



United States Tax Court

Washington, DC 20217

November 17 2021 Nonattorney Exam
Session One - Federal Taxation and Legal Ethics

Question #: 1

(4 minute/s) Define and distinguish, for federal income tax purposes, the following doctrines: (1) "constructive receipt" and (2) "cash equivalence."

Question #: 2

On December 31, year 1, TP owned unencumbered unimproved real property with an adjusted basis of \$200,000 and a fair market value of \$800,000. On December 31, year 1, TP sold the property to Buyer according to the following terms:

Buyer paid TP \$300,000 cash at the closing. Buyer executed a promissory note payable to TP in the total principal amount of \$500,000. The promissory note required a principal payment of \$100,000 on the anniversary date of the sale in each of the five years following the year of sale. The promissory note required the payment of interest at 2% compounded annually, and the note had a fair market value of \$500,000.

TP received the required \$100,000 payment of principal on the note (and the associated interest) on December 31, year 2. On January 1, year 3, TP transferred the note (entitled to four additional principal payments of \$100,000 each) to TP's child as a gift. The fair market value of the note on January 1, year 3, was \$400,000.

- a) (3 minutes) Quantify and discuss the year 1 tax consequences to TP according to §453.
- b) (3 minutes) Quantify and discuss the year 2 tax consequences to TP according to §453.
- c) (1 minute) Quantify and discuss the year 3 tax consequences to TP according to §453B.

Question #: 3

(½ minute) TP's employer paid \$2,000 to State A to satisfy TP's real property tax liability to State. The payment was in consideration of TP's services to the employer. The amount that constitutes gross income to TP is _____.

Question #: 4

(½ minute) TP recovered \$5,000 in cash from the surface of a highway after TP saw the door of a Brinks cash delivery truck swing open and release cash from the truck. The amount that constitutes gross income to TP is _____.

Question #: 5

(½ minute) TP received \$30,000 lump-sum proceeds of life insurance policy on the life of TP's brother. TP purchased the policy and owned it at all times. Under the policy, the proceeds were payable to TP. The amount that constitutes gross income to TP is ____.

Question #: 6

(½ minute) TP received \$1,000 of interest on U.S. Treasury note purchased for \$70,000. The amount that constitutes gross income to TP is ____.

Question #: 7

(1 minute) TP received \$4,000 of interest on a State of North Carolina bond the proceeds of which were used by the State of North Carolina to finance the construction of elementary schools and purchased for \$175,000.

The amount that constitutes gross income to TP is _____. TP sells the North Carolina bond for \$180,000. The amount that constitutes gross income to TP is _____.

Question #: 8

(1 minute) TP received publicly traded securities during the current taxable year as a gift from TP's aunt. The aunt's adjusted basis in the securities as of the date of gift is \$500,000 and the fair market value of the securities as of the date of the gift is \$300,000.

The amount that constitutes gross income to TP is _____.

Later in the taxable year, TP sold the publicly traded securities for \$400,000. The amount that constitutes gross income to TP is _____.

Question #: 9

(2 minutes) On January 1, 2020, TP was injured when the computer in TP's automobile failed. TP suffered (1) physical injury to TP's body and (2) emotional distress associated with the physical injuries. TP is awarded a court judgment against the auto manufacturer, and the judgment is paid on December 1, 2020. The damages paid to TP pursuant to the judgment were as follows: (1) \$100,000 compensatory damages for physical injury to the body of TP, (2) \$500,000 punitive damages for physical injury to the body of TP, and (3) \$75,000 compensatory damages for the emotional distress incurred on account of the physical injuries sustained.

a) The amount that constitutes gross income to TP with respect to the \$100,000 compensatory damages for the physical injury to the body is _____.

b) The amount of gross income with respect to the \$500,000 punitive damages for the

physical injury to the body is _____.

c) The amount of gross income with respect to the \$75,000 compensatory damages for the emotional distress is _____.

