

At the Ballgame

By Gail L. Richmond*

The World Series is upon us, and this Tax Bites features taxpayers who had at-bats against the Service. In addition to a bit of baseball tax history, readers will discover a case in which the Section's current chair participated.

ACCUMULATED EARNINGS TAX

Charles O. Finley and Co., Inc. v. Commissioner, T.C. Memo. 1982-354 (Kansas City—soon to be Oakland—Athletics).

APPROPRIATE TAXABLE YEAR

Al-Hakim v. Commissioner, T.C. Memo. 1987-136 (amounts received by agent); *Tampa Bay Devil Rays, Ltd. v. Commissioner*, T.C. Memo. 2002-248 (advance ticket sales); *Artnell Co. v. Commissioner*, T.C. Memo. 1970-85 (prepaid income received before sale of White Sox); *Appeal of Boston American League Baseball Club*, 3 B.T.A. 149 (1925) (sale of Babe Ruth's contract to Yankees); *Baltimore Baseball Club, Inc. v. United States*, 202 Ct. Cl. 481 (1973) (sale of player contracts).

BACK PAY AND FICA

United States v. Cleveland Indians Baseball Co., 532 U.S. 200 (2001).

BASEBALL CARD SHOW INCOME

United States v. Strawberry, 892 F. Supp. 519 (S.D.N.Y. 1995).

BROADCAST RIGHTS

McCarthy v. United States, 807 F.2d 1306 (6th Cir. 1986) (Yankees).

INVASION OF PRIVACY

Meyer v. United States, 173 F. Supp. 920 (E.D. Tenn. 1959) (making of the movie *Angels in the Outfield*).

LOCATION OF TAX HOME

Dews v. Commissioner, T.C. Memo. 1987-353 (coach for Atlanta Braves); *Wills v. Commissioner*, 48 T.C. 308 (1967) (before the 1986 amendment to section 74(b), this case was probably better known for its treatment of the S. Rae Hickock belt awarded to Maury Wills); *Hornsby v. Commissioner*, 26 B.T.A. 591 (1932) (eligibility to split income with spouse).

LOAN OR STOCK REDEMPTION PAYMENT

Rogers v. United States, 281 F.3d 1108 (10th Cir. 2002) (Royals).

PLAYER CONTRACT ISSUES

Evinrude v. Commissioner, T.C. Memo. 1980-454 (Brewers; amortization); *Selig v. United States*, 740 F.2d 572 (7th Cir. 1984) (Brewers; valuation); *Kauffman v. United States*, 215 Ct. Cl. 925 (1977) (Royals; valuation).

SECTION 337 LIQUIDATION

Hollywood Baseball Association v. Commissioner, 42 T.C. 234 (1964) (for those who remember when the Giants and Dodgers left New York).

SIGNING BONUS—CORRECT TAXPAYER

Allen v. Commissioner, 50 T.C. 466 (1968); *Hundley v. Commissioner*, 48 T.C. 339 (1967).

*Nova Southeastern University Law Center, Fort Lauderdale – Davie, FL.

SUDOKU | TAX BITES

TAX BITES SUDOKU WINNER

In the last issue of the *NewsQuarterly*, Tax Bites challenged readers to come up with the phrase and solution to a Sudoku puzzle using strategically placed letters rather than numbers. The phrase was “tax policy” and the solution is below. Over 40 readers responded with the correct answers. Their names were entered into a drawing for a *Tax Lawyer* cap, and the winner of the cap is Michelle L. Heller, Muscatine, IA. Congratulations to Michelle and thank you to all who participated.

T	P	O	C	I	X	A	Y	L
L	X	C	Y	A	P	I	T	O
Y	I	A	T	L	O	P	C	X
P	Y	T	I	O	A	L	X	C
C	O	L	P	X	T	Y	I	A
I	A	X	L	Y	C	T	O	P
X	C	P	A	T	I	O	L	Y
O	T	Y	X	P	L	C	A	I
A	L	I	O	C	Y	X	P	T