

Index

ABA

See **American Bar Association** (this index)

ABANDONMENT

Losses, oil and gas, **16:53**
Property or interest, bail-outs of burned-out tax shelters, **27:51, 27:76**

ABETTING

See **Aiding and Abetting** (this index)

ABILITY FOR MANAGEMENT

Broker-dealers, due diligence investigation of sponsor, **15:83**

ABUSE

Anti-abuse. See **Partners and Partnerships** (this index)
Limited partners and partnerships, limitation on deductibility of interest, **11:142**
Original issue discount and timing of interest deductions under Tax Reform Act of 1984, **11:34**
Tax shelters. See **Tax Shelters** (this index)

ACCELERATED COST RECOVERY SYSTEM (ACRS)

Equipment leasing, partnerships, **19:19 to 19:41**
Livestock programs, **17:62**
Real estate, **9:47, 9:58**

ACCELERATED REVENUE RECOGNITION

Tax Cut and Jobs Act of 2017, **1A:7**

ACCELERATION

Cost recovery system. See **Cost Recovery System (ACRS)** (this index)
Real estate. See **Real Estate** (this index)

ACCEPTANCE OR ACCEPTANCES

Adjustment, master limited partnerships, **10:618**
Bankers, broker-dealers, **15:53**

ACCESS TO RECORDS

See **Real Estate** (this index)

ACCOUNTANTS

Actions and proceedings, **8:167**
Due diligence and civil liability, inadequate or materially misleading disclosure, **8:81 to 8:186, 8:204**
Publicly registered real estate syndications, impact of Sarbanes-Oxley Act, **26:137**

ACCOUNTING

Broker-dealers, reporting obligations, **15:67**
Calculation of return, method, **2:9**
Cash basis accounting. See **Cash Basis Accounting** (this index)
Corporations, taxable years of S corporations and personal service corporations, **1:66**
Due diligence. See **Due Diligence** (this index)
Farmland and agriculture, cash basis accounting, **18:14**
Limited liability companies, taxation of LLCs and members, **5:64**
Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
Livestock programs, **17:33 to 17:44**
Method or methods
cash method, **1:65**
due diligence and civil liability, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:134**
limited liability companies, taxation of LLCs and members, **5:64**
real estate investment trusts, **25:135**
Partners and partnerships. See **Partners and Partnerships** (this index)
Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
Real estate. See **Real Estate** (this index)

ACCOUNTING—Cont'd

REITs. See **Real Estate Investment Trusts (REITs)** (this index)
 Tax Reform Act of 1986, **1:64 to 1:71**

ACCREDITED INVESTORS

Generally, **6:40, 6:48 et seq.**
 C&DIs relating to, **6:49**
 Definition of, proposed amendment to, **6:51**
 Jobs Act (2012), general solicitation of, **6:40**
 Net worth standard, **6:50**
 Real estate, state regulation of private real estate securities transactions, **14:12**
 Regulation D, **6:48 et seq.**
 Selected SEC guidance, **6:48**

ACCRUAL

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 Oil and gas, accrual basis taxpayers, **16:47**

ACCUMULATED EARNINGS TAX

S corporations, avoidance, **22:10**

ACCURACY RELATED TAXPAYER PENALTY

IRS audit program, **23:25, 23:32 et seq.**

ACQUISITION OR ACQUISITIONS

Bail-outs of burned-out tax shelters, debt acquired by related party, **27:27 to 27:35**
 Partners and partnerships, distributions, **10:160, 10:163**
 Real estate. See **Real Estate** (this index)
 Resales by investors, “restricted securities” defined, **6:194, 6:198**
 S corporations, interest in pass-through entity, **22:43**

ACRS

See **Accelerated Cost Recovery System (ACRS)** (this index)

ACTIONS AND PROCEEDINGS

Due Diligence (this index)
 Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 Professionals, **8:167**

ACTIONS AND PROCEEDINGS**—Cont'd**

Taxpayer Bill of Rights, litigation costs recovery, **23:139**

ACTIVELY TRADED SECURITY

Partners and partnerships, distributions, **10:159**

ACTIVE PARTICIPATION STANDARD

Passive loss, special rules for rental activities and limited partnerships, **4:12**

ACTIVITY OR ACTIVITIES

Broker-dealers, audit activities of FINRA, **15:100**
 Farmland and agriculture. See **Farmland and Agriculture** (this index)
 Limited partners and partnerships, alternative minimum tax, **11:162, 11:163**
 Livestock programs. See **Livestock Programs** (this index)
 Motion pictures, activity not engaged in for profit, **20:9**
 Oil and gas programs, lower risk activities, **16:19**
 Passive activities. See **Passive** (this index)
 Real estate. See **Real Estate** (this index)
 Research and development tax credit, specific exclusions from eligibility, **21:44, 21:47**
 At risk, **3:5 et seq.**
 Separate activities. See **Separate Activities** (this index)
 Similar activity success, facts and circumstances test, **11:12, 17:16**

ACTUAL KNOWLEDGE

Due diligence and civil liability, state of mind safe harbor for inadequate or materially misleading disclosure, **8:182**

ACTUAL PARTICIPATION

Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:144**

INDEX

ACTUAL SALE OF TIMBER

Capital gain on disposition, **18:29**

ADAPTATION BY CUSTOMER

Research and development tax credit,
specific exclusions from eligibility,
21:45

ADDITIONAL MATTERS

Benefits of entity, S corporations, **22:11**

Capital contributed to partnership, bail-
outs of burned-out tax shelters,
27:37, 27:59

IRS audit program, protection provi-
sions under Taxpayer Bill of
Rights, **23:140**

Limited partners and partnerships. See
**Limited Partners and Partner-
ships** (this index)

Oil and gas. See **Oil and Gas** (this
index)

Publicly registered real estate syndica-
tions. See **Publicly Registered
Real Estate Syndications** (this
index)

ADDITIONS TO BASIS

Real estate, low income housing credit,
9:146

ADEQUATE OR SUFFICIENT MATTERS

Inadequate matters. See **Inadequate
Matters** (this index)

IRS audit program, disclosure, **23:36,
23:39**

Publicly registered real estate syndica-
tions, net cash flow, **26:43**

ADJUSTMENT OR ADJUSTMENTS

Basis. See **Basis** (this index)

Limited partners and partnerships. See
**Limited Partners and Partner-
ships** (this index)

Partners and partnerships. See **Partners
and Partnerships** (this index)

Real estate. See **Real Estate** (this index)
S corporations, adjusted highest section
one rate, **22:76**

ADMINISTRATIVE MATTERS

Adjustments, master limited partner-
ships, **10:619 to 10:625**

Application of anti-abuse rule, partners
and partnerships, **10:11**

ADMINISTRATIVE MATTERS

—**Cont'd**

Cost recovery, IRS audit program,
23:139

Expenses, real estate investment trusts,
1:39

Proceedings, due diligence and civil
liability, **8:170**

Real estate investment trusts, Blue Sky
provisions, **25:99**

ADMISSION OF NEW PARTNERS

Bail-outs of burned-out tax shelters,
27:36

ADOPTION

Limited partners and partnerships. See
**Limited Partners and Partner-
ships** (this index)

State substantive regulation of real
estate programs, adoption of
NASAA guideline, **12:2**

ADR

See **Alternate Depreciation System
(ADR)** (this index)

ADVANCE PAYMENTS

Deficiencies and interest, IRS audit
program, **23:104**

ADVANCE RULINGS

Partnership status, **10:49 to 10:60**

ADVANTAGES AND DISADVANTAGES

Limited liability companies, comparison
with S corporations, **5:34, 5:35**

Livestock programs, allocating purchase
price to foal, **17:80, 17:81**

Oil and gas, **16:18 to 16:27**

Research and development programs,
partnership arrangement, **21:2,
21:3**

ADVERSE INTERESTS

Due diligence, corporate scienter excep-
tion, **8:141**

ADVERSE OPINION

Due diligence, adverse opinion require-
ment when material weakness
exists, **8:59**

ADVERSE TAX CONSEQUENCES

Partners and partnerships, assets-over merger, **10:406 to 10:408**

ADVERTISING

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:22, 13:39**

Limited partners and partnerships, Regulation D, **6:33 to 6:42**

Motion pictures, costs, **20:23**

ADVICE

See **Due Diligence** (this index)

ADVISORS

Advisory contract, Real estate investment trusts, state Blue Sky laws, **25:88**

Compensation, Real estate investment trusts, state Blue Sky laws, **25:89**

Current expenses of limited partnerships, treatment of, **11:9**

Investment Advisors Act of 1940, limited partnerships, **6:306 to 6:313**

IRS audit program, ethical and practical considerations, **23:106 et seq.**

Livestock programs, facts and circumstances test for activity engaged in for profit, **17:13**

AFFECTED TAXPAYERS

S corporations, limitation on passive losses under Tax Reform Act of 1986, **22:52**

AFFILIATES

Limited partners and partnerships, registration, **6:309**

Partners and partnerships, nonrecourse loans, **10:250 to 10:252**

Publicly registered real estate syndications, Form S-11 requirements for contents of prospectus, dealing with affiliates, **26:55**

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Real estate. See **Real Estate** (this index)

Resales by investors, affiliates and deemed affiliates, **6:185, 6:213**

AFFO (ADJUSTED FUNDS FROM OPERATIONS)

Real estate investment trusts, **25:39**

AFR (APPLICABLE FEDERAL RATE)

Timing of interest deductions under Tax Reform Act of 1984, **11:40**

AGENCIES

Clearing agency exception. See **Clearing Agency Exception** (this index)

Commercial Revitalization Agency, **9:125**

AGENTS

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:87, 8:139**

Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:41**

Publicly registered real estate syndications, transfer agent registration under Securities Exchange Act of 1934, **26:126**

AGGREGATION

Broker-dealers, aggregate indebtedness, **15:47, 15:58**

Exemptions from registration. See **Resales by Investors** (this index)

Investment limited partnerships, Regulation D, **6:54, 6:55**

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss, election to aggregate separate activities, **4:120**

At risk, qualified nonrecourse financing as increasing amounts at risk, **3:22**

AGREEMENTS OR CONTRACTS

Audits-IRS. See **Audits - IRS** (this index)

Binding contracts

equipment leasing, depreciation and ACRS, **19:36**

real estate, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:49**

Broker - Dealers. See **Broker - Dealers** (this index)

Due diligence. See **Due Diligence** (this index)

INDEX

AGREEMENTS OR CONTRACTS

—Cont'd

- Equipment leasing. See **Equipment Leasing** (this index)
- IRS audit program, designation agreement and registration of tax shelters, **23:67**
- Leases. See **Leases** (this index)
- Limited liability companies, operating agreements, **5:44, 31:1 to 31:13**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, management contracts, **17:8**
- Long-term agreements or contracts economic accrual method, **11:56**
limited partners and partnerships, alternative minimum tax, **11:167**
- Motion pictures, intangible contract right to participate in profits, **20:8**
- Oil and gas programs, turn-key contract, **16:8**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)
- S corporations, buy-sell agreements, **22:22**
- Subordination agreements, broker-dealers' minimum net capital requirement, **15:46**

AGRI-BUSINESS

- Generally, **18:1 et seq.**

AGRICULTURE

- See **Farmland and Agriculture** (this index)

AIDING AND ABETTING

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:84, 8:90, 8:112 to 8:121**
- IRS audit program, ethical and practical considerations for professional advisors, **23:111**

AIRCRAFT

- Equipment leasing, disclosure of risk factors, **19:83, 19:84**

ALLEGATIONS OF VIOLATION

- Due diligence and civil liability, defenses to inadequate or materi-

ALLEGATIONS OF VIOLATION

—Cont'd

- ally misleading disclosure, **8:176**

ALLOCATION OR ALLOCATIONS

- Bail-outs of burned-out tax shelters, tax consequences of typical restructuring, **27:20, 27:21**
- Corporate income tax, purchase price, **1:52**
- Farmland and agriculture, deductibility of purchase price allocable to growing crops, **18:18**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, basis, **17:79 to 17:83**
- Oil and gas. See **Oil and Gas** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development programs, research expenses allocated to foreign source income, **21:35**
- S corporations, tax items, **22:58**
- Special allocations. See **Special Allocations** (this index)

ALLOWABLE

- See **Permissible or Allowable** (this index)

ALLOWANCE OR ALLOWANCES

- Oil and gas, depletion allowance, **16:43**
- Passive loss, special rules for rental activities and limited partnerships, **4:14**
- Real estate, depreciation, **9:27**
- S corporations, losses and deductions, **22:59, 22:60**

ALTERNATE DEPRECIATION SYSTEM (ADS)

- Business and capital investment, Tax Reform Act of 1986, **1:7**
- Equipment leasing, partnerships, **19:32**

**ALTERNATE DEPRECIATION
SYSTEM (ADS)—Cont'd**

Real estate, Tax Cuts and Jobs Act of
2017, **9:35 to 9:43**

**ALTERNATE ECONOMIC EFFECT
TEST**

Partners and partnerships, final regula-
tions regarding allocation of
income and losses, **10:89 to 10:91**

ALTERNATIVE MINIMUM TAX

Equipment leasing, partnerships, **19:17,
19:18**

Farmland and agriculture, **18:21**

Limited partners and partnerships. See
**Limited Partners and Partner-
ships** (this index)

Real estate, depreciation under Tax
Reform Act of 1986, **9:43**

Research and development programs,
21:29 to 21:31

S corporations, avoidance of corporate
alternative minimum tax, **22:9**

Tax Reform Act of 1986, generally,
1:20, 1:21

ALTERNATIVE OR ALTERNATIVES

Minimum tax. See **Alternative Mini-
mum Tax** (this index)

Passive loss, alternative tests for mater-
ial participation, **4:36 to 4:43**

Publicly registered real estate syndica-
tions. See **Publicly Registered
Real Estate Syndications** (this
index)

AMBIGUITIES

Passive loss rules, grouping under 1993
Act, **4:116**

AMENDMENT

See **Change or Changes** (this index)

AMERICAN BAR ASSOCIATION

Investment limited partnerships, ABA
Interpretative Letter, **6:277**

IRS audit program, considerations for
professional advisors, **23:113 to
23:115**

AMERICAN FAMILIES PLAN

Tax provisions, **1A:14**

**AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS**

FASB ASC Topic No. 310, Receivables
(former AICPA statement of posi-
tion 97-1), **26:44**

AMERICAN JOBS CREATION ACT

Audits-IRS. See **Audits - IRS** (this
index)

Bail-outs of burned-out tax shelters,
refinancings and restructurings,
27:24

**AMERICAN RECOVERY AND
REINVESTMENT ACT**

Bail-outs of burned-out tax shelters,
27:26

Partners and partnerships, cancellation
of indebtedness income, **10:342 to
10:345**

**AMERICAN STOCK EXCHANGE
ROLLUP RULES**

Publicly registered real estate syndica-
tions, **26:164**

AMORTIZATION

Corporate income tax, intangibles, **1:54**

Limited partners and partnerships,
accounting issues affecting invest-
ment limited partnerships, **11:68 et
seq.**

Motion pictures, **20:2, 20:4 to 20:16**

Real estate. See **Real Estate** (this index)

AMOUNT, QUANTITY OR NUMBER

Additional matters. See **Additional
Matters** (this index)

Decrease or reduction. See **Decrease or
Reduction** (this index)

Deductions limited to amount at risk,
App C

De minimis. See **De Minimis** (this
index)

Expansion. See **Expansion** (this index)

Full disclosure, quantitative disclosures
about market risk, **7:44, 7:45**

Increase or increasing. See **Increase or
Increasing** (this index)

Limited liability companies, number of
members, **5:23**

INDEX

AMOUNT, QUANTITY OR NUMBER

—Cont'd

- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, depreciation deduction, **17:65**
- Minimum. See **Minimum** (this index)
- Motion pictures. See **Motion Pictures** (this index)
- One hundred. See **One Hundred** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)
- Reduction. See **Decrease or Reduction** (this index)
- At risk, **3:10 et seq.**

AMT

- See **Alternative Minimum Tax** (this index)

ANNUAL MATTERS

- Meetings, real estate investment trusts, **25:99**
- Reports. See **Real Estate** (this index)

ANTI-ABUSE

- Partnerships, generally. See **Partners and Partnerships** (this index)
- Real estate investment trusts (REITs), anti-abuse regulations of UPREITs (umbrella partnership REITs), **25:195**

ANTICHURNING RULES

- Livestock programs, depreciation, **17:66**
- Real estate, depreciation under Tax Reform Act of 1986, **9:44**

ANTICIPATION OR ANTICIPATED

- Bail-outs of burned-out tax shelters, anticipation of becoming related to debtor, **27:30**
- Livestock programs, expected profits cannot include anticipated tax benefits, **17:25**
- Master limited partnerships, anticipated regulations, **10:587**

ANTIFRAUD LIABILITY

- Investment limited partnerships, **6:266 et seq.**

APPEAL AND REVIEW

- Broker - Dealers. See **Broker - Dealers** (this index)
- Coordinated review. See **Real Estate Investment Trusts (REITs)** (this index)
- Due diligence and civil liability, reviewing statements made by another, **8:114**
- Financial Industry Regulatory Authority (FINRA), frequently asked questions, **13:19**
- IRS audit program, substantial understatement of income tax taxpayer penalty, **23:41**
- Master limited partnerships, electing large partnership audit systems, **10:580, 10:617, 10:622 to 10:625**

APPLICATION OR APPLICABILITY

- Audits-IRS. See **Audits - IRS** (this index)
- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Due diligence. See **Due Diligence** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development, considerations applicable to all partnership investments, **21:36**
- At risk. See **At Risk** (this index)
- S corporations, percentage or payments for taxable year, **22:75, 22:78**

APPLICATIONS

- Broker - Dealers. See **Broker - Dealers** (this index)
- Investment limited partnerships, exemptive orders, **6:302**

APPOINTMENT OF REPRESENTATIVES

Master limited partnerships, electing large partnership adjustment proceedings, **10:606**

APPRAISALS

See **Real Estate** (this index)

APPRECIATION

Limited partners and partnerships, charitable contributions of appreciated property, **11:165**
 Livestock programs, appreciation expectations, **17:15**
 Passive loss, **4:77**
 Real estate. See **Real Estate** (this index)
 S corporations. See **S Corporations** (this index)

ARIZONA

Limited liability companies, operating agreements form, **31:11**

ARRANGEMENTS

Broker-dealers, compensation, **15:89**
 Equipment leasing, financing arrangement, **19:52 to 19:69**
 Partners and partnerships. See **Partners and Partnerships** (this index)
 Real estate. See **Real Estate** (this index)
 Research and development, advantages of partnership arrangement, **21:2, 21:3**
 At risk, limiting risk, **3:28 to 3:35**
 S corporations, treatment as equity, **22:23**

ARTICLES OF ORGANIZATION

LLCs. See **Limited Liability Companies** (this index)

ASPIRATIONAL STATEMENTS

Due diligence, **8:21**

ASSESSMENT OR ASSESSMENTS

Broker - Dealers. See **Broker - Dealers** (this index)
 IRS audit program, partnership audit provisions, **23:76.80 to 23:78**
 Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 Oil and gas. See **Oil and Gas** (this index)

ASSESSMENT OR ASSESSMENTS

—Cont'd

Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk (Dec. 17, 2009), **App E**

ASSETS

Brief asset-holding period transactions, American Jobs Creation Act of 2004, **23:15**
 Broker-dealers, computation of net capital, **15:51**
 Classification of assets
 depreciation, business and capital investment, **1:4**
 research and development, Tax Reform Act of 1986, **1:75**
 Equipment leasing, election to expense depreciable business assets, **19:51**
 Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 Oil and gas programs, depleting asset, **16:24**
 Partners and partnerships. See **Partners and Partnerships** (this index)
 Real estate. See **Real Estate** (this index)
 Tax Cut and Jobs Act, expensing of assets, **1A:5**

ASSETS OVER MERGER

Partners and partnerships, **10:401 et seq., 10:406 to 10:408**

ASSETS UP MERGER

Partners and partnerships, **10:402**

ASSIGNMENTS

Limited partners and partnerships, **24:11, 24:12**

ASSISTING IN PREPARATION OF STATEMENTS MADE BY ANOTHER

Due diligence and civil liability, aiding and abetting in inadequate or materially misleading disclosure, **8:114**

ASSOCIATED PERSONS

Broker-dealers, Rule 15b7-1, compliance for real estate limited partner-

INDEX

ASSOCIATED PERSONS—Cont'd

- ship syndications, **15:17**

ASSOCIATIONS

- American Bar Association. See **American Bar Association** (this index)
- NASAA. See **North American Securities Administrators Association (NASAA)** (this index)
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Partnership not taxable as association, **10:14 to 10:83**

ASSUMPTIONS

- Exceptions to original issue discount rules, **11:42**
- Limited partners and partnerships, limitation on deductibility of interest, **11:146**

AT RISK

- Activities, **3:5 et seq.**
- Aggregation, qualified nonrecourse financing as increasing amounts at risk, **3:22**
- Amounts, **3:10 et seq.**
- Application or applicability provisions, **3:1 to 3:41**
 - real estate, tax shelters and interest expense, **1:18**
- Arrangements, limiting risk, **3:28 to 3:35**
- Background of at risk rules, statutory, **3:2**
- Borrowed amounts, **3:13, 3:14, 3:19, 3:26**
- “Capek v Commissioner” case, guarantees and other risk limiting arrangements, **3:30**
- Comparison of statutes, **3:39**
- Conduit arrangements for limiting risk, **3:34**
- Contributed amounts to activity, **3:11**
- Convertible notes, borrowed amounts for use in activity, **3:14**
- Coordination, qualified nonrecourse financing as increasing amounts at risk, **3:23, 3:25**
- Deductions limited to amount at risk, **App C**

AT RISK—Cont'd

- Definitions
 - borrowed from a qualified person, **3:19**
 - government financing, **3:21**
 - holding real property, **3:18**
 - qualified nonrecourse financing, **3:17**
 - seller financing, **3:20**
- Disallowed losses, treatment of, **3:36, 3:37**
- “Emershaw v Commissioner” case, guarantees and other risk limiting arrangements, **3:33**
- Equipment leasing. See **Equipment Leasing** (this index)
- Exclusion, real property, **3:41**
- General at risk, **3:40**
- Government financing, qualified nonrecourse financing as increasing amounts at risk, **3:21**
- Guarantees, risk limiting arrangements, **3:28 to 3:35**
- Holding of real property, **3:8, 3:9, 3:18**
- Increasing amounts at risk, qualified nonrecourse financing as, **3:16 to 3:25**
- Interested persons, borrowings from, **3:26**
- Investment
 - limited partnerships, **3:1 et seq.**
 - real estate investment trusts, expansion of rules, **25:174**
 - rules for investment tax credit before repeal by Tax Reform Act of 1986, **3:38**
- “Larsen v Commissioner” case, guarantees and other risk limiting arrangements, **3:29**
- Later-included activities, **3:6**
- Limitations
 - arrangements to limit risk, **3:28 to 3:35**
 - deductions limited to amount at risk, **App C**
 - limited liability companies, at risk limitations, **5:66**
 - livestock programs, losses, **17:31, 17:32**
 - real property and low income housing credit, at risk limitation, **9:162**
- Limited liability companies, taxation of LLCs and members, **5:66**

AT RISK—Cont'd

- Limited partnerships, investment, **3:1 et seq.**
- Livestock programs, limitation on losses, **17:31, 17:32**
- Loss or losses
 - livestock programs, limitation on losses, **17:31, 17:32**
 - passive loss. See **Passive Loss** (this index)
 - treatment of disallowed losses, **3:36, 3:37**
- “Melvin v Commissioner” case, guarantees and other risk limiting arrangements, **3:32**
- Motion pictures, **20:17 to 20:21, 20:32**
- 1978 Act, **3:40**
- Nonrecourse financing, qualified nonrecourse financing as increasing amounts at risk, **3:16 to 3:25**
- Oil and gas, **16:49**
- Partnerships
 - investment limited partnerships, **3:1 et seq.**
 - special rules for partnerships, qualified nonrecourse financing as increasing amounts at risk, **3:23, 3:24**
- Passive loss. See **Passive Loss** (this index)
- Profits, undistributed, **3:27**
- Qualified nonrecourse financing as increasing amounts at risk, **3:16 to 3:25**
- Real property
 - exclusion, **3:41**
 - holding of real property, **3:8, 3:9, 3:18**
 - investment trusts, expansion of rules, **25:174**
 - low income housing credit, at risk limitation, **9:162**
 - qualified nonrecourse financing as increasing amounts at risk, **3:18**
 - tax shelters and interest expense, **1:18**
- Recapture, **3:15**
- Related persons, borrowings from, **3:26**
- Repeals, **3:38, 3:40, 3:41**
- Revenue rulings, guarantees and other risk limiting arrangements, **3:35**
- Rules, **3:1 et seq.**

AT RISK—Cont'd

- S corporations, comparison of taxation of partners and shareholders, **22:61**
- Seller financing, qualified nonrecourse financing as increasing amounts at risk, **3:20**
- Separate activities, **3:7 to 3:9**
- Special rules for partnerships, qualified nonrecourse financing as increasing amounts at risk, **3:23, 3:24**
- Statutes, **3:2 et seq.**
- Tax Reform Act of 1986, **3:9, 3:38, 3:41**
- Tax shelters and interest expense, at risk applies to real estate, **1:18**
- Treatment of disallowed losses, **3:36, 3:37**
- Undistributed profits, **3:27**
- Use in activity, borrowed amounts for, **3:13, 3:14**
- “Van Roekel v Commissioner” case, guarantees and other risk limiting arrangements, **3:31**

ATTORNEYS

- Actions and proceedings, **8:167**
- American Bar Association. See **American Bar Association** (this index)
- Due diligence and civil liability
 - inadequate or materially misleading disclosure, **8:81 to 8:186, 8:204, 8:215 to 8:218**
 - state law due diligence duties of securities counsel, **8:219**

AUDENTES THERAPEUTICS PROSPECTUS

- Business, **7:47**
- Capitalization and dilution, **7:39**
- Description of company's securities, **7:57**
- Dividend policy, **7:37**
- Executive compensation, **7:51**
- Forward-looking statements, **7:31**
- Front and back cover pages, **7:25**
- Future sale, eligible shares, **7:59**
- Legal matters and experts, **7:63**
- Management, **7:49**
- MD&A, **7:43**
- Offering price determination, **7:33**
- Other parts of prospectus not specified by Regulation S-K item, **7:64**

INDEX

AUDENTES THERAPEUTICS

PROSPECTUS—Cont'd

- Quantitative and qualitative disclosures about market risk, **7:45**
- Risk factors, **7:29**
- Securities of company, description, **7:57**
- Selected financial data, **7:41**
- Selling stockholders, **7:55**
- Shares eligible for future sale, **7:59**
- Stock ownership by more than five percent beneficial owners, **7:55**
- Stock ownership of management, **7:55**
- Structure therapeutics, shares eligible for future sale, **7:59**
- Summary, **7:27**
- Transactions with related persons, **7:53**
- Underwriting, **7:61**
- Use of proceeds, **7:35**

AUDIT COMMITTEES

- Publicly registered real estate syndications, impact of Sarbanes-Oxley Act, **26:139**

AUDITING STANDARD NO. 5

- See **Due Diligence** (this index)

AUDITS AND AUDITORS

- Actions and proceedings, **8:167**
- Broker-dealers, audit activities of FINRA, disciplinary procedures, **15:100**
- Due diligence and civil liability
 - See also **Due Diligence** (this index)
 - inadequate or materially misleading disclosure, **8:115, 8:127, 8:129 et seq., 8:136**
- FINRA audit activities, **15:100**
- IRS audit program. See **Audits - IRS** (this index)
- Master limited partnerships
 - electing large partnership audit systems, **10:574 to 10:626**
 - new partnership level audit rules, **10:549**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- PCAOB Auditing Standard No. 16:
 - Auditor communications with Audit Committees, **8:45**
- PCAOB Release No. 2012-001 Auditing Standards, **App E1**

AUDITS AND AUDITORS—Cont'd

- Publicly registered real estate syndications, impact of Sarbanes-Oxley Act, **26:137**
- Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk (Dec. 17, 2009), **App E**
- S corporations, comparison of taxation of partners and shareholders, **22:69, 22:70**

AUDITS-IRS

- Generally, **23:1 et seq.**
- Abusive tax shelters, IRS responses, **23:3**
- Accuracy-related taxpayer penalty, **23:25, 23:32 et seq.**
- Additional protection provisions, Taxpayer Bill of Rights, **23:140**
- Adequate disclosure, taxpayer penalties, **23:36, 23:39**
- Administrative costs recovery, Taxpayer Bill of Rights, **23:139**
- Advance payments of deficiencies and interest, **23:104**
- Advisors, ethical and practical considerations for, **23:1 et seq.**
- Agreements. Contractual protection, below
- Aiding and abetting, ethical and practical considerations for professional advisors, **23:111**
- Amendments
 - accuracy-related taxpayer penalty, **23:25**
 - effect of amended return, substantial understatement of liability, **23:54**
 - preparer penalties under 2007 Act, **23:108**
 - registration of tax shelters, filings, **23:71**
- American Bar Association, ethical and practical considerations for professional advisors, **23:113 to 23:115**
- American Jobs Creation Act of 2004
 - Generally, **23:4 et seq.**
 - accuracy-related penalty, **23:32**
 - brief asset-holding period, transactions with, **23:15**

AUDITS-IRS—Cont'd

American Jobs Creation Act of 2004
 —Cont'd
 confidential transactions, **23:11**
 contractual protection, **23:12**
 definitions, **23:6, 23:7**
 disclosure requirements, **23:5, 23:9, 23:18, 23:21**
 disqualified opinions, **23:29**
 “Disqualified tax advisor,” **23:28**
 excise tax on tax-exempt entities, **23:19**
 extended period of limitations on assessments, **23:10**
 failure to furnish information regarding “reportable transactions,” **23:22**
 failure to maintain “investor lists,” **23:23**
 investor lists, **23:4, 23:23**
 listed transactions, **23:8 et seq.**
 list-keeping requirements, **23:4, 23:23**
 loss transactions defined, **23:13**
 maintenance of investor lists, **23:4, 23:23**
 “Material advisors,” **23:4, 23:6**
 modified accuracy-related penalty for “listed transactions” and other “reportable transactions,” **23:25**
 patented transactions categories of reportable transaction, **23:17**
 penalties, post-Act provisions, **23:20 et seq.**
 penalties resolution proposal, Sections 6707 and 6708, **23:24**
 post-2004 Act penalty provisions, **23:20 et seq.**
 prohibited tax shelter transaction, **23:18, 23:19**
 qualification or disqualification
 Opinions, **23:29**
 Tax advisors, **23:28**
 reasonable cause exception, **23:26, 23:27**
 reportable transactions, generally, **23:4, 23:5, 23:7, 23:17, 23:22**
 SEC disclosure requirements, **23:21**
 section 4965, prohibited tax shelter transaction, **23:19**
 significant book-tax differences, transactions before de-listing by

AUDITS-IRS—Cont'd

American Jobs Creation Act of 2004
 —Cont'd
 Notice 2006-6, **23:14**
 “Strengthened” reasonable cause exception, **23:26**
 timing of required disclosure, **23:9, 23:18**
 transactions of interest, **23:9, 23:16**
 2006 proposed regulations, reportable transactions, **23:16**
 Analysis, new partnership audit rules, **23:76.20**
 Appeals, substantial understatement of income tax taxpayer penalty, **23:41**
 Application or applicability
 maintenance of investor lists for tax shelters, **23:74**
 registration of tax shelters, **23:66**
 Assessments
 extended period of limitations, American Jobs Creation Act of 2004, **23:10**
 partnership audit provisions, **23:76.80 to 23:78**
 Avoidance of penalty, substantial understatement of liability taxpayer penalties, **23:51, 23:53**
 Background
 American Bar Association standing committee on ethics and responsibility, **23:113**
 information reporting, **23:79**
 real estate transactions, information reporting, **23:93**
 returns relating to exchanges of partnership interests involving unrealized receivables, information reporting, **23:70, 23:81**
 Basis, Section 6045B, reporting of actions affecting basis, **23:82.50**
 Beneficial owner, nominee reporting to partnership, **23:87**
 Best practices for tax advisors under IRS Circular 230, **23:118**
 Bill of Rights of Taxpayers, **23:136 to 23:141**
 Bill of Rights of Taxpayers 2, **23:141**
 Book-tax differences, transactions with significant before de-listing by Notice 2006-6, **23:14**

INDEX

AUDITS-IRS—Cont'd

- Brief asset-holding period transactions, American Jobs Creation Act of 2004, **23:15**
- Broker exemption for publicly traded interests, information reporting, **23:82**
- Cancellation of indebtedness income, information reporting, **23:97**
- Cause and causation
 - reasonable cause, accuracy-related taxpayer penalty, **23:34, 23:45**
 - unrealistic positions causing understatements, preparer penalties, **23:109**
- Changes. See Amendments, above
- Clearing agency exception, nominee reporting to partnership, **23:88**
- Competence to provide opinion, **23:131**
- Compliance procedures, Circular 230, **23:133**
- Compromise, offers in, **23:135**
- Conduct of persons, preparer penalties—ethical and practical considerations for professional advisors, **23:110**
- Confidentiality privilege
 - American Jobs Creation Act of 2004, confidential transactions, **23:11**
 - circular 230, **23:123**
 - ethical and practical considerations for professional advisors, **23:112**
- Considerations when amending, new partnership audit rules, **23:76.30**
- Contingent fees for services in connection with IRS matter, **23:117**
- Contractual protection
 - American Jobs Creation Act of 2004, **23:12**
 - IRS Circular 230, **23:124**
- “Covered opinions,” regulations under Circular 230, **23:120 et seq.**
- Deficiencies, advance payment, **23:104**
- Definitions
 - brief asset holding period, **23:15**
 - confidential transactions, **23:11**
 - contractual protection, **23:12**
 - disqualified tax advisor, **23:28**
 - investment base, **23:62**
 - investor, **23:60**
 - listed transactions, **23:8**

AUDITS-IRS—Cont'd

- Definitions—Cont'd
 - loss transactions, **23:13**
 - material advisor, **23:6**
 - reportable transactions, **23:7**
 - representations, **23:61**
 - significant book-tax differences, **23:14**
 - substantial investment, **23:63**
 - tax shelter ratio, **23:59**
 - underpayment, **23:47**
- Deposits made to suspend running of interest, **23:105**
- Designation agreement, registration of tax shelters, **23:67**
- Disclosure, **23:3.30**
 - adequate disclosure, taxpayer penalties, **23:36, 23:39**
 - American Jobs Creation Act of 2004, **23:5, 23:18, 23:21**
 - form 8886, reportable transaction disclosure statement, **23:145**
 - nontax shelter items, substantial understatement of liability taxpayer penalties, **23:51**
 - opinions under Circular 230, disclosure requirements, **23:132**
 - registration of tax shelters, **23:68**
 - timing of required disclosure, **23:9, 23:18**
- Duties
 - American Bar Association standing committee on ethics and responsibility, **23:113 to 23:115**
 - registration of tax shelters, **23:69, 23:70**
- Economic substance doctrine, **23:3.40**
- Effect of amended return, substantial understatement of liability taxpayer penalties, **23:54**
- Estate tax valuation understatement, accuracy-related taxpayer penalty, **23:44**
- Ethical and practical considerations for professional advisors, **23:106 et seq.**
- Exceptions
 - broker exemption for publicly traded interests, information reporting, **23:82**
 - clearing agency exception, nominee reporting to partnership, **23:88**

AUDITS-IRS—Cont'd

Exceptions—Cont'd

- real estate transactions, information reporting, **23:95**
- reasonable cause exception, accuracy-related taxpayer penalty, **23:26, 23:27, 23:45**
- registration of tax shelters, **23:64**
- “Strengthened” reasonable cause exception, accuracy-related taxpayer penalty, **23:26**
- tax-exempt partners, nominee reporting to partnership, **23:91**

Exchanges of partnership interests involving unrealized receivables, information reporting, **23:80, 23:81**Excise tax on tax-exempt entities, **23:19**Excluded opinions under Circular 230, **23:125, 23:126**Expansion of confidentiality privilege, ethical and practical considerations for professional advisors, **23:112**Extended period of limitations on assessments, American Jobs Creation Act of 2004, **23:10**Extended statute of limitations, **23:3.10**Failure to file, payment of interest by taxpayer, **23:102**

Filing or filings

- failure to file, payment of interest by taxpayer, **23:102**
- registration of tax shelters, **23:70, 23:71**

Formal Opinions of American Bar Association, ethical and practical considerations for professional advisors, **23:113 to 23:115**

Forms

- filing Form 8271, registration of tax shelters, **23:70**
- form 8275
 - Disclosure statement, **23:147**
 - Instructions, **23:146**
- form 8275-R
 - Instructions, **23:148**
 - Regulation disclosure statement, **23:149**
- form 8886
 - Reportable transaction disclosure statement, **23:145**
- form 13976
 - Instructions, **23:150**

AUDITS-IRS—Cont'd

Forms—Cont'd

form 13976—Cont'd

- Itemized statement component of advisee list, **23:150**
- instructions for Form 8275, **23:146**
- instructions for Form 8275-R, **23:149**
- instructions for Form 13976, **23:150**
- tax shelter registration, Form 8271, **23:70**
- your Rights as a Taxpayer (IRS Pub. No. 1), **23:143**

Fraud, taxpayer penalties, **23:46, 23:57**Gift tax valuation understatement, accuracy-related taxpayer penalty, **23:44**Good faith, negligence taxpayer penalty, **23:34**Government, payment of interest, **23:103**

Income

- cancellation of indebtedness income, information reporting, **23:97**
- projected income investment, registration of tax shelters, **23:65**
- substantial understatement of income tax taxpayer penalty, **23:37 et seq.**

Increased enforcement, **23:3.20**Information reporting, **23:79 et seq.**Injunctions, abusive tax shelters, **23:49**Interest on money, **23:92, 23:98 et seq.**

Interests

- broker exemption for publicly traded interests, information reporting, **23:82**

- returns relating to exchanges of partnership interests involving unrealized receivables, information reporting, **23:80, 23:81**

Interviews, Taxpayer Bill of Rights, **23:137**

Investment

- real estate mortgage investment conduits, nominee reporting to partnership, **23:89**
- registration of tax shelters, **23:58 et seq.**

Investors

- maintenance of investor lists, **23:4, 23:23, 23:73 to 23:75**
- penalties resolution proposal, **23:24**

INDEX

AUDITS-IRS—Cont'd

- Investors—Cont'd
 - registration of tax shelters, **23:60, 23:68, 23:70**
- IRS Circular 230, **23:116 et seq.**
- Judicial review, substantial understatement of income tax taxpayer penalty, **23:41**
- June 2005 revision of IRS Circular 230, **23:116 et seq.**
- Levies, Taxpayer Bill of Rights, **23:138**
- Liability or liabilities
 - substantial overstatement of pension liabilities, accuracy-related taxpayer penalty, **23:43**
 - substantial understatement of liability, taxpayer penalties, **23:50 et seq.**
- Liens, Taxpayer Bill of Rights, **23:138**
- Limitations of actions, extended, **23:3.10**
- Limited scope opinions, **23:129**
- Lists and list-keeping requirements
 - American Jobs Creation Act of 2004, **23:4, 23:8 et seq., 23:8 set seq.**
 - investors, lists of—tax shelters, **23:73 to 23:75**
 - maintenance of investor lists, **23:4, 23:23, 23:24, 23:73 to 23:75**
 - penalties resolution proposal, **23:24**
- Litigation costs recovery, Taxpayer Bill of Rights, **23:139**
- Loss transactions defined, American Jobs Creation Act of 2004, **23:13**
- Maintenance of investor lists, **23:4, 23:23, 23:73 to 23:75**
- Mandatory disclosure, **23:3.30**
- Marketed opinion, **23:122, 23:128**
- “Material advisors,” American Jobs Creation Act of 2004, **23:4, 23:6**
- Mortgages
 - interest, information reporting, **23:92**
 - real estate mortgage investment conduits, nominee reporting to partnership, **23:89**
- Negligence, taxpayer penalties, **23:33 to 23:36, 23:56, 23:57**
- New partnership audit rules, **23:76 et seq.**
- 1998 Act, payment of interest by taxpayer, **23:98**
- Nominee reporting to partnership, information reporting, **23:83 et seq.**

AUDITS-IRS—Cont'd

- Nontax shelter items, substantial understatement of liability taxpayer penalties, **23:51**
- Notice
 - new partnership audit rules, **23:76.40**
 - responsibilities—registration of tax shelters, **23:69**
- Notice 2006-6 de-listing, transactions with significant book-tax differences before, **23:14**
- Obligations of taxpayers and material advisors after 2004 Act, **23:4 to 23:19**
- Offers in compromise, **23:135**
- Opinions
 - American Bar Association, **23:113 to 23:115**
 - circular 230, opinions under, **23:120 et seq.**
 - competence to provide, **23:131**
 - conclusion, **23:130**
 - confidentiality, **23:123**
 - contractual protection, **23:124**
 - disclosure requirements, **23:132**
 - excluded opinions, **23:125, 23:126**
 - limited scope, **23:129**
 - marketed opinion, **23:122, 23:128**
 - “Other written advice,” requirements for, **23:134**
 - standards of review, **23:127 to 23:129**
 - tax avoidance or evasion, **23:121**
 - “Other written advice,” requirements for, **23:134**
- Overstatements, taxpayer penalties, **23:42, 23:43, 23:55**
- Overview of Circular 230, **23:116**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Payment
 - interest, **23:98 et seq.**
 - underpayments. See **Underpayments**, below
- Penalties
 - Generally, **23:142**
 - American Jobs Creation Act of 2004, post-Act provisions, **23:20 et seq.**
 - maintenance of investor lists, tax shelters, **23:23, 23:75**

AUDITS-IRS—Cont'd

Penalties—Cont'd

- payment of interest by taxpayer, **23:101, 23:102**
- pre 2007 Act preparer penalties, **23:109, 23:110**
- preparer penalties, ethical and practical considerations for professional advisors, **23:107 to 23:110**
- procedural requirements, **23:31**
- registration of tax shelters, **23:72**
- resolution proposal, **23:24**
- returns relating to exchanges of
 - partnership interests involving unrealized receivables, information reporting, **23:81**
 - taxpayer penalties, **23:20 et seq.**
- 2007 Act preparer penalties, **23:118**
- Pension liabilities, substantial overstatement taxpayer penalty, **23:43**
- Practical implications, new partnership audit rules, **23:76.50**
- Preparer penalties, ethical and practical considerations for professional advisors, **23:107 to 23:110**
- Prior law, partnership audit provisions, **23:76.80**
- Professional advisors, ethical and practical considerations for, **23:106 et seq.**
- Program, **23:1 et seq.**
- Projected income investment, registration of tax shelters, **23:65**
- Promoting abusive tax shelters, **23:48**
- Protection, Taxpayer Bill of Rights, **23:136 to 23:141**
- Publicly traded interests, broker exemption from information reporting, **23:82**
- Qualification or disqualification opinions, **23:29**
- tax advisor (disqualified), **23:28**
- Real estate
 - investment trust rules on disguised sales and allocation of partnership liabilities, **25:192**
 - mortgage investment conduits, nominee reporting to partnership, **23:89**
 - transactions, information reporting, **23:93 et seq.**

AUDITS-IRS—Cont'd

Reasonable

- basis, negligence taxpayer penalty, **23:35**
- cause, accuracy-related taxpayer penalty, **23:26, 23:27, 23:34, 23:45**
- Reasons, new partnership audit rules, **23:76.10**
- Reckless conduct, preparer penalties, **23:110**
- Recovery of administrative and litigation costs, Taxpayer Bill of Rights, **23:139**
- Registration of tax shelters, **23:58 et seq.**
- Regulations
 - nominee reporting to partnership, information reporting, **23:83 et seq.**
 - real estate transactions, information reporting, **23:94**
- Reliance opinion (IRS Circular 230), **23:131**
- Reliance opinion, IRS Circular 230, **23:121**
- Reporting
 - American Jobs Creation Act of 2004, above
 - information reporting, **23:79 et seq.**
- Reporting person, real estate transactions, information reporting, **23:96**
- Representations, registration of tax shelters, **23:61**
- Returns
 - effect of amended return, substantial understatement of liability taxpayer penalties, **23:54**
 - exchanges of partnership interests involving unrealized receivables, information reporting, **23:80, 23:81**
- Revised IRS Circular 230 (June 2005), **23:116 et seq.**
- Revised Opinion 346, American Bar Association, **23:114**
- Rights
 - taxpayer Bill of Rights, **23:136 to 23:141**
 - taxpayer Bill of Rights 2, **23:141**
 - your Rights as a Taxpayer (IRS Pub. No. 1), **23:143**

INDEX

AUDITS-IRS—Cont'd

Rules

- taxpayer penalties, **23:50 et seq.**
- treasury Department rules of practice, ethical and practical considerations for professional advisors, **23:116 et seq.**
- SEC disclosure requirements, American Jobs Creation Act of 2004, **23:21**
- Section 6045B, reporting of actions affecting basis, **23:82.50**
- Section 6050, nominee reporting to partnership, **23:90**
- Section 6653(a), negligence penalty, **23:56**
- Significant book-tax differences, transactions with before de-listing by Notice 2006-6, **23:14**
- Son of Boss tax shelters, IRS responses, **23:3**
- Special enforcement considerations, **23:78**
- Standards, tax returns and other papers, **23:119**
- State or local bond opinions excluded, Circular 230, **23:126**
- Statute of limitations, extended, **23:3.10**
- “Strengthened” reasonable cause exception, American Jobs Creation Act of 2004, **23:26**
- Substantial
 - authority, taxpayer penalties, **23:38, 23:52, 23:53**
 - estate or gift tax valuation understatement, accuracy-related taxpayer penalty, **23:44**
 - investment, definition, **23:63**
 - overstatement of pension liabilities, accuracy-related taxpayer penalty, **23:43**
 - underpayments attributable to tax-motivated transactions, payment of interest by taxpayer, **23:100**
 - understatement of income tax taxpayer penalty, **23:37 et seq.**
 - understatement of liability, taxpayer penalties, **23:50 et seq.**
 - valuation overstatement, accuracy-related taxpayer penalty, **23:42**
- TAMRA (Technical and Miscellaneous Revenue Act of 1988), Taxpayer Bill of Rights, **23:136**

AUDITS-IRS—Cont'd

- Tax avoidance or evasion, **23:121**
- Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), partnership audit provisions, **23:76.80 to 23:78**
- Tax-exempt partners, nominee reporting to partnership, **23:91**
- Tax Increase Prevention and Reconciliation Act (TIPRA), prohibited tax shelter transactions, **23:18, 23:19**
- Taxpayers
 - bill of Rights, **23:136 to 23:140**
 - bill of Rights 2, **23:141**
 - payment of interest, **23:98 et seq.**
 - penalties, **23:20 et seq.**
 - your Rights as a Taxpayer (IRS Pub. No. 1), **23:143**
- Tax shelters
 - Generally, **23:2**
 - abusive tax shelters, IRS responses, **23:3**
 - IRS responses to abusive shelters, **23:3**
 - prohibited tax shelter transaction, **23:18, 23:19**
 - registration of tax shelters, **23:58 et seq.**
 - substantial understatement of income tax taxpayer penalty, taxpayer penalties, **23:40**
 - substantial understatement of liability, taxpayer penalties, **23:53**
- Technical and Miscellaneous Revenue Act of 1988 (TAMRA), Taxpayer Bill of Rights, **23:136**
- TEFRA (Tax Equity and Fiscal Responsibility Act of 1982), partnership audit provisions, **23:76.80 to 23:78**
- Time, nominee reporting to partnership, **23:87**
- Timing of required disclosure, American Jobs Creation Act of 2004, **23:9, 23:18**
- TIPRA (Tax Increase Prevention and Reconciliation Act), prohibited tax shelter transactions, **23:18, 23:19**
- Transactions
 - American Jobs Creation Act of 2004, transactions of interest, **23:9, 23:16**

AUDITS-IRS—Cont'd

Transactions—Cont'd

- real estate transactions, information reporting, **23:93 et seq.**
- substantial underpayments attributable to tax-motivated transactions, payment of interest by taxpayer, **23:100**

Treasury Department, **23:116 et seq., 23:144 to 23:150**

2004 American Jobs Creation Act.
American Jobs Creation Act of 2004, above

Underpayments

- interest, payment by taxpayer, **23:100, 23:101**
- penalties, taxpayer, **23:47**

Understatements

- accuracy-related taxpayer penalty, **23:37 et seq., 23:44**
- substantial understatement of liability, taxpayer penalties, **23:50 et seq.**
- unrealistic positions, preparer penalties, **23:109**

Unrealistic positions causing understatements, preparer penalties, **23:109**

Unrealized receivables, returns relating to exchanges of partnership interests involving, **23:80, 23:81**

Valuation

- overstatements, taxpayer penalties, Section 6659, **23:55**
- section 6659, penalty for valuation overstatements, **23:55**
- substantial estate or gift tax valuation understatement, accuracy-related taxpayer penalty, **23:44**
- substantial valuation overstatement, accuracy-related taxpayer penalty, **23:42**

Willful conduct, preparer penalties, **23:110**

AUTHORITY OR POWER

Due diligence and civil liability, SEC's authority to expand safe harbors for forward-looking statements, **8:186**

Limited liability companies, **5:41**

Limited partners and partnerships, powers of general partners, **24:41**

Partners and partnerships, mergers and divisions, **10:400, 10:411**

AUTHORITY OR POWER—Cont'd

Real estate. See **Real Estate** (this index)

AUTOMATIC SHELF REGISTRATION

Limited partners and partnerships, well-known seasoned issuers, **6:263**

AVERAGING CONVENTIONS

Business and capital investment, **1:5**

Equipment leasing, **19:28**

Real estate, Tax Reform Act of 1986, **9:21 to 9:30**

AVOIDANCE

Avoidance of tax as principal purpose for increasing or decreasing rents, **11:57**

IRS audit program, taxpayer penalties, **23:49, 23:53**

Limited partners and partnerships, avoided cost rules, **11:70 to 11:73, 11:78 to 11:86**

Motion pictures, at risk rule, **20:19**

Passive loss, tax prevention, **4:108**

S corporations. See **S Corporations** (this index)

BACK COVER

Full disclosure, prospectus, **7:24, 7:25**

Publicly registered real estate syndications, plain English rules for contents of prospectus, **26:9**

BACKGROUND OR HISTORY

Audits-IRS. See **Audits - IRS** (this index)

Equipment leasing, **19:1, 19:52**

Farmland and agriculture, **18:35, 18:36**

FINRA regulation of direct participation programs and non-traded real estate investment trusts, Rule 2310, **13:4**

Investment limited partnerships, issuer safe harbor, **6:99**

Livestock programs, **17:17, 17:93 to 17:97**

Master limited partnerships, electing large partnership audit systems, **10:574**

Motion pictures, **20:1**

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss. See **Passive Loss** (this index)

INDEX

BACKGROUND OR HISTORY

—Cont'd

- Real estate. See **Real Estate** (this index)
- Research and development programs, **21:4**
- At risk rules, statutory, **3:2**

BAD ACTORS

- Limited partners and partnerships, disqualification of Rule 506 offerings involving, **6:26, 6:28**

“BAD BOY”

- Clauses, partners and partnerships, **10:257**
- Exclusions, Regulation A, **6:155**
- Guarantees, **10:334**
- Recourse liabilities, **10:334**

BAD DEBTS

- Accounting provisions, Tax Reform Act of 1986, **1:68**

BAIL OUTS OF BURNED OUT TAX SHELTERS

- Generally, **27:1 to 27:77**
- Abandonment of property or interest, **27:51, 27:76**
- Acquisition of debt by related party, refinancings and restructurings, **27:27 to 27:35**
- Additional capital, contributing, **27:37**
- Additional capital contributed to partnership, **27:37, 27:59**
- Admission of new partners, **27:36**
- Allocations of income, loss and liabilities, tax consequences of typical restructuring, **27:20, 27:21**
- Amendment or modification
 - American Recovery and Reinvestment Act, amendment of Section 108, **27:26**
 - material modification rule, tax consequences of typical restructuring, **27:5 to 27:8**
 - proposed regulations on COD income in partnership debt-for-equity exchanges, **27:25**
- American Jobs Creation Act, Section 108(e)(8), **27:24**
- American Recovery and Reinvestment Act, **27:26**
- Anticipation of becoming related to debtor, acquisition of debt by

BAIL OUTS OF BURNED OUT TAX SHELTERS—Cont'd

- related party, **27:30**
- Application or applicability
 - bankruptcy and insolvency exceptions, cancellation of indebtedness income, **27:12**
 - material modification rule, tax consequences of typical restructuring, **27:8**
- Bankruptcy, **27:10, 27:12, 27:77**
- Cancellation
 - indebtedness income, **27:9 to 27:17, 27:65**
 - partnership debt canceled in exchange for partnership interest, **27:23**
- Cancellation of partnership debt in exchange for partnership interest, refinancings and restructurings, **27:23**
- Capital contributions, **27:15, 27:37, 27:59**
- Changes. See Amendment or modification, above
- Charitable contributions, **27:50, 27:67**
- COD income in partnership debt-for-equity exchanges, **27:25**
- Contributing additional capital, **27:37**
- Contributions
 - capital contributions, **27:15, 27:37, 27:59**
 - charitable contributions, **27:50, 27:67**
- Controlled corporation, transferring partnership interest to, **27:70**
- Conveyance of property or interest to creditors, **27:51 to 27:54, 27:69**
- Creditors, conveyance of property or interest to, **27:51 to 27:54, 27:69**
- Date. See Time or date, below
- Death, hold partnership interest until, **27:71 to 27:74**
- Debt-for-equity, proposed regulations, **27:25**
- Debt or indebtedness, **27:12 et seq.**
- Deemed new issuance, acquisition of debt by related party, **27:31**
- Deferred matters
 - interest charge on deferred tax liability, installment sales, **27:43**
 - like-kind exchange of property, **27:49**

**BAIL OUTS OF BURNED OUT TAX
SHELTERS—Cont'd**

- Direct acquisition of debt by related party, refinancings and restructurings, **27:29**
- Disclosure statement, refinancings and restructurings, **27:32**
- Distribution of partner debt to partner, **27:75**
- Effective date, acquisition of debt by related party, **27:33**
- Election, hold partnership interest until death, **27:73**
- Entity (partnership) level bail-outs, **27:2 to 27:57**
- Exceptions
 - acquisition of debt by related party, refinancings and restructurings, **27:28**
 - indebtedness income cancellation, tax consequences of typical restructuring, **27:9 to 27:17**
 - partnership debt canceled in exchange for partnership interest, refinancings and restructurings, **27:23**
- Exchanges
 - cancellation of partnership debt in exchange for partnership interest, refinancings and restructurings, **27:23**
 - like-kind exchanges, **27:45 to 27:49, 27:66**
- Family members, making gift of partnership interest to, **27:68**
- Final regulations, **27:17**
- Final regulations, material modification rule, **27:5**
- Foreclosure / involuntary conveyance of property to creditors, **27:52 to 27:54**
- Gift of partnership interest to family members, **27:68**
- Holding partnership property or interest, **27:38, 27:60, 27:71 to 27:74**
- Impact of statutes on partnership debt restructurings, **27:22**
- Income
 - allocation of partnership income, tax consequences of typical restructuring, **27:20**
 - cancellation of indebtedness income, **27:9 to 27:17, 27:65**

**BAIL OUTS OF BURNED OUT TAX
SHELTERS—Cont'd**

- Income—Cont'd
 - ordinary income recapture, installment sales, **27:42**
- Incorporation, **27:57**
- Incorporation of property, **27:57**
- Indebtedness or debt, **27:12 et seq.**
- Indirect acquisition of debt by related party, refinancings and restructurings, **27:29**
- Insolvency exception, cancellation of indebtedness income, **27:11**
- Installment sales, **27:40 to 27:43, 27:64**
- Interest charge on deferred tax liability, installment sales, **27:43**
- Interests
 - abandonment of partnership interest, **27:76**
 - cancellation of partnership debt in exchange for partnership interest, **27:23**
 - contributing partnership interest to charity, **27:67**
 - conveying partnership interest to creditors, **27:69**
 - hold partnership interest, **27:60, 27:71 to 27:74**
 - making gift of partnership interest to family members, **27:68**
 - taxable sale of partnership interest, **27:61 to 27:66**
 - transferring partnership interest to controlled corporation, **27:70**
- Involuntary conveyance of property to creditors, **27:52 to 27:54**
- IRD considerations, hold partnership interest until death, **27:72**
- Liability or liabilities
 - allocation of partnership liabilities, tax consequences of typical restructuring, **27:21**
 - excess of basis, installment sales, **27:41**
 - interest charge on deferred tax liability, installment sales, **27:43**
- Like-kind exchanges, **27:45 to 27:49, 27:66**
- Limitations
 - related party limitations, like-kind exchange of property, **27:48**

**BAIL OUTS OF BURNED OUT TAX
SHELTERS—Cont'd**

Limitations—Cont'd

taxable sale of partnership interest,
like-kind exchange not available,
27:66

Loss

allocation of partnership loss, tax consequences of typical restructuring,
27:20

passive loss. See Passive loss, below

Lost deduction exception, cancellation of indebtedness income, **27:14**

Making gift of partnership interest to family members, **27:68**

Material modification rule, tax consequences of typical restructuring,
27:5 to 27:8

Members of family, making gift of partnership interest to, **27:68**

Modification. See Amendment or modification, above

New partners, admission of, **27:36**

Nonrecourse debt, foreclosure / involuntary conveyance of property to creditors, **27:54**

Ordinary income recapture, installment sales, **27:42**

Original issue discount, tax consequences of typical restructuring,
27:18

Overview of regulations, material contribution rule, **27:6**

Partially recourse debt, transfer of property in satisfaction, **27:55**

Partners and partnerships, **27:2 to 27:77**

Passive loss

hold partnership interest until death,
27:74

like-kind exchange of property, **27:47**
taxable sale of underlying property,
27:44

Practical considerations, **27:58**

Property

conveyance of property to creditors,
27:51 to 27:54

holding partnership property, **27:38**

incorporation of property, **27:57**

like-kind exchange of property, **27:45 to 27:49**

real property. See Real property, below

**BAIL OUTS OF BURNED OUT TAX
SHELTERS—Cont'd**

Property—Cont'd

taxable sale of underlying property,
27:39 to 27:44

Purchase money debt exception, cancellation of indebtedness income,
27:13

Qualified real property business indebtedness exception, cancellation of indebtedness income, **27:16**

Real property

like-kind exchange of property, **27:46**

qualified real property business indebtedness exception, cancellation of indebtedness income,
27:16

Recapture

ordinary income recapture, installment sales, **27:42**

taxable sale of partnership interest,
27:63

Recourse debt, foreclosure / involuntary conveyance of property to creditors, **27:53**

Refinancings, **27:3 to 27:35**

Related party

acquisition of debt by related party, refinancings and restructurings,
27:27 to 27:35

related party limitations, like-kind exchange of property, **27:48**

Related party limitations, like-kind exchange of property, **27:48**

Restructurings, **27:3 to 27:35**

Sales

partnership interest, taxable sale of,
27:61 to 27:66

underlying property, taxable sale of,
27:39 to 27:44

Section 108 and cancellation of indebtedness income, **27:11 to 27:18**

Specific tests, material modification rule,
27:7

Subsequent debt restructuring, acquisition of debt by related party, **27:35**

Substance over form, acquisition of debt by related party, **27:34**

Taxable sale of underlying property or partnership interest, **27:39 to 27:44, 27:61 to 27:66**

BAIL OUTS OF BURNED OUT TAX SHELTERS—Cont'd

Tax consequences of typical restructuring, **27:4 to 27:22**

Time or date

deferred matters. See *Deferred matters*, above

effective date, acquisition of debt by related party, **27:33**

Transferring partnership interest to controlled corporation, **27:70**

Unavailability of like-kind exchange treatment, taxable sale of partnership interest, **27:66**

Underlying property, taxable sale of, **27:39 to 27:44**

Voluntary conveyance of property to creditors, **27:51**

Workout overview, **27:1**

Wraparound mortgages, installment sales, **27:41**

BALANCES

Broker-dealers, trial balance, **15:69**

BALANCING TEST

Due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:213, 8:217**

BANKERS' ACCEPTANCES

Broker-dealers, computation of net capital, **15:53**

BANKRUPTCY

Bail-outs of burned-out tax shelters, **27:10, 27:12, 27:77**

Passive loss rules applicable to bankruptcy estates, **4:133**

BAR

Broker-dealers, disciplinary procedures, **15:114**

Due diligence and civil liability, bar orders, **8:193**

"BARCHRIS" CASE

Due diligence and civil liability, **8:9, 8:83**

BASE FOR INVESTMENT TAX CREDIT

Motion pictures, **20:28**

BASE YEAR

S corporations, net base year income, **22:77**

BASIC RESEARCH EXPENSES TAX CREDIT

Research and development programs, **21:53 to 21:56**

BASIS

Adjustment or adjustments

limited liability companies, special basis adjustments, **5:25**

partners and partnerships. See

Partners and Partnerships (this index)

real estate. See **Real Estate** (this index)

Bail-outs of burned-out tax shelters, liabilities in excess of basis, **27:41**

Cash basis accounting. See **Cash Basis Accounting** (this index)

Depreciation, no basis increase for inflation, **1:8**

Equipment leasing, investment tax credit, **19:48**

Farmland and agriculture, cash basis accounting, **18:14**

Limited liability companies. See **Limited Liability Companies** (this index)

Livestock programs, **17:29, 17:30, 17:76 to 17:83**

Oil and gas, cash and accrual basis taxpayers under Tax Reform Act of 1984, **16:46, 16:47**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

S corporations, comparison of taxation of partners and shareholders, **22:55 to 22:57**

BELIEF OR OPINION

Due diligence investigations, **8:18**

"BELZ INVESTMENT CO. V COMMISSIONER" CASE

Equipment leasing, **19:57**

BENEFICIAL OWNER

Exemptions from registration. See

Resales by Investors (this index)

Full disclosure, prospectus, **7:54, 7:55**

INDEX

BENEFICIAL OWNER—Cont'd

- IRS audit program, nominee reporting to partnership, **23:87**
- Limited partners and partnerships, two-tier limited partnerships under Investment Company Act of 1940, **6:296**

BENEFITS

- Due diligence and civil liability, tax benefits as offset to damages for inadequate or materially misleading disclosure, **8:187**
- Equipment leasing, tax benefits not generally available to partnerships, **19:44 to 19:51**
- Livestock programs, expected profits cannot include anticipated tax benefits, **17:25**
- Oil and gas, benefits after Tax Reform Act of 1986, **16:18 to 16:23**
- Real estate. See **Real Estate** (this index)
- Research and development programs, tax benefits, **21:12, 21:16, 21:25**
- S corporations, **22:1 et seq.**

“BESPEAKS CAUTION” DOCTRINE

- Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:179**

“BEST EFFORTS” OFFERINGS

- Broker-dealers, compliance for real estate limited partnership syndications, **15:38 to 15:40**

BEST EXECUTION OF CUSTOMER ORDERS

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:41**

BEST PRACTICES

- Audits-IRS, best practices for tax advisors under IRS Circular 230, **23:118**

BIFURCATION

- See **Partners and Partnerships** (this index)

BILL OF RIGHTS OF TAXPAYERS

- IRS audit program, **23:136 to 23:141**

BINDING

- Contracts. See **Agreements or Contracts** (this index)
- Partners, master limited partnerships, **10:604**

BITCONNECT CASE

- Targeted solicitation, **8:91**

BLOGS AND SOCIAL NETWORKING ACTIVITIES

- FINRA guidance for broker-dealers, **15:97**

BLUE SKY LAWS

- Generally, **8A:1 to 8A:6**
- Due diligence duties of securities counsel, **8:219**
- Limited offering exemptions, **App L**
- Limited partners and partnerships, federal preemption of Rule 506 offerings—internet foreign offerings, **6:71**
- NASAA, changes to Uniform Act by, **8A:5**
- Offer and sale, **8A:2, 8A:4**
- Oil and gas, **16:72**
- Presence of security, **8A:3**
- Real estate. See **Real Estate** (this index)
- State laws. See entries throughout this heading
- Uniform Act, **8A:5, 8A:6**

BOI REPORTING

- Corporate Transparency Act (CTA) extension of deadline, **9:108**
- FAQs regarding, **9:110**
- SEC amends Regulation 13D-G rules for beneficial ownership reporting, **9:111**

“BOLLINGER” CASE

- Real estate, nominee corporations, **9:176**

BONA FIDE

- Debt, motion picture depreciation deductions, **20:12**
- Sales, investment limited partnerships, **6:273**

BONDS

- Broker - Dealers. See **Broker - Dealers** (this index)
- Real estate. See **Real Estate** (this index)

BONUS DEPRECIATION

Real estate tax aspects, **9:60 to 9:62**

BOOKS

Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:45**

BOOK/TAX ALLOCATIONS

Partners and partnerships, final regulations regarding allocation of income and losses, **10:103**

BOOK-TAX DIFFERENCES

Audits-IRS, transactions with significant book-tax differences before de-listing by Notice 2006-6, **23:14**

Notice 2006-6 de-listing, transactions with significant book-tax differences before, Audits-IRS, **23:14**

BOOK VALUE

Limited liability companies, taxation of LLCs and members, **5:59**

BOOT

Real estate, like-kind exchanges, **9:194**

BORROWINGS

Limited partners and partnerships, limitation on deductibility of interest, **11:145, 11:148**

Loans. See **Loans** (this index)

Passive loss, making self-charged interest loans, **4:92**

At risk, borrowed amounts, **3:13, 3:14, 3:19, 3:26**

BREEDING

Livestock programs, **17:1 et seq.**

BRIGHT-LINE RULE

Investment limited partnerships, investment participations as securities, **6:10**

BROKER

See **Brokers** (this index)

BROKER-DEALERS

Ability for management, due diligence investigation of sponsor, **15:83**

Acceptances by bankers, computation of net capital, **15:53**

Accounting, reporting obligations, **15:67**

BROKER-DEALERS—Cont'd

Admission standards, compliance for real estate limited partnership syndications, **15:19**

Aggregate indebtedness, net capital, **15:47, 15:58**

Agreements

escrow agreement, due diligence checklist for real estate syndication, **15:92**

membership agreement, NASD, real estate syndication, **15:25**

selling agreement, due diligence checklist for real estate syndication, **15:94**

subordination agreements, minimum net capital requirement, **15:46**

Amendments

“Haircut” rules, computation of net capital, **15:56**

minimum net capital, compliance for real estate limited partnership syndications, **15:44, 15:45**

Anti-money laundering, compliance for real estate limited partnership syndications, **15:116**

Appeal and review

disciplinary procedures, **15:115**

property and documentation review, due diligence checklist for real estate syndication, **15:88, 15:93**

Applications. See **Forms**, below

Arrangements for compensation, due diligence checklist for real estate securities offerings, **15:89**

Assessment or assessments

FINRA assessments, **15:62**

SIPC assessment, form, **30:7**

Assets, computation of net capital, **15:51**

Associated persons, exempt, **15:31**

Associated persons, Rule 15b7-1, compliance for real estate securities offerings, **15:17**

Audit activities of FINRA, disciplinary procedures, **15:100**

Bankers' acceptances, computation of net capital, **15:53**

Bar, disciplinary procedures, **15:114**

“Best efforts” offerings, compliance for real estate limited partnership syndications, **15:38 to 15:40**