Question #: 10

TP was a credit card customer at a retailer whose computer system was hacked/compromised by unauthorized persons, thereby possibly making personal and credit information about TP available to unauthorized persons. The retailer provided in kind, for the period of 18 months after restoration of the security of the retailer's computer system, to TP (and all other similarly situated credit customers of the retailer) credit and identity protection services provided by a third party, the value of which for the current year was \$300. The amount that constitutes gross income to TP is _____.

Question #: 11

(3 minutes) TP receives a disaster relief payment from the federal government with respect to a federally declared disaster (as defined by §165(i)(5)(A)). Discuss whether the disaster relief payment constitutes gross income to TP.

Question #: 12

(4 minutes) Discuss the circumstances, if any, under which a taxpayer may deduct any amount paid or incurred in connection with either (1) investigating the creation or acquisition of an active trade or business or (2) creating an active trade or business.

Question #: 13

(3 minutes) TP is a self-employed plumber who provides services to customers within the metropolitan area of TP's residence. The garage of TP's residence is the location from which TP manages the plumbing business and in which TP stores supplies and equipment. Other than the garage, TP maintains no office or other fixed place of business. TP incurs transportation expenses related to operation of TP's vehicle between TP's residence and TP's places of business activities. Under what circumstances, if any, may TP qualify for deduction with respect to some or all of such transportation expenses?

Question #: 14

(1 minute) With respect to certain transfers to charitable organizations, the IRS Form 8283, Noncash Charitable Contributions, requires the TP to provide, as to the contributed property, the date, manner of acquisition, and the TP's cost or other adjusted basis. If TP fails to provide the cost or other adjusted basis of the contributed property, then TP fails to satisfy the substantiation requirement of Reg. §1.170A-13(c)(2). True or False?

Question #: 15

(3 minutes) Explain generally (without discussing the technical operation of any particular Internal Revenue Code provision/s) (1) what the nonrecognition provisions of the Internal Revenue Code are designed to accomplish and (2) how they operate.

Question #: 16

(6 minutes) In 2016, TP purchased unimproved real property. To acquire the property, TP (1) paid \$200,000 cash at the closing, (2) assumed a preexisting first mortgage debt secured by the property in the principal amount of \$100,000 (for which TP became personally liable), and (3) executed a second mortgage indebtedness (for which TP was personally liable) to the seller in the principal amount of \$700,000.

In 2020, TP received an offer from Buyer to buy the real property, and TP accepted the offer. Buyer (1) paid \$800,000 cash, (2) took subject to the first mortgage debt in the principal amount of \$75,000 (TP had paid down the principal amount of the debt from \$100,000 to \$75,000), and (3) assumed the second mortgage debt in the principal amount of \$700,000.

- a) Quantify the amount of TP's adjusted basis in the property at the time of acquisition in 2016.
- b) Quantify TP's amount realized and any gain or loss realized upon the sale of the property to Buyer in 2020.

Question #: 17

(8 minutes) TP and B exchange unimproved real properties that are encumbered by mortgage debts. In the exchange transaction, TP's mortgage debts are assumed by B, and B's mortgage debts are assumed by TP. The gross fair market value of B's property is \$200,000, its adjusted basis is \$120,000, and it is encumbered by a \$50,000 mortgage debt leaving a net equity of \$150,000. The gross fair market value of TP's property is \$220,000, its adjusted basis is \$200,000, and it is encumbered by a \$70,000 mortgage debt leaving a net equity of \$150,000. Discuss and quantify the §1031 consequences to TP (not B).

Question #: 18

In 2000, Corporation was created with a capitalization of 1,000 shares of voting common stock, 1000 shares of nonvoting common, and 1000 shares of voting preferred. Each share of stock has equal value, and each share of voting stock has an equal voting right. The preferred stock was issued at the time of creation of Corporation, and the preferred stock is not §306 stock. The stock has been owned since the 2000 creation of Corporation as described in the attached table. In 2020, Corporation redeems all of the shares owned by B. Assume that, at all times after the redemption, B serves as an officer of Corporation. A is unrelated to B and C. C is B's mother.

