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Tax Enlightenment

Feature Articles

High Tech Tax Institute

TEI- SJSU Tax Policy Conference

Tax Maven

Focus on Tax Policy

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Letter from the Editor

Change is one constant in life. Some changes we can control, like those extra pounds we gain. Others are inevitable, like aging. Some changes take time, such as fine wine. Given the essential catalyst, some changes are rapid, even instantaneous.

Silicon Valley epitomizes change. We are in constant pursuit of innovation - disruptive changes. Companies failing to maintain or outpace technology or market changes become irrelevant. Individuals failing to adjust stagnate. The U.S. tax law, however, is not only slow to change, but also slow to adapt to our increasingly global and digital economy. Change will happen, when the essential catalysts are present.

The topic of change permeates through this edition of *The Contemporary Tax Journal*. In the Tax Enlightenment section, we present four students' work. The "100th Anniversary of the 16th Amendment" transports you to 1913 explaining why and how the United States Constitution was changed to give Congress the power to impose an income tax. Lisa Pan's contribution on research credit clarifies the rules set out by Congress to encourage innovation. Tejal Shah explains the principle residence non-qualified use rule and Yan Jiang analyzes a court case regarding eligibility of double taxation relief for flight crew.

We are very grateful for an expert contribution from Mr. Tom Hopkins, CEO, *Fortisure Consulting L.P.*; and Ms. Kara Boatman, Senior VP, *Fortisure Consulting L.P.*. Written after Apple's 2012 victory against Samsung, their article highlights the challenges in valuing intellectual property (IP) and

explains the accepted valuation methodologies and their impact on the IP values. This is very pertinent information for those of us who work or study in Silicon Valley.

The sessions summaries from the 28th High Technology Tax Institute and the Tax Policy Conference highlight trending tax issues in Silicon Valley. Two Tax Mavens interviews are included in this bumper issue. The interview with Mr. Dan Kostenbauder offers special insights into the tax legislative process in Washington and the challenges in achieving federal tax reform. Sandra Peter's piece gives us a glimpse of Mr. Fred Silva's personality and his involvement in California and local policies development.

The Focus on Tax Policy features seven analyses of tax rules using principles of good policy outlined by AICPA. These evaluations augment our library of tax policy analysis by SJSU MST students. You can read about them [here](#). Finally, thank you to Professors Annette Nellen and Bobbi Makani for their continuous guidance, and Stuti Seth for her artistic and tireless contribution to design and layout. I commend all the students who chose to support this edition. Thank you for your diligence and your contribution to raising awareness on tax issues. Awareness is certainly one essential catalyst to influence change.

Victoria Lau
Student Editor