INDEX

BROKER-DEALERS—Cont'd

- Best interest standard, Real estate investment trusts (REITs), **25:77**
- Blogs and social networking activities, FINRA guidance, **15:97**
- Bonds
 - compliance for real estate limited partnership syndications, **15:60**
 - fidelity bonds, **30:4**
- Business continuity plans, **15:71, 30:13**
- Capital
 - contributions, due diligence checklist for real estate securities offerings, **15:92**
 - net capital requirements, compliance for real estate limited partnership syndications, **15:42 to 15:58**
- Case law, due diligence, **15:76**
- Censure, disciplinary procedures, **15:105, 15:111**
- Certificates of deposit, computation of net capital, **15:53**
- Changes. See Amendments, above
- Checklist for real estate syndication, due diligence, **15:79 to 15:94**
- Commencing business, **15:14**
- Commercial paper, computation of net capital, **15:53**
- Compensation arrangements, due diligence checklist for real estate securities offerings, **15:89**
- Compliance
 - form, compliance and supervisory procedures manual for funding corporation, **30:8**
 - real estate limited partnership syndications, **15:1 et seq.**
- Computation of net capital, compliance for real estate limited partnership syndications, **15:50 to 15:58**
- Conflicts of interest, due diligence checklist for real estate syndication, **15:86**
- Continuing education training plan, **30:9, 30:12**
- Control person liability
 - compliance for real estate limited partnership syndications, **15:74**
 - due diligence and civil liability, inadequate or materially misleading disclosure, **8:146**

BROKER-DEALERS—Cont'd

- Corporations
 - funding corporation, forms, **30:8, 30:9**
 - SIPC. See Securities Investor Protection Corporation (SIPC), below
- Correspondence relating to registration, form, **30:3**
- Customer protection rule, compliance for real estate limited partnership syndications, **15:59**
- Deadlines, compliance for real estate limited partnership syndications, **15:26**
- Debt or indebtedness, net capital, **15:47, 15:48, 15:55, 15:58**
- Decision after hearing, disciplinary procedures, **15:109**
- Disciplinary procedures
 - compliance for real estate securities offerings, **15:98 to 15:115**
 - FINRA audit activities, **15:100**
 - FINRA disciplinary structure, overview, **15:98**
 - sanction determination, application of FINRA general principles, **15:102**
 - SEC enforcement, **15:107**
- Documentation review, due diligence checklist for real estate syndication, **15:93**
- DPBD recordkeeping requirements, compliance for real estate limited partnership syndications, **15:63**
- DPP securities, compliance for real estate limited partnership syndications, **15:35, 15:36**
- Due diligence
 - civil liability, control person liability for inadequate or materially misleading disclosure, **8:146**
 - compliance for real estate securities offerings, **15:75 to 15:94**
 - FINRA requirements, **15:77**
 - legal / compliance officers or in-house counsel of broker-dealers as “supervisors,” **8:172**
 - regulation D offerings, suggested due diligence procedures, **15:96**
- Education, continuing education training plan, **30:9, 30:12**

BROKER-DEALERS—Cont'd

- Enforcement by SEC, disciplinary actions, **15:107**
- Equity, net capital requirements, **15:48**
- Escrow agreement, due diligence checklist for real estate syndication, **15:92**
- Exempt associated persons, **15:31**
- Existing rule, minimum net capital, **15:43**
- Expulsion, disciplinary procedures, **15:114**
- Fidelity bonds, **30:4**
- Filing
 - form U4, compliance for real estate securities offerings, **15:22**
 - simultaneous state filings, compliance for real estate limited partnership syndications, **15:21**
- Financial responsibility, DPP and REIT securities broker dealer, **15:36**
- Finders in private capital raising, proposed conditional exemption for finders in, **30:5.60**
- Fines, disciplinary procedures, **15:112**
- FINRA
 - assessments, **15:62**
 - audit activities, **15:100**
 - blogs and social networking activities, guidance, **15:97**
 - censure of FINRA violators, **15:105, 15:111**
 - central Registration Depository (CRD) system, **15:21 et seq.**
 - disciplinary procedures, **15:98, 15:102**
 - disciplinary structure, **15:99**
 - due diligence, **15:77**
 - form U4, compliance for real estate securities offerings, **15:22, 15:27**
 - guidance on obligation to investigate in private placement offerings, **13:51, 15:95**
 - membership, **15:12, 15:18**
 - private offerings by member, **15:117**
 - private placement offerings, **15:95, 15:118**
 - registration, generally, **15:12**
 - sanction determinations, application of FINRA general principles, **15:102**
 - supervisory procedures, **6:284**

BROKER-DEALERS—Cont'd

- Formal remedial action, types of disciplinary actions, **15:106**
- Forms
 - applications
 - Instructions for Revised Form U4, **30:2.50**
 - Instructions for Revised Form U5, **30:11.50**
 - Registration, **30:1 to 30:2.50**
 - Revised Form U4, uniform application for securities industry registration or transfer, **30:2**
 - Revised Form U5, uniform termination notice for securities industry registration, **30:11**
 - Transfer, **30:2, 30:2.50**
 - Uniform application for registration, Form BD, **30:1**
 - Uniform application for securities industry registration or transfer, Revised Form U4, **30:2**
 - Uniform termination notice for securities industry registration, Revised Form U5, **30:11**
 - compliance and supervisory procedures manual for funding corporation, **30:8**
 - continuing education plan of funding corporation, **30:9**
 - correspondence relating to registration, **30:3**
 - fidelity bond, **30:4**
 - filing and processing Form U4, **15:22**
 - form BD, uniform application for registration, **30:1**
 - form U4, compliance for real estate securities offerings, **15:22, 15:27**
 - funding corporation, **30:8, 30:9**
 - instructions for Revised Form U4, uniform application for securities industries registration or transfer, **30:2.50**
 - instructions for Revised Form U5, uniform notice of termination for securities industry registration, **30:11.50**
 - manual of compliance and supervisory procedures for funding corporation, **30:8**

INDEX

BROKER-DEALERS—Cont'd

Forms—Cont'd

new York registration materials, **30:6**

notice of termination for securities industry registration, uniform, **30:11**

registration

Applications, **30:1, 30:2**

Correspondence, **30:3**

Financial Industry Regulatory Authority (FINRA) supervisory procedures, **30:11**

Instructions for Revised Form U4, uniform application, **30:2.50**

Instructions for Revised Form U5, uniform termination notice, **30:11.50**

Revised Form U4, **30:2**

Revised Form U5, Uniform termination notice for securities industry registration, **30:11**

SEC materials, **30:5**

Securities industry registration, **30:2, 30:11**

State materials, **30:6**

Termination notice for securities industry registration, uniform, **30:11**

request for withdrawal, uniform, **30:10**

revised Form U4, uniform application for securities industry registration or transfer, **30:2**

revised Form U4 instructions, **30:2.50**

revised Form U5, uniform notice of termination for securities industry registration, **30:11**

revised Form U5 instructions, **30:11.50**

SEC registration materials, **30:5**

securities industry, **30:2, 30:11**

SIPC assessment, **30:7**

state registration materials, **30:6**

supervisory procedures and compliance manual for funding corporation, **30:8**

termination

Instructions for Revised Form U5, **30:11.50**

BROKER-DEALERS—Cont'd

Forms—Cont'd

termination—Cont'd

Revised Form U5, uniform notice for securities industry registration, **30:11**

transfer

Instructions for Revised Form U4, **30:2.50**

Revised Form U4, uniform application for securities industry transfer, **30:2**

uniform applications, **30:1, 30:2**

uniform request for withdrawal, **30:10**

uniform termination notice for securities industry registration, **30:11**

withdrawal, uniform request for, **30:10**

Funding, compliance for real estate limited partnership syndications, **15:20**

Funding corporation, forms, **30:8, 30:9**

General principles of due diligence investigations, compliance for real estate limited partnership syndications, **15:49**

Government securities, computation of net capital, **15:54**

“Haircuts,” computation of net capital, **15:52 to 15:56**

Hearings, disciplinary procedures, **15:108, 15:109**

Inadequate matters

accounting records, reporting obligations, **15:67**

due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:146**

Indebtedness or debt, net capital, **15:47, 15:48, 15:55, 15:58**

Informal remedial action, types of disciplinary actions, **15:104**

In-house counsel of broker-dealers as “supervisors,” **8:172**

Instructions

revised Form U4, **30:2.50**

revised Form U5, **30:11.50**

Internet offerings, real estate limited partnership syndications, **15:41**

Interview, FINRA, real estate securities offerings, **15:24**

BROKER-DEALERS—Cont'd

- Investigations
 - due diligence, **13:51, 15:49, 15:81 to 15:84**
 - FINRA guidance, **15:95**
- Investment limited partnerships, **6:278 et seq.**
- Investors
 - due diligence checklist for real estate syndication, **15:91**
 - SIPC. See Securities Investor Protection Corporation (SIPC), below
- JOBS Act (2012), safe harbors from registration, **6:40**
- Legal / compliance officers or in-house counsel of broker-dealers as “supervisors,” **8:172**
- Liability. See Control person liability, above
- Limited partnerships
 - compliance for real estate limited partnership syndications, **15:1 et seq.**
 - financial Industry Regulatory Authority (FINRA) supervisory procedures, **6:284**
 - investment limited partnerships, **6:278 et seq.**
 - JOBS Act (2012), safe harbors from registration, **6:40**
- Maintenance of records, reporting obligations, **15:70**
- Management, due diligence investigation of sponsor, **15:83, 15:84**
- Manual of compliance and supervisory procedures for funding corporation, form, **30:8**
- Materials
 - forms, **30:1 to 30:11.50**
 - offering materials, due diligence checklist for real estate syndication, **15:80**
 - SEC registration materials, form, **30:5**
- Maximum debt to equity requirement, net capital requirements, **15:48**
- Mechanics of offering, due diligence checklist for real estate syndication, **15:90 to 15:93**
- Membership
 - FINRA, above
 - SIPC, compliance for real estate securities offerings, **15:15, 15:61**

BROKER-DEALERS—Cont'd

- Minimum net capital, compliance for real estate limited partnership syndications, **15:43 to 15:46**
- National Association of Securities Dealers (NASD)
 - financial Industry Regulatory Authority (FINRA) supervisory procedures, **6:284**
- membership
 - Generally, **15:30**
 - Agreement, **15:25**
 - Interview, **15:24**
- Net capital requirements, compliance for real estate limited partnership syndications, **15:42 to 15:58**
- New York registration materials, form, **30:6**
- Nonallowable assets, computation of net capital, **15:51**
- Nonconvertible debt securities, computation of net capital, **15:55**
- Notice of termination for securities industry registration
 - instructions for Revised Form U5, **30:11**
 - revised Form U5, **30:11**
- Notice queues, **15:23**
- Offerings
 - “Best efforts” offerings, **15:38 to 15:40**
 - due diligence checklist for real estate syndication, **15:80, 15:90 to 15:93**
 - FINRA member private offerings, **15:117**
- Organizations, sponsors, **15:82**
- Partnerships
 - limited partnerships. See Limited partnerships, above
 - management, due diligence investigation of sponsor, **15:84**
- Penalties, disciplinary procedures, **15:110 to 15:114**
- Personnel
 - qualifying personnel, compliance for real estate limited partnership syndications, **15:29**
 - registering personnel, compliance for real estate limited partnership syndications, **15:34**

INDEX

BROKER-DEALERS—Cont'd

Plans

- business continuity plans, **15:71**
- corporation continuing education plan, form for funding, **30:9**

Preservation of records, reporting obligations, **15:70**

Private placements, FINRA rule on, **15:112**

Profile of sponsor organization, due diligence checklist for real estate syndication, **15:82**

Property review, due diligence checklist for real estate syndication, **15:88**

Proposed amendments, Net Capital Rule, **15:45**

Protection

- customer protection rule, compliance for real estate limited partnership syndications, **15:59**

SIPC. See Securities Investor Protection Corporation (SIPC), below

Qualification and registration requirements, compliance for real estate limited partnership syndications, **15:30**

Qualification hierarchy, compliance for real estate limited partnership syndications, **15:32**

Qualifying broker-dealer personnel, compliance for real estate limited partnership syndications, **15:29**

Ratios, net capital requirements, **15:47**

Real estate, compliance for real estate limited partnership syndications, **15:1 et seq.**

Real estate investment trust operation, compliance for real estate limited partnership syndications, **15:35, 15:36**

Real estate investment trusts (REITs), best interest standard for, **25:77**

Records

- DPBD recordkeeping requirements, compliance for real estate limited partnership syndications, **15:63**
- inadequate accounting records, reporting obligations, **15:67**
- maintenance and preservation, reporting obligations, **15:70**
- track record, due diligence checklist for real estate syndication, **15:85**

BROKER-DEALERS—Cont'd

Registration

- central Registration Depository (CRD) system, **15:21 et seq.**
- compliance for real estate securities offerings

Generally, **15:2 et seq.**

Certain principal registrations, requirement for, **15:33**

Failure to register, **15:4**

Legal analysis, **15:3**

Overview, **15:1**

Personnel, registering, **15:34**

Preliminary—forming the entity, **15:9**

Requirements, generally, **15:10, 15:30**

Rule 3a4-1, issuer's exemption under 1934 Act, **15:6, 15:7**

SEC, registration with, **15:5, 15:11, 30:5, 30:5.50**

State registration, **15:13**

Step by step through registration process, **15:8**

FINRA, **15:12, 15:21 et seq.**

forms. See Forms, above

JOBS Act (2012), safe harbors from registration, **6:40**

limited partnerships

Generally, **6:278, 6:283**

Compliance, real estate limited partnership syndications. See Compliance for real estate limited partnership syndications, above in this heading

FINRA supervisory procedures, **6:284**

JOBS Act (2012), safe harbors from registration, **6:40**

rule 3a4-1, issuer's exemption under 1934 Act, **15:6, 15:7**

SEC registration, **15:5, 15:11, 30:5, 30:5.50**

state registration, **15:13, 30:6**

Regulation D offerings, suggested due diligence procedures, **15:96**

Regulation S-P, compliance for real estate limited partnership syndications, **15:72**

Remedial action, types of disciplinary actions, **15:104, 15:106**

BROKER-DEALERS—Cont'd

Reporting, compliance for real estate limited partnership syndications, **15:49, 15:64 to 15:70**

Request for withdrawal, form, **30:10**

Review. See Appeal and review, above

Revised Form U4, uniform application for securities industries registration or transfer, **30:2**

Revocation, disciplinary procedures, **15:114**

Rule 3a4-1, **6:278, 6:283, 15:6, 15:7**

Rule 10b-9, “best efforts” offerings, **15:40**

Rule 15c2-4, “best efforts” offerings, **15:39**

Rule 15c3-3, compliance for real estate limited partnership syndications, **15:59**

Rule 17a-5, reporting obligations, **15:65**

Rule 17a-10, reporting obligations, **15:68**

Rule 17a-11, reporting obligations, **15:66**

Rules

- “Haircut” rules, computation of net capital, **15:56**
- minimum net capital, compliance for real estate limited partnership syndications, **15:43 to 15:46**

Securities and Exchange Commission (SEC)

- compliance for real estate securities offerings, registration with SEC, **15:5, 15:11, 30:5, 30:5.50**
- enforcement, types of disciplinary actions, **15:107**
- registration materials, form, **30:5**

Securities Investor Protection Corporation (SIPC)

- assessment, form, **30:7**
- compliance for real estate limited partnership syndications, **15:61**
- membership, **15:15, 15:61**

Selling agreement, due diligence checklist for real estate syndication, **15:94**

SIPC. See Securities Investor Protection Corporation (SIPC), above

Social networking activities, FINRA guidance, **15:97**

BROKER-DEALERS—Cont'd

Sponsor, due diligence checklist for real estate syndication, **15:81 to 15:84**

Standards for admission, compliance for real estate limited partnership syndications, **15:19**

State registration, **15:13, 30:6**

State requirements, compliance for real estate limited partnership syndications, **15:16**

Statutory provisions, due diligence, **15:76**

Subordination agreements, minimum net capital requirement, **15:46**

Subscriptions, due diligence checklist for real estate syndication, **15:92**

Suitability of investors, due diligence checklist for real estate syndication, **15:91**

Summary, computation of net capital, **15:57**

Supervisory matters

- compliance for real estate limited partnership syndications, **15:73**
- legal / compliance officers or in-house counsel of broker-dealers as “supervisors,” **8:172**
- limited partnerships, registration, FINRA supervisory procedures, **6:284**
- procedures and compliance manual for funding corporation, form, **30:8**

Suspension, disciplinary procedures, **15:113**

Syndications, compliance for real estate limited partnership syndications, **15:1 et seq.**

Tax aspects, due diligence checklist for real estate syndication, **15:87**

Termination notice, securities industry registration

- instructions for Revised Form U5, **30:11.50**
- revised Form U5, **30:11**

Track record, due diligence checklist for real estate syndication, **15:85**

Training plan, **30:12**

Transfer of registration

- instructions for Revised Form U4, **30:2.50**

INDEX

BROKER-DEALERS—Cont'd

- Transfer of registration—Cont'd
 - revised Form U4, uniform application for securities industry transfer, **30:2**
- Trial balance, reporting obligations, **15:69**
- Types of disciplinary actions
 - censure of FINRA violators, **15:105, 15:111**
 - compliance for real estate securities offerings, **15:104 to 15:107**
 - FINRA disciplinary structure, **15:99**
 - sanction determination, **15:102**
- Uniform applications, forms
 - form BD, **30:1**
 - instructions for Revised Form U4, application for securities industry registration or transfer, **30:2.50**
 - instructions for Revised Form U5, uniform termination notice for securities industry registration, **30:11.50**
 - revised Form U4, uniform application for securities industry transfer, **30:2**
 - revised Form U5, uniform termination notice for securities industry registration, **30:11**
- Uniform request for withdrawal, form, **30:10**
- Uniform termination notice for securities industry registration
 - instructions for Revised Form U5, **30:11.50**
 - revised Form U5, **30:11**
- Withdrawal, request form, **30:10**

BROKERS

- Broker - Dealers. See **Broker - Dealers** (this index)
- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:87, 8:146**
- IRS audit program, exemption from informational reporting for publicly traded interests, **23:82**
- Real estate investment trusts, brokerage commissions under Blue Sky provisions, **25:93**

BROODMARES

- Livestock programs, **17:51 to 17:54, 17:95**

BROTHER/SISTER PASS-THROUGH ENTITY LOANS

- Passive loss, **4:97**

BUILDINGS AND STRUCTURES

- Equipped buildings
 - equipment leasing, depreciation and ACRS, **19:38**
 - real estate, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:51**
- Real estate. See **Real Estate** (this index)

BUILT IN GAIN OR LOSS

- Partners and partnerships, contributions, **10:197**

BULLETIN BOARD

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:49**

“BULLETPROOF” STATUTES

- Limited liability companies, **5:4**

BURNED OUT TAX SHELTERS

- See **Bail Outs of Burned Out Tax Shelters** (this index)

BUSHES

- Depreciation, **18:22**

BUSINESS CONTINUITY PLANS

- Broker-dealers, **15:71, 30:13**

BUSINESS ENTERTAINMENT

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:26**

BUSINESS OR BUSINESSES

- Bail-outs of burned-out tax shelters, qualified real property business indebtedness exception, **27:16**
- Doing business. See **Doing Business** (this index)
- Due diligence and civil liability, investigation of issuer, **8:31**
- Equipment leasing. See **Equipment Leasing** (this index)

BUSINESS OR BUSINESSES—Cont'd

- Farmland and agriculture. See **Farmland and Agriculture** (this index)
- Full disclosure. See **Full Disclosure** (this index)
- Individual income tax, business expenses, **1:60 to 1:63**
- Industry or industries. See **Industry or Industries** (this index)
- Investment, Tax Reform Act of 1986, **1:3 to 1:12**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs. See **Livestock Programs** (this index)
- Motion pictures, usual business format, **20:2, 20:3**
- Oil and gas, full disclosure, **16:56 to 16:66**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development. See **Research and Development** (this index)
- Small business or businesses. See **Small Business or Businesses** (this index)
- Trade or business. See **Trade or Business** (this index)
- Unrelated business taxable income. See **Unrelated Business Taxable Income (UBTI)** (this index)

“BUSSING V COMMISSIONER” CASE

- Equipment leasing, **19:64**

BUYOUT OF PARTNER

- Adverse tax consequences of assets-over merger, **10:408**

BUY SELL AGREEMENTS

- S corporations, one class of stock requirement for eligibility, **22:22**

CABLE TELEVISION

- Partnership investment opportunities, **2:27**

CAD (CASH AVAILABLE FOR DISTRIBUTION)

- Real estate investment trusts, funds from operations (FFO), **25:39**

CALCULATION OR COMPUTATION

- Broker-dealers, net capital, **15:79 to 15:94**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Motion pictures. See **Motion Pictures** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development tax credit, **21:56, 21:57**
- Return, **2:7 to 2:16**
- Unrelated business taxable income (UBTI) computation, IRS guidance on, **9:101**

CALENDAR YEAR

- Real estate investment trusts, permissive change to calendar year, **1:29**

CALIFORNIA

- Limited liability companies, operating agreement form, **31:3**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)

“CAMPBELL” CASE

- Partners and partnerships, compensation to service partner
 - Generally, **10:420 to 10:426**
 - capital interest vs profits interest, **10:424**
 - lower court decision, **10:420**
 - planning alternatives, **10:422 to 10:425**
 - revenue procedures dealing with receipt of profits interest, **10:426**
 - reversal of case, **10:421**
 - section 83(b) election, **10:425**

INDEX

“CAMPBELL” CASE—Cont’d

- Partners and partnerships, compensation to service partner—Cont’d
 - services rendered directly to partnership, planning alternative, **10:422**
 - valuation issues, planning alternative, **10:423**

CANCELLATION

- Debt. See **Cancellation of Indebtedness** (this index)
- IRS audit program, information reporting, **23:97**
- Limited partners and partnerships, certificate of limited partnership, **24:51, 24:52**
- Termination. See **Termination** (this index)

CANCELLATION OF INDEBTEDNESS

- Accounting provisions, cancellation of indebtedness for solvent taxpayers, **1:69**
- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- IRS audit program, cancellation of indebtedness income and information reporting, **23:97**
- Real estate investment trusts, cancellation of indebtedness income, **25:199**

CANDIDATES

- Coordinated review, direct participation programs (CD-DPP), **25:117**

“CAPEK V COMMISSIONER” CASE

- At risk, guarantees and other risk limiting arrangements, **3:30**

CAPITAL

- Accounts. See **Partners and Partnerships** (this index)
- Broker - Dealers. See **Broker - Dealers** (this index)
- Contributions. See **Capital Contributions** (this index)
- Farmland and agriculture. See **Farmland and Agriculture** (this index)
- Gain or gains. See **Capital Gain or Gains** (this index)

CAPITAL—Cont’d

- Investment, Tax Reform Act of 1986, **1:3 to 1:12**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Losses, Tax Reform Act of 1986, **1:22 to 1:25**
- Net capital
 - broker-dealers, compliance for real estate limited partnership syndications, **15:42 to 15:58**
 - FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:47**
- Oil and gas, items, **16:40**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

CAPITAL CONTRIBUTIONS

- Bail-outs of burned-out tax shelters, **27:15, 27:37, 27:59**
- Broker-dealers, due diligence checklist for real estate syndication, **15:92**
- Limited liability companies, organization, **5:50**
- Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:31, 24:39**
- Partners and partnerships, inclusion of debt in outside basis, **10:246**

CAPITAL GAIN OR GAINS

- Livestock, sales and exchanges, **17:69, 17:70**
- Oil and gas, sale, **16:52**
- Real estate. See **Real Estate** (this index)
- Research and development programs, treatment, **21:17 to 21:26**
- Tax Reform Act of 1986, **1:22 to 1:25**
- Timber, disposition, **18:28 to 18:32**

CAPITALIZATION

- Accounting, inventory, construction and development costs, **1:67**
- Current expenses of limited partnerships, treatment of, **11:24 to 11:25**
- Full disclosure, prospectus, **7:38, 7:39**

CAPITALIZATION—Cont'd

- Limited partners and partnerships, accounting issues affecting investment limited partnerships, **11:68 et seq.**
- Livestock programs, accounting rules, **17:39 to 17:43**
- Passive loss, **4:98**
- Research and development programs, rules, **21:34**
- Timber, capitalized expenditures, **18:27**
- Uniform capitalization rules. See **Uniform Capitalization Rules** (this index)

CAPTIONS

- Publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:84**

CARRIED INTEREST

- Oil and gas, **16:6, 16:14**
- Partnerships, taxation of, **10:427**
- Proposed regulations on, **1A:13**
- Tax Cut and Jobs Act provision, **1A:3, 10:427, 10:428**

CARRYOVER OF DISALLOWED DEDUCTIONS AND CREDITS

- Passive loss, special disposition rules under 1988 regulations, **4:79**

CARVED OUT INTERESTS

- Oil and gas, **16:5**

CASH

- Basis accounting. See **Cash Basis Accounting** (this index)
- Flow. See **Cash Flow** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Money. See **Money** (this index)
- Oil and gas. See **Oil and Gas** (this index)
- Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

CASH BASIS ACCOUNTING

- Farmland and agriculture, **18:14**
- Oil and gas programs, Tax Reform Act of 1984, **16:46**
- Tax Reform Act of 1986, **1:65**

CASH FLOW

- Master limited partnerships, publicly traded partnership, **10:483**
- Oil and gas programs, tax advantaged cash flow, **16:20**
- Partners and partnerships, distributions of operating cash flow, **10:463 to 10:472**
- Real estate. See **Real Estate** (this index)

CASING POINT

- Oil and gas, **16:16**

CASUALTIES

- Livestock programs, deductions for expenses incurred by casualties, **17:44**

CATTLE

- Livestock programs, **17:1 et seq.**

CAUSE AND CAUSATION

- Audits-IRS. See **Audits - IRS** (this index)
- Due diligence, Rule 10b-5 and inadequate or materially misleading disclosure, loss causation, **8:107**

CAUTIONARY STATEMENTS

- Due diligence, **8:181**

C&DIs

- Crowdfunding, **6:167**
- Cybersecurity incident disclosures, Form 8-K, **App F9**
- EGCs, registration and disclosure requirements under FAST Act, **6:238**
- Limited partners and partnerships
 - accredited investors (other than grantor trusts), **6:49**
 - aggregate offering price, **6:55**
 - bad actor disqualification under Rule 506(d) and disclosures under Rule 506(e) (Dec 2013), **6:26**
 - counting purchasers under Rule 501(e), **6:60**
 - form D filings, **6:62, 6:63, 6:64**
 - grantor trusts, **6:52**
 - intrastate offering exemption, Rule 147, **6:137**
 - permitted general solicitation under Rule 506(c) (Nov 2013), **6:25**

INDEX

C&DIs—Cont'd

- Limited partners and partnerships
 - Cont'd
 - private offering exemption from registration under 1933 Act
 - Bad actor disqualification under Rule 506(d) and disclosures under Rule 506(e) (Dec 2013), **6:26**
 - informational requirements, **6:57**
 - Permitted general solicitation under Rule 506(c) of Regulation D, **6:25**
 - prohibition of general advertising, **6:42**
 - purchaser representatives,
 - “sophistication” under Rule 506, **6:46**
 - rule 147, **6:137**
 - rule 155, **6:111**
 - rule 501, **6:43**
 - rule 502, restrictions on distribution under, **6:63**
 - rule 506, **6:44**
 - rules 504, 505 and 506, **6:64**
 - section 3(a)(11), **6:137**
- Regulation A, **6:159**
- Regulation D
 - bad actor disqualification under Rule 506(d) and disclosures under Rule 506(e) (Dec 2013), **6:26**
 - permitted general solicitation under Rule 506(c) (Nov 2013), **6:25**
- Regulation S-K, **App F4**
- Resales by investors, **6:218, 6:227, 6:229, 6:234**
- Securities Act (1933)
 - Securities Act Sections, **App F5**
- Securities Act Rules
 - Securities Act rules, Interpretations, **App F1**

CEASE AND DESIST ORDERS

- Due diligence and civil liability, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**

CEILING RULE

- Master limited partnerships, transfers of MLP interests, **10:494**

CEILING RULE—Cont'd

- Partners and partnerships, **10:136, 10:172**

CENSURE

- Broker-dealers, disciplinary procedures, **15:105, 15:111**

CENTRALIZED MANAGEMENT

- Limited liability companies, general rules for entity classification, **5:30**
- Partners and partnerships, **10:44, 10:53**

CERTIFICATES OF DEPOSIT

- Broker-dealers, computation of net capital, **15:53**

CERTIFICATES OF LIMITED PARTNERSHIP

- Tax-advantaged investments, **24:5 to 24:45, 24:51, 24:52**

CERTIFIED HISTORIC STRUCTURES

- Real estate, rehabilitation tax credit, **9:120**

CESSATION OF EXISTENCE OF LARGE PARTNERSHIP

- Master limited partnerships, electing large partnership adjustments, **10:595**

CHANGE OR CHANGES

- Audits-IRS. See **Audits - IRS** (this index)
- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Blue Sky laws, changes to Uniform Act by NASAA, **8A:5**
- Broker - Dealers. See **Broker - Dealers** (this index)
- Due diligence and civil liability, modified proportionate liability for nonknowing defendants for inadequate or materially misleading disclosure, **8:192**
- Equipment leasing, depreciation and ACRS, **19:22, 19:26 to 19:34**
- Individual income tax, Tax Reform Act of 1986, **1:55, 1:62, 1:63**
- Limited liability companies. See **Limited Liability Companies** (this index)

CHANGE OR CHANGES—Cont'd

- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Oil and gas, limited liability status, **16:35**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss rules, amendment under 1993 Act, **4:113 to 4:127**
- Rate changes
 - corporate income tax, Tax Reform Act of 1986, **1:47**
 - individual income tax, Tax Reform Act of 1986, **1:55**
- Real estate. See **Real Estate** (this index)
- Regulation A, small entity compliance guide, **App A8**
- Regulation D and Form D, proposed amendment, **6:30**
- Rule 147, proposed amendments, **6:116**
- S corporations, amendments, **22:65**
- SEC Release No. 33-7505 amending Regulation S, **App B1**
- Small entity compliance guide, Regulation A, **App A8**

CHARACTERIZATION

- Master limited partnerships, income or loss, **10:499**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss, recharacterization of pass-through entity loans, **4:95**
- Real estate, transaction, **9:6**

CHARACTER OF GAIN OR LOSS

- Partners and partnerships, **10:179, 10:189, 10:351**

CHARGE

- Bail-outs of burned-out tax shelters, interest charge on deferred tax liability, **27:43**
- Passive loss, self-charged interest and management fees, **4:88 to 4:100**
- Self-charged interest, **4:88 to 4:100, 22:45, 22:46**

CHARGEBACKS

- Partners and partnerships, minimum gain, **10:111, 10:112, 10:117**

CHARITABLE CONTRIBUTIONS

- Bail-outs of burned-out tax shelters, **27:50, 27:67**
- Limited partners and partnerships, alternative minimum tax, **11:165**

CHARTERS

- Due diligence, charter of audit committee, **8:69, 8:75**

CHARTS

- S corporations, comparison of partnership and S corporation provisions, **22:83**

CHECKLISTS

- Due diligence. See **Due Diligence** (this index)
- Oil and gas, full disclosure, **16:66**

CHECK THE BOX REGULATIONS

- Foreign corporations, **5:9, 10:20**
- Internal Revenue Service, **App W**
- Limited liability companies, **5:6 to 5:26, 10:68 to 10:82**
- Partners and partnerships, **10:15 to 10:34, 10:73**
- Single owner entity, **5:11, 10:22, 10:74**

CHEVRON DOCTRINE

- Due diligence, **8:162**

CHOICE

- See **Elections** (this index)

“CHRIS-CRAFT” CASE

- Due diligence and civil liability, Section 11 civil liability, **8:11**

CHRISTMAS TREES

- Generally, **18:25 to 18:34**

CIRCULARS

- Regulation A, conditional exemption, **6:147 to 6:149**
- Treasury Department, Circular No. 230, **23:116 et seq.**

CIRCULATION EXPENDITURES

- Limited partners and partnerships, alternative minimum tax, **11:173**

CIRCUMSTANCES

- Facts and circumstances test. See **Facts and Circumstances Test** (this index)

INDEX

CIRCUMSTANCES—Cont'd

Passive loss. See **Passive Loss** (this index)

CIVIL FINES

SEC ALJ enforcement proceedings involving civil fines ruled unconstitutional Seventh Amendment violation, **8:160**

CIVIL LIABILITY

Due diligence, **8:1 to 8:220**
Investment limited partnerships, **6:266 et seq.**

CLAIMS

See **Due Diligence** (this index)

CLASS ACTION SETTLEMENTS

Resales by investors, **6:200**

CLASSIFICATION

Assets. See **Assets** (this index)
Default classification. See **Default Classification** (this index)
Limited liability companies, **5:6 to 5:32, 10:75 to 10:79**
Limited partnerships, classification of entity as partnership for Federal tax purposes, **24:8, 24:8.50**
Master limited partnerships, publicly traded partnership, **10:485**
Partners and partnerships, regulations, **10:23 to 10:28, 10:30, 10:38, 10:40, 10:43 to 10:48**
S corporations, comparison of taxation of partners and shareholders, **22:82**

CLASS OR CLASSES

Equipment leasing, class life systems of depreciation, **19:21**
Investment limited partnerships, securities, **6:79**
Partnership interest sales, allocating basis adjustments, **10:379, 10:380**
Real property, depreciation after Tax Cuts and Jobs Act of 2017, **9:9 to 9:19**
S corporations, one class of stock requirement for eligibility, **22:21 to 22:26**

CLEAN UP CALL

Real estate mortgage investment conduits, rights not treated as interests, **28:15**

CLEARING AGENCY EXCEPTION

IRS audit program, nominee reporting to partnership, **23:88**

CLEARING OF LAND EXPENSES

Farmland and agriculture, **18:15**

CLEAR REFLECTION OF INCOME

Prepayments of other expenses, **11:48**

CLERICAL ERRORS

Master limited partnerships, electing large partnership adjustment proceedings, **10:611**

CLOSING OF PARTNERSHIP YEAR

Liquidating distributions, **10:168**

“COLEMAN V COMMISSIONER” CASE

Equipment leasing, **19:63, 19:66**

COLLECTION OF IMPUTED UNDERPAYMENT AND INTEREST

Master limited partnerships, electing large partnership adjustments, **10:602**

“COMDISCO, INC. V UNITED STATES” CASE

Equipment leasing, **19:59**

COMMENT LETTER

Coordinated review, **25:123**

COMMERCIAL PAPER

Broker-dealers, computation of net capital, **15:53**

COMMERCIAL REAL ESTATE

Partnership investment opportunities, **2:21**

COMMERCIAL REVITALIZATION DEDUCTION

Real estate, **9:122 to 9:125**

COMMISSIONS

Investment limited partnerships, civil, antifraud and criminal liability, **6:276**
Real estate investment trusts, brokerage commissions, **25:93**

COMMITMENT

See **Real Estate** (this index)

COMMITTEES

- Advisory committees. See **Advisory Committees** (this index)
- American Bar Association, ethical and practical considerations for professional advisors, **23:113 to 23:115**

COMMODITY FUTURES TRADING

- Investment limited partnerships, assets requirement under Rule 147, **6:124**

COMMON ENTERPRISE

- “Howey” test, **6:8, 6:15**

COMMON IMPROVEMENTS

- Prepayments of other expenses, **11:47**

COMMON LAW

- Due diligence and civil liability, claims for inadequate or materially misleading disclosure, **8:204**
- Investment limited partnerships, duties of broker-dealer to customers, **6:286 to 6:291**

COMMUNICATIONS

- Equipment leasing, disclosure of communications industry risks, **19:85**
- FINRA and communications with public. See **Financial Industry Regulatory Authority (FINRA)** (this index)
- FINRA revisions to rules, **13:25**
- Limited partnerships. See **Limited Partners and Partnerships** (this index)
- Real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

COMPARABILITY

- Real estate, eligible basis and low income housing credit, **9:143**

COMPARATIVE INFORMATION

- Publicly registered real estate syndications, SEC rollup disclosure rules, **26:170**

COMPENSATION

- Commissions. See **Commissions** (this index)
- Equipment leasing, state guidelines for registration of equipment programs, **19:90**

COMPENSATION—Cont’d

- Executive compensation. See **Executive Compensation** (this index)
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:10 to 13:12**
- Oil and gas programs, **16:61, 16:62**
- Real estate. See **Real Estate** (this index)
- Resales by investors, **6:197**
- Service partner, **10:417 to 10:451**

COMPILATIONS

- Publicly registered real estate syndications, financial forecasts, **26:80**

COMPLETION

- Oil and gas, completion costs, **16:15**
- Partners and partnerships, completion of construction guarantees, **10:261**
- Publicly registered real estate syndications, completed program results, **26:29**

COMPLEX RECAPTURE

- Farmland sales, **18:24**

COMPLIANCE

- Broker - Dealers. See **Broker - Dealers** (this index)
- Due diligence. See **Due Diligence** (this index)
- Due diligence and civil liability, compliance with GAAS and GAAP, **8:133, 8:135**
- FinCEN Small Entity Compliance Guide, CTA, **9:109**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)
- Regulation D, compliance programs, **App A3**
- Regulation S-K, Compliance and Disclosure Interpretations (C&DIs), **App F4**
- Rule 144, selected Compliance and Disclosure Interpretations (January 26, 2009), **App B5**
- Sample letter to companies regarding climate change disclosures, **App F8**
- Securities Act Rules, selected compliance and disclosure interpretations, **App F1**

INDEX

COMPLIANCE—Cont'd

Small Entity Compliance Guide, **9:109**, **App A9**

COMPLIANCE AND DISCLOSURE

C&DIs

Exchange Act Rules, Compliance and Disclosure Interpretations, **App F14**

Securities Act Rules, selected compliance and disclosure interpretations, **App F1**

COMPONENT METHOD

Real estate, depreciation under Tax Reform Act of 1986, **9:31**

COMPOSITION OF ASSETS

Real estate mortgage investment conduits, test for qualifying interests, **28:18 to 28:25**

COMPROMISE

IRS audit program, offers in compromise, **23:135**

COMPUTATION

See **Calculation or Computation** (this index)

COMPUTER SOFTWARE

Research and development programs, **21:15**, **21:49**

CONDITION TO DEDUCTING RENT

Livestock programs, broodmare rental, **17:52**

CONDOMINIUM HOTELS

Passive loss, special rules for rental activities and limited partnerships, **4:15**

CONDUCTING INVESTIGATIONS

Due diligence and civil liability, **8:23**, **8:24**

CONDUITS

Real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)

At risk, conduit arrangements for limiting risk, **3:34**

CONFIDENTIALITY PRIVILEGE

Applications submitted pursuant to Rules 406 and 24b-2, **App F11**

IRS audit program, ethical and practical considerations for professional advisors, **23:112**

IRS Circular 230, IRS audits, **23:123**

CONFIRMATION DISCLOSURE REQUIREMENT

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:46**

CONFLICTS OF INTEREST

Broker-dealers, due diligence checklist for real estate syndication, **15:86**

Equipment leasing, state guidelines for registration of equipment programs, **19:91**

Oil and gas, state guidelines for registration of drilling programs, **16:78**

Real estate. See **Real Estate** (this index)

CONSENT OF SHAREHOLDERS

S corporations, elections, **22:29**

CONSERVATION OF SOIL AND WATER

Farmland and agriculture, expenditures, **18:16**

CONSIDERATION

Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:81**

Publicly registered real estate syndications, allocation of rollup consideration, **26:171**

CONSISTENCY

Limited partners and partnerships, interest capitalization, **11:78**

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss, activity regulations, **4:107**

CONSOLIDATIONS

Limited partners and partnerships, tax-advantaged investments, **24:47 to 24:49**

CONSPIRACY

Due diligence and civil liability, Rule 10b-5 and inadequate or materially

CONSPIRACY—Cont'd

misleading disclosure, **8:119**

CONSTANT RENTAL METHOD

Current expenses of limited partnerships, treatment of, **11:54**

CONSTRUCTION AND INTERPRETATION

Exemptions from registration. See **Resales by Investors** (this index)

CONSTRUCTION WORK

Accounting provisions, capitalization, **1:67**

Equipment leasing, self-constructed property, **19:37**

Limited partners and partnerships, accounting issues affecting investment limited partnerships, **11:68 to 11:86, 11:121**

Partners and partnerships, construction completion guarantees, **10:261**

Real estate. See **Real Estate** (this index)

Self-constructed property, **9:50, 19:37**

CONSTRUCTIVE TERMINATION

Master limited partnerships, **10:497, 10:560**

CONTESTS OF SALES

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:14**

CONTINGENT MATTERS

Audits-IRS, contingent fees for services in connection with IRS matter, **23:117**

Investment limited partnerships, contingency offerings, **6:285**

Motion pictures, liability, **20:14**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

CONTINUING EDUCATION PLANS

Broker-dealers, **30:9, 30:12**

CONTINUING PARTNERS

Liquidating distributions, **10:165**

CONTINUITY OF LIFE

Limited liability companies, general rules for entity classification, **5:29**

CONTINUITY OF LIFE—Cont'd

Partners and partnerships, **10:45, 10:52, 10:59**

CONTINUITY PLANS

Broker-dealers, business continuity plans, **15:71**

CONTINUOUS REPORTING REQUIREMENTS

Publicly registered real estate syndications, Securities Exchange Act of 1934, **26:127 to 26:132**

CONTRACTS

See **Agreements or Contracts** (this index)

CONTRIBUTING ADDITIONAL CAPITAL

Bail-outs of burned-out tax shelters, **27:37**

CONTRIBUTIONS

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)

Capital contributions. See **Capital Contributions** (this index)

Charitable contributions. See **Charitable Contributions** (this index)

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:189 to 8:201**

Joint and several versus proportionate liability, **8:190**

Limited liability companies. See **Limited Liability Companies** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss, contributed use property, **4:33**

Real estate mortgage investment conduits, after start-up day, **28:30**

At risk, contributed amounts to activity, **3:11**

CONTROL

Bail-outs of burned-out tax shelters, transferring partnership interest to

INDEX

CONTROL—Cont’d

- controlled corporation, **27:70**
- Full disclosure, control persons, **7:13**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Person liability. See **Control Person Liability** (this index)

CONTROL PERSON LIABILITY

- Broker - Dealers. See **Broker - Dealers** (this index)
- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:137 to 8:150**

CONVERSION

- C corporation to S corporation, recapture of inventory appreciation, **22:68**
- Farmland and agriculture, disposition of converted wetlands, **18:17**
- Limited partners and partnerships, tax-advantaged investments, **24:47 to 24:49**
- Partnership converted to limited liability company, **5:49, 10:82**
- Real estate, involuntary conversions, **9:222**
- Resales by investors, special tacking rules, **6:208**

CONVERTIBLE MATTERS

- Mortgage, real estate mortgage investment conduits, **28:17**
- Notes, at risk, **3:14**
- Partnership interests, oil and gas, **16:38**
- Real estate investment trusts, debt, **25:166**
- S corporations, debt, **22:27**

CONVEYANCE OF PROPERTY OR INTEREST TO CREDITORS

- Bail-outs of burned-out tax shelters, **27:51 to 27:54, 27:69**

COORDINATION

- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)
- At risk, qualified nonrecourse financing as increasing amounts at risk, **3:23, 3:25**

“CORN PRODUCTS” CASE

- Research and development programs, capital gain treatment, **21:26**

CORONAVIRUS

- COVID-19 (Novel Coronavirus) Pandemic** this index

CORPORATE GOVERNANCE

- Dodd-Frank Act (2010), **8:76**
- Full disclosure, **7:16**

CORPORATE TRANSPARENCY ACT (CTA)

- BOI reporting
 - extension of deadline, **9:108**
 - FAQs regarding, **9:110**
 - SEC amends Regulation 13D-G rules for beneficial ownership reporting, **9:111**
- District court finds CTA unconstitutional, **9:112**
- Extension of deadline, BOI reporting, **9:108**
- FAQs regarding, BOI reporting, **9:110**
- Final rules under the CTA, **9:106**
- FinCEN Small Entity Compliance Guide, **9:109**
- Large operating company exemption, **9:107**
- Overview of act, **9:102**
- Penalties for violations, **9:104**
- Proposed rules, **9:105**
- SEC amends Regulation 13D-G rules for beneficial ownership reporting, **9:111**
- Summary of act, **9:103**
- Violations, penalties, **9:104**

CORPORATIONS

- Accounting, taxable years of S corporations and personal service corporations, **1:66**
- Alternative minimum tax, Tax Reform Act of 1986, **1:21**
- Bail-outs of burned-out tax shelters, transferring partnership interest to controlled corporation, **27:70**
- Broker - Dealers. See **Broker - Dealers** (this index)
- Capital gains and losses, Tax Reform Act of 1986, **1:23**

CORPORATIONS—Cont'd

- Check-the-box regulations, **10:18 to 10:20**
- Due diligence. See **Due Diligence** (this index)
- Equipment leasing, corporate taxpayers and alternative minimum tax, **19:18**
- Income tax, Tax Reform Act of 1986, **1:47 to 1:54**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Resales by investors, “beneficial” ownerships under former Rule 144(d)(1), **6:217**
- Research and development programs, corporate taxpayers and alternative minimum tax, **21:31**
- S corporations. See **S Corporations** (this index)

CORRECTION DUTY

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:106, 8:184**

CORRESPONDENCE RELATING TO REGISTRATION

- Broker-dealers, form, **30:3**

“COSTANZA” CASE

- Due diligence and civil liability, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**

COSTS

- Accelerated cost recovery system. See **Accelerated Cost Recovery System (ACRS)** (this index)
- Accounting provisions, capitalization, **1:67**
- Expenses. See **Expense, Expenses and Expenditures** (this index)
- Farmland and agriculture, exclusive of forestry cost-sharing payments, **18:34**
- IRS audit program, recovery of administrative and litigation costs, **23:139**

COSTS—Cont'd

- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs. See **Livestock Programs** (this index)
- Motion pictures, advertising and marketing, **20:23**
- Oil and gas. See **Oil and Gas** (this index)
- Real estate. See **Real Estate** (this index)

COUNSEL

- See **Attorneys** (this index)

COUNTING PURCHASERS

- Investment limited partnerships, Regulation D, **6:59, 6:60**

COURTS

- Calculation of return, present value, **2:14**
- Decisions of courts
 - due diligence and civil liability, **8:2 et seq.**
 - limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Due diligence. See **Due Diligence** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Real estate, tax court position on nominee corporations, **9:175**

COVENANTS

- Tenants in common agreement, **App J1**

COVENANTS NOT TO COMPETE

- Fifteen-year amortization for intangibles, **11:22**

COVER PAGE

- Publicly registered real estate syndications, prospectus, **26:15, 26:85**

COVERS

- Publicly registered real estate syndications, plain English rules for contents of prospectus, **26:8, 26:9**

COVID-19 PANDEMIC

- Generally, **6:2**
- Regulation Crowdfunding, temporary amendment to, **6:166**

INDEX

COVID-19 PANDEMIC—Cont'd

REITs, tax considerations for, **25:168.50**

CREDIT

Investment limited partnerships, broker-dealers, **6:279 to 6:281**

Real estate mortgage investment conduits, enhancement contracts, **28:14**

CREDITORS

Bail-outs of burned-out tax shelters, conveyance of property or interest, **27:51 to 27:54, 27:69**

CREDITS

Business and capital investment, Tax Reform Act of 1986, **1:10, 1:11**

Equipment leasing, tax benefits not generally available to partnerships, **19:44 to 19:49**

Investment tax credit. See **Investment Tax Credit** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Low income housing credit. See **Low Income Housing Credit** (this index)

New markets tax credit under Section 45D, **9:126 to 9:131**

Passive loss. See **Passive Loss** (this index)

Real estate. See **Real Estate** (this index)

Rehabilitation tax credit. See **Rehabilitation Tax Credit** (this index)

Research and development, **21:16, 21:37 to 21:58**

CRIMINAL LIABILITY

Due diligence, Rule 10b-5 and inadequate or materially misleading disclosure, **8:120**

Investment limited partnerships, **6:266 et seq.**

CROPS

See **Farmland and Agriculture** (this index)

CROSSING ARRANGEMENTS

Publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:110**

CROSSOVER

Equipment leasing, unloading at crossover, **19:79**

CROWDFUNDING

Generally, **14:21**

Conditional exemption for offerings of \$1,070,000 or less, **6:165**

COVID-19, temporary amendment to Regulation Crowdfunding, **6:166**

Investor bulletin, **App P1**

SEC's first crackdown, **6:168**

Selected C&DIs, **6:167**

CRYPTOCURRENCY

Cryptocurrency, SEC injunctive authority, **8:152**

CULPABLE PARTICIPATION REQUIREMENT

Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:143**

CURATIVE ALLOCATIONS WITH TRADITIONAL METHOD

Partners and partnerships, **10:139, 10:200, 10:214 to 10:221**

CURRENT MATTERS

Authority, partnership mergers and divisions, **10:400, 10:411**

Expenses. See **Expense, Expenses and Expenditures** (this index)

Farmland and agriculture. See **Farmland and Agriculture** (this index)

SEC position, FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:32**

Volume of financings, limited partnership format, **2:18**

CUSTODY OF REGISTRANT'S INVESTMENTS

Publicly registered real estate syndications, Form S-11 requirements for contents of prospectus, **26:54**

CUSTOMERS

Broker-dealers, compliance for real estate limited partnership syndications, **15:59**

CUSTOMERS—Cont'd

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:41, 13:48**
- Investment limited partnerships, common law duties of broker-dealer to customers, **6:286 to 6:291**
- Research and development tax credit, specific exclusions from eligibility for customer adaptation, **21:45**

CUTTING OF TIMBER

- Deemed sale triggered by, **18:30**

CYBERSECURITY

- C&DIs, cybersecurity incident disclosures, **App F9**

CYBERSECURITY INCIDENTS

- Information regarding , selective disclosure, **App F12**

DAIRY PROGRAMS

- Livestock programs, **17:6**

DAMAGES

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:187**

DATA

- Full disclosure, gathering basic data, **7:9 to 7:11**
- Information. See **Information** (this index)
- Publicly registered real estate syndications, selected financial data and SEC rollup disclosure rules, **26:177**
- Real estate investment trusts, use of cash flow data, **25:27 et seq.**

DATE

- See **Time or Date** (this index)

DEALERS

- Broker - Dealers. See **Broker - Dealers** (this index)
- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:87, 8:146**
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Passive loss. See **Passive Loss** (this index)

DEALERS—Cont'd

- Real estate. See **Real Estate** (this index)

DEATH

- Bail-outs of burned-out tax shelters, hold partnership interest until death, **27:71 to 27:74**
- Partners, effect on outside basis, **10:233**

DEBT FOR EQUITY

- Bail outs of burned out tax shelters, **27:25**

DEBT OR INDEBTEDNESS

- Accounting provisions, Tax Reform Act of 1986, **1:68 to 1:71**
- Bail-outs of burned-out tax shelters, **27:12 et seq.**
- Broker-dealers, net capital, **15:47, 15:48, 15:55, 15:58**
- Farm indebtedness, discharge from, **18:20**
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, debt securities of limited partnerships, **13:27**
- IRS audit program, cancellation of indebtedness income and information reporting, **23:97**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Motion pictures, bona fide debt, **20:12**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)
- S corporations. See **S Corporations** (this index)

DECISIONS

- Broker-dealers, decision after disciplinary hearing, **15:109**
- Courts. See **Decisions of Courts** (this index)
- Determinations. See **Determinations** (this index)
- Due diligence and civil liability, new investment decisions, **8:188**
- Partners and partnerships, election into regulations, **10:297, 10:324**

DECLARATION OF TRUST

- Real estate investment trusts, Blue Sky provisions, **25:82, 25:107, 25:109**

INDEX

DECLINING RETURNS

Oil and gas, negatives of programs after Tax Reform Act of 1986, **16:25**

DECREASE OR REDUCTION

Due diligence and civil liability, judgment reduction formula under Private Securities Litigation Reform Act (PSLRA), **8:194**

Emerging growth companies (EGCs) under JOBS Act (2012), reduced disclosure, **7:2**

Equipment leasing, basis, **19:48**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

Research and development programs, reduction of tax benefits where credit is also used, **21:16**

DEDUCTIONS

Bail-outs of burned-out tax shelters, lost deduction exception, **27:14**

Commercial revitalization deduction, **9:122 to 9:125**

Corporate income tax, Tax Reform Act of 1986, **1:48**

Current expenses of limited partnerships, treatment of, **11:27 to 11:44, 11:50, 11:65**

Equipment leasing, limitations on deductibility of investment interest, **19:10 to 19:16**

Farmland and agriculture. See **Farmland and Agriculture** (this index)

Individual income tax, Tax Reform Act of 1986, **1:56, 1:57, 1:60, 1:61, 1:63**

Interest deduction limitation, Sec. 163(j), proposed and final regulations on, **1A:12**

Itemized deductions. See **Itemized Deductions** (this index)

Limitation to amount at risk, **App C**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs. See **Livestock Programs** (this index)

Motion pictures, depreciation, **20:10 to 20:14**

DEDUCTIONS—Cont'd

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss, carryover of disallowed deductions, **4:79**

Pass-through business income, **1A:11, 9:3**

Qualified revitalization building, **9:123**

Qualified revitalization expenditure, **9:124**

Section 1400I, commercial revitalization deduction, **9:122**

Tax Cut and Jobs Act, deduction limitations. See **Tax Cut and Jobs Act of 2017** (this index)

DEEMED DIVIDED ELECTION

S corporations, passive investment income, **22:37**

DEEMED LOAN PROVISIONS

Current expenses of limited partnerships, treatment of, **11:58**

DEEMED NEW ISSUANCE

Bail-outs of burned-out tax shelters, acquisition of debt by related party, **27:31**

DEEMED SALE

Partners and partnerships, adjustment, **10:144**

Passive loss, special disposition rules under 1988 regulations, **4:82 to 4:84**

Timber, deemed sale triggered by cutting, **18:30**

DEFAULT CLASSIFICATION

Limited liability companies, check-the-box regulations, **10:76**

Partners and partnerships, check-the-box regulations, **10:24**

DEFENSES

Due diligence. See **Due Diligence** (this index)

Good faith, advice of counsel defense as evidence of, **8:144**

Real estate, state regulation of private real estate securities transactions, **14:17**

DEFERRAL AND DEFERRED MATTERS

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax**

DEFERRAL AND DEFERRED

MATTERS—Cont'd

Shelters (this index)

Farmland and agriculture. See

Farmland and Agriculture (this index)

Limited partners and partnerships, deferred asset method of determining amount of additional capitalization, **11:81**

Livestock programs, deferral of income, **17:55, 17:56**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

DEFICIENCIES

IRS audit program, advance payment, **23:104**

Real estate investment trusts, deficiency dividends, **1:37**

DEFICIT RESTORATION

OBLIGATION

See **Partners and Partnerships** (this index)

DEFINITIONS

Accelerated filers, amendments, **7:4**

Accredited investor, proposed amendments to, **6:51**

Activity, **4:103**

Borrowed from a qualified person, **3:19**

Business, **4:34**

Government financing, **3:21**

Holding real property, **3:18**

Howey test, problem with definition of security, **6:8, 6:15**

Investment base, **23:62**

Investment company, **6:297**

Investment interest, **11:124, 19:11**

Investor, **23:60**

Large accelerated filers, amendments, **7:4**

Low income housing tax rollovers, **9:167**

Marketable security, **10:158**

Material participation, **4:35 to 4:43, 4:48 to 4:53**

Net investment income, **11:125, 19:12**

Participation, **4:44 to 4:47**

Passive activity, **4:6 to 4:14, 22:51**

Passive investment income, **22:34**

DEFINITIONS—Cont'd

Prior performance table, **26:25**

Publicly traded, **10:487**

Qualified nonrecourse financing, **3:17**

Real estate investment trust (REIT), **25:79**

Recordkeeping, **4:57**

Regularly traded, **26:185**

Related party, **11:79**

Related person, **10:243, 10:282**

REMIC (real estate mortgage investment conduit), **1:43**

Rental activity, **4:26 to 4:33**

Representations, **23:61**

Restricted securities, resales by investors, **6:193 to 6:200**

Rollup, **25:111, 26:142, 26:191**

Rollup participant, **26:148**

Rollup transaction, **26:149, 26:182 to 26:184**

Security, Howey test, **6:8, 6:15**

Seller financing, **3:20**

Substantial investment, **23:63**

Tax-exempt entity, **9:68 to 9:71**

Tax shelter ratio, **23:59**

Trade, **4:34**

Underpayment, **23:47**

Unrelated business taxable income, **9:84**

DELAWARE

See **Limited Liability Companies** (this index)

DELAWARE STATUTORY TRUST (DST)

Real estate, **9:220, 9:221**

DEMAND

Oil and gas, strong supply / demand fundamentals, **16:18**

DE MINIMIS

Exception

partners and partnerships, inclusion of debt in outside basis, **10:291, 10:301, 10:307, 10:316**

publicly registered real estate syndications, rollup transactions, **26:156**

Interests, real estate mortgage investment conduits, **28:11**

Original issue discount, real estate, **11:39**

INDEX

DE MINIMIS—Cont'd

Partners and partnerships. See **Partners and Partnerships** (this index)

DEMOLITION COSTS

Real estate, rehabilitation tax credit, **9:119**

DEPARTMENT OF LABOR

Real estate investment trusts (REITs), Dept. of Labor's rules concerning plan assets, **25:72 to 25:75**

DEPLETION

Limited partners and partnerships, percentage depletion and alternative minimum tax, **11:171**

Oil and gas. See **Oil and Gas** (this index)

Timber, **18:27**

DEPOSITARY

Receipts, certificates of limited partnership, **24:13 to 24:18**

DEPOSITS

Broker-dealers, certificates of deposit and computation of net capital, **15:53**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

DEPRECIATION

Accelerated cost recovery system. See **Accelerated Cost Recovery System (ACRS)** (this index)

Alternate depreciation system. See **Alternate Depreciation System (ADR)** (this index)

Averaging conventions. See **Averaging Conventions** (this index)

Business and capital investment, Tax Reform Act of 1986, **1:3 to 1:9**

Corporate Transparency Act (CTA)

BOI reporting
extension of deadline, **9:108**

FAQs regarding, **9:110**

District court finds CTA unconstitutional, **9:112**

Extension of deadline, BOI reporting, **9:108**

FAQs regarding, BOI reporting, **9:110**

Final rules under the CTA, **9:106**

DEPRECIATION—Cont'd

Corporate Transparency Act (CTA)
—Cont'd

FinCEN Small Entity Compliance Guide, **9:109**

large operating company exemption, **9:107**

Overview of act, **9:102**

Penalties for violations, **9:104**

Proposed rules, **9:105**

SEC amends Regulation 13D-G rules for beneficial ownership reporting, **9:111**

Summary of act, **9:103**

Violations, penalties, **9:104**

District court finds CTA unconstitutional, **9:112**

Equipment leasing. See **Equipment Leasing** (this index)

Extension of deadline, BOI reporting, **9:108**

FAQs regarding, BOI reporting, **9:110**

Farmland and agriculture, deductions, **18:22**

Final rules under the corporate transparency act (CTA), **9:106**

FinCEN Small Entity Compliance Guide, **9:109**

Half year convention. See **Half Year Convention** (this index)

Large operating company exemption, CTA, **9:107**

Limited partners and partnerships, alternative minimum tax, **11:161**

Livestock programs, **17:62 to 17:67, 17:71**

Mid quarter convention. See **Mid Quarter Convention** (this index)

Motion pictures, amortization transaction, **20:10 to 20:16**

Partners and partnerships. See **Partners and Partnerships** (this index)

Penalties for violations, **9:104**

Prescribed depreciation methods. See **Prescribed Depreciation Methods** (this index)

Proposed rules, **9:105**

Real estate. See **Real Estate** (this index)

Regulation 13D-G rules for beneficial ownership reporting, **9:111**

Research and development programs, **21:33**

DEPRECIATION—Cont'd

Short taxable year, **9:22 to 9:30, 19:34**
Violations, penalties, **9:104**

DERIVATIVE ACTIONS

Limited partners and partnerships, tax-
advantaged investments, **24:50**

**DESCRIPTION OR
IDENTIFICATION**

Full disclosure, Regulation S-K items,
7:9, 7:10, 7:57
Publicly registered real estate syndica-
tions, Form S-11 requirements for
contents of prospectus, **26:50**
Real estate, like-kind exchanges, **9:203**
Securities, **7:56**

DESIGNATION AGREEMENT

IRS audit program, registration of tax
shelters, **23:67**

DESIGNING DOCUMENT

Full disclosure, "plain English," **7:21**

DETERMINATIONS

Decisions. See **Decisions** (this index)
FINRA regulation of direct participation
programs and non-traded real estate
investment trusts, prevailing market
price, **13:38**
Limited partners and partnerships,
uniform capitalization rules, **11:72**
Livestock programs, presumption that
activity is engaged in for profit,
17:23
Oil and gas, well-by-well determination
and passive loss, **16:31**
Partners and partnerships. See **Partners
and Partnerships** (this index)
Passive loss. See **Passive Loss** (this
index)
Real estate. See **Real Estate** (this index)
S corporations, basis, **22:55, 22:57**

DEVELOPERS

See **Real Estate** (this index)

DEVELOPMENT

Accounting provisions, capitalization of
development costs, **1:67**
Broker-dealer compliance for real estate
limited partnership syndications,
recent development, **15:84**

DEVELOPMENT—Cont'd

Limited partners and partnerships. See
**Limited Partners and Partner-
ships** (this index)
Passive loss. See **Passive Loss** (this
index)
Research and development. See
Research and Development (this
index)

DIFFERENTIAL COMPENSATION

Publicly registered real estate syndica-
tions, SEC rollup disclosure rules,
26:188

DIFFERENT PARTNERSHIPS

Publicly registered real estate syndica-
tions, SEC interpretive release on
real estate limited partnership offer-
ings, **26:92**

DIGITAL ASSETS

Recent legislative proposals, IRS guid-
ance on the taxation, **1A:16**

DILIGENCE

See **Due Diligence** (this index)

DILUTION

Full disclosure, prospectus, **7:38, 7:39**

**DIRECT ACQUISITION OF DEBT BY
RELATED PARTY**

Bail-outs of burned-out tax shelters,
refinancings and restructurings,
27:29

**DIRECTED SELLING EFFORTS IN
U.S.**

Investment limited partnerships, Regula-
tion S, **6:175**

DIRECT LOAN TO S CORPORATION

Self-charged interest, **22:46**

DIRECTORS OF CORPORATIONS

Due diligence and civil liability, inade-
quate or materially misleading
disclosure, **8:83, 8:147, 8:197**
Full disclosure, **7:13, 7:16, 7:48, 7:49**
Other persons, **8:150**

**DIRECT OWNERSHIP OF
RESIDENTIAL REALTY**

Investment limited partnerships, broker-
dealers, **6:281**

INDEX

DIRECT PARTICIPATION PROGRAMS

- Coordinated review. See **Real Estate Investment Trusts (REITs)** (this index)
- FINRA regulation of, **13:1 to 13:56**

DIRECT PARTNER LOANS AND GUARANTEES

- Inclusion of debt in outside basis, **10:275 to 10:279**

DIRECT PAYMENT DISBURSEMENTS

- Limited partners and partnerships, limitation on deductibility of interest, **11:146**

DIRECT PROCEEDINGS BY SEC

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:151 to 8:174**

DISADVANTAGES

- See **Advantages and Disadvantages** (this index)

DISALLOWANCE

- Current expenses of limited partnerships, treatment of, **11:2 et seq.**
- Master limited partnerships. See **Master Limited Partnerships** (this index)
- Partnership interests, sales loss, **10:353**
- Passive loss, disallowed deductions and credits carryover, **4:79**
- At risk, treatment of disallowed losses, **3:36, 3:37**

DISASTER PAYMENTS FOR CROPS

- Livestock programs, deferral of income, **17:55**

DISBURSEMENTS

- Limited partners and partnerships, direct payment disbursements, **11:146**

DISCHARGE

- Farms, discharge from indebtedness, **18:20**
- Master limited partnerships, discharge of indebtedness income, **10:561 to 10:568**
- S corporations, discharge of indebtedness income, **22:49**

DISCIPLINARY PROCEDURES

- Broker - Dealers. See **Broker - Dealers** (this index)

DISCLOSURE

- Accountants, duty to disclosure material facts, **8:105**
- Audits - IRS** (this index)
- Drafting disclosure documents, **8:169, 17:90, 17:91**
- Due diligence. See **Due Diligence** (this index)
- Emerging growth companies (EGCs), **6:238, 6:254**
- Equipment leasing, **19:81 to 19:86**
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:46, 13:48**
- Full disclosure. See **Full Disclosure** (this index)
- Information regarding cybersecurity incidents, selective, **App F12**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, **17:86 to 17:91**
- Oil and gas, **16:56 to 16:67**
- Partners and Partnerships** (this index)
- Real Estate** (this index)
- Real Estate Investment Trusts (REITs)** (this index)
- Scaled disclosure, chart of, **6:23**
- Secondary market—matching services, **13:45**
- Securities Act Rules, selected Compliance and Disclosure Interpretations C&DIs, **App F1**
- Small Entity Compliance Guide, **App A9**

DISCRETIONARY ACCOUNTS

- Investment limited partnerships, common law duties of broker-dealer to customers, **6:290**

DISCUSSION PAPER

- Real estate investment trusts, NAREIT discussion paper, **25:43**

DISGUISED MATTERS

- Partners and partnerships. See **Partners and Partnerships** (this index)
- Sales. See **Sales** (this index)

DISMISSAL OF ACTION

Master limited partnerships, electing large partnership adjustment proceedings, **10:618**

DISPARITIES

Partners and partnerships, contributions, **10:208**

DISPOSALS OF PROPERTIES

Publicly registered real estate syndications, Form S-11 requirements for contents of prospectus, **26:30**

DISPOSITION OR DISPOSITIONS

Farmland and agriculture. See **Farmland and Agriculture** (this index)
 Limited liability company interests, taxation of LLCs and members, **5:62**
 Partners and partnerships, disposition of contributed property, **10:351**
 Passive loss. See **Passive Loss** (this index)
 Real estate. See **Real Estate** (this index)

DISQUALIFICATION OR DISQUALIFIED

Master limited partnerships, disqualified persons, **10:571**
 Real estate. See **Real Estate** (this index)

DISSENTERS' RIGHTS

Publicly registered real estate syndications, rollup transactions, **26:144, 26:151**

DISSOLUTION

Limited liability companies, **5:52, 10:66**
 Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

DISTRIBUTIONS

Bail-outs of burned-out tax shelters, **27:75**
 Full disclosure, **7:60, 7:61**
 Limited liability companies, **5:51, 5:60**
 Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 Master limited partnerships. See **Master Limited Partnerships** (this index)
 Partners and partnerships. See **Partners and Partnerships** (this index)

DISTRIBUTIONS—Cont'd

Passive loss, retirement plan, **4:63, 4:85**
 Publicly registered real estate syndications, plan, **26:51**
 Real estate. See **Real Estate** (this index)
 Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 S corporations. See **S Corporations** (this index)

DIVERSIFICATION OF PORTFOLIO

Oil and gas, benefits of programs after Tax Reform Act of 1986, **16:22**

DIVIDENDS

Corporate income tax, Tax Reform Act of 1986, **1:48**
 Full disclosure, prospectus, **7:36, 7:37**
 Real estate. See **Real Estate** (this index)
 Real estate investment trusts (REITs), reinvestment plans, **25:154**
 Resales by investors, **6:200**
 S corporations, deemed divided election, **22:37**

DIVISIONS

Partners and partnerships, **10:399 to 10:416**

DIVORCE OR MARITAL SEPARATION

Resales by investors, "beneficial" ownership under former Rule 144(d)(1), **6:215**