Attachment:

Shareholder	Voting Common	Nonvoting Common	Voting Preferred
A	200	600	700
B	300	100	300
C	500	300	0
Total	1000	1000	1000

- a. (3 minutes) Explain whether the redemption of all of B's shares qualifies for exchange treatment under §302(b)(3).
- b. (4 minutes) Explain whether the redemption of all of B's shares qualifies for exchange treatment under §302(b)(2).

Question #: 19

(8 minutes) Describe in general terms the federal income taxation of the periodic income of, and distributions from, a Subchapter S corporation (that is organized in 2020 and immediately elects Subchapter S status).

Question #: 20

(7 minutes) A "limited liability company" exists under state law. Describe how the entity and its owners are subject to income taxation under the Internal Revenue Code.

Question #: 21

Individuals TP1, TP2, and TP3 form a general partnership (which would not be treated as an investment company under §351 if incorporated). Under the terms of the partnership agreement, the partners are to receive a 30%, 30%, and 40% interest, respectively, in partnership capital; profits and losses are to be shared in the same proportion. The partners made the contributions in 2020 in exchange for their partnership interests in the manner described in the attached table.

Attachment:

Partner	Contribution	Adjusted Basis	Fair Market Value
TP1	Unimproved real property	\$50,000	\$70,000*
TP2	Cash	\$30,000	\$30,000
TP3	Securities**	\$35,000	\$40,000

* The real property has a total fair market value of \$70,000, but the property is encumbered by a

\$40,000 mortgage indebtedness. TP1 purchased the real property in 2010 as an investment. The partnership receives the property subject to the \$40,000 mortgage indebtedness.

** TP3 purchased the securities as an investment in 2015.

- a. (3 minutes) Discuss, quantify, and characterize any gain or loss recognized by TP1, TP2, and TP3 upon formation of the partnership.
- b. (4 minutes) Discuss and quantify each partner's adjusted basis in his or her partnership interest upon formation.

Question #: 22

(3 minutes) Explain the concept of "portability" with respect to the federal estate tax "unified" or "applicable" credit of a married decedent.

Question #: 23

(2 minutes) Briefly describe the interest payable with respect to: a) an unpaid federal income tax liability, b) An addition to tax imposed by § 6651(a)(1).

Question #: 24

(3 minutes) Describe in general terms the holdings of the Tax Court decisions interpreting the "reasonable cause" exceptions found in §6651(a)(1) and §6664(c)(1) with respect to taxpayer reliance on the advice of a tax professional.

Question #: 25

(3 minutes) Describe the nature of the analysis likely to be undertaken by the Tax Court to determine if a taxpayer is subject to the §6663 fraud penalty.

Question #: 26

(1 minute) TP e-filed TP's 2018 federal income tax return on October 15, 2019. The IRS computer software program reviewed and rejected the submitted return for failure to include an Identity Protection Personal Identification Number (IP PIN). TP re-filed the 2018 tax return with an IP PIN on April 30, 2020, and the IRS software reviewed and accepted the return. On April 5, 2023, the IRS sent TP a notice of deficiency for the 2018 tax year. The IRS notice of deficiency satisfied §6051. True or False?

Question #: 27

(3 minutes) The IRS examiner determined that TP was liable for a 40% gross valuation misstatement penalty under §6662(h), and the examiner determined in the alternative that TP was liable for a 20% accuracy-related penalty under §6662(a). The examiner obtained written approval from the examiner's immediate supervisor, who signed an IRS Civil

Penalty Approval Form, for the 40% gross valuation misstatement penalty.

The §6212 notice of deficiency issued to TP was based on the IRS Appeals officer's closing memorandum, for which the Appeals officer obtained written approval from the officer's immediate supervisor. The §6212 notice of deficiency included the 20% §6662(a) accuracy-related penalty but omitted the 40% §6662(h) penalty.

