Principles of Taxation



for Business and Investment Planning

2013 Edition

Sally M. Jones

Professor Emeritus of Accounting McIntire School of Commerce University of Virginia

Shelley C. Rhoades-Catanach

Associate Professor of Accountancy School of Business Villanova University



Brief Contents

| A Note from the Authors xiv Introduction to Students xxvi | | 12 The Choice of Business Entity 345 | |
|--|--|---|-----|
| PART ONE | | 13 Jurisdictional Issues in Business Taxation 371 | |
| 1 2 | ** | PART FIVE The Individual Taxpayer | |
| PART TWO Fundamentals of Tax Planning | | 14 The Individual Tax Formula 40°15 Compensation and Retirement Planning 441 | 7 |
| 3 4 5 | Taxes as Transaction Costs 47 Maxims of Income Tax Planning 69 Tax Research 93 | Investment and Personal Financia Planning 485 Appendix 16-A Comprehensive Schedule D Problem 529 | |
| PART THREE The Measurement of Taxable Income | | 17 Tax Consequences of Personal Activities 535 | |
| 6 | Taxable Income from Business Operations 117 | Appendix 17–A Social Security Worksheet (Adapted from IRS Publication 915) 566 | |
| 7 | Property Acquisitions and Cost Recovery Deductions 157 Appendix 7–A Midquarter Convention Tables 195 Property Dispositions 199 | PART SIX The Tax Compliance Process 18 The Tax Compliance Process 56 | 69 |
| 9 | Nontaxable Exchanges 241 | APPENDIXES | |
| PART FOUR The Taxation of Business Income | | A Present Value of \$1 593 B Present Value of Annuity of \$1 5 | 594 |
| 10 | Sole Proprietorships, Partnerships, LLCs, and S Corporations 271 | C 2012 Income Tax Rates 595 | |
| 11 | The Corporate Taxpayer 309 | GLOSSARY 597 | |
| | Appendix 11-A Schedule M-3 for Reconciling Book and Taxable Income 341 | INDEX 609 | |