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DEATH AND TAXES AND ZOMBIES

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PRESENTER: ADAM CHODOROW



Adam Chodorow
Sandra Day O'Connor College of Law
Phoenix, AZ

Adam Chodorow's is a Willard E. Pedrick Distinguished Research Scholar and Associate Dean for Strategic Planning. His research and teaching interests lie in tax, administrative and regulatory law. He teaches a variety of tax courses, as well as a course in business organizations. His research focuses on religious taxation and a variety of contemporary tax issues, such as the taxability of virtual income.

During the 2009/2010 academic year, Professor Chodorow taught the Southwest University of Finance and Economics in Chengdu, China, as part of the Fulbright Program. From 2012 to 2013, he served as the Associate Dean for Innovative Ventures, charged with designing the ASU Alumni Law Group, a post-graduate program designed to train recent graduates in the practical aspects of being a lawyer.

Professor Chodorow is a past Chair of the Teaching Tax Committee of the ABA's Tax Section and the Association of American Law School's Jewish Law Section. He is a fellow of the American College of Tax Counsel and a member of the Academic Advisory Board of the Tannenwald Writing Competition. He has served as the law school's liaison to the Council of the Tax Section of the State Bar of Arizona and also as the Faculty Editor of *Jurimetrics: The Journal of Law, Science, and Technology*, published by the College together with the ABA's *Section of Science & Technology Law*.

Before joining the faculty in 2004, Professor Chodorow clerked for Judge Joseph H. Gale of the U.S. Tax Court. At New York University, he won the David H. Moses Memorial Prize for having the highest cumulative academic average and the Harry J. Rudick Memorial Award for distinction in the LL.M. Tax Program. Professor Chodorow was an attorney at Pacific Gas & Electric Company in San Francisco, where he worked on energy-related litigation and regulatory matters, and he also practiced commercial litigation for Shartsis, Friese & Ginsburg.

Death and Taxes and Zombies

Adam Chodorow*

ABSTRACT: The United States stands on the precipice of a financial disaster, and Congress has done nothing but bicker. Of course, I refer to the coming day when the undead walk the earth, feasting upon the living. A zombie apocalypse will create an urgent need for significant government revenues to protect the living, while at the same time rendering a large portion of the taxpaying public dead or undead. The government's failure to anticipate or plan for this eventuality could cripple its ability to respond effectively, putting us all at risk.

This Essay fills a glaring gap in the academic literature by examining how the estate and income tax laws apply to the undead. It begins by examining the critical question of whether the undead should be considered dead for estate tax purposes; it then addresses income tax issues the undead are likely to raise. In addition to zombies, this Essay considers how estate and income tax laws should apply to vampires and ghosts. Given the difficulties identified herein of applying existing tax law to the undead, new legislation may be warranted. However, any new legislation is certain to raise its own set of problems. The point here is not to identify the appropriate approach. Rather, it is to goad Congress and the Internal Revenue Service into action before it is too late.

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* Professor of Law at the Sandra Day O'Connor College of Law at Arizona State University, Tempe, Arizona. I would like to thank Carissa Hessick, Andy Hessick, Zachary Kramer, Zachary Gubler, David DePianto, Rhett Larson, Marcy Karin, David Gartner, Art Hinshaw, Deb Pogson, Bridget Crawford, Larry Zelenak, Michael Vincent, Katie Howland O'Brien, and Samantha Wildman for providing comments on earlier drafts.

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INTRODUCTION

In 2011, the Centers for Disease Control and Prevention issued a guide to surviving a zombie apocalypse.¹ While it is reassuring that the government has finally awakened to this risk,² the guide falls far short of what is needed. A zombie apocalypse will create an urgent need for significant government revenues to defend the living, while, at the same time, rendering a large portion of the taxpaying public dead or undead.³ In preparation for this looming financial crisis, it is critical that the government provide guidance both to taxpayers seeking to comply with their tax obligations and to any government officials still alive and at their posts, who will be tasked with administering the tax laws. This Essay lays the groundwork for that process by assessing how the tax laws should apply to the undead. Heretofore, the only things certain in life have been death and taxes. But what if death weren't quite so certain?

The legal issues that will arise when the undead walk the earth are legion, and addressing them all is well beyond what could reasonably be accomplished in this brief Essay. Indeed, a complete treatment of the tax issues alone would require several volumes. Accordingly, I focus here on two broad issues that illustrate the numerous problems that are likely to arise: the application of the estate and income taxes to the undead. Not all undead are created equal, and therefore, after addressing zombies below in Part I, I turn to consider vampires and ghosts in Part II.

This exercise highlights the flawed assumption that lies at the heart of our tax code—namely, that death is permanent—and reveals Congress's complete lack of foresight in designing the nation's tax laws. In light of the difficulties of applying existing tax law to the undead, it may well be that Congress needs to create new laws for the undead, or possibly even different laws for different types of undead. The point here is not to advocate for any particular solution. Instead it is to highlight the problem and convince Congress and the Internal Revenue Service ("IRS") that they must act now, before it is too late.

1. Ali S. Khan, *Preparedness 101: Zombie Apocalypse*, CENTERS FOR DISEASE CONTROL & PREVENTION (May 16, 2011, 11:48 AM), <http://blogs.cdc.gov/publichealthmatters/2011/05/preparedness-101-zombie-apocalypse>.

2. As usual, the private sector is far ahead of the government. *See, e.g.*, MAX BROOKS, *THE ZOMBIE SURVIVAL GUIDE* (2003).

3. For a discussion of the speed at which a zombie outbreak might spread, see generally Philip Munz et al., *When Zombies Attack!: Mathematical Modelling of an Outbreak of Zombie Infection*, in *INFECTIOUS DISEASE MODELLING RESEARCH PROGRESS* 133 (Jean Michel Tchuente & Christinah Chiyaka eds., 2009), available at <http://mysite.science.uottawa.ca/rsmith43/Zombies.pdf>.

I. THE TAX CONSEQUENCES OF A ZOMBIE APOCALYPSE

Although there are many different varieties of undead, I begin with zombies, as they appear to pose the greatest threat. The tax consequences of a zombie apocalypse may depend on the type of zombie encountered, so I start by presenting a taxonomy of zombies. I follow this with a discussion of how the estate and income tax laws might apply to zombies, and I conclude with an analysis of the tax planning opportunities and traps that might arise for the unwary.

A. A ZOMBIE TAXONOMY

The word “zombie” appears to originate in Haitian voodoo to designate reanimated dead bodies and living people under the control of a powerful sorcerer.⁴ Over the years, the term has been applied to a variety of creatures, such that there is now no generally accepted definition of “zombie.”⁵ Indeed, significant debate exists as to who, or what, counts as a zombie.⁶ Insofar as Congress has not seen fit to include a definition in the tax code, and, indeed, has not deigned to use the term, developing a rigorous definition is not strictly necessary to apply existing tax law. It is the fact of becoming zombie-like that will have legal significance, not a determination that one is, in fact, a zombie. Thus, for purposes of this Essay, I take a very broad view of what it means to be a zombie.

The literature on zombies is too vast to canvas in full, but there are now many different types of zombies and many different ways in which they are created. For instance, some zombies are controlled by others, while other zombies are self-motivating. Examples of controlled zombies include traditional Haitian zombies⁷ and the armies of Inferi raised by Lord Voldemort in both the First and Second Wizard Wars.⁸ Those under the

4. For a discussion of living zombies, see WADE DAVIS, *PASSAGE OF DARKNESS: THE ETHNOBIOLOGY OF THE HAITIAN ZOMBIE* 8–9 (1988), and WADE DAVIS, *THE SERPENT AND THE RAINBOW* 167–69 (1985).

5. See MATT MOGK, *EVERYTHING YOU EVER WANTED TO KNOW ABOUT ZOMBIES* 5–7 (2011) (explaining that both the Oxford English Dictionary and Encyclopædia Britannica have incomplete definitions of “zombie”). Mogk promotes a definition of a “modern” zombie as a reanimated human corpse that is relentlessly aggressive and biological in origin. *Id.* Insofar as we cannot be certain as to the nature of the coming attack, limiting ourselves to Mogk’s definition seems ill-advised.

6. *See id.*

7. *See supra* note 4 and accompanying text.

8. J.K. ROWLING, *HARRY POTTER AND THE HALF-BLOOD PRINCE* 555–78 (2005). Inferi were also used to guard one of Voldemort’s horcruxes. *Id.* According to Albus Dumbledore, the headmaster of Hogwarts School of Witchcraft and Wizardry, Inferi “are corpses, . . . dead bodies that have been bewitched to do a Dark wizard’s bidding. Inferi have not been seen for a long time, however, not since Voldemort was last powerful. . . . He killed enough people to make an army of them, of course.” *Id.* at 62 (second ellipsis in original). According to Severus Snape, the Defense Against the Dark Arts teacher at Hogwarts (at long last), an Inferius is “a corpse that

imperius curse, which allows a wizard or witch to control living beings, could also be termed zombies under some definitions.⁹ Examples of self-motivated zombies include those from George Romero's groundbreaking documentary *Night of the Living Dead*,¹⁰ the hit reality television program *The Walking Dead*,¹¹ and the classic work of putative fiction *Pride and Prejudice and Zombies*,¹² to name but a few.¹³

Within the category of self-motivated zombies, further distinctions may be made based on a zombie's volition, abilities, and personality. Some zombies slowly stumble along in search of brains upon which to feed, exhibiting little personality or ability to think.¹⁴ Others move quickly, organize, and learn.¹⁵ Still others appear to retain some of the memories or personalities of the original person.¹⁶ In some cases, zombies of the same ilk

has been reanimated by a Dark wizard's spells. It is not alive, it is merely used like a puppet to do the wizard's bidding." *Id.* at 460.

