

Legal Services and Internet Sites

Chapter Outline

LexisNexis

Tax Center
LexisNexis Academic

Tax Analysts

Research Library
Federal Research Library
OneDisc
Newsletters

Westlaw

Data and Access
Searching Westlaw
Business & News
Mertens Service
Bittker & Lokken Service

BNA

Portfolios
News Reports

Internet Sites

Learning Objectives

- Use the major features of legal tax research services.
- Apply the search methodologies that are available with each of the legal tax research services.
- Employ the connectors, universal characters, and proximity commands available for each legal tax research service.
- Know which legal tax research services are most appropriate for different research objectives.
- Identify the major tax newsletters and law reviews.
- Become familiar with Internet sources of tax information.

TAXATION PROVISIONS ARE LAW and therefore fall under the purview of those in the legal profession. Consequently, research services created for tax attorneys can be used by other tax professionals in performing tax research. This chapter focuses on the two major legal services, LexisNexis and Westlaw, and two other publishers of tax materials, Tax Analysts and **Bureau of National Affairs (BNA)**. Since service providers are eager to increase the acceptance of their products by tax professionals in the accounting arena, these publishers are adapting their products to be user friendly to all tax practitioners. Both LexisNexis and Westlaw offer individual bundling of products, and for their larger accounting firm clients, create special web interfaces.

While there are numerous legal services that could be examined, the coverage in this chapter is limited to services to which tax practitioners are most likely to subscribe. Only the tax products offered by these services will be reviewed. Chapter 8 reviews the case law products of these services, and Chapters 9 and 10 provide more detailed information regarding the state and international products available through legal and tax services.

LEXISNEXIS

The amount of information available on the **LexisNexis** system is staggering. With more than 5 billion searchable documents from 32,000 legal, business, and news sources included in LexisNexis, it is possibly the world's largest full-text information resource. About the only tax services not available on LexisNexis are the competitors RIA and Westlaw. **Lexis**, for legal (tax) sources, was started in 1973 and **Nexis**, for news, financial, and business information, was started in 1979. The LexisNexis services initially were offered on dedicated terminals because they were developed long before the universal use of personal computers. These services now are offered on the Internet with yearly, weekly, or daily subscriptions, and on a pay-for-document credit card system. Documents can be retrieved for a nominal cost, and conducting the search is free.

Tax Center

Realizing how important tax research has become, LexisNexis, in April 2006, uses a service created exclusively for tax practitioners called **Tax Center**. This service is designed to streamline tax research by having an interface separate from LexisNexis and giving the practitioner the ability to conduct a single search across the full content of this service. Prior to the development of Tax Center, a researcher could not access all the databases within LexisNexis in a single search, as is possible with the RIA and CCH services. Rather, LexisNexis is structured somewhat like a tree. The main libraries are located on the trunk of the tree, and the databases within the libraries are the various branches of the tree. At each level in the database selection process the branch is narrowing until the researcher reaches the end of the branch. For example, in LexisNexis the three areas of Legal, Business & News, and Public Records could not be queried in a single search. Three searches would need to be performed. Thus, allowing a single search across the entire contents of Tax Center does streamline searching in this LexisNexis product.

The tax materials currently available in Tax Center are primary sources (Code, regulations, cases, IRS pronouncements, and public records) and the analytical materials of CCH, BNA, Tax Analysts, Matthew Bender, and Kleinrock. Also provided are Shepard's citators for tax professionals (see Chapter 8 for discussion of citators), LexisNexis Company Dossier, and Industry Dossier. Practice Insights

offer strategic analysis by leading tax practitioners and experts. LexisNexis plans to add additional services as Tax Center evolves. Different packages are available that can be specifically designed for the practice of the tax professional. Consequently, the package utilized in this chapter may vary from the service available to the student.

Tax Center's opening research option presents the practitioner with a wide variety of databases (see Exhibit 7-1). Each database category offers some choices that are combinations of several sources, while others are only a single source. For example, in the column for Cases, the first choice, Tax Cases, Federal and State, includes all of the other Case choices visible in Exhibit 7-1. Therefore, it is redundant to select Tax Cases, Federal and State and any of the other Cases options visible. As all of the possible databases for Primary Sources cannot be listed and still have the Analytical Sources visible on the opening screen (see Exhibit 7-1), an abbreviated list is shown initially. To see all of the options, the researcher would click on the More Sources button. Since the researcher is limited to a total of fifty sources, checking the boxes by the column headings (IRS, Code & Regulations, and Cases) will select more than the allowed sources and is unnecessary. It is preferable to select combined databases for searching efficiency.

Exhibit 7-1: LexisNexis Tax Center Federal Screen

The screenshot displays the LexisNexis Tax Center interface. At the top, there are navigation tabs for 'Research', 'My Tax Center', 'Get a Document', 'Shepard's', 'Tax News', and 'Tax Forms'. Below these are filters for 'Federal', 'State', 'International', 'Accounting & SEC', 'Tax Topics', and 'A to Z Source List'. The main section is titled 'Search Federal Tax Sources' and includes a search bar with a 'search' button. Below the search bar, there are options to 'Restrict by Date' and 'Select Primary Sources'. The 'Select Primary Sources' section is divided into three columns: 'IRS', 'Code & Regulations', and 'Cases'. Each column has several checkboxes and radio buttons for selecting specific sources. Below this section, there are tabs for 'Select Analytical Sources', including 'General', 'Business Entity', 'Estate, Gift & Trust', 'Exempt Organizations', 'Pensions & Benefits', 'IRS Practice & Procedure', and 'Specialized Tax Planning'. The 'General' tab is selected, showing a list of sources under 'General Planning - Conference Papers & Law Reviews', 'General Reference & Reporters', and 'CCH Standard Federal Tax Reporter Archives'.

The Analytical Sources are divided into several topical areas as well as a general category. The General References & Reports contains the LexisNexis Tax Advisor, its topical tax service, plus the CCH tax services such as the Standard Federal Tax Reporter (SFTR), Kleinrock's Tax Expert Analysis and Explanations, and Rabkin & Johnson Federal Tax Guidebook. There is a separate category for CCH SFTR Archives (see Exhibit 7-1). The archives are useful if the researcher needs to know what the tax law was in a prior year, for instance, when a client is taking a tax issue to court.

Given the almost overwhelming number of database options, Tax Center includes an option to select databases as Favorites by clicking on the star in front of the title. This causes the database to be listed in the My Tax Center tab. Consequently, the researcher can customize Tax Center to support the type of searches most commonly performed. Within the My Tax Center tab, the practitioner may set preferences for the searches and results. For example, the researcher can choose to have the results sorted by relevance or by date. The default option is to sort the results list by Sources.

Tax Center offers the researcher a choice of **Natural Language** or **Terms and Connectors (Boolean)** types of searches (see Exhibit 7-1). With a natural language search, the tax question is entered in standard English (natural language) words, phrases (entered within quotation marks), or sentences. The program determines the key terms for searching and relationships among the words (i.e., connectors to apply). This type of search is useful when the researcher is unsure as to which keywords would be the most effective.

LexisNexis supports numerous search connectors and **wildcard (universal) characters** in its terms and connectors searches. Many of the connectors and their definitions are similar to those listed in Exhibit 6-3, for RIA. LexisNexis interprets a space between words as signifying a connection of words in a phrase and not as "and" in the usual sense. For example, if the researcher enters the words *kickback business deduction* with no connectors, LexisNexis identifies only documents with these three words appearing next to each other. To search for any occurrence of these words in the document, they must be entered with "and" between them—*kickback and business and deduction*.

Below the Search Term box is the option of Restriction by Date. As can be seen in Exhibit 7-1, the choices are All Available Dates, a previous period of time (e.g., previous week, month, year), or a specific period (from ... to ...). The default is no date restriction. The date option is particularly beneficial when updating earlier research or when trying to locate tax law for a prior tax year.

The results of a keyword search are displayed by Category and Sources, as can be seen in Exhibit 7-2. The number of documents per category is shown on the Category tabs and also in the main table. This search retrieved more than 300 documents, which likely is too many to review. Tax Center allows the researcher to reduce the documents by performing a FOCUS terms search within the original results (see Exhibit 7-2).

Another search option is Get a Document. Documents can be retrieved by Citation, Federal Citation, and State or Region Citation as shown in Exhibit 7-3. The citations must be entered in a format recognized by LexisNexis. If the researcher is not familiar with the LexisNexis format, the Help function (top right corner, Exhibit 7-3) includes in its index a listing for Citation Format. The formats for administrative document, cases, and tax or legislative documents are provided by example. If one is searching for a case and only the taxpayer's name is known, it is best to use a keyword search in the Research tab and select the level of court

Exhibit 7-2: LexisNexis Tax Center Document List Screen

LexisNexis® Tax Center

Research My Tax Center Get a Document Shepard's® Tax News Tax Forms

Terms: leases and AMT (Edit Search)

FOCUS™ Terms Search Within Original Results (1 - 337) Go → Advanced

View: Summary 337 Results Print | Download | Fax | Email

All Results - (337) Cases - (90) Statutes & Regulations (Legislative) - (01) Agency Materials - (31) Treatises & Analytical Materials - (81) Law Reviews & Journals -

Source: Combined Source Set

All Results - 337 Print Summary Table

Category	Sources
Cases - 90	Federal Courts Tax Cases - 64 US Tax Court Cases, Memorandum Decs. & Board of Tax Appeals Decisions - 26
Statutes & Regulations (Legislative) - 61	USCS Title 26 Internal Revenue Code Annotated - 5 CCH Standard Federal Tax Reporter - 56
Agency Materials - 31	RS Bulletins, Letter Rulings & Memoranda Decisions, Combined - 31
Treatises & Analytical Materials - 81	CCH Standard Federal Tax Reporter - 56 Rabbin & Johnson, Federal Tax Guidebook - 2 Kleinrock's TaxExpert Analysis and Explanation - 6 LexisNexis® Tax Advisor - Federal Topical - 27
Law Reviews & Journals - 67	Tax Law Review Articles, Combined - 67
Professional & Practice Materials - 69	CCH Standard Federal Tax Reporter - 56 ABA Section of Taxation Meeting Materials - 33

Note: Sources may appear in more than one category. All Results counts the number of documents from each source only one time even though the source and its results may appear under multiple categories.

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Explore Page Select a Reporter Doc 1 of 337 Term of

from the Cases column. When the researcher is unsure of the judicial level of the case, the combined Federal and state databases or just combined Federal Courts Tax Cases should be selected.



SPOTLIGHT ON TAXATION

The Huge Two

Two companies dominate the realm of providing legal and tax information, Reed Elsevier and Thomson. These corporations are two of the largest publishing and information providers in the world. Reed Elsevier, an Anglo-Dutch company, is the parent company of LexisNexis; Thomson owns Westlaw, RIA, and Warren, Gorham & Lamont (WG&L). Through LexisNexis and Westlaw, the tax practitioner can access virtually every major tax publication. While CCH is a separate company owned by Wolters Kluwer, CCH has a long-standing relationship and multiyear agreement with LexisNexis. It is the only source, other than CCH itself, to offer web access to CCH products. In addition, LexisNexis offers BNA, Tax Analysts, Matthew Bender, Shepard's, and Kleinrock. Westlaw also offers access to BNA products as well as all of the RIA and WG&L products.

Exhibit 7-3: LexisNexis Tax Center Get a Document Screen

LexisNexis® Tax Center

Switch Client | Sign Off | Help

Research | My Tax Center | Get a Document | Shepard's® | Tax News | Tax Forms | History

LexisNexis Get a Document

Retrieve a single document or validate an authority with Shepard's®.

Option 1: General Citation Entry
If you know the citation and format, enter it below, select an option, and click the Go button.

Option 2: Federal Citation Wizard
If you are unsure of the citation format, first select a source. The text box and example citation will update dynamically based on your selection. After entering your citation, select an option and click the Go button.

Option 3: State Citation Wizard
If you are unsure of the citation format, first select a State or Region. Based on your selection, the list of sources, text box, and example citation will update dynamically. After entering your citation, select an option and click the Go button.

