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1985

## 1985 Schedule

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# TAX CONFERENCE

MARSHALL-WYTHE SCHOOL OF LAW  
COLLEGE OF WILLIAM AND MARY

## THIRTY-FIRST ANNUAL CONFERENCE

### SELECTED TAX SUBJECTS

The Funding of Children's Educational Costs . . . . . *Douglas A. Kahn, Esq.*

Divorce: A Taxing Experience . . . . . *Charles E. Falk, Esq.*

Statutory (Formerly Non-Statutory)  
Fringe Benefits—New §132 . . . . . *Jerry J. McCoy, Esq.*

Disposition of the Corporation or the  
Corporate Business . . . . . *N. Jerold Cohen, Esq.*

The Federal Income Tax Consequences of  
the Admission of a New Partner . . . . . *Glenn E. Coven, Jr., Esq.*

Handling Tax Shelter Disputes and  
Litigation with the IRS . . . . . *Mortimer Caplin, Esq.*

College of William and Mary  
Williamsburg, Virginia

## PREFACE

### TAX CONFERENCE

This publication records the papers presented at the Thirty-First Annual Tax Conference held in Williamsburg December 7, 1985. These Conferences are conducted by the Marshall-Wythe School of Law of the College of William and Mary as an adjunct to the graduate program in Law and Taxation. A list of prior Tax Conference publications may be noted on page 184.

These Conferences have for their objective the discussion of policy, technical and procedural matters of an advanced nature in the area of Federal, State and local taxation by recognized authorities for the enrichment of the Law School curriculum, and as a service of practical application to Virginia attorneys, accountants and representatives of business and industry.

It may be observed that those serving as speakers and discussion leaders for this and prior Conferences are distinctively representative Federal and State tax officials, tax practicing attorneys and accountants, and members of law school faculties. The College acknowledges with deep appreciation their significant contribution to these Conferences, and commends their participation in this leadership opportunity as a recognized exemplification of public service in the highest tradition.

The College also records its appreciation to the many attorneys, accountants, and representatives of business and industry who have responded so graciously by their participation in and support of these Conferences.

The printing of this publication is made possible by funds from private sources and the College gratefully acknowledges the support for such a worthy endeavor.

Paul R. Verkuil, *President*  
*The College of William and Mary*

Williamsburg, Virginia  
January, 1986

## LAW AND TAXATION AT THE COLLEGE OF WILLIAM AND MARY

### The Marshall-Wythe School of Law

A chair of law was established at the College of William and Mary by action of the Board of Visitors under the leadership of Thomas Jefferson, an alumnus and then Governor of the Commonwealth of Virginia, on December 4, 1779. The present Law School takes its name from the first occupant of this chair—George Wythe, signer of the Declaration of Independence, leading attorney of the age and later Justice of the Chancery Court in Richmond; and John Marshall, one of Wythe's first students and subsequently the great Chief Justice of the United States.

The first phase of the law program at the College of William and Mary extended from 1779 to 1861. Following the long years of suffering and devastation after the Civil War, the Law School reopened its doors in 1922. It became a member of the Association of American Law Schools in 1936.

### The Program in Law and Taxation

The Marshall-Wythe School of Law of the College of William and Mary established a program leading to the Degree of Master of Law and Taxation in September 1954.

This program is designed to fill a need for competently trained persons to serve the nation in any capacity where a thorough comprehension of all phases of taxation is an essential requirement. In the present complex status of our tax laws, joint consideration by a lawyer, an accountant, an economist, and an expert in business management is required to analyze properly all aspects of a tax matter. While the program does not presume to accomplish expertise in each of these fields, it is intended to equip the student with fundamental groundwork in all and as much of advanced study in each as relates directly to the field of taxation. All candidates for admission to this program must have received a baccalaureate degree and a professional degree in law from approved colleges or universities, and have attained grades indicative of their ability to do graduate work in law. Applicants who have completed the following courses as part of their baccalaureate work will be given preferential consideration:

*Business Administration:* Financial Management and twenty-four semester hours credit in courses in Accounting.