TP filed a Tax Court petition. In its TCR 30 answer pleading, the IRS asserted the 40% §6662(h) penalty. The answer pleading was signed by the IRS trial counsel and the trial counsel's immediate supervisor. TP asserts that imposition of the 40% penalty is impermissible because the IRS failed to comply with §6751(b)(1). Discuss how the Court should rule on the issue of IRS compliance with §6751(b)(1).

Question #: 28

(3 minutes) In 2010, TP and Spouse purchased for \$400,000 (paid in cash) a residence as TP's and Spouse's principal residence. TP and Spouse own and occupy the property as their principal residence until they sell the property on October 1, 2020, for \$950,000. Neither TP nor Spouse has ever owned another residence. Explain the amount of the gain recognized with respect to the sale of the residence in 2020 if TP and Spouse file a joint return for 2020.

Question #: 29

(2 minutes) TP receives as a gift from TP's uncle an artwork with a fair market value of \$20,000 and an adjusted basis to the uncle of \$5,000. Uncle paid a gift tax of \$2,000 with respect to the transfer to TP. The amount of TP's adjusted basis in the artwork is ____.

Question #: 30

Legal Ethics: (3 minutes) Several years ago, A, a partner in the Biglaw law firm, advised Geopreserve Corp. in organizing syndicated conservation easement transactions. Biglaw prepared all of the documentation for the transactions and issued opinion letters regarding the tax consequences of investing. Some of the investors have now asked A to represent them in Tax Court litigation. Can A accept the representation? Briefly explain your answer.

Question #: 31

Legal Ethics: (3 minutes) Aubrey Palmer has received notices of deficiency with respect to his 2018 and 2019 federal income tax returns, disallowing expenses claimed on Palmer's Schedule C. Among the items at issue are depreciation deductions for Palmer's pickup truck, which Palmer reported was used 100% for business purposes. B drafted Palmer's petition, which stated that the truck had been used 100% for business purposes, and represents Palmer in Tax Court. The two agree to meet over dinner to discuss the case. Palmer arrives at the designated restaurant in his pickup truck, which B notices is in pristine condition. When B asks Palmer how he keeps the truck in such good shape, Palmer replies, "This truck is my baby! I never take it to work." What action, if any, should B take?

Briefly explain your answer.

Question #: 32

Legal Ethics: (2 minutes) C, a sole practitioner, has represented Ruben Emmy since the commencement of Emmy's Tax Court proceeding, through trial. Emmy has failed to pay C's bills on a timely basis; by the time the trial ended, Emmy owed C \$40,000 for work C had already completed and billed. Anticipating that preparing a post-trial brief would entail a substantial amount of C's time for which C might not be compensated, C notified Emmy in a letter sent by certified mail that C quit and would neither prepare the brief nor continue to represent Emmy. C's letter, which was respectful in tone and explained C's position in some detail, requested that Emmy indicate his consent to the withdrawal by signing and returning the letter to C. Has C's representation of Emmy ended? Briefly explain your answer. What additional action, if any, must C take to withdraw?

Question #: 33

Legal Ethics: (3 minutes) D, a recent law school graduate and newly admitted member of the bar, attends a Tax Court calendar call program sponsored by a local bar association. Upon arrival and shortly before the Judge takes the bench, D meets Tracey Stone in the hallway outside of the courtroom. Stone, a pro se petitioner, asks D to stand up with him when his case is called and represent him during what Stone believes will be a short trial. Stone has prepared for the trial himself and tells D that he feels reasonably confident. D explains to Stone that while she is permitted by the Court's rules to enter a limited appearance as pro bono counsel, D is not familiar with the legal principles at issue in Stone's case and did not study them in law school. Stone says, "Just do your best!" Should D enter a limited appearance? Briefly explain your answer.