Retrieve by Cite or Validate Authority

Enter Citation
508US 168

Retrieve Document
 Validate Authority with Shepard's® **Go** →

Retrieve by Cite or Validate Authority

Select Federal Source
Internal Revenue Code

Enter Citation
IRC 162
(e.g. IRC Sec. 112)

Retrieve Document
 Validate Authority with Shepard's® **Go** →

Retrieve by Cite or Validate Authority

Select State or Region
Montana

Select Source
Montana Administrative Rules

Enter Citation
Mont. Adm. R. []
(e.g. Mont. Adm. R. 1.2.101)

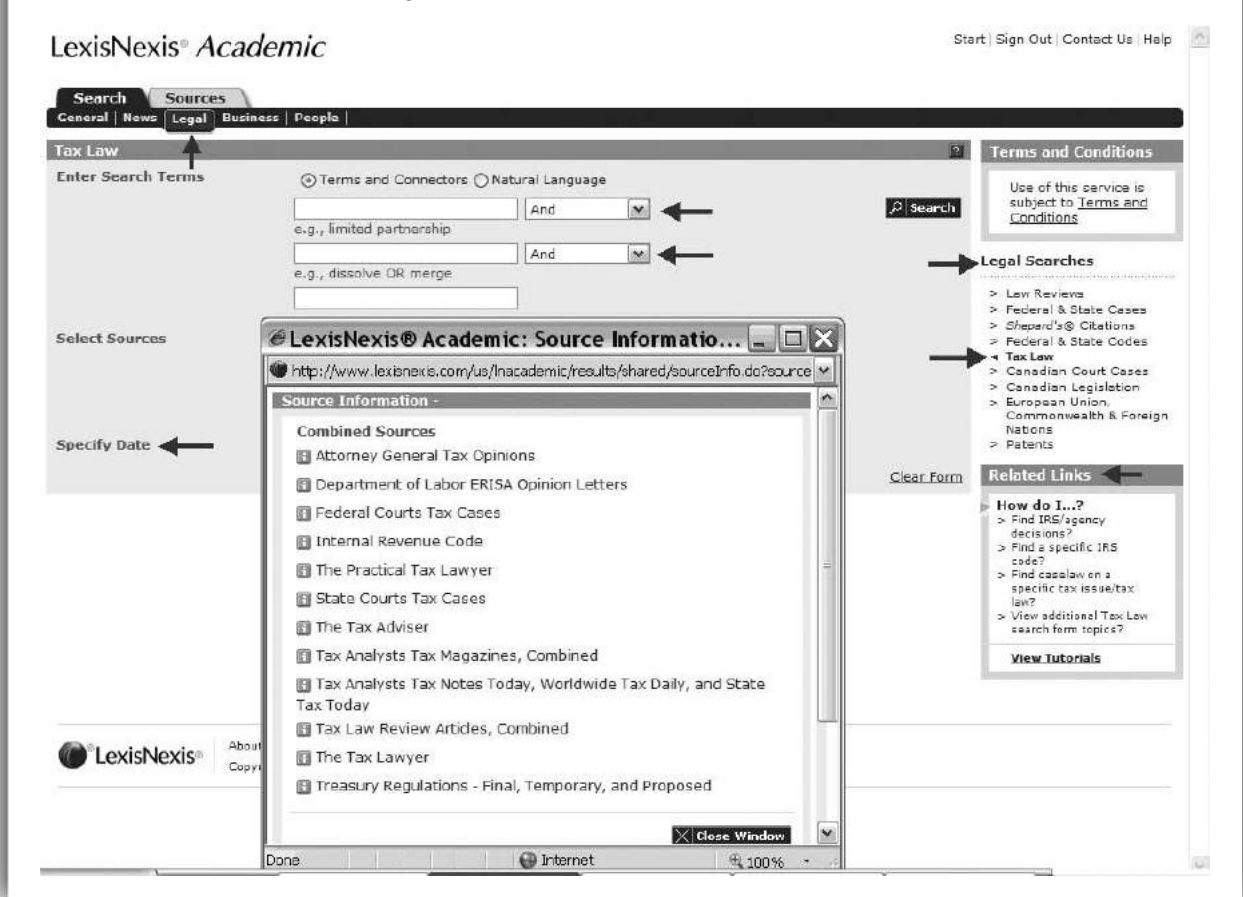
Retrieve Document
 Validate Authority with Shepard's® **Go** →

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LexisNexis Academic

LexisNexis offers a customized version of its services to academic institutions and public libraries called **LexisNexis Academic**. While the complete LexisNexis flagship service provides full-text documents from over 6,000 publications, most library subscriptions do not carry all of the offerings. The resource categories in Academic include the following.

- National and regional newspapers, international news, wire services, broadcast transcripts, and non-English language sources.
- Federal and state primary sources such as case law, Code, Regulations, and rulings.
- Legal and professional journals, law reviews, and international information.
- Treatises and analytical materials from services such as Kleinrock and Tax Analysts.
- Shepard's citations.
- Business news journals, company financial information, SEC filings and reports, and industry and market news.

Exhibit 7-4: LexisNexis Academic Legal Screen

To perform tax research using Academic, select the Legal button from the category list on the Search tab as shown in Exhibit 7-4. Legal Searches, in the right panel, indicates the legal databases available for the subscriber. Choosing Tax Law provides access to primary sources, tax journals, newsletters, and tax law reviews as listed in the insert of Exhibit 7-4. These sources may be searched individually or in any combination desired by the researcher, by using either Terms and Connectors or Natural Language keywords. The entry boxes vary depending on the type of keyword search selected. As demonstrated in Exhibit 7-4, the connectors available in Academic are provided in pull-down menus. To enhance the relevancy of the documents retrieved, date limitations (Specify Date) can be imposed (options available are not visible in Exhibit 7-4). The Related Links, in the lower right panel, offers a variety of help options and links to related material depending on the screen visible.

To access specific sources that may not be included in the Tax Law database of the Search Tab, the Sources tab is used. As Exhibit 7-5 indicates, using the browse option is as easy as 1, 2, 3. First, select how the sources should be organized. Second, filter the sources by country (United States), topic (Taxation Law), and source types (multiple, single, or all sources). The final step is to select the sources and then perform a keyword search. As shown in Exhibit 7-5, Kleinrock's TaxExpert Analysis and Explanation permits further browsing using a table of contents approach to drill down to the document of interest.

Exhibit 7-5: LexisNexis Academic Browse Sources Screen

LexisNexis[®] Academic

Start | Sign Out | Contact Us | Help

Search Sources

Browse Sources Find Sources

Browse Sources

1 By Publication Type News & Business Topics Industry Area of Law

2 Filter by: Country
 Topics
 Multiple/Single Source

Find a Source

Trail: Publication Type > Treatises & Analytical Material

3 Select a category to view sources 06 Selected View OK Continue

1-57 of 57 Sources

[Up a level]

- ABA Section of Taxation Conference Papers - By Topic
- All State Tax Statutes, Regulations, Cases and Admin Decisions
- Combined Kleinrock Bulletins
- Combined Kleinrock Tax Publications
- Combined State Tax Publications
- Cost of Capital: Estimation and Applications
- Financial and Accounting Guide for Not-for-Profit Organizations
- Financial Valuation: Applications and Models
- Handbook of Budgeting
- Income Taxation of Estates and Trusts
- Inside New York Taxes
- IRS Practice and Procedure Deskbook
- Kleinrock California Tax Bulletin
- Kleinrock Federal Tax Bulletin
- Kleinrock New York Tax Bulletin
- Kleinrock's TaxExpert Analysis and Explanation [Browse](#)
- Langer on Practical International Tax Planning
- Law of Tax-Exempt Organizations
- The Market Approach to Valuing Business
- Tax Analysts Letter Ruling Review Magazine (1992 - 1996)
- Tax Analysts Regs - Final, Temporary, Proposed & Comments
- Tax Analysts State Tax Notes Magazine
- Tax Analysts State Tax Regulations
- Tax Analysts State Tax Statutes
- Tax Analysts State Tax Statutes and Regulations
- Tax Analysts State Tax Today
- Tax Analysts State, Federal & International Tax Directories
- Tax Analysts Tax Magazines, Combined
- Tax Analysts Tax Notes Today
- Tax Analysts Tax Notes Today, Worldwide Tax Daily, and State Tax Today
- Tax Analysts Tax Notes Weekly
- Tax Analysts Tax Practice and Controversies
- Tax Analysts Tax Professionals Directory
- Tax Analysts Tax Publications
- Tax Analysts Tax Publications and Treaties
- Tax Analysts Worldwide Tax Treaties In Force
- Tax Cases, Administrative Decs., & ALR Annotations, All States
- The Tax Law of Colleges and Universities

The results of an Academic search (see Exhibit 7-6) may be listed either by relevance or publication date. The results summary (left window, Exhibit 7-6) also may be personalized to present by category or publication name. If the documents retrieved are not on point, the researcher may use the Edit Search option to return to the original keyword entry box or if too many documents are returned, searching within the list may be accomplished with the Narrow Search option. Selecting one of the document titles displays the document as seen in Exhibit 7-7. Academic offers the **KWIC** (key words in context) view, which highlights the terms entered as keywords. If the narrow search option has been applied, only the words used for narrowing will be KWIC. The documents retrieved are full text and may be downloaded, e-mailed, or printed from the browser.

The improvements made by LexisNexis to Academic have dramatically increased the usefulness of this service for performing tax research. While there are remnants of the prior "tree" organization of the libraries that preempted comprehensive single searches, Academic is a more tax-research-friendly service than in the past.

Exhibit 7-6: LexisNexis Academic Results Screen

LexisNexis® Academic Start | Sign Out | Contact Us | Help

General Search - Tax Analysts Tax... | ("charitable contributions" w/10 ... (85)

Search Sources Results

Result Groups
Sources by Category

All Results (85)
 Legal News (85)
 Treatises & Analytical Material (85)
 Newsletters (62)
 Magazines & Journals (23)

View List Narrow Search

Sort Relevance 1-25 of 85
 Publication Date Next Steps Edit Search

10/26/2007

No.	Results
<input type="checkbox"/> 1	2001 TNT 244-13 ISSUES TO CONSIDER WHEN MAKING AND ACCEPTING GIFTS OF RESTRICTED STOCK. (Section 170 -- Charitable Deduction) (Release Date: OCTOBER 31, 2001) (Doc 2001-30708 (19 original pages)). News, Commentary, and Analysis; Special Reports 6298 words, TAX NOTES TODAY, DECEMBER 19, 2001 WEDNESDAY
<input type="checkbox"/> 2	2000 TNT 34-39 COUPLE DISPUTES DISALLOWANCE OF STOCK CONTRIBUTIONS. (Kevin L. Woodbridge, et ux. v. Commissioner) (No. 869-00) (United States Tax Court) (Section 170 -- Charitable Deduction) (Release Date: JANUARY 18, 2000) (Doc 2000-3267 (19 original pages)). Court Documents; Court Petitions and Complaints 1795 words, TAX NOTES TODAY, FEBRUARY 18, 2000 FRIDAY
<input type="checkbox"/> 3	98 TNT 119-19 SHARES ARE QUALIFIED APPRECIATED STOCK. (Section 170 -- Charitable Deduction) (LTR 9825031) (Release Date: June 19, 1998) (Doc 98-19751 (9 pages)), IRS Letter Rulings (LTR) 3185 wordsIRS Letter Rulings (LTR) 3185 wordsIRS Letter Rulings (LTR) 3185 words, TAX NOTES TODAY, JUNE 22, 1998 MONDAY
<input type="checkbox"/> 4	2001 TNT 58-14 PREVIOUS STOCK DONATIONS TO FOUNDATIONS INCLUDED IN FUTURE CONTRIBUTION LIMITATION CALCULATION. (Section 170 -- Charitable Deduction) (LTR 200112025) (Release Date: DECEMBER 19, 2000) (Doc 2001-8475 (9 original pages)), Administrative Rulings; IRS Letter Rulings 4134 words, TAX NOTES TODAY, MARCH 26, 2001 MONDAY
<input type="checkbox"/> 5	2001 TNT 58-13 PREVIOUS STOCK DONATIONS TO FOUNDATIONS INCLUDED IN FUTURE CONTRIBUTION LIMITATION CALCULATION. (Section 170 -- Charitable Deduction) (LTR 200112024) (Release Date: DECEMBER 19, 2000) (Doc 2001-8474 (9 original pages)), Administrative Rulings; IRS Letter Rulings 4123 words, TAX NOTES TODAY, MARCH 26, 2001 MONDAY
<input type="checkbox"/> 6	2001 TNT 58-12 PREVIOUS STOCK DONATIONS TO FOUNDATIONS INCLUDED IN FUTURE CONTRIBUTION LIMITATION CALCULATION. (Section 170 -- Charitable Deduction) (LTR 200112022) (Release Date: DECEMBER 19, 2000) (Doc 2001-8472 (9 original pages)), Administrative Rulings; IRS Letter Rulings 4135 words, TAX NOTES TODAY, MARCH 26, 2001 MONDAY
<input type="checkbox"/> 7	94 TNT 207-14 ABA TAX SECTION MEMBERS SUGGEST EXEMPT ORGANIZATION AREAS IN NEED OF PRECEDENTIAL GUIDANCE. (Section 501 -- Tax-Exempt Organizations) (Release Date: October 5, 1994)

Exhibit 7-7: LexisNexis Academic Document Screen

LexisNexis® Academic Start | Sign Out | Contact Us | Help

General Search - Tax Analysts Tax... | LTR | (Exempt) (43) | Document (2/43)

Search Sources Results

View Narrow Search

2 of 43 Next Steps Edit Search

© 2007, Tax Analysts, Tax Notes Today... Hits: 1 of 90

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Tax Notes Today

APRIL 16, 2007 MONDAY

DEPARTMENT: News, Commentary, and Analysis; Washington Roundup

CITE: 2007 TNT 73-44

LENGTH: 54343 words

HEADLINE: 2007 TNT 73-44 TRANSCRIPT OF THE JANUARY 20, 2007 ABA TAX SECTION EXEMPT ORGANIZATIONS COMMITTEE MEETING. (Section 501 -- Tax-Exempt Organizations) (Release Date: MARCH 13, 2007) (Doc 2007-9491)

CODE: Section 501 -- Tax-Exempt Organizations

ABSTRACT: A transcript of the January 20, 2007 meeting of the American Bar Association Section of Taxation's Exempt Organizations Committee, which took place in Hollywood, Fla., is provided.

