

Book Reviews

In each issue, *JATA* publishes reviews of textbooks and other books of interest to tax scholars. All book reviews are solicited by the Associate Editor. However, if you know of a book that you would like reviewed, or if you are interested in reviewing a book, please contact the Associate Editor.

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EPHRAIM P. SMITH, PHILIP J. HARMELINK, and JAMES R. HASSELBACK, *CCH Federal Taxation: Comprehensive Topics (2022)* (Alphen aan den Rijn, The Netherlands: Wolters Kluwer, 2021, \$399, Student Price \$319.20).

The Smith, Harmelink, and Hasselback *Federal Taxation: CCH Comprehensive Topics (2022)* is intended to be used as a multi-semester textbook for instruction in U.S. taxation. *CCH Comprehensive Topics* is competently updated annually. *CCH Comprehensive Topics* has a more than adequate test bank and the answers to the questions and problems included in the textbook are also excellent. Like many textbooks that have been updated for years, the PowerPoint slides are technically adequate, albeit, somewhat dated. For universities that adopt this textbook, CCH makes available CCH AnswerConnect—Tax Research Software. The combination of this established quality textbook and the software offers a powerful platform for both undergraduate and/or graduate classes in U.S. taxation.

CCH Comprehensive Topics is designed to “to be used either in a one semester class or in a two-semester sequence.” A one-semester usage of such a comprehensive textbook is not realistic; it requires a minimum of two semesters for students to complete their examination of U.S. taxation. Given the depth of the textbook, the instructor will likely choose to cover most, but not every chapter over the course of two semesters, based on the instructor’s approach.

Assuming that *CCH Comprehensive Topics* will be taught over two semesters, there are two distinct decisions that must be made by the instructor. The first decision is whether the classes need be taught consecutively (individual first and corporate/partnership second as the textbook is written). The second decision is whether Chapters 1 and 2 should be taught in each semester. If the classes need not be taught consecutively, it is imperative that Chapters 1 and 2 be the starting point for each class. Some instructors will determine that Chapters 1 and 2 are sufficiently important to include them in each semester regardless of the decision to require the classes to be taken consecutively.

Chapters 1 and 2 provide an excellent framework for understanding the U.S. system of taxation. Chapter 1 is entitled “Introduction to Federal Taxation and Understanding the Federal Tax Law” and sets the stage for the remainder of the textbook. A careful reading of Chapter 1 provides an understanding the conceptual underpinnings of the tax code and a bit of its history. In a condensed form, this chapter either should or could be included in the required readings for any M.B.A. degree. It is expected and hoped that the 2023 edition will include more background from the Tax Cuts and Jobs Act of 2017.

Chapter 2 provides an understanding of tax research, practice, and procedure. The chapter provides the underpinnings for competent tax research. If the instructor intends to require tax research memorandums during the semester(s), with the accompanying use of CCH AnswerConnect, the student will have the opportunity to acquire a level of competence in tax research—a skill required by many potential employers—prior to graduation. If a decision to include tax research is made, Chapter 2 becomes a reference point throughout the use of the textbook for future tax memorandums.

Chapters 3 through 13 are designed to explore individual taxation. Chapter 3 is presented as an overview and easily follows Chapter 1. Chapters 1 and 3, together, provide as fine an overview of individual taxation as this reviewer has seen. Repeating a previous observation, an M.B.A. class would be well served to read Chapters 1 and 3 in coordination to gain a graduate-level overview of individual taxation.

The ordering of Chapter 4 through 13 is sensible. Gross income is the starting point with exclusions covered subsequently. This is followed by explanations of both business and itemized deductions. The instructor might determine to introduce Chapters 10, 11, and 12 between the presentations of gross income and deductions. Students generally arrive with some knowledge or presumed knowledge with respect to capital gains and have a hunger to understand these issues before pursuing deductions. This might be considered by instructors and the out-of-sequence use of the textbook might enhance student interest. Additionally, *CCH Comprehensive Topics* does an excellent job of explaining and providing useable examples with respect to like-kind exchanges, involuntary conversions, and other transactions involving nonrecognition. The examples are particularly valuable in enhancing student understanding.

Chapter 14 is the starting point for studying corporations. While competently written, the authors might consider adding a few pages in Chapter 14 recreating a starting point for corporate taxation similar to Chapter 3. For the two-semester approach to federal taxation, Chapter 14 could be considered a fairly abrupt start to the semester. (Again, instructors might wish to consider the possibility of teaching Chapters 1 and 2 in each semester.)

Chapter 14 offers all of the textbook's important discussions of both formation and operations of a corporate entity. The chapter is comprehensive and instructors should consider this chapter taking several classes of study to ensure that the subject matter is adequately digested by their students.

Corporate liquidations, reorganizations along with accumulated earnings, and personal holding company taxes are quite fully considered. The textbook has a series of truly excellent diagrams of reorganizations and liquidations. The authors might consider carefully reviewing the slides accompanying these sections and more closely mimicking what is in the textbook.

Partnerships are given two full chapters (Chapters 19 and 20) and allow the instructor to more than adequately differentiate the technical and tactical differences in choosing between corporate or partnership form. There is little missed in preparing a students for these crucial decisions and they should fully comprehend the differences between partnership and corporation tax consequences during formation.

Chapters 22, 23, and 24 provide instructors with the opportunity to expand their classes beyond federal taxation of individuals, corporations, and partnerships. Consideration needs to be given as to whether spend more time on these traditional areas of taxation or launch into estate and gift taxation, trusts and estates, and deferred compensation.

Chapter 22 provides a worthy explanation of estate and gift tax issues. Accompanied by Chapter 23's explanation of the taxation of trusts and estates, these chapters provide an excellent understanding of these areas of taxation. To do justice to these particular areas, the instructor will need to cover both chapters and devote as much as six to ten hours of classroom time to instruction.

Chapter 25 provides an excellent overview of state taxation and thoroughly explains the theoretical relationships between the federal government and state governments under the Constitution. This important chapter does an excellent job of explaining state taxation without getting bogged down in the specifics of any particular state. Chapter 25 is a necessary conclusion to *CCH Comprehensive Topics* by alerting students to the reality that federal income taxes is certainly not the only tax subject worthy of importance.

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