DOCUMENTS

Broker-dealers, documentation review, **15:93**
 Coordinated review, direct participation programs (CD-DPP), **25:118**
 Drafting disclosure documents, **8:169, 17:90, 17:91**
 Due diligence and civil liability, inadequate or materially misleading disclosure, **8:81 to 8:186**
 Full disclosure, "plain English," **7:18, 7:21**
 Livestock programs, drafting disclosure document for cattle feeding or breeding program, **17:90, 17:91**
 Oil and gas, disclosure document, **16:67**
 Publicly registered real estate syndications. See **Publicly Registered**

INDEX

DOCUMENTS—Cont'd

Real Estate Syndications (this index)

DODD FRANK ACT

Due diligence, corporate governance provisions, **8:76**
Proposed amendment to Regulation D and Form D, **6:30**
Real estate investment trusts (REITs), **25:63**
Regulation D, disqualification of Rule 506 offerings involving felons and other bad actors, **6:26, 6:28**
SEC administrative enforcement of whistleblower protections, **8:78**

DOING BUSINESS

Investment limited partnerships, doing business within state, **6:118**
Real estate investment trusts, corporation vs trust, **25:23**

DOMESTIC ELIGIBLE ENTITIES

Limited liability companies, elective classification, **5:13, 10:77**
Partners and partnerships, elective classification under check-the-box regulations, **10:25**

DOUBLE TAXATION

S corporations, avoidance, **22:7**

DOWNREIT

See **Real Estate Investment Trusts (REITs)** (this index)

DPBD RECORDKEEPING REQUIREMENTS

Broker-dealers, compliance for real estate limited partnership syndications, **15:63**

DPP SECURITIES

Broker-dealer operation, **15:35, 15:36**
FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:48**

DRAFTING

Curative allocations, partners and partnerships, **10:220**
Disclosure documents, **8:169, 17:90, 17:91**
Due diligence. See **Due Diligence** (this index)

DRAFT REGISTRATION STATEMENTS

Voluntary submission, FAQs, **App F10**

DRILLING

See **Oil and Gas** (this index)

DROUGHT

Livestock sold because of drought, proceeds, **17:56**

DUE DILIGENCE

Generally, **2:4**
Accountants, **8:173**
Accountants and accounting
accountants, inadequate or materially misleading disclosure, **8:204**
audits and auditors. Auditing internal control over financial reporting, standard for, below
inadequate or materially misleading disclosure, **8:129 to 8:132**
internal control over financial reporting. Auditing internal control over financial reporting, standard for, below
public companies, periodic filings under Securities Exchange Act of 1934, **8:47**

Actions and proceedings

inadequate or materially misleading disclosure, **8:113 et seq.**

misrepresentations, **8:22**

Actual knowledge, state of mind safe harbor for inadequate or materially misleading disclosure, **8:182**

Actual participation, control person liability for inadequate or materially misleading disclosure, **8:144**

Administrative law judges, constitutionality of SEC's appointment process, **8:159**

Administrative proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:170**

Adverse interests exception, corporate scion, **8:141**

Adverse opinion requirement when material weakness exists, **8:59**

Advice

aiding and abetting, Rule 10b-5 and inadequate or materially

DUE DILIGENCE—Cont'd

- Advice—Cont'd
 - misleading disclosure, **8:114**
 - direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:169**
- Agents, inadequate or materially misleading disclosure, **8:87, 8:139**
- Agreements. See Contract provisions, below
- Aiding and abetting, inadequate or materially misleading disclosure, **8:84, 8:90, 8:112 to 8:121**
- ALJ enforcement proceedings involving civil fines ruled unconstitutional Seventh Amendment violation, **8:160**
- Allegations of violation, defenses to inadequate or materially misleading disclosure, **8:176**
- Application or applicability
 - GAAP, **8:132**
 - GAAS and GAAP, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:129, 8:131**
 - model Rules and Codes, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:124**
 - safe harbors for forward-looking statements, defenses to inadequate or materially misleading disclosure, **8:180**
 - section 12(2) of Securities Act of 1933, inadequate or materially misleading disclosure, **8:89**
- Appointment of administrative law judges by SEC, **8:159**
- Arsenal against professionals and others, SEC enforcement, **8:153**
- Aspirational statements, **8:21**
- Assisting in preparation of statements made by another, aiding and abetting in inadequate or materially misleading disclosure, **8:114**
- Attorneys
 - inadequate or materially misleading disclosure, **8:81 to 8:186, 8:204, 8:215 to 8:218**

DUE DILIGENCE—Cont'd

- Attorneys—Cont'd
 - public companies for Securities Exchange Act of 1934 periodic filings, duties, **8:52**
 - securities counsel, state law duties, **8:219**
- Attorneys and accountants, **8:149**
- Audit committee
 - As to internal control over financial reporting. Auditing internal control over financial reporting, standard for, below
 - Generally, **8:64 et seq.**
 - auditing Standard No. 16: Auditor communications with Audit Committees, **8:45**
 - charter of committee, **8:69, 8:75**
 - composition and qualification, **8:73**
 - disclosure. SEC disclosure rules, below, in this group
 - financial experts of committee, generally, **8:64 et seq.**
 - independence, **8:70, 8:74**
 - pre-filing review of quarterly financial statements, **8:67**
 - public companies, periodic filings under Securities Exchange Act of 1934, below
 - report of committee, **8:68**
 - safe harbors, **8:71**
 - SEC disclosure rules
 - Generally, **8:66 et seq.**
 - Charters of committee, **8:69**
 - Members' independence, **8:70**
 - Pre-filing review of quarterly financial statements, **8:67**
 - Report of committee, **8:68**
 - Safe harbors, **8:71**
 - self regulatory organization (SROs) audit committee rules, **8:72 et seq.**
- Auditing internal control over financial reporting, standard for
 - Generally, **8:56 et seq.**
 - adverse opinion requirement when material weakness exists, **8:59**
 - auditing Standard No. 5
 - Financial statements, integration with audit of, **8:57**

DUE DILIGENCE—Cont'd

- Auditing internal control over financial reporting, standard for—Cont'd
- auditing Standard No. 5—Cont'd
- Material weakness, adverse opinion, **8:59**
- Overview of audit of internal control, **8:58**
- SEC guidance, **8:60**
- FASB No. 154, accounting changes and error corrections, **8:63**
- financial statements, integration with audit of, **8:57**
- integration with audit of financial statements, **8:57**
- internal control, audit of, generally, **8:56 et seq.**
- material weakness, generally, **8:59**
- overview of audit of internal control, **8:56**
- SEC enforcement and private actions, liability for inadequate internal controls, **8:65**
- SEC guidance, Auditing Standard No. 5, **8:60**
- smaller issuers, **7:65**
- Auditing Standard No. 5. Auditing internal control over financial reporting, standard for, above
- Audits and auditors
- audit committee, above
- auditing internal control over financial reporting, standard for, above
- inadequate or materially misleading disclosure, **8:115, 8:127, 8:129 et seq., 8:136**
- Authority of SEC to expand safe harbors for forward-looking statements, inadequate or materially misleading disclosure, **8:186**
- Balancing test, state law claims for inadequate or materially misleading disclosure, **8:213, 8:217**
- “BarChris” case, **8:9, 8:83**
- Bar orders, inadequate or materially misleading disclosure, **8:193**
- “Bespeaks caution” doctrine, defenses to inadequate or materially misleading disclosure, **8:179**
- Bright line approach, **8:116**
- Broker - Dealers. See **Broker - Dealers** (this index)

DUE DILIGENCE—Cont'd

- Brokers, inadequate or materially misleading disclosure, **8:87, 8:146**
- Business of company, investigation of issuer, **8:31**
- Cases adopting Ultramares, **8:207**
- Cause and causation, Rule 10b-5 and inadequate or materially misleading disclosure, loss causation, **8:107**
- Cease and desist orders, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**
- Chamber of Commerce APA challenge to SEC proxy voting advice business regulations, **8:174**
- Charter of audit committee, **8:69, 8:75**
- Checklists
- Generally, **App N**
- broker-dealers, real estate syndication, **15:79 to 15:94**
- Chevron doctrine, **8:162**
- Choice of accounting method, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:134**
- “Chris - Craft” case, Section 11 civil liability, **8:11**
- Civil liability, **8:1 to 8:220**
- Claims
- federal preemption of pendent state claims for indemnification and contribution, inadequate or materially misleading disclosure, **8:200**
- Rule 10b-5 standing to bring claim restricted implied private right of action, **8:121**
- special pleading requirements for Rule 10b-5 claims brought against attorneys and accountants, inadequate or materially misleading disclosure, **8:121**
- state law claims for inadequate or materially misleading disclosure, **8:202 to 8:220**
- Common law, claims for inadequate or materially misleading disclosure, **8:204**
- Companies taking advantage of the safe harbor, **8:185**

DUE DILIGENCE—Cont'd

Compliance

GAAS and GAAP, influence of
accountant standards on liability
for inadequate or materially
misleading disclosure, **8:133,**
8:135

misrepresentations, actionable, **8:22**

Composition and qualification of audit
committee, **8:73**

Conducting due diligence investigations,
8:23, 8:24

Conspiracy, Rule 10b-5 and inadequate
or materially misleading disclosure,
8:119

Constitutionality of SEC's appointment
process of administrative law
judges, **8:159**

Contract provisions

enforcing no representation and no-
reliance contract provisions
against Rule 10b-5 claims, **8:178**

inadequate or materially misleading
disclosure, contract provisions
for contribution, **8:201**

Contribution, inadequate or materially
misleading disclosure, **8:189 to**
8:201

Control person liability, inadequate or
materially misleading disclosure,
8:137 to 8:150

Corporate scienter

generally, **8:140**

adverse interests exception, **8:141**

pleading, **8:122**

Corporations

directors, inadequate or materially
misleading disclosure, **8:83,**
8:147, 8:197

officers, inadequate or materially
misleading disclosure, **8:81 to**
8:186

Correction duty, inadequate or materi-
ally misleading disclosure, **8:106,**
8:184

"Costanza" case, direct proceedings by
SEC against attorneys regarding
inadequate or materially misleading
disclosure, **8:171**

Courts

"bespeaks caution" doctrine, defenses
to inadequate or materially

DUE DILIGENCE—Cont'd

Courts—Cont'd

misleading disclosure, **8:179**

decisions of courts, **8:2 et seq.**

SEC ALJ enforcement proceedings
involving civil fines ruled uncon-
stitutional Seventh Amendment
violation, **8:160**

SEC disgorgement remedy, applica-
tion of statute of limitations by
Supreme Court, **8:161**

Criminal liability, Rule 10b-5 and inade-
quate or materially misleading
disclosure, **8:120**

Culpable participation requirement,
control person liability for inade-
quate or materially misleading
disclosure, **8:143**

Damages, inadequate or materially
misleading disclosure, **8:187**

Dealers, inadequate or materially
misleading disclosure, **8:87, 8:146**

Decisions of courts, **8:2 et seq.**

Defenses, inadequate or materially
misleading disclosure, **8:83**

Directors of corporations, inadequate or
materially misleading disclosure,
8:83, 8:147, 8:197

Direct participation programs, FINRA
regulation, **13:16, 13:52**

Direct proceedings by SEC, inadequate
or materially misleading disclosure,
8:151 to 8:174

Disclosure

audit committee, above

inadequate disclosure, **8:79 to 8:220**

materially misleading disclosure, **8:79**
to 8:220

public companies, periodic filings
under Securities Exchange Act of
1934, below

Disgorgement remedy, application of
statute of limitations, **8:161**

Documents, inadequate or materially
misleading disclosure, **8:81 to**
8:186

Dodd-Frank Act, SEC rule-making pro-
visions under, **8:76**

Drafting

disclosure documents, direct proceed-
ings by SEC against attorneys
regarding inadequate or materi-

INDEX

DUE DILIGENCE—Cont'd

- Drafting—Cont'd
 - ally misleading disclosure, **8:169**
 - express contract provisions for contribution, inadequate or materially misleading disclosure, **8:201**
 - statements made by another, aiding and abetting, **8:114**
- Duties
 - accountants, disclosure of material facts, **8:105**
 - correction duty, inadequate or materially misleading disclosure, **8:106, 8:184**
 - inadequate or materially misleading disclosure, **8:82 et seq.**
 - underwriter's duties under Rule 10b-5, **8:101**
 - update duty, inadequate or materially misleading disclosure, **8:106, 8:184**
- Editing statements made by another, Rule 10b-5 and inadequate or materially misleading disclosure, **8:114**
- Employers, control person liability for inadequate or materially misleading disclosure, **8:139**
- Enforcement, direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:151 to 8:174**
- Enforcement authority, private funds and private fund advisers curtailed in Fifth Circuit ruling, **8:175**
- Evidence, inadequate or materially misleading disclosure, **8:133, 8:144**
- Exclusions, safe harbors for forward-looking statements, **8:180**
- Expertise, reliance for Section 11 civil liability, **8:7**
- Farmland and agriculture, **18:37**
- FASB Statement No. 154, accounting changes and error corrections, **8:63**
- Federal law, inadequate or materially misleading disclosure, **8:79 to 8:213**
- "Feldman" case, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**
- Fiduciary duties and liability for failure to advise board concerning its mon-

DUE DILIGENCE—Cont'd

- itoring duties, **8:128**
- Financial experts of audit committee, **8:64 et seq.**
- Financial matters
 - aiding and abetting, Rule 10b-5 and inadequate or materially misleading disclosure, **8:115**
 - audit committee, above
 - auditing internal control over financial reporting, standard for, above
 - financial / transactional due diligence, PCAOB proposed standards for related party and significant unusual transactions, **8:52**
 - integration with audit of financial statements, **8:57**
 - investigation of issuer, financials of company, **8:32**
 - public companies, periodic filings under Securities Exchange Act of 1934, below
 - unaudited financial statements, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:136**
- Financial statement "materiality," Rule 10b-5 and inadequate or materially misleading disclosure, **8:104**
- FINRA guidance for private placements, practical aspects of due diligence investigations, **8:36**
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:16, 13:52**
- Foreseeability, state law claims for inadequate or materially misleading disclosure, **8:211, 8:212**
- Formal opinions negligently issued, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:168**
- Forward-looking statement safe harbor, defenses to inadequate or materially misleading disclosure, **8:179 to 8:186**
- Fraud
 - FINRA regulation of direct participation, **13:52**
 - joint and several liability, inadequate or materially misleading

DUE DILIGENCE—Cont'd

- Fraud—Cont'd
 - disclosure, **8:191**
 - public companies, periodic filings under Securities Exchange Act of 1934, **8:51**
 - regulation D offerings, **13:52**
 - sale of unregistered securities, **8:93**
 - scheme to defraud, aiding and abetting, **8:119**
 - SEC negligent securities “fraud” action, **8:94, 8:95**
- Future payments by limited partners, inadequate or materially misleading disclosure, **8:188**
- GAAP (generally accepted accounting principles), influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:130, 8:133**
- GAAS (generally accepted auditing standards), influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:129 et seq.**
- General concerns for underwriters, practical aspects of due diligence investigations, **8:26**
- Generally accepted accounting principles (GAAP), influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:130, 8:133**
- Generally accepted auditing standards (GAAS), influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:129 et seq.**
- Good faith, control person liability for inadequate or materially misleading disclosure, **8:144**
- “Goodman v Kennedy” case, state law claims for inadequate or materially misleading disclosure, **8:216**
- Immateriality as matter of law, puffery, **8:20**
- “Immaterial” safe harbor, defenses to inadequate or materially misleading disclosure, **8:183**
- Inadequate disclosure, **8:79 to 8:220**
- Inadequate or materially misleading disclosure, **8:81 to 8:186**
- Indemnity, **8:198**

DUE DILIGENCE—Cont'd

- Indemnity, inadequate or materially misleading disclosure, **8:189 to 8:201**
- Independent duty to disclose, **8:100**
- Industry of issuer, practical aspects of due diligence investigations, **8:28**
- Influence of professional standards on liability, inadequate or materially misleading disclosure, **8:123 to 8:136**
- Information
 - response of attorney to auditors’ requests for information, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:127**
 - sources of information, practical aspects of due diligence investigations, **8:33 to 8:36**
 - statements made by accountant regarding unaudited financial information, Rule 10b-5 and inadequate or materially misleading disclosure, **8:115**
- In-house counsel of broker-dealers as “supervisors,” **8:172**
- Injunctions, direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:165**
- Inquiry notice under statutes of limitations, defenses to inadequate or materially misleading disclosure, **8:176**
- Inside sources of information, practical aspects of due diligence investigations, **8:34**
- Integration with audit of financial statements, **8:57**
- Internal control over financial reporting. Auditing internal control over financial reporting, standard for, above
- Investigations
 - broker-dealers, **15:49, 15:81 to 15:84**
 - civil liability, **8:23 to 8:35**
 - immateriality as matter of law, **8:20**
 - puffery, **8:20**
 - statements of opinion or belief, **8:18**
 - underwriters, **8:15**
- Investment
 - new investment decisions, inadequate or materially misleading

INDEX

DUE DILIGENCE—Cont'd

- Investment—Cont'd
 - disclosure, **8:188**
- Investors, preparation of disclosure documents for, **8:81 to 8:186**
- Issuer, investigations, **8:28 to 8:36**
- Items to investigate, **8:24**
- Janus, SEC
 - circumvention, **8:158**
 - prosecutorial position, **8:96**
- Joint and several liability, inadequate or materially misleading disclosure, **8:190 to 8:194**
- Judgment reduction formula, Private Securities Litigation Reform Act (PSLRA), **8:194**
- “Kern” case, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:170**
- Knowledge
 - joint and several liability, inadequate or materially misleading disclosure, **8:191**
 - modified proportionate liability for nonknowing defendants, inadequate or materially misleading disclosure, **8:192**
- “Leasco” case, **8:10, 8:83**
- Legal / compliance officers or in-house counsel of broker-dealers as “supervisors,” **8:172**
- Lenders, control person liability for inadequate or materially misleading disclosure, **8:148**
- Liability
 - civil liability, **8:1 to 8:220**
 - criminal liability, aiding and abetting, **8:120**
 - inadequate internal financial controls, SEC enforcement and private actions, **8:65**
- Limitations of liability, state law claims for inadequate or materially misleading disclosure, **8:212**
- Limited partners, inadequate or materially misleading disclosure, **8:188**
- Loss causation
 - Generic misstatements, Fraud-on-the-market, **8:110**
 - materialization of risk, **8:109**

DUE DILIGENCE—Cont'd

- Loss causation—Cont'd
 - Reliance, Mixed affirmative statements and omissions, **8:111**
 - Rule 10b-5 and inadequate or materially misleading disclosure, **8:107**
- Management of company, investigation of issuer, **8:30**
- Management’s Discussion and Analysis (MD&A), duties of public companies for Exchange Act of 1934 periodic filings, **8:48**
- Material matters
 - facts, Rule 10b-5 and inadequate or materially misleading disclosure, **8:97 to 8:105**
 - financial statement materiality, **8:104**
 - “Immaterial” safe harbor, defenses to inadequate or materially misleading disclosure, **8:183**
 - misleading disclosure, **8:79 to 8:220**
 - puffery, immateriality as matter of law, **8:20**
 - SEC prosecutorial position, materiality under Rule 10b-5, **8:98**
- Material omission to fail to disclose SEC investigation into ICFR weaknesses and promotional paid-for public articles, **8:62**
- Material weakness. Auditing internal control over financial reporting, standard for, above
- Matter of law
 - puffery, immateriality as matter of law, **8:20**
 - section 11 civil liability, **8:13**
- Meaningful cautionary statement safe harbor, defenses to inadequate or materially misleading disclosure, **8:181**
- Memorandum of offering, defenses to inadequate or materially misleading disclosure, **8:176**
- Method of accounting, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:134**
- Misleading disclosure, **8:79 to 8:220**
- Misrepresentations
 - compliance, actionable, **8:22**
 - defenses to inadequate or materially misleading disclosure, **8:176**

DUE DILIGENCE—Cont'd

- rule 10b-5 and inadequate or materially misleading disclosure, **8:113**
 - SA § 17(a)(2) misstatement liability, **8:94**
 - SEC negligent securities “fraud” action, **8:94**
 - Model Rules and Codes, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:124**
 - Modified proportionate liability for nonknowing defendants, inadequate or materially misleading disclosure, **8:192**
 - “Near privity” rule, state law claims for inadequate or materially misleading disclosure, **8:205**
 - Negligence
 - issuance of formal opinions, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:168**
 - SEC negligent securities “fraud” actions, **8:94, 8:95**
 - state law claims for inadequate or materially misleading disclosure, **8:204**
 - New investment decisions, inadequate or materially misleading disclosure, **8:188**
 - New York, state law claims for inadequate or materially misleading disclosure, **8:205, 8:206**
 - Non-client disclosure obligations, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:125**
 - Nonknowing defendants, modified proportionate liability for inadequate or materially misleading disclosure, **8:192**
 - No representation and no-reliance contract provisions, enforcing against Rule 10b-5 claims, **8:181**
 - Offerings
 - public offerings, inadequate or materially misleading disclosure, **8:89**
 - using offering memorandum as defense, inadequate or materially misleading disclosure, **8:176**

DUE DILIGENCE—Cont'd

- Officers of corporations, inadequate or materially misleading disclosure, **8:81 to 8:186**
 - Offset to damages, inadequate or materially misleading disclosure, **8:187**
 - Opinion or belief, investigation, **8:18**
 - Opinions of attorneys, inadequate or materially misleading disclosure, **8:126, 8:166**
 - Oral misrepresentations or statements, defenses to inadequate or materially misleading disclosure, **8:176, 8:183**
 - Orders
 - bar orders, inadequate or materially misleading disclosure, **8:193**
 - cease and desist orders, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**
 - Outside directors’ liability under Section 11 of Securities Act of 1933, inadequate or materially misleading disclosure, **8:197**
 - Outside sources of information, investigations, **8:35**
 - In pari delicto defense, **8:220**
 - Participation, control person liability for inadequate or materially misleading disclosure, **8:143, 8:144**
 - PCAOB Auditing Standard No. 16: Auditor communications with Audit Committees, **8:45**
 - Pendent state claims for indemnification and contribution, federal preemption, **8:200**
 - Periodic filings under Securities Exchange Act of 1934. Public companies, periodic filings under Securities Exchange Act of 1934, below
 - “Pinter v Dahl” case, inadequate or materially misleading disclosure, **8:86, 8:87**
 - Pleadings, inadequate or materially misleading disclosure, **8:122**
 - Practical aspects of due diligence investigations, **8:25 to 8:36**
 - Preemption of pendent state claims for indemnification and contribution,

INDEX

DUE DILIGENCE—Cont'd

- inadequate or materially misleading disclosure, **8:200**
- Pre-filing review of quarterly financial statements, audit committee, **8:67**
- Preparation of disclosure documents for investors, inadequate or materially misleading disclosure, **8:81 to 8:186**
- Primary violations, aiding and abetting, **8:118**
- Principals, control person liability for inadequate or materially misleading disclosure, **8:139**
- Private actions
 - internal controls over financial reporting inadequate, liability, **8:65**
 - rule 10b-5 and inadequate or materially misleading disclosure, **8:112 to 8:121**
- Private placements, guidance under FINRA 132, **8:36**
- Private Securities Litigation Reform Act (PSLRA), inadequate or materially misleading disclosure, **8:194 to 8:196**
- Proceedings and actions, inadequate or materially misleading disclosure, **8:113 et seq.**
- Professionals, inadequate or materially misleading disclosure, **8:81 et seq.**
- Professionals duty to disclose material facts, **8:102**
 - Attorneys, **8:103**
- Promoters, inadequate or materially misleading disclosure, **8:81 to 8:186**
- Proportionate liability, inadequate or materially misleading disclosure, **8:189 to 8:201**
- Providing disclosure and other advice, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:169**
- Proxy disclosure about audit committee—public companies, periodic filings under Securities Exchange Act of 1934, **8:43**
- PSLRA (Private Securities Litigation Reform Act), inadequate or materially misleading disclosure, **8:194 to 8:196**

DUE DILIGENCE—Cont'd

- Public companies, periodic filings under Securities Exchange Act of 1934
 - Generally, **8:37 et seq.**
 - accounting policies and practices, **8:47**
 - appropriate oversight process, establishing, **8:55**
 - audit committee's critical role in financial due diligence, **8:41 et seq.**
 - auditing standards, **8:53**
 - auditor-Audit Committee communications, **8:49, 8:50**
 - auditor independence, audit committee's role in assuring, **8:46**
 - disclosure committee, CEO, and CFO—due diligence by, **8:38**
 - disclosure controls and procedures, generally, **8:39**
 - due diligence counsel, **8:52**
 - evaluating and establishing disclosure controls and procedures, **8:40**
 - financial / transactional due diligence, **8:52**
 - fraud, audit committee's or independent director's assessment of risks of and responses to, **8:51**
 - internal controls, implementing and monitoring, **8:54**
 - management's Discussion and Analysis (MD&A), **8:48**
 - NYSE and Nasdaq corporate governance amendments, independent audit committee focus, **8:42**
 - oversight process to ensure due diligence, **8:55**
 - PCAOB Auditing Standard No. 16: Auditor communications with Audit Committees, **8:45**
 - proxy disclosure about audit committee, **8:43**
 - related party transactions, PCAOB proposed standards, **8:52**
 - section 12 trigger, **8:37**
 - timely reporting by auditor to audit committee, audit committee's due diligence role, **8:44**
- Public Companies Accounting Oversight Board (PCAOB) Release No. 2012-001 Auditing Standards, **App E1**

DUE DILIGENCE—Cont'd

- Public offerings, inadequate or materially misleading disclosure, **8:89**
- Puffery, immateriality as matter of law, **8:20**
- Quarterly financial statements, pre-filing review by audit committee, **8:67**
- “Raritan River” case, state law claims for inadequate or materially misleading disclosure, **8:210**
- Real estate investment trusts, request for initial public offering, **App N1**
- Reasonableness
 - compliance with GAAS and GAAP as evidence of reasonableness, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:133**
 - standard of reasonableness, Section 11 civil liability, **8:6**
 - state law claims for inadequate or materially misleading disclosure, reasonably foreseeable approach, **8:211, 8:212**
- Related party transactions, financial / transactional due diligence, **8:52**
- Reliance on expertise, Section 11 civil liability, **8:7**
- Reliance unreasonable or unjustifiable, defenses to inadequate or materially misleading disclosure, **8:176**
- Reports and reporting
 - audit committee, **8:68**
 - internal control over financial reporting. Auditing internal control over financial reporting, standard for, above
- Request for real estate investment trust initial public offering, **App N1**
- Respondeat superior, control person liability for inadequate or materially misleading disclosure, **8:139**
- Response of attorney to auditors’ requests for information, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:127**
- Restatement (Second) approach, state law claims for inadequate or materially misleading disclosure, **8:208, 8:209, 8:212**

DUE DILIGENCE—Cont'd

- Reviewing statements made by another, Rule 10b-5 and inadequate or materially misleading disclosure, **8:114**
- Rule 10b-5
 - enforcing no representation and no-reliance contract provisions against, **8:181**
 - inadequate or materially misleading disclosure, **8:93 et seq., 8:176**
 - independent duty to disclose, **8:100**
 - Janus case, SEC prosecutorial position, **8:96**
 - materiality, **8:98**
 - SEC prosecutorial position, **8:96, 8:98**
 - SA § 17(a) contrasted, **8:92**
 - underwriter’s duties, **8:101**
 - unregistered brokers, SEC responsibility to regulate under Exchange Act § 15, **8:93**
- Rule 102(e), direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:166**
- Rule 176, Section 11 civil liability, **8:14**
- Safe harbors
 - audit committee, SEC disclosure rules, **8:71**
- Safe harbors, forward-looking statements, defenses to inadequate or materially misleading disclosure, **8:179 to 8:186**
- Scheme liability, SEC negligent securities “fraud” action, **8:94**
- Scheme to defraud, Rule 10b-5 and inadequate or materially misleading disclosure, **8:119**
- Scienter, corporate. Corporate scienter, above
- SEC. See Securities and Exchange Commission, below
- SEC Amicus approach
 - Creating misrepresentation, **8:115**
- SEC enforcement authority, private funds and private fund advisers curtailed in Fifth Circuit ruling, **8:175**
- SEC injunctive authority
 - Consent decree to enjoin future section 17 and related violations, **8:157**

INDEX

DUE DILIGENCE—Cont'd

- SEC responsibility to regulate
unregistered brokers, section 15
Exchange Act, **8:99**
- Section 10A of Securities Exchange Act
of 1934, influence of accountant
standards on liability for inadequate
or materially misleading disclosure,
8:130
- Section 11 of Securities Act of 1933, **8:3**
to 8:14, 8:82 to 8:84, 8:197
- Market manipulation, **8:5**
- Standing
 - Direct listing, **8:4**
- Section 12 of Securities Act of 1933,
8:16, 8:17, 8:85 to 8:91, 8:176
- Section 15(c)(4) of 1934 Act,
administrative proceedings by SEC
against attorneys regarding inade-
quate or materially misleading
disclosure, **8:170**
- Section 17(a) of Securities Act of 1933
inadequate or materially misleading
disclosure, generally, **8:92**
- negligent securities “fraud” actions
by SEC, **8:94, 8:95**
- rule 10b-5 contrasted, **8:92**
- SA § 17(a)(2), **8:94**
- SA § 17(a)(3) scheme liability, **8:95**
- sale of unregistered securities and
securities fraud action by the
SEC, **8:93**
- Securities Act of 1933, **8:3 to 8:17,**
8:79, 8:82 to 8:96, 8:176, 8:197
- Securities and Exchange Commission
 - administrative law judges,
constitutionality of appointment,
8:159
 - aiding and abetting, Rule 10b-5 and
inadequate or materially
misleading disclosure, **8:120**
 - audit committee, above
 - auditing internal control over financial
reporting, SEC guidance, **8:60**
 - cryptocurrency, SEC injunctive
authority, **8:152**
 - direct proceedings by SEC, inade-
quate or materially misleading
disclosure, **8:151 to 8:174**
 - disgorgement remedy, application of
statute of limitations, **8:161**

DUE DILIGENCE—Cont'd

- Securities and Exchange Commission
—Cont'd
 - enforcement and private actions,
liability for inadequate internal
controls, **8:65**
 - enforcement power
 - consent decrees, **8:154**
 - misrepresentations in connection
with the purchase or sale of a
security, **8:153**
 - no-deny provisions, **8:154**
 - proxy and reporting violations,
misstatements about interlock-
ing directorates, **8:155**
 - Janus case. Janus, SEC, above
 - negligent securities “fraud” actions,
8:94, 8:95
 - safe harbors for forward-looking
statements, defenses to inade-
quate or materially misleading
disclosure, **8:186**
 - sale of unregistered securities, **8:93**
 - sexual misconduct, **8:156**
- Securities counsel, state law duties,
8:219
- Securities Exchange Act of 1934
 - Generally, **8:80, 8:93 et seq., 8:128**
 - dodd-Frank Act, SEC rule-making
provisions under, **8:76**
 - public companies, periodic filings
under Securities Exchange Act of
1934, above
 - SEC administrative proceedings
against attorneys, **8:170**
- Self-regulatory organization audit com-
mittee rules, **8:72 et seq.**
- Sellers, inadequate or materially
misleading disclosure, **8:87**
- Setoff to damages, inadequate or materi-
ally misleading disclosure, **8:187**
- Settlement, inadequate or materially
misleading disclosure, **8:189 to**
8:201
- “Software Toolworks and Worlds of
Wonder” case, Section 11 civil
liability, **8:8**
- Sources of information, investigations,
8:33 to 8:36
- Special pleading requirements for Rule
10b-5 claims brought against
attorneys and accountants, inade-

DUE DILIGENCE—Cont'd

- quate or materially misleading disclosure, **8:122**
- Special procedural considerations, inadequate or materially misleading disclosure, **8:199**
- Specific steps for underwriters, due diligence investigations, **8:27 to 8:32**
- Standards
 - auditing internal control over financial reporting, standard for, above
 - influence of professional standards on liability for inadequate or materially misleading disclosure, **8:123 to 8:136**
 - section 11 civil liability, standard of reasonableness, **8:6**
- State, inadequate or materially misleading disclosure, **8:200, 8:202 to 8:220**
- State law duties of securities counsel, **8:219**
- Statements
 - aspirational, **8:21**
 - inadequate or materially misleading disclosure, **8:114, 8:119, 8:136, 8:179 to 8:186**
 - misstatements, above
- Statements by accountant
 - unaudited financial information, **8:117**
- State of mind safe harbor, defenses to inadequate or materially misleading disclosure, **8:182**
- State securities statutes, **8:203**
- Statute of limitations
 - defenses to inadequate or materially misleading disclosure, **8:176, 8:177**
 - SEC disgorgement remedy, **8:161**
- Statutes, **8:1 et seq.**
- “Supervisors,” in-house counsel of broker-dealers as, **8:172**
- Supreme Court holds that litigants, SEC administrative proceedings
 - federal district court parallel or collateral to administrative proceedings before the SEC, **8:164**
- Targeted solicitation, importance or not, **8:91**
- Tax benefits as offset to damages, inadequate or materially misleading disclosure, **8:187**

DUE DILIGENCE—Cont'd

- Transaction causation, Rule 10b-5 and inadequate or materially misleading disclosure, **8:107**
- Two-prong test, control person liability for inadequate or materially misleading disclosure, **8:142 to 8:144**
- Unaudited materials, inadequate or materially misleading disclosure, **8:115, 8:136**
- Underwriters
 - inadequate or materially misleading disclosure, **8:87**
 - investigations, **8:15, 8:26 to 8:32**
 - rule 10b-5 liability, duties, **8:101**
 - section 11 liability, mandatory duty to conduct investigation, **8:15**
- Update duty, inadequate or materially misleading disclosure, **8:106, 8:184**
- Use, offering memorandum, defenses to inadequate or materially misleading disclosure, **8:176**
- Violations, inadequate or materially misleading disclosure, **8:118, 8:176**
- “Waivable” defense to civil liability, Section 11 liability, **8:15**
- “Weiss” case, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**
- Whistle-blower protection for employees in employment termination cases under Sarbanes-Oxley, **8:77**
- WorldCom case, **8:12**

DUPLICATION RESEARCH

- Research and development tax credit, specific exclusions from eligibility, **21:46**

DURATION

- Limited liability companies, **5:42**
- Limited partnership, term of, **24:7**
- Real estate, term of tax-exempt entity lease, **9:76**

DUTIES

- Audits-IRS. See **Audits - IRS** (this index)
- Broker-dealers, reporting, **15:64 to 15:70**

INDEX

DUTIES—Cont'd

- Due diligence. See **Due Diligence** (this index)
- Fiduciary duties, general partners, **24:42, 26:21, 26:100**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Publicly registered real estate syndications, fiduciary responsibility of general partners, **26:21, 26:100**
- Real estate investment trusts, trustees, **25:85**

EARNED INCOME

- Passive loss, special disposition rules under 1988 regulations, **4:85**

EARNINGS

- Real estate. See **Real Estate** (this index)
- S corporations, avoidance of accumulated earnings tax, **22:10**

EBITDA

- NAREIT supplemental measure of performance, **25:46**

ECONOMIC MATTERS

- Economic accrual method, **11:53 to 11:61**
- Interest. See **Interest or Interests** (this index)
- Oil and gas. See **Oil and Gas** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)

ECONOMIC RECOVERY TAX ACT OF 1981 (ERTA)

- Real estate, depreciation, **9:58**

ECONOMICS OF CATTLE INDUSTRY

- Full disclosure, **17:88**

ECONOMIC SUBSTANCE DOCTRINE

- Audits-IRS, **23:3.40**

EDITING STATEMENTS MADE BY ANOTHER

- Due diligence and civil liability, Rule 10b-5 and inadequate or materially misleading disclosure, **8:114**

EFFECTIVE DATES

- Bail-outs of burned-out tax shelters, acquisition of debt by related party, **27:33**
- Equipment leasing, depreciation and ACRS, **19:35 to 19:41**
- Limited liability companies, check-the-box regulations, **5:19, 5:26, 10:81**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)
- At risk, rules governing pre-effective date disallowed losses, **3:37**

EFFECTIVENESS

- Publicly registered real estate syndications, post-effectiveness securities compliance, **26:117 to 26:135**

EFFORT OR EFFORTS

- Facts and circumstances test for activities not engaged in for profit, **11:10**
- Investment limited partnerships, efforts of others, **6:6, 6:15**
- Livestock programs, facts and circumstances test for activity engaged in for profit, **17:14**

ELECTION OUT

- Partnership provisions, **10:4**
- Real estate, tax-exempt entity leasing, **9:71**

ELECTIONS

- Bail-outs of burned-out tax shelters, hold partnership interest until death, **27:73**
- Due diligence and civil liability, choice of accounting method, **8:134**
- Equipment leasing, expense depreciable business assets, **19:51**
- Limited liability companies, check-the-box regulations, **5:12 to 5:18, 5:22, 5:24, 10:75 to 10:79**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, **17:37, 17:38, 17:67**

ELECTIONS—Cont'd

- Mechanics of election
 - livestock programs, accounting rules, **17:38**
 - real estate mortgage investment conduits, **28:5**
 - s corporations, **22:28**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development programs, choosing general partner, **21:5**
- S corporations. See **S Corporations** (this index)

ELECTRONIC ROAD SHOWS

- Limited partners and partnerships, registration under 1933 Act, **6:249**

ELIGIBILITY OR ELIGIBLE

- Domestic eligible entities. See **Domestic Eligible Entities** (this index)
- Existing eligible entities
 - limited liability companies, elective classification, **5:15, 10:78**
 - partners and partnerships, elective classification under check-the-box regulations, **10:28**
- Foreign eligible entities. See **Foreign Eligible Entities** (this index)
- Limited liability companies, elective classification for eligible entities, **5:13 to 5:15, 10:77, 10:78**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Motion pictures, computation of investment tax credit, **20:31**
- Partners and partnerships, check-the-box regulations, **10:19, 10:25, 10:26, 10:28**
- Real estate. See **Real Estate** (this index)
- Regulation A, 2018 amendments to, reporting companies, **6:158**
- Reporting companies, 2018 amendments to Regulation A, **6:158**
- Research and development tax credit, exclusions, **21:43 to 21:49**
- S corporations. See **S Corporations** (this index)

ELIMINATION OF GENERAL SOLICITATION PROHIBITION

- Investment limited partnerships, Regulation D, **6:41**
- JOBS Act (2012), general solicitation of accredited investors, **6:25, 6:40**

EMERGING GROWTH COMPANIES (EGCs)

- C&DIs, **6:238**
- Communications restrictions, **6:243**
- Confidential submission process, SEC Staff Guidance re JOBS Act, FAQs, **App K2**
- Disclosures, **6:236, 6:238, 6:254**
- Expansion of eligibility for smaller reporting company status, **7:3**
- Limited partners and partnerships, registration under 1933 Act, **6:243**
- Reduced disclosure, **7:2**
- Registration under 1933 Act
 - FAST Act (2015), **6:237, 6:238**
 - JOBS Act (2012), **6:236**
- Regulation S-K. reduced disclosures, **7:2**
- Relaxed registration requirements under the FAST Act, **6:244**
- Scaled disclosure provisions, SEC Staff Guidance, FAQs on Title I provisions, **App K1**
- SEC Staff Guidance regarding JOBS Act confidential submission process, FAQs, **App K2**
- title I scaled disclosure provisions, FAQs, **App K1**
- Special disclosures, investment limited partnerships, **6:254**

“EMERSHAW V COMMISSIONER” CASE

- At risk, guarantees and other risk limiting arrangements, **3:33**

EMPHASIS ON TERMS OF PARTNERSHIP AGREEMENT

- Investment limited partnerships, investment participations as securities, **6:13**

EMPLOYEE BENEFIT PLANS

- Exemption from registration. See **Resales by Investors** (this index)

INDEX

EMPLOYEES, EMPLOYERS AND EMPLOYMENT

- Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:139**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Publicly registered real estate syndications, ERISA considerations, **26:195 to 26:198**
- Self employment. See **Self Employment** (this index)

ENERGY

- Tax Cut and Jobs Act of 2017 impact, **1A:8**

ENFORCEMENT

- Arsenal against professionals and others, SEC, **8:151, 8:161**
- Broker-dealers, SEC disciplinary actions, **15:107**
- Due diligence and civil liability, direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:151 to 8:174**
- Professionals, **8:167**
- Real estate investment trusts, National Securities Markets Improvement Act of 1996, **25:130**

ENHANCEMENT

- Real estate mortgage investment conduits, credit enhancement contracts, **28:14**

ENRICHMENT OF LAND EXPENSES

- Farmland and agriculture, **18:15**

ENTERTAINMENT

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:26**
- Individual income tax, limitations on deductions, **1:60**
- Partnership investment opportunities, **2:27**

EQUIPMENT

- Buildings. See **Buildings and Structures** (this index)
- Leasing. See **Equipment Leasing** (this index)

EQUIPMENT LEASING

- Generally, **19:1 to 19:92**
- Accelerated cost recovery system (ACRS), partnerships, **19:19 to 19:41**
- Agreements. See **Contracts**, below
- Aircraft, disclosure of risk factors, **19:83, 19:84**
- Alternate depreciation system, partnerships, **19:32**
- Alternative minimum tax, partnerships, **19:17, 19:18**
- Amendment or modification, depreciation and ACRS, **19:22, 19:26 to 19:34**
- Arrangement, financing, **19:52 to 19:69**
- Averaging conventions, depreciation and ACRS, **19:28**
- Background, **19:1, 19:52**
- Basis reduction, investment tax credit, **19:48**
- “Belz Investment Co. v Commissioner” case, traditional leasing, **19:57**
- Binding contracts, depreciation and ACRS, **19:36**
- Business
 - communications industry risks, disclosure, **19:85**
 - election to expense depreciable business assets, tax benefits not generally available to partnerships, **19:51**
 - nontax considerations, business of equipment leasing, **19:3**
- “Bussing v Commissioner” case, traditional leasing, **19:64**
- Class life systems of depreciation, partnerships, **19:21**
- “Coleman v Commissioner” case, traditional leasing, **19:63, 19:66**
- “Comdisco, Inc. v United States” case, traditional leasing, **19:59**
- Communications industry risks, disclosure, **19:85**
- Compensation of sponsor, state guidelines for registration of equipment programs, **19:90**
- Conflicts of interest, state guidelines for registration of equipment programs, **19:91**
- Contracts
 - binding contracts, depreciation and ACRS, **19:36**

EQUIPMENT LEASING—Cont'd

- Contracts—Cont'd
 - service contracts, tax-exempt use property, **19:74**
- Corporate taxpayers, alternative minimum tax, **19:18**
- Credits, tax benefits not generally available to partnerships, **19:44 to 19:49**
- Crossover, unloading at, **19:79**
- Deductibility of investment interest, limitations on, **19:10 to 19:16**
- Definitions
 - investment interest, **19:11**
 - net investment income, **19:12**
- Depreciation
 - election to expense depreciable business assets, tax benefits not generally available to partnerships, **19:51**
 - partnerships and traditional equipment leasing, **19:19 to 19:42**
- Disclosure, **19:81 to 19:86**
- Distinguishing features of equipment leasing programs, nontax considerations, **19:6**
- Effective dates, depreciation and ACRS, **19:35 to 19:41**
- Election to expense depreciable business assets, tax benefits not generally available to partnerships, **19:51**
- Equipped buildings, depreciation and ACRS, **19:38**
- “Estate of Thomas v Commissioner” case, traditional leasing, **19:58**
- Exemption. See Tax-exempt, below
- Expense or expenses
 - election to expense depreciable business assets, tax benefits not generally available to partnerships, **19:51**
 - fifteen-percent expense test, limitations on deductibility of investment interest, **19:15**
- Fifteen-percent expense test, limitations on deductibility of investment interest, **19:15**
- Financing arrangement or equipment lease, **19:52 to 19:69**
- “Frank Lyon Co. v United States” case, traditional leasing, **19:54**
- “Gefen v Commissioner” case, traditional leasing, **19:65**

EQUIPMENT LEASING—Cont'd

- General risks of ownership and operation of aircraft, disclosure, **19:83**
- Guarantee against loss, limitations on deductibility of investment interest, **19:16**
- Guidelines
 - court cases, traditional leasing, **19:54 to 19:69**
 - state guidelines for registration of equipment programs, **19:87 to 19:92**
- Half-year convention, depreciation, **19:22, 19:23**
- Improvements, depreciation and ACRS, **19:31**
- Investment
 - considerations in equipment leasing programs, **19:5**
 - limitations on deductibility of investment interest, **19:10 to 19:16**
 - partnership investment opportunities, **2:26**
 - status of equipment leasing investments under current law, **19:80**
 - tax credit, **19:44 to 19:48**
- Investor suitability, state guidelines for registration of equipment programs, **19:89**
- Language, disclosure of risks, **19:82, 19:86**
- “Larsen v Commissioner” case, traditional leasing, **19:67**
- “Levy v Commissioner” case, traditional leasing, **19:69**
- Limitations
 - deductibility of investment interest, **19:10 to 19:16**
 - operating restrictions, state guidelines for registration of equipment programs, **19:91**
 - used property limitation, investment tax credit, **19:47**
- Loss, guarantee against, **19:16**
- “L.W. Hardy Co. v Commissioner” case, traditional leasing, **19:68**
- Major tax provisions affecting equipment leasing, **19:71 to 19:77**
- Methods, depreciation, **19:27**
- Mid-quarter convention, depreciation and ACRS, **19:30**

INDEX

EQUIPMENT LEASING—Cont'd

- Modification or amendment, depreciation and ACRS, **19:22, 19:26 to 19:34**
- “Mukerji v Commissioner” case, traditional leasing, **19:61**
- Multistate leasing, sales and use taxes, **19:78**
- Net investment income, limitations on deductibility of investment interest, **19:12**
- Noncorporate lessors, investment tax credit, **19:45**
- Nontax considerations, **19:2 to 19:6**
- North American Securities Administrators Association (NASAA), statement of policy, **App Q**
- Operation or operating
 - general risks of ownership and operation of aircraft, disclosure, **19:83**
 - partnership, **19:78 to 19:80**
 - restrictions, state guidelines for registration of equipment programs, **19:91**
- Ownership of aircraft, disclosure of risks, **19:83**
- Partnerships
 - investment opportunities, **2:26**
 - operating the partnership, **19:78 to 19:80**
 - tax-exempt use property, **19:76**
 - traditional equipment leasing, **19:9 to 19:51**
- Pass-through of credit to lessee, tax benefits not generally available to partnerships, **19:49**
- Percent or percentages, limitations on deductibility of investment interest, **19:13, 19:15**
- Phase-in percentages, limitations on deductibility of investment interest, **19:13**
- Placed in service, depreciation and ACRS, **19:33, 19:40**
- Plant facilities, depreciation and ACRS, **19:39**
- Policy statement, North American Securities Administrators Association (NASAA), **App Q**
- Prescribed depreciation methods, **19:27**
- Programs
 - distinguishing features of equipment leasing programs, **19:6**

EQUIPMENT LEASING—Cont'd

- Programs—Cont'd
 - investment considerations in equipment leasing programs, **19:5**
 - state guidelines for registration of equipment programs, **19:87 to 19:92**
 - types of equipment programs, **19:4**
- Property
 - election to expense depreciable business assets, **19:51**
 - investment tax credit, **19:47, 19:48**
 - self-constructed property, depreciation and ACRS, **19:37**
 - tax-exempt use property, **19:72 to 19:76**
- Qualified technological equipment, tax-exempt use property, **19:73**
- Recapture
 - depreciation, **19:42**
 - tax benefits not generally available to partnerships, **19:50**
- Reduction of basis, investment tax credit, **19:48**
- Registration of equipment programs, state guidelines for, **19:87 to 19:92**
- Return test, limitations on deductibility of investment interest, **19:16**
- Revenue Procedure 89-5, depreciation and ACRS, **19:29**
- “Rice’s Toyota World, Inc. v Commissioner” case, traditional leasing, **19:55**
- At risk
 - investment tax credit, **19:46**
 - partnerships and traditional equipment leasing, **19:9**
- Risk
 - disclosure, **19:82 to 19:86**
 - at risk. See at risk, above
- Sale-leaseback, depreciation and ACRS, **19:41**
- Sales tax, operating the partnership, **19:78**
- Sample language, disclosure of risks, **19:82, 19:86**
- “Sanderson v Commissioner” case, traditional leasing, **19:60**
- Self-constructed property, depreciation and ACRS, **19:37**

EQUIPMENT LEASING—Cont'd

- Service
 - contracts, tax-exempt use property, **19:74**
 - placed in service, depreciation and ACRS, **19:33, 19:40**
- Short taxable year, depreciation and ACRS, **19:34**
- Short-term lease exception, tax-exempt use property, **19:75**
- “Sowerby v Commissioner” case, traditional leasing, **19:56**
- Sponsors, state guidelines for registration of equipment programs, **19:89, 19:90**
- State guidelines for registration of equipment programs, **19:87 to 19:92**
- Statement of policy, North American Securities Administrators Association (NASAA), **App Q**
- Status of equipment leasing investments under current law, operating the partnership, **19:80**
- Structure of equipment lease transaction, **19:8**
- Suitability of investor, state guidelines for registration of equipment programs, **19:89**
- Tax benefits not generally available to partnerships, **19:44 to 19:51**
- Tax considerations, **19:7**
- Tax-exempt
 - entities, leasing to, **19:71 to 19:76**
 - use property, **19:72 to 19:76**
- Tax Reform Act of 1986, **19:26 to 19:34**
- Tax risks, disclosure, **19:86**
- “Torres v Commissioner” case, traditional leasing, **19:62**
- Traditional leasing, **19:53 to 19:69**
- Transitional rules, depreciation and ACRS, **19:35 to 19:41**
- Types of equipment programs, nontax considerations, **19:4**
- Unloading at crossover, operating the partnership, **19:79**
- Use
 - operating the partnership, use tax, **19:78**
 - tax-exempt use property, **19:72 to 19:76**

EQUIPMENT LEASING—Cont'd

- Used property limitation, investment tax credit, **19:47**

EQUITY

- Bail-outs of burned-out tax shelters, debt-for-equity, **27:25**
- Broker-dealers, net capital requirements, **15:48**
- New markets tax credit under Section 45D, qualified equity investment, **9:127**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss, lending business-equity financed lending rule, **4:73**
- Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Real estate investment trusts, types, **25:18**
- S corporations, one class of stock requirement for eligibility, **22:23**

EQUIVALENCE ECONOMIC EFFECT TEST

- Partners and partnerships, final regulations regarding allocation of income and losses, **10:88**

ERISA (EMPLOYEE RETIREMENT INCOME SECURITY ACT)

- Fiduciary and related conflict of interest rules, **25:76**
- Publicly registered real estate syndications, **26:195 to 26:198**

ERODIBLE CROPLANDS

- Disposition of, **18:17**

ERRORS

- Inadvertent terminations. See **Inadvertent Terminations** (this index)
- Master limited partnerships, electing large partnership adjustment proceedings, **10:611**

ERTA (ECONOMIC RECOVERY TAX ACT OF 1981)

- Real estate, depreciation, **9:58**

ESCROW

- Accounts. See **Real Estate** (this index)
- Agreement, broker-dealers, **15:92**

INDEX

“ESTATE OF THOMAS V COMMISSIONER” CASE

Equipment leasing, **19:58**

ESTATES

Motion pictures, investment tax credit, **20:35**

Resales by investors, holding period, **6:209, 6:211**

S corporations, eligible shareholders, **22:17**

ESTATE TAX VALUATION UNDERSTATEMENT

IRS audit program, accuracy-related taxpayer penalty, **23:44**

ESTIMATED MATTERS

Future costs of common improvements, real estate, **11:47**

Tax payments, S corporations, **22:67**

Use of proceeds, publicly registered real estate syndications, **26:107**

ETHICS AND ETHICAL MATTERS

IRS audit program, ethical and practical considerations for professional advisors, **23:106 et seq.**

EVALUATION OF AUDIT RESULTS

Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor’s Assessment of and Response to Risk (Dec. 17, 2009), **App E**

EVASION OF TAX

Audits-IRS, **23:121**

EVIDENCE

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:133, 8:144**

Presumptions. See **Presumptions** (this index)

Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor’s Assessment of and Response to Risk (Dec. 17, 2009), **App E**

EXAMINATIONS

Publicly registered real estate syndications, financial forecasts, **26:80**

EXCEPTIONS OR EXCLUSIONS

Accounting provisions, stock for debt exception, **1:71**

Audits-IRS. See **Audits - IRS** (this index)

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)

Blue Sky limited offering exemptions, **App L**

Capital gains and losses, exclusion for gain from certain small business stock, **1:25**

Clearing agency exception. See **Clearing Agency Exception** (this index)

De minimis exception. See **De Minimis** (this index)

Depreciation, excluded property, **1:6**

Due diligence and civil liability, safe harbors for forward-looking statements, **8:180**

Equipment leasing, short-term lease exception, **19:75**

Exemptions from registration. See **Resales by Investors** (this index)

Exemptions from tax. See **Exemptions From Tax** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs, limitations on prepayments of expenses, **17:58**

Master limited partnerships, tax-exempt, simplified interest reporting for electing large partnerships, **10:563**

Oil and gas. See **Oil and Gas** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss. See **Passive Loss** (this index)

Real estate. See **Real Estate** (this index)

Research and development tax credit, eligibility, **21:43 to 21:49**

At risk, real property, **3:41**

Tax exemptions. See **Exemptions From Tax** (this index)

Uniform limited offering exemption (ULOE), **14:11 to 14:17, App R**

EXCESS INCLUSIONS

Real estate mortgage investment conduits, taxation of holders of

EXCESS INCLUSIONS—Cont'd
residual interests, **28:38, 28:39**

EXCESS PASSIVE INVESTMENT INCOME
S corporations, **22:32**

EXCESS SHARES
Real estate investment trusts, structure, **25:136**

EXCHANGE ACT RULES
C&DIs
Compliance & Disclosure Interpretations, **App F14**

EXCHANGES
Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
Farm property, tax treatment of crops, **18:12**
Like kind exchanges. See **Like Kind Exchanges** (this index)
Livestock, **17:69 to 17:75**
Partnership interests, **10:352 to 10:355, 10:396, 10:397, 23:80, 23:81**
Real estate, like-kind exchanges, **9:187 et seq.**

EXCLUSIONS
See **Exceptions or Exclusions** (this index)

EXECUTION OF CUSTOMER ORDERS
FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:41**

EXECUTIVE COMPENSATION
Full disclosure, **7:14, 7:50, 7:51**
Tax Cut and Jobs Act, deduction limit, **1A:6**

EXECUTIVES OF CORPORATIONS
Full disclosure, **7:13, 7:48, 7:49**
Publicly registered real estate syndications, impact of Sarbanes-Oxley Act, **26:137**

EXEMPTIONS FROM REGISTRATION
Intrastate offering exemption. See **Intrastate offering Exemption** (this index)

EXEMPTIONS FROM REGISTRATION—Cont'd
Regulation A, conditional exemption. See **Regulation A / Regulation A+** (this index)
Resales by investors. See **Resales by Investors** (this index)

EXEMPTIONS FROM TAX
Equipment leasing. See **Equipment Leasing** (this index)
Individual income tax, personal exemptions, **1:57**
IRS audit program, tax-exempt partners and nominee reporting to partnership, **23:91**
Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
Master limited partnerships, simplified interest reporting for electing large partnerships, **10:563**
Real estate. See **Real Estate** (this index)
Tax Cut and Jobs Act, impact on tax exempt investors, **1A:9**

EXISTENCE
Master limited partnerships, cessation of existence of large partnership, **10:595**
Partners and partnerships, nonrecourse liabilities, **10:106 to 10:125**

EXISTING MATTERS
Bail-outs of burned-out tax shelters, regulations, **27:5, 27:6**
Broker-dealers, rule, **15:43**
Eligible entities. See **Eligibility or Eligible** (this index)
Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
Partners and partnerships. See **Partners and Partnerships** (this index)
Real estate, low income housing credit for existing buildings, **9:139**

EXPANSION
Due diligence, authority of SEC to expand safe harbors for forward-looking statements, **8:186**
IRS audit program, confidentiality privilege, **23:112**

INDEX

EXPANSION—Cont'd

- Partners and partnerships, proposed regulations relating to allocation of basis adjustments, **10:394**
- Real estate investment trusts, at risk rules, **25:174**

EXPECTATIONS

- Appreciation expectations, **11:11**
- Livestock programs, activity engaged in for profit, **17:15, 17:25**

EXPENSE, EXPENSES AND EXPENDITURES

- Corporate income tax, trademark and trade name expenditures, **1:53**
- Costs. See **Costs** (this index)
- Current expenses
 - farmland and agriculture, **18:13**
 - treatment, **11:2 to 11:67**
- Depreciation, expensing in lieu of, **1:9**
- Equipment leasing. See **Equipment Leasing** (this index)
- Farmland and agriculture. See **Farmland and Agriculture** (this index)
- Fifteen percent expense. See **Fifteen Percent Expense** (this index)
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:10**
- Individual income tax, Tax Reform Act of 1986, **1:58 to 1:63**
- Interest expense, Tax Reform Act of 1986, **1:14 to 1:19**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs. See **Livestock Programs** (this index)
- Oil and gas. See **Oil and Gas** (this index)
- Organization expenses. See **Organization** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development. See **Research and Development** (this index)
- S corporations, investment interest limitation, **22:41 to 22:46**

EXPENSE, EXPENSES AND EXPENDITURES—Cont'd

- Start-up expenses or expenditures, **11:3 to 11:4, 21:50**
- Tax Cut and Jobs Act, expensing of assets, **1A:5**

EXPERIENCE

- Publicly registered real estate syndications, raising and investing funds, **26:26**
- Real estate investment trusts, trustees, **25:85**

EXPERIMENTAL EXPENDITURES

- Limited partners and partnerships, alternative minimum tax, **11:173**

EXPERIMENTATION

- Research and development tax credit, process-of-experimentation test, **21:41**

EXPERTISE

- Due diligence and civil liability, reliance for Section 11 civil liability, **8:7**
- Livestock programs, taxpayer or advisor, **17:13**
- Taxpayer or advisor, **11:9**

EXPERTS

- Full disclosure, prospectus, **7:62, 7:63**

EXPLORATION COSTS

- Limited partners and partnerships, alternative minimum tax, **11:166**

EXPLORATORY GEOLOGICAL AND GEOPHYSICAL WORK

- Oil and gas, **16:54**

EXPULSION

- Broker-dealers, disciplinary procedures, **15:114**

EXTENDED USE COMPLIANCE PERIOD

- Real estate, low income housing credit, **9:154**

EXTENSION OF ADJUSTMENT PERIOD

- Master limited partnerships, requests for administrative adjustments, **10:621**

EXTENSION OF CREDIT

Investment limited partnerships, broker-dealers, **6:279 to 6:281**

EXTERNALLY MANAGED

Real estate investment trusts, **25:24**

EXTRAORDINARY SERVICES RULE

Passive loss, exceptions to rental activity status under 1988 regulations, **4:30**

FACILITIES

Limited partners and partnerships, pollution control facilities, **11:169**
Plant facilities. See **Plant Facilities** (this index)

FACTS

Accountants duty to disclosure material facts, **8:105**
Circumstances and facts test. See **Facts and Circumstances Test** (this index)
Due diligence and civil liability, professional's duty to disclose material facts under Rule 10b-5, **8:97 to 8:105**
Underwriter's duty to disclose material facts under Rule 10b-5, **8:101**

FACTS AND CIRCUMSTANCES TEST

Activities not engaged in for profit, **11:7 to 11:16**
Livestock programs, activity engaged in for profit, **17:11 to 17:20**
Passive loss, alternative tests for material participation under 1988 regulations, **4:43**

FAD (FUNDS AVAILABLE FOR DISTRIBUTION)

Real estate investment trusts, funds from operations (FFO), **25:39**

FAILURE TO FILE

IRS audit program, payment of interest by taxpayer, **23:102**

FAILURE TO QUALIFY AS SMALL BUSINESS CORPORATION

S corporations, termination of election, **22:31**

FAIRLY PRICED OFFERINGS

Investment limited partnerships, civil, antifraud and criminal liability, **6:271**

FAIR MARKET VALUE

Livestock programs, purchase price in excess of, **17:77**
Motion pictures, depreciation deductions, **20:13**
Partners and partnerships, **10:99 to 10:102, 10:177 to 10:185**

FAIRNESS

Publicly registered real estate syndications, rollup transactions, **26:174, 26:189**

FAMILY MEMBERS

Bail-outs of burned-out tax shelters, making gift of partnership interest, **27:68**

FAQS

BOI reporting, Corporate Transparency Act (CTA), **9:110**
Voluntary submission of draft registration statements, **App F10**

FARMLAND AND AGRICULTURE

Generally, **18:1 to 18:37**
Activity
not engaged in for profit, **18:8**
passive activity loss rule, **18:7**
Actual sale of timber, capital gain on disposition, **18:29**
Agri-Business, **18:1 et seq.**
Alternative minimum tax, **18:21**
Background, **18:35, 18:36**
Bushes, depreciation, **18:22**
Business
agri-Business, **18:1 et seq.**
background, **18:35, 18:36**
expenses, cash basis accounting, **18:14**
Capital
current expenses vs capital expenditures, **18:13**
timber, capital gain on disposition, **18:28 to 18:32**
Capitalized expenditures, timber, **18:27**
Cash basis accounting, **18:14**
Christmas trees, **18:25 to 18:34**
Clearing of land expenses, **18:15**
Complex recapture of various items on sales of farmland, **18:24**
Conservation of soil and water, expenditures, **18:16**

INDEX

FARMLAND AND AGRICULTURE

—Cont'd

- Converted wetlands, disposition, **18:17**
- Crops
 - disposition of highly erodible croplands, **18:17**
 - livestock programs, crop disaster payments, **17:55**
 - purchase of farm with growing crops, **18:18**
 - tax treatment, **18:9 to 18:12**
- Current matters
 - capital expenditures vs current expenses, **18:13**
 - timber, currently deductible expenditures, **18:26**
- Cutting of timber, deemed sale triggered by, **18:30**
- Deductions
 - currently deductible expenditures, timber, **18:26**
 - depreciation deductions, **18:22**
 - purchase of farm, deductibility of price allocable to growing crops, **18:18**
- Deemed sale triggered by cutting of timber, capital gain, **18:30**
- Deferral
 - reporting of income on sales of farm produce, **18:10**
 - simple tax deferral, non-livestock farming, **18:3**
- Depletion, timber, **18:27**
- Depreciation deductions, **18:22**
- Discharge from farm indebtedness, **18:20**
- Disposition
 - converted wetlands or highly erodible croplands, **18:17**
 - timber, capital gain, **18:28 to 18:32**
- Due diligence, **18:37**
- Economic interest retained, sale of timber with, **18:31**
- Enrichment of land expenses, **18:15**
- Erodible croplands, disposition of, **18:17**
- Exchanges of farm property, tax treatment of crops, **18:12**
- Exclusive of forestry cost-sharing payments, timber, **18:34**
- Expenses or expenditures
 - capitalized expenditures, timber, **18:27**

FARMLAND AND AGRICULTURE

—Cont'd

- Expenses or expenditures—Cont'd
 - currently deductible expenditures, timber, **18:26**
 - farm expenses, **18:13 to 18:21**
- Forestry cost-sharing payments, timber, **18:34**
- Full disclosure, **18:37**
- Growing crops, purchase of farm with, **18:18**
- Highly erodible croplands, disposition of, **18:17**
- Income recognition, timing of, **18:9, 18:10**
- Investment
 - partnership investment opportunities, **2:30**
 - tax credit, **18:23**
- Limitations on losses, **18:7**
- Limited partners and partnerships, farm activity losses and alternative minimum tax, **11:163**
- Livestock programs. See **Livestock Programs** (this index)
- Long-term objectives, non-livestock farming, **18:3**
- Losses, limitations on, **18:7**
- Non-livestock farming, **18:3 to 18:5**
- Nonprofit activity, **18:8**
- Orchards, non-livestock farming, **18:4**
- Partnership investment opportunities, **2:30**
- Passive activity loss rule, **18:7**
- Plants, depreciation, **18:22**
- Produce, deferred reporting of income on sales of farm produce, **18:10**
- Programs, non-livestock farming, **18:3**
- Purchase of farm with growing crops, expenses, **18:18**
- Recapture, sales of farmland, **18:24**
- Recognition of income, timing, **18:9, 18:10**
- Reforestation, **18:23, 18:33**
- Reporting of income on sales of farm produce, deferred, **18:10**
- Retained economic interest, sale of timber with, **18:31**
- Rules
 - farming syndicate rules, expenses, **18:19**

FARMLAND AND AGRICULTURE**—Cont'd**

Rules—Cont'd

passive activity loss rule, **18:7**Sales, **18:10, 18:11, 18:24, 18:29 to 18:31**Simple tax deferral, non-livestock farming, **18:3**Soil and water conservation expenditures, **18:16**Syndicates, farming, **17:59, 18:19**Tax treatment of crops, **18:9 to 18:12**

Timber. See Trees and timber, below

Time

deferral. See Deferral, above
income recognition, timing of, **18:9, 18:10**

Trees and timber

Generally, **18:6, 18:25 to 18:34**business background, **18:36**christmas trees, **18:25 to 18:34**depreciation, **18:22**reforestation, **18:23, 18:33**Unharvested crops, sale of land with, **18:11**Vines, depreciation, **18:22**Vineyards, non-livestock farming, **18:4**Water and soil conservation expenditures, **18:16**Wetlands, disposition of, **18:17****FARMOUTS**Oil and gas, **16:10, 16:50, 16:79****FASB STATEMENT NO. 154**Due diligence, accounting changes and error corrections, **8:63****FAST ACT (2015)**C&DIs, registration and disclosure requirements for EGCs, **6:238**Emerging growth companies, registration under 1933 Act, **6:237, 6:238****FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES**ABA Interpretative Letter, civil, antifraud and criminal liability, **6:277**

Accounts

assets requirement under Rule 147, Securities Act of 1933, **6:123, 6:124****FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd**

Accounts—Cont'd

common law duties of broker-dealer to customers, **6:288, 6:290**Accounts receivable under Rule 147, **6:123**Accredited investor, proposed amendments to, **6:51**

Accredited investors

generally, **6:40, 6:48 et seq.**C&DIs relating to, **6:49**Jobs Act (2012), general solicitation of, **6:40**net worth standard, **6:50**Regulation D, **6:48 et seq.**

Adoption

five-factor test, courts, **6:75**release, original Rule 147, **6:119**

Advertising

c&DIs relating to prohibition of general advertising, **6:42**regulation D, **6:33 to 6:42**Affiliates, registration, **6:309**Aggregation, Regulation D, **6:54, 6:55**

Agreements or contracts

emphasis on terms of partnership agreement, **6:13**

Amount or number

one hundred beneficial owners exception, two-tier limited partnerships under Investment Company Act of 1940, **6:296**Antifraud liability, investment limited partnerships, **6:266 et seq.**

Application or applicability

real estate exception, two-tier limited partnerships under Investment Company Act of 1940, **6:298**Applications for exemptive orders, two-tier limited partnerships under Investment Company Act of 1940, **6:302**

Assets

securities Act of 1933, **6:120 to 6:125**Automatic shelf registration for well-known seasoned issuers, **6:263**Avoiding registration as investment adviser, **6:308**