REFERENCES:
 Subject Area:
 Exempt organizations
 Industry Group:
 Nonprofit sector
 Principal Cited Reference:
 section 501;
 section 501(c)(3);
 section 4958

TEXT:

Transcript of the January 20, 2007 ABA Tax Section Exempt Organizations Committee Meeting

TAX ANALYSTS

Tax Analysts, established by Thomas F. Field in 1970, is a nonprofit entity whose mission is to be “respectfully disagreeable” and to defend the public interest. Tax Analysts works to promote a transparency of tax rules, fosters dialog between taxpayers and taxing authorities, and provides literary forums for education and tax policy debate. To further these objectives, Tax Analysts produces a variety of comprehensive state, Federal, and international news, analysis, and commentary publications for tax professionals on a daily, weekly, monthly, and quarterly basis. It also provides a document search service. However, what Tax Analysts is best known for in the tax community is its outstanding news publications *Tax Notes* and *Tax Notes Today* (TNT).

Research Library

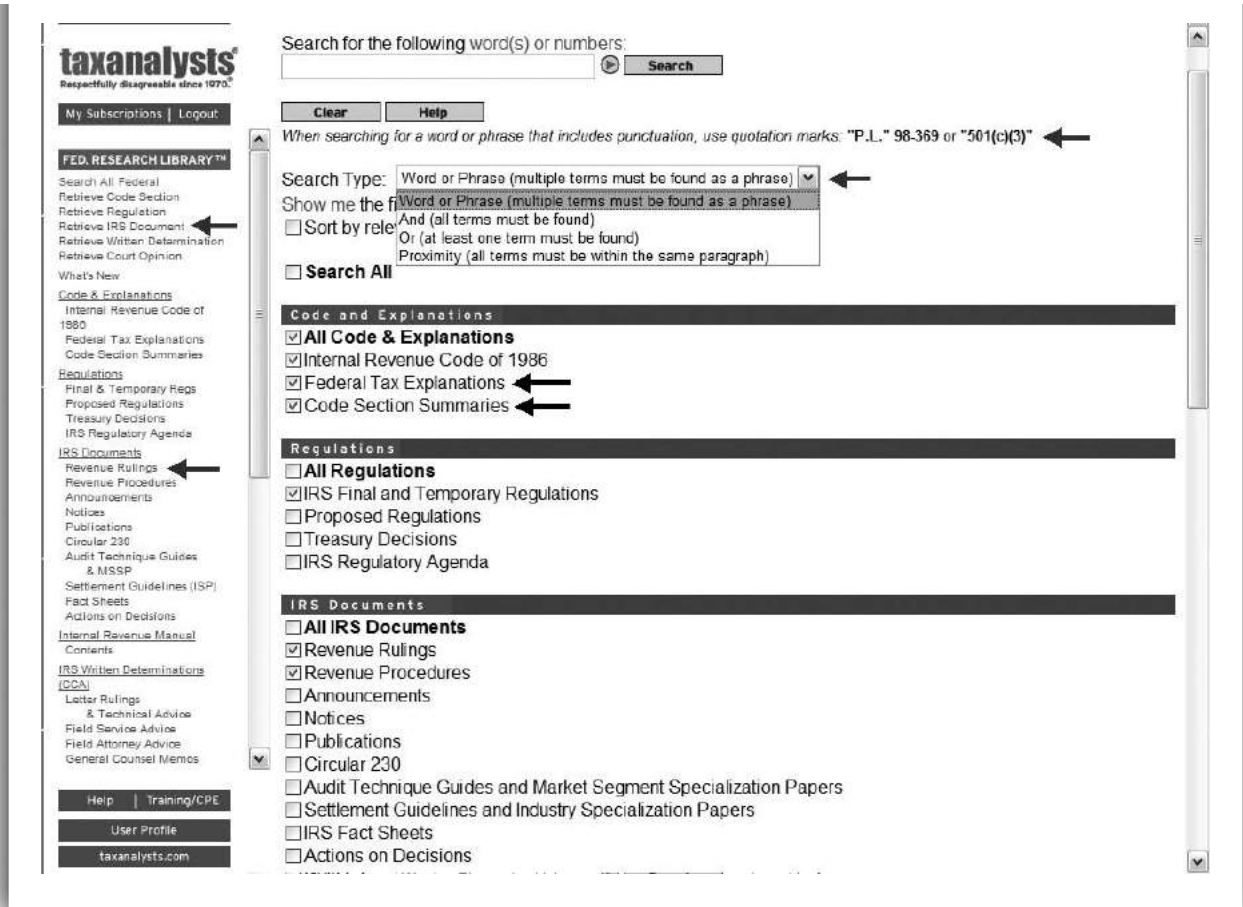
Federal Research Library The **Federal Research Library** (FRL) has been enhanced to make searching easier and faster than before. It has moved from a library organization to a database grouping based on document type, similar to the format of the CCH Tax Research NetWork (see Chapter 6). The collection of documents within the databases includes the following.

- Code, Explanations, and Code Section Summaries.
- Regulations.
- IRS Documents such as Revenue Rulings and Procedures, Announcements, Publications, Notices, and *Circular 230*.
- IRS Written Determinations such as PLRs, TAMs, FSAs, and GCMs.
- Court Opinions, which includes over 100,000 Federal court opinions since 1913.
- The *Internal Revenue Manual*.
- Recent legislation, legislative histories, and Joint Committee on Taxation (JCT) Blue Books since 1981.
- Quick References and Other Documents such as tables, *Tax Practice* magazine, and Congressional Research Service Reports.

Any, some, or all of these databases and specific document types within each database may be searched using keywords as Exhibit 7-8 illustrates. The keyword options supported by FRL include treating words as a phrase (quotes connector), which is the default, all terms must be found (“and” connector), at least one term must be found (“or” connector), and terms within the same paragraph (proximity connector). The program searches for root words and finds common variations such as plurals, different tenses, and possessives. When searching for terms that include punctuation, quotes should be used, as Exhibit 7-8 indicates. The number of search documents retrieved may be limited by database rather than in total. They also may be sorted by database or by relevance.

Tax Analysts offers two editorial services. The first topical service is called Federal Tax Explanations, formerly Federal Tax Baedeker. This service is divided into twenty-six chapters that can be searched either by keyword, or using the table of contents drill-down method by clicking on the triangles preceding the topic heading. The explanations are basic plain English guides to key

Exhibit 7-8: Tax Analysts Federal Research Library Screen



Federal tax law. The coverage is not as in-depth as CCH or RIA furnishes, but it is more in the nature of the Kleinrock service. The Explanations are updated monthly. The second editorial service is Code Section Summaries. This service also provides plain-English explanations of each Code section. These are very useful to read prior to tackling the legal verbiage in the Code itself.

Documents are retrievable by entering the citation in templates using the Retrieve tools (similar to the RIA Checkpoint), or by browsing a list of the documents of interest once the database is selected (see left window in Exhibit 7-8). The latter database also supports searches by citation. For example, to find a specific Revenue Ruling, the researcher may enter the ruling number in the template provided by selecting Retrieve IRS Documents (left window) or by selecting the Revenue Ruling database listed beneath IRS Documents.

Finally, the opening screen of FRL provides access to the most current legal tax sources including pronouncements by the IRS, Congressional Research Service Reports, Court Opinions, Treasury Decisions, and Proposed Regulations. These are available in a seven-day view and as revolving headlines of the most significant recent documents.

OneDisc Tax Analysts developed a single-disc tax product, **OneDisc Premium**, which contains an extensive list of primary Federal sources, tax treaties, IRS pronouncements, full-text court cases, Internal Revenue Manual, and the topical

explanations of the FRL. Thus, this 3.3 GB DVD containing full-text source documents is quite handy for practitioners to take to client offices, or to use when Internet access is not reliable or unavailable. OneDisc has two updating options, quarterly and, for a slightly higher cost, monthly. A slimmed down version of OneDisc also is available. This version provides access to the text of fewer cases but still provides the editorial materials.



SPOTLIGHT ON TAXATION

Field Service Advice Memorandums

Field Service Advice (FSA) memorandums are available to the tax community thanks to Tax Analysts. In 1993, Tax Analysts filed a request under the Freedom of Information Act to have FSA memorandums become subject to public disclosure. The IRS declined this request, because these documents contained "return information" or were protected by the attorney-client privilege, and therefore were not available for public disclosure. Tax Analysts took the question to court and a 1996 District Court ordered the IRS to release the FSAs to the general public. The court indicated that FSAs are similar to General Counsel Memoranda (GCMs), also public information. They contain legal analysis and conclusions of the law and are not "return information" under any reasonable interpretation of §6103. Further, just because an IRS attorney declares FSAs to be "return information" does not make them so. FSAs are merely memoranda routinely used by the IRS as guidance in conducting audits and therefore are applied by the IRS in its dealings with the public.

Newsletters

Tax Analysts publishes an influential set of newsletters, including a daily tax news series and one of the most highly regarded weekly publications, *Tax Notes*. The daily news services, available only online, offer up-to-the-minute coverage of Federal (TNT), state (*State Tax Today*), and worldwide (*Worldwide Tax Daily*) tax news. The weekly print series include *Tax Notes* and *State Tax Notes*, and *Tax Notes International*. The Tax Analysts newsletters also are available through LexisNexis.

TNT is updated continually throughout the day, not just once a day, so practitioners can be as up-to-date as they desire. The amount of information included in these newsletters is staggering. The TNT, for example, includes the following.

- Commentary and analysis by experts.
- IRS Private Letter Rulings (PLRs), Chief Counsel advice, Revenue Rulings, Revenue Procedures, FSAs, and Announcements.
- IRS Final, Temporary, and Proposed Regulations, as well as public comments on Proposed Regulations.
- All original full-text documents.
- White House budget proposals, tax bills introduced in Congress, and coverage of other congressional action, as well as reports by the Congressional Budget Office (CBO) and the JCT.

- IRS and congressional hearing transcripts.
- Court cases.

TNT also includes access to *Financial Reporting Watch*, a publication addressing the latest developments related to the post-Sarbanes-Oxley practice. It includes articles on financial reporting, original source documents, and continuously updated databases of tax documents found in SEC filings by public companies. To retrieve the articles in these reports, the subscriber selects the Document icon. Document icons within articles denote that the preceding citation is linked to its full-text document.

The content of the weekly *Tax Notes* publication is similar to TNT and the *Weekly Report* published by BNA (discussed later in this chapter). However, *Tax Notes* includes in-depth analysis of court decisions, regulatory pronouncements, and policy-oriented research submitted by tax professionals and academics, as Exhibit 7-9 illustrates. Special sections provide news and practice tips just for accounting and tax practitioners.

To obtain the full text of a document discussed and cited within a *Tax Notes* article, the subscribers use the *Tax Notes* unique document identification numbers (see Exhibit 7-9) through an online service such as LexisNexis.

Exhibit 7-9: Tax Analysts Tax Notes

taxanalysts

news and analysis

Congress Adjourns Without Passing Tax Extenders, Estate Tax Reform

By Wesley Elmore — welmore@tax.org

Congress adjourned for a six-week preelection recess last week without passing a package of popular tax relief measures or more controversial estate tax reform legislation. Still, lawmakers remained hopeful that those issues would be addressed when they return November 13 for a lame-duck session.

While supporters of a permanent reduction in the estate tax had resigned themselves to the fact that action on the legislation was unlikely to occur before Congress adjourned, several taxwriters had been holding out hope that the so-called tax extenders package would be passed before the recess.

