

# Table of Contents

<b>Overview of Partnerships .....</b>	<b>1</b>
Introduction.....	1
General partnership .....	1
Limited liability company .....	2
Limited partnership.....	2
Limited liability partnership.....	3
Identifying the type .....	3
Importance of the type of partnership .....	5
Basis .....	5
Liabilities .....	8
Self-employment tax .....	17
Passive activity rules .....	19
<b>Profit, Loss and Capital .....</b>	<b>28</b>
Tax basis capital accounts.....	28
Book basis capital accounts.....	32
Allocations of profit and loss .....	34
Section 704(c).....	35
Agreement's impact on allocations .....	50
Substantial economic effect.....	53
Substantiality test.....	58
Partner's interest in partnership (PIP) .....	63
Making proper PIP allocations .....	65
Guaranteed payments .....	71
Payments to corporations .....	75
Rentals.....	76
Fringe benefits .....	77

<b>Section 754</b> .....	<b>90</b>
Purpose of §754 .....	90
Optional basis adjustments.....	92
Making the election.....	123
<b>Other Issues</b> .....	<b>131</b>
Mandatory adjustments .....	131
Disguised sales.....	132
Two-year presumption .....	135
Liabilities .....	138
Disguised sales of partnership interests .....	140
Disclosure requirements.....	140
Tiered partnership losses.....	141
Basis .....	142
At-risk .....	144
Passive .....	145
Excess business loss .....	146
Change in partners .....	147
Sale .....	147
Gift .....	152
Redemption.....	154
Death of a partner .....	160
Multi-member LLC change to single-member LLC.....	161
Allocation of profit and loss .....	177
Hot assets.....	183
Disproportionate distributions .....	186
<b>Appendix</b> .....	<b>195</b>
<b>Index</b> .....	<b>197</b>