INDEX

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- Bad actors, Rule 506 offerings involving, **6:26, 6:28**
- Basic SEC release, private offering exemption from registration requirements of Securities Act of 1933, **6:73 to 6:114**
- Basic structure of Regulation S, **6:172**
- Beneficial owner, two-tier limited partnerships under Investment Company Act of 1940, **6:296**
- Blue sky laws, federal preemption of Rule 506 offerings, **6:71**
- Bona fide sales, civil, antifraud and criminal liability, **6:273**
- Bright-line rule, investment participations as securities, **6:10**
- Business
 - insurance business, gross revenues requirement under Rule 147, **6:127**
 - primarily engaged in certain business, two-tier limited partnerships under Investment Company Act of 1940, **6:304**
 - real estate business, two-tier limited partnerships under Investment Company Act of 1940, **6:299**
- California law
 - duties of broker-dealer to customers, **6:291**
- Categories of issuer safe harbor, Regulation S, **6:176 et seq.**
- Change or modification
 - “Horner” letter, civil, antifraud and criminal liability, **6:277**
 - revision of general solicitation prohibition, Regulation D, **6:25, 6:41**
 - terms changed during offering, civil, antifraud and criminal liability, **6:272**
- Civil liability, investment limited partnerships, **6:266 et seq.**
- Classes of securities, Securities Act of 1933, **6:79**
- Commissions, civil, antifraud and criminal liability, **6:276**
- Commodity futures trading, assets requirement under Rule 147, **6:124**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- Common law duties of broker-dealer to customers, **6:286 to 6:291**
- Consequences of being registered adviser, **6:311**
- Consideration, private offering exemption from registration requirements of Securities Act of 1933, **6:81**
- Contingency offerings, broker-dealers, **6:285**
- Counting purchasers, Regulation D, **6:59, 6:60**
- Courts
 - private offering exemption from registration requirements of Securities Act of 1933, **6:65, 6:75, 6:94**
- COVID-19 (novel coronavirus) pandemic, **6:2**
- Credit, broker-dealers, **6:279 to 6:281**
- Criminal liability, investment limited partnerships, **6:266 et seq.**
- Customers, common law duties of broker-dealer to, **6:286 to 6:291**
- Decisions of courts
 - private offering exemption from registration requirements of Securities Act of 1933, **6:65, 6:94**
 - “Williamson” exceptions, investment participations as securities, **6:14**
- Definitions
 - investment company, **6:297**
- Deposits
 - margin account deposits, **6:124**
- Directed selling efforts in U.S. not allowed, Regulation S, **6:175**
- Direct ownership of residential realty, broker-dealers, **6:281**
- Disclosure
 - emerging growth companies, **6:254**
 - registration under 1933 Act, disclosure of risk factors, **6:253**
- Discretionary accounts, common law duties of broker-dealer to customers, **6:290**
- Distributions
 - motion pictures, gross revenues requirement under Rule 147, **6:128**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont’d**

Doing business within state, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:118**

Duties

- broker-dealer to customers, common law, **6:286 to 6:291**

Efforts of others, investment participations as securities, **6:6**

Electronic road shows, registration under 1933 Act, **6:249**

Elimination of general solicitation prohibition, Regulation D, **6:25, 6:41**

Emerging growth companies under JOBS Act (2012), **6:243, 6:254**

Emphasis on terms of partnership agreement, investment participations as securities, **6:13**

Employees

- (c)(2)(iv) base requirement, intrastate offering exemption, **6:132**
- broker-dealers, liability for acts of employees, **6:282**
- staff interpretations, private offering exemption from registration requirements of Securities Act of 1933, **6:95, 6:96**

Exceptions or exclusions

- decisions within “Williamson” exceptions, investment participations as securities, **6:14**
- exempt offering framework, amendments (2020) to, **6:19**
- exempt offerings, frequently asked questions, **6:22**
- JOBS Act (2012), accredited investors, **6:40**
- rule 147 of Securities Act of 1933, **6:115 et seq.**
- scaled disclosure, chart of, **6:23**
- SEC Small Entity Compliance Guide for Amendments (2020) to exempt offering framework, **6:21**
- transactional exemptions from registration requirements of Securities Act of 1933, investment limited partnerships, **6:18 to 6:242**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont’d**

Exceptions or exclusions—Cont’d

- two-tier limited partnerships under Investment Company Act of 1940, **6:296, 6:298, 6:302**

Existing matters

- law on integration of two or more unregistered separate offerings unaffected by proposals, **6:112**
- preexisting relationships, Regulation D, **6:35**

Existing staff interpretations apply, Elimination of general solicitation prohibition, Regulation D, **6:41**

Extension of credit, broker-dealers, **6:279 to 6:281**

Fairly priced offerings, civil, antifraud and criminal liability, **6:271**

Federal securities laws, investment limited partnerships, **6:1 et seq.**

Felons, Rule 506 offerings involving, **6:28**

Filing or filings

- registration statement, 30-day bright line exclusion from prohibition on offers prior to filing, **6:246**
- regulation D, **6:61 to 6:64**

Financing

- single plan of financing, private offering exemption from registration requirements of Securities Act of 1933, **6:78**

Five-factor test, private offering exemption from registration requirements of Securities Act of 1933, **6:73 to 6:114**

Foreign offerings

- transactional exemptions from registration requirements of Securities Act of 1933, **6:108, 6:169 et seq.**

Form D filings, Regulation D, **6:30, 6:61 to 6:64**

Free writing prospectuses, registration under 1933 Act, **6:248**

Fully paid sales, civil, antifraud and criminal liability, **6:273**

General advertising or solicitation, Regulation D, **6:25, 6:29, 6:33 to 6:42**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- General partners
 - Investment Advisors Act of 1940, **6:312**
 - investment participations as securities, **6:5, 6:6**
 - required disclosure of back-dated trading strategies, **6:313**
- Grantor trusts, C&DIs relating to, **6:52**
- Gross revenues requirement, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:126 to 6:130**
- Historical perspective, issuer safe harbor, **6:99**
- “Horner” letter, civil, antifraud and criminal liability, **6:268, 6:277**
- “Howey” case, investment participations as securities, **6:6**
- Informational matters
 - Regulation D, private offering exemption from registration requirements of Securities Act of 1933, **6:56, 6:57**
- Insurance business, gross revenues requirement under Rule 147, **6:127**
- Integration
 - private offering exemption from registration requirements of Securities Act of 1933, **6:58, 6:73 to 6:114**
 - regulation D, **6:58**
 - safe harbor, **6:58, 6:135**
- Integration versus aggregation, Regulation D, **6:113**
- Interest or interests
 - foreign offerings of U.S. limited partnership interests, **6:169 et seq.**
- Intermediate position, investment participations as securities, **6:11**
- Internet foreign offerings
 - Generally, **6:67 et seq.**
 - blue sky, federal preemption of Rule 506 offerings, **6:71**
 - information requirements, **6:68**
 - private placements under Regulation D, **6:72**
 - regulation S-P compliance, **6:69**
 - rule 135c notice, **6:70**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- Interpretation or interpretations
 - ABA Interpretative Letter, civil, antifraud and criminal liability, **6:277**
 - primary Interpretive Release (1975), civil, antifraud and criminal liability, **6:270**
 - staff interpretations, integration of separate private or intrastate offerings, **6:95, 6:96**
- Intrastate offering exemption, **6:88**
- Intrastate offering exemption from registration requirements of Securities Act of 1933, **6:73 to 6:114, 6:114 et seq., 6:137**
- Investment Advisors Act of 1940, **6:306 to 6:313**
- Investment Company Act of 1940, **6:293 et seq.**
- Investment limited partnerships
 - federal securities laws, **6:1 et seq.**
- Issuers
 - regulation D, private offering exemption from registration requirements of Securities Act of 1933, **6:37, 6:47**
 - regulation S, transactional exemptions from registration requirements of Securities Act of 1933, **6:173, 6:176 et seq.**
 - safe harbor, **6:98 to 6:100, 6:173, 6:176 et seq.**
- JOBS Act (2012)
 - disclosures, emerging growth companies, **6:254**
 - emerging growth companies, registration, **6:243**
 - emerging growth companies, relaxed registration requirements under the FAST Act, **6:244**
 - private placements, accredited investors, **6:40**
 - registration under 1933 Act, **6:235**
 - summary of registration requirements under 1933 Act, **6:235**
- Joint ventures, gross revenues requirement under Rule 147, **6:129**
- Last day sales, civil, antifraud and criminal liability, **6:274**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- Lease receivables, assets requirement under Rule 147, **6:125**
- Legality opinions filed in registered offerings, **6:265**
- “Leib” case list, common law duties of broker-dealer to customers, **6:289**
- Letters
 - ABA Interpretative Letter, civil, antifraud and criminal liability, **6:277**
 - “Horner” letter, civil, antifraud and criminal liability, **6:268, 6:277**
- Liability
 - broker-dealers, liability for acts of employees, **6:282**
 - civil, antifraud and criminal liability, investment limited partnerships, **6:266 et seq.**
- Limitations
 - offerings, Regulation S, **6:177**
 - six-month resale limitation, Rule 147, **6:134**
- Loans, assets requirement under Rule 147, **6:122**
- Margin account deposits, assets requirement under Rule 147, **6:124**
- Motion picture production and distribution, gross revenues requirement under Rule 147, **6:128**
- Multifactor approach, investment participations as securities, **6:12**
- Net
 - purchases net of commissions, civil, antifraud and criminal liability, **6:276**
 - rule 147, net proceeds requirement, **6:131**
- No-action letters
 - foreign offerings of U.S. limited partnership interests, exemptions from registration requirements of Securities Act of 1933, **6:170**
 - private offering exemption from registration requirements of Securities Act of 1933, **6:74, 6:76**
 - two-tier limited partnerships under Investment Company Act of 1940, **6:301**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- Nondiscretionary accounts, common law duties of broker-dealer to customers, **6:288**
- Offerings
 - civil, antifraud and criminal liability, investment limited partnerships, **6:271, 6:272**
 - contingency offerings, broker-dealers, **6:285**
 - foreign offerings of U.S. nonreporting issuers, **6:179**
 - private offering exemption from registration requirements of Securities Act of 1933, **6:24 to 6:114**
 - regulation D, general requirements, **6:27**
 - revisions in SEC’s securities offering reform rules, **6:235 et seq.**
 - rule 506 offerings involving felons and other bad actors, disqualification, **6:26, 6:28**
 - transactional exemptions from registration requirements of Securities Act of 1933, investment limited partnerships, **6:18 to 6:180.53**
- Offshore transactions, Regulation S, **6:174**
- One hundred beneficial owners exception, two-tier limited partnerships under Investment Company Act of 1940, **6:296**
- Out-of-state matters, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:130**
- Owners and ownership
 - beneficial owner, two-tier limited partnerships under Investment Company Act of 1940, **6:296**
 - securities involving direct ownership of residential realty, broker-dealers, **6:281**
- Participations as securities, investment limited partnerships, **6:3 et seq.**
- Payment or payments
 - fully paid sales, civil, antifraud and criminal liability, **6:273**

INDEX

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- Payment or payments—Cont'd
 - tax shelter installment payments, broker-dealers, **6:279**
- Policy safe harbor, private offering exemption from registration requirements of Securities Act of 1933, **6:104, 6:105**
- Preemption of laws, internet foreign offerings, Rule 506 offerings, **6:71**
- Preexisting relationships, Regulation D, **6:35**
- Price of offering
 - aggregate offering price, Regulation D, **6:54, 6:55**
 - fairly priced offerings, civil, antifraud and criminal liability, **6:271**
- Primarily engaged in certain business, two-tier limited partnerships under Investment Company Act of 1940, **6:304**
- Primary Interpretive Release (1975), civil, antifraud and criminal liability, **6:270**
- Principal office requirement, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:132**
- Private offering exemption from registration requirements of Securities Act of 1933, **6:24 to 6:114**
- Private placements, **6:89 to 6:91**
- Private placements under Regulation D, internet foreign offerings, **6:72**
- Procedure
 - FINRA supervisory procedures, broker-dealers, **6:284**
- Production
 - motion pictures, gross revenues requirement under Rule 147, **6:128**
- Prohibitions
 - directed selling efforts in U.S. not allowed, Regulation S, **6:175**
 - general advertising or solicitation, Regulation D, **6:29, 6:33 to 6:42**
 - rule 506(c) elimination of prohibition against general solicitation, **6:25, 6:29**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- Proposals, private offering exemption from registration requirements of Securities Act of 1933, **6:97 et seq.**
- Publicity, Regulation D, **6:37, 6:38**
- Public offerings, integration, **6:107**
- Purchases and purchasers
 - civil, antifraud and criminal liability, purchases net of commissions, **6:276**
 - regulation D, private offering exemption from registration requirements of Securities Act of 1933, **6:45, 6:59, 6:60**
 - residence of purchasers, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:133**
- Purpose
 - safe harbor, private offering exemption from registration requirements of Securities Act of 1933, **6:103**
 - same general purpose offerings, private offering exemption from registration requirements of Securities Act of 1933, **6:82**
- Qualified or qualifying matters
 - rule 506 offerings involving felons and bad actors, disqualification, **6:26, 6:28**
- Real property
 - JOBS Act (2012) and real estate securities offering sponsors and intermediaries, **6:40**
 - securities involving direct ownership of residential realty, broker-dealers, **6:281**
 - two-tier limited partnerships under Investment Company Act of 1940, **6:298, 6:299**
- Receivables
 - accounts receivable, assets requirement under Rule 147, **6:123**
 - lease receivables, assets requirement under Rule 147, **6:125**
- Refunds
 - subscriptions, civil, antifraud and criminal liability, **6:275**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

Registration

Generally, **6:235 et seq.**
 automatic shelf registration for well-known seasoned issuers, **6:263**
 background to 2005 revisions, **6:239**
 communications revisions of 2005, **6:241 et seq.**
 delivery reforms, prospectus for, **6:252**
 disclosure of risk factors, **6:253**
 electronic road shows, **6:249**
 emerging growth companies, relaxed registration requirements under the FAST Act, **6:244**
 emerging growth companies under JOBS Act (2012), **6:243**
 filing registration statement, 30-day bright line exclusion from prohibition on offers prior to, **6:246**
 free writing prospectuses, permissible use of, **6:248**
 JOBS Act (2012), **6:235**
 legality opinions filed in registered offerings, **6:265**
 liability issues, **6:251**
 non-reporting issuers, **6:264**
 ongoing communications during offering, permitted continuation of, **6:245**
 overview of 2005 communications revisions, **6:242**
 prospectus, permissible use of free writing, **6:248**
 prospectus for delivery reforms, **6:252**
 reform, overview of shelf offering revisions, **6:260**
 research reports, use of, **6:250**
 revisions in SEC's securities offering reform rules, **6:235 et seq.**
 rule 415, proposed amendments to, **6:262**
 shelf offerings, **6:260, 6:261**
 shelf registration (automatic) for well-known seasoned issuers, **6:263**
 summary of requirements including 2005 revisions in SEC's securities offering reform rules and JOBS Act (2012), **6:235**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

Registration—Cont'd

tax opinions filed in registered offerings, **6:265**
 30-day bright line exclusion from prohibition on offers prior to filing registration statement, **6:246**
 transactional exemptions from registration requirements of Securities Act of 1933, investment limited partnerships, **6:18 et seq.**
 2005 revisions in SEC's securities offering reform rules, summary of requirements, **6:235**
 unseasoned issuers and non-reporting issuers, **6:264**
 well-known seasoned issuers, **6:240, 6:263**
 written offering related to communications, relaxation of restrictions, **6:247**

Regulation D

accredited investors, **6:48**
 disqualification of Rule 506 offerings involving felons and other bad actors, **6:26, 6:28**
 form D, proposed amendment, **6:30**
 general requirements, offerings, **6:27**
 Integration versus aggregation, **6:113**
 internet foreign offerings, private placements under Regulation D, **6:72**
 private offering exemption from registration requirements of Securities Act of 1933, **6:27 to 6:61**
 proposed amendment, **6:30**
 rule 146, **6:33**
 rule 506(c) elimination of prohibition against general solicitation, **6:25, 6:29**

Regulation S, transactional exemptions from registration requirements of Securities Act of 1933, **6:171 et seq.**

Regulation S-P compliance, internet foreign offerings, **6:69**

INDEX

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

Releases

- adopting release, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:119**
- basic SEC release, private offering exemption from registration requirements of Securities Act of 1933, **6:73 to 6:114**
- primary Interpretive Release (1975), civil, antifraud and criminal liability, **6:270**
- private offering exemption from registration requirements of Securities Act of 1933, **6:73 to 6:114**
- two-tier limited partnerships under Investment Company Act of 1940, Release Number 8456, **6:300, 6:301**

Reports

- registration under 1933 Act, use of research reports, **6:250**
- regulation S, transactional exemptions from registration requirements of Securities Act of 1933, **6:178**
- task force on integration, private offering exemption from registration requirements of Securities Act of 1933, **6:83**

Representatives

- purchasers, Regulation D, **6:45, 6:46**

Resale

- safe harbor, Regulation S, **6:173, 6:180**
- six-month resale limitation, Rule 147, **6:134**

Research reports, registration under 1933 Act, **6:250**

Residence

- offerees and purchasers, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:133**

Residential realty, broker-dealers, **6:281**

Revision of general solicitation prohibition, Regulation D, **6:41**

Rule 3a-1, two-tier limited partnerships under Investment Company Act of 1940, **6:305**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

Rule 3a12-5, broker-dealers, **6:281**

Rule 3a12-9, broker-dealers, **6:280**

Rule 10b-9, civil, antifraud and criminal liability, **6:267 et seq.**

Rule 15c2-4, broker-dealers, **6:285**

Rule 15c-4, civil, antifraud and criminal liability, **6:267 et seq.**

Rule 135c notice, internet foreign offerings, **6:70**

Rule 146, Regulation D, **6:33**

Rule 147 of Securities Act of 1933, **6:115 et seq.**

Rule 152 and 155

Generally, **6:109, 6:110**

existing Rule 152 interpretations codified, **6:110**

form D filings under Regulation D, **6:64**

Rule 203, Investment Advisors Act of 1940, **6:310**

Rule 415 proposed amendments, registration under 1933 Act, **6:262**

Rule 501

c&DIs, **6:43**

regulation D, **6:59, 6:60**

Rule 506

c&DIs, **6:44**

regulation D, **6:45, 6:46**

Rule 506 offerings

blue sky laws—federal preemption of Rule 506 offerings, **6:71**

disqualification, felons and other bad actors, **6:26, 6:29**

Rule 1001 and Section 4(a)(5), **6:66**

Safe harbors

integration safe harbor, **6:58, 6:135**

issuers, **6:98 to 6:100, 6:173, 6:176 et seq.**

JOBS Act (2012) and safe harbors from broker-dealer registration, **6:40**

private offering exemption from registration requirements of Securities Act of 1933, **6:98 to 6:105**

regulation S, transactional exemptions from registration requirements of

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

Safe harbors—Cont'd
 Securities Act of 1933, **6:173 et seq.**

Sales
 civil, antifraud and criminal liability, investment limited partnerships, **6:273, 6:274**

Same class of security, private offering exemption from registration requirements of Securities Act of 1933, **6:79**

Same general purpose offerings, private offering exemption from registration requirements of Securities Act of 1933, **6:82**

Same time offerings, private offering exemption from registration requirements of Securities Act of 1933, **6:80**

Same type of consideration, private offering exemption from registration requirements of Securities Act of 1933, **6:81**

Scope of common law duties of broker-dealer to customers, **6:287**

Secondary market trading of U.S. nonreporting issuers, **6:179**

SEC proposes ESG disclosure rules for investment companies and investment advisers, **6:294, 6:307**

Section 3(a)(9) exemptions, **6:86**

Section 3(a)(11) exemptions, **6:138**

Section 3(b)(1) versus Section 3(b)(2), **6:303**

Section 4(a)(5) and Rule 1001, **6:66**

Section 4(6) exemption, **6:90**

Securities Act of 1933, transactional exemptions from registration requirements, **6:18 to 6:180.53**

Securities and Exchange Commission
 private offering exemption from registration requirements of Securities Act of 1933, **6:73 to 6:114**

Securities Exchange Act of 1934, investment limited partnerships, **6:266 et seq.**

Selected C&DIs relating to existence and substance of pre-existing

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

 relationships, **6:36**

Selection, investment, gross revenues requirement under Rule 147, **6:130**

Separate offerings integration, private offering exemption from registration requirements of Securities Act of 1933, **6:73 to 6:114**

Shelf offerings, registration under 1933 Act, **6:261**

Shelf registration (automatic) for well-known seasoned issuers, **6:263**

Single plan of financing, private offering exemption from registration requirements of Securities Act of 1933, **6:78**

Six-month resale limitation, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:134**

Solicitation, Regulation D, **6:33 to 6:42**

Sophistication, Regulation D, **6:45, 6:46**

Special purpose acquisition companies (SPACs), **6:255, 6:256, 6:257**

Staff interpretations, private offering exemption from registration requirements of Securities Act of 1933, **6:95, 6:96**

State
 intrastate offering exemption from registration requirements of Securities Act of 1933, **6:73 to 6:114**
 registration requirements for broker-dealers, **6:283**

Structure of Regulation S, **6:172**

Subscription refund, civil, antifraud and criminal liability, **6:275**

Substance of preexisting relationships, Regulation D, **6:35**

Task force, private offering exemption from registration requirements of Securities Act of 1933, **6:83**

Tax opinions filed in registered offerings, **6:265**

Tax shelters, installment payments, broker-dealers, **6:279**

Temporal safe harbor, private offering exemption from registration requirements of Securities Act of

INDEX

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

1933, **6:101, 6:102**

Third party publicity, Regulation D,
6:38

30-day bright line exclusion from prohibition on offers prior to filing registration statement, **6:246**

Trading

commodity futures trading, **6:124**

Transactions

exemptions from registration requirements of Securities Act of 1933,
6:18 to 6:180.53

exempt offering framework, amendments (2020) to, **6:19**

foreign and domestic parties,
cryptocurrency jurisdiction, **6:20**

2005 revisions in SEC's securities offering reform rules included in summary of registration requirements,
6:235

Two-tier limited partnerships under Investment Company Act of 1940,
6:295 et seq.

Well-known seasoned issuers, registration under 1933 Act, **6:240, 6:263**

“Williamson” case, investment participations as securities, **6:9 et seq.**

FEDERAL TAX SYSTEM

Overview, **App F13**

FEEDING

Livestock programs, **17:1 et seq.**

FEES

Audits-IRS, contingent fees for services in connection with IRS matter,
23:117

Livestock programs, activity deductions for breeding and stud fees, **17:47 to 17:49**

Oil and gas programs, management fees,
16:75

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss rules, self-charged treatment of management fees, **4:88 to 4:94**

Real estate. See **Real Estate** (this index)

“FELDMAN” CASE

Due diligence and civil liability, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure,
8:171

FELONS

Limited partners and partnerships, disqualification of Rule 506 offerings involving, **6:28**

FFO (FUNDS FROM OPERATIONS)

Funds From Operations (FFO) (this index)

FIDELITY BONDS

Broker-dealers, **30:4**

FIDUCIARY DUTIES

General partners, **24:42, 26:21, 26:100**

FIFTEEN PERCENT EXPENSE

Equipment leasing, limitations on deductibility of investment interest,
19:15

Limited partners and partnerships, limitation on deductibility of investment interest, **11:130**

FIFTEEN YEAR

See **Real Estate** (this index)

FIFTH CIRCUIT RULING

SEC enforcement authority, private funds and private fund advisers,
8:175

FILING OR FILINGS

Audits-IRS. See **Audits - IRS** (this index)

Broker - Dealers. See **Broker - Dealers** (this index)

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:2**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

FILMS

See **Motion Pictures** (this index)

FINAL ADJUSTMENT

Master limited partnerships, electing large partnership adjustment

FINAL ADJUSTMENT—Cont'd
proceedings, **10:613**

FINAL OFFERING CIRCULAR
Regulation A, **6:148**

FINAL REGULATIONS

- Bail-outs of burned-out tax shelters, **27:5, 27:17**
- Domestically controlled REITs, **9:224**
- Limited liability companies, check-the-box regulations, **5:7 to 5:11, 10:68 to 10:82**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss, amendments under 1993 Act. See **Passive Loss** (this index)
- Real estate, like-kind exchanges, **9:202 et seq.**

FINANCIAL ACCOUNTING
STANDARDS BOARD ASC
TOPIC NO. 310, RECEIVABLES

- Publicly registered real estate syndications, mortgage loan financial statements, **26:44**

FINANCIAL INDUSTRY
REGULATORY AUTHORITY
(FINRA)

- Advertising literature, regulation of direct participation programs and non-traded real estate investment trusts, **13:22, 13:39**
- Amendments
 - communications rules, **13:25**
 - rule 134, regulation of direct participation programs and non-traded real estate investment trusts, **13:33**
 - Rule 5110, **13:20**
- Appeal and review, frequently asked questions, **13:19**
- Application or applicability
 - rollup rules, regulation of direct participation programs and non-traded real estate investment trusts, **13:55**
 - rule 5121 and Rule 2310, regulation of direct participation programs and non-traded real estate invest-

FINANCIAL INDUSTRY
REGULATORY AUTHORITY
(FINRA)—Cont'd

- Application or applicability—Cont'd
 - ment trusts, **13:5**
- Background of Rule 2310, regulation of direct participation programs and non-traded real estate investment trusts, **13:4**
- Best execution of customer orders, regulation of direct participation programs and non-traded real estate investment trusts, **13:41**
- Broker-dealers
 - assessments, **15:62**
 - audit activities, **15:100**
 - blogs and social networking activities, guidance, **15:97**
 - censure of FINRA violators, **15:105, 15:111**
 - central Registration Depository (CRD) system, **15:21 et seq.**
 - disciplinary procedures, **15:98, 15:102**
 - disciplinary structure, **15:99**
 - due diligence, **15:77**
 - form U4, compliance for real estate securities offerings, **15:22, 15:27**
 - guidance on obligation to investigate in private placement offerings, **13:51, 15:95**
 - investigation in private placement offerings, guidance, **13:51, 15:95**
 - membership, **15:12, 15:18**
 - online brokers, suitability obligations, **13:9**
 - private offerings by member, **15:117**
 - private placement offerings, **13:51, 15:95, 15:118**
 - registration, generally, **15:12**
 - sanction determinations, application of FINRA general principles, **15:102**
 - supervisory procedures, **6:284**
- Bulletin board, regulation of direct participation programs and non-traded real estate investment trusts, **13:49**
- Business entertainment of employees of customer, **13:26**
- Communications rules, FINRA revisions to, **13:25**

INDEX

FINANCIAL INDUSTRY

REGULATORY AUTHORITY (FINRA)—Cont'd

- Communications with public, regulation of direct participation programs and non-traded real estate investment trusts
 - contents for DPP and REIT communications with public, **13:22**
 - FINRA revisions to communications rules, **13:25**
 - guidelines for FINRA members, **13:24**
- Compensation, regulation of direct participation programs and non-traded real estate investment trusts, **13:10 to 13:12**
- Confirmation disclosure requirement, regulation of direct participation programs and non-traded real estate investment trusts, **13:46**
- Contents and standards for DPP communications with public, regulation of direct participation programs and non-traded real estate investment trusts, **13:22**
- Contests of sales, regulation of direct participation programs and non-traded real estate investment trusts, **13:14**
- Crowdfunding, **14:21**
- Current SEC position, regulation of direct participation programs and non-traded real estate investment trusts, **13:32**
- Customers, regulation of direct participation programs and non-traded real estate investment trusts, **13:26, 13:41, 13:48**
- Debt securities of limited partnerships, regulation of direct participation programs and non-traded real estate investment trusts, **13:27**
- Determination of prevailing market price, regulation of direct participation programs and non-traded real estate investment trusts, **13:38**
- Direct participation programs, regulation of, **13:1 to 13:56**
- Disclosure, regulation of direct participation programs and non-traded real estate investment trusts, **13:46, 13:48**

FINANCIAL INDUSTRY

REGULATORY AUTHORITY (FINRA)—Cont'd

- Disclosure, secondary market—matching services, **13:45**
- DPP securities, regulation of direct participation programs and non-traded real estate investment trusts, **13:48**
- Due diligence
 - regulation D offerings, antifraud securities laws, **13:52**
 - rule 5123, private placements guidance, practical aspects of due diligence investigations, **8:36**
- Entertainment of employees of customer, **13:26**
- Execution of customer orders, regulation of direct participation programs and non-traded real estate investment trusts, **13:41**
- Expenses, regulation of direct participation programs and non-traded real estate investment trusts, **13:10**
- Federal securities law issues, regulation of direct participation programs and non-traded real estate investment trusts, **13:42**
- Filing requirements, regulation of direct participation programs and non-traded real estate investment trusts, **13:2**
- FINRA revisions to communications rules, **13:25**
- Front-end trade-off-rule, **13:13**
- Gifts to employees of customer, **13:26**
- Guidelines for FINRA members' communications with public, regulation of direct participation programs and non-traded real estate investment trusts, **13:24**
- Indeterminate compensation, regulation of direct participation programs and non-traded real estate investment trusts, **13:12**
- Institutional sales literature, regulation of direct participation programs and non-traded real estate investment trusts, **13:23**
- Investigation obligation of broker-dealers, FINRA guidance, **15:95**
- Know your customer and suitability, **13:7**

FINANCIAL INDUSTRY**REGULATORY AUTHORITY
(FINRA)—Cont'd**

- Limited partnerships
 - broker-dealer compliance, real estate limited partnership syndications. See **Broker - Dealers** (this index)
 - regulation of direct participation programs and non-traded real estate investment trusts, **13:27, 13:28**
 - supervisory procedures, broker-dealers, **6:284**
- Limits of underwriting compensation, regulation of direct participation programs and non-traded real estate investment trusts, **13:10**
- Listing standards for limited partnerships, regulation of direct participation programs and non-traded real estate investment trusts, **13:28**
- Literature, regulation of direct participation programs and non-traded real estate investment trusts, **13:39**
- Markups and markdowns, regulation of direct participation programs and non-traded real estate investment trusts, **13:36, 13:37, 13:39**
- Matching services, regulation of direct participation programs and non-traded real estate investment trusts, **13:45**
- Members, regulation of direct participation programs and non-traded real estate investment trusts, **13:35, 13:40**
- NASDAQ, regulation of direct participation programs and non-traded real estate investment trusts, **13:28**
- Net capital, regulation of direct participation programs and non-traded real estate investment trusts, **13:47**
- Non-cash sales incentives, FINRA rules, **13:15**
- Nonmember transactions, regulation of direct participation programs and non-traded real estate investment trusts, **13:43**
- Non-traded real estate investment trusts, **13:1 to 13:56**

FINANCIAL INDUSTRY**REGULATORY AUTHORITY
(FINRA)—Cont'd**

- Notice 08-23, FINRA regulatory, **App A10**
- Notice 09-23, FINRA regulatory, **App A11**
- Notice 10-22, Regulation D offerings, **App A4**
- Notice to members
 - examination findings regarding revised suitability requirements, **13:8**
 - regulation of direct participation programs and non-traded real estate investment trusts, **13:37, 13:38**
- Offerings, regulation of direct participation programs and non-traded real estate investment trusts, **13:10, 13:31, 13:50**
- Orders of customers, regulation of direct participation programs and non-traded real estate investment trusts, **13:41**
- Organization expenses, regulation of direct participation programs and non-traded real estate investment trusts, **13:10**
- Over-the-counter bulletin board, regulation of direct participation programs and non-traded real estate investment trusts, **13:49**
- Participation programs (direct), regulation of, **13:1 to 13:56**
- Partnerships, limited. See Limited partnerships, above
- Position of SEC, regulation of direct participation programs and non-traded real estate investment trusts, **13:32**
- Prevailing market price, regulation of direct participation programs and non-traded real estate investment trusts, **13:38**
- Previous rollup rules, regulation of direct participation programs and non-traded real estate investment trusts, **13:54**
- Private placement offerings
 - guidance on broker-dealer obligation to conduct investigations, **13:51, 15:95**

INDEX

FINANCIAL INDUSTRY

REGULATORY AUTHORITY (FINRA)—Cont'd

- Private placement offerings—Cont'd
 - proposed rule, **13:50**
 - “Private” securities transaction rules, **13:29**
- Programs, regulation of direct participation programs and non-traded real estate investment trusts, **13:1 to 13:56**
- Proposed amendments or changes
 - markup / markdown rules, **13:39**
 - private placements, proposed rule, **13:50**
- Prospectus disclosure requirement, regulation of direct participation programs and non-traded real estate investment trusts, **13:45**
- Public and private offering issues, **13:34 to 13:52**
- Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Real estate investment trusts, contents and standards for REIT communications with public, regulation of direct participation programs and non-traded real estate investment trusts, **13:22**
- Real estate investment trusts, non-traded, **13:1 to 13:56**
- Recommendations, regulation of direct participation programs and non-traded real estate investment trusts, **13:40**
- Regulation D offerings, antifraud securities laws, due diligence, **13:52**
- Regulation D offerings, FINRA Notice 10-22, **App A4**
- Regulation of direct participation programs and non-traded real estate investment trusts
 - Generally, **13:1 to 13:56**
 - business entertainment of employees of customer, **13:26**
 - gifts to employees of customer, **13:26**
- Review, frequently asked questions, **13:19**
- Rollup rules
 - application of rollup rules, **13:55**

FINANCIAL INDUSTRY

REGULATORY AUTHORITY (FINRA)—Cont'd

- Rollup rules—Cont'd
 - previous FINRA rules, **13:54**
 - regulation of direct participation programs and non-traded real estate investment trusts, **13:53 to 13:56**
 - regulation of rollups under FINRA rollup rules, **13:56**
- Rule 15c2-11, regulation of direct participation programs and non-traded real estate investment trusts, **13:49**
- Rule 134, regulation of direct participation programs and non-traded real estate investment trusts, **13:30 to 13:33**
- Rule 5110
 - generally, **13:17 to 13:20**
 - amendments, **13:20**
 - overview, **13:17**
 - review process, frequently asked questions on, **13:19**
 - underwriting compensation determination, **13:18**
- Rule 5121, regulation of direct participation programs and non-traded real estate investment trusts, **13:5**
- Rule 2310, regulation of direct participation programs and non-traded real estate investment trusts, **13:4 to 13:16**
- Rules
 - enforcement of, direct participation programs and non-traded real estate investment trusts, **13:3**
 - rollup rules, regulation of direct participation programs and non-traded real estate investment trusts, **13:53 to 13:56**
 - secondary market issues, regulation of direct participation programs and non-traded real estate investment trusts, **13:45**
 - tender offer rules, regulation of direct participation programs and non-traded real estate investment trusts, **13:44**
- Sales
 - advertisements, regulation of direct participation programs and non-

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)—Cont'd

- Sales—Cont'd
 - traded real estate investment trusts, **13:22**
 - contests, regulation of direct participation programs and non-traded real estate investment trusts, **13:14**
 - institutional sales literature, **13:23**
 - literature, regulation of direct participation programs and non-traded real estate investment trusts, **13:21 to 13:29, 13:39**
 - non-cash sales incentives, **13:15**
- Securities and Exchange Commission, regulation of direct participation programs and non-traded real estate investment trusts, **13:30 to 13:33, 13:49**
- Standards for DPP and REIT communications with public, regulation of direct participation programs and non-traded real estate investment trusts, **13:22**
- Standards for listing, regulation of direct participation programs and non-traded real estate investment trusts, **13:28**
- State securities law issues, regulation of direct participation programs and non-traded real estate investment trusts, **13:42**
- Suitability
 - know your customer and suitability, **13:7**
 - notice to members, examination findings regarding revised suitability requirements, **13:8**
 - online brokers, **13:9**
 - recommendations, regulation of direct participation programs and non-traded real estate investment trusts, **13:40**
 - rule 23810, regulation of direct participation programs and non-traded real estate investment trusts, **13:6**
- Tender offer rules, regulation of direct participation programs and non-traded real estate investment trusts, **13:44**

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)—Cont'd

- Transactions with nonmembers, regulation of direct participation programs and non-traded real estate investment trusts, **13:43**
- Underwriting compensation
 - current interpretation, **13:11**
 - determination of, Rule 5110, **13:18**
 - limits, regulation of direct participation programs and non-traded real estate investment trusts, **13:10**

FINANCIAL MATTERS

- DPP and REIT securities broker dealers, financial responsibilities, **15:36**
- Due diligence. See **Due Diligence** (this index)
- Full disclosure, **7:42, 7:43**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, status of taxpayer, **17:19**
- PCAOB Release No. 2012-001 Auditing Standards, **App E1**
- Real estate. See **Real Estate** (this index)
- Statements. See **Financial Statements** (this index)

FINANCIAL STATEMENTS

- Due diligence, unaudited financial statements, **8:136**
- Full disclosure, Staff observations, **7:65**
- Materiality, Rule 10b-5 and inadequate or materially misleading disclosure, **8:104**
- Prospectus disclosure, Staff observations, **7:65**
- Real estate. See **Real Estate** (this index)
- Regulation A, conditional exemption, **6:151**
- Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk (Dec. 17, 2009), **App E**

FINANCING

- Equipment leasing, arrangement, **19:52 to 19:69**

INDEX

FINANCING—Cont'd

- Funding. See **Funds and Funding** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Motion pictures, production service transaction, **20:22**
- Partners and partnerships, distribution of financing proceeds, **10:116, 10:472**
- Passive loss. See **Passive Loss** (this index)
- Real estate, tax-exempt, **9:39, 9:74**
- Refinancing. See **Refinancing** (this index)
- At risk, qualified nonrecourse financing as increasing amounts at risk, **3:16 to 3:25**
- S corporations, debt financed distributions from pass-through entity to its owners, **22:44**

FINCEN SMALL ENTITY COMPLIANCE GUIDE

- Corporate Transparency Act (CTA), **9:109**

FINDERS

- Resales by investors, compensation, **6:197**

FINES

- Broker-dealers, disciplinary procedures, **15:112**

FINRA (FINANCIAL INDUSTRY REGULATORY AUTHORITY)

- See **Financial Industry Regulatory Authority (FINRA)** (this index)

FIRST YEAR DISTRIBUTIONS

- Real estate investment trusts, taxation, **25:169**

FISCAL YEAR

- Limited partners and partnerships, grandfathered fiscal year, **24:26**
- Passive loss. See **Passive Loss** (this index)
- S corporations, fiscal years permissible without election, **22:72**

FIVE FACTOR TEST

- Investment limited partnerships, private offering exemption from registra-

FIVE FACTOR TEST—Cont'd

- tion requirements of Securities Act of 1933, **6:73 to 6:114**

FIVE HUNDRED HOURS TEST

- Passive loss, alternative tests for material participation under 1988 regulations, **4:37**

FIVE PERCENT BENEFICIAL OWNERS

- Full disclosure, **7:54, 7:55**

FIVE YEAR

- Passive loss, alternative tests for material participation under 1988 regulations, **4:41**
- Real estate, class of property, **9:11**

FIXED PRICE

- Real estate, tax-exempt use property, **9:75**

FLEXIBILITY OF OPERATIONS

- Real estate investment trusts, corporation vs trust, **25:22**

“FLEXIBLE” STATUTES

- Limited liability companies, **5:5**

FLORIDA

- Limited liability company operating agreement, **31:5**

FLOW CHART

- Partners and partnerships, substantial economic effect, **10:127**

FLOW OF CASH

- See **Cash Flow** (this index)

FLOW THROUGH

- See **Limited Partners and Partnerships** (this index)

FOAL

- Mare, purchase in foal, **17:49, 17:79 to 17:83**

FORECAST OR FORECASTS

- Motion pictures, depreciation under income forecast method, **20:15**
- Real estate. See **Real Estate** (this index)

FORECLOSURE

- Bail-outs of burned-out tax shelters, **27:52 to 27:54**
- Real estate. See **Real Estate** (this index)

FORECLOSURE—Cont'd

Real estate investment trusts (REITs),
effect of non-REIT provisions of
Internal Revenue Code, **25:177**

FOREIGN CORPORATIONS

Check-the-box regulations, **5:9, 10:20**

FOREIGN ELIGIBLE ENTITIES

Limited liability companies, elective
classification, **5:14**
Partners and partnerships, elective clas-
sification, **10:26**

**FOREIGN INVESTMENT IN REAL
PROPERTY TAX ACT (1980)**

Congressional reform, **25:162**

FOREIGN LIMITED PARTNERSHIPS

Tax-advantaged investments, **24:53**

FOREIGN OFFERINGS

See also **Limited Partners and
Partnerships** (this index)
Investment limited partnerships,
transactional exemptions from
registration requirements of Securi-
ties Act of 1933, **6:108, 6:169 et
seq.**

**FOREIGN RESIDUAL INTEREST
HOLDERS**

Real estate mortgage investment
conduits, tax treatment, **28:43**

FOREIGN SHAREHOLDERS

Real estate investment trusts, taxation,
25:156 to 25:161

FOREIGN SOURCE INCOME

Research and development programs,
allocation of research expenses,
21:35

FOREIGN TAX CREDIT

Master limited partnerships, simplified
reporting for electing large partner-
ships, **10:562**

FOREIGN USE PROPERTY

Real estate, alternative depreciation
system, **9:37**

FORESEEABILITY

Due diligence and civil liability, state
law claims for inadequate or

FORESEEABILITY—Cont'd

materially misleading disclosure,
8:211, 8:212

**FORESTRY COST SHARING
PAYMENTS**

Timber, **18:34**

FORMAL OPINIONS

American Bar Association, IRS audit
program, **23:113 to 23:115**
Due diligence and civil liability,
negligently issued by attorneys,
8:168

FORMAL REMEDIAL ACTION

Broker-dealers, types of disciplinary
actions, **15:106**

FORMATION

Limited liability companies, **5:43, 5:54
to 5:56**

FORMER MATTERS

See **Prior or Previous Matters** (this
index)

FORM OR FORMAT

Motion pictures, usual business format,
20:2, 20:3
Partners and partnerships. See **Partners
and Partnerships** (this index)
Publicly registered real estate syndica-
tions, SEC interpretive release on
real estate limited partnership offer-
ings, **26:85**
Real estate investment trusts, underwrit-
ing agreement for initial public
offering, **App N2**

FORMS

Audits-IRS. See **Audits - IRS** (this
index)
Blue Sky survey, state substantive
regulation of real estate programs,
12:25
Broker - Dealers. See **Broker - Dealers**
(this index)
Current report (Form 1-U), **App A7.3**
Exit report (Form 1-Z), **App A7.4**
Instructions for forms
disclosure statement (Form 8275),
23:147
general instructions (Form 1-K), **App
A7.1**

INDEX

FORMS—Cont'd

- Instructions for forms—Cont'd
 - itemized statement component of advisee list (Form 13976), **23:150**
 - regulation disclosure statement (Form 8275-R), **23:149**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Limited partners and partnerships, Regulation D, Form D filings, **6:61 to 6:64**
- NASAA SCOR Manual, Form U-7 and, **App L1**
- Partners and partnerships, eligible entity election under check-the-box regulations, **10:19**
- Passive loss. See **Passive Loss** (this index)
- Prospectus, form of sample prospectus, **App Y**
- Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- Regulation A. See **Regulation A / Regulation A+** (this index)
- Regulation D or Section 4(6) of Securities Act of 1933, Notice of Sales (Form D), **App A1**
- S corporations, election by small business corporation (IRS Form 2553), **22:84, 22:85**
- Semiannual report, Regulation A (Form 1-SA), **App A7.2**
- Treasury Dept. forms, **23:144 to 23:150**

FORTY PERCENT METHOD

- Motion pictures, investment tax credit, **20:38**

FORWARD LOOKING STATEMENTS

- Full disclosure, prospectus, **7:30, 7:31**

FORWARD LOOKING STATEMENT SAFE HARBOR

- Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:179 to 8:186**

FRACTIONS

- See **Real Estate** (this index)

FRAGILE STRUCTURE OF SHELTERS

- Generally, **2:5**

“FRANK LYON CO. V UNITED STATES” CASE

- Equipment leasing, **19:54**

FRAUD

- Due diligence. See **Due Diligence** (this index)
- Investment limited partnerships, antifraud liability, **6:266 et seq.**
- IRS audit program, taxpayer penalties, **23:46, 23:57**

FREE TRANSFERABILITY OF INTERESTS

- Generally, **5:31, 10:46, 10:54**

FREE WRITING PROSPECTUSES

- Limited partners and partnerships, registration under 1933 Act, **6:248**

FREITS

- Generally, **25:4, 25:5**

FRONT COVER

- Full disclosure, prospectus, **7:24, 7:25**
- Publicly registered real estate syndications, plain English rules for contents of prospectus, **26:8, 26:9**
- Real estate investment trusts, plain English rules, **25:57**

FRONT END FEES

- Real estate programs, state substantive regulation of, **12:9**

FRONT-END-TRADE-OFF RULE

- National Association of Securities Dealers (FINRA), **13:13**

FULL BASIS ADJUSTMENT

- Real estate, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:56**

FULL DISCLOSURE

- Generally, **7:1 et seq.**
- Accelerated filer, amendment to definition, **7:4**
- Analysis of financial condition, **7:12**

FULL DISCLOSURE—Cont'd

Beneficial owners, stock ownership, **7:54, 7:55**
 Business description, **7:9**
 Business or businesses, **7:46**
 Capitalization, **7:38, 7:39**
 Certain relationships, **7:7**
 Control persons, **7:13**
 Corporate governance, **7:16**
 Description of business, **7:9**
 Description of property, **7:10**
 Designing document, “plain English” disclosure, **7:21**
 Dilution, **7:38, 7:39**
 Director independence, **7:16**
 Directors, **7:13, 7:48, 7:49**
 Distribution plan, **7:60, 7:61**
 Dividend policy, **7:36, 7:37**
 Documents, “plain English” disclosure, **7:18, 7:21**
 Emerging growth companies, reduced disclosures, **7:2**
 Examples, “plain English” disclosure, **7:22**
 Executive compensation, **7:14, 7:50, 7:51**
 Executive officers, **7:13, 7:48, 7:50**
 Farmland and agriculture, **18:37**
 Financial condition and results of operations, **7:42, 7:43**
 Financial data, **7:40, 7:41**
 Financial statements, Staff observations, **7:65**
 Five percent beneficial owners, **7:54, 7:55**
 Forward-looking statements, **7:30, 7:31**
 Front and back cover pages of prospectus, **7:24, 7:25**
 Gathering basic data, **7:9 to 7:11**
 Internal controls of smaller issuers, **7:65**
 Introduction, **7:23**
 IPO registration statement, Staff observations on Part II, **7:65**
 Item 101, **7:9**
 Item 102, **7:10**
 Item 401, **7:13**
 Item 402, **7:14**
 Item 404, **7:15**
 Item 407, **7:16**
 Large accelerated filer, amendment to definition, **7:4**

FULL DISCLOSURE—Cont'd

Livestock programs, **17:86 to 17:89**
 Management, **7:48, 7:54**
 Market risk, **7:44, 7:45**
 MD&A, **7:42, 7:43**
 Offering price determination, **7:32, 7:33**
 Officers, **7:48, 7:49**
 Oil and gas, **16:56 to 16:66**
 Operations, results, **7:12**
 Part II of IPO registration statement, Staff observations, **7:65**
 Pinnacle Foods prospectus. See **Pinnacle Foods Prospectus** (this index)
 “Plain English” disclosure, **7:17 to 7:22**
 Promoters, **7:13, 16:61**
 Property, gathering basic data, **7:10**
 Prospectus disclosure, **7:23 to 7:65**
 Qualitative disclosures, market risk, **7:44, 7:45**
 Quantitative disclosures, market risk, **7:44, 7:45**
 Regulation S-K items, generally, **7:9 to 7:11, 7:23 to 7:65**
 Regulation S-K Items 101, 103, and 105, amendments (2020) to modernize, **7:7**
 Regulation S-K items 301, 302 and 303, amendments (2020) to, **7:8**
 Related person transactions, **7:52, 7:53**
 Related transactions, **7:15**
 Risks factors, **7:28, 7:29**
 Securities description, **7:56, 7:57**
 Selected financial data, **7:40, 7:41**
 Shares eligible for future sale, **7:58, 7:59**
 Smaller issuers, **7:65**
 Stock ownership, **7:54, 7:55**
 Summary, **7:26, 7:27**
 Transactions among related parties, **7:7, 7:52, 7:53**
 Use of proceeds, **7:34, 7:35**
 Writing in plain English, **7:20**

FULLY PAID SALES

Investment limited partnerships, civil, antifraud and criminal liability, **6:273**

FULLY PAID SECURITIES

Resales by investors, holding period, **6:205**

INDEX

FUNCTIONAL MATTERS

- Allocation, oil and gas, **16:41**
- Purposes, research and development tax credit, **21:42**

FUNDS AND FUNDING

- Broker-dealers, funding corporation forms, **30:9**
- Broker - Dealers. See **Broker - Dealers** (this index)
- Financing. See **Financing** (this index)
- Partners and partnerships, funded liabilities, **10:118 to 10:121**
- Real estate. See **Real Estate** (this index)
- Research and development tax credit, funded research, **21:52**

FUNDS FROM OPERATIONS (FFO)

- Real estate investment trusts, **25:27 to 25:37**

FUNGIBILITY OF UNITS

- Master limited partnerships, transfers of MLP interests, **10:492, 10:494**
- Resales by investors, **6:207**

FUTURE OR PROSPECTIVE MATTERS

- Developers' treatment of future costs of common improvements, **11:47**
- Due diligence and civil liability, future payments by limited partners, **8:188**
- Full disclosure, prospectus, **7:58, 7:59**

FUTURES TRADING

- Investment limited partnerships, commodity futures trading, **6:124**
- Livestock programs, full disclosure, **17:89**

"FUTURE TENSE" LETTERS

- Resales by investors, **6:233**

GAAP (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

- Due diligence and civil liability, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:130, 8:133**

GAAS (GENERALLY ACCEPTED AUDITING STANDARDS)

- Due diligence and civil liability, influence of accountant standards on

GAAS (GENERALLY ACCEPTED AUDITING STANDARDS)

- Cont'd
- liability for inadequate or materially misleading disclosure, **8:129 et seq.**

GAIN OR GAINS

- Capital gain or gains. See **Capital Gain or Gains** (this index)
- Limited liability companies, allocation for taxation of LLCs and members, **5:58**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)

GAS

- See **Oil and Gas** (this index)

"GEFEN V COMMISSIONER" CASE

- Equipment leasing, **19:65**

GENERAL ADVERTISING OR SOLICITATION

- Investment limited partnerships, Regulation D, **6:25, 6:29, 6:33 to 6:42**
- Regulation D, Rule 506(c) elimination of prohibition against general solicitation, **6:25, 6:29**

GENERAL LIMITATIONS

- Prepayments of expenses, livestock programs, **17:61**

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

- Due diligence and civil liability, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:130, 8:133**
- Real estate investment trusts (REITs), effect of non-GAAP financial information rules on, **25:44**

GENERALLY ACCEPTED AUDITING STANDARDS (GAAS)

- Due diligence and civil liability, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:129 et seq.**

GENERAL PARTNERS

See **Partners and Partnerships** (this index)

GENERAL RISKS

Ownership and operation of aircraft, disclosure in equipment leasing, **19:83**

GENERAL RULES

Limited partners and partnerships, accounting issues affecting investment limited partnerships, **11:127, 11:139**

Motion pictures, computation of investment tax credit, **20:29**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

GENERAL USE

Publicly registered real estate syndications, financial forecasts, **26:79**

“GENERAL UTILITIES” DOCTRINE

S corporations, distribution of appreciated property, **22:64**

GEOLOGICAL AND GEOPHYSICAL WORK

Oil and gas, exploratory work, **16:54**

GIFT OF PARTNERSHIP INTEREST TO FAMILY MEMBERS

Bail-outs of burned-out tax shelters, **27:68**

GIFTS

Exemptions from registration. See **Resales by Investors** (this index)

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:26**

GIFT TAX VALUATION UNDERSTATEMENT

IRS audit program, accuracy-related taxpayer penalty, **23:44**

GLOSSARY

Publicly registered real estate syndications, Form S-11 requirements for contents of prospectus, **26:25, 26:49**

GOOD FAITH

Advice of counsel defense, **8:145**

GOOD FAITH—Cont’d

Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:144**

IRS audit program, negligence taxpayer penalty, **23:34**

Regulation A, conditional exemption, **6:153**

Rule 508, defenses, **6:32**

“GOODMAN V KENNEDY” CASE

Due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:216**

GOODWILL

Limited partners and partnerships, amortization, **11:87**

GOVERNMENT

Broker-dealers, computation of net capital, **15:54**

IRS audit program, payment of interest, **23:103**

At risk, qualified nonrecourse financing as increasing amounts at risk, **3:21**

GRANDFATHERED MATTERS

See **Partners and Partnerships** (this index)

GRANTS

Real estate, eligible basis and low income housing credit, **9:140**

GROSS RENT LIMITATION

Real estate, qualified low income housing projects, **9:149**

GROSS REVENUES REQUIREMENT

Investment limited partnerships, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:126 to 6:130**

GROSS VALUE

Partnership interests, sales, **10:389, 10:390**

GROUPING OF ACTIVITIES

See **Passive Loss** (this index)

GROWING CROPS

Purchase of farm with, **18:18**

INDEX

GUARANTEE OR GUARANTEES

- “Bad boy,” **10:334**
- “Bottom,” restrictions on, **10:335**
- Equipment leasing, guarantee against loss, **19:16**
- Livestock programs, basis of partnership interest, **17:30**
- Oil and gas, guaranteed payments to general partner, **16:51**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- At risk, risk limiting arrangements, **3:28 to 3:35**

GUIDELINES

- Equipment leasing. See **Equipment Leasing** (this index)
- Limited partners and partnerships, certificates of limited partnership, **24:22**
- NASAA. See **North American Securities Administrators Association (NASAA)** (this index)
- Oil and gas, state guidelines for registration of drilling programs, **16:73 to 16:82**
- Partners and partnerships, anti-abuse rule and IRS settlement guideline, **10:12**
- Small Entity Compliance Guide, **App A9**

“HAIRCUTS”

- Broker-dealers, computation of net capital, **15:52 to 15:56**

HALF YEAR CONVENTION

- Equipment leasing, **19:22, 19:23**
- Real estate, Tax Reform Act of 1986, **9:25**

HEADINGS

- Publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:84**

HEARINGS

- Broker-dealers, disciplinary procedures, **15:108, 15:109**

HIGHEST SECTION ONE RATE

- S corporations, taxable year, **22:76**

HIGHLY ERODIBLE CROPLANDS

- Disposition of, **18:17**

HISTORICAL RENOVATION

- Partnership investment opportunities, **2:24**

HISTORIC STRUCTURES

- Real estate, rehabilitation tax credit, **9:120**

HISTORY OR BACKGROUND

- See **Background or History** (this index)

HOBBY LOSSES

- Individual income tax, changes in treatment, **1:62**

HOLDERS AND HOLDING

- Bail-outs of burned-out tax shelters, holding partnership property or interest, **27:38, 27:60, 27:71 to 27:74**
- Motion pictures, holding of interest, **20:21**
- Partners and partnerships, tacking of holding period, **10:232**
- Real estate. See **Real Estate** (this index)
- Restricted securities. See **Resales by Investors** (this index)
- S corporations, avoidance of personal holding company tax, **22:10**

HOME USE FOR BUSINESS

- Individual income tax, changes in deduction, **1:63**

“HORNER” LETTER

- Investment limited partnerships, civil, antifraud and criminal liability, **6:268, 6:277**

HORSES

- See **Livestock Programs** (this index)

HOTELS

- Passive loss, condominium hotels, **4:15**

“HOWEY” TEST

- Common enterprise, **6:8, 6:15**
- First prong, investment of money and offer of sale, **6:7**
- Investment contracts, **6:15**

“HOWEY” TEST—Cont’d

Investment limited partnerships, investment participations as securities, **6:6**

HYBRID

Passive loss, offerings, **4:139**

HYPOTHETICAL SALE

Partnership interests, allocating basis adjustments, **10:377**

IDENTIFICATION OF RISKS

Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor’s Assessment of and Response to Risk (Dec. 17, 2009), **App E**

“IMMATERIAL” SAFE HARBOR

Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:183**

IMPACT

Bail-outs of burned-out tax shelters, statutes on partnership debt restructurings, **27:22**

Limited partners and partnerships, alternative minimum tax, **11:177**

Oil and gas, state taxes, **16:55**

Partnerships, final regulations regarding allocation of income and losses, **10:104**

S corporations, shareholders and limited partners, **22:54**

IMPORTED PROPERTY

Real estate, alternative depreciation system, **9:40**

IMPROVEMENTS

Equipment leasing, depreciation and ACRS, **19:31**

Real estate. See **Real Estate** (this index)

IMPUTED INTEREST

Partners and partnerships, deduction, **10:462**

Passive loss, self-charged interest, **4:100**

Research and development programs, **21:27**

IMPUTED UNDERPAYMENT

Master limited partnerships, electing large partnership audit systems, **10:584, 10:596, 10:597, 10:599, 10:600, 10:602**

INADEQUATE MATTERS

Adequate matters. See **Adequate or Sufficient Matters** (this index)

Broker - Dealers. See **Broker - Dealers** (this index)

Due diligence and civil liability, disclosure, **8:79 to 8:220**

INADVERTENT TERMINATIONS

Real estate mortgage investment conduits, **28:6**

S corporations, relief, **22:39**

INAPPLICABILITY OF STATUTE

Partners and partnerships, contributions, **10:180**

INCENTIVE FEES

Real estate investment trusts, Blue Sky provisions, **25:94**

INCENTIVE STOCK OPTIONS (ISOS)

Capital gains and losses, Tax Reform Act of 1986, **1:24**

Limited partners and partnerships, alternative minimum tax, **11:174**

INCIDENTAL RENTALS

Passive loss, exceptions to rental activity status under 1988 regulations, **4:31**

INCLUDED OR INCLUSION

Partners and partnerships, inclusion of debt in outside basis, **10:239 to 10:340**

Publicly registered real estate syndications, transactions included in SEC rollup disclosure rules, **26:184**

Real estate. See **Real Estate** (this index)

INCOME

Audits-IRS. See **Audits - IRS** (this index)

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)

Farmland and agriculture, timing of recognition, **18:9, 18:10**

Livestock programs. See **Livestock Programs** (this index)

INDEX

INCOME—Cont'd

- Low income housing. See **Low Income Housing** (this index)
- Master limited partnerships. See **Master Limited Partnerships** (this index)
- Motion pictures, depreciation under income forecast method, **20:15**
- Net income. See **Net** (this index)
- Oil and gas, recharacterization, **16:37**
- Ordinary income. See **Ordinary Income** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive income
 - activities, structuring considerations, **4:138**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
 - s corporations, investment income, **22:33 to 22:38**
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development, allocation of research expenses to foreign source income, **21:35**
- S corporations. See **S Corporations** (this index)
- Tax on income. See **Income Tax** (this index)
- Unrelated business taxable income. See **Unrelated Business Taxable Income (UBTI)** (this index)

INCOME TAX

- Corporate income tax, Tax Reform Act of 1986, **1:47 to 1:54**
- Individual income tax, Tax Reform Act of 1986, **1:55 to 1:63**
- IRS audit program, substantial understatement of income tax taxpayer penalty, **23:37 et seq.**
- Limited liability companies, state income tax consequences, **10:83**
- Limited partnership, classification of entity as partnership for federal income tax purposes, **24:8**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Publicly registered real estate syndications. See **Publicly Registered**

INCOME TAX—Cont'd

- Real Estate Syndications** (this index)
- S corporations, state income tax considerations, **22:81**
- “IN CONCERT”**
 - Resales by investors, sales by persons agreeing to act “in concert,” **6:223**
- INCORPORATION OF PROPERTY**
 - Bail-outs of burned-out tax shelters, **27:57**
- INCREASE OR INCREASING**
 - Avoidance of tax as principal purpose for increasing rents, **11:57**
 - Depreciation, no basis increase for inflation, **1:8**
 - Partners and partnerships, increase in minimum gain and final nonrecourse regulations, **10:113**
 - At risk, qualified nonrecourse financing as increasing amounts at risk, **3:16 to 3:25**

INDEBTEDNESS

- See **Debt or Indebtedness** (this index)

INDEMNITY

- Due diligence, **8:198**

INDEMNITY AND INDEMNIFICATION

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:189 to 8:201**
- Oil and gas, passive loss, **16:33**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate investment trusts, Blue Sky provisions, **25:105**

INDEPENDENT CONTRACTORS

- Real estate investment trusts (REITs), **1:32, 25:170**

INDEPENDENT TRUSTEES

- Real estate investment trusts, Blue Sky provisions, **25:84**

INDETERMINATE COMPENSATION

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:12**

**INDIRECT ACQUISITION OF DEBT
BY RELATED PARTY**

Bail-outs of burned-out tax shelters,
refinancings and restructurings,
27:29

INDIRECT INTEREST

Passive loss, qualifying indirect interest,
4:96

INDIRECT LIABILITY

Professionals, **8:167**

INDIVIDUALS

Alternative minimum tax, Tax Reform
Act of 1986, **1:20**
Capital gains and losses, Tax Reform
Act of 1986, **1:22**
Income tax, Tax Reform Act of 1986,
1:55 to 1:63
Research and development programs,
alternative minimum tax, **21:30**

INDUSTRY OR INDUSTRIES

Broker-dealers, forms relating to securi-
ties industry, **30:2, 30:11**
Due diligence and civil liability, industry
of issuer, **8:28**
Equipment leasing, disclosure of com-
munications industry risks, **19:85**
Guide 4, **App S3**
Guide 5, **26:57, App F**
Livestock programs, **17:88, 17:97**
Oil and gas industry, overview, **16:57**
Passive loss, real estate industry
concerns, **4:117**
Prospectus for public offering for listed
REIT (industrial property hold-
ings), Terreno Realty Corporation,
App Z

INFLATION

Depreciation, no basis increase for infla-
tion, **1:8**
Oil and gas, benefits of programs after
Tax Reform Act of 1986, **16:21**

**INFLUENCE OF PROFESSIONAL
STANDARDS ON LIABILITY**

Due diligence and civil liability, inade-
quate or materially misleading
disclosure, **8:123 to 8:136**

INFORMAL REMEDIAL ACTION

Broker-dealers, types of disciplinary
actions, **15:104**

INFORMATION

Data. See **Data** (this index)
Due diligence. See **Due Diligence** (this
index)
IRS audit program, information report-
ing, **23:79 et seq.**
Limited partners and partnerships. See
**Limited Partners and Partner-
ships** (this index)
Publicly registered real estate syndica-
tions. See **Publicly Registered
Real Estate Syndications** (this
index)
Real estate investment trusts, plain
English rules, **25:59**
Research and development, technologi-
cal information, **21:40**

**INITIAL ISSUANCE OF
DEPOSITARY RECEIPTS**

Limited partners and partnerships, cer-
tificates of limited partnership,
24:14

INITIAL PUBLIC OFFERING

Registration statement Part II, Staff
observations, **7:65**
REITs. See **Real Estate Investment
Trusts (REITs)** (this index)

INITIATIVE

Publicly registered real estate syndica-
tions, small business initiative, **26:2**

INJUNCTIONS

Audits—IRS, abusive tax shelters, **23:49**
Cryptocurrency, **8:152**
Due diligence and civil liability, direct
proceedings by SEC regarding
inadequate or materially misleading
disclosure, **8:165**
Master limited partnerships, electing
large partnership adjustment
proceedings, **10:610**
SEC injunctive remedies, attempt to
label as punitive, **8:163**

IN KIND DISTRIBUTIONS

Limited partners and partnerships, cer-
tificates of limited partnership and
tax-advantaged investments, **24:38**

INDEX

IN PARI DELICTO DEFENSE

Due diligence, **8:220**

INQUIRY NOTICE UNDER STATUTES OF LIMITATIONS

Due diligence and civil liability,
defenses to inadequate or materi-
ally misleading disclosure, **8:176**

INSIDE BASIS

Partners and partnerships, **10:229,**
10:234, 10:235

INSIDE/FRONT COVER

Publicly registered real estate syndica-
tions, plain English rules for
contents of prospectus, **26:9**
Real estate investment trusts, plain
English rules, **25:58**

INSIDE SOURCES OF INFORMATION

Due diligence and civil liability, practi-
cal aspects of due diligence
investigations, **8:34**

INSIGNIFICANT PARTICIPATION

Publicly registered real estate syndica-
tions, ERISA considerations,
26:198

INSOLVENCY EXCEPTION

Bail-outs of burned-out tax shelters,
cancellation of indebtedness
income, **27:11, 27:12**

INSPECTION OF RECORDS

Real estate investment trusts, Blue Sky
provisions, **25:101**

INSTALLMENT

Investment limited partnerships, broker-
dealers and tax shelter installment
payments, **6:279**
Real estate. See **Real Estate** (this index)
Sales. See **Installment Sales** (this
index)

INSTALLMENT SALES

Accounting provisions, Tax Reform Act
of 1986, **1:64**
Bail-outs of burned-out tax shelters,
27:40 to 27:43, 27:64
Livestock programs, **17:73**

INSTALLMENT SALES—Cont'd

Master limited partnerships, simplified
reporting for electing large partner-
ships, **10:568**
Passive loss calculations, special dispo-
sition rules under 1988 regulations,
4:80

INSTITUTIONAL SALES

FINRA regulation of direct participation
programs and non-traded real estate
investment trusts, literature, **13:23**

INSTRUCTIONS FOR FORMS

See **Forms** (this index)

INSTRUMENTS

Debt instruments, **11:33, 11:35 to 11:38,**
11:44
S corporations, one class of stock
requirement for eligibility, **22:23,**
22:25

INSUFFICIENT MATTERS

See **Inadequate Matters** (this index)

INSURANCE BUSINESS

Investment limited partnerships, gross
revenues requirement under Rule
147, **6:127**

INTANGIBLES

Corporate income tax, amortization,
1:54
Fifteen-year amortization, **11:18 to**
11:23
Limited partners and partnerships. See
Limited Partners and Partner-
ships (this index)
Motion pictures, intangible contract
right to participate in profits, **20:8**
Oil and gas, intangible drilling costs and
expenses, **1:73, 10:572, 16:40**
Passive loss, royalties, **4:65 to 4:67**

INTEGRATION

Limited partners and partnerships. See
Limited Partners and Partner-
ships (this index)

INTENDED USE

Real estate investment trusts, funds from
operations (FFO), **25:28**

INTEREST ON MONEY

- Bail-outs of burned-out tax shelters, deferred tax liability, installment sales, **27:43**
- Equipment leasing, limitations on deductibility of investment interest, **19:10 to 19:16**
- Expense, Tax Reform Act of 1986, **1:14 to 1:19**
- Imputed interest. See **Imputed Interest** (this index)
- IRS audit program, **23:92, 23:98 et seq.**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Nonbusiness interest limitations, tax shelters and interest expense, **1:19**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development, imputed interest, **21:27**
- S corporations, investment interest limitation, **22:40 to 22:46**
- Self-charged interest, **4:88 to 4:100, 22:45, 22:46**

INTEREST OR INTERESTS

- Audits-IRS. See **Audits - IRS** (this index)
- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Conflicts of interest. See **Conflicts of Interest** (this index)
- Economic interest
 - oil and gas programs, **16:2**
 - timber, sale with economic interest retained, **18:31**
- Farmland and agriculture, sale of timber with retained economic interest, **18:31**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, basis of partnership interest, **17:29, 17:30**

INTEREST OR INTERESTS—Cont'd

- Motion pictures, holding of interest, **20:21**
- Oil and gas. See **Oil and Gas** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development, investors' interests in partnerships, **21:22**
- At risk, borrowings from interested persons, **3:26**
- S corporations, acquisition of interest in pass-through entity, **22:43**
- Tax Cut and Jobs Act. See **Tax Cut and Jobs Act of 2017** (this index)
- Transferability of interests
 - free transferability of interests, **5:31, 10:46, 10:54**
 - limited liability companies, **5:31, 10:63**
 - limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:11**
 - master limited partnership, **10:486 to 10:502**
 - partners and partnerships, **10:46, 10:54**