Senate Finance Committee Chair Chuck Grassley, R-Iowa, told reporters that at a Senate Republican caucus meeting last week, he raised the prospect of passing an extenders package, "but there wasn't much of a desire to discuss it."

Along with Finance Committee ranking minority member Max Baucus, D-Mont., Grassley had been one of the most vocal supporters of passing the tax extenders package before the recess, arguing that a failure to do so before November would cause administrative difficulties for the IRS and confusion for taxpayers. The state and local sales tax deduction, the research credit, and the work opportunity

The extenders were included — along with reforms to the estate tax and an increase in the minimum wage — as part of the House-passed "trifecta" legislation (H.R. 5970) that failed to advance in the Senate in early August. Senate GOP leaders have insisted that the extenders remain attached to any estate tax legislation to pull in more support for such a bill. (For prior coverage, see *Tax Notes*, Aug. 7, 2006, p. 463, [Doc 2006-14718](#), or [2006 TNT 151-1](#).)

Neither Grassley nor Lott was ready to dismiss the possibility that the Senate would once again take up the controversial trifecta bill in November, although both were pessimistic about its chances of passage this year thanks to overwhelming Democratic opposition. Even Baucus, who has supported estate tax reform efforts, told reporters that "the die is pretty much cast" on the estate tax.

Other supporters of the trifecta bill have a different outlook. For example, Senate Budget Committee Chair Judd Gregg, R-N.H., has said that the Senate might be more successful if it waits until after the elections to try again on the trifecta bill. At that point, Gregg has said, Democrats will be more likely to buck their leadership and vote in favor of the bill. (For prior coverage, see *Tax Notes*, Sept. 18, 2006, p. 1015, [Doc 2006-19167](#), or [2006 TNT 177-1](#).)

But Grassley said that as long as the estate tax reforms in the trifecta bill remain unchanged, nothing can be added to the bill to pull in more Democratic support. "Adding a, b, c, d, e, and f —

WESTLAW

The West Group, an authoritative legal publisher, offers tax research capabilities through its **Westlaw** service. This service is legally oriented because it was designed by attorneys for attorneys. Its orientation is evident in its structure and its emphasis on citators and citing. (The first two data entry boxes on the “Westlaw” opening screen are for finding documents by citation; see Exhibit 7-10.) Due to this orientation toward the legal profession, Westlaw is less represented than RIA and CCH in accounting firms. However, to capture more of the accounting tax practice market, the West Group, like LexisNexis, has developed products specifically for tax research such as the Tax Platinum Library and Tax Gold Library. Thus, most international, regional, and large local CPA firms subscribe to some portion of the Westlaw service, especially those that hire attorneys into their tax service groups. Virtually all law schools train their students on the Westlaw system.

Data and Access

Westlaw contains over 19,000 databases including *BNA Tax Management Portfolios*, all of the RIA products including the *Federal Tax Coordinator 2d* and its citator, the WG&L newsletters, journals, manuals, and treatises, law reviews, and various tax news services. The popular South-Western Federal Taxation textbook series and a topical tax service, called *Mertens Law of Federal Income Taxation*, also are included in Westlaw.

Exhibit 7-10: Westlaw Welcome Screen with Help Center

The screenshot shows the Westlaw website interface. At the top, there is a navigation bar with links like 'FIND&PRINT', 'KEYCITE', 'DIRECTORY', 'KEYSEARCH', 'COURT DOCS', and 'SITE MAP'. Below this is a secondary navigation bar with tabs for 'Tax', 'Westlaw', 'Business & News', 'Washington', '9th Circuit', and 'Westlaw International'. The main content area is titled 'Welcome to Westlaw Standard Edition' and features two search boxes: 'Find this document by citation:' and 'KeyCite this citation:'. Below these are sections for 'Search these databases:' and 'View Westlaw Directory'. A 'Help Center' window is overlaid on the right side of the page, titled 'Using the Westlaw Page to Begin Your Research - Windows Internet E...'. This window contains a search bar and a list of links: 'Westlaw Help', 'Feedback', 'Support Numbers', and 'Troubleshooting'. The main heading of the help center is 'Help Center', followed by 'FAQ', 'PDF Documentation', 'New Features', and 'Interactive Training'. The main heading of the help center is 'Using the Westlaw Page to Begin Your Research'. The text below this heading reads: 'The Westlaw tabbed custom page announces recent court decisions and legal, financial or other news events. To return to this page during your research session, click the **Westlaw** tab or the **Westlaw** logo at the top of any page. You can use one of the following task starters in the left frame to begin your research:'

- To find a document when you know its citation, type the citation in the *Find this document by citation* text box and click **Go**. Select the *and Print* check box to print the document as soon as it is retrieved.
- To check a case or statute in KeyCite, type a citation in the *KeyCite this Citation* text box and click **Go**.
- To access a Westlaw database:

At the bottom of the help center window, there is a note: 'For Westlaw technical assistance, send an e-mail message to west.support@thomson.com, or call 1-800-WESTLAW (1-800-937-8529).

As with LexisNexis, when Westlaw began in 1975, it required a dedicated on-line terminal. Now Westlaw is accessible via the Internet or with wireless mobile devices (Westlaw Wireless). Westlaw offers tailored bundling of the databases to its customers and even provides access to its services without requiring a subscription. Using a pay-as-you-go system (credit card required), researchers can retrieve documents as necessary from Westlaw.

Customized Westlaw web sites can meet the specific professional needs of different Westlaw users. Consequently, the appearance of the Westlaw service demonstrated in this chapter may vary from the customized site available to you through your school or employer. The basic searching strategies discussed in this section, however, are similar in all versions of Westlaw.

Searching Westlaw

When logging on to Westlaw, it may be necessary to enter a client name to proceed with the research project. This feature, included for the benefit of the tax professional, is helpful in tracking the time spent on each search by client for billing purposes.

The Welcome to Westlaw screen shown in Exhibit 7-10 allows access to the major features of Westlaw. The immediate options facilitate searching for a document by citation, performing a citator search (KeyCite), or locating a database (see left window). Also available is information about Westlaw's new products, and interesting legal news (main window, not visible in Exhibit 7-10). If the researcher is new to Westlaw, the Getting Started Tips function may be a good place to begin. Not only does it offer advice on initiating research, it also gives access to the Westlaw Help Center that has been opened as an insert window in Exhibit 7-10.

The top toolbar is available from any of the library tabs. From this toolbar, the researcher may locate documents (Find&Print and Court Docs), perform a KeyCite, KeySearch, or Directory search, and see a Site Map that provides access to all services available in Westlaw. With the exception of KeyCite, the Westlaw options are reviewed in this section. **KeyCite** is a citator and will be covered in Chapter 8, Citators and Other Finding Devices.

Westlaw allows the researcher to personalize the library tabs appearing at the top of the screen, to offer easy access to the practice areas frequently visited. For example, in Exhibit 7-10, the tabs are customized to facilitate performing international research and tax research specifically for the state of Washington and its applicable Ninth Circuit. Business & News has also been chosen to keep the illustrated user up-to-date. These six tabs (the maximum allowed) were added by clicking on the Add/Remove Tabs function appearing at the end of the tabs (see Exhibit 7-10). Since we are interested in tax research, utilizing the features on the Tax tab will be the focus for the remainder of this section.

The first type of search offered on the Tax tab is Find by Citation. A document can be retrieved by entering the appropriate citation, if its citation is known (Exhibit 7-11). Exact spacing and punctuation is not necessary, but the Westlaw recognized citation must be known. Most Federal documents, topical materials, and law review or journal articles may be retrieved by citation. When the citation is not known, select the Find a Federal Tax Document feature. Templates for the Code, Regulations, cases, administrative pronouncements, and tax services are available with examples similar to those supplied by other services.

Another starting point for research is the Search These Databases feature (Exhibit 7-11). Either Westlaw database abbreviations are entered or the researcher may select from Favorite Databases or Recent Databases (databases recently

Exhibit 7-11: Westlaw Tax Database Screen

The screenshot displays the Westlaw Tax Database interface. At the top, there is a navigation bar with the Westlaw logo and various utility links. Below this is a secondary navigation bar with tabs for different legal areas. The main content area is organized into several functional sections on the left and a list of database categories on the right. The left sidebar includes shortcuts, recent developments, search options, and market information. The right sidebar lists various tax databases, each with an information icon. The bottom of the screen contains copyright and customer service details.

searched). Since all the tax databases are listed in the right-hand window, it is just as easy to click on the title. The View Taxation Directory option lists the same databases as listed in the right-hand window. Since there are no boxes to check in front of the titles, the only method for searching more than one database at a time is to use the Search these Databases option and enter the database abbreviations. To discover what is contained in particular databases, the researcher clicks on the “i” ball (see Exhibits 7-11 and 7-12) and a scope description of the database with a full listing of the sources included will appear.

Once a database is selected, the Search screen appears. As Exhibit 7-12 illustrates, the database selected appears at the top of the Search screen. The researcher can search using a Template, Natural Language, or Terms and Connectors (Boolean) keyword query. A thesaurus is available to help in selecting the best words for the search. The thesaurus is not automatically applied; rather, the synonyms are added to the keywords by the researcher. When the Terms and Connectors search option is selected, the list of Westlaw connectors and expanders is furnished (see Exhibit 7-13). These are similar to those of other services, but here a space between two words is interpreted as an “or,” not as an “and” or phrase connector. An “&” or the word “and” must be included to apply an “and” connection. Westlaw likewise supports an expansive list of field restrictions such as Judge, Attorney, and References. Finally, the date for the search documents can be limited either by selecting one of the period options provided, or by entering specific dates for a

Exhibit 7-12: Westlaw Tax Search Screen

The screenshot shows the Westlaw Tax Search interface. At the top, there are navigation tabs for 'Tax', 'Westlaw', 'Business & News', 'Washington', '9th Circuit', and 'Westlaw International'. Below the navigation is a 'Search' section with a 'Selected Databases' list showing 'Law of Federal Income Taxation (Mertens) (MERTENS)'. A 'Terms and Connectors' section has tabs for 'Natural Language' and 'Template'. A search input field is present, along with a 'Search Westlaw' button and links for 'Thesaurus' and 'Term Frequency'. Below the search area is an 'Add Connectors or Expanders' section with a table of symbols and their functions. At the bottom, there is a copyright notice for 2007 Thomson/West and the Thomson West logo.

Exhibit 7-13: Westlaw Term Connectors, Fields, and Date Restrictions

Connector	Sign	Search Restriction Fields			Date Restrictions
AND	&	Annotations	Dissenting	Opinions	Unrestricted
OR	space	Attorney	Docket Number	Prelim	Before After Between
Phrase	" "	Author	End	References	Specific LastToday
But Not	%	Caption	Full Text	Source	Last 30 days
Expander	!	Citation	Headnote	Summary	Last 60 days
Universal	*	Concurring	Historical Note	Text	Last 90 days
Same sentence	/s	Court	Index	Title	Year-to-date
Precede in sentence	+s	Credit	Judge	Topic	This year and last year
Same Paragraph	/p	Digest	Notes	Year	Last 3 years, Last 10 years
Within n terms	/n				

period restriction. A list of Westlaw connectors, fields, and date options is presented in Exhibit 7-13.

The Natural Language search option allows the researcher to type a description of the tax question in plain English using up to 640 characters. The spaces

between the words are considered “and” rather than “or” connectors. Accordingly, if the search being performed is using only “and” connectors, it is quicker to use Natural Language than Terms and Connectors. Once the Natural Language search description is entered, the researcher can indicate which terms are required, and which terms should be excluded. Moreover, the number of times a term should appear in the retrieved document can be set separately for each required term.

The results of the search are presented with the key words highlighted as seen in Exhibit 7-14. The researcher can move from one highlighted term to another using the Term arrows at the bottom of the screen. A special feature, offered only by Westlaw, is the Best locator, also at the bottom of the screen. Selecting the Best arrow takes the researcher to the part of the document that is judged to be most relevant to the query. This can save valuable time, especially when the document is long and the search terms appear frequently within the document.

