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CURRENT LEGAL FORMS WITH TAX ANALYSIS, VOL. 1. By Jacob Rabkin and Mark H. Johnson. 1 New York: Mathew Bender & Company. 1948.

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The problems of the trial attorney are shared by the trial court; indeed, the court often has less opportunity to study the law pertinent to the evidence presented, or the necessity of proof on certain matters. The courts, too, will find Mr. Tribble's manual of great assistance, and will appreciate the classification of subjects which enables greater speed in locating the desired information.

The author's emphasis is placed on those concrete principles of law which the trial practitioner must have at his finger tips; the presentation is similar to that of *Words and Phrases* in that the alphabetized index negates the need for searching out the particular evidence principle in order to locate the desired information.

The *Trial Manual of Florida Evidence* affords a reference sorely needed in this state. West Publishing Company, in accordance with their policy, will publish supplemental pocket parts at regular intervals.

In compiling an authoritative reference which serves so admirably the need of many diverse groups, Mr. Tribble has reflected credit both upon himself and the Florida Bar.

In noting the functional value of this manual from the point of view of the practising lawyer and the trial court, one must also consider the numerous advantages which it offers to the law student. In my capacity as a special lecturer on the law of evidence at the University of Miami School of Law, it is my intention to recommend to the Dean the adoption of this manual for use in conjunction with casebook material. Not only will it serve as a practical guide to the student, but also, it will give emphasis to the law of this jurisdiction. — MILTON M. FERREL.*

* Special Lecturer in Law, University of Miami.

CURRENT LEGAL FORMS WITH TAX ANALYSIS, VOL.

1. By Jacob Rabkin and Mark H. Johnson.¹ New York: Mathew Bender & Company. 1948. Pp. x, 1044. \$16.50.

With a keen awareness of the problems besetting the practicing attorney in his efforts to draft legal instruments from a tax viewpoint, the authors have embarked on a pioneering project which promises to be of vast assistance to the legal profession and, in particular, to the tax practitioner. In an effort to avoid the blind acceptance of perpetuated, stylistic forms, especially as related to the tax field, the overall objectives of the work are outlined in the preface as follows: (1) the creation of forms to cover problems of present-day legal practice; (2) the composi-

¹ The authors have also published the widely used *Federal Income, Gift, and Estate Taxation*.

tion of forms in the English language, without archaic and repetitious legalisms; (3) the presentation of these forms in logical and coherent pattern; (4) their location in a background of practical taxation and legal problems; (5) the suggestion of techniques in the actual planning of the transaction as well as the phrasing of the instrument; and, (6) the explanation of the tax questions inherent in each type of transaction.

This volume, the first of three, covers Partnerships, Employment and Compensation, and Corporate Organization. Subsequent volumes will cover Corporate Distributions and Reorganizations, Real Estate, Mercantile Transactions (Volume 2), Husband and Wife, Wills, Trusts, and Insurance (Volume 3). Each subject and form is accompanied by brief clear comment and discussion of the specific problems to be considered.

The text makes a valuable contribution to the field of partnership agreements, covering such problems as the selection of a proper fiscal year for income tax purposes, determination of the disposition of a deceased partner's interest, anticipation of the effect of a partner's death from an estate tax viewpoint, advisability of the Buy-and-Sell Agreement, and capital gains and basis problems arising upon a partner's retirement or partnership wind up.

The chapter on Employment and Compensation is particularly valuable in these years of high tax rates. The Tax Background for the subject points out the three major problems inherent in the proper drafting of agreements to be: (1) when is the item income and when deduction? (2) is it reasonable? (3) if paid in stock or property, what is the amount of income or deduction? As to when the item is income or deduction, there is a comprehensive discussion of the doctrine of constructive receipt, use of cash and accrual basis, related taxpayers, and similar problems. With reference to the question of reasonableness, the authors discuss bonus problems and contingent compensation. Stock option problems and long term compensation features are likewise noted advantageously. The general employment agreements are good for form and pertinent suggestions are made on the difficult subject of contingent and additional compensation.

Deferred and long term compensation problems are treated at considerable length, entirely in proportion to the difficulty and importance of the subject. The thorny question of giving notes as compensation is discussed and a form of corporate resolution covering such a situation is advanced. There is an excellent discussion and some useful forms relating to the problem of compensation partly deferred until retirement. This is especially valuable today in view of the persistent efforts of the Internal Revenue Department to challenge such deferments. Also discussed are problems relating to retirement bonuses and the 36-months rule for spreading taxation of income received for services rendered over a period exceeding 36 months.

Due to the uncertainty as to how the Internal Revenue Department will tax bonuses and stock options, the forms and agreements on these subjects are, of necessity, subject to doubt but should serve as useful

guides. Various pensions and profit-sharing plans are outlined. These, too, are doubtful in value due to the highly specialized nature of the field.

The chapter on Corporate Organization is well-planned and authentic as to form, tax law, and coverage. The pros and cons of incorporation from the viewpoint of taxation are set forth. The problems involved in converting from a sole proprietorship to a corporation are properly attended. Special forms cover those situations where one subscriber puts up cash and another property, and where there are restrictions on the sale of stock. In the presentation of agreements among stockholders, there are a multitude of suggestions as to provisions for restrictions on the sale of shares of stock, payment after death to the widow of a deceased stockholder, and options to surviving stockholders to purchase the stock of a deceased stockholder.

Volume 1, then, is a remarkably successful effort in the relatively new field of legal form texts written from a taxation viewpoint. The book fills a long felt need for a set of forms geared to the everchanging, omnipresent tax picture. Volumes 2 and 3, with their coverage of such difficult subjects as Wills, Trusts, and Corporate Distributions are eagerly awaited for their suggestions.—H. P. Forrest.*

*Member of the Florida Bar.