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BOOK REVIEWS

Handbook of Tax Techniques. Edited by J. K. Lasser. New York: Prentice-Hall, Inc., 1951. Pp. vii, 1225. \$15.00.

Mr. Lasser's prolific contributions to a better understanding of the intricacies of tax law are well known. In this instance, he appears principally in the role of Editor, and presents discussions of sixty-one tax subjects by as many outstanding tax lawyers and accountants. (Mr. Lasser is author of only one of the discussions—that on "How to Do Business in Foreign Countries"). The declared purpose of the book (as stated in its Preface) is to point out to the tax adviser the choice to be made between alternative methods of handling a given problem in order to obtain the greatest tax savings. In large measure, the book achieves its purpose.

Each discussion or chapter falls within one of four broad divisions: "How to Organize and Reorganize a Business"; "How to Operate a Business"; "How to Make Property Sales and Exchanges"; and "How to Get Economy with Individuals' Taxes." A wide variety of topics is covered, including the following (selected by the reviewer more or less at random): converting a partnership into a corporation; capitalizations and recapitalizations; corporate liquidations; taxation of farmers; personal holding companies; bad debt deductions; Section 102; conversion of ordinary income into capital gain; purchase and sale of securities; valuation; family trusts; arrangements before and after a separation or divorce; and tax problems of professional persons. North Carolinians will note with interest that the excellent chapters on inventories, pension and profit-sharing plans, and payment of employees were written respectively by William H. Westphal, of Greensboro, Leon L. Rice, Jr., of Winston-Salem, and Everett J. Mann, of Duke University.

The chapter on "How to Buy and Sell Real Estate" is illustrative of the general method of presentation of each topic. At the outset there is a paragraph on "Points to Consider," with a brief index reference to the sections of the chapter treating the listed points. The author then proceeds to discuss the most advantageous way to take title to property; using a dummy corporation to minimize taxes; obtaining a full deduction for real estate taxes; purchasing property with intent to demolish; advantages and disadvantages of being classified as a real estate dealer; determination and control of gains and losses; options and leases with options to purchase; installment and deferred payment sales; sales of mortgaged property; and the advantages in some instance in making

an exchange instead of a sale. Citations are appended in footnotes and there is a bibliography at the end of the chapter. The book has a general index and tables showing where various sections of the Internal Revenue Code and Treasury Regulations are cited in the text.

This collection serves a highly useful purpose in providing, in succinct form, orientation with respect to various possible tax consequences, and in setting up check-points, guide-posts and danger signals to assist the practitioner in threading his precarious way through the thicket of applicable statutes, regulations and decisions. In a work of this type and scope, a detailed and exhaustive treatment of various particular points within a topic cannot be expected. In most instances, the book will not eliminate the need for further research; but it will put the reader on the right road, inform him of the relatively safest route to his destination, and give him the benefit of valuable citations and references for his further direction. This is the special function which the book serves—and it is a function which amply justifies its publication and use.

In view of the time of its preparation, the book does not reflect the amendments made by the Revenue Act of 1951. This must be borne in mind when, for example, one reads on p. 67 that, despite efforts to amend the law, "spin-offs create taxable dividend income, and are therefore generally undesirable," or when one finds no indication in the chapter on involuntary conversions that a taxpayer's principal residence is now excluded from the operation of Section 112(f), and is subject to the new Section 112(n). However, since it is the inexorable fate of tax books (other than those kept current by supplementation) to become soon outdated to some extent by the rapid accretion of legislative amendments and judicial decisions, practitioners check the law down to date as a matter of course, and there is no reason for them to be misled. This book has and will continue to have a great deal to offer from the standpoint of current interest; it contains a gratifying amount of basic authority and basic tax thinking and planning.

In the current deluge of tax publications, it is necessary for the lawyer to use some discrimination in his selections. He need have no qualms about the usefulness of this book in his library.

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