9. J.K. ROWLING, HARRY POTTER AND THE ORDER OF THE PHOENIX 209–27 (2003).

10. NIGHT OF THE LIVING DEAD (Elite Entertainment 1968).

11. *The Walking Dead* (AMC television series 2010).

12. JANE AUSTEN & SETH GRAHAME-SMITH, PRIDE AND PREJUDICE AND ZOMBIES (2009).

13. Self-motivated zombies seem to predominate. *See, e.g.*, DAWN OF THE DEAD (Strike Entertainment 2004) (remake); DAWN OF THE DEAD (Laurel Group 1978); SHAUN OF THE DEAD (Universal Pictures 2004); I AM LEGEND (Warner Bros. Pictures 2007); RESIDENT EVIL (Constantin Film Produktion 2002); ZOMBIELAND (Columbia Pictures 2009); 28 DAYS LATER (DNA Films 2002). Examples from books include MAX BROOKS, WORLD WAR Z: AN ORAL HISTORY OF THE ZOMBIE WAR (2006); HARRISON GEILLOR, THE ZOMBIES OF LAKE WOEBOGOTTEN (2010); and COLSON WHITEHEAD, ZONE ONE (2011).

There is some debate whether the *I Am Legend* creatures are zombies or vampires. In the original short story by Richard Matheson, they are clearly vampires. *See* RICHARD MATHESON, I AM LEGEND (Tom Doherty Assocs. 1995) (1954). However, in the movies they appear to be zombies. Indeed, George Romero described *Night of the Living Dead* as an homage to *I Am Legend*, which Matheson took to mean that George Romero was able to steal his idea without paying royalties. *See* MOGK, *supra* note 5, at 15.

14. *See, e.g.*, GEILLOR, *supra* note 13; NIGHT OF THE LIVING DEAD, *supra* note 10; DAWN OF THE DEAD, *supra* note 13; SHAUN OF THE DEAD, *supra* note 13; *The Walking Dead*, *supra* note 11.

15. *See, e.g.*, DAWN OF THE DEAD (remake), *supra* note 13; DAY OF THE DEAD (Laurel Entertainment Inc. 1985); I AM LEGEND, *supra* note 13; LEFT 4 DEAD (Valve Corp. 2008); LEFT 4 DEAD 2 (Valve Corp. 2009); THE RETURN OF THE LIVING DEAD (Hemdale Film Corp. 1985); 28 DAYS LATER, *supra* note 13; 28 WEEKS LATER (Fox Atomic & DNA Films 2007); ZOMBIELAND, *supra* note 13; *see also* JONATHAN COULTON, *Re: Your Brains, on* THING A WEEK TWO (Jonathan Coulton 2006).

16. For instance, some of the zombies in *Zone One* are "stragglers," who return to some place that was important to them. WHITEHEAD, *supra* note 13, at 32–34, 54. Those described in *Pet Sematary* retain significantly more attributes of the original person, though in somewhat altered form. PET SEMATARY (Laurel Productions 1989); *see also* S.G. BROWNE, BREATHERS: A ZOMBIE'S LAMENT (2009) (dead people return completely intact, but still dead; rather than eat flesh, they drink formaldehyde and attend Undead Anonymous meetings); TERRY PRATCHETT, DISCWORLD SERIES (1983–2011) (Mr. Slant, an attorney, continues his post as the head of the lawyer's guild after his execution); AMERICAN ZOMBIE (Lee Lee Films 2007) (in which a number of zombies live together in Los Angeles); COLIN (Nowhere Fast Productions 2008) (infected person retains some memories of life before he became infected); LAND OF THE DEAD (Universal Pictures 2005) (zombies return to place of work); MY BOYFRIEND'S BACK

may fall into more than one of these categories. For instance, mummies appear to be an Egyptian form of zombie, though that designation may be disputable given their pharonic powers and disinclination to eat human flesh. Regardless, it is indisputable that some mummies are slow and lumbering, while others retain all their faculties.¹⁷

Another way to distinguish among zombies is the method by which people become zombies. Controlled zombies are typically created through some form of dark magic.¹⁸ Viruses (either naturally occurring¹⁹ or man-made²⁰), radiation,²¹ biochemical agents,²² and even a mysterious meteor²³ have also been documented as causes of zombification. In some cases, one must be infected by a zombie to become a zombie;²⁴ in others, no prior zombie contact is necessary.²⁵ Sometimes it is unclear why someone turned into a zombie. Take, for example, Michael Jackson's classic thriller, *Thriller*.²⁶ We simply do not know what caused the first person to go zombie, and, unless Michael comes back, we likely never will. To date, it does not appear that the cocktail "The Zombie" turns people into zombies, though this author continues to test that hypothesis.²⁷

A final distinction, discussed in greater detail below, is that some people must die before becoming a zombie while others appear to make a seamless transition from living to undead.²⁸ There is often a connection between the cause of zombification and the type of zombie created. For instance,

(Touchstone Pictures 1993) (a dead boyfriend returns and learns that he must consume flesh to stay "alive"); SURVIVAL OF THE DEAD (Devonshire Productions 2009) (person who rode horses becomes a zombie and continues to do so as a zombie).

17. Compare THE MUMMY (Universal Studios 1932) (slow and lumbering), with THE MUMMY (Universal Pictures 1999) (fast moving and fully sentient).

18. See, e.g., *supra* note 8 and accompanying text (discussing Lord Voldemort's Inferi).

19. See, e.g., ZOMBIELAND, *supra* note 13 (mutated mad cow disease). Mad cow disease in fact involves prions, as opposed to viruses, but I lump them together here because both are naturally occurring and reproducing agents.

20. See, e.g., I AM LEGEND, *supra* note 13 (cancer cure gone bad); 28 DAYS LATER, *supra* note 13 ("rage" virus accidentally released).

21. See, e.g., NIGHT OF THE LIVING DEAD, *supra* note 10 (zombie plague caused by radiation from a destroyed NASA Venus probe).

22. See, e.g., PLANET TERROR (Troublemaker Studios 2007).

23. See, e.g., GEILLOR, *supra* note 13, at 7.

24. See, e.g., BROOKS, *supra* note 13.

25. See, e.g., GEILLOR, *supra* note 13, at 117 (showcasing that all dead become zombies); NIGHT OF THE LIVING DEAD, *supra* note 10 (same).

26. THRILLER (Optimum Productions 1983).

27. For those willing to risk their lives in the interests of science, blend 1 oz. pineapple juice, 1 oz. orange juice, 1/2 oz. apricot brandy, 1 tsp. sugar, 2 oz. light rum, 1 oz. dark rum, and 1 oz. lime juice with ice. Pour mixture into a Collins glass and float 1/2 oz. Bacardi® 151-proof rum on top. Garnish with a fruit slice, sprig of mint, and a cherry. Bottoms up!

28. Examples of the former include the zombies of NIGHT OF THE LIVING DEAD, *supra* note 10, and *The Zombies of Lake Woebegotten*, GEILLOR, *supra* note 13. Examples of the latter include the zombies of 28 DAYS LATER, *supra* note 13.

zombies created by viral exposure often retain some vestige of their former selves,²⁹ while controlled zombies typically do not. Further, zombies who did not die before transforming are typically fast, while those whose progenitors died are typically slow. However, it is possible to find zombies in each category that do not fit the typical pattern.³⁰ As a result, the Venn diagram is so confusing that I have opted to omit it in the interest of clarity.³¹

B. ZOMBIES AND THE ESTATE TAX

It is only now, with an understanding of what zombies are and how they come to be, that we can fully appreciate the deficiencies in our current tax laws. The most obvious tax issue raised by a zombie apocalypse is the potential application of the so-called “death tax,” which imposes a tax on the transfer of the estate of a “decedent.”³² Zombies have been described variously as the “walking dead,” the “undead,” and the “living dead,” raising the question whether the estate tax should apply when a taxpayer becomes a zombie or, in the alternative, after his zombie has been dispatched. The answer to this question hinges on how one defines decedent.³³ On the one hand, it could be a question of law. On the other hand, this could be a question of fact, the answer to which depends on the nature of the zombie plague with which we are dealing. On yet a third hand, it could present a mixed question of law and fact. Fortune favors the bold, so into the fray.