*Economics:* Principles of Economics, Money and Banking, Principles and Methods of Statistics, Public Finance, Fiscal Policy, International Trade and Policies, or the equivalent in content.

The graduate program then offers a broad range of courses in Federal and State tax policy, tax law and procedures. Upon completion of the program, the successful candidates are awarded the Degree of Master of Law and Taxation. The College follows with great interest the service rendered by all recipients of this advanced professional degree. An outline of the requirements and a description of the courses are shown in the Appendix beginning on page 177.

WILLIAM AND MARY TAX CONFERENCE  
ADVISORY COUNCIL

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Washington, D. C.

T. Howard Spainhour  
Norfolk, Virginia

David O. Williams  
Arlington, Virginia

The Tax Conference Advisory Council has been most helpful in the selection of subject matter and speakers for the program. We are deeply grateful for the valuable time they have given to the Conference.

## THIRTY-FIRST ANNUAL TAX CONFERENCE

### Program Participants

**M. CAPLIN**—Member, Virginia, New York and District of Columbia Bars; member, Phi Beta Kappa, Omicron Delta Kappa, Order of the Coif; Editor-in-Chief, Virginia Law Review; B.S., University of Virginia; LL.B., University of Virginia; J.S.D., New York University; LL.D., St. Michael's College; Law Clerk, Judge Armistead M. Dobie, U.S. Court of Appeals for the Fourth District; private practice of law, New York City, 1941–1950; Professor of Law, University of Virginia, from 1950; member, President's Task Force on Taxation, 1960; U.S. Commissioner of Internal Revenue, 1961–1964; Trustee, George Washington University, College of the Virgin Islands and University of Virginia Law School Foundation; member, American Law Institute; member, District of Columbia, Virginia, Federal and American Bar Associations; Fellow, American Bar Foundation, American College of Tax Counsel; Delegate, ABA House of Delegates; author of numerous articles on tax and corporate matters; presently Adjunct Professor, University of Virginia Law School, and a member of the firm of Caplin & Drysdale, Chartered, Washington, D.C.

**JOHN E. CHAPOTON**—Member, Texas Bar; member, Phi Delta Phi, Order of the Coif; B.B.A., Washington and Lee, 1958; LL.B., University of Texas, 1960; Tax Legislative Counsel, U.S. Treasury Department, 1970–1972; Assistant Secretary of the Treasury for Tax Policy, U.S. Treasury Department, 1981–1984; member, American Law Institute; Fellow, American College of Tax Counsel; currently a member of the firm of Vinson & Elkins, Washington, D.C.

**N. JEROLD COHEN**—Member, New York, Georgia and District of Columbia Bars; member, Beta Gamma Sigma; Book Review Editor, Harvard Law Review; B.B.A., Tulane University, 1957; LL.B., Harvard Law School, 1961; Adjunct Professor of Law, Emory University, 1967; Chief Counsel, Internal Revenue Service, 1979–1981; Vice-Chairman, Committee on Taxation, ABA Section of Individual Rights and Human Responsibilities, 1976–1979; Chairman, Corporate Stockholder Relationship Committee, ABA Section of Taxation, 1977–1979; Chairman Atlanta Community Relations Commission, 1976–1979; Vice-Chairman, Tax Shelter Committee, ABA Section of Taxation, 1981–1982; Chairman, Taxation Committee, ABA Section of Litigation, 1981–1983; Chairman, Formation of Tax Policy Committee, ABA Section of Taxation, 1982–present; past member, Board of Advisors, IRS Continuing Professional Education Program; past member, Advisory Group to the Staff of the Senate Finance Committee on the Subchapter C Revision Act; past member, National Board of Directors, ACLU; past President, ACLU of

Georgia; member, Board of Advisors, Virginia Tax Review; Fellow, American College of Tax Counsel; lecturer at numerous tax institutes, bar and other tax programs; contributor to tax journals and other publications; currently a partner in the firm of Sutherland, Asbill & Brennan, Georgia and Washington, D.C.