INTERIM DEPRECIATION

- Partners and partnerships, contributions, **10:182**

INTERIM DISTRIBUTIONS

- Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:36**

INTERMEDIATE POSITION

- Investment limited partnerships, investment participations as securities, **6:11**

INTERNAL CONTROL OVER FINANCIAL REPORTING

- See **Due Diligence** (this index)

INTERNALLY MANAGED

- Real estate investment trusts, **25:25**

INDEX

INTERNAL REVENUE SERVICE

(IRS)

Audit program. See **Audits - IRS** (this index)

Carried interest regulations, proposed, **10:429**

Check-the-box regulations, **App W**

Master limited partnerships. See **Master Limited Partnerships** (this index)

Notices

partners and partnerships. See **Partners and Partnerships** (this index)

passive loss. See **Passive Loss** (this index)

real estate, IRS Notice 90-41 and unrelated business taxable income (UBTI), **9:95 to 9:99**

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive activity losses, IRS Manual, **App W2**

Passive loss. See **Passive Loss** (this index)

Real estate, IRS Notice 2000-4 and regulations issued pursuant to notice, **9:214**

Recent legislative proposals, IRS guidance on the taxation of digital assets, **1A:16**

Revenue Procedure. See **Revenue Procedure** (this index)

Revenue rulings. See **Revenue Rulings** (this index)

S corporation, IRS Initiative on S Corporation Compliance, **22:12**

Section 1031 like-kind exchanges, IRS issues proposed rules defining real property for purposes of, **9:191.50**

Unrelated business taxable income (UBTI) computation, guidance on, **9:101**

INTERNAL USE COMPUTER SOFTWARE

Research and development tax credit, **21:49**

INTERNET

Broker-dealers, FINRA guidance on blogs and social networking activities, **15:97**

INTERNET OFFERINGS

Broker-dealer compliance, real estate limited partnership syndications, **15:41**

Limited partnerships. See **Limited Partners and Partnerships** (this index)

Real estate securities transactions, private offering exemption, **14:19**

INTERPRETATION OR INTERPRETATIONS

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

SEC interpretive releases. See **Securities and Exchange Commission** (this index)

INTERVIEWS

Broker-dealer compliance, real estate limited partnership syndications, **15:24**

IRS audit program, Taxpayer Bill of Rights, **23:137**

INTRASTATE OFFERING EXEMPTION

Investment limited partnerships, registration requirements of Securities Act of 1933, **6:73 to 6:114, 6:88, 6:114 et seq., 6:137**

Rule 147A, general provisions, **6:117**

INVENTORY

Accounting provisions, capitalization, **1:67**

Research and development programs, capital gain treatment, **21:21**

S corporations, recapture of appreciation upon conversion from C corporation to S corporation, **22:68**

INVESTIGATIONS

See **Due Diligence** (this index)

INVESTMENT

Audits-IRS. See **Audits - IRS** (this index)

Business investment, Tax Reform Act of 1986, **1:3 to 1:12**

Capital investment, Tax Reform Act of 1986, **1:3 to 1:12**

Credit. See **Investment Tax Credit** (this index)

INVESTMENT—Cont'd

- Due diligence. See **Due Diligence** (this index)
- Equipment leasing. See **Equipment Leasing** (this index)
- Farmland and agriculture. See **Farmland and Agriculture** (this index)
- Individual income tax, Tax Reform Act of 1986, **1:60 to 1:63**
- Investment Company Act of 1940. See **Investment Company Act of 1940** (this index)
- Investors. See **Investors** (this index)
- Leveraged investments, **2:3**
- Limited partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, **17:1 et seq.**
- Master limited partnerships, real estate mortgage investment conduits (REMICs), simplified reporting for electing large partnerships, **10:565**
- Motion pictures. See **Motion Pictures** (this index)
- Net investment income, **11:125, 19:12**
- Oil and gas. See **Oil and Gas** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Qualified Opportunity Zones. See **Qualified Opportunity Zones** (this index)
- Real estate. See **Real Estate** (this index)
- Regulation A, limitations, **6:142**
- At risk. See **At Risk** (this index)
- S corporations. See **S Corporations** (this index)
- Tax credit. See **Investment Tax Credit** (this index)
- Value, **2:6**

INVESTMENT ADVISERS ACT OF 1940

- Limited partnerships, **6:306 to 6:313**
- SEC proposes ESG disclosure rules for investment companies and investment advisers, **6:307**

INVESTMENT COMPANY ACT OF 1940

- Limited partnerships, **6:293 et seq.**

INVESTMENT COMPANY ACT OF 1940—Cont'd

- Oil and gas, **16:71**
- Real estate investment trusts, **25:71**
- SEC proposes ESG disclosure rules for investment companies and investment advisers, **6:294**

INVESTMENT TAX CREDIT

- Business and capital investment, Tax Reform Act of 1986, **1:10**
- Equipment leasing, **19:44 to 19:48**
- Farmland and agriculture, **18:23**
- Livestock programs, **17:32, 17:68**
- Motion pictures, **20:24 to 20:40**
- Partners and partnerships, **10:477**
- Real estate
 - depreciation under Tax Reform Act of 1986, **9:45, 9:55, 9:56**
 - regulations under I.R.C. § 50(d)(5), **9:118**
- At risk, rules before repeal by Tax Reform Act of 1986, **3:38**

INVESTORS

- Accredited investors. See **Accredited Investors** (this index)
- Audits-IRS. See **Audits - IRS** (this index)
- Broker - Dealers. See **Broker - Dealers** (this index)
- Due diligence and civil liability, preparation of disclosure documents for investors, **8:81 to 8:186**
- Equipment leasing, state guidelines for registration of equipment programs, **19:89**
- Limited liability companies, publicly-held Delaware LLC, **31:7**
- Limited partnership agreement, **24:10**
- Non-U.S. investors, effect of Tax Cut and Jobs Act, **1A:10**
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development programs, partnerships, **21:3, 21:22**
- Suitability of investors
 - broker-dealers, due diligence checklist for real estate syndication, **15:91**

INDEX

INVESTORS—Cont'd

- Suitability of investors—Cont'd
 - equipment leasing, state guidelines for registration of equipment programs, **19:89**
 - real estate. See **Real Estate** (this index)
- Tax-exempt investors, effect of Tax Cut and Jobs Act, **1A:9**

INVOLUNTARY MATTERS

- Conversions, sale or disposition of real estate, **9:222**
- Conveyance of property to creditors, bail-outs of burned-out tax shelters, **27:52 to 27:54**

IRS

- See **Internal Revenue Service (IRS)** (this index)

ISOS

- See **Incentive Stock Options (ISOs)** (this index)

ISSUANCE

- Due diligence and civil liability, negligent issuance of formal opinions by attorneys, **8:168**
- Issuers. See **Issuers** (this index)
- Limited partners and partnerships, initial issuance of depositary receipts, **24:14**
- Original issue discount. See **Original Issue Discount** (this index)
- Real estate. See **Real Estate** (this index)

ISSUERS

- Due diligence and civil liability, investigations, **8:28 to 8:36**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

ITC

- See **Investment Tax Credit** (this index)

ITEMIZED DEDUCTIONS

- Individual income tax, Tax Reform Act of 1986, **1:56, 1:61**

JANUS

- Due Diligence** (this index)

JOBS ACT (2012)

- Broker dealer registration safe harbors, **6:40**
- Emerging growth companies
 - communications restrictions, **6:243**
 - confidential submission process, SEC Staff Guidance, FAQs, **App K2**
 - disclosures, **6:254**
 - limited partners and partnerships, registration under 1933 Act, **6:243, 6:254**
 - registration under 1933 Act, **6:236**
 - regulation S-K. reduced disclosures, **7:2**
 - relaxed registration requirements under the FAST Act, **6:244**
 - scaled disclosure, SEC Staff Guidance, FAQs on Title I provisions, **App K1**
 - scaled disclosure provisions, SEC Staff Guidance, FAQs on Title I provisions, **App K1**
 - SEC Staff Guidance regarding JOBS Act
 - Confidential submission process, FAQs, **App K2**
 - Title I scaled disclosure provisions, FAQs, **App K1**
- Limited partners and partnerships, public offerings of RELPs, **26:3**
- Publicly registered real estate syndications, public offerings of RELPs, **26:3**
- Real estate investment trusts (REITs), **25:66 to 25:68**
- Real estate securities offering sponsors and intermediaries, **6:40**
- Solicitation of accredited investors, **6:25, 6:40**

JOINT AND SEVERAL LIABILITY

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:190 to 8:194**

JOINT COMMITTEE ON TAXATION

- Tax shelters, Committee's overview and description of laws governing, **2:32**

JOINT UNDERTAKINGS

- Limited liability companies, check-the-box regulations, **10:71**

JOINT UNDERTAKINGS—Cont’d

Partners and partnerships, check-the-box regulations, **10:16**

JOINT VENTURES

Investment limited partnerships, gross revenues requirement under Rule 147, **6:129**

Motion pictures, amortization transaction, **20:7**

Real estate investment trusts, **25:184, 25:185**

Research and development programs, partnerships, **21:8, 21:23**

JUDGMENT REDUCTION FORMULA

Due diligence and civil liability, Private Securities Litigation Reform Act (PSLRA), **8:194**

JUMPSTART OUR BUSINESS STARTUPS ACT (2012)

See **JOBS Act (2012)** (this index)

JURISDICTION

Coordinated review, direct participation programs (CD-DPP), **25:120, 25:122**

“KERN” CASE

Due diligence and civil liability, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:170**

KNOWLEDGE

See **Due Diligence** (this index)

KNOW YOUR CUSTOMER

FINRA Rule 2310, **13:7**

LAND

See **Real Estate** (this index)

LANGUAGE

Equipment leasing, disclosure of risks, **19:82, 19:86**

LARGE PARTNERSHIPS

Master limited partnerships, elections, **10:554 to 10:626**

“LARSEN V COMMISSIONER” CASE

Equipment leasing, **19:67**

“LARSEN V COMMISSIONER” CASE—Cont’d

At risk, guarantees and other risk limiting arrangements, **3:29**

LAST DAY SALES

Investment limited partnerships, civil, antifraud and criminal liability, **6:274**

LATE PAYMENTS

Master limited partnerships, electing large partnership adjustments, **10:601**

LATER MATTERS

See **Subsequent Matters** (this index)

LAWS

See **Statutes** (this index)

LAWYERS

See **Attorneys** (this index)

LAYERING

Partners and partnerships, nonrecourse liabilities, **10:265 to 10:267**

LEAD JURISDICTION

Coordinated review, direct participation programs (CD-DPP), **25:120**

“LEASCO” CASE

Due diligence and civil liability, **8:10, 8:83**

LEASE ACCOUNTING ISSUES

Real estate investment trusts (REITs), **25:38**

LEASEBACKS

Real estate. See **Real Estate** (this index)

Sale leasebacks. See **Sale Leasebacks** (this index)

LEASES

Broodmare rental, lease vs sale, **17:53, 17:54**

Equipment. See **Equipment Leasing** (this index)

Investment limited partnerships, ease receivables, **6:125**

Motion pictures, investment tax credit, **20:34**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

INDEX

LEGAL MATTERS AND EXPERTS

Full disclosure, prospectus, **7:62, 7:63**

“LEIB” CASE LIST

Investment limited partnerships, common law duties of broker-dealer to customers, **6:289**

LENDING

See **Loans** (this index)

LETTERS

Due diligence and civil liability, attorney opinion letters, **8:126**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

No action letters. See **Securities and Exchange Commission** (this index)

LEVERAGE

Real estate. See **Real Estate** (this index)

LEVERAGED

Investments, **2:3**

Real estate offering, state substantive regulation of real estate programs, **12:25**

LEVIES

IRS audit program, Taxpayer Bill of Rights, **23:138**

“LEVY V COMMISSIONER” CASE

Equipment leasing, **19:69**

LIABILITY OR LIABILITIES

Audits-IRS. See **Audits - IRS** (this index)

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)

Civil liability. See **Civil Liability** (this index)

Control person liability. See **Control Person Liability** (this index)

Criminal liability. See **Criminal Liability** (this index)

Due diligence. See **Due Diligence** (this index)

Limitations on liability companies. See **Limited Liability Companies** (this index)

LIABILITY OR LIABILITIES

—Cont’d

Limitations on liability—Cont’d
due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:212**

oil and gas. See **Oil and Gas** (this index)

partners and partnerships. See **Partners and Partnerships** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Motion pictures, contingent liability, **20:14**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

Recourse, **10:334**

LICENSES AND LICENSING

Motion pictures, amortization transaction, **20:6**

Passive loss, intangibles licensing by pass-through entity, **4:66**

LIENS

IRS audit program, Taxpayer Bill of Rights, **23:138**

LIKE KIND EXCHANGES

Bail outs of burned out tax shelters, **27:45 to 27:49, 27:66**

Horses, **17:75**

Real estate investment trusts (REITs), taxation, **25:178**

Real property, **9:187 et seq.**

LIMITATIONS

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)

Blue Sky limited offering exemptions, **App L**

Corporate income tax, net operating losses, **1:50**

Due diligence, limitations of liability, state law claims for inadequate or materially misleading disclosure, **8:212**

Equipment leasing. See **Equipment Leasing** (this index)

LIMITATIONS—Cont'd

- Farmland and agriculture, losses, **18:7**
- FINRA. See **Financial Industry Regulatory Authority (FINRA)** (this index)
- Individual income tax, Tax Reform Act of 1986, **1:56, 1:60**
- Interest deduction limitation, Sec. 163(j), proposed and final regulations on, **1A:12**
- Liability. See **Liability or Liabilities** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs. See **Livestock Programs** (this index)
- Master limited partnerships. See **Master Limited Partnerships** (this index)
- Motion pictures, investment tax credit, **20:32**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Regulation A. See **Regulation A / Regulation A+** (this index)
- Restricted securities. See **Resales by Investors** (this index)
- At risk. See **At Risk** (this index)
- S corporations. See **S Corporations** (this index)
- Statute of limitations. See **Statute of Limitations** (this index)
- Tax shelters and interest expense, non-business interest limitations, **1:19**
- Uniform limited offering exemption (ULOE), **14:11 to 14:17, App R**

LIMITATIONS OF ACTIONS

- Audits-IRS, extended, **23:3.10**
- Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:176, 8:177**
- Master limited partnerships, electing large partnership audit systems, **10:620, 10:621, 10:626**
- S corporations, audits, **22:70**

LIMITED LIABILITY COMPANIES

- Generally, **5:1 to 5:70**

LIMITED LIABILITY COMPANIES**—Cont'd**

- Accounting, taxation of LLCs and members, **5:64**
- Advantages and disadvantages, comparison of LLCs with S corporations, **5:34, 5:35**
- Agreements, operating, **5:44, 31:1 to 31:13**
- Allocation
 - distributions, organization of LLCs, **5:51**
 - gains, taxation of LLCs and members, **5:58**
 - losses, **5:51, 5:58**
 - profits, organization of LLCs, **5:51**
- Amendment. See **Changes**, below
- Articles of organization
 - basic characteristics of LLCs, **10:62 to 10:66**
 - Oklahoma, **31:6**
 - operating agreements, **5:44**
- Basic characteristics of LLCs, **5:38 to 5:42, 10:62 to 10:66**
- Basis
 - book value / tax basis differences, taxation of LLCs and members, **5:59**
 - member's tax basis, **5:57**
 - special basis adjustments, proposed amendments to check-the-box regulations, **5:25**
- Book value, taxation of LLCs and members, **5:59**
- "Bulletproof" statutes, **5:4**
- California operating agreement, form, **31:3**
- Capital contributions, organization of LLCs, **5:50**
- Centralization of management, general rules for entity classification, **5:30**
- Changes
 - limits on changes in classification by election, check-the-box regulations, **5:17, 10:80**
 - proposed amendments to check-the-box regulations, **5:21 to 5:26**
- Characteristics of LLCs, **5:38 to 5:42, 10:62 to 10:66**
- Characterization of elective changes in classification, proposed amend-

LIMITED LIABILITY COMPANIES

—Cont'd

- ments to check-the-box regulations, **5:22**
- Check-the-box regulations, **5:6 to 5:26, 10:68 to 10:82**
- Classification, **5:6 to 5:32, 10:75 to 10:79**
- Comparison of LLCs with S corporations, limited partnerships and partnerships, **5:33 to 5:37, 10:67**
- Continuity of life, general rules for entity classification, **5:29**
- Contributions
 - capital contributions, organization of LLCs, **5:50**
 - taxation of LLCs and members, **5:55, 5:56**
- Conversion of partnership to LLC, **5:49, 10:82**
- Corporations
 - check-the-box regulations, **5:8, 5:9**
 - comparison of LLCs with S corporations, **5:33 to 5:35, 5:37**
- Default classification, check-the-box regulations, **10:76**
- Delaware
 - limited Liability Company Act, **App U7**
 - non-public Delaware limited liability company operating agreement, **App Z1**
 - operating agreement, **31:1**
 - publicly-held agreement, **31:7**
 - revised Uniform Limited Partnership Act, limited partnership agreement under, **App Z2**
- Disadvantages and advantages, comparison of LLCs with S corporations, **5:34, 5:35**
- Dispositions of LLC interests, taxation of LLCs and members, **5:62**
- Dissolution, **5:52, 10:66**
- Distributions, **5:51, 5:60**
- Domestic eligible entities, elective classification, **5:13, 10:77**
- Duration, **5:42**
- Effective date, check-the-box regulations, **5:19, 5:26, 10:81**
- Elections, check-the-box regulations, **5:12 to 5:18, 5:22, 5:24, 10:75 to 10:79**

LIMITED LIABILITY COMPANIES

—Cont'd

- Eligible entities, elective classification, **5:13 to 5:15, 10:77, 10:78**
- Existing eligible entities, elective classification, **5:15, 10:78**
- Federal matters
 - classification of LLCs for federal tax purposes, **5:6 to 5:32**
 - securities laws, **5:2**
 - tax treatment, **10:68 to 10:82**
- Final check-the-box regulations, **5:7 to 5:11, 10:68 to 10:82**
- “Flexible” statutes, **5:5**
- Florida operating agreement, form, **31:5**
- Foreign corporations, check-the-box regulations, **5:9**
- Foreign eligible entities, elective classification, **5:14**
- Formation of LLC, **5:43, 5:54 to 5:56**
- Forms
 - articles of organization, **31:6**
 - California operating agreement, **31:3**
 - Delaware operating agreement, **31:1**
 - Florida operating agreement, **31:5**
 - new York operating agreements, **31:9**
 - non-public Delaware limited liability company operating agreement, **App Z1**
 - Ohio operating agreement, **31:2**
 - Oklahoma articles of organization and operating agreement, **31:6**
 - operating agreements, **31:1 to 31:13**
 - Texas S Corp LLC operating agreement, **31:4**
 - Wisconsin operating agreement, **31:8**
- Free transferability of interests, general rules for entity classification, **5:31**
- Gains, allocation for taxation of LLCs and members, **5:58**
- General rules for entity classification, **5:27 et seq.**
- Interests
 - dispositions of LLC interests, taxation of LLCs and members, **5:62**
 - free transferability of interests, general rules for entity classification, **5:31**
 - survey of LLC interests under state securities laws, **5:70**
 - transferability, **5:31, 10:63**

LIMITED LIABILITY COMPANIES**—Cont'd**

Joint undertakings, check-the-box regulations, **10:71**

Laws. See Statutes, below

Limited partnerships, comparison with LLC, **5:36, 5:37**

Losses

- allocation of losses, **5:51, 5:58**
- passive loss limitations, taxation of LLCs and members, **5:65**

Management

- Generally, **10:65**
- centralization of management, general rules for entity classification, **5:30**
- managers, organization of LLC, **5:47, 5:48**
- organization of LLCs, **5:46, 5:47**

Managers, organization of LLCs, **5:47, 5:48**

Members and membership

- basic characteristics of LLCs, **5:38, 10:63**
- change in number of members of entity, proposed amendments to check-the-box regulations, **5:23**
- liability of members to third parties, **5:48**
- management of LLC by members, **5:46**
- taxation of members, **5:53 to 5:69**

Methods of accounting, taxation of LLCs and members, **5:64**

Modification. See Changes, above

Name, basic characteristics of LLCs, **5:39**

Nature of business, basic characteristics of LLCs, **5:40**

New York operating agreements, **31:9**

Number of members of entity, proposed amendments to check-the-box regulations, **5:23**

Ohio operating agreement, **31:2**

Oklahoma articles of organization and operating agreement, **31:6**

Old rules, **10:36, 10:69**

One percent ownership, general rules for entity classification, **5:32**

Operating agreements, **5:44, 31:1 to 31:13**

LIMITED LIABILITY COMPANIES**—Cont'd**

Organization

- Generally, **5:43 to 5:52**
- articles of organization, above

Owners and ownership

- one percent ownership, general rules for entity classification, **5:32**
- single owner entity, check-the-box regulations, **5:11, 10:74**

Partners and partnerships

- Generally, **10:61 to 10:83**
- comparison of entities, **10:67**
- conversion of partnership to LLC, **5:49, 10:82**
- elections, partnership terminations, **5:18**
- entity comparison, **10:67**
- limited partnerships, comparison with LLCs, **5:36, 5:37**
- tax matters partner, taxation of LLCs and members, **5:67**
- treatment of LLCs as partnerships, taxation of LLCs and members, **5:53**

Passive loss limitations, taxation of LLCs and members, **5:65**

Passive loss material participation under 1988 regulations, **4:53, 4:55**

Powers, basic characteristics of LLCs, **5:41**

Private placement memo, **App J**

Profits, allocation, **5:51**

Property contributions, taxation of LLCs and members, **5:55**

Proposed amendments to check-the-box regulations, **5:21 to 5:26**

Publicly-held agreement, Delaware, **31:7**

Regulations, check-the-box, **5:6 to 5:26, 10:68 to 10:82**

Retirement plans, taxation of LLCs and members, **5:68**

Revenue Procedure 95-10, general rules for entity classification, **5:32**

At risk limitations, taxation of LLCs and members, **5:66**

Rules

- general rules for entity classification, **5:27 et seq.**
- old rules, **10:36, 10:69**

INDEX

LIMITED LIABILITY COMPANIES

—Cont'd

Rules—Cont'd

transition rules, check-the-box regulations, **5:19, 10:81**

S corporations, comparison with LLCs, **5:33 to 5:35, 5:37**

Self-employment taxes, **5:68**

Service contributions, taxation of LLCs and members, **5:56**

Single owner entity, check-the-box regulations, **5:11, 10:74**

Special basis adjustments, proposed amendments to check-the-box regulations, **5:25**

State

California operating agreement, **31:3**

Delaware. See Delaware, above

Florida operating agreement, **31:5**

income tax consequences, **10:83**

new York operating agreement, **31:9**

Ohio operating agreement, **31:2**

Oklahoma articles of organization and operating agreement, **31:6**

securities laws, **5:3, 5:70**

taxation of LLCs, **5:69**

Texas S Corp LLC operating agreement, **31:4**

Wisconsin operating agreement, **31:8**

Statutes

federal securities laws, **5:2**

state securities laws, **5:3, 5:70**

types of LLC statutes, **5:4, 5:5**

Survey of LLC interests under state securities laws, **5:70**

Table, comparison of LLCs with S corporations and limited partnerships, **5:37**

Taxation of LLCs and members, **5:53 to 5:69**

Termination

dissolution of LLC, **5:52, 10:66**

partnership terminations, elections, **5:18**

taxation of LLCs and members, **5:61**

Texas S Corp LLC operating agreement, **31:4**

Third parties, liability of members and managers to, **5:48**

Time

duration of LLC, **5:42**

LIMITED LIABILITY COMPANIES

—Cont'd

Time—Cont'd

effective date, check-the-box regulations, **5:19, 5:26, 10:81**

elective changes in classification, proposed amendments to check-the-box regulations, **5:24**

Transferability of interests, **5:31, 10:63**

Transition rules, check-the-box regulations, **5:19, 10:81**

Treatment

federal tax treatment, **10:68 to 10:82**

LLCs treated as partnerships, taxation of LLCs and members, **5:53**

Trusts, check-the-box regulations, **10:72**

Types of LLC statutes, **5:4, 5:5**

Uniform Limited Liability Company Act, **App U6**

Wisconsin operating agreements, **31:8**

LIMITED PARTNERS AND PARTNERSHIPS

Abuse cases, limitation on deductibility of interest, **11:142**

Accounting

issues affecting investment limited partnerships, **11:1 to 11:179**

master limited partnerships. See **Master Limited Partnerships** (this index)

Accounts

deposits, limitation on deductibility of interest, **11:144**

role of capital accounts, certificates of limited partnership and tax-advantaged investments, **24:35**

Accrual

current expenses, treatment of, **11:53 to 11:61, 11:64**

interest, accrued, **11:147**

Actions and proceedings

derivative actions, tax-advantaged investments, **24:50**

master limited partnerships, electing large partnership audit systems, **10:582, 10:603 to 10:618**

Activity, alternative minimum tax, **11:162, 11:163**

Additional matters

contributions, certificates of limited partnership and tax-advantaged

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

Additional matters—Cont'd
 investments, **24:32**
 methods of determining amount of additional capitalization, accounting issues affecting investment limited partnerships, **11:80 to 11:82**

Adjustments

 alternative minimum tax, accounting issues affecting investment limited partnerships, **11:160 to 11:176**

 master limited partnerships. See **Master Limited Partnerships** (this index)

Agency, certificates of limited partnership and tax-advantaged investments, **24:41**

Agreements or contracts

 depository agreement, certificates of limited partnership and tax-advantaged investments, **24:15**

 long-term contracts, alternative minimum tax, **11:167**

 master limited partnerships, extension of adjustment period, **10:621**

Allocation or allocations

 master limited partnerships, simplified reporting for electing large partnerships, **10:566**

 profits, losses and distributions, certificates of limited partnership and tax-advantaged investments, **24:33**

 proposed regulations on allocation of interest expense among expenditures, accounting issues affecting investment limited partnerships, **11:137 to 11:155**

Alternative minimum tax

 accounting issues affecting investment limited partnerships, **11:156, 11:158 to 11:179**

 limitation on deductibility of interest, **11:156**

 master limited partnerships, simplified reporting for electing large partnerships, **10:559, 10:573**

 steps for determining whether taxpayer is subject to, **11:179**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

Amortization, accounting issues affecting investment limited partnerships, **11:68 et seq.**

Amount or number

 master limited partnerships. See **Master Limited Partnerships** (this index)

 methods of determining amount of additional capitalization, uniform capitalization rules, **11:80 to 11:82**

 net. See Net, below

Application or applicability

 master limited partnerships, TEFRA audit rules, **10:586**

Appreciated property as charitable contribution, accounting issues affecting investment limited partnerships, **11:165**

Assessment or assessments

 interests, certificates of limited partnership and tax-advantaged investments, **24:19**

 master limited partnerships, separate assessments under Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:575 to 10:580**

Assets

 deferred asset method of determining amount of additional capitalization, accounting issues affecting investment limited partnerships, **11:81**

 distribution of asset on dissolution, certificates of limited partnership and tax-advantaged investments, **24:37**

 limitation on deductibility of interest, accounting issues affecting investment limited partnerships, **11:153, 11:154**

Assignments, **24:11, 24:12**

Assumptions, limitation on deductibility of interest, **11:146**

Avoided cost rules, accounting issues affecting investment limited partnerships, **11:70 to 11:73, 11:78 to 11:86**

INDEX

LIMITED PARTNERS AND

PARTNERSHIPS—Cont'd

- Books, certificates of limited partnership and tax-advantaged investments, **24:45**
- Borrowings, limitation on deductibility of interest, **11:145, 11:148**
- Broker - Dealers. See **Broker - Dealers** (this index)
- Business
 - principal place of business, certificates of limited partnership, **24:6**
- Calculation or computation
 - exclusion from fifteen-percent expense calculation, accounting issues affecting investment limited partnerships, **11:130**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- California law
 - tax-advantaged investments, **24:48**
- Cancellation, certificate of limited partnership, **24:51, 24:52**
- Capital
 - contributions, certificates of limited partnership and tax-advantaged investments, **24:31, 24:39**
 - role of capital accounts, certificates of limited partnership and tax-advantaged investments, **24:35**
 - transactions, master limited partnerships, **10:555**
- Capitalization, accounting issues affecting investment limited partnerships, **11:68 et seq.**
- Cash
 - borrowings, limitation on deductibility of interest, **11:145**
- C&DIs** (this index)
- Certificates of limited partnership, tax-advantaged investments, **24:5 to 24:45, 24:51, 24:52**
- Change or modification
 - capitalized-amortized deductions, contract rights, **11:104**
 - certificate of limited partnership, tax-advantaged investments, **24:51, 24:52**
 - limitation on deductibility of investment interest, accounting issues affecting investment limited

LIMITED PARTNERS AND

PARTNERSHIPS—Cont'd

- Change or modification—Cont'd
 - partnerships, **11:119**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
 - subsequent amendments, alternative minimum tax, **11:159 to 11:178**
 - use of debt-financed asset, proposed regulations on allocation of interest expense among expenditures, **11:154**
- Charitable contributions of appreciated property, alternative minimum tax, **11:165**
- Circulation expenditures, alternative minimum tax, **11:173**
- Communications. Registration, below
- Compliance
 - master limited partnerships, transfers of MLP interests, **10:502**
- Compliance and Disclosure Interpretations. See **C&DIs** (this index)
- Computation. See Calculation or computation, above
- Consistency, interest capitalization, **11:78**
- Consolidations, tax-advantaged investments, **24:47 to 24:49**
- Construction. See Interpretation or interpretations, below
- Construction period interest and taxes, accounting issues affecting investment limited partnerships, **11:68 to 11:86, 11:121**
- Contributions
 - charitable contributions of appreciated property, alternative minimum tax, **11:165**
 - financial considerations affecting partnership, certificates of limited partnership and tax-advantaged investments, **24:31, 24:32, 24:39**
- Control
 - certificates of limited partnership, tax-advantaged investments, **24:20 to 24:22**
 - pollution control facilities, alternative minimum tax, **11:169**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

Conversions, tax-advantaged investments, **24:47 to 24:49**

Costs

avoided cost rules, uniform capitalization rules, **11:70 to 11:73, 11:78 to 11:86**

borrowing used to pay debt service or borrowing costs, limitation on deductibility of interest, **11:148**

development costs, alternative minimum tax, **11:166**

exploration costs, alternative minimum tax, **11:166**

intangible drilling costs (IDCs), alternative minimum tax, **11:172**

intangibles, capitalized-amortized deductions, related costs, **11:94**

mining costs, alternative minimum tax, **11:166**

substituted cost method of determining amount of additional capitalization, uniform capitalization rules, **11:82**

Courts

decisions. See Decisions of courts, below

Created intangibles, **11:99**

Credits

alternative minimum tax, **11:176, 11:177**

master limited partnerships, simplified reporting for electing large partnerships, **10:553 to 10:560, 10:562**

Current volume of financings in limited partnership format, **2:18**

Debt or indebtedness

avoided cost debt, uniform capitalization rules, **11:71**

borrowing used to pay debt service or borrowing costs, limitation on deductibility of interest, **11:148**

change in use of debt-financed asset, limitation on deductibility of interest, **11:154**

master limited partnerships, discharge of indebtedness income, **10:561 to 10:568**

traced debt, uniform capitalization rules, **11:70**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd**Deductions**

accounting issues affecting investment limited partnerships, **11:68 et seq.**

current expenses, treatment of, **11:27 to 11:44, 11:50, 11:65**

itemized deductions, alternative minimum tax, **11:170**

limitation on deductibility of interest, **11:118 to 11:157**

master limited partnerships, simplified reporting for electing large partnerships, **10:553 to 10:560**

Deferred asset method of determining amount of additional capitalization, uniform capitalization rules, **11:81**

Definitions

investment interest, **11:124**

net investment income, **11:125**

related party, **11:79**

Depository receipts, certificates of limited partnership, **24:13 to 24:18**

Deposits

account deposits, **11:144**

master limited partnerships, electing large partnership adjustment proceedings, **10:616**

Depreciation, alternative minimum tax, **11:161**

Derivative actions, tax-advantaged investments, **24:50**

Determinations, uniform capitalization rules, **11:72**

Development

costs, alternative minimum tax, **11:166**

master limited partnerships, development costs and simplified reporting for electing large oil and gas partnerships, **10:572**

Direct payment disbursements, limitation on deductibility of interest, **11:146**

Disclosure

compliance and Disclosure Interpretations. See **C&DIs** (this index)

due diligence and civil liability, inadequate or materially misleading disclosure, **8:188**

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

Dissolution

distribution of asset on dissolution, certificates of limited partnership and tax-advantaged investments, **24:37**

tax-advantaged investments, **24:46**

Distributions

certificates of limited partnership and tax-advantaged investments, **24:33, 24:36 to 24:39**

financial considerations affecting partnership, certificates of limited partnership and tax-advantaged investments, **24:37**

master limited partnerships, electing large partnership adjustments, **10:593, 10:594**

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:188**

Duties

general partners, certificates of limited partnership and tax-advantaged investments, **24:41, 24:42**

Effective dates

limitation on deductibility of interest, accounting issues affecting investment limited partnerships, **11:134 to 11:136**

master limited partnerships. See **Master Limited Partnerships** (this index)

revised Uniform Limited Partnership Act (RULPA), tax-advantaged investments, **24:54**

Elections

avoidance of tracing requirement, uniform capitalization rules, **11:73**

limitation on deductibility of investment interest, accounting issues affecting investment limited partnerships, **11:131**

master limited partnerships. See **Master Limited Partnerships** (this index)

Eligibility

taxable year, certificates of limited partnership and tax-advantaged

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

Eligibility—Cont'd

investments, **24:29**

Examples, capitalized-amortized deductions, **11:117**

Exceptions or exclusions

fifteen-percent expense calculation, limitation on deductibility of investment interest, **11:130**

master limited partnerships. See **Master Limited Partnerships** (this index)

rule 147 of Securities Act of 1933, **App G**

tax-exempt. See Tax-exempt, below

Expense or expenses

capitalized-amortized deductions, prepaid expenses, **11:101**

circulation expenditures, alternative minimum tax, **11:173**

experimental expenditures, alternative minimum tax, **11:173**

interest capitalization

Accounting issues affecting investment limited partnerships, **11:74**

net losses, limitation on deductibility of investment interest, **11:128 to 11:133**

proposed regulations on allocation of interest expense among expenditures, limitation on deductibility of interest, **11:137 to 11:155**

research expenditures, alternative minimum tax, **11:173**

Experimental expenditures, alternative minimum tax, **11:173**

Exploration costs, alternative minimum tax, **11:166**

Extent of interest capitalization, accounting issues affecting investment limited partnerships, **11:87**

Farm activity losses, alternative minimum tax, **11:163**

Federal tax purposes, classification of entity as partnership for, **24:8, 24:8.50**

Fiduciary duties, general partners, **24:42**

Fifteen-percent expense calculation, limitation on deductibility of

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- investment interest, **11:130**
- Filing or filings
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- Final regulations
 - master limited partnerships, publicly traded partnership, **10:488**
 - uniform capitalization rules, **11:70 to 11:86**
- Financial matters
 - capitalized-amortized deductions, financial interests, **11:100**
 - considerations affecting partnership, certificates of limited partnership, **24:24 to 24:39**
- Financing
 - change in use of debt-financed asset, proposed regulations on allocation of interest expense among expenditures, **11:154**
 - current volume of financings in limited partnership format, **2:18**
 - refinancing, proposed regulations on allocation of interest expense among expenditures, **11:149**
- FINRA. See **Financial Industry Regulatory Authority (FINRA)** (this index)
- Flow-through or pass-through
 - limitation on deductibility of interest, entities, **11:150**
 - master limited partnerships, adjustments, **10:584, 10:590**
 - uniform capitalization rules, entities, **11:83 to 11:86**
- Foreign limited partnerships, tax-advantaged investments, **24:53**
- Foreign offerings
 - internet foreign offerings, below
- Future benefits identified in published guidance, **11:97**
- General partners
 - certificates of limited partnership and tax-advantaged investments, **24:41 to 24:44**
 - master limited partnerships, electing large partnership adjustment proceedings, **10:605**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- General principal of capitalization, **11:95**
- General rules, accounting issues affecting investment limited partnerships, **11:127, 11:139**
- Goodwill, amortization, **11:87**
- Grandfathered fiscal year, taxable year, **24:26**
- Guidelines, certificates of limited partnership, **24:22**
- Impact, alternative minimum tax, **11:178**
- Improvements to real property, **11:106**
- Incentive stock options (ISOs), alternative minimum tax, **11:174**
- Income tax purposes, classification of entity as partnership for federal tax purposes, **24:8**
- Indebtedness. See Debt or indebtedness, above
- Initial issuance of depositary receipts, certificates of limited partnership, **24:14**
- In-kind distributions, certificates of limited partnership and tax-advantaged investments, **24:38**
- Intangibles
 - alternative minimum tax, intangible drilling costs (IDCs), **11:172**
 - capitalized-amortized deductions, **11:87 et seq.**
- Interest on money
 - accounting issues affecting investment limited partnerships, **11:68 to 11:86, 11:118 to 11:157, 11:164**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- Interest or interests
 - certificates of limited partnership and tax-advantaged investments, **24:11, 24:12, 24:19**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- Interim distributions, certificates of limited partnership and tax-advantaged investments, **24:36**
- Interpretation or interpretations
 - compliance and Disclosure Interpretations. See **C&DIs** (this index)

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Investment limited partnerships
 - accounting issues, **11:1 to 11:179**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
 - at risk, **3:1 et seq.**
 - vehicle for tax-advantaged investments, **24:1 to 24:54**
- Investors, limited partnership agreement, **24:10**
- ISOs (incentive stock options), alternative minimum tax, **11:174**
- Itemized deductions
 - alternative minimum tax, **11:170**
 - limitations on miscellaneous itemized deductions, **11:65**
- Itemized deductions, alternative minimum tax, **11:170**
- JOBS Act (2012)
 - public offerings of RELPs, **26:3**
- Letters
 - no-action letters. See No-action letters, below
- Liability
 - assignor and assignee, certificates of limited partnership, **24:12**
 - return of distributions and capital contributions, certificates of limited partnership and tax-advantaged investments, **24:39**
- Limitations
 - deductibility of interest, accounting issues affecting investment limited partnerships, **11:118 to 11:157**
- Limited liability companies, comparison, **5:36, 5:37**
- Livestock programs, organization of agricultural investments, **17:9**
- Long-term contracts, alternative minimum tax, **11:167**
- Losses
 - allocations, certificates of limited partnership and tax-advantaged investments, **24:33**
 - farm activity losses, alternative minimum tax, **11:163**
 - net losses, accounting issues affecting investment limited partnerships, **11:128 to 11:133**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Losses—Cont'd
 - net operating loss (NOL), alternative minimum tax, **11:168**
 - passive activity losses (PALs), alternative minimum tax, **11:162**
 - passive loss. See **Passive Loss** (this index)
- Master limited partnerships. See **Master Limited Partnerships** (this index)
- Mechanics of interest capitalization, accounting issues affecting investment limited partnerships, **11:74 to 11:77**
- Memberships and related privileges, capitalized-amortized deductions, **11:102**
- Mergers, tax-advantaged investments, **24:47 to 24:49**
- Methods
 - capitalization and recovery, uniform capitalization rules, **11:78**
 - determining amount of additional capitalization, uniform capitalization rules, **11:80 to 11:82**
- Mining costs, alternative minimum tax, **11:166**
- Modification. See Change or modification, above
- Mortgage assumptions, limitation on deductibility of interest, **11:146**
- Name of partnership, certificates of limited partnership, **24:5**
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Net
 - investment income, accounting issues affecting investment limited partnerships, **11:125**
 - losses, accounting issues affecting investment limited partnerships, **11:128 to 11:133**
 - operating loss (NOL), alternative minimum tax, **11:168**
- No-action letters
 - regulation D, **16:15.50**
- NOL (net operating loss), alternative minimum tax, **11:168**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

Number. See Amount or number, above

Obtain contract rights, capitalized-amortized deductions, **11:104**

Offerings

- JOBS Act and public offerings of RELPs, **26:3**
- price. See Price of offering, below

Oil and gas. See **Oil and Gas** (this index)

Out-of-pocket expenses, accounting issues affecting investment limited partnerships, **11:133**

Owners and ownership

- flow-through entities, uniform capitalization rules, **11:85**

PALs (passive activity losses), alternative minimum tax, **11:162**

Passive loss. See **Passive Loss** (this index)

Pass-through. See Flow-through or pass-through, above

Payment or payments

- borrowing used to pay debt service or borrowing costs, limitation on deductibility of interest, **11:148**
- direct payment disbursements, limitation on deductibility of interest, **11:146**
- master limited partnerships. See **Master Limited Partnerships** (this index)

Percent or percentage

- alternative minimum tax, percentage depletion, **11:171**
- master limited partnerships. See **Master Limited Partnerships** (this index)
- twenty-five percent test, taxable year, **24:25**

Personal interest, limitation on deductibility of interest, **11:122, 11:136**

Phase-in rules, limitation on deductibility of interest, **11:134 to 11:136**

Pollution control facilities, alternative minimum tax, **11:169**

Powers of general partners, certificates of limited partnership and tax-advantaged investments, **24:41**

Preferences, alternative minimum tax, **10:559, 11:160 to 11:176**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

Principal place of business, certificates of limited partnership, **24:6**

Prior matters

- alternative minimum tax, prior law, **11:158, 11:175**
- master limited partnerships, electing large partnership audit systems, **10:585**

Private offering exemption from registration requirements of Securities Act of 1933, **App A4**

Proceedings. See Actions and proceedings, above

Production

- flow-through entities, uniform capitalization rules, **11:84, 11:85**
- period, interest capitalization, **11:75**

Profits, certificates of limited partnership and tax-advantaged investments, **24:33**

Proposed regulations, accounting issues affecting investment limited partnerships, **11:137 to 11:155**

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Purchases and purchasers

- amortization, purchased intangibles, **11:87**

Qualified or qualifying matters

- master limited partnerships, qualifying large partnerships, simplified reporting for electing large partnerships, **10:552**
- residence interest, limitation on deductibility of interest, **11:140**

Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

Real estate taxes, capitalization of, **11:69**

Reallocation rules, limitation on deductibility of interest, **11:152 to 11:155**

Real property

- accounting issues affecting investment limited partnerships, **11:68 to 11:86, 11:106**
- broker-dealers, compliance for real estate limited partnership

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Real property—Cont'd
 - syndications, **15:1 et seq.**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - state substantive regulation of real estate programs, limited partner's rights and protective provisions, **12:15 to 12:19**
- Records, certificates of limited partnership and tax-advantaged investments, **24:45**
- Recovery methods, uniform capitalization rules, **11:78**
- Refinancing, limitation on deductibility of interest, **11:149**
- Reform. See Registration, above
- Refunds
 - master limited partnerships, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:577**
- Registration
 - Broker - Dealers. See **Broker - Dealers** (this index)
 - 1933 Act. See entries throughout this group
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Regulation D
 - C&DIs** (this index)
- Related party
 - current expenses, treatment of, **11:62, 11:63**
 - uniform capitalization rules, **11:78 to 11:86**
- Releases
 - private offering exemption from registration requirements of Securities Act of 1933, **App A4**
- Removal of general partners, certificates of limited partnership and tax-advantaged investments, **24:44**
- Renewable rights, capitalized-amortized deductions, **11:114**
- Repayment ordering rules, limitation on deductibility of interest, **11:155**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Reports
 - master limited partnerships, transfers of MLP interests, **10:502**
- Representatives
 - master limited partnerships, electing large partnership adjustment proceedings, **10:605, 10:606**
- Re-RULPA, proposed revision of Revised Uniform Limited Partnership Act, **App U5**
- Research expenditures, alternative minimum tax, **11:173**
- Residence
 - qualified residence interest, limitation on deductibility of interest, **11:140**
- Return
 - liability for return of distributions and capital contributions, financial considerations affecting partnership, **24:39**
 - limitation on deductibility of investment interest, accounting issues affecting investment limited partnerships, **11:132**
- Revenue Procedure 87-32, taxable year, **24:27**
- Revised Uniform Limited Partnership Act
 - re-RULPA, proposed revision of Revised Uniform Limited Partnership Act, **App U5**
 - tax-advantaged investments, **24:54**
- Rights of general partners, certificates of limited partnership and tax-advantaged investments, **24:41**
- At risk, investment limited partnerships, **3:1 et seq.**
- Role of capital accounts, certificates of limited partnership and tax-advantaged investments, **24:35**
- Rule 147 of Securities Act of 1933, **App G**
- Rules
 - federal tax purposes, historical rules, classification of entity as partnership, **24:8.50**
 - general rules, accounting issues affecting investment limited partnerships, **11:127, 11:139**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd**Rules—Cont'd**

- master limited partnerships. See **Master Limited Partnerships** (this index)
- phase-in rules, limitation on deductibility of interest, **11:134 to 11:136**
- reallocation rules, limitation on deductibility of interest, **11:152 to 11:155**
- repayment ordering rules, limitation on deductibility of interest, **11:155**
- tracing rules, accounting issues affecting investment limited partnerships, **11:70 to 11:73, 11:139 to 11:151**
- uniform capitalization rules, accounting issues affecting investment limited partnerships, **11:68 to 11:86**

RULPA. See Revised Uniform Limited Partnership Act, above

Safe harbors

- amortization, **11:115**
- certificates of limited partnership, tax-advantaged investments, **24:21**

Sales

- asset sales, limitation on deductibility of interest, **11:153**
- resale. See Resale, above

S corporations, limitation on passive losses under Tax Reform Act of 1986, **22:54**

Section 197, capitalized-amortized deductions, **11:88 et seq.**

Section 263, capitalized-amortized deductions, **11:93**

Securities and Exchange Commission no-action letters. See No-action letters, above

releases. See Releases, above

Separate and distinct intangible, **11:96**

Service or services, borrowing used to pay debt service, **11:148**

Shareholders, ownership of flow-through entities, **11:85**

Significant future benefits, **11:97**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd**State**

California. See California law, above

Subsequent amendments, alternative minimum tax, **11:159 to 11:178**

Substituted matters

cost method of determining amount of additional capitalization, uniform capitalization rules, **11:82**

limited partner, surrender of depositary receipts, **24:17**

Surrender of depositary receipts, certificates of limited partnership, **24:17**

Taxable year or years

certificates of limited partnership and tax-advantaged investments, **24:24 to 24:30**

master limited partnerships, electing large partnership audit systems, **10:585**

Tax-advantaged investments, investment limited partnership as vehicle for, **24:1 to 24:54**

Tax-exempt

interest, alternative minimum tax, **11:164**

master limited partnerships. See **Master Limited Partnerships** (this index)

obligations, limitation on deductibility of interest, **11:157**

securities, limitation on deductibility of interest, **11:138**

Tax purposes, classification of entity as partnership for federal tax purposes, **24:8, 24:8.50**

Tax Reform Act of 1986

alternative minimum tax, **11:159 to 11:178**

limitation on deductibility of interest, **11:118 et seq.**

uniform capitalization rules, **11:68 to 11:86**

Termination

capitalized-amortized deductions, termination of contract rights, **11:105, 11:112**

master limited partnerships. See **Master Limited Partnerships** (this index)

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Termination—Cont'd
 - prior law preferences eliminated, **11:175**
- Term of partnership, certificates of limited partnership and tax-advantaged investments, **24:7**
- Time
 - construction period interest and taxes, accounting issues affecting investment limited partnerships, **11:68 to 11:86**
 - effective dates. See *Effective dates*, above
 - long-term contracts, alternative minimum tax, **11:167**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
 - production period, interest capitalization, **11:75**
 - taxable year or years. See *Taxable year or years*, above
 - term of partnership, certificates of limited partnership, **24:7**
- Title to intangible property, amounts paid to defend or perfect, **11:107**
- Tracing rules, accounting issues affecting investment limited partnerships, **11:70 to 11:73, 11:137 to 11:155**
- Trading
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- Transactions
 - capitalized-amortized deductions, transaction costs, **11:110 et seq.**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
 - use of depositary receipts in transactions, certificates of limited partnership and tax-advantaged investments, **24:13 to 24:18**
- Transfers
 - depositary receipts, certificates of limited partnership and tax-advantaged investments, **24:16**
 - master limited partnerships. See **Master Limited Partnerships** (this index)

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Transfers—Cont'd
 - partnership interest transferability, certificates of limited partnership and tax-advantaged investments, **24:11**
- Treatment
 - capitalized-amortized deductions, accounting issues affecting investment limited partnerships, **11:93**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- Twelve month rule, capitalized-amortized deductions, **11:111, 11:112**
- Twenty-five percent test, taxable year, **24:25**
- Uniform capitalization rules
 - accounting issues affecting investment limited partnerships, **11:68 to 11:86**
 - current expenses, treatment of, **11:24 to 11:25**
- Uniform laws, tax-advantaged investments, **24:3, 24:4, 24:54**
- Uniform Limited Partnership Act
 - 1976 version, **App U3**
 - Generally, **App U4a**
 - 1985 version, **App U4**
 - tax-advantaged investments, **24:3**
- Uniform Partnership Act, tax-advantaged investments, **24:4**
- Units
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- Use
 - depositary receipts in transactions, certificates of limited partnership and tax-advantaged investments, **24:13 to 24:18**
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- Vehicle for tax-advantaged investments, investment limited partnership, **24:1 to 24:54**
- Voting rights, certificates of limited partnership and tax-advantaged

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd
investments, **24:18**

- Winding up of partnership, tax-advantaged investments, **24:46**
- Withdrawal of general partner, certificates of limited partnership and tax-advantaged investments, **24:43**

LIQUIDATION

- Corporate income tax, Tax Reform Act of 1986, **1:51**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate mortgage investment conduits, rights not treated as interests, **28:16**

LISTS AND LISTINGS

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, listing standards on Nasdaq for limited partnerships, **13:28**
- IRS audit program. See **Audits - IRS** (this index)
- Real estate investment trusts, listing on stock exchange, **25:125, 25:131**

LITERATURE

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:21 to 13:29, 13:39**
- Publicly registered real estate syndications, sales literature, **26:105**

LIVESTOCK PROGRAMS

- Generally, **17:1 to 17:98**
- Accelerated cost recovery system, depreciation, **17:62**
- Accounting rules, **17:33 to 17:44**
- Activity
 - deductions, **17:45 to 17:54**
 - passive activity loss rules, limitation on losses, **17:26, 17:27**
 - profit, activity engaged in for, **17:10 to 17:25**
- Advantages of allocating purchase price to foal, basis, **17:81**
- Advisor expertise, facts and circumstances test for activity engaged in for profit, **17:13**

LIVESTOCK PROGRAMS—Cont'd

- Agriculture. See Farming and agriculture, below
- Allocation of basis, purchase of mare in foal, **17:79 to 17:83**
- Amount of depreciation deduction, **17:65**
- Analysis of precedent, purchase of mare in foal, **17:82, 17:83**
- Antichurning rules, depreciation, **17:66**
- Anticipated tax benefits, expected profits cannot include, **17:25**
- Appreciation expectations, facts and circumstances test for activity engaged in for profit, **17:15**
- Background or history, **17:17, 17:93 to 17:97**
- Basis, **17:29, 17:30, 17:76 to 17:83**
- Breeding, **17:1 et seq.**
- Broodmares, **17:51 to 17:54, 17:95**
- Business
 - activity deductions, **17:48**
 - cattle feeding and breeding, **17:84 to 17:91**
 - thoroughbreds and standardbreds, **17:93 to 17:97**
- Capital gain treatment, sales and exchanges of livestock, **17:69, 17:70**
- Capitalization of costs, accounting rules, **17:39 to 17:43**
- Casualties, deductions for expenses incurred by, **17:44**
- Cattle, **17:1 et seq.**
- Condition to deducting rent, broodmare rental, **17:52**
- Costs
 - capitalization, accounting rules, **17:39 to 17:43**
 - depreciation, **17:62, 17:67**
- Crop disaster payments, deferral of income, **17:55**
- Dairy programs, **17:6**
- Deductions
 - activity deductions, **17:45 to 17:54**
 - depreciation, **17:62 to 17:67, 17:71**
 - expenses incurred by casualties, accounting rules, **17:44**
- Deferral of income, **17:55, 17:56**
- Depreciation, **17:62 to 17:67, 17:71**

INDEX

LIVESTOCK PROGRAMS—Cont'd

- Determination of presumption that activity is engaged in for profit, postponing, **17:23**
- Disadvantages of allocating purchase price to foal, purchase of mare in foal, **17:80**
- Disaster payments for crops, deferral of income, **17:55**
- Disclosure, **17:86 to 17:91**
- Drafting disclosure document for cattle feeding or breeding program, **17:90, 17:91**
- Drought, proceeds from livestock sold because of, **17:56**
- Economics of cattle industry, full disclosure, **17:88**
- Effect
 - postponing determination of presumption that activity is engaged in for profit, **17:23**
 - presumption that activity is engaged in for profit, **17:24**
- Effort, facts and circumstances test for activity engaged in for profit, **17:14**
- Elections, **17:37, 17:38, 17:67**
- Elements of personal pleasure or recreation, facts and circumstances test for activity engaged in for profit, **17:20**
- Exceptions, limitations on prepayments of expenses, **17:58**
- Exchanges of livestock, **17:69 to 17:75**
- Expectations, activity engaged in for profit, **17:15, 17:25**
- Expense or expenses
 - deductions for expenses incurred by casualties, accounting rules, **17:44**
 - elections, **17:37, 17:38, 17:67**
 - prepayments of expenses, **17:57 to 17:61**
- Expertise of taxpayer or advisor, facts and circumstances test for activity engaged in for profit, **17:13**
- Facts and circumstances test, activity engaged in for profit, **17:11 to 17:20**
- Fair market value, purchase price in excess of, **17:77**
- Farming and agriculture
 - capitalization of costs, farm price method, **17:41**

LIVESTOCK PROGRAMS—Cont'd

- Farming and agriculture—Cont'd
 - crop disaster payments, deferral of income, **17:55**
 - limitations on prepayments of expenses, farming syndicates, **17:59**
 - organization of agricultural investments, **17:7 to 17:9**
- Feeding, **17:1 et seq.**
- Fees, activity deductions for breeding and stud fees, **17:47 to 17:49**
- Financial status of taxpayer, facts and circumstances test for activity engaged in for profit, **17:19**
- Foal, purchase of mare in, **17:49, 17:79 to 17:83**
- Full disclosure, **17:86 to 17:89**
- Futures trading use, full disclosure, **17:89**
- General limitations on prepayments of expenses, **17:61**
- General presumption that activity is engaged in for profit, **17:22**
- Guarantee issue, basis of partnership interest, **17:30**
- History or background, **17:17, 17:93 to 17:97**
- Horses
 - Generally, **17:1 to 17:98**
 - business background, **17:93 to 17:97**
 - capital gain treatment, horses held for sporting purposes, **17:70**
 - depreciation, **17:64**
 - like-kind exchanges of horses, **17:75**
 - mares. See Mares, below
 - racing and race horses, **17:1 et seq.**
 - standardbreds, **17:97**
 - thoroughbreds, **17:93 to 17:97**
- Income
 - deferral of income, **17:55, 17:56**
 - history of income from activity, facts and circumstances test, **17:17**
 - self-employment income, passive activity loss rules, **17:27**
- Industry, **17:88, 17:97**
- Installment sales, **17:73**
- Investment, **17:1 et seq.**
- Investment tax credit, **17:32, 17:68**
- Lease vs sale, broodmare rental, **17:53, 17:54**

LIVESTOCK PROGRAMS—Cont'd

- Like-kind exchanges of horses, **17:75**
- Limitations
 - losses, **17:26 to 17:32**
 - prepayments of expenses, **17:57 to 17:61**
- Limited partnerships, organization of agricultural investments, **17:9**
- Loss or losses
 - history of loss from activity, facts and circumstances test, **17:17**
 - limitation on losses, **17:26 to 17:32**
- Management contracts, organization of agricultural investments, **17:8**
- Mares
 - broodmares, **17:51 to 17:54, 17:95**
 - purchase of mare in foal, **17:49, 17:79 to 17:83**
 - thoroughbreds, **17:95**
- Mechanics of expense election, accounting rules, **17:38**
- Method or methods
 - capitalization of costs, accounting rules, **17:40 to 17:43**
 - operations, facts and circumstances test for activity engaged in for profit, **17:12**
- Occasional profits, facts and circumstances test for activity engaged in for profit, **17:18**
- Operations
 - business operations involved in feeding, full disclosure, **17:87**
 - method of operations, facts and circumstances test for activity engaged in for profit, **17:12**
- Organization of agricultural investments, **17:7 to 17:9**
- Original issue discount rules, sales and exchanges of livestock, **17:72**
- Other breeding programs, **17:4**
- Partnerships
 - limitation on losses, **17:28 to 17:30**
 - limited partnerships, organization of agricultural investments, **17:9**
- Passive activity loss rules, limitation on losses, **17:26, 17:27**
- Payments
 - disaster payments for crops, deferral of income, **17:55**

LIVESTOCK PROGRAMS—Cont'd

- Payments—Cont'd
 - prepayments of expenses, **17:57 to 17:61**
- Periods of recovery, depreciation, **17:63, 17:64**
- Personal pleasure element, facts and circumstances test for activity engaged in for profit, **17:20**
- Pleasure element, facts and circumstances test for activity engaged in for profit, **17:20**
- Postponing determination of presumption that activity is engaged in for profit, **17:23**
- Precedent analysis, purchase of mare in foal, **17:82, 17:83**
- Prepayments of expenses, **17:57 to 17:61**
- Presumption that activity is engaged in for profit, **17:22 to 17:24**
- Price
 - capitalization of costs methods, accounting rules, **17:41 to 17:43**
 - fair market value, basis where purchase price in excess of, **17:77**
 - mare in foal, basis and purchase price, **17:79 to 17:83**
- Proceeds from livestock sold because of drought, deferral of income, **17:56**
- Profit, activity engaged in for, **17:10 to 17:25**
- Purchase
 - fair market value, purchase price in excess of, **17:77**
 - mare in foal, **17:49, 17:79 to 17:83**
- Racing and race horses, **17:1 et seq.**
- Raising livestock business, breeding and stud fees, **17:48**
- Ranching programs, **17:6**
- Recapture, sales and exchanges of livestock, **17:71**
- Recreation element, facts and circumstances test for activity engaged in for profit, **17:20**
- Rental of broodmare, activity deductions, **17:51 to 17:54**
- Rent deduction condition, broodmare rental, **17:52**
- Risk
 - factors, drafting disclosure document

INDEX

LIVESTOCK PROGRAMS—Cont'd

- Risk—Cont'd
 - for cattle feeding or breeding program, **17:91**
 - at risk, limitation on losses, **17:31, 17:32**
- At risk, limitation on losses, **17:31, 17:32**
- Rules
 - accounting rules, **17:33 to 17:44**
 - antichurning rules, depreciation, **17:66**
 - original issue discount rules, sales and exchanges of livestock, **17:72**
 - passive activity loss rules, limitation on losses, **17:26, 17:27**
- Safe harbors, unit livestock price method of cost capitalization, **17:43**
- Sales
 - Generally, **17:69 to 17:75**
 - lease vs sale, broodmare rental, **17:53, 17:54**
 - proceeds from livestock sold because of drought, deferral of income, **17:56**
 - thoroughbreds, yearlings and broodmares, **17:95**
- Self-employment income, passive activity loss rules, **17:27**
- Similar activity success, facts and circumstances test for activity engaged in for profit, **17:16**
- Special presumption that activity is engaged in for profit, **17:23**
- Sporting purposes, horses held for, **17:70**
- Standardbreds, business background, **17:97**
- Stud fees, activity deductions, **17:47 to 17:49**
- Success in similar activities, facts and circumstances test for activity engaged in for profit, **17:16**
- Syndicates, farming, **17:59**
- Tax-free exchanges of livestock, **17:74, 17:75**
- Taxpayers
 - expertise, facts and circumstances test for activity engaged in for profit, **17:13**

LIVESTOCK PROGRAMS—Cont'd

- Taxpayers—Cont'd
 - financial status of taxpayer, facts and circumstances test for activity engaged in for profit, **17:19**
 - treatment of taxpayer as owner of livestock, basis, **17:78**
- Tax Reform Act of 1984, limitations on prepayments of expenses, **17:60**
- Thoroughbreds, business background, **17:93 to 17:97**
- Time
 - deferral of income, **17:55, 17:56**
 - facts and circumstances test, activity engaged in for profit, **17:14**
 - postponing determination of presumption that activity is engaged in for profit, **17:23**
 - recovery periods, depreciation, **17:63, 17:64**
- Treatment
 - basis, treatment of taxpayer as owner of livestock, **17:78**
 - capital gain treatment, sales and exchanges of livestock, **17:69, 17:70**
- Types of programs, **17:2 to 17:6**
- Unit livestock price method, capitalization of costs, **17:42, 17:43**
- Use of futures trading, full disclosure, **17:89**
- Yearlings, thoroughbreds, **17:95**

LLCS

- See **Limited Liability Companies** (this index)

LOANS

- Borrowings. See **Borrowings** (this index)
- Due diligence and civil liability, lenders and control person liability for inadequate or materially misleading disclosure, **8:148**
- Investment limited partnerships, assets requirement under Rule 147, **6:122**
- Motion pictures, amortization transaction, **20:5**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)

LOANS—Cont'd

S corporations, self-charged interest on direct loan to S corporation, **22:46**

LOCAL TAXES

Individual income tax, Tax Reform Act of 1986, **1:58**

Payroll and sales taxes, **11:49**

LOCATION OR PLACE

Limited partners and partnerships, principal place of business, **24:6**

LONGSTANDING PARTICIPATION (FIVE YEAR) TEST

Passive loss, alternative tests for material participation under 1988 regulations, **4:41**

LONG TERM

Agreements or contracts. See **Agreements or Contracts** (this index)

Objectives, non-livestock farming, **18:3**

LOSS AND LOSSES

American Jobs Creation Act of 2004, loss transactions, **23:13**

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)

Capital losses, Tax Reform Act of 1986, **1:22 to 1:25**

Corporate income tax, limitations on net operating losses, **1:50**

Due Diligence (this index)

Equipment leasing, guarantee against loss, **19:16**

Farmland and agriculture, limitations, **18:7**

Individual income tax, changes in treatment of hobby losses, **1:62**

Limited liability companies. See **Limited Liability Companies** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs. See **Livestock Programs** (this index)

Master limited partnerships. See **Master Limited Partnerships** (this index)

Net loss. See **Net** (this index)

Net losses. See **Net** (this index)

LOSS AND LOSSES—Cont'd

Oil and gas programs, abandonment losses, **16:53**

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss. See **Passive Loss** (this index)

Real estate. See **Real Estate** (this index)

At risk. See **At Risk** (this index)

S corporations. See **S Corporations** (this index)

LOST DEDUCTION EXCEPTION

Bail-outs of burned-out tax shelters, cancellation of indebtedness income, **27:14**

LOWER RISK ACTIVITIES

Oil and gas, benefits of programs after Tax Reform Act of 1986, **16:19**

LOW INCOME COMMUNITY INVESTMENT

New markets tax credit under Section 45D, **9:128**

LOW INCOME HOUSING

Business and capital investment, Tax Reform Act of 1986, **1:12**

Credit. See **Low Income Housing Credit** (this index)

Real estate. See **Real Estate** (this index)

LOW INCOME HOUSING CREDIT

Passive loss, special rules for rental activities and limited partnerships, **4:13**

Real estate, **9:132 to 9:165**

“L.W. HARDY CO. V COMMISSIONER” CASE

Equipment leasing, **19:68**

MAILING OF NOTICE

Master limited partnerships, appeal disallowed if IRS mails notice of adjustment, **10:624**

MAINTENANCE

Capital account, partners and partnerships, **10:96 to 10:98**

Investor lists, IRS audit program, **23:4, 23:23, 23:73 to 23:75**

Real estate investment trusts, requirements, **25:131**

INDEX

MAINTENANCE—Cont'd

Records, broker-dealers, **15:70**

MAKING GIFT OF PARTNERSHIP INTEREST TO FAMILY MEMBERS

Bail-outs of burned-out tax shelters,
27:68

MANAGEMENT

Broker-dealers, due diligence investigation of sponsor, **15:83, 15:84**

Centralized management. See **Centralized Management** (this index)

Due diligence. See **Due Diligence** (this index)

Full disclosure, **7:48, 7:54**

Full disclosure, prospectus, **7:48**

Limited liability companies. See **Limited Liability Companies** (this index)

Livestock programs, contracts, **17:8**

Managers. See **Managers** (this index)

Oil and gas. See **Oil and Gas** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Property management agreement for tenants in common transaction,
App J2

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

MANAGERS

Limited liability companies, organization, **5:47, 5:48**

Role of sponsor-manager, **2:17**

MANDATORY MATTERS

Partners and partnerships. See **Partners and Partnerships** (this index)

MANUALS

Broker-dealers, manual of compliance and supervisory procedures for funding corporation, **30:8**

Form U-7 and NASAA SCOR Manual,
App L1

MANUFACTURING COMPANY

Research and development programs, advantages of partnership arrangement, **21:2**

MARES

See **Livestock Programs** (this index)

MARGIN ACCOUNT DEPOSITS

Investment limited partnerships, assets requirement under Rule 147, **6:124**

MARKDOWNS AND MARKUPS

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:36, 13:37, 13:39**

MARKET

See **Market or Markets** (this index)

MARKETABLE SECURITIES

Partners and partnerships, distributions,
10:150 et seq.

