

Table of Contents

Introduction.....	1
Partnerships – Overview	1
Partner loss limitations	1
Basis.....	1
At-risk	19
Passive activity loss rules	20
Excess business loss	24
Profit, loss and capital	24
Tax basis capital accounts.....	25
Book basis capital accounts.....	27
Allocations of income and loss	29
Guaranteed payments.....	42
Section 754.....	49
Purpose of §754	50
Making the election	78
Disguised sales	79
Change in partners	88
Sale	88
Gift.....	90
Redemption	92
Death of a partner	98
Hot assets.....	99
Disproportionate distributions.....	101
S Corporations.....	110
Shareholder loss limitations.....	110
Basis limit.....	112
At-risk limitation.....	136
Passive activity loss limitation	143

Excess business loss limitation.....	153
Distributions.....	160
Amount distributed.....	161
No earnings and profits	162
With earnings and profits.....	166
Noncash property distributions.....	171
Reasonable compensation	172
Historical data	174
Fringe benefits	185
Built-in gains tax	192
Assets subject to built-in gains tax	193
Assets acquired after the S election	197
Determining built-in gain.....	197
Determining built-in loss	199
Recognition period.....	201
Calculating and reporting	203
Change in stock ownership	210
Disposition of stock.....	210
Allocation of income (loss).....	219
Index	232