The legal definition of death, and therefore of a decedent, has generally been left to the states, each of which has its own definition.³⁴ Thus, whether you are dead may depend on where you live. States use both heart-and brain-function tests, but there has been a recent trend away from heart-

29. See, e.g., 28 WEEKS LATER, *supra* note 15 (a father-turned-zombie remembers what his children look like and purposefully stalks them).

30. For instance, while the zombification in *World War Z*, BROOKS, *supra* note 13, appears to be caused by a virus, those infected and turned into zombies do not retain any of the original individual's personality. Haitian zombies are controlled, but they are alive and retain some memories of their past. See *supra* note 4 and accompanying text. The zombies in the 2004 remake of *DAWN OF THE DEAD*, *supra* note 13, are fast, even though they must first die to become zombies.

31. For a chart that gives some indication of the complexities associated with classifying zombies, see *Infographic: How Dangerous Is a Zombie?*, YAHOO! MOVIES (Sept. 10, 2010, 11:32 AM), <http://movies.yahoo.com/photos/infographic-how-dangerous-is-a-zombie-slideshow-2902>.

32. I.R.C. § 2001 (2006).

33. A similar issue arises under I.R.C. § 1014, which resets basis in property as of the moment of death, or sometimes at a later valuation date. See also I.R.C. § 101(a), which excludes from income life insurance proceeds “paid by reason of the death of the insured”; I.R.C. § 2(a), which defines a “surviving spouse” for purposes of determining the appropriate tax-filing status; and I.R.C. § 691, which is devoted to “income in respect of decedents.” The list of tax provisions implicated here goes on and on.

34. 22A AM. JUR. 2D *Death* § 422 (2003).

function and in favor of brain-function definitions.³⁵ It is not at all clear under current state law standards whether people who become zombies would be considered dead for state-law purposes. A series of questions may help guide the analysis.

The first question that must be answered is whether the person who became a zombie died in the first place. The answer depends in large part on the type of zombie involved, as can be seen by considering a virus-caused zombie outbreak. In some cases, zombie plagues clearly cause death under either the heart or brain function standard.³⁶ In others, the transition from living to zombie involves no discrete event of physical death.³⁷ Even during a single zombie plague, some people may die as a result of their infection and then turn while others transform while still alive. Thus, identifying the type of plague does not necessarily answer the question of whether the person who became a zombie has died.

It seems a stretch to conclude that those who transform seamlessly into zombies should be considered dead. They never lose heart or brain function, though they function quite differently than they did before their transformation. While it might be tempting to declare them dead, significant line-drawing problems would arise as one tried to distinguish between zombies and those who have suffered some mental or physical breakdown. Put differently, categorizing such zombies as dead simply because they suffered a personality change, physical disability, or decreased brain function would open the door to declaring dead a wide range of people we currently consider to be alive.

For instance, someone who suffers a stroke and loses the ability to speak, walks with a shuffle, and undergoes a significant personality change is clearly alive under any existing state standard. Similarly, someone with Alzheimer's, or in a vegetative state whose brain stem alone survives, is

35. For a discussion of the evolution of the legal definition of death, see MICHAEL H. SHAPIRO ET AL., CASES, MATERIALS AND PROBLEMS ON BIOETHICS AND LAW 939–59 (2d ed. 2003). For a discussion of the science, see Laurence R. Tancredi, *Neuroscience Developments and the Law*, in NEUROSCIENCE AND THE LAW: BRAIN, MIND, AND THE SCALES OF JUSTICE 71, 72–76 (Brent Garland ed., 2004); see also ELIZABETH PRICE FOLEY, THE LAW OF LIFE AND DEATH (2011); DICK TERESI, THE UNDEAD: ORGAN HARVESTING, THE ICE-WATER TEST, BEATING HEART CADAVERS—HOW MEDICINE IS BLURRING THE LINE BETWEEN LIFE AND DEATH (2012).

36. See, e.g., BROOKS, *supra* note 13; GEILLOR, *supra* note 13; NIGHT OF THE LIVING DEAD, *supra* note 10; *The Walking Dead*, *supra* note 11. Lord Voldemort's Inferi are also dead, ROWLING, *supra* note 8, as are the folks buried in the cemetery in *Pet Sematary*, *supra* note 16.

37. See, e.g., I AM LEGEND, *supra* note 13; 28 DAYS LATER, *supra* note 13; see also STEPHEN KING, CELL (2006) (people have their minds erased via a pulse from their cell phone); DEAD AIR (Antibody Films/Team Cherokee 2009) (a gas turns people into zombies); PONTYPOOL (Shadow Shows 2008) (a zombie virus spreads through spoken word). While some might argue that these latter zombies should not be considered true zombies because they have not died, the example from Haiti of living zombies suggests that such a definition is too narrow. In any event, as described above, I have taken a broad view here and include them.

considered alive.³⁸ It would be inconsistent to classify those people as alive while at the same time classifying those infected by a zombie virus as dead.

One difference may be that those with limited functionality caused by a typical illness would likely not develop an overpowering hunger for brains. However, developing a taste for human flesh cannot be the determinant of whether someone is dead or considered a zombie. Members of numerous aboriginal tribes,³⁹ as well as noted gourmand Hannibal Lecter,⁴⁰ have practiced cannibalism and would not qualify as either dead or zombies.⁴¹

Assuming someone has clearly died under state law, the second and more interesting question is whether he should still be considered dead after he has been reanimated as a zombie. For those whose dead bodies are simply under the control of a sorcerer, it would seem that the answer is yes. Just because Bernie Lomax gets posed in various positions to make him appear alive does not negate the fact that he is, in fact, dead.⁴² Similarly, a corpse that is being magically manipulated by another should be considered dead. Such zombies are puppets that have no heart or brain function and therefore clearly qualify as dead under state law.⁴³

In contrast, most self-motivated zombies likely would be considered alive under most state-law definitions. Such zombies must have a biological mechanism by which they think and move. This will typically require brain function and some means of keeping the body nourished, which could imply heart function.⁴⁴ In *The Walking Dead*, tests reveal that brain function ceases and then restarts sometime later, though at a far lower level than

38. Take, for example, the controversy over Terri Schiavo. In such cases, the possibility of recovery always looms large. See, e.g., Michelle Ye Hee Lee, *Doctor's Hunch Pays Off as Coma Patient Awakens*, ARIZ. REPUBLIC (Dec. 23, 2011, 11:15 PM), <http://www.azcentral.com/arizonarepublic/news/articles/2011/12/23/20111223ua-student-coma-awakes-after-nearly-dying.html> (describing a brain-damaged coma patient who unexpectedly recovered); see also AWAKENINGS (Columbia Pictures 1990) (patients suffering from encephalitis awaken after years of being in a catatonic state after they receive the new drug L-Dopa).

39. Cannibalism has existed at times in the South Pacific, the Fiji Islands, tropical Africa, and the Amazon Basin, among other places. PEGGY REEVES SANDAY, *DIVINE HUNGER: CANNIBALISM AS A CULTURAL SYSTEM* 28 (1986).

40. See *THE SILENCE OF THE LAMBS* (Orion Pictures Corp. 1990). Nor is the fact that Dr. Lecter prefers his human flesh with fava beans and a nice Chianti legally relevant.

41. The argument is even stronger for "situational" cannibals. See, e.g., *Regina v. Dudley & Stephens*, (1844) 14 Q.B.D. 273 (addressing cannibalism and the argument from necessity in the context of criminal law); *GEORGE R. STEWART, ORDEAL BY HUNGER: THE STORY OF THE DONNER PARTY* (1986) (recounting the harrowing story of the Donner party trapped in the Sierra mountains and forced to eat one another to stay alive); *ALIVE* (Film Andes S.A. 1993) (same, but substitute "Uruguayan rugby team" for "Donner party" and "Andes" for "Sierra mountains").

42. See *WEEKEND AT BERNIE'S* (Gladden Entertainment 1989).

43. See *supra* note 8 for a discussion of Inferi as nothing more than animated corpses.

44. For a discussion of the zombie brain and how zombies might move without heart function, see *MOGK, supra* note 5, at 46–58. See also *STEVEN C. SCHLOZMAN, THE ZOMBIE AUTOPSIES: SECRET NOTEBOOKS FROM THE APOCALYPSE* (2011).

before.⁴⁵ The typical way to dispatch a zombie is by destroying its brain, strongly suggesting that zombies would be considered alive under most brain-function definitions of death.⁴⁶ If someone in a vegetative state is alive,⁴⁷ so are zombies. The case for zombies being deemed alive strengthens as their volition, functionality, and personality increase.⁴⁸

The question, however, is not whether the zombie can be considered alive, but rather whether, if a zombie *is* alive, the original person should be considered dead. This hints at the far larger questions of how the law should treat reanimation generally and whether different types of reanimation should be treated differently. A few examples should help illustrate the scope of the legal issues that arise when someone comes back to life, whether unchanged or in an altered state. Examples of those who return intact include Lazarus, whom Jesus raised from the dead,⁴⁹ and people who have died, seen the light, but then return for one reason or another. One day, Walt Disney and Ted Williams may join this group, if science ever advances to the point where they can be defrosted and reanimated.⁵⁰ Those who return from the dead unchanged are typically not considered zombies.⁵¹ Nonetheless, I start with such people because they raise a number of legal questions that also apply to zombies.