MARKETED OPINION

Audits-IRS, **23:122, 23:128**

MARKETING COSTS

Motion pictures, production service transaction, **20:23**

MARKET OR MARKETS

Fair market value. See **Fair Market Value** (this index)

Full disclosure, market risks, **7:44, 7:45**

National Securities Markets Improvement Act of 1996, **25:124 to 25:130, 26:157, 26:158**

Passive loss, IRS Market Segment Specialization Program, **4:135**

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

MARKUPS AND MARKDOWNS

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:36, 13:37, 13:39**

MASSACHUSETTS

Limited liability companies, operating agreements form, **31:12**

MASTER LEASE ARRANGEMENTS

Partners and partnerships, inclusion of debt in outside basis, **10:259**

MASTER LIMITED PARTNERSHIPS

Generally, **10:479 to 10:626**

1997 Act, electing large partnerships, **10:551 et seq.**

Acceptance of adjustment, electing large partnership adjustment proceedings, **10:618**

Accounting

1997 Act, accounting for adjustments in year they take effect, **10:583**

capital account, transfers of MLP interests, **10:491**

conventions, transfers of MLP interests, **10:498**

Adjustments

alternative minimum tax adjustment, simplified reporting for electing large oil and gas partnerships, **10:573**

electing large partnership audit systems, **10:583, 10:584, 10:588 to 10:625**

Administrative adjustments, requests for, **10:619 to 10:625**

Agreement to extend adjustment period, requests for administrative adjustments, **10:621**

Allocation issues, simplified reporting for electing large partnerships, **10:566**

Alternative minimum tax, simplified reporting for electing large partnerships, **10:559, 10:573**

Amount

alternative minimum tax, simplified reporting for electing large partnerships, **10:559, 10:573**

final adjustment, electing large partnership adjustment proceedings, **10:613**

Anticipated regulations, electing large partnership audit systems, **10:587**

Appeal and review, electing large partnership audit systems, **10:580, 10:617, 10:622 to 10:625**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

Application of TEFRA audit rules, electing large partnership audit systems, **10:586**

Appointment of representatives, electing large partnership adjustment proceedings, **10:606**

Audit, electing large partnership audit systems, **10:573 to 10:626**

Background, electing large partnership audit systems, **10:574**

Binding of partners, electing large partnership adjustment proceedings, **10:604**

Calculation or computation

imputed underpayment, electing large partnership adjustments, **10:597**

income, deductions and credits of large partnership, simplified reporting for electing large partnerships, **10:553 to 10:560**

Capital account, **10:491**

Capitalizing, **10:490**

Capital transactions, simplified reporting for electing large partnerships, **10:555**

Cash flow, publicly traded partnership, **10:483**

Ceiling rule, transfers of MLP interests, **10:494**

Cessation of existence of large partnership, electing large partnership adjustments, **10:595**

Change or modification

distributive shares, electing large partnership adjustments, **10:594**

treatment of items reported to partners of large partnerships, simplified reporting for electing large partnerships, **10:555 to 10:560**

Characterization of MLP income or loss, transfers of MLP interests, **10:499**

Classification, publicly traded partnership, **10:485**

Clerical errors, electing large partnership adjustment proceedings, **10:611**

Collection of imputed underpayment and interest, electing large partnership adjustments, **10:602**

Compliance issues, transfers of MLP interests, **10:502**

MASTER LIMITED PARTNERSHIPS

—Cont'd

- Computation. See Calculation or computation, above
- Constructive termination, **10:497, 10:560**
- Credits, simplified reporting for electing large partnerships, **10:553 to 10:560, 10:562**
- Deductions, simplified reporting for electing large partnerships, **10:553 to 10:560**
- Deposit required, electing large partnership adjustment proceedings, **10:616**
- Development costs, simplified reporting for electing large oil and gas partnerships, **10:572**
- Disallowance
 - adjustments, requests for administrative adjustments, **10:622 to 10:625**
 - appeal disallowed if IRS mails notice of adjustment, requests for administrative adjustments, **10:624**
- Discharge of indebtedness income, simplified reporting for electing large partnerships, **10:561**
- Dismissal of action, electing large partnership adjustment proceedings, **10:618**
- Disqualified persons, simplified reporting for electing large oil and gas partnerships, **10:571**
- Distributions
 - electing large partnership adjustments, **10:593, 10:594**
 - publicly traded partnership, cash flow, **10:483**
- Drilling costs, simplified reporting for electing large oil and gas partnerships, **10:572**
- Effective dates
 - accounting for adjustments in year they take effect, 1997 Act, **10:583**
 - electing large partnership adjustments, **10:589**
- Elections
 - large partnership audit systems, **10:574 to 10:626**

MASTER LIMITED PARTNERSHIPS

—Cont'd

- Elections—Cont'd
 - section 754, **10:496, 10:567**
 - simplified reporting for electing large partnerships, **10:550 to 10:573**
- Errors, electing large partnership adjustment proceedings, **10:611**
- Exemptions from tax, simplified interest reporting for electing large partnerships, **10:563**
- Extension of adjustment period, requests for administrative adjustments, **10:621**
- Filing
 - appeal of disallowed adjustment, requests for administrative adjustments, **10:623**
 - petition, electing large partnership adjustment proceedings, **10:615**
- Final adjustment, electing large partnership adjustment proceedings, **10:613**
- Final regulations, publicly traded partnership, **10:488**
- Flow-through or pass-through of adjustments, **10:584, 10:590**
- Foreign tax credit, simplified reporting for electing large partnerships, **10:562**
- Fungibility of MLP units, transfers of MLP interests, **10:492, 10:494**
- General partner as representative of partnership, electing large partnership adjustment proceedings, **10:605**
- History of MLPs, **10:481**
- Imputed underpayment, electing large partnership audit systems, **10:584, 10:596, 10:597, 10:599, 10:600, 10:602**
- Income
 - passive income, simplified reporting for electing large partnerships, **10:556**
 - proper characterization of MLP income, transfers of MLP interests, **10:499**
 - simplified reporting for electing large partnerships, **10:553 to 10:560, 10:561, 10:564**
 - unrelated business taxable income, **10:564**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

- Injunctions, electing large partnership adjustment proceedings, **10:610**
- Installment sale rules, simplified reporting for electing large partnerships, **10:568**
- Intangible drilling and development costs, simplified reporting for electing large oil and gas partnerships, **10:572**
- Interest on money
 - imputed underpayments, electing large partnership adjustments, **10:599, 10:602**
 - tax-exempt interest, simplified reporting for electing large partnerships, **10:563**
- Internal Revenue Service (IRS)
 - appeal disallowed if IRS mails notice of adjustment, requests for administrative adjustments, **10:624**
 - appointment of representatives, electing large partnership adjustment proceedings, **10:606**
- Investment, real estate mortgage investment conduits (REMICs), simplified reporting for electing large partnerships, **10:565**
- IRS. See Internal Revenue Service (IRS), above
- Large partnerships, elections, **10:550 to 10:626**
- Late payments, electing large partnership adjustments, **10:601**
- Limitations
 - representative of partnership, electing large partnership adjustment proceedings, **10:605**
 - scope of review, requests for administrative adjustments, **10:625**
 - statute of limitations, electing large partnership audit systems, **10:620, 10:621, 10:626**
 - waiver of restrictions on adjustments, electing large partnership adjustment proceedings, **10:612**
- Loss
 - passive loss, simplified reporting for electing large partnerships, **10:556**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

- Loss—Cont'd
 - proper characterization of MLP loss, transfers of MLP interests, **10:499**
- Math errors, electing large partnership adjustment proceedings, **10:611**
- Modification. See Change or modification, above
- New partnership level audit rules, **10:549**
- Notice
 - appeal disallowed if IRS mails notice of adjustment, requests for administrative adjustments, **10:624**
 - electing large partnership adjustment proceedings, **10:607, 10:608**
 - tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), electing large partnership audit systems, **10:579**
- Offsetting adjustments, electing large partnership adjustments, **10:598**
- Oil and gas, simplified reporting for electing large partnerships, **10:569 to 10:573**
- Other tax items, simplified reporting for electing large partnerships, **10:561 to 10:568**
- Ownership, publicly traded partnership, **10:484**
- Passive income, simplified reporting for electing large partnerships, **10:556**
- Passive loss, simplified reporting for electing large partnerships, **10:556**
- Pass-through or flow-through of adjustments, **10:584, 10:590**
- Payment or payments
 - imputed underpayment, electing large partnership audit systems, **10:584, 10:596, 10:597, 10:599, 10:600, 10:602**
 - special ten-percent penalty for late payments, electing large partnership adjustments, **10:601**
- Penalties, electing large partnership adjustments, **10:600, 10:601**
- Percent or percentage, special ten-percent penalty for late payments, electing large partnership adjustments, **10:601**

MASTER LIMITED PARTNERSHIPS

—Cont'd

- Petitions, electing large partnership adjustment proceedings, **10:614, 10:615**
- Portion of yield tax sheltered, transfers of MLP interests, **10:500**
- Premature action, electing large partnership adjustment proceedings, **10:610**
- Prior matters, electing large partnership audit systems, **10:585**
- Proceedings, electing large partnership audit systems, **10:582, 10:603 to 10:618**
- Publicly traded partnership
 - cash flow, **10:483**
 - classification as partnership, **10:485**
 - distribution of cash flow, **10:483**
 - history of MLPs, **10:481**
 - ownership of MLP, **10:484**
 - structure of PTPs, **10:482**
 - tax reasons for MLP, **10:480 to 10:485**
 - treasury study of publicly traded limited partnerships, **10:548**
- Qualifying large partnerships, simplified reporting for electing large partnerships, **10:552**
- Readjustment of adjustments, electing large partnership adjustments, **10:592, 10:614**
- Real estate mortgage investment conduits (REMICs), simplified reporting for electing large partnerships, **10:565**
- Refunds, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:577**
- Regulations, anticipated regulations, electing large partnership audit systems, **10:587**
- Reporting
 - simplified reporting for electing large partnerships, **10:550 to 10:573**
 - transfers of MLP interests, **10:502**
- Representatives, electing large partnership adjustment proceedings, **10:605, 10:606**
- Requests for administrative adjustments, electing large partnership audit systems, **10:619 to 10:625**

MASTER LIMITED PARTNERSHIPS

—Cont'd

- Rescission of notice of adjustment, electing large partnership adjustment proceedings, **10:608**
- Return, treatment on partner's return under Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:575 to 10:580**
- Review and appeal, electing large partnership audit systems, **10:580, 10:617, 10:622 to 10:625**
- Rules
 - application of TEFRA audit rules, electing large partnership audit systems, **10:586**
 - ceiling rule, transfers of MLP interests, **10:494**
 - installment sale rules, simplified reporting for electing large partnerships, **10:568**
- Scope of review, requests for administrative adjustments, **10:625**
- Section 7704
 - enactment, **10:486**
 - transfers of MLP interests, **10:486 to 10:502**
- Separate assessments, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:576**
- Separately stated items, simplified reporting for electing large partnerships, **10:553 to 10:560**
- Separate refunds, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:577**
- Share or shares
 - change in distributive shares, electing large partnership adjustments, **10:594**
 - disqualified person's share of items, simplified reporting for electing large oil and gas partnerships, **10:570**
- Shelter of yield tax, transfers of MLP interests, **10:500**
- Simplified reporting for electing large partnerships, **10:550 to 10:573**
- Special ten-percent penalty for late payments, electing large partnership adjustments, **10:601**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

- Statute of limitations, electing large partnership audit systems, **10:620, 10:621, 10:626**
- Structures for forming MLP, **10:489**
- Study of publicly traded limited partnerships, **10:548**
- Tax consequences in forming MLPs, **10:495**
- Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), electing large partnership audit systems, **10:575 to 10:580, 10:586**
- Tax-exempt, simplified interest reporting for electing large partnerships, **10:563**
- Tax matters partner, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:578**
- Tax reasons for MLP, **10:480 to 10:485**
- Tax years, electing large partnership audit systems, **10:585**
- Ten-percent penalty for late payments, electing large partnership adjustments, **10:601**
- Termination
 - cessation of existence of large partnership, electing large partnership adjustments, **10:595**
 - constructive termination, **10:497, 10:560**
- Tiered structure, electing large partnership adjustments, **10:594**
- Time
 - effective dates. See Effective dates, above
 - electing large partnership adjustment proceedings, **10:609**
 - filing appeal of disallowed adjustment, requests for administrative adjustments, **10:623**
 - late payments, electing large partnership adjustments, **10:601**
 - premature action, electing large partnership adjustment proceedings, **10:610**
 - statute of limitations, electing large partnership audit systems, **10:620, 10:621, 10:626**
- Trading
 - publicly traded partnership, **10:482 et seq., 10:548**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

- Trading—Cont'd
 - treasury study of publicly traded limited partnerships, **10:548**
- Transactions, simplified reporting for electing large partnerships, capital transactions, **10:555**
- Transfers of MLP interests, **10:486 to 10:502**
- Treasury study of publicly traded limited partnerships, **10:548**
- Treatment
 - adjusted items treated as arising in current year, electing large partnership adjustments, **10:591**
 - adjustments treated as imputed underpayment, 1997 Act, **10:584**
 - changes in treatment of items reported to partners of large partnerships, simplified reporting for electing large partnerships, **10:555 to 10:560**
 - dismissal of action treated as acceptance of adjustment, electing large partnership adjustment proceedings, **10:618**
 - electing large partnership adjustment proceedings, **10:604**
 - return of partner, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:575 to 10:580**
- Units, fungibility of MLP units, transfers of MLP interests, **10:492, 10:494**
- Unrelated business taxable income, **10:564**
- Waiver of restrictions on adjustments, electing large partnership adjustment proceedings, **10:612**
- Yield tax, shelter, **10:500**

MATCHING SERVICES

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:45**
- Publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:110**

MATERIAL MATTERS

- Due diligence. See **Due Diligence** (this index)

INDEX

MATERIAL MATTERS—Cont'd

- Modification rule, bail-outs of burned-out tax shelters, **27:5 to 27:8**
- Participation. See **Passive Loss** (this index)
- Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk (Dec. 17, 2009), **App E**

MATERIALS

- Broker - Dealers. See **Broker - Dealers** (this index)

MATH ERRORS

- Master limited partnerships, electing large partnership adjustment proceedings, **10:611**

MATTER OF LAW

- Due diligence and civil liability, Section 11 civil liability, **8:13**

MAXIMUM DEBT TO EQUITY REQUIREMENT

- Broker-dealers, net capital requirements, **15:48**

MD&A DISCLOSURE

- Accelerated filer, amendment to definition, Regulation S-K, **7:4**
- Full disclosure, Regulation S-K, **7:42, 7:43**
- Large accelerated filer, amendment to definition, Regulation S-K, **7:4**
- Publicly registered real estate syndications, Securities Exchange Act of 1934, **26:132**

MEALS

- Individual income tax, limitations on deductions, **1:60**

MEANINGFUL CAUTIONARY STATEMENT SAFE HARBOR

- Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:181**

MEASUREMENT OF DOLLAR VALUE OF ASSETS

- Partners and partnerships, mergers, **10:410**

MECHANICS

- Elections. See **Elections** (this index)
- Interest capitalization, limited partners and partnerships, **11:74 to 11:77**
- Offering, broker-dealers, **15:90 to 15:93**

MEDICAL EXPENSES

- Individual income tax, Tax Reform Act of 1986, **1:58**

MEETINGS

- Real estate investment trusts, Blue Sky provisions, **25:99, 25:100**

“MELVIN V COMMISSIONER” CASE

- At risk, guarantees and other risk limiting arrangements, **3:32**

MEMBERS AND MEMBERSHIP

- Broker - Dealers. See **Broker - Dealers** (this index)
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:38**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Notice to, 91-69, **13:35**
- Partners and partnerships, proposed amendments to check-the-box regulations, **10:39**

MEMBERS OF FAMILY

- Bail-outs of burned-out tax shelters, making gift of partnership interest, **27:68**

MEMORANDUMS

- Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:176**

MERGERS

- Limited partners and partnerships, tax-advantaged investments, **24:47 to 24:49**
- Partners and partnerships, **10:399 to 10:416**

METHOD OR METHODS

- Accounting. See **Accounting** (this index)
- Calculation of return, **2:8 to 2:10**
- Equipment leasing, depreciation, **19:27**

METHOD OR METHODS—Cont'd

- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs. See **Livestock Programs** (this index)
- Motion pictures. See **Motion Pictures** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Prescribed depreciation methods. See **Prescribed Depreciation Methods** (this index)
- Real estate. See **Real Estate** (this index)
- Traditional method or methods. See **Traditional Method or Methods** (this index)

MICHIGAN

- Limited liability companies, manager-managed model agreement form, **31:13**

MIDDLEMAN SPONSOR

- Oil and gas, full disclosure, **16:63**

MID QUARTER CONVENTION

- Equipment leasing, **19:30**
- Real estate, Tax Reform Act of 1986, **9:26**

MINIMUM

- Alternative minimum tax. See **Alternative Minimum Tax** (this index)
- Broker-dealers, net capital, **15:43 to 15:46**
- Oil and gas, purchase, **16:77**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)

MINING COSTS

- Limited partners and partnerships, alternative minimum tax, **11:166**

MISCELLANEOUS ITEMIZED DEDUCTIONS

- Limitations, **11:65**

MISLEADING DISCLOSURE

- Due diligence and civil liability, **8:79 to 8:220**

MISREPRESENTATIONS

- Due Diligence** (this index)

MISSTATEMENTS

- Due diligence and civil liability, Rule 10b-5 and inadequate or materially misleading disclosure, **8:113**

MISTAKES

- See **Errors** (this index)

MIXED USE PROPERTY

- Real estate, eligible basis and low income housing credit, **9:144**

MLPS

- See **Master Limited Partnerships** (this index)

MODEL RULES AND CODES

- Due diligence and civil liability, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:124**

MODIFICATION

- See **Change or Changes** (this index)

MONEY

- Bail-outs of burned-out tax shelters, purchase money debt exception, **27:13**
- Calculation of return, time / value of money, **2:11**
- Cash. See **Cash** (this index)
- Interest on money. See **Interest on Money** (this index)
- Real estate. See **Real Estate** (this index)

MONEY LAUNDERING

- Broker-dealers, compliance for real estate limited partnership syndications, **15:116**

MORTGAGES

- Audits-IRS. See **Audits - IRS** (this index)
- Bail-outs of burned-out tax shelters, wraparound mortgages, **27:41**
- FASB ASC Topic No. 310, Receivables (former AICPA statement of position 97-1), **26:44**
- Limited partners and partnerships, mortgage assumptions, **11:146**
- North American Securities Administrators Association (NASAA), mortgage program guidelines, **App X**

INDEX

MORTGAGES—Cont'd

- Partners and partnerships. See **Partners and Partnerships** (this index)
- Pools, **1:46, 2:23, 28:45**
- Real estate. See **Real Estate** (this index)
- Real estate investment trusts (REITs). See **Real Estate Investment Trusts (REITs)** (this index)
- Wraparound mortgages, **10:263, 27:41**

MOST PARTICIPATION TEST

- Passive loss, alternative tests for material participation under 1988 regulations, **4:39**

MOTION PICTURES

- Generally, **20:1 to 20:43**
- Activity not engaged in for profit, amortization transaction, **20:9**
- Advertising costs, production service transaction, **20:23**
- Amortization transaction, **20:2, 20:4 to 20:16**
- Amount
 - computation of amount, at riskrule, **20:18, 20:19**
 - limitations of investment credits to amount at risk, **20:32**
- Avoidance, at riskrule, **20:19**
- Background, **20:1**
- Base for investment tax credit, **20:28**
- Bona fide debt, depreciation deductions, **20:12**
- Business format, usual, **20:2, 20:3**
- Computation
 - amount, at riskrule, **20:18, 20:19**
 - investment tax credit, **20:29 to 20:31**
- Contingent liability, depreciation deductions, **20:14**
- Costs for advertising and marketing, production service transaction, **20:23**
- Deductions, depreciation, **20:10 to 20:14**
- Depreciation, amortization transaction, **20:10 to 20:16**
- Eligible taxpayers, computation of investment tax credit, **20:31**
- Estates, investment tax credit, **20:35**
- Fair market value, depreciation deductions, **20:13**

MOTION PICTURES—Cont'd

- Financing, production service transaction, **20:22**
- Forty-percent method, investment tax credit, **20:38**
- General rule, computation of investment tax credit, **20:29**
- Holding of interest, at riskrule, **20:21**
- Income forecast method, depreciation under, **20:15**
- Intangible contract right to participate in profits, amortization transaction, **20:8**
- Interest holding, at riskrule, **20:21**
- Investment
 - limited partnerships, production and distribution, **6:128**
 - tax credit, **20:24 to 20:40**
- Joint venture, amortization transaction, **20:7**
- Lessees, investment tax credit, **20:34**
- License, amortization transaction, **20:6**
- Limitations, investment tax credit, **20:32**
- Loan, amortization transaction, **20:5**
- Marketing costs, production service transaction, **20:23**
- Method
 - depreciation under income forecast method, amortization transaction, **20:15**
 - forty-percent method, investment tax credit, **20:38**
 - ninety-percent method, investment tax credit, **20:30, 20:37**
- New films placed in service, investment tax credit, **20:26**
- Ninety-percent method, investment tax credit, **20:30, 20:37**
- Nonprofit activity, amortization transaction, **20:9**
- Obligation in excess of fair market value, depreciation deductions, **20:13**
- Partnerships
 - investment limited partnerships, production and distribution, **6:128**
 - investment tax credit, **20:35**
- Placed in service new films, investment tax credit, **20:26**
- Possible avoidance, at riskrule, **20:19**
- Post-1974 films, investment tax credit, **20:26 to 20:35**

MOTION PICTURES—Cont'd

- Pre-1975 films, investment tax credit, **20:36 to 20:40**
- Prior law usage, investment tax credit, **20:40**
- Production
 - investment limited partnerships, **6:128**
 - rents, produced film, **20:41**
 - service transaction, **20:3, 20:22, 20:23**
- Profits, amortization transaction, **20:8, 20:9**
- Qualifying films and taxpayers, investment tax credit, **20:27, 20:31**
- Rents, produced films, **20:41**
- Repeal of investment tax credit, **20:24 to 20:40**
- At risk, **20:17 to 20:21, 20:32**
- Rules, at risk, **20:17 to 20:21**
- S corporations, investment tax credit, **20:35**
- Service
 - new films placed in service, investment tax credit, **20:26**
 - production service transaction, **20:3, 20:22, 20:23**
- Sham transaction, depreciation deductions, **20:11**
- Sound recordings, **20:42**
- Subsequent purchasers, investment tax credit, **20:33**
- Taxpayers entitled to investment tax credit, **20:31**
- Transactions
 - amortization transaction, **20:2, 20:4 to 20:16**
 - production service transaction, **20:3, 20:22, 20:23**
 - sham transaction, depreciation deductions, **20:11**
 - usual business format, **20:2, 20:3**
- Transition
 - property, investment tax credit, **20:24**
 - at risk rule, **20:20**
- Trusts, investment tax credit, **20:35**
- Two-thirds investment tax credit, **20:29, 20:39**
- Use of prior law, investment tax credit, **20:40**
- Usual business format, **20:2, 20:3**

MOTION PICTURES—Cont'd

- Videocassettes, depreciation, **20:16**

**“MUKERJI V COMMISSIONER”
CASE**

- Equipment leasing, **19:61**

MULTIFACTOR APPROACH

- Investment limited partnerships, investment participations as securities, **6:12**

MULTI PARTY EXCHANGES

- Real estate, non-qualifying property—like-kind exchanges, **9:197, 9:198**

MULTIPLE ACTIVITIES

- Passive loss, **4:75, 4:76, 4:93**

MULTIPLE PROPERTIES

- Partners and partnerships, single liability allocated among, **10:332**

**MULTISTATE EQUIPMENT
LEASING**

- Sales and use taxes, **19:78**

NAME

- Corporate income tax, trade name expenditures, **1:53**
- Limited liability companies, **5:39**
- Limited partnership, certificates, **24:5**

NAREIT

- Discussion paper, funds from operations (FFO), **25:43**
- FFO, white paper on
 - generally, **25:29 to 25:37**
 - amortization, **25:30**
 - depreciation, **25:30**
 - disclosure of FFO, **25:33**
 - entities addressed in the FFO definition, **25:32**
 - gains and losses on property sales, **25:34**
 - impairments, write-downs for, **25:35**
 - nonrecurring items, **25:31**
 - property sales, gains and losses on, **25:34**
 - supplemental disclosures relating to FFO
 - capital expenditures, **25:36**
 - straight-line rents, **25:37**
 - write-downs for impairments, **25:35**

INDEX

NAREIT—Cont'd

Supplemental measure of performance, EBITDA for real estate, **25:46**

NASAA

See **North American Securities Administrators Association (NASAA)** (this index)

NASD

See **National Association of Securities Dealers (NASD)** (this index)

NASDAQ

Due diligence, public companies, periodic filings under Securities Exchange Act of 1934, **8:42**

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:28**

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD)

Broker - Dealers. See **Broker - Dealers** (this index)

Limited partnerships

broker-dealer compliance, real estate limited partnership syndications. See **Broker - Dealers** (this index)

Partnerships. Limited partnerships. See Limited partnerships, above

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

NATIONAL SECURITIES MARKETS IMPROVEMENT ACT OF 1996

Generally, **25:124 to 25:130, 26:157, 26:158**

NATURE OF BUSINESS

Limited liability companies, basic characteristics, **5:40**

“NEAR PRIVACY” RULE

Due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:205**

NEGATIVE BASIS ADJUSTMENTS

Partnership interests, sales, **10:370**

NEGATIVE CAPITAL ACCOUNT

Partners and partnerships, liquidating distributions, **10:167**

NEGLIGENCE

Due diligence. See **Due Diligence** (this index)

IRS audit program, taxpayer penalties, **23:33 to 23:36, 23:56, 23:57**

NET

Base year income, S corporations, **22:77**
Capital. See **Capital** (this index)

Cash flow, publicly registered real estate syndications, **26:43**

Income

investment income, **11:125, 19:12**

real estate mortgage investment conduits, **28:28, 28:29**

Investment income, **11:125, 19:12**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Loss or losses

limited partners and partnerships, accounting issues affecting investment limited partnerships, **11:128 to 11:133**

operating losses, **1:50, 11:168**

real estate mortgage investment conduits, taxation of holders of residual interests, **28:35**

Operating losses, **1:50, 11:168**

Present value, calculation of return, **2:13**

Profits interest, oil and gas, **16:12**

NET CAPITAL RULE

Broker-dealers, proposed amendments to, **15:45**

NET WORTH

Accredited investors, net worth standard, **6:50**

Partners and partnerships. See **Partners and Partnerships** (this index)

NEW FILMS PLACED IN SERVICE

Investment tax credit, **20:26**

NEW INVESTMENT DECISIONS

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:188**

NEW MARKETS TAX CREDIT

Real estate, Section 45D, **9:126 to 9:131**

NEW PARTNERS OR PARTNERSHIPS

Generally, **10:104, 27:36**

NEW YORK

Broker-dealers, form for registration materials, **30:6**

Due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:205, 8:206**

Limited liability companies, operating agreements form, **31:9**

Publicly registered real estate syndications, rollup rules, **26:164**

NINETY FIVE PERCENT TEST

Real estate investment trusts, income tests, **25:140**

NINETY PERCENT

Motion pictures, investment tax credit, **20:30, 20:37**

NO ACTION LETTERS

See **Securities and Exchange Commission** (this index)

NOL (NET OPERATING LOSSES)

Generally, **1:50, 11:168**

NOMINEES

IRS audit program, nominee reporting to partnership, **23:83 et seq.**

Real estate, nominee corporations, **9:174 to 9:176**

NONACCREDITED INVESTORS

Real estate, state regulation of private real estate securities transactions, **14:12**

NONALLOWABLE ASSETS

Broker-dealers, computation of net capital, **15:51**

NONBUSINESS INTEREST LIMITATIONS

Tax shelters and interest expense, Tax Reform Act of 1986, **1:19**

NON-CASH SALES INCENTIVES

FINRA rules, **13:15**

NONCLIENT DISCLOSURE OBLIGATIONS

Due diligence and civil liability, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:125**

NONCOMPETITION COVENANTS

Fifteen-year amortization for intangibles, **11:22**

NONCONTINGENT BOND METHOD

Timing of interest deductions under Tax Reform Act of 1984, **11:36**

NONCONVERTIBLE DEBT SECURITIES

Broker-dealers, computation of net capital, **15:55**

NONCORPORATE LESSORS

Equipment leasing, investment tax credit, **19:45**

NONCORPORATE TAXPAYERS

Research and development programs, alternative minimum tax, **21:30**

NONCUSTOMARY OWNER SERVICES

Passive loss, participation defined under 1988 regulations, **4:46**

NONDEPRECIABLE PROPERTY

Partners and partnerships, revaluation of assets and allocation of income and losses, **10:135 et seq.**

Passive loss, rents, **4:72**

NONDISCRETIONARY ACCOUNTS

Investment limited partnerships, common law duties of broker-dealer to customers, **6:288**

NONEXCLUSIVE USE

Passive loss, exceptions to rental activity status under 1988 regulations, **4:32**

NONKNOWING DEFENDANTS

Due diligence and civil liability, modified proportionate liability for inadequate or materially misleading disclosure, **8:192**

NONLIVESTOCK FARMING

Generally, **18:3 to 18:5**

INDEX

NONMARKETABLE SECURITY

Partners and partnerships, distributions, **10:153, 10:160**

NONMEMBER TRANSACTIONS

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:43**

NONPROFIT

Farmland and agriculture, activity not engaged in for profit, **18:8**
Motion pictures, activity not engaged in for profit, **20:9**
Real estate. See **Real Estate** (this index)

NONPUBLIC DELAWARE LIMITED LIABILITY COMPANY

Operating agreement, **App Z1**

NONPUBLICLY TRADED PROPERTY

Issuance of contingent debt instruments, **11:37**

NONQUALIFYING PROPERTY

Real estate, like-kind exchanges, **9:192 et seq.**

NONRECOGNITION TRANSACTIONS

Partners and partnerships, distributions and contributions, **10:163, 10:205**

NONRECOURSE

Bail-outs of burned-out tax shelters, debt, **27:54**
Partners and partnerships. See **Partners and Partnerships** (this index)
At risk, qualified nonrecourse financing as increasing amounts at risk, **3:16 to 3:25**

NONRECURRING ITEMS

Real estate investment trusts, funds from operations (FFO), **25:31**

NONRESIDENTIAL REAL PROPERTY

Depreciation recapture, **9:57**

NONTAX CONSIDERATIONS

Equipment leasing, **19:2 to 19:6**

NONTAX SHELTER ITEMS

IRS audit program, substantial understatement of liability taxpayer penalties, **23:52**

NON-TRADED REAL ESTATE INVESTMENT TRUSTS

FINRA regulation of, **13:1 to 13:56**

NORTH AMERICAN SECURITIES

ADMINISTRATORS ASSOCIATION (NASAA)

Blue Sky laws, changes to Uniform Act by NASAA, **8A:5**

Equipment programs, statement of policy, **App Q**

Form U-7 and NASAA SCOR Manual, **App L1**

Guidelines

mortgage program guidelines, **App X**

omnibus guidelines, **App U**

real estate programs, state substantive regulation of, **12:2**

Mortgage program guidelines, **App X**

Oil and gas programs, statement of policy, **App S**

Omnibus guidelines, **App U**

Policy statement. See Statement of policy, below

Programs

mortgage program guidelines, **App X**

statement of policy. See Statement of policy, below

Real estate. See **Real Estate** (this index)

Request for public comment on amendments to guidelines, **App Y4**

Statement of policy

equipment programs, **App Q**

oil and gas programs, **App S**

real estate investment trusts, **App Y3**

real estate programs, **App I**

Uniform limited offering exemption, **App R**

NOTES

At risk, convertible notes, **3:14**

NOTICE OR NOTICES

Audits—IRS, registration of tax shelters, **23:69**

Broker - Dealers. See **Broker - Dealers** (this index)

NOTICE OR NOTICES—Cont'd

FINRA Notice 10-22, Regulation D offerings, **App A4**

FINRA notice to members, examination findings regarding revised suitability requirements, **13:8**

FINRA regulation of direct participation programs and non-traded real estate investment trusts, notice to members, **13:37, 13:38**

IRS notices. See **Internal Revenue Service (IRS)** (this index)

Limited partners and partnerships, internet foreign offerings—Rule 135c notice, **6:70**

Mailing of notice. See **Mailing of Notice** (this index)

Master limited partnerships. See **Master Limited Partnerships** (this index)

Notice 08-23, FINRA regulatory, **App A10**

Notice 09-23, FINRA regulatory, **App A11**

Private real estate securities transactions, state regulation, **14:8**

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Real estate, IRS Notice 2000-4, **9:214**

Real estate mortgage investment conduits, **28:44**

Resales by investors, notice of sale, **6:190**

“NO” VOTES

Rollups, **25:112, 26:192**

NSMIA

Generally, **25:124 to 25:130, 26:157, 26:158**

NUMBER OR QUANTITY

See **Amount, Quantity or Number** (this index)

OBJECTIVES OF INVESTMENT

Publicly registered real estate syndications, **26:33, 26:102**

OBLIGATIONS

Limited partners and partnerships, tax-exempt obligations, **11:157**

OBLIGATIONS—Cont'd

Motion pictures, obligation in excess of fair market value, **20:13**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

S corporations, obligations treated as equity, **22:23**

OCCASIONAL PROFITS

Facts and circumstances test for activities not engaged in for profit, **11:14**

Livestock programs, facts and circumstances test for activity engaged in for profit, **17:18**

OFFERINGS

Blue Sky limited offering exemptions, **App L**

Broker - Dealers. See **Broker - Dealers** (this index)

Due diligence. See **Due Diligence** (this index)

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:10, 13:31, 13:50**

Full disclosure, offering price determination, **7:32, 7:33**

Internet offerings, broker dealer compliance for real estate limited partnership syndications, **15:41**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Oil and gas, state guidelines for registration of drilling programs, **16:75**

Passive loss, hybrid offerings, **4:139**

Public offerings. See **Public Offerings** (this index)

Real estate. See **Real Estate** (this index)

Regulation A, Form 1-A. See **Regulation A / Regulation A+** (this index)

SEC Release No. 33-4552, Private Offering Exemption, **App A5**

Uniform limited offering exemption (ULOE), **14:11 to 14:17, App R**

OFFERS

Blue Sky laws, offer and sale, **8A:2, 8A:4**

IRS audit program, offers in compromise, **23:135**

INDEX

OFFERS—Cont'd

Tender offer. See **Tender Offer** (this index)

OFFICERS OF CORPORATIONS

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:81 to 8:186**

Full disclosure, **7:48**

OFFICES

Investment limited partnerships, (c)(2)(iv) employee base requirement under Rule 147, **6:132**

OFFSET

Due diligence and civil liability, damages, **8:187**

Master limited partnerships, adjustments, **10:598**

Partners and partnerships. See **Partners and Partnerships** (this index)

OFFSHORE TRANSACTIONS

Investment limited partnerships, Regulation S, **6:174**

OHIO

Limited liability companies, operating agreement form, **31:2**

OIL AND GAS

Abandonment losses, **16:53**

Accrual basis taxpayers, Tax Reform Act of 1984, **16:47**

Additional matters

assessments, full disclosure, **16:64**
management compensation, full disclosure, **16:62**

Advantages, **16:18 to 16:23, 16:27**

Allocation or allocations

functional allocation, one hundred percent write-off, **16:41**

special allocations, **16:42**

Allowance, depletion, **16:43**

Assessments

additional assessments, full disclosure, **16:64**
state guidelines for registration of drilling programs, **16:80**

Basis, cash and accrual basis taxpayers under Tax Reform Act of 1984, **16:46, 16:47**

OIL AND GAS—Cont'd

Benefits of programs after Tax Reform Act of 1986, **16:18 to 16:23**

Blue Sky laws, **16:72**

Business, full disclosure, **16:56 to 16:66**

Capital gain on sale, **16:52**

Capital items, **16:40**

Carried interest, **16:6, 16:14**

Carved-out interests, **16:5**

Cash

tax advantaged cash flow, benefits of programs after Tax Reform Act of 1986, **16:20**

tax Reform Act of 1984, cash basis taxpayers, **16:46**

Casing point, **16:16**

Change of limited liability status, passive loss rules, **16:35**

Checklist, full disclosure, **16:66**

Compensation, full disclosure, **16:61, 16:62**

Completion costs, **16:15**

Conflicts of interest, state guidelines for registration of drilling programs, **16:78**

Convertible partnership interests, passive loss rules, **16:38**

Costs

completion costs, **16:15**

development costs, master limited partnerships, **10:572**

drilling costs, **1:73, 10:572, 16:40**

expenses. See **Expenses**, below

Declining returns, negatives of programs after Tax Reform Act of 1986, **16:25**

Demand, strong supply / demand fundamentals, **16:18**

Depletion

allowance, **16:43**

negatives of programs, depleting asset, **16:24**

tax Reform Act of 1986, **1:72, 16:24**

Determination well-by-well, passive loss, **16:31**

Disadvantages of programs after Tax Reform Act of 1986, **16:18, 16:24 to 16:26**

Disclosure, **16:56 to 16:67**

Diversification of portfolio, benefits of programs after Tax Reform Act of 1986, **16:22**

OIL AND GAS—Cont'dDocument, disclosure, **16:67**

Drilling

costs and expenses, **1:73, 10:572, 16:40**intangible drilling costs and expenses, **1:73, 10:572, 16:40**master limited partnerships, simplified reporting for electing large oil and gas partnerships, **10:572**state guidelines for registration of drilling programs, **16:73 to 16:82**

Economic matters

backdrop, full disclosure, **16:56 to 16:66**interest, **16:2**

Exceptions or exclusions

passive loss rules, **4:129 to 4:132**proposed changes to working interest exception, **4:132**registration, federal securities laws, **16:69**working interest exception, **4:129**

Expenses

costs. See Costs, above

drilling expenses, **1:73, 10:572, 16:40**offering expenses, state guidelines for registration of drilling programs, **16:75**organization expenses, state guidelines for registration of drilling programs, **16:75**program expenses, state guidelines for registration of drilling programs, **16:75**Exploratory geological and geophysical work, **16:54**Farmouts, **16:10, 16:50, 16:79**Federal securities laws, **16:68 to 16:71**Full disclosure, **16:56 to 16:66**Functional allocation, one hundred percent write-off, **16:41**

General partners

guaranteed payments to general partner, **16:51**passive loss rules, **16:34, 16:38**Geological work, exploratory, **16:54**Geophysical work, exploratory, **16:54**Guaranteed payments to general partner, **16:51****OIL AND GAS—Cont'd**Guidelines for registration of drilling programs, state, **16:73 to 16:82**Impact of state taxes, **16:55**Income recharacterization, passive loss rules, **16:37**Indemnity, passive loss, **16:33**Industry Guide 4, prospectus relating to interests in oil and gas programs, **App S3**Inflation protection, benefits of programs after Tax Reform Act of 1986, **16:21**Intangible drilling costs and expenses, **1:73, 10:572, 16:40**

Interests

both general and limited partner interest, passive loss rules, **16:34**carried interest, **16:6, 16:14**carved-out interests, **16:5**conflicts of interest, state guidelines for registration of drilling programs, **16:78**convertible partnership interests, passive loss rules, **16:38**economic interest, **16:2**general partnership interests, passive loss rules, **16:34, 16:38**industry Guide 4, prospectus relating to interests in oil and gas programs, **App S3**net profits interest, **16:12**operating interest, **16:3**participating interest, **16:4**passive loss rules, **4:129, 4:130**proposed changes to working interest exception, **4:132**royalty interests, **16:7, 16:11, 16:14, 16:39**securities, oil interests as, **16:68**working interests, **16:3**working interests exception, **4:129**

Investment

cycle is right, benefits of programs after Tax Reform Act of 1986, **16:23**oil and Gas Investment Act, state guidelines for registration of drilling programs, **16:82**partnership investment opportunities, **2:25**

INDEX

OIL AND GAS—Cont'd

- Investment—Cont'd
 - sponsor-operator, full disclosure, **16:60**
- Investment Company Act of 1940, federal securities laws, **16:71**
- Limited liability
 - full disclosure, **16:65**
 - passive loss, **16:32, 16:35**
- Limited partners and partnerships
 - interest as both general and limited partner, passive loss rules, **16:34**
 - master limited partnerships, simplified reporting for electing large partnerships, **10:569 to 10:573**
 - rights, state guidelines for registration of drilling programs, **16:81**
- Lower risk activities, benefits of programs after Tax Reform Act of 1986, **16:19**
- Management
 - additional management compensation, full disclosure, **16:62**
 - fees, state guidelines for registration of drilling programs, **16:75**
- Master limited partnerships, simplified reporting for electing large partnerships, **10:569 to 10:573**
- Middleman sponsor, full disclosure, **16:63**
- Minimum purchase, state guidelines for registration of drilling programs, **16:77**
- Negatives of programs after Tax Reform Act of 1986, **16:18, 16:24 to 16:26**
- Net profits interest, **16:12**
- North American Securities Administrators Association (NASAA), statement of policy, **App S**
- Offering expenses, state guidelines for registration of drilling programs, **16:75**
- Oil and Gas Investment Act, state guidelines for registration of drilling programs, **16:82**
- One hundred percent write-off, **16:41**
- Operating or operations interest, **16:3**
 - investment by sponsor-operator, full disclosure, **16:60**
- Organization expenses, state guidelines for registration of drilling programs, **16:75**

OIL AND GAS—Cont'd

- Overcalls, full disclosure, **16:64**
- Overriding royalty interest, **16:11, 16:14**
- Participating interest, **16:4**
- Partners and partnerships
 - convertible partnership interests, passive loss rules, **16:38**
 - general partners. See General partners, above
 - investment opportunities, **2:25**
 - limited partners and partnerships. See Limited partners and partnerships, above
- Passive loss
 - exception to passive loss rules, **4:129 to 4:132**
 - regulations, **4:131, 16:30 to 16:37**
 - rules, **4:129 to 4:132, 16:29 to 16:39**
- Pass-through vehicles, oil programs as, **16:28**
- Payment or payments
 - guaranteed payments to general partner, **16:51**
 - production payments, **16:13, 16:39**
- Policy statement, North American Securities Administrators Association (NASAA), **App S**
- Portfolio diversification, benefits of programs after Tax Reform Act of 1986, **16:22**
- Production payments, **16:13, 16:39**
- Programs
 - Generally, **16:1 to 16:82**
 - industry Guide 4, prospectus relating to interests in oil and gas programs, **App S3**
- Promoter, full disclosure, **16:61**
- Proposed changes to working interest exception, **4:132**
- Proposed regulations, passive loss rules, **16:30 to 16:37**
- Prospectus relating to interests in oil and gas programs, Industry Guide 4, **App S3**
- Protection against inflation, benefits of programs after Tax Reform Act of 1986, **16:21**
- Recharacterization of income, passive loss rules, **16:37**
- Recovery, secondary and tertiary, **16:9**
- Registration, federal and state securities laws, **16:69, 16:70, 16:73 to 16:82**

OIL AND GAS—Cont'd

- Regulations, passive loss, **4:131, 16:30 to 16:37**
- Rights of limited partners, state guidelines for registration of drilling programs, **16:81**
- At risk, **16:49**
- Risk
 - lower risk activities, benefits of programs after Tax Reform Act of 1986, **16:19**
 - at risk, **16:49**
- Royalty interests, **16:7, 16:11, 16:14, 16:39**
- Rules, passive loss, **4:129 to 4:132, 16:29 to 16:39**
- Sales
 - capital gain on sale, **16:52**
 - stock seller sponsor, full disclosure, **16:63**
- Secondary recovery, **16:9**
- Securities Exchange Act of 1934, federal securities laws, **16:71**
- Special allocations, **16:42**
- Special registration issues, federal securities laws, **16:70**
- Sponsors
 - full disclosure, **16:59 to 16:61, 16:63**
 - state guidelines for registration of drilling programs, **16:76**
- Spouses, passive loss rules, **16:36**
- State
 - impact of state taxes, **16:55**
 - securities laws, **16:72 to 16:82**
- Statement of policy, North American Securities Administrators Association (NASAA), **App S**
- Stock seller sponsor, full disclosure, **16:63**
- Strong supply / demand fundamentals, benefits of programs after Tax Reform Act of 1986, **16:18**
- Structures of programs, state guidelines for registration of drilling programs, **16:74**
- Suitability, state guidelines for registration of drilling programs, **16:77**
- Summary of tax advantages, **16:27**
- Supply, strong supply / demand fundamentals, **16:18**

OIL AND GAS—Cont'd

- Tax advantaged cash flow, benefits of programs after Tax Reform Act of 1986, **16:20**
- Tax aspects, **16:27 to 16:55**
- Taxpayers, Tax Reform Act of 1984, **16:46, 16:47**
- Tax Reform Act of 1984, **16:48**
- Tax Reform Act of 1986
 - Generally, **1:72, 1:73**
 - advantages and disadvantages of programs after Tax Reform Act of 1986, **16:18 to 16:26**
 - depletion, **1:72, 16:24**
 - tax aspects, **16:48**
- Tertiary recovery, **16:9**
- Track record of sponsor, full disclosure, **16:59**
- Turn-key contract, **16:8**
- Types of programs, full disclosure, **16:58**
- Uncertainty, negatives of programs after Tax Reform Act of 1986, **16:26**
- Well-by-well determination, passive loss, **16:31**
- Working interests, **16:3**
- Working interests exception, **4:129**
- Write-off, one hundred percent, **16:41**

OKLAHOMA

- Limited liability companies, articles of organization and operating agreement, **31:6**

OMNIBUS GUIDELINES

- North American Securities Administrators Association (NASAA), **App U**

ONE CLASS OF STOCK REQUIREMENT

- S corporations, eligibility, **22:21 to 22:26**

ONE HUNDRED

- Beneficial owners exception, investment limited partnerships, **6:296**
- Hours test, passive loss, **4:39**
- Percent write-off, oil and gas, **16:41**
- Shareholder test, real estate investment trusts, **25:26**

ONE PERCENT

- Interest, general partners, **10:55**

INDEX

ONE PERCENT—Cont'd

Ownership, limited liability companies, **5:32**

ONE TIME OPTIONAL RESTATEMENT

Partners and partnerships, adjustments to reflect fair market value, **10:100**

OPENING

Pre-opening expenses, **11:3 to 11:4**

OPERATING, OPERATION OR OPERATIONS

Equipment leasing. See **Equipment Leasing** (this index)

Limited liability companies, operating agreements, **5:44, 31:1 to 31:13**

Livestock programs. See **Livestock Programs** (this index)

Oil and gas. See **Oil and Gas** (this index)

Partners and partnerships, distributions of operating cash flow, **10:463 to 10:472**

Passive loss. See **Passive Loss** (this index)

Real estate. See **Real Estate** (this index)

OPINIONS

Audits-IRS. See **Audits - IRS** (this index)

Due diligence and civil liability, attorneys, **8:18, 8:126, 8:168**

Formal opinions. See **Formal Opinions** (this index)

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

OPTION OR CHOICE

See **Elections** (this index)

OPTIONS

Incentive stock options. See **Incentive Stock Options (ISOs)** (this index)

Real estate, purchase or sale options, **9:75**

S corporations, one class of stock requirement for eligibility, **22:25, 22:26**

ORAL MISREPRESENTATIONS OR STATEMENTS

Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:176, 8:183**

ORCHARDS

Farming, non-livestock, **18:4**

ORDERING

Limited partners and partnerships, repayment ordering rules, **11:155**

ORDERS

Due diligence. See **Due Diligence** (this index)

FINRA regulation of direct participation programs and non-traded real estate investment trusts, orders of customers, **13:41**

Investment limited partnerships, applications for exemptive orders under Investment Company Act of 1940, **6:302**

ORDINARY INCOME

Recapture, bail-outs of burned-out tax shelters, **27:42**

Treatment, sales of partnership interests, **10:354**

ORGANIZATIONS

Broker-dealers, sponsors, **15:82**

Expenses

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:10**

oil and gas, **16:75**

partners and partnerships, **10:346**

real estate investment trusts, Blue Sky provisions, **25:91**

Limited liability companies. See **Limited Liability Companies** (this index)

Livestock programs, agricultural investments, **17:7 to 17:9**

Publicly registered real estate syndications, summary of organizational documents, **26:103**

Real estate. See **Real Estate** (this index)

Research and development tax credit, qualified organizations, **21:55**

ORIGINAL ISSUE DISCOUNT

- Bail-outs of burned-out tax shelters, tax consequences of typical restructuring, **27:18**
- Livestock, sales and exchanges, **17:72**
- Passive loss, self-charged interest, **4:100**
- Research and development programs, rules, **21:27**
- Timing of interest deductions under Tax Reform Act of 1984, **11:28 et seq.**

OUT OF POCKET EXPENSES

- Limited partners and partnerships, accounting issues affecting investment limited partnerships, **11:133**

OUT OF STATE MATTERS

- Investment limited partnerships, intra-state offering exemption from registration requirements of Securities Act of 1933, **6:130**

OUTSIDE/BACK COVER

- Publicly registered real estate syndications, plain English rules for contents of prospectus, **26:9**
- Real estate investment trusts, plain English rules, **25:58**

OUTSIDE BASIS

- Partners and partnerships, **10:230 to 10:233, 10:239 to 10:340**

OUTSIDE DIRECTORS' LIABILITY

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:197**

OUTSIDE SOURCES OF INFORMATION

- Due diligence and civil liability, investigations, **8:35**

OVERCALLS

- Oil and gas, full disclosure, **16:64**

OVERRIDING ROYALTY INTEREST

- Oil and gas, **16:11, 16:14**

OVERSTATEMENTS

- IRS audit program, taxpayer penalties, **23:42, 23:43, 23:55**

OVER THE COUNTER BULLETIN BOARD

- FINRA regulation of direct participation programs and non-traded real estate

OVER THE COUNTER BULLETIN

BOARD—Cont'd

- investment trusts, **13:49**

OWNERS AND OWNERSHIP

- Beneficial owner. See **Beneficial Owner** (this index)
- Equipment leasing, disclosure of risks of ownership of aircraft, **19:83**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, treatment of taxpayer as owner, **17:78**
- Master limited partnerships, publicly traded partnership, **10:484**
- Passive loss. See **Passive Loss** (this index)
- Publicly registered real estate syndications, equity ownership, **26:153 to 26:155**
- S corporations, pass-through entities, **22:42, 22:44**
- Single owner entity, check-the-box regulations, **5:11, 10:22, 10:74**

OWN STOCK OR DEBT AS WORTHLESS

- S corporations, **22:47**

PARTIALLY RECOURSE

- Bail-outs of burned-out tax shelters, debt, **27:55**

PARTICIPATION

- Corporate by-laws improperly used to redirect jurisdiction of federal securities law issues from federal to state court, **6:17**
- Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:143, 8:144**
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:1 to 13:56**
- Howey test, investment contracts, **6:15**
- Insignificant participation. See **Insignificant Participation** (this index)
- Investment contracts, Howey test, **6:15**

INDEX

PARTICIPATION—Cont'd

- Investment contracts, protection under U.S. securities laws, **6:16**
- Investment limited partnerships, participations as securities, **6:3 et seq.**
- Motion pictures, intangible contract right to participate in profits, **20:8**
- Oil and gas, participating interest, **16:4**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- S corporations, material participation and limitation on passive losses under Tax Reform Act of 1986, **22:53**

PARTIES

- Real estate mortgage investment conduits, taxation, **28:26 to 28:43**
- Related party. See **Related Party** (this index)
- Third parties. See **Third Persons or Parties** (this index)

PARTNERS AND PARTNERSHIPS

- Generally, **10:1 to 10:631**
- Abuse. See **Anti-abuse**, below
- Accounting
 - limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 - revaluation of partnership assets and allocation of income and losses, **10:130**
 - taxable years, **1:66**
- Accounts
 - capital accounts. See **Capital accounts**, below
 - limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 - payable, contributions, **10:206**
 - reduction items, final regulations regarding allocation of income and losses, **10:90**
- Acquisition, distributions, **10:160, 10:163**
- Actively traded security, distributions, **10:159**
- Adjustments
 - basis. See **Basis**, below

PARTNERS AND PARTNERSHIPS

—Cont'd

- Adjustments—Cont'd
 - deemed sale adjustment, revaluation of partnership assets and allocation of income and losses, **10:144**
 - reflection of fair market value, final regulations regarding allocation of income and losses, **10:99 to 10:102**
 - revaluation of partnership assets and allocation of income and losses, **10:133 to 10:144**
- Administrative application of anti-abuse rule, **10:11**
- Advance rulings on partnership status, **10:49 to 10:60**
- Adverse tax consequences of assets-over merger, **10:406 to 10:408**
- Affiliates, nonrecourse loans from, **10:250 to 10:252**
- Aggregation
 - anti-abuse rule, aggregate / entity issues, **10:9**
 - contributions, **10:209, 10:210**
- Agreements
 - contingent indemnification agreements, recourse liabilities, **10:256**
 - leases. See **Leases**, below
- Allocation or allocations
 - adjustments to basis, sale of partnership interests, **10:376 to 10:380, 10:386 to 10:395**
 - basis, sale of partnership interests, **10:357 to 10:395**
 - cancellation of indebtedness income, permitted allocation methods, **10:342**
 - contributions, method, **10:178**
 - curative allocations with traditional method, **10:139, 10:200, 10:214 to 10:221**
 - depreciation recapture, **10:145**
 - income, **10:84 to 10:145**
 - liabilities, **10:335, 10:337**
 - losses, **10:84 to 10:145, 10:338 to 10:341**
 - mandatory allocation, contributions, **10:173**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Allocation or allocations—Cont'd
 - nonrecourse deductions, final regulations, **10:118 et seq.**
 - remedial allocation or allocations. See Remedial allocation or allocations, below
 - retroactive allocation of losses, **10:338 to 10:341**
 - special allocations, **10:118, 10:462**
 - tier three allocations, inclusion of debt in outside basis, **10:330 to 10:333**
- Alternate economic effect test, final regulations regarding allocation of income and losses, **10:89 to 10:91**
- Amendments. See Changes, amendments or modifications, below
- American Recovery and Reinvestment Act, cancellation of indebtedness income, **10:342 to 10:345**
- Amount or number
 - allocation, contributions, **10:215, 10:224**
 - decrease or reduction. See Decrease or reduction, below
 - de minimis. See De minimis, below
 - determining amount of basis adjustment, sale of partnership interests, **10:360**
 - gain. See Gain, below
 - increase in minimum gain, final nonrecourse regulations regarding allocation of income and losses, **10:113**
 - members, proposed amendments to check-the-box regulations, **10:39**
 - minimum. See Minimum, below
- Anti-abuse
 - contributions, **10:184, 10:192, 10:202, 10:227**
 - distributions, **10:162**
 - inclusion of debt in outside basis, **10:288, 10:298, 10:311, 10:321**
 - limitation, contributions, **10:202**
 - remedial allocation method, contributions, **10:227**
 - rule
 - Generally, **10:6 to 10:13**
 - Contributions, **10:184, 10:192, 10:227**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Anti-abuse—Cont'd
 - rule—Cont'd
 - Distributions, **10:162**
 - Inclusion of debt in outside basis, **10:288, 10:298, 10:311, 10:321**
 - Remedial allocation method, contributions, **10:227**
- Application or applicability
 - administrative application of anti-abuse rule, **10:11**
 - final regulations, contributions, **10:196**
 - inapplicability of statute, contributions, **10:180**
 - proposed regulations relating to allocation of basis adjustments, sale of partnership interests, **10:387**
 - safe harbor, proposed revenue procedure, **10:446**
 - section 721 application to partnership on transfer of compensatory partnership interest, **10:437 to 10:442**
 - statute, contributions, **10:187, 10:190**
- Arrangements
 - indemnity arrangements, final nonrecourse regulations regarding allocation of income and losses, **10:119**
 - master lease arrangements, inclusion of debt in outside basis, **10:259**
- Assets
 - measurement of dollar value of assets, mergers, **10:410**
 - mergers, **10:401 et seq., 10:406 to 10:408, 10:410**
 - pledge of assets, inclusion of debt in outside basis, **10:253**
 - revaluation of partnership assets and allocation of income and losses, **10:128 to 10:144**
- Assets-over merger, **10:401 et seq., 10:406 to 10:408**
- Assets-up merger, **10:402**
- Association, partnership not taxable as, **10:14 to 10:83**
- Audits
 - Generally, **10:478**

INDEX

PARTNERS AND PARTNERSHIPS

—Cont'd

Audits—Cont'd

IRS audits. See Internal Revenue Service (IRS), below

Authority, mergers and divisions, **10:400, 10:411**

Authorization to elect safe harbor, proposed revenue procedure, **10:445**

Background

advance rulings on partnership status, **10:50**

contributions, regulations, **10:195**

inclusion of debt in outside basis, 1988 regulations, **10:240 et seq.**

sale of partnership interests, proposed regulations relating to allocation of basis adjustments, **10:387**

“Bad boy” clauses, inclusion of debt in outside basis, **10:257**

Bail-outs of burned-out tax shelters, **27:2 to 27:77**

Basis

adjustments

Contributions, **10:183, 10:191**

Inside basis, **10:234, 10:235**

Sale of partnership interests, **10:357 et seq.**

allocation, sale of partnership interests, **10:357 to 10:395**

bifurcation, remedial allocation method, **10:223**

contributions and distributions, generally, **10:228 to 10:336**

grandfathered loan basis shift election, related person loans, **10:272**

inside basis, **10:229, 10:234, 10:235**

layering, nonrecourse liabilities, **10:265 to 10:267**

outside basis, **10:230 to 10:233, 10:239 to 10:340**

rules, distributions, **10:156**

sale of partnership interests, **10:357 to 10:395**

Bifurcation

basis bifurcation, remedial allocation method, **10:223**

recourse liabilities, bifurcation / wraparound mortgages, **10:263**

PARTNERS AND PARTNERSHIPS

—Cont'd

Book / tax allocations, final regulations regarding allocation of income and losses, **10:103**

“Bottom” guarantees, restrictions on, **10:335**

Broker - Dealers. See **Broker - Dealers** (this index)

Built-in gain or loss, contributions, **10:197**

Business

considerations for use in partnership form, **10:2**

entities, check-the-box regulations, **10:17 et seq.**

Buyout of partner, adverse tax consequences of assets-over merger, **10:408**

Calculation or computation

income, gain or loss, sale of partnership interests, **10:361**

minimum gain, final nonrecourse regulations regarding allocation of income and losses, **10:114**

“Campbell” case, compensation to service partner

Generally, **10:420 to 10:426**

capital interest, compensation to service partner, **10:424**

planning alternatives, **10:422 to 10:425**

reversal of case, **10:421**

services rendered directly to partnership, **10:422**

valuation issues, **10:423**

Cancellation of indebtedness income

allocation, proposed regulations on permitted methods, **10:342**

american Recovery and Reinvestment Act of 2009, generally, **10:343**

permitted allocation methods, proposed regulations, **10:342**

proposed regulations on permitted allocation methods, **10:342**

revenue procedure on election to defer cancellation of debt income, **10:345**

rules for partnerships, **10:344**

Capital

accounts. See Capital accounts, below

PARTNERS AND PARTNERSHIPS**—Cont'd****Capital—Cont'd**

- contributions, inclusion of debt in outside basis, **10:246**
- guaranteed payments, disguised sales, **10:464**
- interest, compensation to service partner, **10:424**
- minimum capital, advance rulings on partnership status, **10:56**
- venture capital, **2:29**

Capital accounts

- deficit capital account restoration obligations, inclusion of debt in outside basis, **10:310, 10:320**
- final regulations regarding allocation of income and losses, **10:96 to 10:98, 10:119**
- limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:35**
- negative capital account, liquidating distributions, **10:167**

Carried interests, taxation of, 10:427**Ceiling rule, 10:136, 10:172****Centralized management, 10:44, 10:53****Changes, amendments or modifications**

- 1989 amendments to regulations, **10:122, 10:252, 10:280 to 10:284**
- 1991 repropounded regulations, inclusion of debt in outside basis, **10:285 to 10:303**
- check-the-box regulations, **10:37 to 10:42**
- compensatory partnership interests, proposed regulations issued, **10:430 to 10:433**
- election to use liquidation value, proposed revenue procedure, **10:443**
- elective classification under check-the-box regulations, **10:30**
- final regulations, **10:122, 10:304 to 10:324**
- related person loans, inclusion of debt in outside basis, **10:274**
- retroactive allocation of losses after changes in partnership interests, **10:341**

PARTNERS AND PARTNERSHIPS**—Cont'd****Changes, amendments or modifications****—Cont'd**

- safe harbor, proposed revenue procedure, **10:444 to 10:449**
- termination of partnership, regulations, **10:349**
- tier three allocations, inclusion of debt in outside basis, **10:331 to 10:333**

Characterization

- disguised sales, compensation to service partner, **10:460 to 10:462**
- elective changes in classification, proposed amendments to check-the-box regulations, **10:38**
- liquidation of partnership interests, **10:170**
- nonrecourse characterization, related person loans, **10:273**
- sale, **10:170**

Character of gain or loss, 10:179, 10:189, 10:351**Chargebacks, minimum gain, 10:111, 10:112, 10:117****Check-the-box regulations, 10:15 to 10:34, 10:73****Classes, allocating basis adjustments on sale of partnership interests, 10:379, 10:380****Classification, regulations, 10:23 to 10:28, 10:30, 10:38, 10:40, 10:43 to 10:48****Closing of partnership year, liquidating distributions, 10:168****Compensation to service partner, 10:417 to 10:451****Completion of construction guarantees, inclusion of debt in outside basis, 10:261****Conditions and limitations on safe harbor, proposed revenue procedure, 10:444****Consistency**

- contributions, **10:203**
- significant item consistency requirement, nonrecourse deduction allocation tests, **10:110**

Construction completion guarantees, inclusion of debt in outside basis, 10:261

INDEX

PARTNERS AND PARTNERSHIPS

—Cont'd

- Contingent matters
 - indemnification agreements, inclusion of debt in outside basis, **10:256**
 - purchase price, debt vs equity in partnership form, **10:628**
- Continuing partners, liquidating distributions, **10:165**
- Continuity of life, **10:45, 10:52, 10:59**
- Contracts. See Agreements, above
- Contributions
 - Generally, **10:146 to 10:338**
 - capital contribution, inclusion of debt in outside basis, **10:246**
 - character of gain or loss on disposition of contributed property, sale of partnership interests, **10:351**
 - distribution of post-contribution financing proceeds, disguised sales, **10:472**
 - inclusion of debt in outside basis, **10:309, 10:319**
 - liabilities funded or guaranteed by partner, final nonrecourse regulations regarding allocation of income and losses, **10:121**
 - property, generally, **10:131, 10:171 to 10:227**
 - revaluation of partnership assets and allocation of income and losses, **10:131**
- sales
 - Contributed property, **10:398**
 - Disguised sales, compensation to service partner, **10:472**
 - Partnership interests, character of gain or loss on disposition of contributed property, **10:351**
- Coordination
 - distributions, regulations and statutes, **10:161**
 - sale of partnership interests, statutes, **10:366, 10:386 to 10:395**
- Criteria for characterization as sale or liquidation, **10:170**
- Curative allocations with traditional method, **10:139, 10:200, 10:214 to 10:221**
- Current authority, mergers and divisions, **10:400, 10:411**
- Death, effect on outside basis, **10:233**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Debt
 - cancellation of indebtedness income and 2009 Recovery Act, **10:342 to 10:345**
 - form of partnership, debt vs equity, **10:627 to 10:631**
 - inclusion of debt in outside basis, **10:239 to 10:340**
 - nonrecourse debt, final regulations regarding allocation of income and losses, **10:123 to 10:125**
 - permanent nonrecourse exemption for grandfathered related party debt, final regulations regarding allocation of income and losses, **10:123**
- Decision to elect into regulations, inclusion of debt in outside basis, **10:297, 10:324**
- Decrease or reduction
 - account reduction items, final regulations regarding allocation of income and losses, **10:90**
 - minimum gain, final nonrecourse regulations regarding allocation of income and losses, **10:113**
- Deductions
 - nonrecourse deductions, allocation of income and losses, **10:105 to 10:127, 10:132**
 - special allocation of imputed interest deduction, disguised sales, **10:462**
- Deemed sale adjustment, revaluation of partnership assets and allocation of income and losses, **10:144**
- Default classification of entities, check-the-box regulations, **10:24**
- Deferred cancellation of indebtedness income, election, **10:345**
- Deferred compensation, tax treatment of nonqualified, **10:450**
- Deferred payment, inclusion of debt in outside basis, **10:248**
- Deficit restoration obligation
 - capital account, **10:310, 10:320**
 - final regulations regarding allocation of income and losses, **10:126**
 - inclusion of debt in outside basis, **10:249, 10:293, 10:303, 10:310, 10:320**

PARTNERS AND PARTNERSHIPS**—Cont'd**

Definitions

marketable security, **10:158**
 related person, **10:243, 10:282**

De minimis

rule, inclusion of debt in outside basis, **10:252, 10:284**
 ten-percent de minimis exception, inclusion of debt in outside basis, **10:291, 10:301, 10:307, 10:316**

Depreciation

interim depreciation, contributions, **10:182**
 recapture, allocation, **10:145**
 revaluation of partnership assets and allocation of income and losses, **10:142**

Determinations

amount of basis adjustment, sale of partnership interests, **10:360**
 final nonrecourse regulations regarding allocation of income and losses, **10:106 to 10:125**

Direct partner loans and guarantees, inclusion of debt in outside basis, **10:275 to 10:279**

Disallowance of loss, sale of partnership interests, **10:353**

Disclosure

disguised sales, compensation to service partner, **10:473**
 full disclosure. See **Full Disclosure** (this index)

Disguised matters

guarantees, recourse liabilities, **10:258 to 10:262**
 sales, compensation to service partner, **10:458 to 10:476**

Disparities, contributions, **10:208**

Disposition of contributed property, character of gain or loss, **10:351**

Disregarded entities, liabilities of, **10:336**

Distinctions, debt vs equity in partnership form, **10:627**

Distributions

Generally, **10:146 to 10:338**
 financing proceeds, **10:116, 10:472**
 liquidation, **10:143, 10:165 to 10:170, 10:365**

PARTNERS AND PARTNERSHIPS**—Cont'd**

Distributions—Cont'd

nonrecourse financing proceeds, **10:116**
 operating cash flow, disguised sales, **10:465**
 post-contribution financing proceeds, disguised sales, **10:472**
 proceeds, **10:116, 10:472**
 property, **10:148, 10:362 to 10:365**
 revaluation of partnership assets and allocation of income and losses, **10:132, 10:143**
 sale of partnership interests, **10:362 to 10:365**

Divisions, **10:399 to 10:416**

Domestic eligible entities, elective classification under check-the-box regulations, **10:25**

Drafting curative allocations, contributions, **10:220**

Economic matters

effect, final regulations regarding allocation of income and losses, **10:86 to 10:91, 10:127**
 risk of loss, inclusion of debt in outside basis, **10:245 to 10:249, 10:293, 10:303**

Effective dates

amendments to regulations, **10:41, 10:281**
 anti-abuse rule, **10:10**
 basis allocation regulations, sale of partnership interests, **10:385**
 check-the-box regulations, amendments, **10:41**
 disguised sales, compensation to service partner, **10:474**
 election, inclusion of debt in outside basis, **10:287**
 final regulations, **10:185, 10:193, 10:312, 10:322, 10:416**
 inclusion of debt in outside basis, generally, **10:270 to 10:279, 10:325 to 10:328**
 proposed effective date, sale of partnership interests, **10:395**
 rules, inclusion of debt in outside basis, **10:295 to 10:297, 10:312, 10:313, 10:322 to 10:324**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Effective dates—Cont'd
 - summary, inclusion of debt in outside basis, **10:325 to 10:328**
 - temporary regulations, **10:296, 10:313, 10:323**
 - transition rules, **10:32**
- Elections
 - cancellation of indebtedness income, election to defer, **10:345**
 - check-the-box regulations, **10:19, 10:23 to 10:31, 10:38, 10:40**
 - decision to elect into regulations, inclusion of debt in outside basis, **10:297, 10:324**
 - effective date election, inclusion of debt in outside basis, **10:287**
 - fair market value adjustments, optional restatements, **10:100, 10:101**
 - grandfathered loan basis shift election, related person loans, **10:272**
 - inside basis, adjustments, **10:235**
 - partnership provisions, election out, **10:4**
 - receipt of partnership interest, compensation to service partner, **10:426**
 - revaluation of partnership assets and allocation of income and losses, **10:129**
 - sale of partnership interests, **10:356**
- Eligible entities, check-the-box regulations, **10:19, 10:26, 10:28**
- Equipment leasing. See **Equipment Leasing** (this index)
- Equity
 - form of partnership, debt vs equity, **10:627 to 10:631**
 - research and development programs, **21:8**
 - tenant equity participation, recourse liabilities, **10:260**
- Equivalence economic effect test, final regulations regarding allocation of income and losses, **10:88**
- Exceptions, nonrecourse deductions, **10:112**
- Exceptions or exclusions
 - application of statute, contributions, **10:190**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Exceptions or exclusions—Cont'd
 - distributions, **10:151 to 10:155**
 - nonrecourse deductions, **10:112**
 - permanent nonrecourse exemption for grandfathered related party debt, final regulations regarding allocation of income and losses, **10:123**
 - ten-percent de minimis exception, inclusion of debt in outside basis, **10:291, 10:301, 10:307, 10:316**
- Exchange of partnership interests, **10:352 to 10:355, 10:396, 10:397, 23:80, 23:81**
- Existence of nonrecourse liabilities, final nonrecourse regulations regarding allocation of income and losses, **10:106 to 10:125**
- Existing matters
 - eligible entities, elective classification under check-the-box regulations, **10:28**
 - impact on existing and new partnerships, final regulations regarding allocation of income and losses, **10:104**
- Expansion, proposed regulations relating to allocation of basis adjustments, **10:394**
- Expenses
 - organization expenses, **10:346**
 - reimbursements of preformation expenses, disguised sales, **10:466**
- Fair market value, **10:99 to 10:102, 10:177 to 10:185**
- Fees
 - management fees, compensation to service partner, **10:452 to 10:456**
 - syndication fees, **10:346**
- Fiduciary duties, general partners, **24:42, 26:21, 26:100**
- Final regulations
 - allocation of income and losses, **10:85 to 10:104**
 - anti-abuse rule, **10:7, 10:8**
 - check-the-box regulations, **10:17 et seq.**
 - contributions, **10:177 to 10:193, 10:196 et seq.**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Final regulations—Cont'd
 - disguised sales, compensation to service partner, **10:458 et seq.**
 - inclusion of debt in outside basis, **10:304 to 10:324**
 - mergers and divisions, **10:416**
 - tier three allocations, inclusion of debt in outside basis, **10:330 to 10:333**
- Financing proceeds, distribution, **10:116, 10:472**
- Flow chart, substantial economic effect, **10:127**
- Foreign eligible entities, elective classification under check-the-box regulations, **10:26**
- Form or format
 - business considerations for use in partnership form, **10:2**
 - debt vs equity in partnership form, **10:627 to 10:631**
 - divisions, **10:412, 10:413**
 - mergers, **10:401 to 10:408**
- Forms, eligible entity election under check-the-box regulations, **10:19**
- Free transferability of interests, **10:46, 10:54**
- Full disclosure. See **Full Disclosure** (this index)
- Funded liabilities, final nonrecourse regulations regarding allocation of income and losses, **10:118 to 10:121**
- Gain
 - amount of gain
 - Contributions, **10:188**
 - Minimum gain, final nonrecourse regulations regarding allocation of income and losses, **10:107**
 - built-in gain, contributions, **10:197**
 - calculation of gain, sale of partnership interests, **10:361**
 - character of gain, **10:179, 10:189, 10:351**
 - chargebacks, minimum gain, **10:111, 10:112, 10:117**
 - decreases in minimum gain, final nonrecourse regulations regarding

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Gain—Cont'd
 - allocation of income and losses, **10:113**
 - limiting gain recognized, distributions, **10:155**
 - minimum gain
 - Amount of minimum gain, final nonrecourse regulations regarding allocation of income and losses, **10:107**
 - Basis layering, nonrecourse liabilities, **10:265**
 - Chargebacks, **10:111, 10:112, 10:117**
 - Decreases in minimum gain, final nonrecourse regulations regarding allocation of income and losses, **10:113**
 - Final regulations regarding allocation of income and losses, **10:107, 10:111 to 10:115, 10:117**
 - Increase in minimum gain, final nonrecourse regulations regarding allocation of income and losses, **10:113**
 - Nonrecourse deductions, final regulations, **10:107**
- nonrecognition transactions, distributions and contributions, **10:163, 10:205**
- nonrecourse deductions and minimum gain, final regulations, **10:107**
- recognition of gain
 - Limiting gain recognized, distributions, **10:155**
 - Liquidating distributions, **10:165, 10:166**
 - Nonrecognition transactions, distributions and contributions, **10:163, 10:205**
- General partners
 - fiduciary duties, **24:42, 26:21, 26:100**
 - limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 - oil and gas. See **Oil and Gas** (this index)
 - one percent interest of general partners, advance rulings on

PARTNERS AND PARTNERSHIPS

—Cont'd

- General partners—Cont'd
 - partnership status, **10:55**
 - passive loss. See **Passive Loss** (this index)
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - research and development programs, **21:5**
- General rules
 - adjustments, inside basis, **10:234**
 - anti-abuse rule, inclusion of debt in outside basis, **10:288, 10:298, 10:311, 10:321**
 - contributions, **10:171, 10:172**
 - disguised sales, compensation to service partner, **10:459**
 - distributions, **10:147**
 - nonrecourse liabilities, inclusion of debt in outside basis, **10:264 to 10:267**
- Grandfathered matters
 - limited partners and partnerships, fiscal year, **24:26**
 - loan basis shift election, inclusion of debt in outside basis, **10:272**
 - related party debt, final regulations regarding allocation of income and losses, **10:123**
- Gross value, sale of partnership interests, **10:389, 10:390**
- Guarantees
 - direct partner guarantees, inclusion of debt in outside basis, **10:275 to 10:279**
 - disguised guarantees, inclusion of debt in outside basis, **10:258 to 10:262**
 - interest guarantees, inclusion of debt in outside basis, **10:262, 10:283, 10:289, 10:299, 10:308, 10:317**
 - liabilities guaranteed by partner, final nonrecourse regulations regarding allocation of income and losses, **10:118 to 10:121**
 - net worth of guarantor, inclusion of debt in outside basis, **10:255**
 - passive loss, guaranteed payments to partner, **4:18**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Guarantees—Cont'd
 - payments guaranteed, **4:18, 10:346, 10:464**
 - recourse liabilities, inclusion of debt in outside basis, **10:247**
 - third party loans guaranteed by partner or related person, inclusion of debt in outside basis, **10:327, 10:328**
- Holding period, tacking, **10:232**
- Hypothetical sale of partnership interests, allocating basis adjustments, **10:377**
- Impact on existing and new partnerships, final regulations regarding allocation of income and losses, **10:104**
- Importance of distinctions, debt vs equity in partnership form, **10:627**
- Imputed interest deduction, special allocation, **10:462**
- Inapplicability of statute, contributions, **10:180**
- Inclusion of debt in outside basis, **10:239 to 10:340**
- Income
 - allocation, generally, **10:84 to 10:145**
 - calculation of income, sale of partnership interests, **10:361**
 - cancellation of indebtedness income, **10:342 to 10:345**
 - ordinary income treatment, sale of partnership interests, **10:354**
 - qualified income offset, final regulations regarding allocation of income and losses, **10:91, 10:126**
 - remedial allocation method, contributions, **10:225**
 - taxes. See **Income taxes**, below
- Income taxes
 - liquidation of partnership interests, **10:169**
 - sale, **10:169**
- Increase in minimum gain, final nonrecourse regulations regarding allocation of income and losses, **10:113**
- Indemnity and indemnification
 - capital accounts, indemnity arrangements, **10:119**

PARTNERS AND PARTNERSHIPS**—Cont'd**

Indemnity and indemnification—Cont'd
contingent indemnification agree-
ments, inclusion of debt in
outside basis, **10:256**

Inside basis, **10:229, 10:234, 10:235**

Interest on money

guarantees, inclusion of debt in
outside basis, **10:262, 10:283,**
10:289, 10:299, 10:308, 10:317

special allocation of imputed interest
deduction, disguised sales,
10:462

Interests

exchange of partnership interests,
10:352 to 10:355, 10:396,
10:397, 23:80, 23:81

final regulations regarding allocation
of income and losses, **10:92**

free transferability of interests, **10:46,**
10:54

liquidation of partnership interests,
distributions, **10:165 to 10:170**

master limited partnership, **10:486 to**
10:502

one percent interest of general
partners, advance rulings on
partnership status, **10:55**

participating mortgages, debt vs
equity in partnership form,
10:629

pledge of partnership interests, inclu-
sion of debt in outside basis,
10:254

publicly traded interests. See Publicly
traded partnerships and partner-
ship interests, below

receipt of partnership interest,
compensation to service partner,
10:418 to 10:451

retroactive allocation of losses after
changes in partnership interests,
10:341

sale of partnership interests, **10:350 to**
10:395, 10:403

Interim depreciation, contributions,
10:182

Internal Revenue Service (IRS)
anti-abuse rule, settlement guideline,
10:12

PARTNERS AND PARTNERSHIPS**—Cont'd**

Internal Revenue Service (IRS)—Cont'd
audits

Generally, **23:76 to 23:78**

Nominee reporting to partnership,
information reporting, **23:83**
et seq.

