

# LLCs Taxed as Partnerships - Deep Dive into Key Planning Issues:

This workshop focuses on the common problems and tax issues facing by LLCs which choose to be taxed as partnerships. Most importantly, partnership tax theory will be quantified in numerous illustrations and examples throughout the entire course. Some of the key areas covered include:

- Review the specific tax issues pertinent to LLCs, including: classification as partnership v. corporation and Form 8832 “check-the-box regulations;” required taxable year-ends; method of accounting; COD income; Sec. 704(b)(2) “special allocations” v. guaranteed payments when calculating QBI and Sec. 199A deduction
  - Discuss the tax issues associated with contribution of property to a partnership, especially if SMLLC makes S corp election, “pre-contribution gain or loss” under Sec.704(c) for contributed property
  - Emphasize the key differences between book and tax capital accounts and new IRS Form 1065 reporting requirements
  - Key differences between recourse and nonrecourse debt and impact on partner’s at-risk basis
  - Tax impact on receiving capital and/or profits interest for services rendered to partnership
  - When is income generated by an LLC subject to S/E tax; exception for “varying interests”
  - Comprehensive examples covering claiming of K-1 losses; partner basis and at-risk limitations; passive loss rules; new Sec. 461(l) restriction on “excess business losses;” need for S corp shareholder basis calculation for Schedule E, page 2, but not for partners
  - Calculate the deduction for qualified business income under Sec. 199A; LLCs v. PTPs and REITs
  - Tax consequences where member sells their interest to a third-party v. receiving a liquidating distribution from the LLC
  - Discussion of current distribution v. liquidating distribution
  - Making a Sec. 754 election and how to allocate between ordinary income assets v. Sec. 1231 and capital assets; Sec. 301.9100-2 automatic 12-month extensions; mandatory Sec. 754 “step-downs” for “substantial build-in losses;” “inside v. outside basis” for LLC member interests
  - Distinguishing between Sec. 734(a) v. Sec. 734(b) liquidating distributions to deceased or retired LLC members
  - Need to file Form 1065 for H/W ownership of rental properties in common law v. community-property states; relief for failure-to-file penalty for Form 1065; “qualified joint ventures” for H/Ws v. employment of spouse for fringe benefit purposes
  - LLC/Partnerships are not just for holding real estate anymore; dramatic increased use of LLCs operating businesses; offer unsurpassed flexibility for getting owners and assets into, or out of, the entity v. corporations
- Participants will receive a Problem Set and Solutions package which takes a partnership/LLC through its complete life cycle from formation, to operations, to eventual termination or sale.**

## **Comments From Practitioners:**

- “His manuals are some of the best reference tools that I have!”
- “Thank you very much. I am going to be using your text today!”
- “You just saved me big time! Your book really helped me with the correct information!”
- “I especially appreciate the opportunity to contact Prof. Connors directly with follow-up questions.”

- "Prof. Connors is a 'tax powerhouse' of information!"

**Learning Objectives:**

- Hands-on review of the most common partnership tax issues
- Numerous examples illustrated with completed partnership forms, schedules and worksheets
- Understanding the complexities of partnership tax law by quantifying the underlying key guidelines
- Being able to best advise your LLC/partnership clients as to planning opportunities and pitfalls

**Designed For:**

All tax practitioners wanting a better grasp of key partnership tax planning issues

**Level Of Knowledge:**

Intermediate

**Prerequisite:**

Basic knowledge of partnership tax issues

**Advanced Preparation:**

None

**Credits:** 8

**Field of Study:**

Taxes

**Discussion Leader:** John J. Connors, JD, CPA, LLM

**Biosketch:** As an accounting graduate of La Salle University in Philadelphia, Prof. Connors went on for his law degree at the University of Notre Dame, graduating in 1980. After serving as an instructor in the School of Business Administration, he obtained his Masters of Law in Taxation at the University of Miami Law School in Coral Gables, Florida. He then served on the graduate tax faculty at the University of Wisconsin's School of Business in Milwaukee, WI.

His professional background includes over 48 years of experience in income and estate tax planning, as well as individual, partnership and corporate tax return preparation and research as a senior tax consultant for Price Waterhouse in the Philadelphia and South Bend offices. Prof. Connors also worked on expatriate and corporate tax matters as an international tax consultant for the Chrysler Corporation in London, England.

Prof. Connors currently conducts a national consulting practice designed especially for tax professionals based out of Milwaukee, WI. He also publishes a tax newsletter devoted exclusively to practitioners over the last 30 years entitled the **Monthly Tax Update**. He has been the outside editor for **CCH's Federal Tax Course**, and has spoken at numerous tax institutes, workshops and conferences around the country. And, his "**Complete Guide to Depreciation, Amortization & Transfers of Property - Issues, Strategies & Answers**" is sold to tax practitioners throughout the U.S., along with annual tax guides entitled "**LLCs Taxed as Partnerships**," "**Taxation of Real Estate Investments**," and "**Choice of Entity**."

As a nationally known speaker on a variety of tax topics, Prof. Connors has consistently earned average overall ratings in excess of 4.7 (i.e., on a 5.0 scale) for his knowledge and presentation skills, as well as the quality of his materials. In 2013, he was selected to receive the **Sid Kess Award for Excellence in Continuing Education** by the American Institute of CPAs. And, on any item that he has presented in his materials, he is available for follow-up questions, a factor much-appreciated by those practitioners attending his seminars.