

End Notes:

1. There are only a few exceptions to this point, since the Internal Revenue Code of 1986, herein often referred to as the "Code," as amended, Provides under Code Section 61, effectively, that all income, with rare exception, is subject to tax.
2. Id.
3. Id.
4. Code Section 1 details the rates for various classes of taxpayers, such as those that are single, those that are married and filing jointly, etc. This part of the Code gives the rates/tables for the number to be used to calculate the percentage of the net taxable income that must be paid for the income tax. This rate depends in part on the amount of taxable earnings the taxpayer develops during the year. See Section 1 of the Code as noted. See also, Real Estate Transactions, Tax Planning,) by Levine, Mark Lee and Segev, Libbi R., Appendix A, Thomson/West (2014).
5. This part of the Code gives the rates/tables for the number to be used to calculate the percentage of the net taxable income that must be paid for income tax. This rate depends in part on the amount of taxable earnings the taxpayer develops during the year. See Section 1 of the Code as noted. See also, Real Estate Transactions, Tax Planning, by Levine, Mark Lee and Segev, Libbi R., Appendix A, Thomson/West (2014).
6. See the Levine and Segev text, Note 5, supra, under Chapter 7 of this authority.
7. Id.
8. 114 AFTR 2nd Paragraph 2014-5446.
9. Capital gain income, as discussed below, requires a showing by the taxpayer that it is, under Code Section 1221, entitled to this special treatment. In such setting, the taxpayer may qualify, again, as discussed below, for a tax rate that is less than the ordinary rate. The current rates under the Code, Section 1, can move as high as 39.6% for an individual, without other adjustments. Generally, the highest tax rate for capital gain, where qualified, will be at 20%, as stated earlier. Thus, this becomes very important to qualify for this special, lower capital gain rate.
10. For more on this issue, see the Levine and Segev text, cited supra note 5, Chapter 8 of said text.
11. See supra, Note 8.
12. This definition is under Code Section 1221. Without being too obtuse, the capital gain treatment noted above can be obtained by selling a capital asset. Such favorable treatment can also be obtained when selling qualified investment property and/or other property used in the trade of business of the taxpayer. This latter rule is called Section 1239 Property; however, for the purpose of this discussion and the *Long Case*

mentioned earlier, this Note discussed capital assets/capital gain and the trade or Business property, Code Section 1239, together. Distinctions will be made in this Note only in a few instances where the demarcation is important under the tax rules as they relate to this Note.

13. For more on this issue, see the Levine and Segev text, cited supra, Note 5.
14. Refer to Code Section 1221 and the Levine and Segev text, cited supra Note 5.
15. See this issue discussed in the Levine and Segev text, Chapters 8 and 16, this Work cited above in Note 5.
16. See Code Section 1239 and Chapter 7 of the Levine and Segev text, cited supra, Note 5.
17. Id.
18. The reference was to “part of the ingredients” in the prior sentence, since there are some other limitations that must also be addressed. For example, the taxpayer must show that there was a “long term holding” of the property in question if the taxpayer desires to be taxed at the lower capital gain rate. This issue, in connection with the *Long Case*, is discussed below.
19. This area of Tax Deferred Exchanges under Code Section 1031 is also raised in the material, below, as it relates to this question of “dealer” property.
20. TC Memo 2001-96.
21. 1966-1 CB, 184, 383 US 569 (1966).
22. TC Memo 1965-328.
23. 54 TC 1278 (1970).
24. See Note 11, cited supra.
25. See Code Section 1221 and the earlier discussion in this Note.
26. See supra, Notes 21-23.
27. See supra, Note 11.
28. See supra Note 11 and Notes 21-23.
29. See Code Section 1222.
30. Id.
31. See supra, Note 23.
32. See Code Section 453 and the Levine and Segev text, Chapter 25, cited supra, Note 5.
33. See Code Section 1031 and the Levine and Segev text, Chapter 29, cited supra, Note 5. See also Levine, Mark Lee, [Exchanging Real Estate](#), 7 Volumes, (PP & E, Inc., 2014), available at Amazon.com and CreateSpace.com
34. See Note 5, cited supra, under Chapters 1 ,7, and 8 of the Levine and Segev text.