

The background features a complex, abstract design of overlapping, colorful loops and numbers. The loops are in various colors including yellow, purple, blue, red, green, and orange. The numbers are also colorful and scattered across the lower portion of the slide, some appearing to be part of a larger, partially visible number sequence.

New Audit Partnership Rules Explained

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Welcome



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New Partnership Audit Rules

BIPARTISAN BUDGET ACT OF 2015



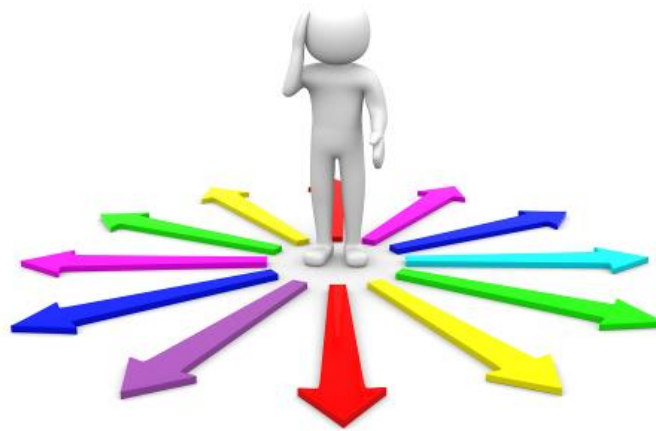
New Partnership Audit Rules

WHY THIS LEGISLATION



New Partnership Audit Rules

PROPOSED REG **136118-15**



New Partnership Audit Rules

DEFAULT RESULT:

***ALL OF THE RESULTS OF
THE AUDIT WILL BE PAID
BY THE PARTNERSHIP***



New Partnership Audit Rules

SO WHAT?

Does Not Affect Partners,
Correct?

Capital Accounts?

New Partnership Audit Rules

- Taxed at Highest Corporate or Individual Rate
- Rates Can Be Mitigated By “Partnership Representative”
- Can Be Pushed Down to Former Partners By “Partnership Representative”

New Partnership Audit Rules

- Opt Out
- 100 or Less Partners
- Can Only Have
 - Individuals
 - Corporations
 - Estates of Deceased Partners
- Elected on Timely Tax Return
- Include Partners Detail



New Partnership Audit Rules



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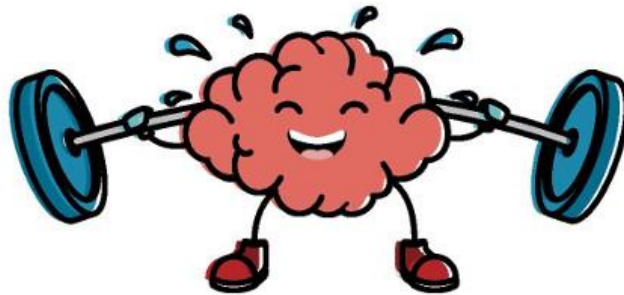


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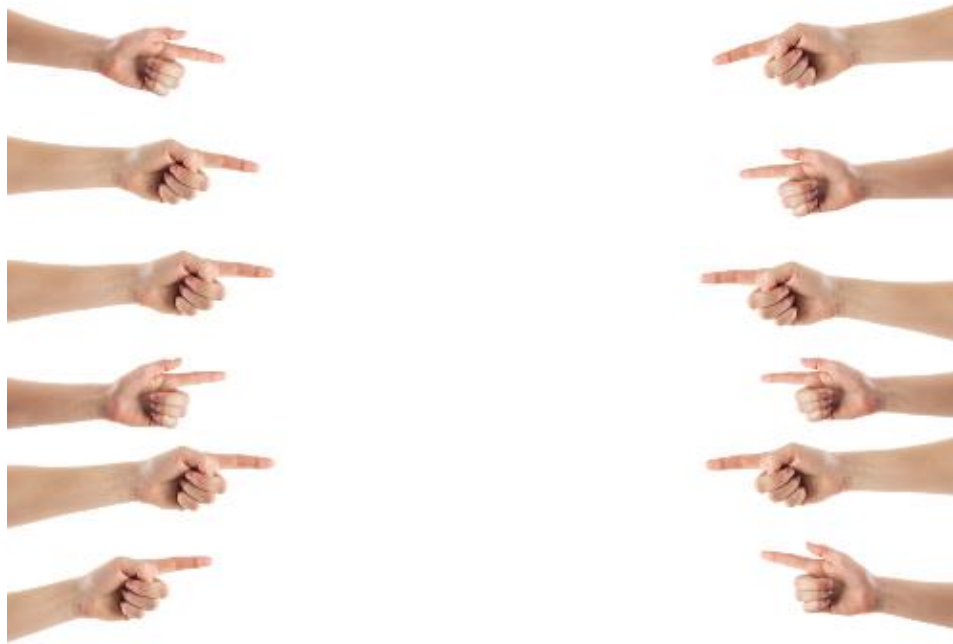
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TAX REPRESENTATIVE



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WHO SHOULD BE YOUR TAX REPRESENTATIVE?



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WHAT SHOULD I DO NOW?

- **Do You Want to Opt Out?**
- **Can You Opt Out?**



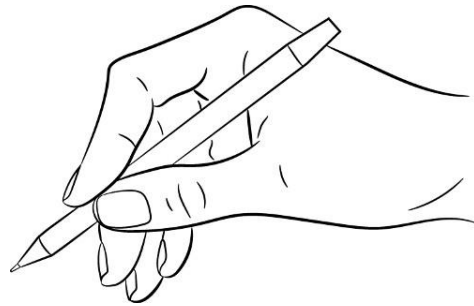
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AMEND AGREEMENT



New Partnership Audit Rules

- **Designate Tax Representative**
- **If You Can, Opt Out?**
- **If You Cannot Opt Out, Push Out?**



New Partnership Audit Rules

TIER PARTNERSHIPS



Questions



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