

TABLE OF CONTENTS

1.	Internal Revenue Code Sections		
a.	§1(h)(6)	Unrecaptured Section 1250 Gain	1
b.	§267	Losses, etc.	5
c.	§318	Constructive Ownership of Stock	11
d.	§446	Accounting Methods	15
e.	§453	Installment Methods	17
f.	§453B	Gain or Loss on Disposition of Installment Obligations	25
g.	§1031	Like Kind Exchanges of Real Property	27
h.	§1239	Gain From Sale of Depreciable Property	31
i.	§1250	Gains From Dispositions of Certain Depreciable Property	33
j.	§7701(o)	Clarification of Economic Substance Doctrine	233
2.	Treas. Reg. 1.1001-3 Modifications of Debt Instruments		41
a.	Memo on Debt Restructurings		43
b.	TD 8675	Modifications of Debt Instruments	47
c.	<i>Affiliated Capital Corp. v. CIR</i> (1987)	(Dispositions of Installment Notes)	59
3.	Constructive Receipt		
a.	Rev. Rul. 73-210	Income constructively received when credited to taxpayer's account	71
b.	<i>Scherbart v. CIR</i> (2006)	Receipt by agent is constructive receipt	73
c.	<i>Amend v. CIR</i> (1949)	Contract calling for deferred payments not constructive receipt	77
4.	Grantor Trusts		
a.	Synopsis of Grantor Trust Provisions (IRC §§671-678)		83
b.	<i>SEC v. Wylie</i> (SDNY 2014)	Grantor taxable if "unfettered powers disposition retained"	97
c.	Rev. Rul. 85-15	No taxable sale results if grantor makes sale to wholly owned grantor trust	109
	Installment Sales to Nongrantor Trusts [Pre-1990 Revision to §453]		
5.	Excerpt: DePaul University Law Review (John L. Ruppert; Fall 1979)		113
6.	Rev. Rul. 73-157	Sale to related taxpayer with prearranged to resell mere conduit and not respected	123
7.	Rev. Rul. 77-414	Interposition of unnecessary intermediary to obtain installment method not effective	127

8.	<i>Wrenn v. CIR</i> (T.C. 1976)	Interspousal sale of securities with immediate resale by spouse violates substance-over-form doctrine	131
9.	<i>Rushing v. CIR</i> (T.C. 1969)	Asset sale to trust with “independent corporate trustee” for installment notes qualifies for deferred treatment under §453	140
10.	<i>Rushing v. CIR</i> (5 th Cir. 1971)	Taxpayer can benefit from installment sale even if designed to minimize tax. Taxpayer must not control proceeds or Possess economic benefit therefrom	147
11.	<i>Weaver v. CIR</i> (T.C. 1978)	Installment sale of stock to trusts were Bona fide. Beneficiary interest was significant, Limitations on distributions appropriate	155
12.	<i>Roberts v. CIR</i> (T.C. 1978)	Taxpayer put proceeds beyond his control; Business reason in diversifying holdings. No control or economic benefit retained.	165
13.	<i>Nye v. U.S.</i> (D.C.N.C. 1975)	Intraspousal transfer permitted one spouse to pay lower interest rate & other to use installment method. Meets <i>Rushing</i> standard.	173
14.	<i>Pityo v. CIR</i> (T.C. 1978)	Trust created to diversity holdings and to provide income to meet current needs & Eventually to children valid per <i>Rushing</i> .	179
15.	Installment Sale Revision Act of 1980	2 nd disposition between related parties (with attribution under §267 & 318) w/in 2 years voids deferral under §453 <i>ab initio</i> .	189
16.	<i>Shelton v. CIR</i> (T.C. 1995)	2 nd disposition w/in 2 years voids deferral under IRC §453	197
17.	<i>Kanter v. CIR</i> (7 th Cir. 2003)	2 nd disposition w/2 years after application of attribution rules of §267 & §318 nullifies deferral under §453	204A
18.	PLR 200937007 (revoked for other reasons)	Parties unrelated; §453(a)(2) requiring 2 year 2 year period before 2 nd disposition inapplicable.	205

19.	Notice 2010-62	Interim Guidance Re: Codification of Economic Substance Doctrine	211
20.	Notice 2014-58	Additional Guidance Under Codified	227
21.	IRC §7701(o)	Economic Substance Doctrine Statute	233
22.	JCT Technical Explanation of Economic Doctrine in §7701(o)		235
23.	<i>Feldman v. CIR</i> (7th Cir. 2015)	Transaction lacked economic substance. Analysis “implicates” form-over-substance, business purpose & economic substance doctrines	257
24.	CCA 202118016	IRS views “Monetized Sale Transactions as “problematic”	269
25.	<i>Summa Holdings v. CIR</i> (6th Cir. 2017)	Congress designed DISCs to incentivize foreign investment. By Congressional design, DISCs are all form and no substance, making the substance-over-form doctrine inapplicable. ESD inapplicable.	272
26.	<i>Benenson v. CIR</i> (2nd Cir. 2018)	[Companion to Summa Holdings] Doctrine not An invitation to Commissioner to recharacterize transactions that comport with economic reality of their authorizing code provisions. Step transaction doctrine is tool of statutory construction, not of punitive enforcement. Doctrines warrant recharacterization only to extent necessary to restore reality and eliminate distortion. ESD inapplicable.	281
27.	<i>Tucker v. CIR</i> (2nd Cir. 2018)	To reduce tax on stock options, Tucker engaged in Foreign currency option transactions. Affirming the Tax Court, 2 nd Circuit found first prong of ESD applicable. Tucker’s 40% chance of generating a \$487,707 was “de minimis compared to the expected \$20 million tax benefit.	293
28.	<i>Mazzei v. CIR</i> (9th Cir. 2021)	Statutes may deliberately elevate form over substance. Tax Court erred in holding that the FSC statute only partially abrogated substance-over-form principles.	302