



Tax Research and Literature

Everything is code based, that is, organized around the 1954 code and subsequent iterations of that Code in later tax reform acts. The code is found in *Title 26* of the United States Code. Regulations are in *Title 26* of the Code of Federal Regulations (CFR).

The general strategy around any tax research is to find which Code sections are applicable to the problem and run the research from that point.

Major tax treatises:

CCH Standard Federal Tax Reporter

The Tax Reporter is a large, multi-volume loose-leaf publication organized by paragraph number for individual entries. Internal indexes, finding lists, and other cross-references all use paragraphs as the target internal citation for the set. The entire contents, including binders, are replaced annually to reflect the laws and regulations of the new tax year. The spine of each volume will identify the applicable tax year. These, in turn, are updated weekly by packets of replacement pages for selected volumes.

Typically, a section of the CCH treatise will give:

- the text of the Code section, amendment history,
- references to Congressional Committee reports relevant to the section,
- the text of regulations issued under the section,
- warnings/notations of conflicts between regulations, sections, or other important notes about the effective dates of regulations
- notes of proposed amendments to regulations
- temporary regulations
- A CCH “Explanation” section that analyzes the effect of the Code section and regulations
- annotations to tax cases that interpret or cite the Code section
- cross-references to other related Code sections and regulations

The only material not covered in this treatise is estates and gift taxation, which is covered by the multi-volume treatise, CCH Federal Estate and Gift Taxation. This set is organized in a similar manner to the Standard Federal Tax Reporter.

CCH also publishes state tax reporters, including one for Illinois, and other topical tax reporters such as the Excise Tax Reporter. Not all libraries carry the complete CCH tax publications based on a combination of relevancy, finance, and space considerations.



The online equivalent of all CCH taxation reporters is the CCH Tax Information Network, which is available on the DePaul University Libraries database page.

RIA Federal Tax Coordinator 2nd

One of the few tax treatises organized around topical tax references. The publication is divided into a large number of volumes. They contain mostly analysis, and are heavily footnoted to cases, cross-references, and other tax literature.

There are many hypotheticals placed in the text to illustrate the application of a tax principle, as well as “observations,” which are notes as to how the IRS and/or the courts have interpreted these sections as a practical basis for their application. Code sections and regulations relevant to the topic are in a separate section that appears after the analysis section.

The online equivalent is RIA Checkpoint, which is also available through the DePaul University Libraries database page.

RIA (PH) United States Tax Reporter

Formerly published by Prentice-Hall, the United States Tax Reporter is another large multi-volume treatise organized by Code section. The major reference numbers for internal citation is by paragraph. A typical section in the reporter will include:

- Code Section – the text of the Code as is now written
- Congressional Committee report references
- Regulations
- Explanation of the section
- Annotations to relevant case law

Types of official material issued by the Treasury and the IRS

Revenue Rulings

These are official statements from the IRS in response to questions submitted by taxpayers as to how the Service will treat a specific situation. Revenue Rulings are generally a source of information as to how the Service will react to a specific situation. Revenue Rulings may be affected by subsequent actions by Congress and the courts, and their validity should be checked against these types of action.

They are cited typically by year and issuance number, Rev. Rul. 00-25 being the 25th Revenue Rule published in 2000. They are published in the Internal Revenue Bulletin (weekly) and the IRS Cumulative Bulletin (yearly compilation).



Revenue Procedures

These detail the internal procedures the IRS follows, and informs the public as to the procedure to interact with the agency. For example, Revenue Procedure 2000-1 explains how the IRS gives guidance to taxpayers on issues under the jurisdiction of several chief counsels in areas such as Corporate, Financial Institutions and their Products, among others.

These are published in the Internal Revenue Bulletin and the Cumulative Bulletin.

Letter Rulings

This broad category of documents include Private Letter Rulings, Determination Letters, and Technical Advice Memoranda.

Not published officially. However, they are compiled by many commercial publications are online in Lexis, Westlaw, and the CCH and RIA tax databases.

Private Letter Rulings are issued by the national office in response to a taxpayer question on the official position of the IRS on a specific tax issue. The question may arise from questions about the application of a Code section, regulation, and subsequent court cases to the taxpayer's (proposed) specific situation. The Service sends the response to the taxpayer with information as to how the IRS will treat the issue, and possibly offer suggestions as to alternative structuring by the taxpayer for different treatment. The specific taxpayer is the only person who may rely on the content of the Private Letter Ruling. However, they are a good indication as to how the service may treat a specific situation for other taxpayers.

Determination Letters are similar to Private Letter Rulings, but are issued by the office of the local IRS district director. As an official of lesser rank issues Determination Letters, the issues in them tend to be non-controversial. They also generally cover completed transactions rather than proposed transactions.

Technical Advice Memoranda are similar to Private Letter Rulings. The national office issues them. However, their context is completed transactions rather than proposed transactions. They apply only to the taxpayer for whom they were requested. They also tend to appear in audit situations.

Letter Rulings are given seven digit numbers that are interpreted as follows:

- first two digits represent the year
- second two digits represent the week of the year of issuance



- next three digits indicate the numerical order the Letter Ruling was issued during that week

Acquiescence or Non-acquiescence Announcements

Courts may issue decisions that are adverse to IRS. The Commissioner will typically issue a statement of acquiescence, meaning that the Service will follow the court's decision in the future, or a statement of non-acquiescence, meaning that the Service will only follow the court's decision for that taxpayer only. Other taxpayers will likely have to litigate to seek a similar outcome.

Related is the Action on Decision, which is a document prepared when the Service loses in Court. The AOD suggests the course that the Service should take as a consequence.

Chief Counsel Memoranda and Technical Memoranda

A TM is generated in the course of preparing Proposed Regulations. CGM are generated during the preparation of Revenue and Letter Rulings.

All of these are generally available on Lexis, Westlaw, and various online tax databases.

Tax Publications

The Service issues numerous tax publications for the assistance of taxpayers in preparing their returns, or offering compliance advice on certain tax provisions. The ubiquitous Pub 17, *Your Income Tax*, for example, is the general guide to figuring tax application and submitting forms by individuals for a given tax year. These are available in paper from the Service, and in PDF form on the IRS web site through publications and forms links.

Courts and Tax Law

The United States Tax Court hears cases that only concern issues arising under the Internal Revenue Code after 1926. Prior to 1943, the Court was known as the Board of Tax Appeals, and was an administrative unit of the Treasury Department.

There are two types of decisions the Tax Court will issue. There are regular decisions and memorandum decisions. Regular decisions are those which cover new areas of law or novel issues under existing law. Memorandum decisions cover those issues that are applications of existing law. The distinction between the two is not so clear in substance.

Decisions of the Tax Court are appealable to the United States Courts of Appeal. This leads to an interesting situation where two or more Courts of Appeal may issue contradictory rulings on identical tax issues. As a consequence, the Tax Court has



adopted the *Golsen* Rule, named after the case at 54 T.C. 742 (1970). Under *Golsen*, the Tax Court will interpret decisions based on the Circuit where the taxpayer resides. If no Circuit decisions are specifically applicable, then the Court will apply its own interpretation to the circumstances and application of the IRC. This is important as finding a Tax Court Decision without an awareness of its context may lead to an incorrect understanding of applicable tax law.

Tax Court opinions are published in the official Tax Court of the United States Reports (GPO), and unofficially by CCH and RIA. Memorandum decisions are published unofficially (only) by CCH and RIA. Regular and Memorandum decisions are on Lexis, Westlaw, and the CCH and RIA databases. The U.S. Tax Court has a web site where decisions are available. Go to <http://www.ustaxcourt.gov/> for more information.