Should those who have died and come back intact still be considered dead? Or, should their deaths be treated as a legal nullity? If annulment is a

45. *The Walking Dead: TS-19* (AMC television broadcast Dec. 5, 2010). Data on this is scarce as zombies seldom make willing test subjects.

46. See, e.g., BROOKS, *supra* note 13 (zombies dispatched most easily with “cherry bomb” bullets that explode once they enter the brain). It should be noted that exploding bullets are prohibited under the Hague Convention of 1899, Declaration III, raising the interesting question whether zombies can benefit from the protections of international law. Addressing this pressing question is beyond the scope of this Essay.

47. See *supra* note 38.

48. Old-school mummies may be the one exception. While they are self-motivated, their brains and hearts remain pickled in jars. Accordingly, they would likely flunk any heart- or brain-based test. More recent mummies may reanimate in full, regaining both heart and brain function. Compare, one more time, *THE MUMMY* (1932), *supra* note 17, with *THE MUMMY* (1999), *supra* note 17.

49. *John* 11:1–46. This appears to be modeled on the prophet Isaiah, who is reported to have raised the dead. See *2 Kings* 13:21. I purposely do not address here Jesus’s resurrection to avoid entering the contentious debate regarding his status as human, divine, human and divine, or divine and human. Wars have been fought over less. For a discussion of the fights over Christ’s true nature, see BART D. EHRMAN, *THE ORTHODOX CORRUPTION OF SCRIPTURE: THE EFFECT OF EARLY CHRISTOLOGICAL CONTROVERSIES ON THE TEXT OF THE NEW TESTAMENT* (1993).

50. I do not address the notion that there are different levels of death, as suggested by Max the Miracle Worker, when he indicated that he was able to revive Westley because he was only “mostly” dead, having slipped from “sort of” dead while Inigo and he haggled over the price for Westley’s resurrection. See WILLIAM GOLDMAN, *THE PRINCESS BRIDE* 224–26 (1973).

51. See, for example, Buffy the Vampire Slayer, who died between two and six times and came back each time in non-zombie form. *FAQ for “Buffy the Vampire Slayer,”* IMDB, <http://www.imdb.com/title/tt0118276/faq#.2.1.83> (last visited Oct. 8, 2012).

possibility, what standards should be used to determine when it should be allowed? For instance, should it matter whether one anticipated or hoped to be resurrected? Lazarus did not expect to live again, but Walt Disney did. If intent is deemed legally significant, should it matter whether that intent was reasonable? While Walt may have, in good faith, subjectively believed in his eventual resuscitation, it has never been done before, and most in the scientific community doubted that it could be done at the time of his death.

Should it matter whether someone has been declared legally dead? Those who “see the light” but come back are generally not declared legally dead, so no annulment would be necessary. We don’t know whether Lazarus was officially declared dead. However, for Walt Disney, or the poor souls who are declared dead only to awaken at the morgue,⁵² or, worse yet, six feet under,⁵³ there is no question. Perhaps there should be a time limit, such that annulments are unavailable to those who have been dead for too long. Lazarus came back after four days,⁵⁴ which could serve as an outer limit. But, this would exclude people like Walt Disney, who may be dead for much, much longer. If those who come back are still considered dead, would they have to create a new identity? Would they be able to use the same social security number? If they are deemed still alive, would probate need to be undone? What do we do with life insurance proceeds that have been paid out? Addressing these issues could be quite difficult, especially if significant time has passed.

Many of these issues have been addressed in the situation where someone has been declared legally dead and then reappears.⁵⁵ However, at present this happens quite rarely, and it seems likely that the procedures adopted in those cases will not be adequate to handle the volume one could expect when resurrection becomes more commonplace.⁵⁶ Lawmakers may

52. See, e.g., David W. Freeman, *Man Wakes Up in Morgue After Being Deemed Dead: What Went Wrong?*, CBS NEWS (July 26, 2011, 11:57 AM), http://www.cbsnews.com/8301-504763_162-20083534-10391704.html.

53. Safety coffins with bells and air tubes have been invented to account for just this possibility. See Meg Holle, *Premature Burial Device Patents*, DEATH REFERENCE DESK (Feb. 2, 2010), <http://deathreferencedesk.org/2010/02/02/premature-burial-device-patents>.

54. *John* 11:1–46.

55. See, e.g., *CAST AWAY* (ImageMovers 2000); *THE RETURN OF MARTIN GUERRE* (Societe Francaise de Production Cinematographique 1982). For a discussion of the legal issues that arise when people are presumed dead and the complications that arise when they reappear, see Jeanne Louise Carriere, *The Rights of the Living Dead: Absent Persons in the Civil Law*, 50 LA. L. REV. 901, 906–19 (1990).

56. Once we know that death can be reversed, those with the means to do so may be tempted to remain dead for a few centuries to allow the magic of compounding interest to work while they wait for global warming to make their land on the Antarctic coast prime beachfront property. Even absent a scientific breakthrough or zombie apocalypse, these issues will certainly arise during the end-times, when the dead are resurrected and all saved souls are reunited with their bodies. For example, Maimonides identified resurrection of the dead as one of the thirteen principles of Judaism, stating: “The resurrection of the dead is one of the cardinal

want to look to Tibetan law for inspiration, insofar as Tibetans openly acknowledge reincarnation and claim to be able to identify currently living individuals as reincarnations of prior individuals.⁵⁷ They may well have developed a legal system capable of accounting for resurrection.

So far, we have focused on those who return from the dead unchanged. What happens if the dead return in an altered state—that is, as zombies? Even though zombies are likely to be considered alive under most state-law definitions, it seems a stretch to consider a flesh-eating automaton to be the same person as the Nobel laureate he once was. In some real sense, the laureate has died, even if his body and some part of his brain live on. Thus, it seems possible that the law could deem the zombie alive, without necessarily affecting the status of the original as dead; the zombie could be considered a new being. But, what if the zombie retains some or all of the memories and personality of the original person? Put differently, how much of the original person should be gone before we decide that the zombie is not the same person? Such questions are not easily answered.

Treating zombies as new persons, of course, raises the question of what happens if there is a cure. The human body has an amazing ability to cure itself,⁵⁸ and science continues to make significant strides. The zombie could be considered a new person, but, if some cure is devised, and the zombie reverts back to the human it used to be, would we then declare the zombie dead? Would we declare the original never to have died? And, what do we do about creations to whom the spark of life has been administered, such as Frankenstein's monster⁵⁹ and Rocky of *The Rocky Horror Picture Show* fame?⁶⁰ It seems clear that both should be considered alive, as opposed to undead, but are they new individuals or a continuation of their parts?

To summarize, it seems clear that most self-motivated zombies would be considered alive under state-law standards. However, the question of whether those who become zombies should be considered dead while their zombies remain active remains open. This sorry state of affairs results from the states' surprising and utter failure to account for resurrection, whether intact or not. This failure is all the more surprising given that the large

principles established by Moses our Teacher. A person who does not believe in this principle has no real religion, certainly not Judaism." A MAIMONIDES READER 414 (Isadore Twersky ed., 1972). See also the following phrase stated in the Nicene Creed: "We look for the resurrection of the dead, and the life of the world to come." ENGLISH LANGUAGE LITURGICAL CONSULTATION, PRAYING TOGETHER 17 (2007), available at <http://www.englishtexts.org/praying.pdf>. It appears that time itself will cease to exist when this occurs, and it is difficult to speculate as to how the tax code would apply under such conditions. At the very least, the provisions covering interest would clearly need to be rewritten. See, e.g., I.R.C. §§ 163, 483, 7872 (2006).

57. M.G. CHITKARA, BUDDHISM, REINCARNATION AND DALAI LAMAS OF TIBET 6 (1998).

58. See Lee, *supra* note 38.

59. Mary Wollstonecraft Shelley, FRANKENSTEIN; OR, THE MODERN PROMETHEUS (Susan J. Wolfson ed., Pearson 2d ed. 2007) (1818).

