

TAXES AND INVESTING

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COURSE: FINC-GB.2110.10 Fall 2014
DATE: Tuesdays 9/23/2014 – 10/28/2014
TIME: 6:00 P.M. – 9:00 P.M.

PLEASE NOTE: Since there are only 6 classes to this course and there are no textbooks used, it is imperative that you attend all classes.

SYLLABUS

- SESSION I** **BEDROCKS OF INVESTMENT TAXATION**
9/23/2014 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** **DIVIDEND INCOME TAXATION AND CAPITAL LOSSES**
9/30/2014 Value of Loss Harvesting
 Wash Sale Rules (IRC §1091)
 “Substantially Identical” standard
- SESSION III** **ASSET LOCATION**
10/7/2014 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**
10/14/2014 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**
10/21/2014 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**
10/28/2014 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)