Question #: 34

Legal Ethics: (3 minutes) E is counsel of record for Giant Venture, Inc. in a case before the Tax Court. After filing an answer to Giant Venture's petition, counsel for the IRS mailed a letter to Lucille Thomas, Giant Venture's former Vice President of Taxation, who left her employment with Giant Venture two years ago. In the letter, counsel for the IRS requested an interview with Thomas regarding matters in dispute in Giant Venture's Tax Court case. Is it proper for IRS counsel to contact Thomas? Briefly explain your answer.

Question #: 35

Legal Ethics: (3 minutes) F has been asked by Marty Munoz to represent Marty and his wife, Kim, in a Tax Court proceeding concerning their 2019 joint federal income tax return, in which all of the items at issue pertain to Marty's business and premature distributions from Marty's Individual Retirement Account. Marty tells F that Kim knows all about Marty's business and that she knew that Marty had made withdrawals from his IRA. Can F jointly represent Marty and Kim? Briefly explain your answer.

Question #: 36

Legal Ethics: (2 minutes) On April 25, 2020, when Randal Austin filed his federal income tax return for 2019, Austin's Social Security card contained the following legend: "Not Valid for Employment." A Social Security card without the legend was issued to him in November 2020. Austin subsequently received a notice of deficiency disallowing the earned income credit (EIC) claimed on his 2019 return. G, an attorney, explained that Internal Revenue Code §32(m) requires a Social Security Number valid for employment to be issued on or before the due date for filing a return in order to receive the EIC and because Austin did not have such a number when his 2019 return was due, his credit was denied. Both G and Austin believe that the law is unfair. G, however, believes that the IRS applied the law correctly in Austin's case. Can G file a petition in Tax Court challenging the deficiency on the basis that the law is unfair?

Question #: 37

Legal Ethics: (2 minutes) H and Cora Nelson are lifelong friends, so it was only natural that Nelson asked H to represent her when the IRS disallowed expenses claimed on Nelson's tax return for the costs of mountain climbing equipment. Nelson trusts H's judgment and leaves H to handle Nelson's Tax Court case while Nelson fulfills her dream of climbing Mount Kilimanjaro. Anticipating that Nelson might be unreachable for some period of time, H asks Nelson for authorization to settle her case. Nelson says that she would agree without further discussion to a deficiency of no more than \$3,000. After Nelson flies to Tanzania, where she is "off the grid" for several weeks, H receives an offer from IRS counsel to settle the case for substantially less than Nelson's number. Can H agree to settle and sign the stipulation of settled issues? Briefly explain your answer.

Question #: 38

Legal Ethics: (3 minutes) J represents Ruth Freeman, a resident of New York City, in a Tax Court proceeding. The Second Circuit Court of Appeals, which has jurisdiction with respect to Tax Court cases appealed by New York residents, has not ruled on the issue in Freeman's case. Other Circuit Courts of Appeals have weighed in on the issue, however. Their opinions directly support Freeman's arguments. Two months after J submits a post-trial brief in Freeman's case, the Second Circuit Court of Appeals issues a decision that is not directly on point but arguably is adverse to the other Circuit Courts' views and to a position taken in the brief. Is J required to notify the Tax Court of the decision? Briefly explain your answer. Does your answer depend on whether Freeman's proceeding is a small ("S") case, which is not appealable?



United States Tax Court

Washington, DC 20217

November 17 2021 Nonattorney Exam
Session Two - Practice and Procedure and Evidence

Question #: 1

(1 minute) TP receives a §6212 Notice of Deficiency and thereafter timely files with the Court a petition for redetermination of the proposed deficiency. Before the case is calendared for trial, TP pays to the IRS the amount of the proposed deficiency in the §6212 Notice of Deficiency.

The payment by TP deprives the Court of jurisdiction with respect to TP's petition. True or False?

Question #: 2

(1 minute) The Court has jurisdiction to determine that TP overpaid income tax in the year properly before the Court based on a §6212 notice of deficiency determining a deficiency of income tax. True or False?