60. THE ROCKY HORROR PICTURE SHOW (Twentieth Century Fox Film Corp. 1975).

majority of our legislators claim to be devout Christians, whose religion is based on a resurrection and who purportedly believe in resurrection of the dead.⁶¹

Of course, the question we are trying to answer is not whether a person who becomes a zombie should be considered dead under state law. Answering this question is only the first step of the analysis. Ultimately, our goal is to determine whether such a person should be considered a decedent for federal estate tax purposes. Unfortunately, this inquiry adds yet another level of complexity. Tax law typically piggybacks on top of state law. Normally, someone considered dead for state-law purposes would be considered dead for federal tax purposes as well. However, federal tax law deviates from state law in a number of situations, including what constitutes a devise, bequest, or inheritance.⁶² Thus, it is not unreasonable to think that a person could be dead for state-law purposes, triggering probate and a distribution of assets, but not a decedent for federal tax purposes. Conversely, someone alive under state-law definitions could be deemed dead for federal tax purposes.⁶³

The key justification for allowing federal tax law to deviate from state law is uniformity. It would be unseemly if federal tax law deviated from state to state because of minor differences in state law. Administrability is also a chief concern. Imagine trying to determine whether people are dead under fifty different state laws—not to mention those of Puerto Rico and the American Virgin Islands—while in the middle of a zombie apocalypse. These concerns strongly suggest the need for a uniform federal standard, detached from the myriad state laws, but which standard the government should adopt remains unclear. As with state laws defining death, federal tax laws are surprisingly silent on the legal consequences of becoming a zombie, creating a dire need for clear guidance.

C. ZOMBIES AND THE INCOME TAX

The second tax issue to consider is whether the income tax should apply to zombies. Income can come in two forms: earned and unearned. One does not typically think of zombies as earning income, but it can happen. By some reports, zombies have been known to return to places where they used to work.⁶⁴ Similarly, the living have put zombies to work on

61. See *supra* note 54 and accompanying text.

62. *Lyeth v. Hoey*, 305 U.S. 188, 193–94 (1938) (holding that devise, bequest, and inheritance in the federal tax code do not track state-law definitions).

63. For instance, it appears that lepers were deemed legally dead when sent to Molokai, even though they were certainly alive under most state-law definitions. See JOHN TAYMAN, *THE COLONY: THE HARROWING TRUE STORY OF THE EXILES OF MOLOKAI* 321 n.8 (2006).

64. See WHITEHEAD, *supra* note 13, at 32–34, 52. I will refrain here from noting that significant questions exist as to whether most big-firm lawyers could currently qualify as such.

occasion.⁶⁵ It is not clear whether zombie laborers are compensated for their efforts, but if they are, questions would arise as to whether they owe tax on those earnings.⁶⁶ Zombies may also have unearned income. For instance, people who become zombies and are not considered dead for state-law purposes will not go through probate and therefore will retain title to their property. Such zombies may have unearned income to the extent that their property produces income. Higher-functioning zombies might also acquire income-producing assets, though that seems a stretch.

The Internal Revenue Code imposes a tax on all income,⁶⁷ and thus, the issue will be who is liable to pay the tax on zombie-earned income. The Code defines “taxpayer” as “any person subject to any internal revenue tax,”⁶⁸ and it defines “person” to “include an individual, a trust, estate, partnership . . . or corporation.”⁶⁹ Are zombies taxpayers under this definition? As with the question of whether zombies are decedents, the answer to this important question may depend on the type of zombie involved.

Let us first consider zombies controlled by others, such as the Haitian zombies or *Inferi*. If they are dead, they will probably not qualify as a “person”⁷⁰ and will not owe taxes. Instead, they are likely to be seen as agents for the person controlling them. Under basic agency principles, any income they earn would likely be attributed to their principals, who would be responsible for paying any taxes.⁷¹ Living zombies controlled by others likely qualify as persons, but this does not necessarily mean that they will owe taxes on their income. As with dead, controlled zombies, living zombies are likely to be seen as agents, and therefore not responsible for paying tax on their

65. See, e.g., Michael Swanwick, *The Dead*, in *STARLIGHT 1*, at 13 (Patrick Nielsen Hayden ed., 1996) (zombies waiting tables at restaurants in New York City); *FIDO* (Lionsgate 2007) (zombies act as servants); *SHAUN OF THE DEAD*, *supra* note 13 (zombies kept around as cheap labor).

66. If zombies are not compensated, troubling questions related to the Thirteenth Amendment may arise—unless, of course, zombies can be classified as interns, in which case anything goes.

67. See I.R.C. § 1 (2006).

68. *Id.* § 7701(a)(14).

69. *Id.* § 7701(a)(1).

70. If Mitt Romney is correct that “corporations are people,” why not dead people? See C-SPAN, *Romney: Corporations Are People, My Friend*, YOUTUBE (Aug. 11, 2011), http://www.youtube.com/watch?v=KIPQkd_AA6c. They were at least people at some point. That said, corporations are specifically identified as people under the tax code, while zombies surprisingly are not. See I.R.C. § 7701.

71. The cashier who takes in money on behalf of his employer is not deemed to have income by virtue of doing so—he is only taxed on the money paid to him for doing so. A zombie who labors on behalf of another and receives no pay should have no income.

incomes. Of course, if the entity controlling the zombie is a demon or other supernatural being, collecting the tax from the principal may be difficult.⁷²

Self-motivating zombies are likely to qualify as “individuals,” and therefore as “persons” and “taxpayers.” Moreover, even if they are not so construed, they would nonetheless likely be held responsible for any income they generate because there is no other person to whom the income could reasonably be attributed. The interesting question is whether such income would qualify as income with respect to a decedent.⁷³ Again, the Treasury regulations are silent.

Admittedly, subjecting zombies to the income tax presents certain administrative difficulties. For instance, most zombies would likely find it difficult to grasp the notion that they owe taxes, let alone have the capacity to file returns. Tax forms are purportedly geared for readers at the eighth-grade level,⁷⁴ though a quick glance at the forms suggests that it may be much higher.⁷⁵ The notion that zombies would be able to understand and fill out tax forms properly seems fanciful. A zombie-prepared tax return is almost certain to suffer certain defects, and collection might require skills not typically seen in the garden-variety government agent.⁷⁶ Congress will need to consider whether the projected revenue from taxing zombies is worth the administrative hassle of including such income in the tax base.⁷⁷

D. TAX PLANNING OPPORTUNITIES AND TRAPS FOR THE UNWARY

Depending upon how the laws are construed, a number of planning opportunities or traps for the unwary may arise for those who become zombies. For instance, under current law, when a person dies, his estate is hit with the estate tax, which is based on the fair market value of the property he owned as of the date of his death.⁷⁸ At the same time, for income tax purposes, the basis in a decedent’s property resets to its fair

72. The Internal Revenue Manual, which instructs IRS employees how to execute the tax laws, is surprisingly silent on how best to approach otherworldly creatures. *See generally* INTERNAL REVENUE SERV., INTERNAL REVENUE MANUAL (2012), available at <http://www.irs.gov/irm/>.

73. *See* I.R.C. § 691 (a).

74. *See* Bradley Graham, *IRS Did Its Homework: Tax Forms Called 8th Grade Stuff*, TOLEDO BLADE, Jan. 13, 1979, at 1, available at http://news.google.com/newspapers?nid=8_tS2Vw13FcC (enter “1/13/1979” in Date field and click “Go”).

75. *See, e.g.*, INTERNAL REVENUE SERV., OMB NO. 1545-0074, FORM 2555: FOREIGN EARNED INCOME (2012), available at <http://www.irs.gov/pub/irs-pdf/f2555.pdf> (explaining how to determine whether a taxpayer may exclude foreign-earned income). I would like to see an eighth grader figure that one out.

76. Those with backgrounds in lion taming or alligator wrestling might suddenly find themselves highly sought-after as potential revenue agents.

77. Of course, in a zombie apocalypse, the number of zombies could be great, so the potential revenues might justify the effort. Moreover, if zombies are exempt from income tax, a new form of income shifting may arise.

78. I.R.C. § 2031 (a). *But see id.* § 2032 (allowing for alternative valuation dates under some circumstances).

market value as of the date of death, with the result that any appreciation in the property he owned at death will escape the income tax, though it will be subject to the estate tax if the estate is large enough.⁷⁹

If people who become zombies are considered dead for federal estate and income tax purposes, little will change. Becoming a zombie will be no different than dying from pneumonia, aside from the part where you eat your friends and loved ones. However, other outcomes are possible. For instance, if someone who becomes a zombie is considered not dead (as opposed to undead) for estate and income tax purposes, neither the estate tax nor the basis reset would be triggered upon zombification. We would be in a situation similar to the one Congress negotiated as part of the Bush tax cuts, which relaxed the basis reset rules in conjunction with eliminating the estate tax.⁸⁰ Presumably, if this were the rule, both the estate tax and basis reset could kick in when a zombie was dispatched, creating incentives for people to become zombies to delay the application of the estate tax.⁸¹

One could also imagine the government taking the position that the estate tax and the basis reset are triggered both when one becomes a zombie *and* when that zombie is dispatched, giving the government two bites at the proverbial apple. This could be a significant revenue raiser because the wealthy would get hit twice by the estate tax. But it could also cost money because those with insufficient assets to trigger the estate tax would get their basis reset twice, thus reducing income tax revenues. The actual fiscal effect cannot be predicted with much accuracy, as it would depend on the distribution of assets, the identity of those who succumbed, and the time necessary to eradicate their zombies. Regardless, given the current anti-tax atmosphere in Washington, it seems unlikely that anyone who wishes to be re-elected would advance this position.

