

MINI TAX COURSES
PARTNERSHIP TAXATION – Technical Series
CATALOG

Course Outline *below*

Provider of
Continuing Professional Education (CPE)
to
CERTIFIED PUBLIC ACCOUNTANTS

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TAX COURSE

1. **Debt Allocation**
2. **Section 754 Election and Basis Adjustments**
3. **Contribution of Property**
4. **Contribution of Services**
5. **Distributions: Cash, Property, and Debt**
6. **Disposition of a Partnership Interest**
7. **Partnership and LLC Operating Agreements**
8. **Introduction to Allocation of Partnership Income**
9. **Allocation of Partnership Income – Section 704(c)**
10. **Allocation of Partnership Income – Section 704(b)**
11. **Partnership Terminations**
12. **Partnerships and International Tax Issues**
13. **Tiered Partnerships – Selected Topics**
14. **Partner vs. Lender**
15. **Partnership Mergers and Divisions**

Designed For:

Professionals responsible for providing tax advisory and compliance services to partnerships and limited liability companies engaged in real estate transactions.

Learning Objective:

The participant will be able to properly analyze transactions involving various real estate and non-real estate related transactions with a view to achieve tax efficiency for both the partnership and its partners.

FOR

- **Tax Partners ...**
- **Tax Managers ...**
- **Tax Seniors ...**
- **Tax Staff ...**

**In Public Accounting or
Private Industry**

PARTNERSHIP TAXATION SERIES

1. Debt Allocation (1 credit hour)

- A. Capital Basis - Overview
 - Contribution of Cash / Property
 - Purchase Partner Interest
 - Gifted Partner Interest and Inherited Partner Interest
- B. Debt Basis – Detailed Coverage
 - Allocation of Recourse Debt
 - Allocation of Nonrecourse Debt
 - Effects of Section 704(b) & (c) Minimum Gain
 - Related Party Loans, Partner Loans and Guarantees

2. Section 754 Election and Basis Adjustments (2 credit hours)

- A. Section 754 Election
 - Filing and Notification Requirements
 - Reg. 301.9100-2 Relief for Late Elections
- B. Basis Adjustments
 - Section 743(b) – Transfer of Partner Interest
 - Section 734(b) – Distributions
 - Section 755 – Allocation of Basis Adjustments
- C. Integration of Sections 743 and 704(c)
- D. Section 743 with a Discount or Bargain Element
- E. Contribution of Section 743 Property to a Lower-Tier *Partnership*
- F. Contribution of Section 743 Property to a Lower-Tier *Corporation*

3. Contribution of Property (1 credit hour)

- A. General Nonrecognition Rule – Section 721(a)
- B. Exceptions to Nonrecognition Rule
 - Encumbered Property
 - Disguised Sales
 - Investment Company Rules

4. Contribution of Services (1 credit hour)

- A. Section 83 Regulations – Applicability to Partnerships
- B. Partnership Capital Interest for Services: Vested and Unvested
- C. Partnership Profits Interest for Services: Vested and Unvested
- D. Rev. Proc. 93-27 and Rev. Rul. 2001-43
- E. Forfeiture Allocations
- F. Recently Issued Proposed Regulations
- G. Options to Acquire a Partnership Interest

5. Distributions: Cash, Property and Debt (2 credit hours)

- A. Distributions: Noncompensatory
 - Distributions of Cash and Property – General Rule
 - Gain or Loss to Distributee Partner
 - Tax Basis of Distributed Property
 - Distribution of Encumbered Property

Course Outline
PARTNERSHIP TAXATION – TECHNICAL SERIES
Mini Tax Courses

- Distribution of Marketable Securities
- Distribution of Section 704(c) Property
- Distributions and Section 734(b) Basis Adjustments
- B. Distributions: “Compensatory”
 - Guaranteed Payments
 - Preferred Returns
 - Self-Employment Tax: Partnerships and LLCs
- C. Disproportionate Distributions – Section 751 Hot Assets Rules
- D. Debt-Financed Distributions