Question #: 3

(1 minute) The Court has jurisdiction to determine a deficiency greater in amount than was proposed in the §6212 notice of deficiency if a claim for the increased amount was made by the IRS at or before the Court hearing or rehearing. True or False?

Question #: 4

(1 minute) The Court has jurisdiction to determine an overpayment and order a refund or credit in a Collection Due Process proceeding, True or False?

Question #: 5

(1 minute) The Court has jurisdiction to review a determination by the IRS that individual A, who provides services to B, constitutes an employee of B for federal employment tax and income tax withholding purposes if B timely files a petition with the Court in response to a worker classification determination by the IRS that properly was sent to B. True or False?

Question #: 6

(1 minute) The Court has jurisdiction to review a determination by the IRS that individual A, who provides services to B, constitutes an employee of B for federal employment tax and income tax withholding purposes if A timely files a petition with the Court in response to a

worker classification determination by the IRS that properly was sent to B. True or False?

Question #: 7

(1 minute) TP was created under state law as a corporation in 2005. The state law charter for the corporation was suspended in 2018 because of the failure of TP to pay required state taxes. In response to a §6212 notice of deficiency, TP filed a timely petition with the Court. The IRS moves the Court to dismiss the case for lack of jurisdiction because TP had no capacity to file a petition. The Court has jurisdiction. True or False?

Question #: 8

(1 minute) The IRS issues to TP a §6212 notice of deficiency with respect to one taxable year. The notice determines an income tax deficiency and also an addition to tax pursuant to §6651. TP petitions the Tax Court to dispute the deficiency amount and the addition to tax. The Tax Court has jurisdiction as to the addition to tax. True or False?

Question #: 9

(1 minute) TP prepares tax returns for other persons, and TP received from the IRS a notice and demand for penalty pursuant to §6695(b) for failing to sign the tax returns of some of TP's customers. TP petitioned the Tax Court to challenge the penalty. Based solely on the notice and demand, the Tax Court has jurisdiction. True or False?

Question #: 10

(1 minute) The Tax Court has deficiency jurisdiction with respect to §3402 withholding taxes. True or False?

Question #: 11

(1 minute) The IRS issued one §6212 notice of deficiency asserting a deficiency of income tax in each of the 2017 and 2018 taxable years of TP. Such a notice for multiple years is a proper notice for purposes of Tax Court jurisdiction as to each of the two years. True or False?

Question #: 12

(2 minutes) Discuss the meaning of the phrase “last known address” with respect to a §6212 statutory notice of deficiency.

Question #: 13

(2 minutes) Discuss the significance of the phrase “last known address” with respect to Tax Court litigation.

Question #: 14

(1 minute) A §6212 notice of deficiency, mailed by either registered or certified mail to TP's §6212 last known address, is valid even though the notice never is received or is returned to the IRS unclaimed. True or False?

Question #: 15

(3 minutes) TP originally resided in City A. At the time of filing TP's federal income tax return for Year 1, TP resided in City B, but filed the Year 1 return using the City A address. The IRS examined TP's Year 1 return, and during that examination, TP submitted to the IRS a Form 2848, Power of Attorney and Declaration of Representative, showing the City B address.

In addition, while the examination for Year 1 was ongoing, TP submitted, with respect to a different taxable year, a Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, showing the City B address.

The IRS mailed a notice of deficiency to TP at TP's City A address. TP eventually filed with the Tax Court an untimely petition. The IRS moved to dismiss TP's petition for lack of jurisdiction, arguing that TP filed an untimely petition. TP moved to dismiss for lack of jurisdiction, arguing that the IRS failed to send the notice of deficiency to TP's last known address in City B. Discuss how the Court should rule on the motions to dismiss.