However, these options are not the only ones available. Until now, the estate tax and income tax have been construed consistently with regard to who is a decedent, but this need not be the case.⁸² In other words, it is possible that the transition from alive to undead could trigger the estate tax

79. See *id.* § 1014. Under some circumstances, taxpayers may elect a valuation date six months after the decedent dies. *Id.* §§ 1014(a)(2), § 2032(a)(2). Any built-in loss on the property is lost when the basis resets. For this reason, it makes little sense to die holding property worth less than its basis.

80. See *id.* § 1022 (repealed 2010) (providing for limited basis reset in conjunction with the elimination of the estate tax). A number of scholars have identified significant issues with continuing basis beyond a taxpayer's death, and we could expect to see them arise here as well. See Nancy M. Annick, *Plugging the "Gaping Loophole" of the Step-Up in Basis at Death: A Proposal To Apply Carryover Basis to Excess Property*, 8 PITTSBURGH TAX REV. 75, 94–98 (2011).

81. Another consequence of such a rule would be that the living who inherit from those who become zombies would likely be unable to exclude such inheritances under I.R.C. § 102.

82. For instance, in some cases property may be valued differently for estate and income tax purposes, despite the fact that both provisions require that value be set at fair market value. See I.R.C. §§ 1014(a)(1), 2031(a) (2006); Treas. Reg. § 20.2031-1(b) (as amended in 1965).

but not the basis reset. Were this to happen, taxpayers who become zombies would be hit twice, and years of tax planning could go out the window.⁸³ Alternatively, becoming a zombie could be deemed not to trigger the estate tax but to allow basis reset, in which case the government would forego two opportunities to collect revenue. While this would be great from a taxpayer perspective, it could significantly hinder the government's ability to respond to the outbreak, especially if it were severe.

Should it become possible to die and return voluntarily and unchanged, as Walt Disney hoped, depending on how the tax law develops, it may become advantageous to be dead for an extended period.⁸⁴ Serious thought must be given to whether those who choose to die solely for tax reasons and then come back should be deemed to have died or whether the sham-transaction doctrine or some other legal principle should be invoked to disregard the death.⁸⁵ As with many intent-based rules, it is not clear how such a doctrine would be implemented, especially as "accidental" deaths could be easily arranged, and it would be relatively easy to establish a non-tax reason for coming back.

Another interesting issue that may have far-reaching tax consequences is whether someone remains married once he becomes a zombie. Like death, the question of marriage is typically left to the states.⁸⁶ Under normal circumstances, marriage ends when one of the spouses dies. Whether a

83. People whose estates were too small to be affected by the estate tax would not suffer by virtue of the estate tax being triggered, but they would lose the benefit of a basis reset.

84. See, e.g., DOUGLAS ADAMS, *THE RESTAURANT AT THE END OF THE UNIVERSE 111* (Del Ray Books 2005) (1980) (Hotblack Desiato, the keyboardist for *Disaster Area* and a restaurant patron, is spending the year dead for tax purposes).

85. One famous (at least to tax professors) example of this arose in the case of *Boyer v. Commissioner*, 668 F.2d 1382 (4th Cir. 1981), in which the Boyters perennially traveled to the Caribbean to get divorced and remarried over the New Year, paying for their trips with their tax savings. One can easily imagine taxpayers attempting the same ploy by dying and then being resurrected when the tax climate improves. For an in-depth discussion of this issue as it relates to marriages, see Kerry Abrams, *Marriage Fraud*, 100 CALIF. L. REV. 1 (2012).

86. In some cases, federal tax law adds a gloss. For instance, for purposes of one's filing status, marriage is determined as of the last day of the year. See I.R.C. § 7703. However, whether someone is married on that date is typically a question of state law. In other cases, to prevent abuse, federal law deviates from state law. For instance, *Publication 501*, which addresses filing status, contains the following instruction:

Divorce and remarriage. If you obtain a divorce in one year for the sole purpose of filing tax returns as unmarried individuals, and at the time of divorce you intended to and did remarry each other in the next tax year, you and your spouse must file as married individuals.

INTERNAL REVENUE SERV., CAT. NO. 15000U, PUBLICATION 501: EXEMPTIONS, STANDARD DEDUCTION, AND FILING INFORMATION (2011), available at <http://www.irs.gov/pub/irs-pdf/p501.pdf>. Another example can be found in the Defense of Marriage Act ("DOMA"), under which the federal government will not recognize a state-sanctioned marriage between same-sex couples. Defense of Marriage Act, Pub. L. No. 104-199, 110 Stat. 2419 (1996) (codified at 1 U.S.C. § 7 and 28 U.S.C. § 1738C (2006)).

couple remains married after one spouse becomes undead presents a host of family law questions: Do alimony or child support obligations cease? Would it be polygamy for either spouse to remarry before getting a formal divorce? Certain religious questions may also arise. For instance, Catholics whose spouses have died are typically free to remarry. Regardless of what the state-law answer may be, the Vatican will have to decide whether Canon law permits someone with a zombie spouse to remarry.

The marriage-related tax questions that arise are equally complicated. First and foremost, whether one remains married after her spouse has become undead (or she becomes undead herself) affects one's filing status.⁸⁷ Depending on a taxpayer's earning profile, the answer could generate either a marriage bonus or penalty. Second, whether one is considered married implicates a host of anti-abuse and attribution rules that are designed to prevent married couples from engaging in transactions that affect their tax liability without changing their economic status. For instance, two separate provisions prevent taxpayers from deducting losses incurred on property sold to a spouse or other related party.⁸⁸ Absent such rules, taxpayers could trigger tax losses via such sales, while still retaining the property within the family unit. If people married to zombies are deemed no longer married for tax purposes, these rules would not apply, opening the door to significant tax-planning opportunities.⁸⁹

Assuming the IRS and Congress respond to this call for action, they should keep in mind that people respond to tax incentives. Authorities must remain vigilant against shaping tax law in ways that create tax advantages for zombies, thereby encouraging entrepreneurial scientists and tax lawyers to develop rogue viruses or radiation treatments that could create a zombie apocalypse.

While it seems unlikely that anyone would willingly become a zombie for tax purposes, it is not unreasonable to suppose that someone might also voluntarily become a vampire or some form of dead or undead to take advantage of these potential tax loopholes. I turn, therefore, to consider the tax consequences for vampires and ghosts in Part II.

87. See, e.g., I.R.C. § 1.

88. *Id.* §§ 267, 1041. Related-party provisions prevent abuse in a host of other circumstances. See, e.g., *id.* § 453(e) (undoing the effect of installment sales where property is sold to a related party within two years).

89. See *infra* note 114 for an example of how this might work. For a more robust discussion of the ability of people deemed strangers under the law to manipulate the tax system, see Theodore P. Seto, *The Unintended Tax Advantages of Gay Marriage*, 65 WASH. & LEE L. REV. 1529 (2008). No comparison between zombies and same-sex couples beyond their presumed tax statuses is intended.

II. TAX CONSEQUENCES FOR VAMPIRES AND GHOSTS

A. VAMPIRES AND TAXES

Vampires could qualify as a type of zombie under the broadest definition. Thus, the above analysis might apply to zombies and vampires alike.⁹⁰ However, given their separate histories, I treat them separately here.⁹¹ As with zombies, there is some question regarding how one becomes a vampire. In some traditions, if an animal, such as a cat or dog, jumps over a corpse, the dead body will become a vampire.⁹² In others, evil spirits control a corpse, making it a vampire.⁹³ Such vampires have certainly died before becoming undead, raising many of the same issues discussed above.⁹⁴ More recent research suggests a biological cause. In many cases, to become a vampire one must be bitten by a vampire and then ingest vampire blood.⁹⁵ As with some zombies, whether a person who becomes a vampire in this manner must first die is not clear.

For instance, the *True Blood* vampires must spend some time underground for the transition to take place, but we don't know whether they must be dead and buried or just buried. That they can also suffer "True Death" suggests they undergo a lesser death during the transformation, but we do not know whether such a death would qualify as death under applicable state laws.⁹⁶ The *Twilight* vampires' hearts stop as part of the transition, but brain function clearly continues.⁹⁷ Thus, the answer may depend on which test is used.

90. Zombies and vampires share the same early history in that both were considered to be corpses possessed by evil demons. It is said that George Romero modeled his zombies in *Night of the Living Dead* on the vampires from the Richard Matheson short story, *I Am Legend*, thus supporting the linkage. See MOGK, *supra* note 5, at 15–17. Indeed, Mogk includes an entire chapter on vampires in his book on zombies. See *id.* at 28–32. For a lengthy discussion of vampires old and new, see PAUL BARBER, VAMPIRES, BURIAL AND DEATH (1988), and KATHERINE M. RAMSLAND, THE SCIENCE OF VAMPIRES (2002).

91. I apologize to any Egyptologists who believe that mummies, too, deserve their own treatment.

92. See BARBER, *supra* note 90, at 33.

93. *Id.* at 191.