Returns relating to exchanges of
partnership interests involving
unrealized receivables, infor-
mation reporting, **23:80, 23:81**

IRS interim guidance, partnership
interest as compensation to ser-
vice partner, **10:451**

notices

94-47, debt vs equity in partnership
form, **10:631**

95-14, check-the-box regulations,
10:15

position of IRS, management fees,
10:454

revenue Procedure 92-88, advance
rulings on partnership status,
10:57 to 10:60

rulings, advance rulings on partner-
ship status, **10:49 to 10:60**

Investment

opportunities, **2:19 to 2:31**

partnerships. See Investment partner-
ships, below

research and development, **2:28,**
21:36

tax credit, **10:478**

Investment partnerships

distributions, **10:154, 10:164**

limited partnerships. See **Limited**
Partners and Partnerships (this
index)

IRS. See Internal Revenue Service
(IRS), above

Joint undertakings, check-the-box
regulations, **10:16**

Layering, nonrecourse liabilities, **10:265**
to 10:267

Leases

investment opportunities, equipment
leasing, **2:26**

master lease arrangements, **10:259**

Liability or liabilities

Allocation of, **10:335, 10:337**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Liability or liabilities—Cont'd
 - disguised sales, compensation to service partner, **10:467 to 10:471**
 - funded or guaranteed by partner, final nonrecourse regulations regarding allocation of income and losses, **10:118 to 10:121**
 - limited liability. See *Limited liability*, below
 - nonrecourse. See *Nonrecourse*, below
 - recourse. See *Recourse*, below
 - single liability allocated among multiple properties, proposed regulations on tier three allocations, **10:332**
- Limitations
 - anti-abuse limitation, contributions, **10:202**
 - changes in elective classification under check-the-box regulations, **10:30**
 - gain recognized, distributions, **10:155**
 - liability. See *Limited liability*, below
 - loss limitation, outside basis, **10:231**
- Limited liability
 - advance rulings on partnership status, **10:51, 10:60**
 - companies. See **Limited Liability Companies** (this index)
 - old classification regulations, **10:47**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Liquidation
 - distributions, **10:143, 10:165 to 10:170, 10:365**
 - revaluation of partnership assets and allocation of income and losses, distributions, **10:143**
 - sale of partnership interests, distributions, **10:365**
 - zero value liquidation test, recourse liabilities, **10:244**
- Livestock programs. See **Livestock Programs** (this index)
- Loans
 - direct partner loans, inclusion of debt in outside basis, **10:275 to 10:279**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Loans—Cont'd
 - inclusion of debt in outside basis, **10:250 to 10:252, 10:271 to 10:279, 10:325 to 10:328**
 - liabilities funded or guaranteed by partner, final nonrecourse regulations regarding allocation of income and losses, **10:121**
 - nonrecourse loans, inclusion of debt in outside basis, **10:250 to 10:252, 10:325**
 - related person loans, inclusion of debt in outside basis, **10:271 to 10:274**
- Loss or losses
 - allocation of losses, **10:84 to 10:145, 10:338 to 10:341**
 - built-in loss, contributions, **10:197**
 - calculation of loss, sale of partnership interests, **10:361**
 - character of loss, **10:179, 10:351**
 - disallowance of loss, sale of partnership interests, **10:353**
 - economic risk of loss, inclusion of debt in outside basis, **10:245 to 10:249, 10:293, 10:303**
 - limitation, outside basis, **10:231**
 - passive loss. See **Passive Loss** (this index)
 - retroactive allocation of losses, **10:338 to 10:341**
- Maintenance of capital account, final regulations regarding allocation of income and losses, **10:96 to 10:98**
- Management
 - centralized management, **10:44, 10:53**
 - fees, compensation to service partner, **10:452 to 10:456**
- Mandatory matters
 - allocation, contributions, **10:173**
 - market value adjustment, final regulations regarding allocation of income and losses, **10:102**
 - minimum gain chargebacks, final regulations regarding allocation of income and losses, **10:112**
- Marketable securities, distributions, **10:150 et seq.**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Master lease arrangements, inclusion of debt in outside basis, **10:259**
- Master limited partnerships. See **Master Limited Partnerships** (this index)
- Measurement of dollar value of assets, mergers, **10:410**
- Members, proposed amendments to check-the-box regulations, **10:39**
- Mergers, **10:399 to 10:416**
- Methods
 - allocation method, contributions, **10:178**
 - contributions, **10:198 et seq.**
 - remedial allocation method, **10:140, 10:201, 10:222 to 10:227**
 - revaluation of partnership assets and allocation of income and losses, **10:138 to 10:140**
 - traditional method. See Traditional method, below
- Minimum
 - capital, advance rulings on partnership status, **10:56**
 - gain. See Gain, above
- Modifications. See Changes, amendments or modifications, above
- Mortgages
 - bifurcation / wraparound mortgages, inclusion of debt in outside basis, **10:263**
 - participating mortgages, debt vs equity in partnership form, **10:629**
- Motion pictures. See **Motion Pictures** (this index)
- Multiple properties, single liability allocated among, **10:332**
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Negative basis adjustments, sale of partnership interests, **10:370**
- Negative capital account, liquidating distributions, **10:167**
- Net worth
 - advance rulings on partnership status, **10:51**
 - guarantor, recourse liabilities, **10:255**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- New partners or partnerships, **10:104, 27:36**
- Nondepreciable property, revaluation of partnership assets and allocation of income and losses, **10:135 et seq.**
- Nonmarketable security, distributions, **10:153, 10:160**
- Nonqualified deferred compensation, tax treatment, **10:450**
- Nonrecognition transactions, distributions and contributions, **10:163, 10:205**
- Nonrecourse
 - characterization, related person loans, **10:273**
 - deductions, allocation of income and losses, **10:105 to 10:127, 10:132**
 - final nonrecourse regulations, allocation of income and losses, **10:105 et seq.**
 - liability or liabilities
 - Final nonrecourse regulations regarding allocation of income and losses, **10:106 to 10:125**
 - Inclusion of debt in outside basis, **10:264 to 10:267**
 - Shares
 - Disguised sales, **10:471**
 - Inclusion of debt in outside basis, **10:292, 10:302, 10:306, 10:315**
 - loans, inclusion of debt in outside basis, **10:250 to 10:252, 10:325**
 - shifts between recourse and nonrecourse debt, inclusion of debt in outside basis, **10:268**
- Notices. See Internal Revenue Service (IRS), above
- Number. See Amount or number, above
- Obligations
 - capital contributions, recourse liabilities, **10:246**
 - deficit restoration obligation. See Deficit restoration obligation, above
- Offset
 - qualified income offset, final regulations regarding allocation of income and losses, **10:91, 10:126**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Offset—Cont'd
 - substantiality, offsetting allocation test, **10:95**
- Oil and gas. See **Oil and Gas** (this index)
- Old rules and classification regulations, **10:35, 10:36, 10:43 to 10:60**
- One percent interest of general partners, advance rulings on partnership status, **10:55**
- One-time optional restatement, adjustments to reflect fair market value, **10:100**
- Operating cash flow, distributions of, **10:465**
- Ordinary income treatment, sale of partnership interests, **10:354**
- Organization expenses, **10:346**
- Outside basis, **10:230 to 10:233, 10:239 to 10:340**
- Participation
 - debt vs equity in partnership form, participating mortgages, **10:629**
 - tenant equity participation, recourse liabilities, **10:260**
- Passive loss. See **Passive Loss** (this index)
- Payment or payments
 - accounts payable, contributions, **10:206**
 - deferred payment, recourse liabilities, **10:248**
 - guaranteed payments, **10:346, 10:463 to 10:472**
 - repayment, liabilities funded or guaranteed by partner, **10:120**
- Permanent nonrecourse exemption for grandfathered related party debt, final regulations regarding allocation of income and losses, **10:123**
- Pitfalls in using partnership form, **10:3**
- Planning alternatives, receipt of partnership interest as taxable event
 - capital interest versus profits interest, **10:424**
 - section 83(b) election, **10:425**
 - services rendered directly to partnership, **10:422**
 - valuation issues, **10:423**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Planning opportunities, traditional method with curative allocations, **10:221**
- Pledge of property or interests, inclusion of debt in outside basis, **10:253, 10:254, 10:290, 10:300, 10:309, 10:318**
- Position of IRS, management fees, **10:454**
- Positive basis adjustments, sale of partnership interests, **10:369**
- Possible expansion, proposed regulations relating to allocation of basis adjustments, **10:394**
- Post-contribution financing proceeds, distribution of, **10:472**
- “Pratt v Commissioner” case, management fees, **10:453**
- Preferred returns, disguised sales, **10:463 to 10:472**
- Preformation expenses, reimbursements, **10:466**
- Present value
 - analysis, recourse liabilities, **10:248**
 - rule, disguised sales, **10:461**
 - test, final regulations regarding allocation of income and losses, **10:94**
- Presumptions, disguised sales, **10:463 to 10:472**
- Previous matters. See **Prior or previous matters**, below
- Primary economic effect test, final regulations regarding allocation of income and losses, **10:87**
- Prior or previous matters
 - exception for prior contribution, distributions, **10:152**
 - law, inclusion of debt in outside basis, **10:239**
 - nonmarketable security, distributions, **10:153**
- Proceeds, distribution, **10:116, 10:472**
- Profits interest, receipt of partnership interest, **10:420 et seq.**
- Property
 - assets. See **Assets**, above
 - contributions. See **Contributions**, above

PARTNERS AND PARTNERSHIPS**—Cont'd**

Property—Cont'd

disregarded entities, liabilities of,
10:336

distributions, **10:148, 10:362 to 10:365**

pledge of property, inclusion of debt
in outside basis, **10:253, 10:254, 10:290, 10:300, 10:309, 10:318**

real estate. See **Real Estate** (this index)

single liability allocated among
multiple properties, proposed
regulations on tier three allocations, **10:332**

Proposed matters

regulations. See Proposed regulations,
below

revenue procedure. See Proposed revenue procedure, below

Proposed regulations

accounting for compensatory partnership interests, **10:436**

allocation of partnership's deduction,
10:435

carried interests, **10:427**

compensatory partnership interests,
10:430 to 10:433

disguised sales, compensation to service partner, **10:458, 10:475**

reproposed regulations, inclusion of
debt in outside basis, **10:285 to 10:303**

sale of partnership interests, **10:386 to 10:395**

timing of partnership's deduction,
10:434

Proposed revenue procedure

application of safe harbor, **10:446**

conditions and limitations on safe
harbor, **10:444**

definitions, **10:447**

election to use liquidation value,
10:443

examples, **10:448**

mechanics of authorization to elect
safe harbor, **10:445**

what if safe harbor election is not
made, **10:449**

Publicly registered real estate syndica-
tions. See **Publicly Registered**

PARTNERS AND PARTNERSHIPS**—Cont'd**

Real Estate Syndications (this index)

Publicly traded partnerships and partner-
ship interests

actively traded security, distributions,
10:159

final regulations on PTP status,
10:488

master limited partnerships, **10:479 et seq., 10:548**

passive loss, **4:21**

publicly registered real estate syndica-
tions, post-effectiveness securi-
ties compliance, **26:135**

real estate investment trusts, **25:179 to 25:183, 25:194**

recent taxation proposals, **10:501**

structure of PTPs, **10:484**

taxation proposals, **10:501**

unrelated business taxable income,
real estate, **9:89**

Qualified matters

income offset, final regulations
regarding allocation of income
and losses, **10:91, 10:126**

liabilities, disguised sales, **10:468**

Real estate. See **Real Estate** (this index)

Reasonable matters

methods, contributions, **10:198 to 10:201**

use of traditional method, **10:212, 10:213, 10:218, 10:219**

Recapture, depreciation recapture
allocation, **10:145**

Receipt of partnership interest,
compensation to service partner,
10:418 to 10:451

Recognition of gain. See Gain, above

Recourse

liabilities

Inclusion of debt in outside basis,
10:242 to 10:263

Share of recourse liabilities,
disguised sales, **10:470**

shifts between recourse and nonre-
course debt, inclusion of debt in
outside basis, **10:274**

Reduction. See Decrease or reduction,
above

PARTNERS AND PARTNERSHIPS

—Cont'd

- Reflection of fair market value, adjustments, **10:99 to 10:102**
- Regulations
 - check-the-box regulations, **10:15 to 10:34, 10:73**
 - classification, **10:23 to 10:28, 10:30, 10:38, 10:40, 10:43 to 10:48**
 - contributions, **10:174 to 10:227**
 - disguised sales, compensation to service partner, **10:458 et seq.**
 - distributions, **10:157 to 10:164**
 - final regulations. See Final regulations, above
 - inclusion of debt in outside basis, **10:240 et seq.**
 - old classification regulations, **10:43 to 10:48**
 - proposed regulations. See Proposed regulations, above
 - reproposed regulations, inclusion of debt in outside basis, **10:285 to 10:303**
 - reevaluation of partnership assets and allocation of income and losses, **10:137 to 10:140**
 - sale of partnership interests, **10:357 to 10:395**
 - temporary regulations, inclusion of debt in outside basis, **10:296, 10:297, 10:313, 10:323**
 - termination of partnership, taxable year, **10:349**
- Reimbursements of preformation expenses, disguised sales, **10:466**
- Related party debt, permanent nonrecourse exemption, **10:123**
- Related person, inclusion of debt in outside basis, **10:243, 10:251, 10:271 to 10:274, 10:282, 10:326, 10:328**
- Remedial allocation or allocations
 - basis allocation, sale of partnership interests, **10:367**
 - contributions, **10:201, 10:222 to 10:227**
 - method, **10:140, 10:201, 10:222 to 10:227**
 - reevaluation of partnership assets and allocation of income and losses, **10:140**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Repayment, liabilities funded or guaranteed by partner, **10:120**
- Reporting, basis allocation and sale of partnership interests, **10:372**
- Reproposed regulations, inclusion of debt in outside basis, **10:285 to 10:303**
- Resales by investors, “beneficial” ownership under former Rule 144(d)(1), **6:216**
- Research and development, **2:28, 21:2 et seq.**
- Residual basis layering, nonrecourse liabilities, **10:267**
- Restatements, adjustments to reflect fair market value, **10:100, 10:101**
- Restoration. See Deficit restoration obligation, above
- Retiring partner, recognition of gain on liquidating distributions, **10:166**
- Retroactive allocation of losses, **10:338 to 10:341**
- Returns
 - basis allocation, sale of partnership interests, **10:372**
 - preferred returns, disguised sales, **10:463 to 10:472**
- Revaluation
 - minimum gain computation, final nonrecourse regulations, **10:115**
 - partnership assets, allocation of income and losses, **10:128 to 10:144**
- Revenue Procedure 92-88, advance rulings on partnership status, **10:57 to 10:60**
- Revenue rulings
 - 95-41, inclusion of debt in outside basis, **10:329**
 - 99-5, proposed amendments to check-the-box regulations, **10:42**
 - 99-6, proposed amendments to check-the-box regulations, **10:42**
- Reverse allocations, revaluation of partnership assets and allocation of income and losses, **10:141**
- Revisions of statute, adverse tax consequences of assets-over merger, **10:407**

PARTNERS AND PARTNERSHIPS**—Cont'd****Risk**

economic risk of loss, inclusion of debt in outside basis, **10:245 to 10:249, 10:293, 10:303**

at risk. See **At Risk** (this index)

At risk. See **At Risk** (this index)

Rules

anti-abuse rule. See Anti-abuse, above
basis rules, distributions, **10:156**

capital account maintenance rules,
final regulations regarding
allocation of income and losses,
10:96 to 10:98

ceiling rule, **10:136, 10:172**

de minimis rule, inclusion of debt in
outside basis, **10:252, 10:284**

effective date rules, inclusion of debt
in outside basis, **10:295 to
10:297, 10:312, 10:313, 10:322
to 10:324**

general rules. See General rules,
above

interest guarantee rule, inclusion of
debt in outside basis, **10:283**

old rules, **10:35, 10:36, 10:49 to
10:60**

present value rule, disguised sales,
10:461

transition rules, inclusion of debt in
outside basis, **10:270 to 10:279**

Rulings. See Internal Revenue Service
(IRS), above

Safe harbors

nonrecourse deduction, **10:108 to
10:111**

proposed revenue procedure, **10:444
to 10:449**

Sales

characterization, **10:170**

contributions. See Contributions,
above

deemed sale adjustment, revaluation
of partnership assets and alloca-
tion of income and losses,
10:144

disguised sales, compensation to ser-
vice partner, **10:458 to 10:476**

income tax consequences, **10:169**

interests in partnership, **10:350 to
10:395, 10:403**

PARTNERS AND PARTNERSHIPS**—Cont'd**

S corporations. See **S Corporations**
(this index)

Section 721 application to partnership
on transfer of compensatory
partnership interest

Generally, **10:437 to 10:442**

characterization rule, **10:439**

information reporting to partners,
10:441

proposed effective date of proposed
regulations, **10:442**

reevaluation of partnership property,
10:438

retroactive allocations, **10:440**

Securities trading partnerships, passive
loss, **4:16**

Service partner, compensation, **10:417
to 10:451**

Service partnership income. passive
loss, **4:17**

Setoff. See Offset, above

Settlement guideline of IRS, anti-abuse
rule, **10:12**

Seven-year period, contributions,
10:181

Shares

computation of partner's share of
minimum gain, final nonrecourse
regulations regarding allocation
of income and losses, **10:114**

nonrecourse liabilities. See Nonre-
course, above

recourse liabilities, disguised sales,
10:470

Shifts

Between recourse and nonrecourse
debt, inclusion of debt in outside
basis, **10:268**

grandfathered loan basis shift elec-
tion, related person loans, **10:272**

Significant item consistency require-
ment, nonrecourse deduction
allocation tests, **10:110**

Single liability allocated among multiple
properties, proposed regulations on
tier three allocations, **10:332**

Single owner entity, check-the-box
regulations, **10:22**

Small disparities, contributions, **10:208**

Special allocations, **10:118, 10:462**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Stacking, nonrecourse liabilities, **10:264**
- Status, advance rulings on partnership status, **10:49 to 10:60**
- Subrogation, recourse liabilities, **10:247**
- Substantiality, final regulations regarding allocation of income and losses, **10:93 to 10:95, 10:127**
- Syndication fees, **10:346**
- Tables
 - partner-guaranteed third party loans, inclusion of debt in outside basis, **10:327**
 - partner nonrecourse loans, inclusion of debt in outside basis, **10:325**
 - related person-guaranteed third party loans, inclusion of debt in outside basis, **10:328**
 - related person nonrecourse loans, inclusion of debt in outside basis, **10:326**
- Tacking of holding period, outside basis, **10:232**
- Taxable events, receipt of partnership interest, **10:422**
- Taxable year or years, **1:66, 10:347 to 10:349**
- Tax consequences
 - adverse tax consequences of assets-over merger, **10:406 to 10:408**
 - revaluation of partnership assets and allocation of income and losses, **10:129**
- Tax matters partner, **5:67, 10:578**
- Tax planning opportunities, traditional method with curative allocations, **10:221**
- Tax Reform Act of 1976, retroactive allocation of losses, **10:339**
- Tax Reform Act of 1984
 - contributions, **10:173**
 - exchange of partnership interests, **10:397**
 - management fees, **10:455, 10:456**
 - retroactive allocation of losses, **10:340, 10:341**
- Temporary regulations, inclusion of debt in outside basis, **10:296, 10:297, 10:313, 10:323, 10:324**
- Tenancy in common, **10:5**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Tenant equity participation, recourse liabilities, **10:260**
- Ten-percent de minimis exception, inclusion of debt in outside basis, **10:291, 10:301, 10:307, 10:316**
- Termination of partnership
 - elections under check-the-box regulations, **10:31**
 - taxable year, **10:348, 10:349**
- Third party loans guaranteed by partner or related person, inclusion of debt in outside basis, **10:327, 10:328**
- Tiered partnerships
 - contributions, **10:207**
 - final regulations on tier three allocations, **10:330 to 10:333**
 - inclusion of debt in outside basis, **10:269, 10:330 to 10:333**
- Time
 - advance rulings on partnership status, **10:49 to 10:60**
 - deferred payment, recourse liabilities, **10:248**
 - effective dates. See Effective dates, above
 - elective changes in classification, proposed amendments to check-the-box regulations, **10:40**
 - retroactive allocation of losses, **10:338 to 10:341**
 - tacking of holding period, outside basis, **10:232**
 - temporary regulations, inclusion of debt in outside basis, **10:296, 10:297, 10:313, 10:323, 10:324**
 - traditional method with curative allocations, contributions, **10:216**
 - year or years. See Year or years, below
- Trading. See Publicly traded partnerships and partnership interests, above
- Traditional method
 - contributions, **10:199, 10:200, 10:211 to 10:221**
 - revaluation of partnership assets and allocation of income and losses, **10:138, 10:139**

PARTNERS AND PARTNERSHIPS**—Cont'd**

Transactions

acquisition in nonrecognition transaction, distributions, **10:163**

division as part of larger transaction, **10:415**

merger as part of larger transaction, **10:409**

nonrecognition transactions, **10:163, 10:205**

transferred basis transactions, sale of partnership interests, **10:371**

Transferability of interests, **10:46, 10:54, 10:486 to 10:502**

Transferees

adjusted property distributed to transferee, sale of partnership interests, **10:363**

contributions, effect on transferees, **10:204**

Transferred basis transactions, sale of partnership interests, **10:371**

Transition

rules, inclusion of debt in outside basis, **10:270 to 10:279**

summary, inclusion of debt in outside basis, **10:325 to 10:328**

Transitory allocations, final regulations regarding allocation of income and losses, **10:95**

Treatment

liabilities, disguised sales, **10:467**

ordinary income treatment, sale of partnership interests, **10:354**

Trusts, check-the-box regulations, **10:17, 10:27**

Two-way adjustments, allocating basis adjustments, **10:378**

Uniform Partnership Act. See **Uniform Partnership Act** (this index)

Unreasonable use of traditional method, contributions, **10:213, 10:219**

Use

business considerations for use in partnership form, **10:2**

pitfalls in using partnership form, **10:3**

reasonable use of traditional method, **10:212, 10:213, 10:218, 10:219**

PARTNERS AND PARTNERSHIPS**—Cont'd**

Valuation

pledged property, inclusion of debt in outside basis, **10:290, 10:300**

receipt of partnership interest, compensation to service partner, **10:423**

Value

fair market value, **10:99 to 10:102, 10:177 to 10:185**

gross value, sale of partnership interests, **10:389, 10:390**

measurement of dollar value of assets, mergers, **10:410**

present value. See **Present value**, above

zero value liquidation test, recourse liabilities, **10:244**

Wraparound mortgages, recourse liabilities, **10:263**

Year or years

closing of partnership year, liquidating distributions, **10:168**

seven-year period, contributions, **10:181**

taxable year or years, **1:66, 10:347 to 10:349**

Zero value liquidation test, recourse liabilities, **10:244**

PASSIVE

Activities

importance of determination of activity, **4:101**

loss activities. See **Passive Loss** (this index)

Income. See **Income** (this index)

Loss. See **Passive Loss** (this index)

PASSIVE LOSS

Active participation standard, special rules for rental activities and limited partnerships, **4:12**

Activity or activities

Generally, **4:1 et seq.**

farmland and agriculture, **18:7**

limited partners and partnerships, alternative minimum tax, **11:162**

livestock programs, limitation on losses, **17:26, 17:27**

losses, IRS Manual, reference guide, **App W2**

INDEX

PASSIVE LOSS—Cont'd

- Activity or activities—Cont'd
 - real estate investment trusts, effect of non-REIT provisions of Internal Revenue Code, **25:173**
 - regulations. See Activity regulations, below
 - rental activities, limitations, **1:15**
 - s corporations, limitation on passive losses under Tax Reform Act of 1986, **22:51**
 - separate activities, below
 - structuring considerations, passive income activities, **4:138**

Activity regulations

- Generally, **4:102**
- defining activity, **4:101 to 4:112**
- importance of determination of activity, **4:101**
- partners and S corporation activities, **4:110**
- passive loss, **4:101 to 4:112**
- rental activities, grouping rules, **4:105**
- structuring considerations, **4:137 to 4:141**

Aggregation, **4:120**

Allocation or allocations

- special disposition rules, **4:75**
- varying applicable percentage using special allocations, self-charged interest, **4:94**

Allowance, special rules for rental activities and limited partnerships, **4:14**

Alternative tests for material participation, 1988 regulations, **4:36 to 4:43**

Ambiguities in 1993 Act, **4:116**

Amendments

- oil and gas working interest exception, proposed changes, **4:132**
- revenue Reconciliation Act of 1993. See Amendments under 1993 Act, below

Amendments under 1993 Act

- ambiguities, **4:116**
- business or businesses, **4:119**
- concerns of real estate industry, **4:117**
- elections to aggregate separate activities, **4:120**
- final regulations, **4:118 to 4:127**
- grouping, **4:115 to 4:117**

PASSIVE LOSS—Cont'd

Amendments under 1993 Act—Cont'd

- industry concerns regarding grouping, **4:117**

- limited partnership interests, **4:123**

- material participation rules, **4:121**

- overview of amendments, **4:113**

- preexisting losses treatment, **4:114**

- real estate industry concerns, **4:117**

- real estate professional, **4:113 to 4:127**

- rental real estate activity, grouping with development and construction activity, **4:122**

- revenue Reconciliation Act of 1993, **4:113 to 4:127**

- separate activities, **4:120**

- trades, **4:119**

Application or applicability

- passive loss rules, **4:4**

- varying applicable percentage using special allocations, self-charged interest, **4:94**

Appreciated interest in property, **4:77**

Avoidance of tax prevention, activity regulations, **4:108**

Background or history. See Legislative history, below

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)

Bankruptcy estates, passive loss rules applicable to, **4:133**

Borrowing to make self-charged loans, **4:92**

Brother / sister pass-through entity loans, **4:97**

Business or businesses

- amendment of rules by 1993 Act, **4:119**

- definition of business, 1988 regulations, **4:34**

- final regulations under 1993 Act, **4:119**

- lending business-equity financed lending rule, income recharacterization rules under 1988 regulations, **4:73**

- operating businesses, structuring considerations, **4:141**

- real estate industry concerns, grouping under 1993 Act, **4:117**

PASSIVE LOSS—Cont'd

- Business or businesses—Cont'd
 - structuring, **4:141**
 - trade or trades. See Trade or trades, below
- Calculation or computation
 - allowance, special rules for rental activities and limited partnerships, **4:14**
 - installment sale calculations, **4:80**
- Capitalized interest, **4:98**
- Carryover of disallowed deductions and credits, special disposition rules under 1988 regulations, **4:79**
- Circumstances test, alternative tests for material participation under 1988 regulations, **4:43**
- Condominium hotels, special rules for rental activities and limited partnerships, **4:15**
- Consistency requirement, new activity regulations, **4:107**
- Construction and development and rental real estate, grouping of activities, **4:122**
- Contributed use property, exceptions to rental activity status under 1988 regulations, **4:33**
- Corporations
 - investors, corporations as, **4:140**
 - material participation, **4:8**
 - s corporations. See S corporations, below
 - structuring considerations, corporations as investors, **4:140**
- Credits
 - carryover of disallowed credits, special disposition rules under 1988 regulations, **4:79**
 - low income housing credit, special rules for rental activities and limited partnerships, **4:13**
 - passive activity credit limitations (IRS form 8582-CR), **4:144**
 - rehabilitation credit, special rules for rental activities and limited partnerships, **4:13**
- Date. See Time or date, below
- Dealers
 - material participation under 1988 regulations, **4:61**

PASSIVE LOSS—Cont'd

- Dealers—Cont'd
 - special disposition rules under 1988 regulations, **4:78**
 - special rules for rental activities and limited partnerships, **4:11**
- Deemed sale rule, special disposition rules under 1988 regulations, **4:82 to 4:84**
- Definitions
 - activity, **4:103**
 - business, **4:34**
 - limited partnership, **4:54**
 - material participation, **4:35 to 4:43, 4:48 to 4:53**
 - participation, **4:44 to 4:47**
 - recordkeeping, **4:57**
 - rental activity, **4:26 to 4:33**
 - trade, **4:34**
- Determinations
 - activity regulations, importance of determination of activity, **4:101**
 - significant considerations in determining if participation is material, **4:25**
- Development
 - grouping of activities, rental real estate activities with development and construction activities, **4:122**
 - owner development services for intangibles, material participation under 1988 regulations, **4:67**
 - research and development activities, **4:20**
 - sale of self-developed property, income recharacterization rules under 1988 regulations, **4:70**
- Disallowed deductions and credits carryover, special disposition rules under 1988 regulations, **4:79**
- Disposition or dispositions
 - activity regulations, **4:111**
 - passive activity, generally, **4:128**
 - special disposition rules, **4:74 to 4:87**
- Distributions from retirement plan
 - material participation under 1988 regulations, **4:63**
 - special disposition rules under 1988 regulations, **4:85**
- Earned income, special disposition rules under 1988 regulations, **4:85**

INDEX

PASSIVE LOSS—Cont'd

Elections

- aggregation, final regulations under 1993 Act, **4:120**
- self-charged interest regulations, **4:99**

Examples of workings of rules, **4:5**

Exceptions

- oil and gas exception to passive loss rules, **4:130**
- rental activity status, 1988 regulations, **4:27 to 4:33**

Extraordinary services rule, exceptions to rental activity status under 1988 regulations, **4:30**

Facts and circumstances test, alternative tests for material participation under 1988 regulations, **4:43**

Farmland and agriculture, **18:7**

Fees, self-charged treatment of management fees, **4:88 to 4:94**

Final regulations under 1993 Act

- Generally, **4:118 to 4:127**
- businesses, **4:119**
- election to aggregate separate activities, **4:120**
- examples, **4:127**
- grouping of rental real estate and development and construction activity under 1993 Act, **4:122**
- limited partnership interests, **4:123**
- material participation rules, **4:121**
- pass-through entities, rental real estate held through, **4:126**
- personal services, **4:125**
- rental real estate held through, **4:126**
- separate activities, aggregation, **4:120**
- spouses, **4:124**
- trades, **4:119**

Financing

- lending business-equity financed lending rule, income recharacterization rules under 1988 regulations, **4:73**
- at risk, qualified nonrecourse financing as increasing amounts at risk, **3:25**

Fiscal year

- capitalized interest, **4:98**
- material participation of partners, 1988 regulations, **4:52**

PASSIVE LOSS—Cont'd

Fiscal year—Cont'd

- special disposition rules under 1988 regulations, fiscal year entities, **4:86**

Five hundred hours test, alternative tests for material participation under 1988 regulations, **4:37**

Five-year test, alternative tests for material participation under 1988 regulations, **4:41**

Forms

- instructions for IRS Form 8582, **4:143**
- instructions for IRS Form 8582-CR, **4:145**
- passive activity and at risk rules (IRS Publication 925), **4:146**
- passive activity credit limitations (IRS Form 8582-CR), **4:144**
- passive activity loss limitations (IRS Form 8582), **4:142**

Gas. See **Oil and Gas** (this index)

General partners, material participation, 1988 regulations, **4:50**

Grouping of activities

- amendment to Section 469 by 1993 Act, **4:115 to 4:117**
- final regulations under 1993 Act, **4:122**
- grouping rules, **4:104, 4:105**
- limitations, **4:106**
- real estate grouping, **4:109**
- rental activities, **4:105**
- rental real estate and development and construction activity, **4:122**
- rules, **4:104, 4:105**

Guaranteed payments to partner, **4:18**

Guaranteed returns, **4:19**

How passive loss rules work, **4:22, 4:23**

Husband and wife. See **Spouses**, below

Hybrid offerings, structuring considerations, **4:139**

Imputed interest, self-charged interest, **4:100**

Incidental rentals, exceptions to rental activity status under 1988 regulations, **4:31**

Income

- earned income, special disposition rules under 1988 regulations, **4:85**

PASSIVE LOSS—Cont'd

Income—Cont'd

passive income activities, structuring considerations, **4:138**

portfolio and service income. See Portfolio and service income, below

recharacterization of income, **4:68 to 4:73, 16:37**

significant participation, income recharacterization rules under 1988 regulations, **4:69**

structuring considerations, passive income activities, **4:139**

Indirect interest, **4:96**

Installment sales

calculations, **4:80**

special disposition rules under 1988 regulations, **4:80**

Intangibles, royalties from, **4:65 to 4:67**

Interest on money

limitations on interest expense, **1:14 to 1:17**

self-charged interest, **4:88 to 4:100**

Interest or interests

general partner, material participation of partners under 1988 regulations, **4:50**

limited partnership interests, final regulations under 1993 Act, **4:123**

oil and gas, working interests, **4:129**

proposed changes to working interest exception, **4:132**

qualifying indirect interest, **4:96**

sale of interest, special disposition rules under 1988 regulations, **4:81**

substantially appreciated interest in property, special disposition rules under 1988 regulations, **4:77**

working interest exception, oil and gas, **4:129**

Internal Revenue Service (IRS)

forms. See Forms, above

market Segment Specialization Program, **4:135**

Notice 90-21, passive loss rules applicable to casualty losses, **4:133**

PASSIVE LOSS—Cont'd

Internal Revenue Service (IRS)—Cont'd
revenue Publication 2010-13, activity regulations, **4:112**

Investment

corporations as investors, **4:140**

dealer investment property, material participation under 1988 regulations, **4:61**

Investors

corporations as investors, structuring considerations, **4:140**

participation defined, 1988 regulations, **4:45**

IRS. See Internal Revenue Service (IRS), above

Legislative history

material participation, **4:7**

rules, activity subsequent to 1986, **4:3**

Licensing intangibles by pass-through entity, material participation under 1988 regulations, **4:66**

Limitations

grouping, activity regulations, **4:106**

limited liability companies, passive loss limitations, **5:65**

livestock programs, **17:26, 17:27**

passive activity credit limitations (IRS form 8582-CR), **4:144**

passive activity loss limitations (IRS Form 8582), **4:142**

real estate investment trusts, effect of non-REIT provisions of Internal Revenue Code, **25:173**

s corporations, Tax Reform Act of 1986, **22:50 to 22:54**

tax shelters and interest expense, **1:14 to 1:17**

Limited liability companies

material participation, **4:53**

1988 regulations, **4:53**

taxation of LLCs and members, **5:65**

Limited partners and partnerships

accounting issues affecting investment limited partnerships, **11:120**

alternative minimum tax, **11:162**

amendment to Section 469 by 1993 Act, **4:123**

final regulations under 1993 Act, **4:123**

INDEX

PASSIVE LOSS—Cont'd

- Limited partners and partnerships
 - Cont'd
 - interests, final regulations under 1993 Act, **4:123**
 - master limited partnerships, simplified reporting for electing large partnerships, **10:556**
 - material participation, **4:48 to 4:51, 4:87**
 - special rules for rental activities and limited partnerships, **4:9 to 4:14**
- Livestock programs, limitation on losses, **17:26, 17:27**
- Loans
 - income recharacterization rules, lending business-equity financed lending rule, **4:73**
 - “Self-charged” interest, **4:88 to 4:100**
- Longstanding participation (five-year) test, alternative tests for material participation under 1988 regulations, **4:41**
- Low income housing credit, special rules for rental activities and limited partnerships, **4:13**
- Management fees, self-charged treatment of, **4:88 to 4:94**
- Market Segment Specialization Program, IRS, **4:135**
- Master limited partnerships, simplified reporting for electing large partnerships, **10:556**
- Material participation
 - Generally, **4:7, 4:8**
 - amendment to Section 469 by 1993 Act, **4:121**
 - corporations, **4:8**
 - definition under 1988 regulations, **4:35 to 4:43, 4:48 to 4:53**
 - final regulations under 1993 Act, **4:121**
 - legislative history, **4:7**
 - limited liability companies, **4:53, 4:55, 4:56**
 - limited partners and partnerships, **4:48 to 4:51, 4:87**
 - partners, 1988 regulations, **4:48 to 4:51**
 - s corporations, limitation on passive losses under Tax Reform Act of 1986, **22:53**

PASSIVE LOSS—Cont'd

- Most participation test, alternative tests for material participation under 1988 regulations, **4:39**
- Multiple activities
 - self-charged items, loans involving, **4:93**
 - special disposition rules, **4:75, 4:76**
 - 1988 regulations, **4:24 to 4:87**
 - 1993 Act amendments. See Amendment under 1993 Act, above
- Noncustomary owner services, participation defined under 1988 regulations, **4:46**
- Nondepreciable property rents, income recharacterization rules under 1988 regulations, **4:72**
- Nonexclusive use, exceptions to rental activity status under 1988 regulations, **4:32**
- Notices. See Internal Revenue Service (IRS), above
- Oil and gas. See **Oil and Gas** (this index)
- One hundred hours test, alternative tests for material participation under 1988 regulations, **4:39**
- Operation or operating
 - business or businesses, **4:141**
 - structuring considerations, operating businesses, **4:141**
- Original issue discount, self-charged interest, **4:100**
- Owners and ownership
 - borrowing to make self-charged loans, **4:92**
 - development services, royalties from intangibles, **4:67**
 - loans by owner to pass-through entity, **4:90**
 - loans by pass-through entity to owner, **4:91**
 - multiple activities, loans involving, **4:93**
 - noncustomary owner services, participation defined under 1988 regulations, **4:46**
 - percentage applicable, varying using special allocations, **4:94**
 - special allocations, **4:94**
- Participation
 - active participation standard, special rules for rental activities and

PASSIVE LOSS—Cont'd

Participation—Cont'd

limited partnerships, **4:12**defined under 1988 regulations, **4:44 to 4:47**investor, participation as, **4:45**

material participation. See Material participation, above

noncustomary owner services, participation as, **4:46**

significant participation. See Significant participation, below

spouse, participation as, **4:47**

Partners and partnerships

activity regulations, **4:110**case law, limited liability companies as limited partnerships, **4:56**general partners, material participation, 1988 regulations, **4:50**guaranteed payments to partner, **4:18**limited liability companies as limited partnerships, 1988 regulations, **4:55, 4:56**

limited partners and partnerships. See Limited partners and partnerships, above

material participation of partners, 1988 regulations, **4:48 to 4:51**personal services of partners, **4:59**publicly traded partnerships, **4:21**securities trading partnerships, **4:16**service partnership income, **4:17**special disposition rules under 1988 regulations, **4:81 to 4:87**

Pass-through entities

licensing, royalties from intangibles, **4:66**loans, self-charged interest, **4:90, 4:91, 4:95**recharacterization, **4:95**

Percent or percentage

ten-percent, partners and S corporation shareholders, special disposition rules under 1988 regulations, **4:83**varying applicable percentage using special allocations, self-charged interest, **4:94**Personal property, material participation under 1988 regulations, **4:64****PASSIVE LOSS—Cont'd**

Personal services

alternative tests for material participation under 1988 regulations, personal service activity (three-year) test, **4:42**final regulations under 1993 Act, **4:125**partners, **4:59**

Portfolio and service income

dealer investment property, **4:61**
general rule, **4:60**material participation under 1988 regulations, **4:60 to 4:63**retirement plan distributions, **4:63**rules, material participation under 1988 regulations, **4:58**service income, generally, **4:62**treatment under passive loss rules, **4:23**Preexisting losses treatment under 1993 Act, **4:114**Preferred returns, **4:19**Prevention of tax avoidance, activity regulations, **4:108**

Property

contributed use property, exceptions to rental activity status under 1988 regulations, **4:33**dealers, material participation under 1988 regulations, **4:61**dealers, special disposition rules under 1988 regulations, **4:78**nondepreciable property rents, income recharacterization rules under 1988 regulations, **4:72**personal property, material participation under 1988 regulations, **4:64**

real estate. See Real estate, below

sale of passive activity, **4:74 to 4:76**sale of self-developed property, income recharacterization rules under 1988 regulations, **4:70**self-rented property, income recharacterization rules under 1988 regulations, **4:71**substantially appreciated interest in property, special disposition rules under 1988 regulations, **4:77**

tangible property requirement, rental activity defined under 1988

INDEX

PASSIVE LOSS—Cont'd

- Property—Cont'd
 - regulations, **4:26 to 4:33**
 - trading personal property, material participation under 1988 regulations, **4:64**
- Provisions of Tax Reform Act of 1986, **4:1 to 4:146**
- Publicly traded partnerships, **4:21**
- Qualified or qualifying matters
 - indirect interest, **4:96**
 - at risk, qualified nonrecourse financing as increasing amounts at risk, **3:25**
- Real estate
 - grouping of activities, **4:109**
 - industry concerns, grouping under 1993 Act, **4:117**
 - investment trusts, **25:173, 25:181**
 - professionals, amendment to Section 469 by 1993 Act, **4:113 to 4:127**
 - rental activities. See Rental activities, below
 - tax Reform Act of 1986, **9:4**
- Recharacterization of income, **4:68 to 4:73, 16:37**
- Recharacterization of pass-through entity loans, **4:95**
- Recordkeeping, material participation under 1988 regulations, **4:57**
- Regulations
 - 1988 regulations, **4:24 to 4:87**
 - activity regulations, **4:101 to 4:112**
 - amendment under 1993 Act, **4:118 to 4:127**
 - defining activity, **4:101 to 4:112**
 - final regulations under 1993 Act, **4:118 to 4:127**
- Rehabilitation credit, special rules for rental activities and limited partnerships, **4:13**
- Rental activities
 - definition of rental activity under 1988 regulations, **4:26 to 4:33**
 - grouping of rental real estate and development and construction activity under 1993 Act, **4:122**
 - grouping rules, activity regulations, **4:105**
 - passive loss rules, amendment under 1993 Act, **4:122, 4:126**

PASSIVE LOSS—Cont'd

- Rental activities—Cont'd
 - pass-through entities, rental real estate held through, **4:126**
 - self-developed property, income recharacterization rules under 1988 regulations, **4:70**
 - self-rented property, income recharacterization rules under 1988 regulations, **4:71**
 - special rules for rental activities and limited partnerships, **4:9 to 4:14**
 - tax shelters and interest expense, passive loss limitations, **1:15**
- Rents, income recharacterization rules under 1988 regulations, **4:72**
- Research and development activities, **4:20**
- Retirement plan distributions
 - material participation under 1988 regulations, **4:63**
 - special disposition rules under 1988 regulations, **4:85**
- Revenue Publication 2010-13, activity regulations, **4:112**
- Revenue Reconciliation Act of 1993, **1:17, 4:113 to 4:127**
- At risk
 - passive activity and at risk rules (IRS Publication 925), **4:146**
 - qualified nonrecourse financing as increasing amounts at risk, **3:25**
- Royalties from intangibles, material participation under 1988 regulations, **4:65 to 4:67**
- Rules
 - Generally, **4:2**
 - business or businesses in operation, **4:141**
 - conclusion, **4:136 to 4:141**
 - corporations as investors, **4:140**
 - examples of workings, **4:5**
 - extraordinary services rule, exceptions to rental activity status under 1988 regulations, **4:30**
 - grouping rules, activity regulations, **4:104, 4:105**
 - how passive loss rules work, **4:22, 4:23**
 - hybrid offerings, **4:139**
 - legislative and regulatory activity subsequent to 1986, **4:3**

PASSIVE LOSS—Cont'd**Rules—Cont'd**

1986, regulatory and legislative activity subsequent to, **4:3**

oil and gas, **4:129 to 4:132, 16:29 to 16:39**

passive activity and at risk rules (IRS Publication 925), **4:146**

passive income activities, **4:138**

recharacterization of pass-through entity loans, **4:95**

regulatory and legislative activity subsequent to 1986, **4:3**

seven-day rule, exceptions to rental activity status under 1988 regulations, **4:28**

special rules. See Special rules, below
structuring considerations, **4:137 to 4:141**

thirty-day significant services rule, exceptions to rental activity status under 1988 regulations, **4:29**

transition rules. See Transition rules, below

Sales

installment sale calculations, special disposition rules under 1988 regulations, **4:80**

interest, special disposition rules under 1988 regulations, **4:81**

passive activity, **4:74 to 4:76**

Scope of 1988 regulations, **4:24**

S corporations

limitation under Tax Reform Act of 1986, **22:50 to 22:54**

new activity regulations, **4:110**

shareholders, **4:81 to 4:87, 22:54**

Section 469 amendment. Amendments under 1993 Act. above

Securities, material participation under 1988 regulations, **4:64**

Securities trading partnerships, **4:16**

Self-charged items

interest and management fees, generally, **4:88 to 4:100**

loans, **4:90 to 4:94**

problem with interest and management fees, **4:88**

solution to problem of interest and management fees, **4:89 to 4:94**

PASSIVE LOSS—Cont'd

Self-developed property sales, income recharacterization rules under 1988 regulations, **4:70**

Self-rented property, income recharacterization rules under 1988 regulations, **4:71**

Separate activities

amendment to Section 469 by 1993 Act, **4:120**

final regulations under 1993 Act, **4:120**

Service partnership income, **4:17**

Services

extraordinary services rule, exceptions to rental activity status under 1988 regulations, **4:30**

income. See Portfolio and service income, above

noncustomary owner services, participation defined under 1988 regulations, **4:46**

owner development services, royalties from intangibles, **4:67**

personal services. See Personal services, above

special rules for rental activities and limited partnerships, **4:10**

thirty-day significant services rule, exceptions to rental activity status under 1988 regulations, **4:29**

Seven-day rule, exceptions to rental activity status under 1988 regulations, **4:28**

Shareholders of S corporations, **4:81 to 4:87, 22:54**

Significant matters

considerations in determining if participation is material, **4:25**

participation. See Significant participation, below

thirty-day significant services rule, exceptions to rental activity status under 1988 regulations, **4:29**

Significant participation

alternative tests for material participation, 1988 regulations, **4:40**

income recharacterization rules, 1988 regulations, **4:69**

INDEX

PASSIVE LOSS—Cont'd

- Sister / brother pass-through entity loans, **4:97**
- Special allocations, self-charged interest, **4:94**
- Special rules
 - disposition, **4:74 to 4:87**
 - rental activities and limited partnerships, **4:9 to 4:14**
- Spouses
 - final regulations under 1993 Act, **4:124**
 - oil and gas, **16:36**
 - participation defined under 1988 regulations, **4:47**
 - treatment of spouses, final regulations under 1993 Act, **4:124**
- Status, exceptions to rental activity status, 1988 regulations, **4:27 to 4:33**
- Structuring considerations, **4:137 to 4:141**
- Substantially all participation test, alternative tests for material participation under 1988 regulations, **4:38**
- Substantially appreciated interest in property, special disposition rules under 1988 regulations, **4:77**
- Tangible property requirement, rental activity defined under 1988 regulations, **4:26 to 4:33**
- Tax Reform Act of 1986, **4:1 to 4:146**
- Tax shelters and interest expense, limitations, **1:14 to 1:17**
- Ten-percent, partners and S corporation shareholders, special disposition rules under 1988 regulations, **4:83**
- Thirty-day significant services rule, exceptions to rental activity status under 1988 regulations, **4:29**
- Three-year test, alternative tests for material participation under 1988 regulations, **4:42**
- Tiered entities, **4:84, 4:96**
- Time or date
 - fiscal year. See Fiscal year, above
 - five hundred hours test, alternative tests for material participation under 1988 regulations, **4:37**
 - longstanding participation (five-year) test, alternative tests for material

PASSIVE LOSS—Cont'd

- Time or date—Cont'd
 - participation under 1988 regulations, **4:41**
 - one hundred hours test, alternative tests for material participation under 1988 regulations, **4:39**
 - personal service activity (three-year) test, alternative tests for material participation under 1988 regulations, **4:42**
 - seven-day rule, exceptions to rental activity status under 1988 regulations, **4:28**
 - thirty-day significant services rule, exceptions to rental activity status under 1988 regulations, **4:29**
 - twelve-month rule, special disposition rules under 1988 regulations, **4:76**
- Trade or trades
 - amendment to Section 469 by 1993 Act, **4:119**
 - definition, 1988 regulations, **4:34**
 - final regulations under 1993 Act, **4:119**
- Trading
 - personal property, material participation under 1988 regulations, **4:64**
 - publicly traded partnerships, **4:21**
 - securities, material participation under 1988 regulations, **4:64**
 - securities trading partnerships, **4:16**
- Transition rules limitations, **1:16**
- Treatment
 - portfolio income, **4:23**
 - spouses, final regulations under 1993 Act, **4:124**
- Twelve-month rule, special disposition rules under 1988 regulations, **4:76**
- Use
 - contributed use property, exceptions to rental activity status under 1988 regulations, **4:33**
 - nonexclusive use, exceptions to rental activity status under 1988 regulations, **4:32**
 - varying applicable percentage using special allocations, self-charged interest, **4:94**

PASSIVE LOSS—Cont'd

- Varying applicable percentage using special allocations, self-charged interest, **4:94**
- What is passive activity, **4:6 to 4:14**
- Wife and husband. See **Spouses**, above
- Working interest exception, oil and gas, **4:129**

PASS-THROUGH

- Entities. See **Pass Through Entities** (this index)
- Equipment leasing, pass-through of credit to lessee, **19:49**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Oil programs as pass-through vehicles, **16:28**

PASS THROUGH ENTITIES

- Income, deduction for, **1A:11, 9:3, 22:3**
- Limited partners and partnerships, limitation on deductibility of interest, **11:150**
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- S corporations, investment interest limitation, **22:42 to 22:44**

PAYBACK METHOD

- Calculation of return, **2:10**

PAY DOWN OF PROPERTY DEBT

- Real estate investment trusts, allocation issues, **25:190**

PAYMENT OR PAYMENTS

- Audits-IRS. See **Audits - IRS** (this index)
- Due diligence and civil liability, future payments by limited partners, **8:188**
- Farmland and agriculture, exclusive of forestry cost-sharing payments, **18:34**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs. See **Livestock Programs** (this index)
- Master limited partnerships. See **Master Limited Partnerships** (this index)

PAYMENT OR PAYMENTS—Cont'd

- Oil and gas. See **Oil and Gas** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss, retirement payments, **4:85**
- Prepayment. See **Prepayment** (this index)
- Real estate. See **Real Estate** (this index)
- Repayment. See **Repayment** (this index)
- S corporations. See **S Corporations** (this index)
- Underpayment or underpayments. See **Underpayment or Underpayments** (this index)

PAYROLL TAXES

- Local payroll taxes, **11:49**

PENALTIES

- Audits-IRS. See **Audits - IRS** (this index)
- Broker-dealers, disciplinary procedures, **15:110 to 15:114**
- Master limited partnerships, electing large partnership adjustments, **10:600, 10:601**
- S corporations, taxable year, **22:80**
- Violations, CTA, **9:104**

PENDENT STATE CLAIMS FOR INDEMNIFICATION AND CONTRIBUTION

- Due diligence and civil liability, federal preemption, **8:200**

PENSION LIABILITIES

- IRS audit program, substantial overstatement taxpayer penalty, **23:43**

PERCENT OR PERCENTAGE

- Equipment leasing, limitations on deductibility of investment interest, **19:13, 19:15**
- Fifteen percent expense. See **Fifteen Percent Expense** (this index)
- Limited liability companies, one percent ownership, **5:32**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

PERCENT OR PERCENTAGE

—Cont'd

Master limited partnerships, special ten-percent penalty for late payments, electing large partnership adjustments, **10:601**

Ninety percent. See **Ninety Percent** (this index)

Oil and gas programs, one hundred percent write-off, **16:41**

One percent. See **One Percent** (this index)

Passive loss. See **Passive Loss** (this index)

Real estate. See **Real Estate** (this index)

S corporations, applicable percentage and taxable year, **22:75**

Ten percent. See **Ten Percent** (this index)

Twenty five percent test. See **Twenty five percent test** (this index)

PERFORMANCE

Publicly registered real estate syndications, prior performance, **26:23 to 26:31, 26:90, 26:108**

PERMANENT LOAN

Commitment or standby fees, **11:17**

PERMANENT NONRECOURSE EXEMPTION

Partners and partnerships, grandfathered related party debt, **10:123**

PERMISSIBLE OR ALLOWABLE

Real estate. See **Real Estate** (this index)
S corporations, permissible fiscal years without election, **22:72**

PERSONAL EXEMPTIONS

Individual income tax, Tax Reform Act of 1986, **1:57**

PERSONAL GUARANTEE

Publicly registered real estate syndications, Form S-11 requirements for contents of prospectus, **26:40**

PERSONAL HOLDING COMPANY TAX

S corporations, avoidance, **22:10**

PERSONAL INTEREST

Limited partners and partnerships, limitation on deductibility of inter-

PERSONAL INTEREST—Cont'd

est, **11:122, 11:136**

PERSONAL PLEASURE

Facts and circumstances test for activities not engaged in for profit, **11:16**

Livestock programs, facts and circumstances test for activity engaged in for profit, **17:20**

PERSONAL PROPERTY

Depreciation, **9:57**

Passive loss, material participation under 1988 regulations, **4:64**

PERSONAL SERVICE CORPORATIONS

Accounting provisions, taxable years, **1:66**

PERSONAL SERVICES

See **Passive Loss** (this index)

PETITIONS

Master limited partnerships, electing large partnership adjustment proceedings, **10:614, 10:615**

PHASE IN

Equipment leasing, limitations on deductibility of investment interest, **19:13**

Limited partners and partnerships, limitation on deductibility of interest, **11:134 to 11:136**

PHRASES AND WORDS

See **Definitions** (this index)

PICTURES

See **Motion Pictures** (this index)

“PINTER V DAHL” CASE

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:86, 8:87**

PITFALLS IN USING PARTNERSHIP FORM

Generally, **10:3**

PLACE

See **Location or Place** (this index)

PLACED IN SERVICE

Equipment leasing, depreciation and ACRS, **19:33, 19:40**

PLACED IN SERVICE—Cont'd

- Motion pictures, investment tax credit, **20:26**
- Real estate, depreciation under Tax Reform Act of 1986, **9:23, 9:53**

PLAIN ENGLISH

- Full disclosure, **7:17 to 7:22**
- Publicly registered real estate syndications, contents of prospectus, **26:4 to 26:13**
- Real estate investment trusts, federal registration provisions, **25:53 to 25:61**

PLANS

- Broker - Dealers. See **Broker - Dealers** (this index)
- Investment limited partnerships, single plan of financing, **6:78**
- Limited liability companies, retirement plans, **5:68**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss, retirement plan distributions, **4:63, 4:85**
- Publicly registered real estate syndications, plan of distribution, **26:51**
- Real estate investment trusts, plan assets, **25:72 to 25:75**
- Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk (Dec. 17, 2009), **App E**

PLANT FACILITIES

- Equipment leasing, depreciation and ACRS, **19:39**
- Real estate, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:52**

PLANTS

- Farmland and agriculture, depreciation, **18:22**

PLEADINGS

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:122**

PLEASURE

- See **Personal Pleasure** (this index)

PLEDGE OF PROPERTY OR INTERESTS

- Exemptions from registration. See **Resales by Investors** (this index)
- Partners and partnerships, inclusion of debt in outside basis, **10:253, 10:254, 10:290, 10:300, 10:309, 10:318**

POINTS FOR LOANS

- Current expenses of limited partnerships, treatment of, **11:26 to 11:44**

POLICY OR POLICIES

- Investment limited partnerships, policy safe harbor, **6:104, 6:105**
- NASAA. See **North American Securities Administrators Association (NASAA)** (this index)
- Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

POLLUTION CONTROL FACILITIES

- Limited partners and partnerships, alternative minimum tax, **11:169**

POOLS

- Mortgage pools, **1:46, 2:23, 28:45**

PORTFOLIO

- Diversification, oil and gas, **16:22**
- Income. See **Passive Loss** (this index)

POSITION OF IRS

- Partners and partnerships, management fees, **10:454**

POSITION OF SEC

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:38**

POSITION STATEMENT 97-1

- Publicly registered real estate syndications, receivables, replaced by FASB ASC Topic No. 310, **26:44**

POSITIVE BASIS ADJUSTMENTS

- Partnership interests, sales, **10:369**

INDEX

POSITIVE SPREAD INVESTING

Real estate investment trusts, history, **25:7**

POSSIBLE AVOIDANCE

Motion pictures, at risk rule, **20:19**

POSSIBLE EXPANSION

Partners and partnerships, proposed regulations relating to allocation of basis adjustments, **10:394**

POST CONTRIBUTION FINANCING PROCEEDS

Partners and partnerships, distribution, **10:472**

POST EFFECTIVENESS SECURITIES COMPLIANCE

Publicly registered real estate syndications, **26:117 to 26:135**

POSTPONEMENT

Determination of presumption that activity is engaged in for profit, live-stock programs, **17:23**

POST RESEARCH ACTIVITIES

Research and development tax credit, specific exclusions from eligibility, **21:44**

POTENTIALLY ABUSIVE SITUATIONS

Application of original issue discount rules, **11:34**

POWER

See **Authority or Power** (this index)

“PRATT V COMMISSIONER” CASE

Partners and partnerships, management fees, **10:453**

PRECEDENT ANALYSIS

Livestock programs, purchase of mare in foal, **17:82, 17:83**

PREEMPTION

Due diligence and civil liability, federal preemption of pendent state claims for indemnification and contribution for inadequate or materially misleading disclosure, **8:200**

Limited partners and partnerships, internet foreign offerings, Rule 506 offerings, **6:71**

PREEMPTION—Cont’d

Real estate, state regulation of private real estate securities transactions, **14:2**

PREEXISTING LOSSES

Passive loss, treatment under 1993 Act, **4:114**

PREEXISTING RELATIONSHIPS

Investment limited partnerships, Regulation D, **6:35**

PREFERENCES

Limited partners and partnerships, alternative minimum tax, **10:559, 11:160 to 11:176**

PREFERRED RETURNS

Partners and partnerships, disguised sales, **10:463 to 10:472**

Passive loss, **4:19**

PREFORMATION EXPENSES

Partners and partnerships, reimbursements, **10:466**

PRELIMINARY MATTERS

Communications, publicly registered real estate syndications, **26:186**

Offering circular, Regulation A exemption, **6:147**

PREMATURE ACTION

Master limited partnerships, electing large partnership adjustment proceedings, **10:610**

PREMIUM

Calculation of return, risk premium, **2:12**

PRE OPENING EXPENSES

Current expenses of limited partnerships, treatment of, **11:3 to 11:4**

PRE OPERATING EXPENSES

Research and development tax credit, **21:50**

PREPAID

See **Prepayment** (this index)

PREPARATION OF DISCLOSURE DOCUMENTS FOR INVESTORS

Due diligence and civil liability, inadequate or materially misleading

**PREPARATION OF DISCLOSURE
DOCUMENTS FOR INVESTORS
—Cont'd**

disclosure, **8:81 to 8:186**

PREPARER PENALTIES

IRS audit program, ethical and practical considerations for professional advisors, **23:107 to 23:110**

PREPAYMENT

Livestock programs, expenses, **17:57 to 17:61**

Real estate. See **Real Estate** (this index)

**PRESCRIBED DEPRECIATION
METHODS**

Equipment leasing, **19:27**

Real estate, Tax Reform Act of 1986, **9:20**

PRESENTATION OR PRESENTMENT

See **Publicly Registered Real Estate Syndications** (this index)

PRESENT VALUE

Calculation of return, **2:13, 2:14**

Partners and partnerships. See **Partners and Partnerships** (this index)

PRESERVATION

Authority, real estate investment trusts, **25:129**

Records, broker-dealers, **15:70**

PRESUMPTIONS

Livestock programs, activity engaged in for profit, **17:22 to 17:24**

Partners and partnerships, disguised sales, **10:463 to 10:472**

PREVAILING MARKET PRICE

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:38, 13:39**

PREVENTION OF TAX AVOIDANCE

Passive loss, activity regulations, **4:108**

PREVIOUS MATTERS

See **Prior or Previous Matters** (this index)