Question #: 16

(4 minutes) TP is physically present in the United States at all relevant times. On July 6, 2020, the IRS mailed to TP, to an address in the United States, a §6212 notice of deficiency (bearing the date of July 6, 2020), regarding TP's 2018 income tax liability. The notice of deficiency states that the last day on which a Tax Court petition may be filed is October 2, 2020. TP received the notice on July 9, 2020. What is the last day on which TP timely can file a petition with the Court?

The attached 2020 calendar may be of use to you.

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
July				1	2	3	4
	5	6	7	8	9	10	11
	12	13	14	15	16	17	18
	19	20	21	22	23	24	25
	26	27	28	29	30	31	
August							1
	2	3	4	5	6	7	8
	9	10	11	12	13	14	15
	16	17	18	19	20	21	22
	23	24	25	26	27	28	29
	30	31					
September			1	2	3	4	5
	6	7	8	9	10	11	12
	13	14	15	16	17	18	19
	20	21	22	23	24	25	26
	27	28	29	30			
October					1	2	3
	4	5	6	7	8	9	10
	11	12	13	14	15	16	17
	18	19	20	21	22	23	24
	25	26	27	28	29	30	31

Holidays in the District of Columbia during the months in the table above are: (1) Friday, July 3, 2020; Monday, September 7, 2020; and Monday, October 12, 2020.

Question #: 17

(2 minutes) TP received a §6212 notice of deficiency for which the last day timely to file a Tax Court petition was Tuesday, March 6, 2018. On March 6, 2018, TP placed the petition in an envelope properly addressed to the Court on which TP placed a private postage label printed from a website for buying postage acceptable by the United States Postal Service (USPS). The date printed on that private postage label was March 6, 2018. TP then delivered, on March 6, 2018, to the USPS the envelope bearing the private postage label. The envelope received by the Court bore two USPS postmarks each of which was after March 6, 2018, and the envelope did not arrive at the Court until 20 days after the date shown on the private postage label. The IRS moves to dismiss the case for lack of jurisdiction because the petition was not timely filed. How should the Tax Court rule on the motion?

Question #: 18

(2 minutes) Describe the effect of a Tax Court petition that does not address an issue raised in the §6212 notice of deficiency.

Question #: 19

(1 minute) The Tax Court Rules allow for a judgment on the pleadings as to fewer than all issues in a case. True or False?

Question #: 20

(3 minutes) Briefly describe the meaning under the Tax Court Rules of each of the following:

- (a) Joint petition
- (b) Joinder of issue
- (c) Consolidated trial.

Question #: 21

(2 minutes) TP and Spouse file a joint return in 2017. TP and Spouse were divorced in 2018. In 2019, the Commissioner sends a separate notice of deficiency to each with regard to the 2017 taxable year. The §6212 notice of deficiency as to TP was mailed to TP's address. The §6212 notice of deficiency as to Spouse was mailed to Spouse's address. Explain whether TP and Spouse may file a joint petition in the Tax Court.

Question #: 22

(2 minutes) Describe the information in a filing with the Tax Court that a party or nonparty making the filing should refrain from including (or should take appropriate steps to redact).

Question #: 23

(1 minute) A reply pleading is required of the petitioner with respect to the IRS answer in all circumstances. True or False?

Question #: 24

(2 minutes) Describe the scope of the electronic filing rules applicable to a practitioner admitted to practice before the Tax Court in representing a Tax Court petitioner.

Question #: 25

(2 minutes) Explain the preferred manner of engaging in pre-trial discovery under the Tax Court rules.

Question #: 26

(3 minutes) Explain the circumstances under which a deposition of a party or a witness may be used for discovery.

Question #: 27

(2 minutes) Define and explain the significance of stipulations in Tax Court cases.

Question #: 28

(3 minutes) TP is a Tax Court petitioner who receives from trial counsel for the IRS a request for admission to the truth of a matter (that is not privileged and is relevant to the subject matter involved in TP's case). Describe

- a) TP's obligations with respect to the request for admission;
- b) the consequences to TP if TP fails to satisfy TP's obligations with respect to the request for admission; and
- c) the effect of TP making such an admission.