If the number of documents retrieved is large, the researcher can search within this list by selecting the Locate in Result option (see Exhibit 7-14). Only the words entered in the Locate in Result search are highlighted in the narrowed list. In addition, Westlaw includes in the search results its unique feature, ResultsPlus (see left panel, Exhibit 7-14). The results displayed in the main window are solely those documents found in the databases the researcher chose to search. The ResultsPlus is a list of suggested analytical materials relevant to the search

Exhibit 7-14: Westlaw Document Screen

The screenshot displays the Westlaw interface for a document search. At the top, the Westlaw logo is on the left, and navigation links like 'FIND & PRINT', 'KEYCITE', 'DIRECTORY', 'KEYSEARCH', 'COURT DOCS', and 'SITE MAP' are in the center. On the right, there are 'HELP' and 'SIGN OFF' buttons. Below this is a secondary navigation bar with 'Preferences', 'Alert Center', and 'Research Trail'. The main header area shows the search results: 'Tax Westlaw Business & News Washington 9th Circuit Westlaw International' and 'Add/Remove Tabs'. A 'Result List' shows '100 Docs' and 'Links for MERTENS § 31:77'. The main document view shows 'MERTENS § 31:77. Contributions of Appreciated Property—General' with 'Approx. 3 pages'. The document content includes '8 Mertens Law of Fed. Income Tax'n § 31:77', 'Mertens Law of Federal Income Taxation Database updated August 2007', 'Chapter 31. DEDUCTION OF CHARITABLE CONTRIBUTIONS', 'Revised by Marilyn Phelan, Professor of Law, Texas Tech University School of Law', and 'VI. CONTRIBUTIONS OF APPRECIATED PROPERTY A. GENERAL'. The 'ResultsPlus' sidebar on the left offers related materials: 'Corpus Juris Secundum: Internal Revenue' (1. Deductions, Contributions and Gifts, Ceilings on Deductions), 'Corpus Juris Secundum: Internal Revenue' (2. Gains and Losses from Sales and Exchanges, Capital Gains and Losses from Sales and Exchanges in General, Special Tax Treatment), and 'Am. Jur. 2d: Federal Taxation' (3. Business and Nonbusiness Expenses—Bad Debts—Losses—Passive Activity Losses—Travel and Entertainment, Charitable Contributions, 19270 Ordering Rules for Deducting Charitable Contributions in More Than One Percentage Limitation Category). The bottom navigation bar includes 'Term', 'Best', and 'Doc 1 of 100'.

topic. The materials appear in law reports, treatises, law reviews, and topical publications such as the BNA Portfolios. As discussed in Chapter 6, finding an article (or Portfolio) on your research issue can save you from repeating the work that has been done by the authors and editors in preparing the article.

The Table of Contents (TOC) search option is offered on the Tax tab (Exhibit 7-11) and on the Search screen (Exhibit 7-12). As can be seen in Exhibit 7-11, an expandable list of services with TOC search capabilities is available. This list, however, is very limited. Therefore, if the service of interest is not on this list, a TOC may be available through the Search screen after the service of interest is selected in the right window of the Tax tab (Exhibit 7-11). For example, the Search screen for Mertens Law of Federal Income Taxation in Exhibit 7-12 may be searched by TOC through the option in the top right-hand corner. The researcher continues drilling down until a document of interest is identified. This is helpful when the researcher wants to read an entire chapter in a treatise, for example. Most publications that would have a TOC in print format may be accessed through the TOC option in Westlaw.

KeySearch uses the West Key Numbering System, which numbers key issues (topics) found in court cases, as the backbone of this searching mode. The practitioner identifies the legal topic within which the research problem lies either by searching the list of topics with the word search or by drilling down through the topics presented. KeySearch formulates a query based on the underlying terms for the topic and adds the key numbers associated with the topic. The researcher can determine what type of cases to search, or decide to search treatises or journals and law reviews. Only one of these categories may be searched at a time. Other search terms can be added at the researcher's option to ensure the results will be relevant. This type of search is especially effective when the researcher is unfamiliar with that particular area of the tax law.

Business & News

Westlaw's Business & News offers a comprehensive list of news, business, and financial information from more than 12,000 sources, only a few of which are visible in Exhibit 7-15. These sources include the following.

- Wall Street News compiled from numerous sources and updated continuously throughout the day.
- Top daily newspapers such as *The Los Angeles Times*, *New York Post*, *Chicago Tribune*, *USA Today*, plus thousands of international business sources.
- Newswires such as Associated Press, PR Newswires, MarketWatch, and Knight Ridder.
- Business magazines such as *Business Week*, *Forbes*, *The Economist*, *Harvard Business Review*, *Business Week*, *Time*, and *Newsweek*.
- Company profiles and business intelligence reports for more than 450,000 companies.
- Stock quotes from nearly 100 different exchanges with market indices from Dow Jones, AMEX, NASDAQ, and NYSE.
- Dun & Bradstreet Business Information Reports and full Edgar filings.
- Private Company Due Diligence Reports.
- Industry News including accounting, computer, government, real estate, science, and utilities.

Exhibit 7-15: Westlaw Business & News Screen

The screenshot displays the Westlaw Business & News interface. The top navigation bar includes the Westlaw logo and utility links: FIND/PRINT, KEYCITE, DIRECTORY, KEYSEARCH, COURT DOCS, and SITE MAP. Below this are tabs for Tax, Westlaw, Business & News, Washington, 9th Circuit, and Westlaw International. The main content area is organized into several sections:

- Shortcuts:** Includes Alerts (WestClip), Recent Developments (New York Times Headlines), Get Market Information (Access The Quotes Service, Access The Market Indices), and Related Westlaw Tabs (Company Information, General News, Global News, People Information, Industry Information).
- Resources:** Contains sub-sections for News Sources, Legal Newspapers & Newsletters, Global News, and State & Regional News, each with a brief description and links to related content.
- Company Information, People, and Industry News:** Each section provides a brief overview and links to related resources.
- ALLNEWS Search:** Features a search box, a dropdown menu for search options (Terms and Connectors, Natural Language), and checkboxes for "Search only the headlines and lead paragraphs" and "Identify duplicate documents".

At the bottom of the page, there is a copyright notice: "Copyright © 2007, Thomson/West. | Privacy | Customer Service: 1-800-REF-ATTY (1-800-733-2889) | Help" and a "View Westlaw Directory" link.

For a complete list of the Westlaw News offerings, select the View Westlaw Directory or View Business & News Directory (see Exhibit 7-15). These directories may be browsed or searched with the ALLNEWS Search option, utilizing either Terms and Connectors or Natural Language searches (see Exhibit 7-15).

Besides all of these news sources, Westlaw offers access to the WG&L, RIA, and the BNA journals and newsletters. The WG&L and RIA journals and newsletters are discussed in Chapter 6 and the BNA newsletters are discussed later in this chapter. With all of these news and business information sources, a practitioner cannot plead ignorance to what is currently happening in tax law due to lack of access to current data!

Mertens Service

Mertens Law of Federal Income Taxation (Mertens), originally published in 1934 (in six volumes and costing \$60), was developed by Randolph Paul and Jacob Mertens. By its next edition in 1942, Paul had dropped off as an author but the service more than doubled in size (thirteen volumes) and became one of the foundation treatises on income taxation. It is now offered on Westlaw and in print. The **Mertens** service has three main components: Mertens Treatise, Mertens Rulings, and Mertens Current Tax Highlights. The Treatise is a comprehensive topical service organized in over sixty chapters. While Mertens is comparable in its coverage and depth to

the RIA and CCH topical tax services (see Chapter 6), it is much more oriented toward the legal profession. Consequently, courts cite it more than the other tax services. This legal orientation is evidenced by the text material being heavily footnoted. On occasion there is more footnote material than text material on a Mertens printed page. These footnotes provide more than mere citations to the relevant primary tax law sources; often they annotate cases, quote freely from the Code, Regulations, and Committee Reports, or review legislative history. Its in-depth analysis explains the intent of Congress in drafting the Code, what the Code means, and how the Internal Revenue Service has been interpreting it. Unlike other Internet services, Mertens is updated monthly rather than daily.

As part of the service, Mertens includes the full text of every Revenue Ruling and Revenue Procedure since 1954. What makes this service unique is its indexing system, enabling a researcher to find every IRS document addressing an individual Code section. Thus, it is easy to determine the IRS's current position on a particular issue. In addition, the Code, Regulations, and Rulings volumes also contain Amendment Tables, which allow the researcher to trace the statutory or administrative evolution of any provision.

The Mertens Current Highlights component provides timely information on current developments in tax laws through newsletters, journals, and alerts. Feature articles of special interest, and materials on recent developments, such as Committee hearings, new legislation, and breaking news from Capitol Hill, are included, as well as summaries of Code changes, cases, and recent IRS releases.

Finally, Mertens includes a Code Commentary, which furnishes contextual explanations of Code provisions and has "snapshot" versions of previous years' Code, Regulations, and Rulings volumes. This extremely useful feature of the Mertens service facilitates the analysis of the evolution of a tax law. For a client whose prior year's tax returns are under audit or at trial, the tax practitioner can use this feature of Mertens to reconstruct the details of the primary law sources that applied at the date of the original return.

Bittker & Lokken Service

WG&L is the publisher of **Federal Taxation of Income, Estates, and Gifts (B & L Service)**, a treatise by Boris I. Bittker and Lawrence Lokken. Since WG&L is an affiliate of West, its products are offered online through Westlaw and RIA. The five-volume published B & L Service is less comprehensive and more conceptual than many of the other topical tax services on the market. Its stated objective is to "provide guidance and orientation [to income and transfer taxation] by emphasizing the purpose, structure, and principal effects of the *Internal Revenue Code*, without bogging down in the details." It is a blend of tax law synthesis with illustrative examples and authoritative commentary and expert reasoning. Due to its style, the service sometimes reads like a collection of essays and journal articles rather than a systematic analysis of the workings of the Code. However, it is considered to be a leading authoritative treatise by professionals, and it is cited in tax cases by the various courts. Its audience includes tax professionals, attorneys, judges, and government employees.

The B & L Service may serve as a good starting point for the researcher who needs to obtain an initial grasp of a selected area of the tax law. Its citations can provide easy access into the other tax services, books, and articles or immediately direct the practitioner to the primary sources of tax law. Currently, it stands somewhere between a one-volume treatise or textbook and a free-standing

comprehensive topical tax service. The published service is updated three times a year, whereas the online version is updated as needed.

BNA

Tax Management, a subsidiary of the BNA, offers over 350 products covering all areas of Federal taxes. However, it is best known in the tax community as the publisher of the BNA Tax Management Portfolios and its newsletter, the *Daily Tax Report* (DTR). Both of these products are available on LexisNexis, Westlaw, RIA Checkpoint, and BNA's own online service.



SPOTLIGHT ON TAXATION

BNA

In 1926, David Lawrence started *The United States Daily* as the country's "first truly national newspaper." In 1929, Lawrence established BNA as a division for the purpose of reporting, interpreting, and explaining the workings of the Federal government and its impact on national economics. Since 1947, BNA has been wholly employee-owned, making it the oldest employee-owned company in the United States.

Portfolios

The over 400 BNA **Tax Management Portfolios** (Portfolios) are classified into four series: U.S. Income Tax; Estates, Gifts, and Trusts; Foreign Income; and State. The size of the Portfolio library varies as topics are added, deleted, or combined. While the number of Portfolios appears vast, the series is not truly comprehensive. As with any topical service, it would be impossible to cover every issue that a practitioner may encounter in the course of business. However, practitioners that identify a Portfolio on point with their research question generally have completed their searching, as the Portfolio will address the issue in a comprehensive manner.

Each BNA Portfolio begins with a Portfolio Description, which gives a brief overview of the topic and the order in which the materials are presented. The TOC follows this description. The remainder of the Portfolio contains three sections: (A) Detailed Analysis, (B) Working Papers, and (C) Bibliography and References. The printed page numbers of these sections are preceded by the letters (A, B, or C) to indicate which portion of the Portfolio is being examined. The Portfolio sections are updated in response to important tax developments, and when necessary, the complete Portfolio is rewritten.

The Detailed Analysis section is, as the title suggests, an extremely comprehensive examination of the topic (see Exhibit 7-16). It is written by one or more tax practitioners who are experts on the topic. Practitioners are the preferred authors because they are more sensitive to the information requirements of the subscribers. For this reason, Portfolios are a favorite research tool with practitioners. As with other topical services, the Code, Regulations, Rulings, and court case opinions are integrated into the analysis with citation footnotes, or the relevant portions are included in the text. In addition, the authors identify potential pitfalls, probable IRS positions, effective tax planning techniques, and alternative

Exhibit 7-16: BNA Tax Management Portfolio

TMFEDPORT No. 522 § IV (BNA)

BNA Tax Management Portfolios
 U.S. Income Series
 Income, Deductions, Credits and Computation of Tax
 522-3rd: Tax Aspects of Settlements and Judgments
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IV. Non-Personal Injury Cases

- A. Ordinary Income or Capital Gain
- B. Punitive Damages
- C. Antitrust Recoveries
 - 1. Taxation of Punitive Damages
 - 2. Taxation of Compensatory Damages
 - 3. Reduction of Includible Antitrust Recoveries by a Special Deduction
- a. Compensable Injury
 - (1) Patent Infringement
 - (2) Breach of Contract or Fiduciary Duty or Relationship
 - (3) Antitrust Law Violations
- b. Compensatory Amount
 - (1) Interest on Compensatory Amount
 - (2) Settlement of Civil Action for Damages
- c. Amounts Paid or Incurred in Securing the Award or Settlement
- d. Unrecovered Losses
 - (1) Injury Period
 - (2) Net Operating Losses Attributable to Compensable Injuries
 - (3) Application of Losses Attributable to a Compensable Injury
- e. Effect on Net Operating Loss Carryovers

Amounts received pursuant to a judgment or a settlement in cases where the taxpayer's lawsuit asserts a non-personal injury (i.e., a business injury) are includible in gross income. [FN356] The only situations where payments received in non-personal injury cases are excludible from gross income are those where such payments are a substitute for amounts which are excludible from gross income under a specific statutory provision (e.g., gifts, inheritances, etc.).

