

PRESENTED AT

The 16th Biennial Parker C. Fielder Oil, Gas, and Energy Tax Conference

November 16-17, 2023

Houston, TX

Selected Issues Under the BBA Audit Regime

William H. Wilson

Author Contact Information:

Bill Wilson
Whitley Penn Tax Services
Plano, Texas

Bill.Wilson@WhitleyPenn.com
(469) 221-4800

Selected Issues Under the BBA Audit Regime

Bill Wilson
Whitley Penn Tax Services
Plano, Texas



1

Background & Basic Rules

- Assessment and collection of additional tax at partnership level
- Deficiency is imposed on the partnership at the highest individual or corporate rate.
- Negative adjustments are pushed out
- Partnership can elect to push out adjustments to reviewed year partners



2

Terms

- **Adjustment year:** the year an AAR is filed
- **Reviewed year.** the partnership's tax year to which a partnership adjustment relates (the amended return or audit year).
- **Reporting year** is the partner's tax year(s) that includes the date the audited or AAR partnership furnished the Forms 8986 to its partners. The regulations require Form 8986 to be furnished at the same time the AAR is file, so generally they are the same tax year.



3

Practical Issues and Concerns

- Stranded Overpayments
- AMT Surprises
- Changes not effecting income (e.g. changes to liabilities, capital, etc)
- Changes to items effecting non-chapter 1 tax (e.g. SECA income)
- Tier Partnership Issues
- Terminal Partner issues



4

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: Selected Issues Under the BBA Audit Regime Partnerships and Pass Through Entities

Also available as part of the eCourse

[2023 Biennial Parker C. Fielder Oil, Gas, and Energy Tax eConference \(audio only\)](#)

First appeared as part of the conference materials for the
16th Biennial Parker C. Fielder Oil, Gas, and Energy Tax Conference session
"Partnerships and Pass Through Entities"