TAXES AND INVESTING

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COURSE: FINC-GB.2110.10 Fall 2012
DATE: Tuesdays 10/2/2012 – 11/6/2012
TIME: 6:00 P.M.

SYLLABUS

PLEASE NOTE THAT SINCE THERE ARE ONLY 6 CLASSES TO THIS COURSE AND THERE IS NO TEXBOOK USED, IT IS IMPERATIVE THAT YOU ATTEND ALL CLASSES.

SESSION I  BEDROCKS OF INVESTMENT TAXATION
10/2/2012  Tax favored income: Long-term capital gains, dividend income, municipal bonds
Holding periods (IRC §1222 and §246)
Limitations on Capital losses (IRC §1211)
Step-up in basis at death (IRC §1014)
Passive vs. active for the taxable investor

SESSION II  HARVESTING CAPITAL LOSSES
10/9/2012  Value of Loss Harvesting
Wash Sale Rules (IRC §1091)
“Substantially Identical” standard

SESSION III  ASSET LOCATION
10/16/2012  Taxable Account vs. Retirement Account
The “Benefits” of deferral
Case Study – Where best to own a growth stock
Utilization of GRATs (Grantor Retained Annuity Trust)

SESSION IV  SIMILAR ECONOMICS BUT DIFFERENT TAXATION
10/23/2012  Derivatives can change timing and/or character
IRC §1256 Contracts
Choosing the most efficient investment vehicles
Pre-paid Forward Contracts

SESSION V  HEDGE FUNDS INVESTING FOR THE TAXABLE INVESTOR
10/30/2012  Interaction of flow-through vehicles and Miscellaneous Itemized Deductions
Options on Hedge Funds (IRC §1260)
Utilization of the Offshore Fund (IRC §1291-1295)

SESSION VI  HEDGING
11/6/2012  History of IRC §1259 – The Constructive Sale Rule
Implications of the Straddle Rules (IRC §1092)
Recent Rulings on Pre-Paid Variable Forwards
The 70% Overlap Test (IRC §246)