Example: T, the residuary beneficiary of his father's estate, was assured on a number of occasions that inequities created by an inter vivos trust set up by his parents would be remedied. T brought suit claiming that he was entitled to a large share of the income of the trust. T received a lump sum in settlement of the suit. The lump sum is excludible from gross income as a payment received in lieu of a bequest. [FN357]

means of structuring transactions in a tax-favorable manner. The value of these insights varies by author.

The Working Papers section of the Portfolios is perhaps the service's most unique and useful feature. This material includes practitioner checklists; reproduced IRS forms (interactive for online version); occasionally filled in for an illustrative fact situation; computation worksheets; sample draft agreements and contract clauses; sample board or shareholder resolutions and employment contracts; reproductions of pertinent primary sources; and other practical materials that can assist the professional in implementing tax planning techniques and procedures.

The Bibliography section of a Portfolio has a comprehensive listing of the primary (Official) and secondary (Unofficial) sources of the tax law utilized by the author(s) in the preparation of the Portfolio. Finally, this section of the Portfolio often includes a listing of journal articles and treatises that are relevant to the Portfolio topic.

The published Portfolios have a comprehensive index to aid in the search process. For each series (Income, Foreign, etc.) the Master Index provides a list by topic and Portfolio number of all the Portfolios within the series. The topics section is a very broad-based index, whereas the numerical listing is like a table of contents for the series. The Master Index is updated at least quarterly.

The Index also contains a Code section guide that traces specific Code sections to the various Portfolios within which it is discussed. The asterisk in front of the Portfolio title indicates that it contains primary coverage of this Code section topic. Finally, Portfolios may be identified by IRS Forms and Publications Finding Table. This part of the Index identifies Portfolios discussing the item and/or reproducing the form. It is particularly useful when the practitioner has questions regarding the proper completion of a particular form.

News Reports

One of the most important tax newsletters available to practitioners is the BNA DTR. Showing both breadth in coverage and a quality of analysis similar to the Tax Analysts TNT, DTR offers up-to-date information concerning statutory, administrative, and judicial tax law developments that affect state, Federal, and international taxation. In addition, the newsletter provides interviews with government officials, articles reviewing the day's events, and the full text of key documents discussed in the newsletter. In some instances these documents are not available from other tax services. Monthly indexes, including PLR and Code Section indexing, are provided and are cumulated quarterly. The DTR is available through several Internet services, on wireless devices (summaries and table of contents with URLs to full text), and by paper subscription. Subscribers may also receive notification of breaking tax news as soon as it occurs with the *DTR Real Time* e-mail alerts. DTR offers the equivalent of thirty to fifty pages of single-spaced printed copy every weekday. Because this is clearly too much data to digest every day, the DTR is organized to facilitate accessing only the material of greatest interest to the subscriber. While the content section lists only the title of each note by category, the highlights provide brief paragraphs describing the notes. Through the Internet, the subscriber can access the actual government document on which the story is based.

To link directly to the full-text documents discussed in DTR, the subscription includes access to **TaxCore**, which is a web-based source of a wide variety of full-text primary tax materials that is updated daily. It provides a categorization of sources to facilitate retrieving the document of interest. The source categories include Congressional, Treasury, Court, IRS, State and Local, White House, and International. TaxCore may be obtained separately from the DTR.

As one would expect, receiving such extensive tax news on a daily basis is an expensive proposition. However, the DTR (as well as many newsletters produced by other publishers) is available online to subscribers of various electronic tax research services. Thus, by subscribing to one of the major tax database systems, the practitioner has access to the DTR at a small or zero incremental cost.

Similar to Tax Analysts, BNA publishes a weekly newsletter as well as a daily. The *Weekly Report* coverage is similar to the DTR but more in depth. In addition, it contains articles on news and emerging tax topics. The comprehensive index makes locating items of interest easy. Besides other weekly, biweekly, and monthly newsletters, BNA publishes journals in the areas of financial planning, real estate, compensation planning, international, and estates, gifts, and trusts. It also has a research service called Tax Practice Library that includes a topical service providing analysis, examples, and practice tools such as client letters, line-by-line form guidance, checklists, and interactive tax forms.

INTERNET SITES

A growing source of tax materials that literally changes daily is the Internet. There is so much information available on the Internet that it can be overwhelming. Therefore, performing a Google or other board search on a tax topic can return so many documents that the researcher is overwhelmed and does not know where to start. A more directed search, using a tax service, is usually more effective and efficient. The web sites for the tax services discussed in Chapter 6 and this chapter are listed in Exhibit 7-17. The web addresses in this list were accurate as of the date of publication. This list should by no means be considered a comprehensive list of tax services available to the practitioner through the Internet.

Exhibit 7-17: Web Sites for Commercial Tax Services

Commercial Services	Web Sites
Bureau of National Affairs (BNA)	http://www.bna.com
Tax Management Resources (BNA)	http://www.taxmanagement.bna.com/tm/index.html
	http://www.bnatax.com/tm/index.html
Commerce Clearing House	http://tax.cchgroup.com
CCH Tax Research NetWork	http://tax.cchgroup.com/network
	http://tax.cchgroup.com/primesrc/bin/login.asp
LexisNexis	http://www.lexisnexis.com
LexisNexis Academic	http://lexis-nexis.com/universe
LexisNexis Tax & Accounting	http://www.lexisnexis.com/accountant
Lexis	http://www.lexis.com
Nexis	http://www.nexis.com
Kleinrock	http://www.kleinrock.com
Research Institute of America	http://ria.thomson.com/
RIA Checkpoint	http://checkpoint.riag.com
Tax Analysts	http://www.taxanalysts.com
Thomson	http://www.thomson.com
Thomson Tax and Accounting	http://www.thomson.com/solutions/taxacct
West	http://west.thomson.com
Westlaw	http://web2.westlaw.com

As mentioned previously, most of the primary tax source documents are accessible free of charge on the Internet. The Federal government has numerous web sites to disseminate its documents to the general public. A list of web sites offering government documents is presented in Exhibit 7-18. There are also many web sites maintained by companies, organizations, and individuals that have links to the government sites to facilitate retrieval of primary sources of the tax law. One of the most useful of these sites is **Tax and Accounting Sites Directory** (Tax Sites) at <http://www.taxsites.com> and shown in Exhibit 7-19. Tax Sites is a comprehensive index including links to Federal, state, and international primary sources as well as to most secondary source providers. It is designed to be a jumping-off point for searching for tax information, products, and services. This site offers one-stop searching when looking for tax information.

**SPOTLIGHT ON TAXATION****Humorous Quotes**

"The nation should have a tax system that looks like someone designed it on purpose." —William Simon

"I am proud to be paying taxes in the United States. The only thing is—I could be just as proud for half the money." —Arthur Godfrey

"If you don't drink, smoke, or drive a car, you're a tax evader."
—Thomas S. Foley

continued

continued

A tax loophole is “something that benefits the other guy. If it benefits you, it is tax reform.” —Russell B. Long

“Taxation with representation ain’t so hot either.” —Gerald Barzan

“People who complain about taxes can be divided into two classes: men and women.” —Unknown

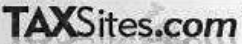
“Next to being shot at and missed, nothing is really quite as satisfying as an income tax refund.” —F. J. Raymond

“[A] tax lawyer is a person who is good with numbers but does not have enough personality to be an accountant.” —James D. Gordon III

Exhibit 7-18: Selected Primary Source Internet Sites

Primary Source	Web Site
<i>Circular 230</i>	http://www.irs.gov/pub/irs-pdf/pcir230.pdf
Code of Federal Regulations	http://www.gpoaccess.gov/cfr/
Committee Reports	http://www.thomas.gov
Congressional Record	http://www.gpoaccess.gov/crecord/index.html
Federal Register	http://www.gpoaccess.gov/fr/index.html
Federal Tax Cases	http://www.legalbitstream.com/case_law.asp?pl=c1
FedWorld.Gov	http://www.fedworld.gov/
Financial Accounting Standards Board	http://www.fasb.org
Government Accounting Office (GAO)	http://www.gao.gov
Government Printing Office (GPO) Access	http://www.gpo.gov/
House Ways and Means	http://www.house.gov/ways_means
Internal Revenue Bulletin	http://www.irs.gov/irb/
Internal Revenue Code	http://www.access.gpo.gov/uscode/title26/title26.html
Internal Revenue Manual	http://www.irs.gov/irm/index.html
Internal Revenue Service	http://www.irs.gov/ http://www.irs.ustreas.gov/
Internal Revenue Service Forms & Publications	http://www.irs.gov/formspubs/index.html
IRS Pronouncements	http://www.legalbitstream.com/irs_materials.asp?pl=i1
Joint Committee on Taxation	http://www.house.gov/jct/
Legislative Information	http://www.thomas.gov/
Regulations	http://www.gpoaccess.gov/cfr/
Securities and Exchange Commission	http://www.sec.gov/
Senate Finance Committee	http://www.senate.gov/finance/
Social Security Administration	http://www.ssa.gov
Tax Division Department of Justice	http://www.usdoj.gov/tax/
Tax Forms	http://www.irs.gov/formspubs/index.html
U.S. House of Representatives	http://www.house.gov/
U.S. Senate	http://www.senate.gov/
U.S. Treasury Department	http://www.ustreas.gov/
White House	http://www.whitehouse.gov/

Exhibit 7-19: Tax and Accounting Sites Directory



TAXSites.com
Tax, Accounting and Payroll Sites Directory

Get better results than generic Google Search

**Find a local CPA,
Accountant or Tax Pro.**
Database of 35,000.
Full Details, Free Consultations

<u>Tax</u>	<u>Accounting</u>	<u>Payroll/HR</u>
Tax Topics	Academia	APA Links
Academia	Accounting Information Systems	Associations
Federal Tax Law	Accounting Software	Benefit Admin.
Finance and Investing	AICPA Links	Discussions
Firms and Careers	Associations	Government Regulations
Guides-Tips-Help	Auditing and Fraud	Federal Topics
Internat'l Tax	Certification	Forms and Pubs
IRS Links	Discussion	Govt and Regulation
News and Updates	Financial Reporting	Human Resources
Policy and Reform	Firms and Careers	IRS Links
Publishers and CPE	General Law Directories	Payroll Services
Rates and Tables	Government and Data	Payroll Software
State and Local Tax	Governmental and Not-for-Profit	Retirement Plans
Tax Associations	Accounting	State Topics
Tax Bookstore	International Accounting	Tax and Compliance
Tax Discussions	Managerial	
Tax Forms and Pubs	On-Line Accounting News	
Tax Software	Publishers and CPE	
	Regulatory Bodies	
	Web Search	
	Web Services	

**Accountant/Tax Pro,
Promote your practice.**
List your firm in one of the most
widely used online directories
of accountants.

Ads by Google

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SUMMARY

The market supports a variety of tax research products, all designed to facilitate locating relevant sources by practitioners. Whether the service is categorized as legal or tax, all have their place in tax research. The enormous databases of services such as LexisNexis and Westlaw make them very attractive. On the other hand, the ability to access materials on a single CD without having to connect to the Internet is appealing to many sole practitioners and small firms. There is a wide range of products between these extremes. Practitioners must decide

which media and tax products best serve the needs of their business at a price they can afford. With technology and software advances occurring at a rapid pace, what seemed to be an innovative product when this text was written may be passé by the time it is read. The success of tax practitioners often is contingent on their information providers being flexible and quickly adjusting to the changing technology needs of a dynamic industry like tax and accounting.

TAX TUTOR

Reinforce the tax research information covered in this chapter by completing the online tutorials located at the *Federal Tax Research* web site: <http://academic.cengage.com/taxation/raabe>

KEY WORDS

By the time you complete this chapter, you should be comfortable discussing each of the following terms. If you need additional review of any of these items, return to the appropriate material in the chapter or consult the glossary to this text.

