

Don't Throw Away Your Shot:
How to Deal With the New IRS Audit Rules in
Your Partnership Agreements

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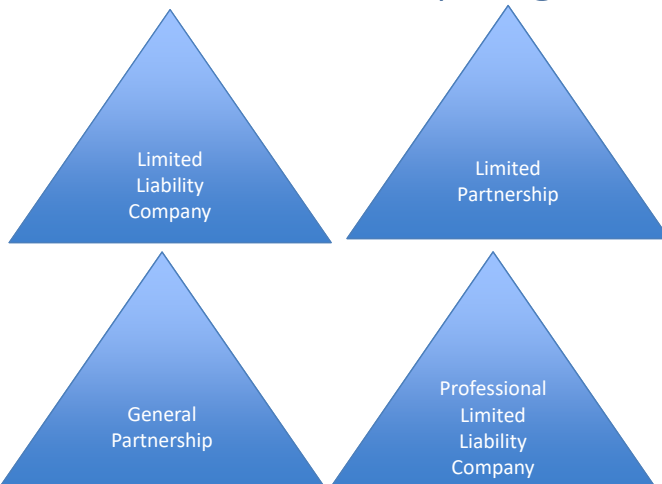
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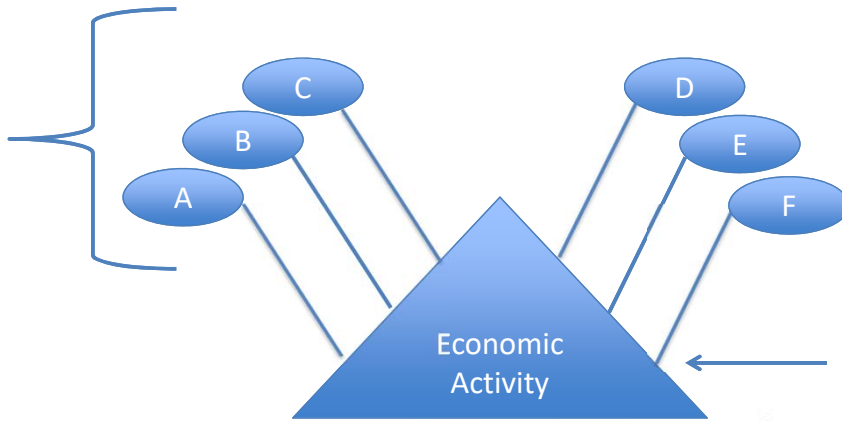
That State-Law Entity Might be a (Tax) Partnership.



They all look the same
to us Tax lawyers!

Tax Partnerships are Pass-Through Entities.

Tax is paid here, with each partner paying at his own marginal rate.



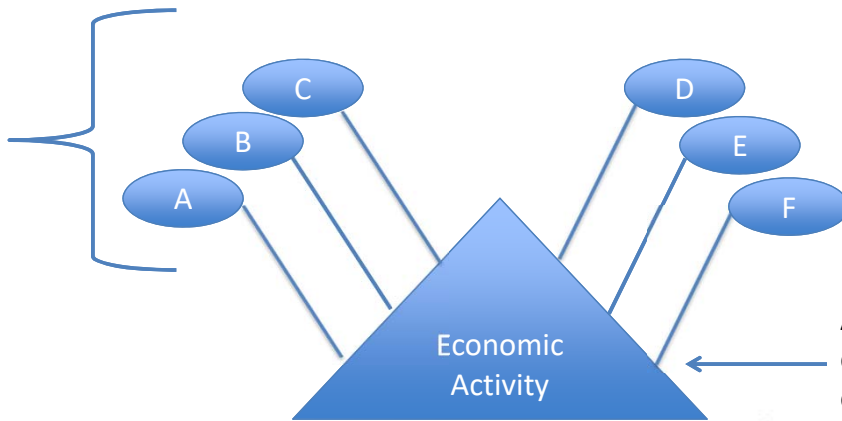
Items of income and deduction arise here.

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Historically, the Same Has Been True on Audit.

Tax is paid here, with each partner paying at his own marginal rate.



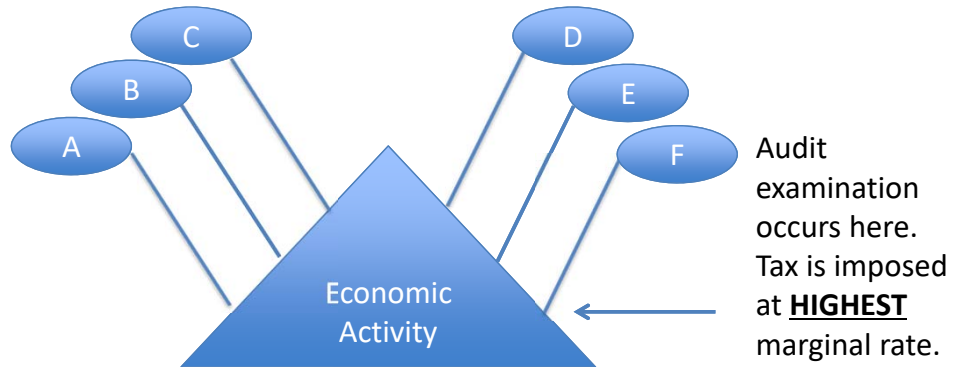
Audit examination occurs here.

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For Tax Years Beginning After 12/31/17, New Bipartisan Budget Act ("BBA") Audit Rules Apply.

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Audit examination occurs here. Tax is imposed at **HIGHEST** marginal rate.

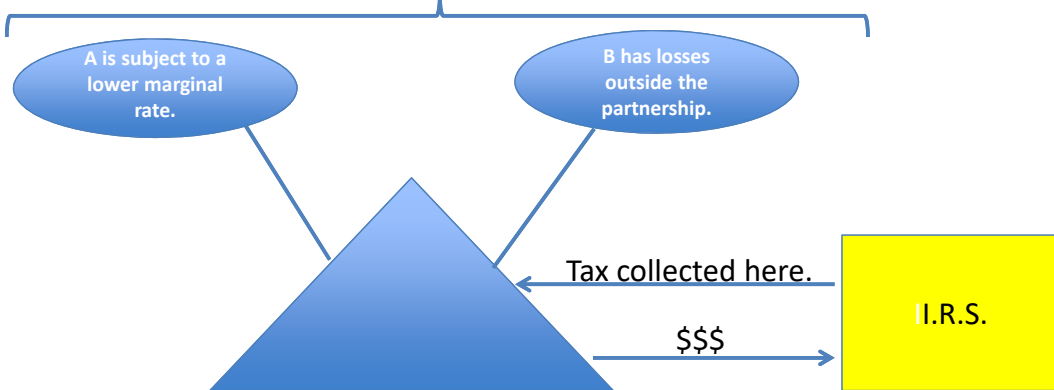
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BBA Invites a Parade of Tax Horrors.

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Neither of these tax attributes operates to reduce the tax paid.



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