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TAX CONFERENCE

MARSHALL-WYTHE SCHOOL OF LAW
COLLEGE OF WILLIAM AND MARY

TWENTY-SECOND ANNUAL CONFERENCE

TAXATION OF PARTNERSHIPS—SELECTED PROBLEMS

INITIAL PITFALLS ASSOCIATED WITH USE OF THE LIMITED PARTNERSHIP	<i>Michael T. Madison</i>
PARTNERSHIP ALLOCATIONS	<i>Donald J. Weidner</i>
THE CORPORATE GENERAL PARTNER IN A LIMITED PARTNERSHIP	<i>Henry Weiler</i>
HOW TO COMPENSATE A GENERAL PARTNER FOR SERVICES	<i>Martin B. Cowan</i>
COLLAPSIBLE PARTNERSHIPS	<i>Michael S. Applebaum</i>
CONSTRUCTIVE CASH DISTRIBUTIONS	<i>John W. Lee, III</i>
TAX SHELTER REFORM	<i>Richard Leder</i>

COLLEGE OF WILLIAM AND MARY IN VIRGINIA
WILLIAMSBURG, VIRGINIA

PREFACE

TAX CONFERENCE

This publication records the papers presented at the Twenty-second Annual Tax Conference held in Williamsburg December 4, 1976. 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.

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.

THOMAS A. GRAVES JR., *President*
The College of William and Mary
In Virginia

Williamsburg, Virginia
January, 1977

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 it requires joint consideration by a lawyer, an accountant, an economist, and an expert in business management in order to analyze properly all aspects of a tax matter. While the program does not presume to accomplish expertness 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 them 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.

TWENTY-SECOND ANNUAL TAX CONFERENCE

PROGRAM PARTICIPANTS

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JOHN W. LEE—Member: American Bar Association; Virginia Bar. LL.B. University of Virginia; LL.M. in Taxation Georgetown University. Clerk U.S. Tax Court. Partner in Hirschler, Fleischer, Weinberg, Cox & Allen, Richmond, Va. Author of BNA Portfolios. Articles in William & Mary Law Review, Tax Counselor's Quarterly (reprint), Va. L. Rev., Tax Lawyer, Tax L. Rev., Journal of Taxation, Washington & Lee L. Rev., Richmond L. Rev., Journal of Corporate Taxation. Speaker at various Tax Conferences.

MICHAEL T. MADISON—Member: American Bar Association; New York Bar; Virginia Bar. A.B. magna cum laude George Washington University; J.D. Harvard Law School; LL.M. in Taxation New York University. Associate, Valicenti Leighton Reid & Pine, N.Y. City 1967-67; Tax Editor, Matthew Bender Co., N.Y. City 1968-71; Senior Attorney, Office of the General Counsel, N.Y. Life Ins. Co., N.Y. City 1971-72; Professor of Law, Marshall-Wythe School of Law

1972- . Book on Modern Real Estate Financing in process of publication. Articles in University of Miami L. Rev., William & Mary L. Rev., Journal of Real Estate Taxation.

DONALD J. WEIDNER—Member: American Bar Association; South Carolina Bar Association; A.B.A. Committee on Federal Tax Aspects of Real Estate Transactions. B.S. Fordham University; J.D. with honors University of Texas at Austin. Project Editor Texas Law Review. Wilkie Farr & Gallagher 1969-70; University of Chicago Law School 1970-71; University of South Carolina Law School 1971-74; Cleveland State University Law School 1974- ; Florida State University Law School, Visiting 1976-77. Articles in Indiana L. Rev., University of Illinois L.F., South Carolina L. Rev., Texas L. Rev. Planner, speaker and moderator for several Continuing Legal Education Programs. Consultant to South Carolina State Housing Authority 1973-74.

HENRY WEILER—Member: American Bar Association, Tax Section, Committee on Real Estate Tax Problems; New York State Bar Association, Tax Section, Committees on Employee Benefits, Corporations, Corporate Reorganizations; Association of the Bar of the City of New York, Committee on Taxation (1972-74). A.B. and J.D. Cornell University; LL.M. in Taxation New York University. Author and lecturer in taxation: Journal of Taxation, Practicing Law Institute (several books). Partner Cole & Deitz, New York City.

CONFERENCE ADMINISTRATORS

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