



UNIVERSITY OF TORONTO
FACULTY OF LAW

THE JAMES HAUSMAN TAX LAW AND POLICY WORKSHOP SERIES
presents

Emily Cauble
DePaul University Law School

Taxing Publicly Traded Entities

Wednesday, January 7, 2015
12:30 - 2:00
Solarium (room FA2), Falconer Hall
84 Queen's Park

Publicly traded entities are generally treated as corporations for U.S. tax purposes. Under various exceptions, however, publicly traded entities may obtain special treatment if they earn predominately certain specified types of income. This Article examines potential rationales for granting special tax treatment to certain publicly traded entities. As the analysis in this Article will show, many of the potential rationales are unconvincing. In addition, to the extent that some rationales may be persuasive, the current rules are not designed in a way that best comports with these potential justifications. Therefore, reform is warranted.

This Article proposes and discusses two reform options. Current law grants special treatment to all income earned by a publicly traded entity if and only if the entity earns predominately qualifying income. Under the first reform option, tax law would, instead, grant special tax treatment to only qualifying income earned by a publicly traded entity, but the special treatment would apply regardless of whether the entity earned predominately qualifying income. Under the second reform option, tax law would bestow special tax treatment upon no income earned by any publicly traded entity. Either of these reform options would create a more rational system than what currently exists.

A light lunch will be provided.

For more workshop information, please contact Nadia Gulezko at n.gulezko@utoronto.ca