6. Disposition of a Partnership Interest (2 credit hours)

1. Sale of a Partner Interest
 - General Rule
 - Hot Asset Rules – Section 751(a)
 - Sale to a Related Party and Section 1239
 - Disguised Sale of a Partner Interest – Recent Proposed Regulations
 - Effect of Partnership Liabilities on Disposition of Partner Interest – Reg. 1.752-1(h)
 - Installment Sale of a Partner Interest
2. Redemption of a Partner Interest (Retirement Payments) – Section 736
3. Revenue Ruling 84-53
 - Sale of a Partial Interest in a Partnership
 - Holding Multiple Interests in a Partnership and Selling Less Than All Interests
4. Holding Period of a Partnership Interest – Sec. 1223 Regulations
5. Gift of a Partnership Interest
6. Disposition of Losses Suspended Under Section 704(d), 465, and 469

7. Partnership and LLC Operating Agreements (2 credit hours)

- A. Understanding the Economic Arrangement
 - IRR and Preferred Return Computations
 - Calculating the “IRR Hurdle”
 - Effect of Delayed Preferred Capital Distributions
 - Capital Based vs. Priority Based Liquidations
 - Promote Allocations and Computations
 - Economic Impact of a DRO vs. QIO
- B. Distribution and Income Allocation *Provisions*
 - Income vs. Cash
 - Preferred Returns, Hurdle Rates and IRRs
 - Promote Provisions
 - Waterfall or Tiered Income Allocation Provisions
 - Target Capital

8. Introduction to Allocation of Partnership Income (1 credit hour)

- A. Partnership Income, Loss and Tax Credits – Section 704(b)
 - Basic Allocation Rules - Overview
- B. Contribution of Appreciated Property – Section 704(c)
 - Allocation of Pre-Contribution of Gain or Loss
- C. Varying Interests in Partnership Rule – Section 706
 - Partner-Changes: Affect on Allocation of Partnership Income

Course Outline
PARTNERSHIP TAXATION – TECHNICAL SERIES
Mini Tax Courses

- D. Family Partnership Allocation Rules – Section 704(e)
 - Recognition of Donee-Partner as Partner for Income Tax Purposes
 - Allocation of Tax Items Between Donor and Donee-Partner
- 9. Allocation of Partnership Income – Section 704(c) (2 credit hours)**
 - A. Contribution of Appreciated Property – Section 704(c) Built-In Gain
 - Nondepreciable Property
 - Depreciable and Amortizable Property
 - Reg. 1.752-7 Contingent Liability (“Built-in Loss Property”)
 - Integration of Sections 704(c) and 1031
 - Integration of Sections 704(c) and 263A UNICAP
 - B. Special Allocation Methods Re: Tax Depreciation
 - Traditional Method
 - Traditional Method with Curative Allocations
 - Remedial Method
 - C. Mixing Bowl Transactions
 - Section 704(c)(1)(B) and 737 – “7 Year Distribution Rules”
- 10. Allocation of Partnership Income – Section 704(b) (2 credit hours)**
 - A. Revaluation (“Book-Ups” and “Book-Downs”) of Partner Capital Accounts
 - Capital Account Maintenance Rules
 - Mandatory Capital Account Revaluation
 - Optional Capital Account Revaluation
 - Effect of Revaluation on Allocation of Pre-Revaluation Gain or Loss
 - Effect of Revaluation on Tax Depreciation
 - B. Partner’s Interest in Partnership (facts & circumstance test)
 - C. Substantial Economic Effect (safe harbor rules)
 - Deficit Restoration Obligation
 - Alternative Economic Effect
 - Qualified Income Offset Provision
 - Economic Equivalence Test
 - Minimum Gain Chargeback Provision
 - Value-Equals-Basis Rule
 - Target Allocation Provisions
 - D. Allocation of Nonrecourse Deductions
 - E. Allocation of Tax Credits
 - F. Special Allocations: The Boundaries
- 11. Partnership Terminations (2 credit hours)**
 - A. Actual Termination of a Partnership – Section 708(b)(1)(A)
 - Business Cessation (Winding-Up a Partnership): Tax Considerations
 - Actual and Deemed Distributions
 - Multi-Member to Single Member: Rev. Rul. 99-6 CASE STUDY
 - Keeping the Partnership Alive: Tax Benefits
 - SPREADSHEET EXAMPLE – Multi-Member to Single Member LLC
 - B. “Technical” Termination of a Partnership – Section 708(b)(1)(B)
 - Construct of a Technical Termination
 - Final and Initial Year Returns – Reporting Requirements
 - Section 754 Election and Basis Adjustments