GLENN E. COVEN, JR.—Member, New York Bar; Board of Editors, Columbia University Law Review; B.A., Swarthmore College, 1963; LL.B., Columbia University, 1966; Law Clerk, Judge Medina, Second Circuit Court of Appeals; private practice of law, Winthrop, Stimson, Putnam & Roberts, New York City, 1967–1976; Visiting Professor of Law, University of North Carolina, 1983; member, ABA Section of Taxation; member, New York State Bar Association, Tax Section; author of tax articles in numerous law reviews; lecturer at various professional forums; Professor of Law, Marshall-Wythe School of Law, College of William and Mary, 1983–present.

CHARLES E. FALK—Member, Virginia and New Jersey Bars; B.A., University of Kansas, 1970; M.S., University of Virginia, 1976; J.D., Washington and Lee University, 1979; LL.M., New York University, 1982; Lecturer, Virginia Military Institute, 1978–1979; C.P.A., Virginia; lecturer and frequent contributor to tax journals; presently Associate Professor of Taxation, Fairleigh Dickinson University, Graduate School of Business, and a member of the firm of Waters, McPherson, McNeill, P.C., Secaucus, New Jersey.

DOUGLAS A. KAHN—Member, District of Columbia and Michigan Bars; member, Order of the Coif; Recent Cases Editor, George Washington University Law Review; B.A., University of North Carolina, 1955; J.D., George Washington University, 1958; Law Clerk, Covington & Burling, Washington, D.C., 1957–1958; Attorney, U.S. Department of Justice, 1958–1962; Associate, Sachs & Jacobs, Washington, D.C., 1962–1964; author of numerous tax law articles and book reviews; Professor of Law, University of Michigan, 1964–present.

JERRY J. McCOY—Member, District of Columbia and New York Bars; B.S., West Virginia University, 1963; LL.B., Duke University, 1966; LL.M., New York University, 1967; Adjunct Professor, George Washington University Law School; Adjunct Professor, University of Miami School of Law; member, ABA Section of Taxation; member ABA Section of Real Property, Probate and Trust Law; member, American Law Institute; Fellow, American College of Tax Counsel; Fellow, American College of Probate Counsel; Executive Editor, *Estates, Gifts and Trusts Journal*; Associate Editor, *Estates, Gifts and Trusts Series of Tax Management*; Co-Publisher and Co-Editor, *Charitable Gift Planning News*; member, Advisory Committee, University of Miami Institute on Estate Planning; currently a partner in the firm of Silverstein & Mullens, Washington, D.C.

CONFERENCE ADMINISTRATORS

Timothy J. Sullivan, *Dean, Marshall-Wythe School of Law*

Emeric Fischer, *Professor of Law, Conference Director*

Glenn E. Coven, Jr., *Professor of Law*

John E. Donaldson, *Professor of Law*

John W Lee, *Professor of Law*



## CONTENTS

	<i>Page</i>
<b>The Funding of Children's Educational Costs . . . . .</b>	<b>Douglas A. Kahn, Esq. 9</b>
<b>Divorce: A Taxing Experience. . . . .</b>	<b>Charles E. Falk, Esq. 89</b>
<b>Statutory (Formerly Non-Statutory) Fringe Benefits—New § 132 . . . . .</b>	<b>Jerry J. McCoy, Esq. 101</b>
<b>Disposition of the Corporation or the Corporate Business . . . . .</b>	<b>N. Jerold Cohen, Esq. 113</b>
<b>The Federal Income Tax Consequences of the Admission of a New Partner . . . . .</b>	<b>Glenn E. Coven, Jr., Esq. 129</b>
<b>Handling Tax Shelter Disputes and Litigation with the IRS . . . . .</b>	<b>Mortimer Caplin, Esq. 155</b>