Bureau of National Affairs (BNA)

Daily Tax Report

Federal Research Library

Federal Taxation of Income, Estates, and Gifts
(B & L Service)

KeyCite

KeySearch

KWIC

Lexis

LexisNexis

LexisNexis Academic

Mertens

Natural Language

Nexis

OneDisc Premium

Tax Analysts

Tax and Accounting Sites Directory

Tax Center

Tax Management Portfolios

Tax Notes

Tax Notes Today

TaxCore

Terms and Connectors (Boolean)

Weekly Report

Westlaw

Wildcard characters

DISCUSSION QUESTIONS

1. When were Lexis and Nexis started? What topic areas are covered by each?
2. What tax sources are not included in the LexisNexis offerings?
3. What is the tax service offered by LexisNexis and what advantage does it provide over the other LexisNexis services?
4. LexisNexis Tax Center includes CCH archives of the SFTR. When would the archives be useful to a tax researcher?
5. What is a natural language search and when is it useful?
6. How is a space between keywords interpreted by LexisNexis, Tax Analysts, and Westlaw?
7. When is it beneficial to use a date restriction on a search?
8. If a LexisNexis Tax Center search retrieves “too many” documents, what can a researcher do to reduce the results?
9. What information must the researcher know to use the Get a Document feature in the LexisNexis Tax Center?

10. If the researcher is searching for a case and only knows the taxpayer's name, what option should be used to locate the case in the LexisNexis Tax Center service?
11. What media companies dominate as providers of tax/law research services?
12. What is LexisNexis Academic?
13. When using the Search Tab in LexisNexis Academic, where are tax materials located?
14. What are the steps in using the browse option in LexisNexis Academic?
15. LexisNexis offers a KWIC document view mode. What is KWIC?
16. What is the Tax Analysts mission? Who started this nonprofit organization?
17. What is the keyword default treatment of a string of words in the Tax Analysts FRL?
18. What are the two editorial services offered by Tax Analysts FRL?
19. What is OneDisc Premium offered by Tax Analysts?
20. What organization sued the IRS to gain access to FSA Memorandums?
21. Tax Analysts is known for its two outstanding publications *Tax Notes* and *TNT*. Describe these two publications.
22. Who designed Westlaw? What is its target market?
23. What tax services are available through Westlaw? How does this compare with LexisNexis offerings?
24. The opening screen in Westlaw is oriented to what type of searches?
25. How and why would a practitioner want to select personalized tabs to add to Westlaw?
26. Explain what function the following connectors perform in Westlaw: %, +s, and !
27. Westlaw provides two unique features, the Best locator and ResultsPlus. Discuss each of these features.
28. What is KeySearch in Westlaw?
29. How does one locate news documents in Westlaw?
30. What makes the footnotes in Mertens unique?
31. Why is the Mertens Rulings service unique?
32. What is the scope or objective of the B & L Service?
33. When would a practitioner likely start a research project by using the B & L Service?

34. BNA is best known as a provider of what tax services?
35. How is each volume of the BNA *Tax Management Portfolios* arranged?
36. Describe the Working Papers section of a BNA *Tax Management Portfolio*.
37. Compare the contents of Tax Analysts TNT with BNA DTR.
38. What is the BNA TaxCore? What is its purpose?
39. What information is available on the Tax and Accounting Sites Directory web site?
40. Why would a practitioner pay for tax service when most tax primary sources are available through the Internet for free?

EXERCISES

41. Use the Federal area in LexisNexis Tax Center to answer the following questions.
 - a. What sources are included in the IRS Bulletins, Letter Rulings, and Memoranda Decisions?
 - b. Which law journals are listed in General Planning—Conference paper and Law Reviews?
 - c. What Tax Analysts products are provided in General References and Reports?
 - d. Select LexisNexis Tax Advisor Federal Topical under the General References & Reports databases. Perform a natural language search to determine the tax treatment of stock redeemed from a deceased shareholder. Perform the same search using terms and connectors. List your natural search question and the number of documents it retrieved. Provide the same information for the terms and connectors search. Explain why one was a more effective search.
42. Use LexisNexis Tax Center to answer the following questions.
 - a. What is the difference in the function of the arrow that appears after the CCH SFTR and the arrow after the CCH SFTR Topical Index?
 - b. Click on the More Sources button for Code & Regulations. What other source documents are listed that are not redundant sources of the Code, and Regulations?
 - c. For the CCH SFTR, what is the earliest year in the Achieves?
 - d. Select the Specialized Tax Planning tab. What chapter in the Farm Income Tax Manual discusses tax savings for farmers?
43. Use LexisNexis Tax Center to answer the following questions.
 - a. Select the Tax New Tab. What are the service sources for the Top Tax New?
 - b. Select the Tax New Tab. What journals are listed under Accounting with blue arrows after their titles?
 - c. Select A to Z Source lists. What documents do you find under the letters Q and Z?
 - d. Select Tax Topics. Which entries have Related Topics?

44. Use the LexisNexis Academic Legal Search option to answer the following questions.
- Perform a search of the Tax Law Review Articles, Combined for articles by *Yoram Keinan*. How many articles do you find? Which of these articles discusses spin-off reorganizations?
 - What other methods besides keywords are available for searching the Federal & State case library?
 - When using Terms and Connectors, what is the maximum number that may be used with the “w/#” connector? What are the approximate word numbers for a sentence and a paragraph?
 - One of the sources in the Tax Law library is *The Tax Adviser*. What is the coverage period for this journal and how often is this journal published (Hint: use the “i” button)?
45. Use the LexisNexis Academic Legal Search option to answer the following questions.
- Discuss what information is available in the Related Links box when Tax Law library is chosen versus Federal & State cases?
 - Select Federal & State Codes, and enter the terms *like-kind and exchange* using Terms and Connectors. What are the U.S. Code Service Title numbers and titles for the retrieved documents?
 - Under the Federal & State Codes, how are Federal tax laws listed? What title does it list for the IRC?
 - What types of sources are provided in the Tax Law library?
46. Use LexisNexis Academic, answer the following questions.
- Select the Business option and enter *Intuit* as the company name for the Dossier. What are Intuit’s address, ticker symbol, and primary SIC number?
 - Select the Business option and the Accounting library. Within the Accounting library select: GAAP Guide Levels A, B, C, D, then enter the terms: *capital leases* in a Natural Language search. Narrow the search by entering *improvements*. How many documents and at what levels (Level A, B, etc.) are retrieved? What are the dates of the articles?
 - Select the News option. What index terms may be added to the search?
 - Select the News option. Provide the title, author, and date of the most recent New York Times article on stock redemptions.
47. Use the Tax Analysts Federal Tax Explanations to answer the following questions.
- What chapter and section discusses the general tax treatment for feeder organizations of tax-exempt entities?
 - In the Index, what chapter and section is listed as discussing wash sales?
 - With a keyword search, find the chapters and sections listed for the key terms: *wash sale*. List the results.
 - Explain why your responses to b and c above differ.
48. Using Tax Analysts, answer the following questions.
- With Federal Tax Explanations and Code Section Summaries databases perform a keyword search using the following words: *employee business expense*. Describe the results when the search type is: (1) word or phrase (2) and (3) or (4) proximity.

- b. The Quick Reference Tables provide information on the per diem deemed substantiation. What Revenue Procedure is listed as a source document for the most current time period? What Code sections does this Rev. Proc. address?
 - c. For what does the IRS acronym COGS stand? (Hint: Look in the Tax Directory.)
 - d. What is the title of the first article in the most current issue of *Tax Practice*? Provide the date, volume, and number of the issue.
49. Using Tax Analysts, answer the following questions.
- a. Examine the articles in the most recent issue of *Tax Notes* available to you. Is the information in any of these articles essentially the same as articles in TNT for the same period? Elaborate.
 - b. Select an article from the Analysis section in a recent *Tax Notes*. Provide a proper citation for the article and a brief synopsis.
 - c. Select an IRS Field Attorney Advice from a recent TNT. Provide the Code section to which it applies and a brief synopsis of the issue and conclusion. Provide the date of the *Tax Notes*.
50. Use the Westlaw Tax tab to answer the following questions.
- a. What is the date and title of the most recent Spotlight Article found in the Weekly Tax Updates?
 - b. What is the Westlaw abbreviation for the IRS new releases (Hint: look in Find a Federal document)?
 - c. What services are listed under the Commercial Tax Services that are published by Thomson-West?
 - d. Provide the full citation for the most recent article in the *Journal of Corporate Taxation* that discusses consolidated returns.
51. Use Westlaw to answer the following questions.
- a. What symbol is used for the connector “but not”? Explain the use of the universal characters “*” and “!”. What does “+n” mean and how large can “n” be?
 - b. In the Directory under the What’s New heading, what new database was added within the past month?
 - c. What is the abbreviation to enter in the Search these Databases box if you are interested in using the RIA complete Analysis of the Tax Act—Historical?
 - d. In the Directory of Professionals located in the Taxation Library, how many professionals are listed with the last name of Sanders?
52. Use the Westlaw Tax tab to answer the following questions.
- a. What is the most current mid-term annual adjusted federal rate?
 - b. In what area of taxation does Zaritsky have the most WG&L tax treatise titles?
 - c. What is Saltzman: IRS Practice and Procedure?
 - d. What is the title of Chapter 12C in Mertens (Hint: Use TOC for Mertens found in More of Commercial Tax Services)?
53. Use the Westlaw service to answer the following questions.
- a. What synonyms does the Westlaw thesaurus provide for the following terms: surgery, installment, and costume?

- b. In what chapter of the White Collar Crime Thomson-West Tax Treatise is RICO the primary topic?
 - c. What Code section is discussed in PLR 200715002?
 - d. What is the most recent *New York Times* headline that has a foreign country listed as the location of the story?
54. Use the Mertens service to answer the following questions.
- a. The sale of a patent by the original individual inventor generally is treated as a capital gain, even for a professional inventor. Search for substantiation of this statement, using all three keyword search options: Terms and Connectors, Natural Language, and Template. How many documents does each search return? In what chapter and section was the relevant discussion of the law found for each keyword search option?
 - b. What is the topic matter covered by Chapters 9, 18, and 62 (Hint: For the TOC of Mertens, use More in Commercial Tax Services of the Tax Tab)?
 - c. In a Template Keyword search, use the terms: foreign earned income. What chapter covers this topic? What BNA Portfolios and what Bittker & Lokken Service documents does ResultsPlus suggest?
 - d. When was the Mertens service last updated?
55. Use the BNA Internet web site (<http://www.bna.com>) to retrieve a sample of TaxCore (Hint: select Tax & Accounting in Product Information, then find TaxCore).
- a. What is the most recent IRS transcript available? Provide the title, date of the transcript, and a brief description of its contents.
 - b. The TOC main view lists all of the documents available for the dates available. What is the most recent IRS News Release (IR) provided? Provide the citation, Code section to which it applies, and date it was issued by the IRS.
 - c. What is the most current PLR listed for the Code sections between §351 and §368? Provide its proper citation, Code section to which it applies, title, and date it was released by the IRS.
56. Use the BNA Tax Management Portfolios to answer the following questions.
- a. What is the Portfolio number (and section) that discusses mineral property advance royalties?
 - b. In the Portfolio identified in part a, what is demonstrated in Worksheet 4?
 - c. What is the Portfolio number (and section) that discusses the deductibility of attorney's fees for bankrupt corporations?
 - d. In the Portfolio identified in part c, what is the state Tax Management Portfolio listed in the Unofficial Bibliography?
57. Use the BNA Internet web site (<http://www.bna.com>) to retrieve a sample of the DTR (Hint: select All Products and scroll down to DTR).
- a. What is the date and number of the most recent sample available?
 - b. What is the title of the first article listed in the TOC under the category Federal Tax & Accounting? Provide the title and a brief summary of the article.
 - c. Use the Search All Issues function (top of the opening screen) to find the most recent Revenue Ruling cited within a heading. Provide the Revenue Ruling title as well as its citation.
 - d. What is the most recent Tax Court case reported? Provide the case's complete citation.

58. Use the Tax and Accounting Sites Directory (<http://www.taxsites.com>) to answer the following questions.
 - a. Where does the tax link for timber in Tax Topics take you?
 - b. What are the different headings under Tax Bookstore? Under what heading is this textbook listed?
 - c. What is the latest IR discussed on the IRS Newsroom web site?
 - d. Select Firms & Careers, then Career Search: Tax & Accounting. What location names are mentioned in the listings?
59. Surf the web and find three noncommercial tax sites that are not mentioned in this text. Provide the URL and a general description of the information provided on the site.
60. Visit the web sites of two commercial tax services discussed in this text. Describe the free news services they offer to the public. Evaluate the usefulness of these news services.