94. See also *Dark Shadows* (ABC television broadcast 1966–1971) (the character Barnabas Collins).

95. See, e.g., SETH GRAHAME-SMITH, ABRAHAM LINCOLN: VAMPIRE HUNTER (2010); CHARLAINE HARRIS, DEAD UNTIL DARK (2001) (the first book in the *Sookie Stackhouse* novel series); ANNE RICE, INTERVIEW WITH THE VAMPIRE (1976); *Buffy the Vampire Slayer* (Twentieth Century Fox Film Corp. television series 1997–2003); THE LOST BOYS (Warner Bros. Pictures 1987); *The Vampire Diaries* (Warner Bros. Television television series 2009); *True Blood* (HBO television series 2008) (a show based on the *Sookie Stackhouse* series).

96. "True Death" occurs when a vampire is dispatched.

97. See, e.g., STEPHENIE MEYER, TWILIGHT (2005) (the first title in a series of books and movies).

Most vampires seem to qualify as alive under a brain-function standard.⁹⁸ Assuming, arguendo, that a person dies under state law before becoming a vampire, vampires are more like Lazarus and Walt Disney than traditional zombies in that vampires retain all their faculties. In many ways, vampires become better versions of their original selves: faster, stronger, unaging,⁹⁹ and potentially able to transform into a bat, wolf, or cloud of mist.¹⁰⁰ Because vampires more closely resemble Walt Disney than a typical zombie, it seems probable that a person who becomes a vampire would be treated as still alive, even though he is undead.

Using the heart-function test to determine whether a vampire is dead proves even more difficult. It appears that most vampires have no heart function, suggesting that the original person died and remains dead. However, one can dispatch a vampire by putting a stake through its heart, indicating that this common understanding may be incorrect. More important, it seems likely that, despite a heart-function test, most states would classify someone with a fully functioning brain as alive. The difficulty of classifying vampires under this test may explain why so many states have shifted from a heart-function definition to one that focuses on the brain,¹⁰¹ though advances in scientific knowledge and technology, such as the artificial heart, may also have something to do with the switch.

Finally, it is worth noting that some vampires actually procreate.¹⁰² The ability to reproduce is a strong signal that life exists, suggesting that states might be well advised to replace definitions of death based on heart and brain function with some other, more comprehensive test that focuses on reproductive capability. However, problems exist with this test as well. Prions

98. See *supra* note 35 and accompanying text. It is not at all clear how many *Twilight* fans would qualify under this same standard.

99. See, e.g., RICE, *supra* note 95.

100. See BRAM STOKER, DRACULA 381–82 (1897).

101. The difficulty of determining whether vampires should be considered dead under the various tests described above suggests that we may be asking the wrong question. Perhaps the question should focus on the line between human and non-human, an issue that will certainly arise as our ability to alter body and genes and integrate machines and biological life may soon require revisiting the current definition of what it means to be human. For a discussion of these issues in the context of the human-machine interface, see Fabrice Jotterand, *Beyond Therapy and Enhancement: The Alteration of Human Nature*, 2 NANOETHICS 15 (2008). Addressing here the questions of when someone has transcended humanity and whether such transcendence should be considered a death event for tax purposes would break this camel's back and must be saved for another day.

102. See RAMSLAND, *supra* note 90, at 224. For instance, in *The Twilight Saga*, Renesmee Cullen is the offspring of Edward Cullen (vampire) and Bella Swan (human, at least through most of her pregnancy). THE TWILIGHT SAGA: BREAKING DAWN—PART I (Summit Entertainment 2011); In *Blade II*, the daughter of the vampire leader reveals to Blade that she was born a vampire. BLADE II (New Line Cinema 2002).

reproduce and yet are not considered alive.¹⁰³ In contrast, mules cannot reproduce,¹⁰⁴ but no one would consider them dead.

While the tax issues that vampires could encounter are similar to those facing zombies, real and important differences exist. For instance, concluding that the estate tax does not apply to those who become vampires could have a far greater impact on government revenues than such a conclusion about zombies because vampires are typically rich.¹⁰⁵ For instance, Count Dracula owned a large castle and vast hoards of gold.¹⁰⁶ Escaping the estate tax could provide a significant financial benefit for him and others like him. And, in contrast to zombies, vampires could actually enjoy their untaxed wealth, creating significant incentives for the wealthy to become vampires. Consider the estate taxes Steve Jobs could have saved had he become a vampire instead of passing on. In addition, he could have retained control of Apple, so long as he scheduled meetings only at night.¹⁰⁷

Every rose has its thorn, and if the estate and income tax laws were construed consistently, vampires would fail to receive the benefit of basis reset for appreciated property. However, given their longevity, vampires, unlike zombies, would likely be able to take advantage of certain tax-

103. For a discussion of prions, see *Prion Diseases*, CTRS. FOR DISEASE CONTROL & PREVENTION, <http://www.cdc.gov/ncidod/dvrd/prions/> (last visited Oct. 8, 2012).

104. For a discussion of mules, see *What Is a Mule?*, AM. DONKEY & MULE SOC'Y, http://www.lovelongears.com/about_mules.html (last visited Oct. 8, 2012).

105. But see most mummies, who are typically pharaohs buried with their vast wealth.

106. See STOKER, *supra* note 100. Count Chocula has clearly made a killing with his cereal products, and rumor has it that even Count von Count of Sesame Street fame is loaded. While harnessed to the greater good of teaching children to count, it turns out that Count von Count's OCD-like fascination with numbers is typical of vampires. See BARBER, *supra* note 90, at 49 (describing a tradition where people placed bags of grain near a suspected vampire's grave on the theory that the vampire would be compelled to count all the grains, thus occupying the vampire through the night and precluding other, less socially beneficial activities). Batman is also well off, owning a mansion, the Batcave, and a boatload of really cool toys. However, all evidence suggests that he is not a vampire—he is just some guy who likes to dress up in tights and pretend to be bat-like.

107. Given their longevity, vampires would also have significant advantages with compounding interest and the tax deferral provided by IRAs and other tax-advantaged savings plans, such as whole life insurance. Vampires would presumably be subject to mandatory withdrawals at age seventy and a half, see I.R.C. §§ 401(a)(9), 408(b)(3) (2006), but it is not clear how the amount of withdrawals would be calculated because the traditional actuarial mortality charts would not apply.

Another interesting question would be whether a vampire qualifies as a “life in being” for purposes of the rule against perpetuities. If so, the rule would functionally cease to operate in those states that have not already abandoned it. While vampires would not need to create trusts to exercise the undead hand, they might want to create self-settled asset protection trusts or trusts to provide for underage or spendthrift offspring in the event they are exposed to sunlight or a well-placed wooden stake. If they could find a jurisdiction that does not tax trust income, such as Alaska, all the better. This may explain why the vampires who threatened Bella in the first *Twilight* book spent time in Alaska.

planning techniques to avoid this problem.¹⁰⁸ Thus, they could potentially get the benefits of both no estate tax and basis reset, which would be disastrous from a government-revenue perspective.

Applying the income tax to vampires also has far more significant revenue implications than it does for zombies. Because they retain all their faculties, vampires can continue to earn income and acquire or dispose of property. Indeed, vampires are likely to work the night shift, which usually pays more than day jobs, so their income could be significant.

Above, when discussing zombies, I suggested that administrative concerns might warrant excusing zombies from income taxation. The foregoing discussion suggests that a rule excluding *all* undead from the income tax might be overbroad and could have significant consequences for the public fisc. Thus, were Congress to exempt zombies from the income tax for administrative reasons, it is critically important that it take care not to exempt vampires inadvertently. Indeed, this raises the question whether Congress should consider enacting new laws to cover the undead, or perhaps even different laws for different kinds of undead.¹⁰⁹ However, this would require rigorous definitions of zombies, vampires, and the like, and could create significant line-drawing problems, with individuals arguing they are one or the other to obtain some tax benefit.¹¹⁰

Issues related to marriage also arise with vampires. If people who become vampires don't die as part of the conversion process, presumably they will continue to be married under state law, and the anti-abuse rules found in the tax code will apply to them in full. If they are considered to have died, and therefore to no longer be married under state law, the anti-abuse rules would not apply, opening the door to tax-planning opportunities that might prove tempting enough to cause people to turn to vampirism.

One further wrinkle must be considered. Vampires might not be deemed married for federal tax purposes, even if they remain married under state law. The Defense of Marriage Act ("DOMA") defines marriage for federal law purposes as the "legal union between one man and one

108. For instance, they could give appreciated property to their servants or others, who would agree to leave it to them in their wills. All the servants need to do is live the obligatory one year to avoid the prohibition on basis reset found in I.R.C. § 1014(e). As vampires do not age, they have the luxury of taking the long view and simply waiting to let nature take its course. Or, if their servants inconveniently live longer than expected, they could no doubt fix that problem as well, so long as they are not caught and barred from inheriting under state law. Gift tax issues may arise, but they are beyond the scope of this Essay.

109. See, e.g., the Undead Tax Recognition Act of 2011, described in Robert G. Nassau, *The Undead Tax Recognition Act of 2011*, 133 TAX NOTES 641 (2011).