Course Outline
PARTNERSHIP TAXATION – TECHNICAL SERIES
Mini Tax Courses

- Depreciation: Special Issues
 - SPREADSHEET EXAMPLE – Interest Transfer and 743(b) Adjustment
 - C. How to Avoid Partnership Terminations
- 12. Partnerships and International Tax Issues (2 credit hours)**
- A. Foreign Partnerships: U.S. Filing Requirements
 - B. Check-the-Box Regulations
 - C. Outbound Transactions: U.S. Investment in a Foreign Partnership
 - The “Pro Forma” Federal Form 1065
 - Federal Form 8865
 - D. Inbound Transactions: Foreign Investment in a U.S. Partnership
 - FDAP – Fixed and Determinable, Annual and Periodic Income
 - ECI - Effectively Connected Income
 - U.S. Withholding Tax (FDAP and ECI)
 - Rental Real Estate “Net Election”
 - Branch Profits Tax and Excess Branch Interest Tax
 - Income Tax Treaties – Overview
- 13. Tiered Partnerships (2 credit hours)**
- A. Technical Terminations
 - B. Section 754 Election / Basis Adjustments under Sections 743 and 734
 - C. Section 752 Debt Allocation: Upper and Lower Tier Liabilities
 - D. Section 704(c) Income Allocation Issues
 - E. U.S. Withholding Tax Re: Foreign Partners
- 14. Partner vs. Lender (1 credit hours)**
- A. Debt Instruments: (i) Straight Debt, (ii) Mezzanine Financing, and (iii) Venture Capital
 - B. Tax Issues: Equity vs. Debt
 - C. Sale vs. Redemption: Determining Basis in Distributed Property
- 15. Mergers and Divisions (2 credit hours)**
- A. Partnership Mergers – Final Regulations under Section 708
 - B. “Sale Within a Merger” Rule
 - C. Partnership Divisions – Final Regulations under Section 708
 - D. Partnership Incorporation – Rev. Rul. 84-111

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PARTNERSHIP TAXATION – TECHNICAL SERIES
Mini Tax Courses

Program Details

Time

To be determined.

Course title

See Course Description Above

Method of presentation

Group-Live: Lecture, discussion, question and answer

Recommended CPE credit

See Course Description Above

Field of study

Taxation

Prerequisite

Knowledge in taxation

Advance Preparation

None

Course level

Intermediate

Developer

Steven C. Barranca, CPA

Registration / Fee

To be determined in accordance with our fee schedule (available upon request) and in advance of date of in-firm seminar presentation.

Refunds and Cancellation

Refunds will be issued for seminars provided written notice of cancellation is received 10 business days prior to the course date. Transfers and substitutions available for members of same firm only. For information call Steven Barranca at 732-687-0346.

Complaint Resolution

For information regarding administrative policies such as complaint and refund resolution, please contact our offices at: (732) 732-0346.

Speaker

STEVEN C. BARRANCA, CPA

Professional Experience:

Steven Barranca has 25 years of public accounting experience and is a tax principal with a NYC regional accounting and consulting firm. Steve specializes in the taxation of real estate partnerships. Steve has extensive experience real estate developers, investors, operators, syndicated real estate deals, tiered-entity-structures, low-income housing projects, UPREIT structures and compliance matters, tax-exempt investors, and Section 1031 like-kind exchanges. Steve also works heavily with corporate and partnership debt workouts. He consults frequently on FAS 109 tax accrual matters for public and middle-market companies.

Speaking:

Steven Barranca is a frequent speaker on partnership taxation and real estate transactions. He has authored materials for continuing professional education providers including the Center for Professional Education, Inc. Steve is an adjunct professor with New York University (NYU) and teaches accounting, finance and taxation in the NYU Graduate Real Estate Program. Steve Barranca has been invited to speak at various high profile events including the AICPA's National Real Estate Conference (2000, 2001 and 2005), NYSSCPAs Annual Tax / Plenary Conference (2003 and 2006), NYSSCPAs Westchester Annual Tax Conference (2000, 2001, 2002, and 2003) DFK International, Inc. – Multidisciplinary Conference (2005, 2007, and 2011).