RESEARCH CASES

61. Three friends form a film production partnership. Will the operations of this partnership qualify for the domestic production activity deduction in the current year?
62. Can a business traveler to your town use the high-cost-city meal allowance for travel away from home overnight? What would the meal allowance be for a business trip to Washington, D.C.?
63. Nancy and Curtis had not spoken to each other since their mother's funeral in 1991. Nancy broke the family discord this year by selling Curtis a family heirloom, basis to her \$14,000, for \$1,700. What are the tax consequences of this transaction?
64. Zarco, a very profitable corporation, was owned by three shareholders, Julio, Tilly, and Martinez. Julio and Martinez purchased all of Tilly's Zarco Corporation stock for \$50,000 and a \$100,000 promissory demand note that was guaranteed by Zarco. Tilly demanded payment on the note, and Zarco, rather than Julio and Martinez, paid the note. What are the tax consequences of this transaction?
65. Dolores is a limited partner in the Houston Hopes partnership. This year, she was forced under the terms of the agreement to make a \$50,000 contribution to capital because the general partners were unable to meet the operating expenses of the entity. Dolores's basis in the partnership prior to the contribution was \$40,000, but her at-risk amount was zero because of her limited partner status and her prior-year pass-through losses. What is her at-risk amount after the \$50,000 cash call?
66. Steve is a member of a local church. May he deduct as a charitable contribution the commuting expenses for the Sundays that he is assigned to usher?
67. Phil is a used-car manager. To obtain advanced skills in management and marketing, he enrolls in the weekend MBA program at State University, twenty

- miles from his home. Does Phil qualify for an educational credit? What items associated with Phil's education are deductible as an employee business expense, assuming that he receives no reimbursements for any of them?
68. Frank and Sharon have been married for five years. Without Frank's knowledge, Sharon has been operating an escort service from the local pub. This year's operations were very profitable. In fact, if Sharon had reported any of the net escort income, their joint Federal income tax liability would have increased by \$50,000. When Sharon finally is nabbed by the police, she is taken to jail. Frank is unable to locate any of Sharon's earnings in their personal bank or brokerage accounts. Can Frank fend off the IRS's charge that he should pay the \$50,000 in tax, plus interest and penalties, from his salary as an engineer?
 69. Maria has an unusually strong constitution, which produces the highest quality blood and plasma available for transfusion. She manages to stay healthy while donating blood at the hospital two or three times a week. For each blood donation, the hospital pays Maria \$175. Maria drives forty miles round-trip to the hospital to make her donation. Moreover, she spends about \$135 every month for vitamins and other pills prescribed by her physician to ensure that her general health and blood quality do not degenerate in light of her frequent donations. Last year, Maria quit all of her part-time jobs and now survives financially solely by these blood donations. Specify the tax consequences of this regular activity.
 70. Chang, a brain surgeon, pays for the *Journal of Brain Research* under the three-year plan; he paid \$3,000 this year for a three-year subscription to the weekly scientific journal, which charges \$1,500 for an annual renewal. In what year(s) can Chang deduct this \$3,000?
 71. Handy Corporation assists its relocated executives by buying their homes if an acceptable sale cannot be completed before the move. Purchase is made at the appraised value. What is the nature of Handy's gain or loss on the subsequent sale?
 72. Walt was convicted of murder and sent to prison for life. Walt continued to profess his innocence. His sister, Wanda, believed him. After spending three years in law school and two years gathering facts, she proved that he was innocent. Walt and Wanda assigned the book, movie, and photo rights concerning their story to Sundance Films for \$500,000. How is this payment treated by Walt and Wanda?
 73. Hugo was burying his (dead) dog when he unearthed 100,000 certificates of ITT bearer bonds, current value \$4,000,000. He speculated that they had been placed there by the (also dead) former owner of Hugo's home, at a time when they were worth nearly \$400,000. Hugo did not sell the bonds by the end of the year. Must Hugo recognize any gross income with respect to the bonds?
 74. Karla is a single parent with two children ages seven and eleven. She is a full-time student and earns \$12,000. Both of her children receive dividends and capital gains from mutual funds started for them by their grandparents. Karla has elected to include her children's income on her return for the kiddie tax computation. Since it is on her tax return, does her children's income affect the computation of Karla's earned income credit?

75. At gunpoint, Roger lent \$2,000 from the cash register at his hardware store to four large youths who told Roger that they wanted a loan to set up their own business. Not having the phone number of any of the sprightly entrepreneurs, Roger could not recover any of the invested funds. Can Roger claim any deduction with respect to this loan? In what tax year?
76. Phyllis, a Virginia resident, owns some property in Florida. Every year, she travels to Florida (coincidentally, during baseball's spring training season) to inspect the property, initiate repairs, interview new tenants, and search for new properties in which to invest. She also attends about twenty ball games. Determine Phyllis's deductible travel expenses.
77. Bruce wanted to be an Olympic skater. His family paid \$12,000 in 2006 and \$14,000 in 2007 for travel and training expenses related to skating practices and competitions. Bruce made the 2008 U.S. Olympic team. The U.S. Olympic Committee is an exempt organization. How much of Bruce's expenses are deductible and when?
78. Harold installed a safe and an alarm system and bought a German shepherd dog to protect his vintage paperback and comic book collection. What are his deductible items?
79. Donna's and Albert's children attend a parochial grade school. The school charges \$1,500 annual tuition and \$200 for uniforms for Donna's children, but only \$500 tuition and \$100 for uniforms for Albert's children because he is a member of the congregation. Albert contributed \$800 to the church this year. Can Donna and Albert withdraw amounts out of their children's Coverdell Educational Savings Accounts to pay for this private primary education? What is the amount of Albert's charitable contribution for the year?
80. Julie is a professional singer in the City Symphony Chorus (CSS). CSS requires that all members wear traditional formal wear (i.e., \$500 tuxedos for the men and \$300 long black gowns for the women) during performances. In addition, because of her annual \$15,000 contribution to the CSS patron drive, Julie is a member of the symphony's board of directors. The board chooses the works to be performed, sites for the concerts, and the resident conductor. How much of Julie's \$15,300 expenditures on behalf of the exempt orchestra this year can she deduct?
81. Tony, a single parent, spent \$3,600 on after-school care for his six-year-old son. Tony received \$1,200 as aid to families with dependent children from the State Department of Social Services (DSS) for child care as part of the welfare assistance program in which he is enrolled. In determining his child-care credit, how much of the DSS payments are included in gross income, and what is the amount of Tony's child-care costs for computing the child-care credit?
82. Carmella really wants to be an actor but she is having trouble getting that "big break" she so desperately needs. To keep food on the table, Carmella has a small tax preparation business and nets about \$30,000 a year. She has received small parts in several movies and on television, earning about \$10,000. However, she incurs substantial expenses associated with her acting career that amount to \$15,000. Can Carmella deduct her acting expenses and/or can Carmella qualify for the qualified performing artist deduction?

83. Yukio was seriously injured when he fell through an open manhole. Yukio was awarded compensatory damages of \$500,000 for his injuries, loss of current wages, reduced future earning ability, and for all of the suffering he incurred and may incur in the future. Is any of the settlement taxable to Yukio? Specifically is the amount for lost wages taxable?
84. The IRS acquires vast amounts of sensitive information about individual taxpayers. The government is required to keep this information confidential. May a state child support agency obtain access to an individual's Form 1040 information in determining one's ability to pay child support?
85. The farmers in Whitman County are concerned about the price they are receiving for their products. They have decided to create the Whitman County Farm Commission, whose purpose is to encourage farmers to band together when selling their products, educate the legislators on farming issues, and instruct farmers on methods to control pests and weeds in the most environmentally safe manner. Does this organization qualify for tax-exempt status?

ADVANCED CASES

These cases require that you have access to research materials other than the Federal tax law and related services. Consult with your instructor before beginning your work to be certain that the necessary research resources for these cases are available to you.

86. A friend of yours took a job in the air transportation industry. Knowing that you are taking tax courses, she asks you about the excise taxes that her firm must pay. Indicating that excise taxes for the air transportation industry are not generally covered in any of your classes, you tell your friend that you will see what you can find out about this for her. What did you learn about excise taxes for the air transportation industry?
87. Which of the following receipts are taxable to the state high school athletic association as unrelated business income?
- Ticket revenues from the basketball tournaments
 - Advertising revenues from the programs sold at the tournaments
 - Subsidy from the state budget for the tournaments
 - Payment from Grand Central Limited to be the official sponsor of the tournaments
88. Heather had named Brenda the executrix of her estate. Brenda had no experience in this domain, but she filed the return, and the estate paid a Federal death tax of \$2 million. This year, Heather's son Dylan, studying for a master's degree in taxation, discovered that Brenda had not reported any of Heather's realty in the gross estate and that an additional \$250,000 in taxes and interest is due. The IRS then assessed various penalties, totaling \$30,000. How can the estate, now administered by Dylan, avoid this penalty?

89. Last year, the Waltons were injured when an electrical cable that city workers were repairing landed in their swimming pool. The Waltons sued the city and were awarded damages as well as prejudgment interest. The state characterized all amounts paid to the Waltons as compensation for injuries. The Waltons assume that none of the amounts they received are taxable because of the state's treatment of the prejudgment interest as an element of the injury compensation. Are the Waltons correct in their assessment of the law?
90. Clyde Miller, a Mississippi resident, has lived with Lenora Waitsfield and her two children for the past five years. Clyde and Lenora are not married and her children are from a former relationship. The children have no legal relationship with Clyde, yet Clyde has supported the children and Lenora since they have been cohabiting. Clyde is claiming Lenora and the children as dependents on his tax return. He also has been claiming an earned income credit based on Lenora's children, who are both younger than age seventeen. Is Clyde correct in his treatment of Lenora and the children on his tax return? (Hint: State law considerations of the relationship between Clyde and Lenora are relevant.)

EXTENSIVE CASES

91. Thomas and Nicole Eirgo have been married for twenty years and have three children, Candice, age eighteen, and twin boys, Trevor and Julian, age twelve. Nicole has an undergraduate degree in accounting and worked in public accounting while Thomas was obtaining his law degree. Five years ago they quit their jobs and started TechKnow, a C corporation that develops legal and tax software specifically for accountants and lawyers with high-tech clients. Thomas and Nicole work more than full time at TechKnow and have received only modest salaries. No dividends have been paid. The business has finally started to make substantial profits, but success, unfortunately, has brought problems. Thomas and Nicole have very different opinions regarding TechKnow's future. Thomas would like to continue to reinvest most of the profits for the development of software for other specialties, whereas Nicole would like to focus on the lines they have and enjoy their success by distributing some of the profits. Since they cannot come to an agreement, the earnings are being retained, and no new software is being developed.

These business disagreements are having a disastrous effect on their marriage. The only solution Thomas and Nicole see is to divorce. As might be expected, Thomas and Nicole cannot decide on how to separate their ownership interests in TechKnow. Some options they are considering include redeeming Nicole's stock, having Thomas and/or the children buy the stock, or dividing the business in some manner between the two.

One thing Nicole has decided is to fulfill a lifelong dream of obtaining a doctorate degree in accounting. She will be entering a PhD program in the fall, at which time the divorce should be final. Since Candice also will be attending college, she will live in an apartment with her mother. Thomas will keep the house, and the boys will live with him. Thomas will pay Nicole alimony and child support while she and Candice are in school. The terms and amounts of these payments will be determined at the time the divorce is final.

Advise the Eirgos on the tax consequences of the above events. Support your conclusions with primary citations.

92. Chris and Sue are 50 percent shareholders in the BackBone personal service corporation. BackBone provides chiropractic services in four small towns: Troy, Union, Vista, and Willow. Chris is the main chiropractor in the Troy office, and Sue heads the Vista office. The two other offices have chiropractor employees running the practices. But that is where Backbone's trouble lies. Charlie, the main chiropractor in the Willow office, does not see eye-to-eye with Chris and Sue on management styles. Charlie does not take well to any interference in how he runs the office, the hours he keeps, or therapy techniques he employs.

Firing Charlie is not an option for two reasons. First, it is difficult to find chiropractors who want to work and live in small towns. Second, and most important, if Charlie were to leave BackBone, he would start his own practice in Willow. He is very good with patients and easily would be able to take at least 80 percent of the clients in Willow. Sue and Chris have noticed that some of the patients in Union drive to Willow because they prefer Charlie to Joe, the chiropractor in their Union office.

Chris and Sue do not want to compete with Charlie and would prefer that the parties would come up with some arrangement that would make everyone happy. They already pay Charlie handsomely, so more salary is not the main solution. For Charlie, it seems to be a matter of control. Chris and Sue may be willing to give up control of the Willow office, but they do not want to completely lose the profits this office adds to BackBone.

Chris and Sue have come to you for some suggestions on how to solve this problem with the lowest tax cost. Provide BackBone with several options and the tax consequences of each. Support your conclusions with primary citations.