research for Implementation of Rules.....	2
Research for Policy Determination	4
Research for Advancement of Knowledge.....	4
Examples of Tax Research	4
Review Questions.....	7
Review Answers	8
Chapter 2 – The Critical Role of Facts	9
Learning Objectives	9
Introduction.....	9
The Importance of Facts to Tax Questions	9
Facts—Established and Anticipated	10
Compliance	10
Planning	12
Some Common Fact Questions	14
Fair Market Value	14
Reasonable Salaries.....	14
Casualty and Theft Losses.....	15
Gifts.....	15
Illustrative Fact Cases.....	15
Gifts or Income?	15
Deductible or Not?	21
Review Questions.....	34
Review Answers	36
Chapter 3 – The Elusive Nature of Tax Questions	39
Learning Objectives	39
Introduction.....	39
Initial Statement of the Question	39
Minimal Technical Competence	40
Intermediate Technical Competence.....	40
Extensive Technical Competence	42
Restatement of the Initial Question After Some Research	42
Dangers Inherent in Statements of Questions	43
A Comprehensive Example.....	43
Diagramming the Facts.....	44
First Questions Call for Additional Facts.....	44
The Authority	46
Additional Questions	47
More Questions and More Facts	48
First Tentative Conclusions.....	48
More Questions, More Authority.....	49
The Final Question	51
Summary.....	52
Review Questions.....	53
Review Answers	54
Chapter 4 – Identifying Appropriate Authority	57
Learning Objectives	57
Introduction.....	57
Statutory Law: The Tax-Legislation Process.....	57

Table of Contents

The Internal Revenue Code	59
Treaties	63
Administrative Law.....	63
Treasury Regulations.....	64
Revenue Rulings	66
Revenue Procedures	67
Notices and Announcements	67
Letter Rulings	68
Technical Advice Memoranda, Determination Letters, and Chief Counsel Advice.....	68
General Counsel Memoranda	69
Judicial Interpretations.....	69
U.S. Tax Court.....	70
U.S. District Courts	72
U.S. Court of Federal Claims	72
U.S. Circuit Courts of Appeals.....	74
U.S. Supreme Court.....	75
Special Tax Reporter Series	75
Editorial Information.....	75
Tax Research Services.....	75
Treatises.....	77
Tax Journals.....	78
Tax Newsletters	78
Summary.....	78
Review Questions.....	79
Review Answers	81
Chapter 5 – Locating Appropriate Authority	85
Learning Objectives	85
Introduction.....	85
Online Services	85
Search Strategies	86
Finding a Known Primary Authority	86
Using a Table of Contents to Locate Authority.....	89
Using an Index to Locate Editorial Information.....	100
Using a Keyword Search.....	103
Formulating a Search Request.....	104
Issues.....	104
Terms or Phrases	104
Logical Connectors	106
Proximity of Terms and Phrases	106
Scope.....	107
Combining Search Strategies.....	110
Validating Tax Law Authority.....	110
Citor Databases	111
Searching Citor Databases	111
Validating Administrative Authority	116
Review Questions.....	118
Review Answers	119
Chapter 6 – Assessing and Applying Authority.....	121
Learning Objectives	121
Introduction.....	121
The Law Is Clear—The Facts Are Uncertain	121
The Facts Are Clear—The Law Is Questionable.....	123
Conflicting Statutes.....	123
Conflict Between a Statute and the Intent of a Statute.....	123
Conflicting Interpretations	124

Table of Contents

The Facts Are Clear—The Law Is Incomplete	126
The Facts Are Clear—The Law Is Nonexistent	129
Standards for Recommending a Tax Return Position	129
Review Questions	131
Review Answers	132
Chapter 7 – Communicating Tax Research	135
Learning Objectives	135
Introduction	135
Internal Communications	135
Memo to the File	135
Leaving Tracks	136
External Communications	137
Client Letters	137
Protest Letters	139
Requests for Letter Rulings and Determination Letters	142
Review Questions	148
Review Answers	149
Chapter 8 – Tax Research in the Closed-Fact Case: An Example	151
Learning Objectives	151
Introduction	151
Review Questions	182
Review Answers	184
Chapter 9 – Research Methodology for Tax Planning	187
Learning Objectives	187
Introduction	187
Tax-Planning Considerations	188
Statutory Options	188
Client Constraints	188
Creativity	188
Tax-Planning Aids	189
Editorial Materials	189
Continuing Education	189
Tree Diagrams	189
A Tax-Planning Example	190
Stock Versus Asset Acquisition	191
Other Considerations	192
Five Corporate Reorganization Options	192
Summary	194
Tax-Planning Communications	194
Review Questions	196
Review Answers	198
Appendix A	201
Appendix B	205
Circular 230 Disclaimers	205
For Additional Information	206
Glossary	207
Bibliography	209
Index	213