110. To avoid this problem, the IRS could create a check-the-box regime allowing individuals to select whether they would like to be taxed as individuals, zombies, or vampires, much like currently exists for partnerships and LLCs. See INTERNAL REVENUE SERV., OMB NO. 1545-1516, FORM 8832: ENTITY CLASSIFICATION ELECTION (rev. Jan. 2012), available at <http://www.irs.gov/pub/irs-pdf/f8832.pdf>.

woman.”¹¹¹ Even if someone’s vampire wife might be deemed still married under state law, it is not clear whether she would be considered a “woman” for purposes of DOMA.¹¹² If not, the couple would be considered unmarried for federal tax purposes, and the anti-abuse rules would no longer apply.

As with real wrinkles, where there is one, there are often more. Even if a vampire wife were considered a woman under DOMA, tax-planning opportunities still exist. Some vampires can turn into bats, wolves, or grey mist.¹¹³ If DOMA is to be taken seriously, a vampire cannot be considered a woman—and therefore married—while in non-human form. Accordingly, someone married to a vampire could simply ask his spouse to transform into a bat before engaging in transactions that would normally be covered by the anti-abuse rules. The vampire would likely need to execute a durable power of attorney to avoid any issues regarding her capacity to act while in non-human form.¹¹⁴ DOMA presents risks as well. For instance, if a vampire were killed while in a non-human form, the surviving spouse would likely not be able to take advantage of the estate and gift tax marital deductions.¹¹⁵ The IRS has yet to issue guidance on the application of DOMA to vampires, so tax lawyers are well advised to be cautious when giving advice to their married, undead clients.¹¹⁶

111. 1 U.S.C. § 7 (2006).

112. This same concern arises for zombies. I have deferred its consideration until now so that I could address it in conjunction with the issues that arise with shape shifters.

113. See STOKER, *supra* note 100.

114. This strategy would also be available to werewolves, who change from human to wolf once a month. A brief example might help illustrate how this would work. Assume that Professor Lupin and Tonks survived their encounter with Lord Voldemort and emigrated to the United States. Further assume that Lupin and Tonks had a 50,000 galleon gain on the sale of a piece of property, on which they normally would have to pay tax. Further assume that Lupin owned another piece of property with a built-in 50,000 galleon loss. If Lupin were to sell the property to a third party, he could claim the loss and offset his gain, zeroing out his income and avoiding any tax. However, if he were to sell the property to Tonks, he would be precluded from taking the loss under § 1041. I.R.C. § 1041 (2006). But if Lupin were to wait until a full moon to sell the property to Tonks, they would not be considered married for tax purposes, and he would be allowed to deduct the loss, thereby shielding the 50,000 galleon gain from taxation.

115. *Id.* § 2010(c).

116. This lack of guidance regarding DOMA’s application to the undead is not surprising given the IRS’s reluctance to issue guidance for married same-sex couples who are deemed unmarried for federal tax purposes. For a sense of the complications that may arise for those deemed married under state law but not married for federal tax purposes, those seeking to advise undead clients might be well advised to consult with attorneys currently representing same-sex couples. See, e.g., JOAN M. BURDA ET AL., ESTATE, TAX, AND BENEFITS PLANNING FOR UNMARRIED COUPLES: FORMAL AND INFORMAL ARRANGEMENTS AND AGREEMENTS (2009).

B. TAXES FOR THE CORPOREALLY CHALLENGED

What about instances where death is . . . more certain? I'm speaking of ghosts and other non-corporeal entities, of course.¹¹⁷ Unlike zombies or vampires, ghosts are most certainly considered dead, not undead. Someone who becomes a ghost is clearly dead for state-law purposes. Although ghosts often remain attached to their property, and indeed haunt it in some cases,¹¹⁸ they do not retain title to their property. Someone who dies and leaves only a ghost behind will go through probate and have no rights to the property she owned while alive. There seems to be no reason why federal tax law would deviate from state law and treat ghosts as still alive, thus allowing them to escape the estate tax. Indeed, it is not clear when the estate tax *would* apply if not at the person's death.¹¹⁹

Nonetheless, ghosts still could theoretically be subject to the income tax. Insofar as they lose title to all their property and do not seem capable of acquiring additional property, they are unlikely to have any unearned income. Most ghosts do not work, so the question of earned income is typically moot. Nonetheless, documented examples of working ghosts can be found. For instance, Professor Binns at Hogwarts teaches the history of magic.¹²⁰ It is unclear whether Professor Binns is paid for his services, but if he is, he may owe income tax on his earnings.¹²¹

Of course, it seems unlikely that ghosts would be paid in earthly goods or currency, as they have little use for them.¹²² More likely, they would receive "phantom" income. Thus, the question would be whether such income would be subject to tax. While some phantom income is included in the tax base,¹²³ it is not clear whether other types of phantom income would be.¹²⁴ Again, guidance would be helpful.

117. The following analysis would also apply to spirits, including souls.

118. See, e.g., *BEETLEJUICE* (The Geffen Film Co. 1988); *Ghost Hunters* (Pilgrim Films & Television, Inc. television series 2005).

119. For zombies, the estate tax could apply when the zombie is dispatched or decays into nothingness; for vampires, when they suffer "True Death."

120. See J.K. ROWLING, *HARRY POTTER AND THE SORCERER'S STONE* 133 (1997).

121. See also Slimer, who appears to work with the Ghostbusters in *Ghostbusters 2*. *GHOSTBUSTERS 2* (Columbia Pictures 1989).

122. But see Moira on *American Horror Story*, who continues to work for various families who live in the house in which she died. She is apparently paid so much that at least one family considered firing her. *American Horror Story: Murder House* (FX television broadcast Oct. 19, 2011).

123. See I.R.C. § 61(a)(12) (2006), which includes cancelled debt in income. In some cases such income is excluded. See *id.* § 108.

124. Ghostly gold coins are similar to the virtual gold one earns in *World of Warcraft*. Despite repeated urging, the IRS has yet to provide guidance on whether this type of income should be included in the tax base. See TAXPAYER ADVOCATE SERV., INTERNAL REVENUE SERV., NATIONAL TAXPAYER ADVOCATE: 2008 ANNUAL REPORT TO CONGRESS 214 (2008), available at http://www.irs.gov/pub/irs-utl/o8_tas_arc_intro_toc_msp.pdf (discussing the lack of guidance by the IRS in this area).

CONCLUSION

There is no doubt that a zombie apocalypse will create an urgent need for significant government revenues to protect the living, while at the same time rendering a large portion of the taxpaying public dead or undead. If Congress is to take seriously its obligation to promote the general welfare and ensure the national defense, it should immediately begin the task of determining how existing laws apply to the undead. Doing so will ensure that our government can provide guidance to all Americans—living *and* undead—and thereby be assured of having the resources necessary to combat the crisis. At the very least, Congress should take this opportunity to remedy its utter failure to consider that the dead may rise again, and to clarify the relationship between state and federal tax laws for the nonliving.

In light of the difficulties described above, it may make more sense to rethink these laws in their entirety and perhaps create special tax laws for the undead. Given the wide variety of undead, this approach will raise its own problems, as it seems unlikely that one size will indeed fit all. Congress might consider creating different sets of tax laws to apply to zombies and other undead beings, much as there are different tax laws that apply to corporations and partnerships. However, such new laws would require developing rigorous definitions of “zombie,” or “vampire”—an admittedly difficult task.

Over the past several years, Congress has found itself locked in a form of partisan rigor mortis. There is no reason to believe things will improve when half of the country’s legislators have been turned into zombies and rigor mortis sets in in earnest. Congress should act now to address this looming crisis before it is too late.

For a discussion of the taxability of virtual income, see Adam S. Chodorow, *Ability To Pay and the Taxation of Virtual Income*, 75 TENN. L. REV. 695 (2008) (arguing that virtual income is properly considered income and should be included in the tax base in most cases); Adam Chodorow, *Tracing Basis Through Virtual Spaces*, 95 CORNELL L. REV. 283 (2010) (attempting to design a basis regime that accounts for the peculiarities of virtual worlds); see also Bryan T. Camp, *The Play’s the Thing: A Theory of Taxing Virtual Worlds*, 59 HASTINGS L.J. 1 (2007) (arguing that virtual income should not be taxed because it is a form of imputed income); Leandra Lederman, “Stranger than Fiction”: *Taxing Virtual Worlds*, 82 N.Y.U. L. REV. 1620 (2007) (arguing that virtual income earned in game worlds should not be taxed, but that sales—but not barter—in worlds such as that in Second Life should be); Theodore P. Seto, *When Is a Game Only a Game?: The Taxation of Virtual Worlds*, 77 U. CIN. L. REV. 1027 (2009) (arguing that taxation of virtual income should depend upon whether virtual goods are either convertible or redeemable). Also see Adam Chodorow, *Tax in the Final Frontier: A Theory of Interstellar Tax*, 124 TAX NOTES 1033 (2009) (exploring the taxability of income earned in interstellar flight travelling at relativistic speeds).