Question #: 29

(1 minute) Explain the significance of "joinder of issue" under the TCR.

Question #: 30

(3 minutes) Describe the Tax Court Standing Pretrial Order.

Question #: 31

(2 minutes) Define and compare "burden of proof" and "standard of proof."

Question #: 32

(2 minutes) Under what circumstances may a witness be excluded from the Tax Court courtroom during the testimony of other witnesses, and what sanctions are available to the Court for noncompliance by the witness?

Question #: 33

(2 minutes) Discuss whether a post-trial brief is required in each Tax Court case.

Question #: 34

(2 minutes) Briefly describe the significant aspects of the Tax Court Order with respect to limited appearance by a practitioner in the Tax Court.

Question #: 35

(6 minutes) TP asks W (hereinafter "W") on direct examination the following question: "You testified a few minutes ago that you and TP have been work colleagues for the past 15 years. And you further testified that you and TP had conversations regarding TP's tax returns. Please tell us what TP said to you with respect to TP's tax returns." IRS objects on hearsay grounds. How should the Court rule on the objection?

Question #: 36

(6 minutes) The IRS asks W on cross-examination the following question: "You just testified a moment ago that you were present during a deposition of S [in an unrelated case] and that S testified that S was TP's federal income tax preparer. What did S say during S's deposition with regard to the preparation of TP's 2018 tax return?" TP objects, arguing that, if S is allowed to testify, S's testimony would violate the best evidence rule. How should the Court rule on the objection?

Question #: 37

(6 minutes) The IRS asks W on cross-examination the following question: "I want to direct your attention to 2016 when you were in college at State University. Is it true that you were accused of plagiarism?" TP objects. How should the Court rule on the objection?

Question #: 38

(6 minutes) The IRS asks W on direct examination the following question: "When called as a witness by TP, you testified that you and TP have been work colleagues for the past 15 years. And you further testified that you and TP had conversations regarding TP's federal income tax returns. Please tell us what TP said to you with respect to TP's federal income tax returns." TP objects on hearsay grounds. How should the Court rule on the objection?

Question #: 39

(6 minutes) The IRS asks TP on cross examination the following question: "Isn't it true that you seriously considered not filing a tax return in 1999?" TP objects. How should the Court rule on the objection?

Question #: 40

(6 minutes) The IRS on cross-examination asks W the following question: "On direct examination you testified that you have been TP's accountant for the past 15 years. But isn't it true that just two months ago you told a friend that you are not now and have never been an accountant?" TP objects. How should the Court rule on the objection?

Question #: 41

(6 minutes) Assume that in Question 6 that the judge overrules the objection and allows W to answer the question. W responds as follows: "That is not true. I never made such a statement to my friend over lunch." The IRS asks no additional questions. Later in the trial, the IRS calls to the witness stand the friend who had lunch with W. The IRS asks the friend whether W admitted during their lunch that W was not and has never been an accountant. TP objects, arguing that the IRS is seeking to admit improper extrinsic evidence. How should the Court rule on the objection?

Question #: 42

(6 minutes) TP asks W on cross-examination whether two years ago W had been convicted for perjury. The IRS objects. How should the Court rule on the objection?

Question #: 43

(6 minutes) TP calls S to the witness stand. S testifies to the following: "In 2019, I was having lunch with a friend, and I told my friend that, as TP's federal income tax return preparer 'it is my intention to electronically file TP's tax return on TP's behalf in the next two weeks.'" The IRS objects. How should the Court rule on the objection?

Question #: 44

(6 minutes) TP seeks to introduce a copy of a business record through the testimony of a custodian of the business records of TP. When asked by TP if the business record was a record that was regularly prepared and maintained by that business, the custodian replied as follows: "No, it is not a document that is regularly prepared and maintained. It is a document that is prepared very infrequently, but I recognize it as a document that is prepared by the business." TP seeks to admit the document. The IRS objects. How should the Court rule on the objection?