

**TAX ISSUES IN ACQUISITIONS AND DEVELOPMENTS**  
**SPRING A 2015**  
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Wednesday 9AM-11AM  
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**COURSE CONTENT**

An overview of federal income tax and local tax issues that affect the planning and execution of urban real estate developments.

**COURSE STRUCTURE**

**Class One**

1. Overview of Tax Principles
  - a. US federal income tax
    - i. Items and amounts of income
      1. Rent, compensation, interest 61
      2. Sale or exchange of assets Section 1001
      3. Dealer property
    - ii. Timing of income
      1. Periodic items, cash v accrual method 451
    - iii. Character of income
  - b. Taxpayers
    - i. Individuals
    - ii. C corporations 301
    - iii. S corporations 1361
    - iv. Partnerships 701
    - v. REITs 856
    - vi. Exempt organizations 501
    - vii. Foreign entities 861
    - viii. More on Partnerships

**Class Two**

2. Income tax treatment for sellers (and alternatives to cash acquisitions)
  - a. Amount of income 1001
  - b. Character of income 1221
  - c. Alternatives
    - i. Like kind exchanges 1031
    - ii. Debt financed distributions/ground leases 61,752
    - iii. Partnership contributions 721

### **Class Three**

3. Issues with equity partners
  - a. Subchapter K Framework
    - i. Pass through status 701, 7701
    - ii. Allocations 704
    - iii. Contributions 721
    - iv. Distributions 731
    - v. Basis 752
  - b. Typical economics
  - c. Capital accounts and profit allocations

### **Class Four**

4. Transfer and mortgage recording tax concerns
  - a. NYS Transfer Tax
  - b. NYC Real Estate Transfer Tax
    - i. Rate
    - ii. Consideration
    - iii. Taxable Transfers
      1. Fee interest
      2. Leases
      3. Controlling interest transfers
    - iv. Exemptions
      1. Not for profit, governmental entities
      2. Non controlling interest transfers
  - c. NYS and NYC Mortgage Recording tax
    - i. Rate
    - ii. Consideration
    - iii. Taxable Mortgages
    - iv. Exemptions

### **Class Five**

5. Rental and condominium developments
  - a. Cost 263A
  - b. Financing 103
  - c. Refinancing 61, 752
  - d. Nonrecognition transfers 1001
  - e. NYC UBT
  - f. Capital gain 1231
  - g. Dealer income 1221

### **Class Six**

6. Advanced Examples
  - a. Historic tax credits 47
  - b. Delaware series LLC 701
  - c. Low income housing tax credits 42

## **ASSIGNMENTS & REFERENCES**

Readings of Internal Revenue Code