PRICE

Corporate income tax, allocation of purchase price, **1:52**

PRICE—Cont'd

Farmland and agriculture, deductibility of purchase price allocable to growing crops, **18:18**

FINRA regulation of direct participation programs and non-traded real estate investment trusts, determination of prevailing market price, **13:38**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs. See **Livestock Programs** (this index)

Partners and partnerships, contingent purchase price, **10:628**

Real estate, fixed or determinable price, **9:75**

**PRIMARILY ENGAGED IN CERTAIN
BUSINESS**

Investment limited partnerships, two-tier limited partnerships under Investment Company Act of 1940, **6:304**

**PRIMARY ECONOMIC EFFECT
TEST**

Partners and partnerships, final regulations regarding allocation of income and losses, **10:87**

**PRIMARY INTERPRETIVE
RELEASE (1975)**

Investment limited partnerships, civil, antifraud and criminal liability, **6:270**

PRIMARY VIOLATIONS

Due diligence and civil liability, aiding and abetting, **8:118**

**PRINCIPALLY SECURED BY
INTEREST IN REAL PROPERTY**

Real estate mortgage investment conduits, qualified mortgages, **28:20**

PRINCIPAL OFFICE REQUIREMENT

Investment limited partnerships, intra-state offering exemption from registration requirements of Securities Act of 1933, **6:132**

PRINCIPAL PLACE OF BUSINESS

Limited partners and partnerships, certificates of limited partnership, **24:6**

INDEX

PRINCIPAL PURPOSE FOR INCREASING OR DECREASING RENTS

Avoidance of tax, **11:57**

PRINCIPALS

Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:139**

PRIOR OR PREVIOUS MATTERS

FINRA regulation of direct participation programs and non-traded real estate investment trusts, rollup rules, **13:54**

IRS audit program, partnership audit provisions, **23:76.80**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Motion pictures, use of prior law, **20:40**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

S corporations, previously taxed income election, **22:38**

PRIVATE ACTIONS

Due diligence and civil liability, Rule 10b-5 and inadequate or materially misleading disclosure, **8:112 to 8:121**

PRIVATE FUNDS

SEC enforcement authority, curtailed in Fifth Circuit ruling, **8:175**

PRIVATE MARKET VALUATION OF REAL ESTATE

Real estate investment trusts, history, **25:14**

PRIVATE OFFERING EXEMPTION

Investment limited partnerships, registration requirements of Securities Act of 1933, **6:24 to 6:114**, **App A4**

PRIVATE PLACEMENTS

Broker-dealers, FINRA guidance on obligation to conduct investigations, **15:95**

FINRA, regulation of direct participation, **13:50, 13:51**

PRIVATE PLACEMENTS—Cont'd

FINRA guidance, due diligence and civil liability, practical aspects of due diligence investigations, **8:36**

Limited liability companies, private placement memo, **App J**

Limited partners and partnerships, internet foreign offerings—private placements under Regulation D, **6:72**

PRIVATE REAL ESTATE SECURITIES TRANSACTIONS

State regulation, **14:1 to 14:20**

PRIVATE REITS

Generally, **25:163**

PRIVATE SECURITIES

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:29**

PRIVATE SECURITIES LITIGATION REFORM ACT (PSLRA)

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:194 to 8:196**

PRIVILEGES

IRS audit program, expansion of confidentiality privilege, **23:112**

PRIVITY

Due diligence and civil liability, “near privity” rule for state law claims for inadequate or materially misleading disclosure, **8:205**

PROCEEDINGS

See **Actions and Proceedings** (this index)

PROCEEDS

Full disclosure, prospectus, **7:34, 7:35**

Investment limited partnerships, net proceeds requirement under Rule 147, **6:131**

Livestock sold because of drought, deferral of income, **17:56**

Partners and partnerships, distribution, **10:116, 10:472**

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

PROCESSING FEES

Current expenses of limited partnerships, treatment of, **11:26 to 11:44**

PROCESS OF EXPERIMENTATION TEST

Research and development tax credit, qualified research, **21:41**

PRODUCE

Farm produce, deferred reporting of income on sales of, **18:10**

PRODUCTION

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Motion pictures. See **Motion Pictures** (this index)

Oil and gas, payments, **16:13, 16:39**

PROFESSIONALS

Actions and proceedings, **8:167**

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:81 et seq.**

IRS audit program, ethical and practical considerations for professional advisors, **23:106 et seq.**

Passive loss, real estate professionals and 1993 Act, **4:113 to 4:127**

PROFILE OF SPONSOR ORGANIZATION

Broker-dealers, due diligence checklist for real estate syndication, **15:82**

PROFITS

Limited liability companies, allocation, **5:51**

Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:33**

Livestock programs, activity engaged in for profit, **17:10 to 17:25**

Motion pictures, amortization transaction, **20:8, 20:9**

Nonprofit. See **Nonprofit** (this index)

Occasional profits. See **Occasional Profits** (this index)

Oil and gas, net profits interest, **16:12**

Partners and partnerships, profits interest, **10:420 et seq.**

Real estate. See **Real Estate** (this index)

PROFITS—Cont'd

At risk, undistributed profits, **3:27**

PRO FORMA FINANCIAL STATEMENTS

Publicly registered real estate syndications, **26:70, 26:177**

PROGRAMS

Equipment leasing. See **Equipment Leasing** (this index)

Farming, non-livestock, **18:3**

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:1 to 13:56**

IRS audit program, **23:1 et seq.**

Livestock programs. See **Livestock Programs** (this index)

NASAA. See **North American Securities Administrators Association (NASAA)** (this index)

Oil and gas. See **Oil and Gas** (this index)

Partnership investment opportunities, mortgage pool programs, **2:23**

Passive loss, IRS Market Segment Specialization Program, **4:135**

Real estate. See **Real Estate** (this index)

Regulation D, compliance programs, **App A3**

Research and development, **21:1 to 21:59**

PROHIBITIONS

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Transactions. See **Real Estate** (this index)

PROJECTIONS

California regulations regarding contents of prospectus and projections in real estate programs, **App H**

IRS audit program, tax shelters and projected income investment, **23:65**

PROJECTS

Real estate, qualified low income housing projects, **9:148 to 9:151**

PROMOTERS

Due diligence and civil liability, inadequate or materially misleading

INDEX

PROMOTERS—Cont'd

- disclosure, **8:81 to 8:186**
- Full disclosure, **7:13, 16:61**
- IRS audit program, abusive tax shelters, **23:48**
- Oil and gas, **16:61**

PROMOTING ABUSIVE TAX SHELTERS

- Generally, **23:48**

PROMOTIONAL MATTERS

- Guide 5, publicly registered real estate syndications, **26:57**
- Interest, state substantive regulation of real estate programs, **12:6 to 12:9**
- Materials, prospectus for publicly registered real estate syndications, **26:57, 26:62 to 26:68**

PROOF

- See **Evidence** (this index)

PROPERTY

- Assets. See **Assets** (this index)
- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Broker-dealers, due diligence checklist, **15:88**
- Depreciation, excluded property, **1:6**
- Equipment leasing. See **Equipment Leasing** (this index)
- Full disclosure. See **Full Disclosure** (this index)
- Inventory. See **Inventory** (this index)
- Limited liability companies, contributions, **5:55**
- Livestock programs, election to expense cost of property, **17:67**
- Motion pictures, transition property, **20:24**
- Nondepreciable property. See **Nondepreciable Property** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Personal property. See **Personal Property** (this index)
- Real property. See **Real Estate** (this index)

PROPERTY—Cont'd

- Research and development programs, capital gain treatment, **21:20**
- S corporations, distribution of appreciated property, **22:62 to 22:66**
- Self-constructed property, **9:50, 19:37**
- Tangible property. See **Tangible Property** (this index)
- Tenants in common transaction, property management agreement, **App J2**

PROPORTIONATE LIABILITY

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:189 to 8:201**

PROPOSALS

- Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:97 et seq.**

PROPOSED MATTERS

- Broker-dealers, amendments to Net Capital Rule, **15:45**
- Limited liability companies, amendments to check-the-box regulations, **5:21 to 5:26**
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Regulations. See **Regulations** (this index)
- Tax Cuts and Jobs Act of 2017
 - carried interest provisions, proposed regulations on, **1A:13**
 - interest deduction limitation, Sec. 163(j), proposed and final regulations on, **1A:12**
 - pass through business income deduction, Sec. 199A, **1A:11**
 - President Biden's 2024, tax proposals, **1A:15**
 - recent legislative proposals, IRS guidance on the taxation of digital Assets, **1A:16**
 - Sec. 163(j), interest deduction limitation, proposed and final regulations on, **1A:12**
 - Sec. 199A, pass through business income deduction, **1A:11**

PROSPECTIVE MATTERS

See **Future or Prospective Matters**
(this index)

PROSPECTUS

California regulations regarding
contents of prospectus and projec-
tions in real estate programs, **App**
H

FINRA regulation of direct participation
programs and non-traded real estate
investment trusts, disclosure
requirement, **13:45**

Form of underwriting agreement for
REIT IPO, **App Y**

Front and back cover pages, disclosure,
7:24, 7:25

Full disclosure

- beneficial owners, stock ownership,
7:54, 7:55
- business, generally, **7:46, 7:47**
- capitalization, **7:38, 7:39**
- description of company's securities,
7:56, 7:57
- dilution, **7:38, 7:39**
- directors, **7:48, 7:49**
- distribution plan, **7:60, 7:61**
- dividend policy, **7:36, 7:37**
- executive compensation, **7:50, 7:51**
- executive officers, **7:48**
- financial data, **7:40, 7:41**
- five percent beneficial owners, **7:54**
- forward-looking statements, **7:30,**
7:31
- front and back cover pages, **7:24,**
7:25
- future sale, eligible shares, **7:58**
- introduction, **7:23**
- legal matters and experts, **7:61, 7:63**
- management, **7:48**
- market risk, **7:44, 7:45**
- MD&A, **7:43**
- offering price determination, **7:32,**
7:33
- other parts of prospectus not specified
by Regulation S-K item, **7:64**
- part II of IPO registration statement,
Staff observations, **7:65**
- pinnacle Foods prospectus. See **Pin-**
nacle Foods Prospectus (this
index)
- plan of distribution, **7:61**

PROSPECTUS—Cont'd

Full disclosure—Cont'd

- quantitative and qualitative
disclosures about market risk,
7:44, 7:45
- related person transactions, **7:52, 7:53**
- risks factors, **7:28, 7:29**
- securities description, **7:56, 7:57**
- selected financial data, **7:41, 7:42**
- selling stockholders, **7:54**
- shares eligible for future sale, **7:58**
- stock ownership, **7:54, 7:55**
- summary, **7:26, 7:27**
- transactions with related persons,
7:53
- underwriting, **7:61**
- use of proceeds, **7:34, 7:35**

Industrial property holdings, Public
offering for listed REIT, Terreno
Realty Corporation, **App Z**

Industry Guide 4, prospectus relating to
interests in oil and gas programs,
App S3

Legal matters and experts, **7:62**

Limited liability companies, Delaware
operating agreement, **31:1**

Limited partners and partnerships,
registration under 1933 Act, **6:248**

Non-listed REIT, public offering of Phil-
lips Edison—ARC Shopping
Center REIT Inc., **App Y2**

Pinnacle Foods prospectus. See **Pin-**
nacle Foods Prospectus (this
index)

Publicly registered real estate syndica-
tions, **26:1 to 26:105, 26:118**

PROTECTION

Broker - Dealers. See **Broker - Dealers**
(this index)

IRS audit program, Taxpayer Bill of
Rights, **23:136 to 23:141**

Oil and gas, inflation protection, **16:21**

Real estate programs, state substantive
regulation of, **12:15 to 12:19**

**PROVIDING DISCLOSURE AND
OTHER ADVICE**

Due diligence and civil liability, direct
proceedings by SEC against
attorneys regarding inadequate or
materially misleading disclosure,
8:169

INDEX

PROXY

See **Publicly Registered Real Estate Syndications** (this index)

PSLRA (PRIVATE SECURITIES LITIGATION REFORM ACT)

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:194 to 8:196**

PUBLIC COMPANIES

See **Due Diligence** (this index)

PUBLICITY

Investment limited partnerships, Regulation D, **6:37, 6:38**

PUBLICLY HELD AGREEMENT

Limited liability companies, Delaware, **31:7**

PUBLICLY OFFERED SECURITIES

Publicly registered real estate syndications, ERISA considerations, **26:196**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

Generally, **26:1 to 26:199**

Acceleration requests, plain English rules for contents of prospectus, **26:12**

Access to records, NASAA rollup amendments, **26:194**

Accountants, impact of Sarbanes-Oxley Act, **26:137**

Accounting

financial statements, **26:77 to 26:81**

Acquisition or acquisitions

contract provisions, post-effectiveness securities compliance, **26:122**

financial statements, **26:35 to 26:37**

form S-11 requirements for contents of prospectus, **26:31, 26:35 to 26:37**

post-effectiveness securities compliance, **26:119**

prior performance table, Form S-11 requirements for contents of prospectus, **26:31**

supplements, post-effectiveness securities compliance, **26:119**

Activities, policies with respect to certain activities, Form S-11

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

requirements for contents of prospectus, **26:52**

Additional matters, post-effectiveness securities compliance, requirements for publicly traded partnerships, **26:135**

Affiliates

compensation, **26:19, 26:98**

dealing with affiliates, Form S-11 requirements for contents of prospectus, **26:55**

form S-11 requirements for contents of prospectus, **26:19, 26:23, 26:55**

prior performance, Form S-11 requirements for contents of prospectus, **26:23**

rollup transactions, SEC interpretive release on real estate limited partnership offerings, **26:98**

Agreements or contracts

acquisition contract provisions, post-effectiveness securities compliance, **26:122**

redemption agreements, Form S-11 requirements for contents of prospectus, **26:48**

repurchase agreements, Form S-11 requirements for contents of prospectus, **26:48**

right of presentment agreements, Form S-11 requirements for contents of prospectus, **26:48**

summary of partnership agreement, Form S-11 requirements for contents of prospectus, **26:46**

Allocation or allocations

consideration for rollup, SEC rollup disclosure rules, **26:171**

interest in successor, SEC interpretive release on real estate limited partnership offerings, **26:94**

rollup transactions, SEC interpretive release on real estate limited partnership offerings, **26:104**

solicitation and transaction costs, California rollup law, **26:154**

Alternative or alternatives, rollup transaction, SEC rollup disclosure rules, **26:169**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

Amendments. See Changes or amendments, below

American Stock Exchange rollup rules, **26:164**

Amount of funds and transactional expenses, SEC rollup disclosure rules, **26:176**

Annual reports, Securities Exchange Act of 1934, **26:130**

Application or applicability
FINRA rollup rules, **26:161**
NASD rollup rules, **26:162**
SEC rollup disclosure rules, **26:167**

Appraisals
NASAA rollup amendments, **26:193**
quality of disclosure, SEC interpretive release on real estate limited partnership offerings, **26:96**
SEC rollup disclosure rules, **26:175, 26:189**

Audit committees, impact of Sarbanes-Oxley Act, **26:139**

Auditors, impact of Sarbanes-Oxley Act, **26:137**

Back cover, plain English rules for contents of prospectus, **26:9**

Background
California law, rollup reform, **26:147**
ERISA considerations, **26:195**
rollup transaction, SEC rollup disclosure rules, **26:172**

Blue Sky requirements, post-effectiveness securities compliance, **26:134**

Business, small business initiative, contents of prospectus, **26:2**

California, rollup transactions, **26:146 to 26:158, 26:163**

Captions, SEC interpretive release on real estate limited partnership offerings, **26:84**

Cash flow, Form S-11 requirements for contents of prospectus, sufficient net cash flow, **26:43**

Categories of issuers, offering reforms, **26:111**

CEO and CFO certifications, impact of Sarbanes-Oxley Act, **26:138**

Changes or amendments
guide 5 policy changes, **26:121**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

Changes or amendments—Cont'd
NASAA rollup amendments, **26:190 to 26:194**
plain English rules for contents of prospectus, **26:7 to 26:13**
post-effective amendment requirements, post-effectiveness securities compliance, **26:120**
SEC rollup disclosure rules, **26:181 to 26:189**

Communications
preliminary communications, **26:186**
reforms, **26:112, 26:113**

Comparative information, SEC rollup disclosure rules, **26:170**

Comparison of California law and NASD rollup rules, **26:163**

Compensation
affiliates, **26:19, 26:98**
california law, rollup reform, **26:153 to 26:155**
general partners, **26:19, 26:98**
SEC rollup disclosure rules, **26:188**
sponsor, **26:27, 26:98**

Compilations, financial forecasts, **26:80**

Completed program results, prior performance table, **26:29**

Compliance, post-effectiveness securities compliance, **26:117 to 26:135**

Conflicts of interest, **26:20, 26:99, 26:173**

Consideration for rollup, allocation, **26:171**

Contents of publicly registered syndication prospectus, **26:1 to 26:113**

Contingent matters, SEC rollup disclosure rules, compensation, **26:188**

Continuous reporting requirements, Securities Exchange Act of 1934, **26:127 to 26:132**

Contracts. See Agreements or contracts, above

Coordination, rollup reform, **26:158**

Costs, California rollup reform, allocation of solicitation and transaction costs, **26:154**

Cover page, prospectus, **26:15, 26:85**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- Covers, plain English rules for contents of prospectus, **26:8, 26:9**
- Crossing arrangements, SEC interpretive release on real estate limited partnership offerings, **26:110**
- Custody of registrant's investments, Form S-11 requirements for contents of prospectus, **26:54**
- Dealing with affiliates, Form S-11 requirements for contents of prospectus, **26:55**
- Definitions
 - prior performance table, **26:25**
 - regularly traded, **26:185**
 - rollup, **26:142, 26:191**
 - rollup participant, **26:148**
 - rollup transaction, **26:149, 26:182 to 26:184**
- De minimis exception for rollup transactions, California law, **26:156**
- Descriptions, Form S-11 requirements for contents of prospectus, **26:34, 26:50**
- Differential compensation, SEC rollup disclosure rules, **26:188**
- Different partnerships, SEC interpretive release on real estate limited partnership offerings, **26:92**
- Disclosure
 - MD&A disclosure, Securities Exchange Act of 1934, **26:132**
 - quality of disclosure, SEC interpretive release on real estate limited partnership offerings, **26:91 to 26:96**
 - SEC rollup disclosure rules, **26:165 to 26:189**
- Disposals of properties, Form S-11 requirements for contents of prospectus, **26:30**
- Dissenters' rights, rollup transactions, **26:144, 26:151**
- Distribution plan, Form S-11 requirements for contents of prospectus, **26:51**
- Distributions, SEC interpretive release on real estate limited partnership offerings, **26:104**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- Documents
 - FINRA, documents to be filed with, **26:59**
 - summary of organizational documents, SEC interpretive release on real estate limited partnership offerings, **26:103**
 - supplemental documents, SEC rollup disclosure rules, **26:180**
- Effective dates
 - limited Partnership Rollup Reform Act of 1993, **26:145**
 - plain English rules for contents of prospectus, **26:13**
- Effectiveness, post-effectiveness securities compliance, **26:117 to 26:135**
- Effect or effects
 - different partnerships, quality of disclosure, **26:92**
 - national Securities Markets Improvement Act of 1996, California rollup reform, **26:157, 26:158**
 - transaction, SEC rollup disclosure rules, **26:169**
- Eligible rollup transactions, California law, **26:150 to 26:152**
- Equity
 - ownership, California rollup reform, **26:153 to 26:155**
 - substantial equity investment by borrower, Form S-11 requirements for contents of prospectus, **26:39**
- ERISA considerations, **26:195 to 26:198**
- Estimated use of proceeds, SEC interpretive release on real estate limited partnership offerings, **26:107**
- Examinations, financial forecasts, **26:80**
- Exceptions or exclusions
 - no de minimis exception for rollup transactions, California law, **26:156**
 - preliminary communications, SEC rollup disclosure rules, **26:186**
 - transactions, SEC rollup disclosure rules, **26:183, 26:185**
- Executives, impact of Sarbanes-Oxley Act, **26:137**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd****Expenses**

- maximum underwriting and organization and offering expenses, **26:60**
- organization and offering expenses, **26:60**
- underwriting, maximum expenses, **26:60**

Experience in raising and investing funds on percentage basis, Form S-11 requirements for contents of prospectus, 26:26

Fairness, rollup transactions, 26:174, 26:189

FASB ASC Topic No. 310, receivables, mortgage loan financial statements, 26:44

Federal taxes, 26:45, 26:178

Fees

- california law, rollup reform, **26:153 to 26:155**
- general partners and affiliates, Form S-11 requirements for contents of prospectus, **26:19**

Fiduciary responsibility of general partner, 26:21, 26:100

Financial Accounting Standards Board ASC Topic No. 310, receivables, mortgage loan financial statements, 26:44

Financial Industry Regulatory Authority (FINRA)

- documents to be filed with FINRA, **26:59**
 - public communications, guidelines for FINRA members, **26:67**
 - rollup rules, **26:159 to 26:163**
 - rules, **26:159 to 26:163**
 - rules on advertising and sales literature, **26:65**
 - SEC approves FINRA amendments to communication rules, **26:68**
 - underwriting compensation, limits under FINRA Rule 2310, **26:61**
- Financial matters**
- forecasts, contents of prospectus, **26:77 to 26:81**
 - selected financial data, SEC rollup disclosure rules, **26:177**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd****Financial matters—Cont'd**

- statements. See Financial statements, below

Financial reporting certifications, impact of Sarbanes-Oxley Act, 26:138

Financial statements

- contents of prospectus, **26:35 to 26:44, 26:69 to 26:76**
- forms. See Forms, below
- mortgage loan financial statements, FASB ASC Topic No. 310, receivables (previously AICPA statement of position 97-1), **26:44**
- pro forma financial statements, **26:70, 26:177**

SEC rollup disclosure rules, 26:177

Forecasts, financial, 26:77 to 26:81

Format, SEC interpretive release on real estate limited partnership offerings, 26:85

Forms

- 8-K, Securities Exchange Act of 1934, **26:129**
- 10-K annual reports, Securities Exchange Act of 1934, **26:130**
- 10-Q quarterly reports, Securities Exchange Act of 1934, **26:128**
- s-11 requirements, contents of prospectus, **26:14 to 26:60**
- SB-2, small business initiative, **26:2**

Front cover, plain English rules for contents of prospectus, 26:8, 26:9

Funds

- amount and source of funds, SEC rollup disclosure rules, **26:176**
- experience in raising and investing funds, Form S-11 requirements for contents of prospectus, **26:26**

General partners

- compensation, **26:19, 26:98**
- fees, **26:19**
- fiduciary responsibility, **26:21, 26:100**
- financial statements, contents of prospectus, **26:71**
- form S-11 requirements for contents of prospectus, **26:19, 26:21, 26:23**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- General partners—Cont'd
 - notice to be given by general partners, California rollup reform, **26:155**
 - prior performance, Form S-11 requirements for contents of prospectus, **26:23**
 - SEC interpretive release on real estate limited partnership offerings, rollup transactions, **26:98, 26:100**
- General use, financial forecasts, **26:79**
- Glossary, Form S-11 requirements for contents of prospectus, **26:25, 26:49**
- Guide 5
 - changes to policy, **26:121**
 - use of promotional and sales material, Form S-11, **26:57**
- Headings, SEC interpretive release on real estate limited partnership offerings, **26:84**
- Included transactions, SEC rollup disclosure rules, **26:184**
- Income tax
 - considerations, SEC interpretive release on real estate limited partnership offerings, **26:89**
 - federal income tax consequences, SEC rollup disclosure rules, **26:178**
- Information
 - comparative information, SEC rollup disclosure rules, **26:170**
 - contents of prospectus, **26:10 et seq.**
- Inside / front cover, plain English rules for contents of prospectus, **26:9**
- Insignificant participation, ERISA considerations, **26:198**
- Interests
 - allocation of interest in successor, SEC interpretive release on real estate limited partnership offerings, **26:94**
 - conflicts of interest, **26:20, 26:99, 26:173**
- Interpretive release on real estate limited partnership offerings, SEC, **26:82 to 26:110**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- Investment
 - custody of registrant's investments, Form S-11 requirements for contents of prospectus, **26:54**
 - description of real estate investment, Form S-11 requirements for contents of prospectus, **26:34**
 - experience in investing funds on percentage basis, Form S-11 requirements for contents of prospectus, **26:26**
 - management of registrant's investments, Form S-11 requirements for contents of prospectus, **26:54**
 - objectives, **26:33, 26:102**
 - policies, **26:33, 26:53, 26:102**
 - selection of registrant's investments, Form S-11 requirements for contents of prospectus, **26:54**
 - substantial equity investment by borrower, Form S-11 requirements for contents of prospectus, **26:39**
- Investment Company and Investment Advisers Act
 - Generally, **26:199**
 - applicability of Investment Advisers Act to advised RELPs, **26:200**
- Issuer categories, offering reforms, **26:111**
- JOBS Act and public offerings of RELPs, **26:3**
- Late filing, Securities Exchange Act periodic reports, **26:131**
- Legal issues involved, use of promotional and sales material in prospectus, **26:63**
- Liability reforms, offering reforms, **26:115**
- Limitations, contents of prospectus, use of financial forecasts, **26:79**
- Limited partners and partnerships
 - investment Advisers Act, applicability to advised RELPs, **26:200**
 - limited partnership offerings, **26:106**
 - limited Partnership Rollup Reform Act of 1993, **26:141 to 26:145**
 - regulation of limited partnership rollup transactions, California law, **26:148**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- Limited partners and partnerships
 - Cont'd
 - reports to limited partners, Form S-11 requirements for contents of prospectus, **26:47**
 - SEC interpretive release on real estate limited partnership offerings, contents of prospectus, **26:82 to 26:110**
- Management
 - california law, rollup reform, **26:153 to 26:155**
 - form S-11 requirements for contents of prospectus, **26:32**
 - investments of registrant, Form S-11 requirements for contents of prospectus, **26:54**
 - SEC interpretive release on real estate limited partnership offerings, rollup transactions, **26:101**
- Market or markets
 - national Securities Markets Improvement Act of 1996, California rollup reform, **26:157, 26:158**
 - trading market, SEC interpretive release on real estate limited partnership offerings, **26:95**
- Matching services, SEC interpretive release on real estate limited partnership offerings, **26:110**
- MD&A disclosure, Securities Exchange Act of 1934, **26:132**
- Miscellaneous reporting requirements, post-effectiveness securities compliance, **26:133 to 26:135**
- Modifications. See Changes or amendments, above
- Mortgage loans, **26:38 to 26:44, 26:73**
- NASAA rollup amendments, **26:190 to 26:194**
- National Association of Securities Dealers (NASD)
 - coordination, effect of National Securities Markets Improvement Act of 1996, **26:158**
 - rollup rules, **26:162**
- National Securities Markets Improvement Act of 1996, California rollup reform, **26:157, 26:158**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- Net cash flow, Form S-11 requirements for contents of prospectus, **26:43**
- New York rollup rules, **26:164**
- No de minimis exception for rollup transactions, California law, **26:156**
- Notice
 - general partners and sponsors, California rollup reform, **26:155**
 - SEC rollup disclosure rules, **26:187**
- “No” votes, NASAA rollup amendments, **26:192**
- Objectives of investment, **26:33, 26:102**
- Offering reforms
 - categories of issuers, **26:111**
 - communications reforms, **26:112, 26:113**
 - liability reforms, **26:115**
 - procedural changes, **26:114**
- Offerings
 - form S-11 requirements for contents of prospectus, **26:50**
 - limited partnership offerings, **26:106**
 - publicly offered securities, ERISA considerations, **26:196**
 - SEC interpretive release on real estate limited partnership offerings, contents of prospectus, **26:82 to 26:110**
- Operating
 - company, ERISA considerations, **26:197**
 - results of prior programs, Form S-11 requirements for contents of prospectus, **26:28**
- Opinions
 - fairness opinions, SEC rollup disclosure rules, **26:189**
 - quality of disclosure, SEC interpretive release on real estate limited partnership offerings, **26:96**
 - SEC rollup disclosure rules, **26:175, 26:189**
- Organizational documents, summary, **26:103**
- Organization and offering expenses, **26:60**
- Outside / back cover, plain English rules for contents of prospectus, **26:9**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- Participation
 - definition of rollup participant, regulation of limited partnership rollup transactions, **26:148**
 - effects of participation in rollup by fewer than all partnerships, quality of disclosure, **26:93**
 - insignificant participation, ERISA considerations, **26:198**
- Part II of registration statement, **26:116**
- Partners and partnerships
 - additional requirements for publicly traded partnerships, post-effectiveness securities compliance, **26:135**
 - financial statements, contents of prospectus, **26:69 to 26:76**
 - general partners. See General partners, above
 - limited partners and partnerships. See Limited partners and partnerships, above
 - summaries, Form S-11 requirements for contents of prospectus, **26:18, 26:46**
- Performance, prior, **26:9, 26:23 to 26:31, 26:108**
- Personal guarantee, Form S-11 requirements for contents of prospectus, **26:40**
- Plain English rules, contents of prospectus, **26:4 to 26:13**
- Plan of distribution, Form S-11 requirements for contents of prospectus, **26:51**
- Policies
 - activities, Form S-11 requirements for contents of prospectus, **26:52**
 - investment policies, **26:33, 26:53, 26:102**
- Position statement 97-1, mortgage loan financial statements, replaced by FASB ASC Topic No. 310, **26:44**
- Post-effectiveness securities compliance, **26:117 to 26:135**
- Preliminary communications, SEC rollup disclosure rules, **26:186**
- Presentation or presentment
 - financial forecasts, contents of prospectus, **26:81**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- Presentation or presentment—Cont'd
 - information, SEC interpretive release on real estate limited partnership offerings, **26:83**
 - right of presentment agreements, Form S-11 requirements for contents of prospectus, **26:48**
- Principles, plain English rules for contents of prospectus, **26:5**
- Prior or previous matters
 - FINRA rollup rules, **26:160**
 - performance, **26:23 to 26:31, 26:90, 26:108**
- Procedural changes to offering process, **26:114**
- Proceeds
 - estimated use of proceeds, SEC interpretive release on real estate limited partnership offerings, **26:107**
 - summary of use of proceeds, Form S-11 requirements for contents of prospectus, **26:18**
- Pro forma financial statements, **26:70, 26:75, 26:177**
- Programs, prior performance tables, **26:28, 26:29, 26:31**
- Promotional and sales material, contents of prospectus, **26:57, 26:62 to 26:68**
- Property financial statement, **26:72**
- Prospectus, **26:1 to 26:113, 26:118**
- Proxy
 - revisions, SEC rollup disclosure rules, **26:186**
 - rules, Limited Partnership Rollup Reform Act of 1993, **26:143**
- Public communications, guidelines for FINRA members, **26:67**
- Publicly offered securities, ERISA considerations, **26:196**
- Publicly traded partnerships, post-effectiveness securities compliance, **26:135**
- Qualifying personal guarantee, Form S-11 requirements for contents of prospectus, **26:40**
- Quality of disclosure, SEC interpretive release on real estate limited

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- partnership offerings, **26:91 to 26:96**
- Quarterly reports, Securities Exchange Act of 1934, **26:128**
- Raising funds, prior performance table, **26:26**
- Readability of information presented, SEC interpretive release on real estate limited partnership offerings, **26:83**
- Reasons for rollup transaction, SEC rollup disclosure rules, **26:172**
- Receivables, FASB ASC Topic No. 310 (former AICPA statement of position 97-1), **26:44**
- Redemption agreements, Form S-11 requirements for contents of prospectus, **26:48**
- Reform, rollup, **26:140 to 26:194**
- Regularly traded for purposes of the rollup rules exclusion, SEC rollup disclosure rules, **26:185**
- Regulation, rollup transactions, **26:148, 26:158, 26:161**
- Regulation G, **26:75**
- Regulation G, summary of applicability and requirements, **26:76**
- Regulation S-K, Item 10(e), summary of applicability and requirements, **26:76**
- RELPs, **26:74, 26:75**
- Reporting
 - continuous reporting requirement, **26:127**
 - late filing, Securities Exchange Act periodic reports, **26:131**
 - post-effectiveness securities compliance, **26:123 to 26:134**
 - securities Exchange Act of 1934, **26:125, 26:127 to 26:132**
 - use of proceeds, **26:123**
- Reports
 - limited partners, Form S-11 requirements for contents of prospectus, **26:47**
 - quality of disclosure, SEC interpretive release on real estate limited partnership offerings, **26:96**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Reports—Cont'd
 - SEC rollup disclosure rules, **26:175, 26:189**
- Repurchase agreements, Form S-11 requirements for contents of prospectus, **26:48**
- Requests for acceleration, plain English rules for contents of prospectus, **26:12**
- Results of programs, prior performance tables, **26:28, 26:29**
- Rights
 - appraisal rights, NASAA rollup amendments, **26:193**
 - dissenters' rights, rollup transactions, **26:144, 26:151**
 - presentment right agreements, Form S-11 requirements for contents of prospectus, **26:48**
 - voting rights, **26:152, 26:194**
- Risk factors
 - form S-11 requirements for contents of prospectus, **26:22**
 - plain English rules for contents of prospectus, **26:11**
 - SEC interpretive release on real estate limited partnership offerings, **26:88**
 - SEC rollup disclosure rules, **26:169**
- Rollup transactions, **26:91 et seq.**
- Rule 3-05, acquired property financial statements, **26:37**
- Rule 3-14, acquired property financial statements, **26:36**
- Rule 134, use of promotional and sales material, **26:64**
- Rules
 - american Stock Exchange rollup rules, **26:164**
 - financial Industry Regulatory Authority (FINRA), **26:159 to 26:163**
 - FINRA rules on advertising and sales literature, **26:65**
 - national Association of Securities Dealers (NASD), **26:162**
 - new York rollup rules, **26:164**
 - plain English rules for contents of prospectus, **26:4 to 26:13**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

Rules—Cont'd

proxy rules, Limited Partnership Rollup Reform Act of 1993, **26:143**

public communications by FINRA members, **26:67, 26:68**

SEC rollup disclosure rules, **26:165 to 26:189**

Sales

FINRA rules on advertising and sales literature, **26:65**

literature, rollup transactions, **26:105**
properties, prior performance table, **26:30**

use of sales material, contents of prospectus, **26:57, 26:62 to 26:68**

Sarbanes-Oxley Act (SOX)

accountants, **26:137**

audit committees, **26:139**

auditors, **26:137**

CEP CFO certifications of financial reporting, **26:138**

executives, **26:137**

financial information internal controls, **26:139**

financial reporting certifications, **26:138**

internal controls, **26:139**

overview, **26:136**

Scope of financial forecasts, contents of prospectus, **26:78**

SEC interpretive release on real estate limited partnership offerings, rollup transactions, **26:97 et seq.**

Securities and Exchange Commission (SEC)

interpretive release on real estate limited partnership offerings, contents of prospectus, **26:82 to 26:110**

rollup disclosure rules, **26:165 to 26:189**

Securities Exchange Act of 1934, post-effectiveness securities compliance, **26:124 to 26:132**

Security, mortgage loan financial statements, **26:39 to 26:41**

Selected financial data, SEC rollup disclosure rules, **26:177**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

Selection of registrant's investments, Form S-11 requirements for contents of prospectus, **26:54**

Small business initiative, contents of prospectus, **26:2**

Solicitation cost allocation, California rollup reform, **26:154**

Source of funds, SEC rollup disclosure rules, **26:176**

Sponsors

compensation, **26:27, 26:98**

notice to be given by sponsors, California rollup reform, **26:155**

Standards

plain English rules for contents of prospectus, **26:6**

suitability standards, Form S-11 requirements for contents of prospectus, **26:17**

Statements

financial statements. See Financial statements, above

part II of registration statement, **26:116**

Substantial security, mortgage loan financial statements, **26:39 to 26:41**

Sufficient net cash flow, mortgage loan financial statements, **26:43**

Suitability standards, Form S-11 requirements for contents of prospectus, **26:17**

Summary

financial statement requirements for RELPs, **26:74**

information, plain English rules for contents of prospectus, **26:10**

organizational documents, rollup transactions, **26:103**

partnership agreement, Form S-11 requirements for contents of prospectus, **26:46**

SEC interpretive release on real estate limited partnership offerings, contents of prospectus, **26:87**

SEC rollup disclosure rules, **26:168**

use of proceeds, Form S-11 requirements for contents of prospectus, **26:18**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

Summary—Cont'd

use of promotional and sales material, contents of prospectus, **26:62 to 26:68**

Supplemental documents, SEC rollout disclosure rules, **26:180**

Supplements, post-effectiveness securities compliance, **26:118, 26:119**

Table of contents, contents of prospectus, **26:16, 26:86**

Tables of prior performance, Form S-11 requirements for contents of prospectus, **26:24 to 26:31**

Take-out commitment, mortgage loan financial statements, **26:42**

Tax information, miscellaneous reporting requirements, **26:133**

Tender offer revisions, SEC rollout disclosure rules, **26:186**

Trading

market, quality of disclosure, **26:95**
regularly traded for purposes of the rollout rules exclusion, SEC rollout disclosure rules, **26:185**

Transactions, rollout, **26:91 et seq.**

Transfer agent registration, Securities Exchange Act of 1934, **26:126**

Underwriting

compensation in public offerings, **26:61**

limits on compensation under FINRA Rule 2310, **26:61**

maximum expenses, **26:60**

review of compensation in public offerings, **26:58**

Units, Form S-11 requirements for contents of prospectus, **26:50**

Updating prospectus, **26:109, 26:118**

Use

estimated use of proceeds, rollout transactions, **26:107**

general vs limited use, financial forecasts, **26:79**

promotional and sales material, contents of prospectus, **26:57, 26:62 to 26:68**

summary of use of proceeds, Form S-11 requirements for contents of prospectus, **26:18**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

Voting rights, **26:152, 26:194**

PUBLICLY TRADED

IRS audit program, broker exemption from information reporting, **23:82**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

PUBLIC MARKET VALUATION OF REAL ESTATE

Real estate investment trusts, history, **25:14**

PUBLIC OFFERINGS

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:89**

Investment limited partnerships, integration, **6:107**

Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

PUFFERY

Due diligence, immateriality as matter of law, **8:20**

PURCHASE MONEY DEBT EXCEPTION

Bail-outs of burned-out tax shelters, cancellation of indebtedness income, **27:13**

PURCHASES AND PURCHASERS

Corporate income tax, allocation of purchase price, **1:52**

Farm purchased with growing crops, expenses, **18:18**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs. See **Livestock Programs** (this index)

Motion pictures, subsequent purchasers, **20:33**

Oil and gas programs, minimum purchase under state guidelines for registration of drilling programs, **16:77**

Partners and partnerships, contingent purchase price, **10:628**

INDEX

PURCHASES AND PURCHASERS

—Cont'd

Real estate. See **Real Estate** (this index)

PURPOSE OR PURPOSES

Horses held for sporting purposes, capital gain treatment, **17:70**

Increasing or decreasing rents, **11:57**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Research and development, functional purposes of qualified research, **21:42**

QUALIFIED OPPORTUNITY ZONES

Generally, **9:169 to 9:173**

Investments, **9:171, 9:172**

Overview of legislation, **9:169**

Proposed regulations, **9:173**

Requirements, **9:170**

Tax benefits from investment, **9:171**

QUALIFIED OR QUALIFYING MATTERS

Audits - IRS. See **Audits - IRS** (this index)

Bail-outs of burned-out tax shelters, real property business indebtedness exception, **27:16**

Broker - Dealers. See **Broker - Dealers** (this index)

Equipment leasing, qualified technological equipment, **19:73**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Master limited partnerships, qualifying large partnerships, simplified reporting for electing large partnerships, **10:552**

Motion pictures, films and taxpayers qualifying for investment tax credit, **20:27, 20:31**

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss. See **Passive Loss** (this index)

Real estate. See **Real Estate** (this index)

Research and development. See **Research and Development** (this index)

QUALIFIED OR QUALIFYING MATTERS—Cont'd

At risk, qualified nonrecourse financing as increasing amounts at risk, **3:16 to 3:25**

S corporations. See **S Corporations** (this index)

QUALITY OF DISCLOSURE

Full disclosure, prospectus, market risk, **7:44, 7:45**

Publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:91 to 26:96**

QUANTITY OR NUMBER

See **Amount, Quantity or Number** (this index)

QUARTERLY REPORTS

Due diligence, pre-filing review by audit committee, **8:67**

Publicly registered real estate syndications, Securities Exchange Act of 1934, **26:128**

RACING AND RACE HORSES

Livestock programs, **17:1 et seq.**

RAISING FUNDS

Publicly registered real estate syndications, prior performance table, **26:26**

RAISING LIVESTOCK BUSINESS

Breeding and stud fees, **17:48**

RANCHING PROGRAMS

Livestock programs, **17:6**

“RARITAN RIVER” CASE

Due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:210**

RATE OR RATES

Changes in rates. See **Change or Changes** (this index)

Real estate. See **Real Estate** (this index)

S corporations, adjusted highest section one rate and taxable year, **22:76**

RATIFICATION OF DECLARATION OF TRUST

Real estate investment trusts, Blue Sky provisions, **25:82**

RATIO OR RATIOS

Broker-dealers, net capital requirements, **15:47**

IRS audit program tax shelter ratio defined, **23:59**

R & D

See **Research and Development** (this index)

READABILITY OF INFORMATION PRESENTED

Publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:83**

READJUSTMENT OF ADJUSTMENTS

Master limited partnerships, electing large partnership adjustments, **10:592, 10:614**

REAL ESTATE

See **Qualified Opportunity Zones** (this index)

Abuse, original issue discount and timing of interest deductions under Tax Reform Act of 1984, **11:34**

Acceleration

depreciation, accelerated cost recovery system (ACRS), **9:47, 9:58**

low income housing credit, election to accelerate, **9:135**

publicly registered real estate syndications, plain English rules for contents of prospectus, **26:12**

real estate investment trusts, plain English rules, **25:61**

Access to records

publicly registered real estate syndications, NASAA rollup amendments, **26:194**

real estate investment trusts, rollups, **25:114**

Accounting

accrual accounting, treatment of current expenses under Tax Reform

REAL ESTATE—Cont'd**Accounting—Cont'd**

Act of 1986, **11:64**

indebtedness, **1:70**

publicly registered real estate syndications, financial statements, **26:69 to 26:76**

real estate investment trusts, structure, **25:135**

Accredited investors, state regulation of private real estate securities transactions, **14:12**

Accrual, treatment of current expenses, **11:53 to 11:61, 11:64**

Acquisition

deductible expenses for assets not acquired, treatment of current expenses, **11:50**

indebtedness, unrelated business taxable income (UBTI), **9:90 to 9:99**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts, Blue Sky provisions, **25:91**

real estate mortgage investment conduits, right to acquire assets, **28:15 to 28:17**

ACRS (accelerated cost recovery system), depreciation, **9:47, 9:58**

Activity or activities

not engaged in for profit, **11:5 to 11:16**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Additional provisions, state substantive regulation of real estate programs, **12:19**

Additions to basis, low income housing credit, **9:146**

Adjustment or adjustments

basis. See **Basis**, below

class lives of property, depreciation after Tax Cuts and Jobs Act of 2017, **9:19**

Adoption of NASAA guideline, state substantive regulation of real estate programs, **12:2**

INDEX

REAL ESTATE—Cont'd

- Advisor's expertise, treatment of current expenses, **11:9**
- Affiliates
 - debt, unrelated business taxable income (UBTI), **9:93**
 - underwriting agreement for REIT initial public offering, properties acquired from sponsor of REIT and leased to affiliate of sponsor, **App Y**
- AFR (applicable federal rate), timing of interest deductions under Tax Reform Act of 1984, **11:40**
- Agreements. See Contracts or agreements, below
- Allocation
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - real estate investment trusts, taxation, **25:184, 25:190**
 - short taxable year, depreciation under Tax Reform Act of 1986, **9:28**
 - state low income housing credit authority limitations, **9:159 to 9:161**
- Allowable. See Permissible or allowable, below
- Allowance for depreciation, short taxable year, **9:27**
- Alternative depreciation system, Tax Cuts and Jobs Act of 2017, **9:35 to 9:43**
- Alternative minimum tax (AMT)
 - computations, depreciation under Tax Reform Act of 1986, **9:43**
- Amended section 1031(a)(3), like-kind exchanges, **9:201**
- Amortization
 - real estate investment trusts, funds from operations (FFO), **25:30**
 - treatment of current expenses, **11:18 to 11:23**
- Amount
 - decrease or reduction. See Decrease or reduction, below
 - determination of state low income housing credit amount allocation, **9:160, 9:161**
 - minimum. See Minimum, below

REAL ESTATE—Cont'd

- Amount—Cont'd
 - partnership leverage, state substantive regulation of real estate programs, **12:17**
 - publicly registered real estate syndications, funds and transactional expenses, **26:176**
 - real estate investment trusts, number of trustees under Blue Sky provisions, **25:83**
- AMT (alternative minimum tax)
 - computations, depreciation under Tax Reform Act of 1986, **9:43**
- Analysis of Revenue Procedure 2002-22, **9:219**
- Annual reports
 - publicly registered real estate syndications, Securities Exchange Act of 1934, **26:130**
 - real estate investment trusts, Blue Sky provisions, **25:99**
- Antichurning rules, depreciation under Tax Reform Act of 1986, **9:44**
- Application or applicability
 - AFR (applicable federal rate), timing of interest deductions under Tax Reform Act of 1984, **11:40**
 - original issue discount rules, timing of interest deductions under Tax Reform Act of 1984, **11:31 to 11:34**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - qualified basis and low income housing credit, applicable fraction, **9:137**
 - real estate investment trusts, federal registration provisions, **25:48 et seq.**
 - special rules
 - Investment tax credit, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:55, 9:56**
 - Low income housing, treatment of current expenses, **11:6**
 - state low income housing credit authority limitations, **9:158**
- Appraisals
 - publicly registered real estate syndica-

REAL ESTATE—Cont'd

- Appraisals—Cont'd
 - tions. See **Publicly Registered Real Estate Syndications** (this index)
 - real estate investment trusts, Blue Sky provisions, **25:106, 25:113**
- Appreciation
 - expectations, treatment of current expenses, **11:11**
 - real estate investment trusts, shared appreciation mortgages, **25:165**
- Arrangements, publicly registered real estate syndications, crossing arrangements, **26:110**
- Assets
 - deductible expenses for assets not acquired, **11:50**
 - new capital, **25:146**
 - partnership, loan secured by interest in, **25:145**
 - real estate investment trusts (REITs), **25:72 to 25:75, 25:143 to 25:149**
 - real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
 - Section 179 expensing of depreciable assets, **9:63 to 9:65**
 - state substantive regulation of real estate programs, asset-based compensation to sponsor and others, **12:10**
- Assumptions, exceptions to original issue discount rules, **11:42**
- Audits-IRS. See **Audits - IRS** (this index)
- Authority
 - real estate investment trusts, authority preservation, **25:129**
 - state low income housing credit authority limitations, **9:155 to 9:161**
- Averaging conventions, depreciation under Tax Reform Act of 1986, **9:21 to 9:30**
- Avoidance of tax as principal purpose for increasing or decreasing rents, treatment of current expenses, **11:57**

REAL ESTATE—Cont'd

- Background or history
 - income or loss from activity, treatment of current expenses, **11:13**
 - nominee corporations, **9:174**
 - original issue discount, timing of interest deductions under Tax Reform Act of 1984, **11:28**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - real estate investment trusts, **25:2 to 25:15, 25:28**
 - real estate mortgage investment conduits, mortgage securitization, **28:2, 28:3**
- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Basic rules, rehabilitation tax credit, **9:116, 9:119**
- Basis
 - adjustment or adjustments
 - Eligible basis, low income housing credit, **9:141**
 - Full basis adjustment, investment tax credit and depreciation, **9:56**
 - full basis adjustment, investment tax credit and depreciation, **9:56**
 - non-qualifying property—like-kind exchanges, **9:196**
 - qualified basis, low income housing credit, **9:136 to 9:147**
 - tax rollovers, low income housing, **9:168**
- Benefits
 - tax benefit rule, sale or disposition of real property, **9:179**
 - treatment of unfunded deferred benefits, current expenses, **11:63**
- Binding contracts, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:49**
- Blue Sky
 - disclosure and survey, state substantive regulation of real estate programs, **12:24, 12:25**
 - publicly registered real estate syndications, post-effectiveness securities compliance, **26:134**

INDEX

REAL ESTATE—Cont'd

Blue Sky—Cont'd

real estate investment trusts, **25:78 et seq.**

state regulation of private real estate securities transactions, **14:10 to 14:20**

“Bollinger” case, nominee corporations, **9:176**

Bonds

noncontingent bond method, timing of interest deductions under Tax Reform Act of 1984, **11:36**

tax exempt bond financed property, depreciation under Tax Reform Act of 1986, **9:39**

Bonus depreciation, **9:60 to 9:62**

Boot, non-qualifying property—like-kind exchanges, **9:194**

Broker-dealers, compliance for real estate limited partnership syndications, **15:1 et seq.**

Buildings and structures

certified historic structures, rehabilitation tax credit, **9:120**

equipped buildings, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:51**

existing buildings, low income housing credit, **9:139**

Business or businesses

active business loss limitation, **9:5**

like-kind exchanges, **9:189**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

unrelated business taxable income (UBTI), **9:84 to 9:100, 25:182**

Calculation. See Computation or computations, below

California

publicly registered real estate syndications, rollup transactions, **26:146 to 26:158, 26:163**

regulations regarding contents of prospectus and projections in real estate programs, **App H**

REAL ESTATE—Cont'd

California—Cont'd

state substantive regulation of real estate programs, **12:5, 12:9**

Capital gain or gains

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

sale or disposition of property, **9:177**

Capitalization, treatment of current expenses, **11:24 to 11:25**

Case law

pre-opening expenses and start-up expenditures, **11:3**

Cash flow

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts, use of cash flow data, **25:27 et seq.**

real estate mortgage investment conduits, asset composition test, **28:23**

Certified historic structures, rehabilitation tax credit, **9:120**

Change or modification

debt instruments, timing of interest deductions under Tax Reform Act of 1984, **11:44**

election to use modified ACRS for certain property, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:47**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

unrelated business taxable income (UBTI), tax-exempt entity leasing and depreciation, **9:95 to 9:99**

Characterization of transaction, **9:6**

Classes of property, depreciation after Tax Cuts and Jobs Act of 2017, **9:9 to 9:19**

Clear reflection of income, prepayments of other expenses, **11:48**

REAL ESTATE—Cont'd

- Commercial revitalization deduction,
9:122 to 9:125
- Commitment
 - fees for construction and permanent loan, treatment of current expenses, **11:17**
 - publicly registered real estate syndications, take-out commitment, **26:42**
- Common improvements, prepayments of other expenses, **11:47**
- Comparability, eligible basis and low income housing credit, **9:143**
- Comparison of NASAA and California limits on front-end fees, state substantive regulation of real estate programs, **12:9**
- Compensation
 - broker-dealers, due diligence checklist for real estate syndication, **15:89**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - real estate investment trusts, Blue Sky provisions, **25:90 to 25:95**
 - state substantive regulation of real estate programs, **12:5 to 12:12**
- Complexity of state securities laws, state substantive regulation of real estate programs, **12:22**
- Compliance
 - period, low income housing credit, **9:152 to 9:154**
 - publicly registered real estate syndications, post-effectiveness securities compliance, **26:117 to 26:135**
- Component method, depreciation under Tax Reform Act of 1986, **9:31**
- Computation or computations
 - alternative minimum tax (AMT) computations, depreciation under Tax Reform Act of 1986, **9:43**
 - determination of credit amount allocation, state low income housing credit authority limitations, **9:160**
 - earnings and profits, depreciation under Tax Reform Act of 1986, **9:42**

REAL ESTATE—Cont'd

- Computation or computations—Cont'd
 - impairments, write-downs, REITs, **25:35**
 - low income housing credit, **9:133 to 9:135**
 - Unrelated business taxable income (UBTI), separate computation for each trade or business activity, **9:85**
 - write-downs for impairments, REITs, **25:35**
- Conflicts of interest
 - publicly registered real estate syndications, **26:20, 26:99, 26:173**
 - real estate investment trusts, Blue Sky provisions, **25:86**
 - state substantive regulation of real estate programs, **12:13**
- Constant rental method, treatment of current expenses, **11:54**
- Construction
 - commitment or standby fees for construction, treatment of current expenses, **11:17**
 - self-constructed property, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:50**
- Contingent debt
 - instruments, timing of interest deductions under Tax Reform Act of 1984, **11:35 to 11:38**
 - real estate investment trusts, participating loans, **25:164**
- Contingent matters
 - debt. See Contingent debt, above
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Contingent payment sales, **9:184**
- Contracts or agreements
 - binding contracts, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:49**
 - leases. See Leases, below
 - long-term agreements, treatment of current expenses, **11:56**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

INDEX

REAL ESTATE—Cont'd

- Contracts or agreements—Cont'd
 - real estate investment trusts, form of underwriting agreement for initial public offering, **App N2**
 - real estate mortgage investment conduits, credit enhancement contracts, **28:14**
 - service contracts vs leases, depreciation and tax-exempt entity leasing, **9:82**
- Coordination
 - low income housing credit, other provisions of Tax Reform Act of 1986, **9:163**
 - publicly registered real estate syndications, rollup reform, **26:158**
- Corporations
 - nominee corporations, **9:174 to 9:176**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- Costs
 - demolition costs, rehabilitation tax credit, **9:119**
 - depreciation, accelerated cost recovery system (ACRS), **9:47, 9:58**
 - developers' treatment of estimated future costs of common improvements, prepayments of other expenses, **11:47**
 - expenses and expenditures. See **Expenses and expenditures**, below
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - uniform capitalization rules of Section 263A, treatment of current expenses, **11:24**
- Covenants not to compete, fifteen-year amortization for intangibles, **11:22**
- Credits
 - investment tax credit (ITC), depreciation under Tax Reform Act of 1986, **9:45, 9:55, 9:56**
 - low income housing credit, **9:132 to 9:165**
 - new markets tax credit under Section 45D, **9:126 to 9:131**

REAL ESTATE—Cont'd

- Credits—Cont'd
 - rehabilitation tax credit, **9:113 to 9:121**
 - tax-exempt entity leasing, depreciation, **9:81**
- Current expenses of limited partnerships, treatment of, **11:2 to 11:67**
- Dealers, status, sale or disposition of real property, **9:180**
- Debt or indebtedness
 - accounting provisions, **1:70**
 - acquisition indebtedness, unrelated business taxable income (UBTI), **9:90 to 9:99**
 - contingent debt. See **Contingent debt**, above
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - timing of interest deductions under Tax Reform Act of 1984, debt instruments, **11:33, 11:35 to 11:38, 11:44**
- Decrease or reduction
 - avoidance of tax as principal purpose for decreasing rents, treatment of current expenses, **11:57**
 - bonus depreciation, **9:60 to 9:62**
 - thirty-five percent reduction, investment tax credit and depreciation, **9:55**
- Deductions, treatment of current expenses, **11:27 to 11:44, 11:50, 11:65**
- Deemed loan provisions, treatment of current expenses, **11:58**
- Defenses, state regulation of private real estate securities transactions, **14:17**
- Deferral
 - final regulations, like-kind exchanges, **9:202**
 - installment obligations and deferred exchanges, **9:213**
 - like-kind exchanges, non-qualifying property, **9:200, 9:202**
- payments
 - State substantive regulation of real estate programs, **12:20**
 - Use of property or services, treatment of current expenses, **11:51 to 11:52**

REAL ESTATE—Cont'd

Deferral—Cont'd

treatment of current expenses, **11:51 to 11:52, 11:62, 11:63**

Definitions

entities addressed in the FFO definition, **25:32**

low income housing tax rollovers, **9:167**

tax-exempt entity, **9:68 to 9:71**

unrelated business taxable income, **9:84**

Delaware statutory trust, **9:220, 9:221**

De minimis original issue discount, timing of interest deductions under Tax Reform Act of 1984, **11:39**

Demolition costs, rehabilitation tax credit, **9:119**

Depreciation

Generally, **9:7 to 9:100**

bonus depreciation, **9:60 to 9:62**

expensing of depreciable assets, Section 179, **9:63 to 9:65**

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

Determinations

original issue discount, timing of interest deductions under Tax Reform Act of 1984, **11:29, 11:30**

real estate mortgage investment conduits, taxable income or net loss, **28:35**

state low income housing credit amount allocation, **9:160, 9:161**

tax-exempt use property, determinable price, **9:75**

time of determination, eligible basis and low income housing credit, **9:142**

Developers

compensation, state substantive regulation of real estate programs, **12:12**

treatment of estimated future costs of common improvements, prepayments of other expenses, **11:47**

Disallowance, treatment of current expenses, **11:2 et seq.**

Disclosure

blue sky disclosure, state substantive

REAL ESTATE—Cont'd

Disclosure—Cont'd

regulation of real estate programs, **12:24**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts, funds from operations (FFO), **25:33, 25:36**

Disposition or dispositions

Generally, **9:177 to 9:223**

convention, short taxable year, **9:23**
gains from real property dispositions, exclusion from unrelated business taxable income (UBTI), **9:100**

real estate mortgage investment conduits, disposition of interests, **28:32, 28:42**

Disqualification

See also **Qualified or qualifying matters**, below

like-kind exchanges—final regulations, **9:206**

real estate mortgage investment conduits, disqualified organizations, **28:40**

state regulation of private real estate securities transactions, **14:15**

Distributions

publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:104**

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

real estate mortgage investment conduits, taxation of holders of residual interests, **28:36**

Dividends

real estate investment trusts, **1:35, 1:37**

unrelated business taxable income (UBTI), **9:86**

Earnings

alternative depreciation system, **9:42**

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

INDEX

REAL ESTATE—Cont'd

- Economic accrual method, treatment of current expenses, **11:53 to 11:61**
- Economic Recovery Tax Act of 1981, depreciation, **9:58**
- Effect
 - federal grants and subsidies, eligible basis and low income housing credit, **9:140**
 - section 197, fifteen-year amortization for intangibles, **11:19**
 - tax Reform Act of 1984, unrelated business taxable income (UBTI), **9:92 to 9:94**
- Effective dates
 - depreciation provisions of Tax Reform Act of 1986, **9:46 to 9:56**
 - final regulations, **9:207**
 - low income housing credit, **9:164**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - rehabilitation tax credit, **9:121**
 - short taxable year, depreciation under Tax Reform Act of 1986, **9:30**
 - tax-exempt entity leasing, depreciation, **9:70**
- Effort, facts and circumstances test for activities not engaged in for profit, **11:10**
- Elections
 - acceleration, low income housing credit, **9:135**
 - alternative depreciation system usage, depreciation under Tax Reform Act of 1986, **9:41**
 - minimum set-aside election, qualified low income housing projects, **9:150**
 - modified ACRS usage, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:47**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - real estate mortgage investment conduits. See **Real Estate**

REAL ESTATE—Cont'd

- Elections—Cont'd
 - Mortgage Investment Conduits (REMICs)** (this index)
 - tax-exempt entity leasing, election out, **9:71**
- Elements of personal pleasure or recreation, facts and circumstances test for activities not engaged in for profit, **11:16**
- Eligibility or eligible
 - basis, low income housing credit, **9:138 to 9:146**
 - publicly registered real estate syndications, rollup transactions, **26:150 to 26:152**
- Equipped buildings, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:51**
- Escrow accounts
 - treatment of current expenses, **11:66 to 11:67**
- Estimated future costs of common improvements, developers' treatment of, **11:47**
- Exceptions or exclusions
 - exemptions. See Tax-exempt, below
 - original issue discount rules, timing of interest deductions under Tax Reform Act of 1984, **11:41 to 11:44**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - publicly traded stock exception, tax-exempt entity leasing, **9:69**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - recurring item exception, prepayments of other expenses, **11:46**
 - state regulation of private real estate securities transactions, **14:1 et seq.**
 - unrelated business taxable income (UBTI), tax-exempt entity leasing and depreciation, **9:86 to 9:89, 9:100**
- Existing buildings, low income housing credit, **9:139**
- Expenses and expenditures
 - costs. See **Costs**, above

REAL ESTATE—Cont'd

- Expenses and expenditures—Cont'd
 - publicly registered real estate syndica-
tions, amount of transactional
expenses, **26:176**
 - real estate investment trusts. See **Real
Estate Investment Trusts
(REITs)** (this index)
 - rehabilitation expenditures, low
income housing credit, **9:145**
 - reimbursement for program expenses,
state substantive regulation of
real estate programs, **12:11**
 - treatment of current expenses, **11:2 to
11:67**
- Expertise of taxpayer or advisor, treat-
ment of current expenses, **11:9**
- Extended use compliance period, low
income housing credit, **9:154**
- Facts and circumstances test, activities
not engaged in for profit, **11:7 to
11:16**
- Farmland. See **Farmland and
Agriculture** (this index)
- Federal matters
 - applicable federal rate (AFR), timing
of interest deductions under Tax
Reform Act of 1984, **11:40**
 - effect of federal grants and subsidies,
eligible basis and low income
housing credit, **9:140**
- Fees
 - commitment or standby fees for
construction and permanent loan,
treatment of current expenses,
11:17
 - front-end fees, state substantive
regulation of real estate
programs, **12:9**
 - processing fees, treatment of current
expenses, **11:26 to 11:44**
 - publicly registered real estate syndica-
tions. See **Publicly Registered
Real Estate Syndications** (this
index)
 - real estate investment trusts, incentive
fees, **25:94**
- Fifteen-year
 - amortization for intangibles, treatment
of current expenses, **11:18 to
11:23**
 - class of property, depreciation, **9:14,
9:15**

REAL ESTATE—Cont'd

- Filing or filings
 - real estate investment trusts, funds
from operations (FFO), **25:33**
 - state regulation of private real estate
securities transactions, **14:16**
- Final regulations, like-kind exchanges,
9:202 et seq.
- Final regulations on domestically con-
trolled REITs, **9:224**
- Financial matters
 - forecasts, state substantive regulation
of real estate programs, **12:16**
 - publicly registered real estate syndica-
tions. See **Publicly Registered
Real Estate Syndications** (this
index)
 - real estate mortgage investment
conduits, financial institutions,
28:39
 - statements. See Financial statements,
below
 - status of taxpayer, facts and circum-
stances test for activities not
engaged in for profit, **11:15**
- Financial statements
 - publicly registered real estate syndica-
tions. See **Publicly Registered
Real Estate Syndications** (this
index)
 - state substantive regulation of real
estate programs, **12:15**
 - summary of requirements for real
estate offerings, **25:52**
- Financing, tax-exempt, **9:39, 9:74**
- Five-year class of property, depreciation,
9:11
- Fixed price, tax-exempt use property,
9:75
- Forecasts
 - publicly registered real estate syndica-
tions, financial forecasts, **26:77
to 26:81**
 - real estate investment trusts, Blue Sky
provisions, **25:108**
 - state substantive regulation of real
estate programs, **12:16**
- Foreclosure
 - real estate investment trusts (REITs),
effect of non-REIT provisions of
Internal Revenue Code, **25:177**

INDEX

REAL ESTATE—Cont'd

Foreclosure—Cont'd

- real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
- sale or disposition of real property, **9:179**

Foreign use property, alternative depreciation system, **9:37**

Former matters. See Prior or former matters, below

Forms

- blue Sky survey, **12:25**
- small offerings registration form, Form U-7, **14:20**

Fractions

- qualified basis and low income housing credit, applicable fraction, **9:137**
- unrelated business taxable income (UBTI), regulations governing “Fractions Rule,” **9:98**

Front-end fees, state substantive regulation of real estate programs, **12:9**

Full basis adjustment, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:56**

Funds

- publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- real estate investment trusts, funds from operations (FFO), **25:27 to 25:37**

Future costs of common improvements, developers' treatment, **11:47**

Gain or gains

- capital gain or gains. See **Capital gain or gains**, above
- real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- sale or disposition of real property, **9:100, 9:177, 9:179**

General rules

- like-kind exchanges, **9:188**
- real estate investment trusts, structure, **25:133**
- real estate mortgage investment conduits, taxation of holders of

REAL ESTATE—Cont'd

General rules—Cont'd

- residual interests, **28:34**

- transition rules, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:48 to 9:56**

Grants, eligible basis and low income housing credit, **9:140**

Gross rent limitation, qualified low income housing projects, **9:149**

Guarantee, publicly registered real estate syndications, qualifying personal guarantee, **26:40**

Guidelines of NASAA, state substantive regulation of real estate programs, **12:2**

Half-year convention, depreciation under Tax Reform Act of 1986, **9:25**

Historic structures, rehabilitation tax credit, **9:120**

History. See Background or history, above

Holders and holding

- exchange, holding period before, **9:190**
- like-kind exchanges, **9:196**
- non-qualifying property, **9:196**
- real estate mortgage investment conduits, holders of interests, **1:45, 28:31 to 28:39, 28:43**
- at risk, holding of real property, **3:8, 3:9, 3:18**

Identification procedures, like-kind exchanges, **9:203**

Imported property, alternative depreciation system, **9:40**

Improvements

- depreciation, **9:33, 9:34, 9:78**
- developers' treatment of estimated future costs of common improvements, prepayments of other expenses, **11:47**
- tax-exempt entity leasing, depreciation, **9:78**

Included or inclusion

- real estate mortgage investment conduits, excess inclusions, **28:39**

Inclusions, excess, real estate mortgage investment conduits, **28:38**

REAL ESTATE—Cont'd**Income**

- clear reflection of income, prepayments of other expenses, **11:48**
- history of income from activity, facts and circumstances test for activities not engaged in for profit, **11:13**
- low income housing. See **Low income housing**, below
- pass-through business income, deduction, **9:3**
- real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
- unrelated business taxable income (UBTI), **9:84 to 9:100, 25:182**

Indebtedness. See **Debt or indebtedness**, above

Installment

- deferred exchanges, installment obligations and, **9:213**
- obligations, exceptions to original issue discount rules, **11:43**
- reverse exchanges, **9:212, 9:213**
- sales of real property, **9:183, 9:185**
- section 1031, reverse exchanges, **9:212**

Intangibles, fifteen-year amortization, 11:18 to 11:23

Interest on money

- prepaid interest, treatment of current expenses, **11:26 to 11:44**
- real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- section 467 interest, economic accrual method, **11:59**
- Section 453A interest, sale or disposition of real property, **9:186**
- unrelated business taxable income (UBTI), tax-exempt entity leasing and depreciation, **9:86**

Interest or interests

- conflicts of interest. See **Conflicts of interest**, above
- deductibility, limitation on, **9:2**

REAL ESTATE—Cont'd**Interest or interests—Cont'd**

- promotional interest, state substantive regulation of real estate programs, **12:6 to 12:9**
- publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
- treatment of publicly traded partnership interests, **9:89**

Internet, state approach to private offering exemption, 14:19

Investment

- Generally, **9:1**
- like-kind exchanges, **9:189**
- mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
- partnership investment opportunities, **2:20 to 2:22**
- publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
- tax credit (ITC), depreciation under Tax Reform Act of 1986, **9:45, 9:55, 9:56**
- Tax Cuts and Jobs Act of 2017, effect, **9:1**
- trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- unites, determining original issue discount, **11:30**

Investors

- private real estate securities transactions, state regulation of, **14:12 et seq.**

INDEX

REAL ESTATE—Cont'd

- Investors—Cont'd
 - substantive regulation of real estate programs by state, **12:21, 12:24**
 - suitability of investors. See *Suitability of investors*, below
- Involuntary conversions, sale or disposition of real property, **9:222**
- IRS Notice 90-41, unrelated business taxable income (UBTI), **9:95 to 9:99**
- IRS Notice 2000-4 and regulations issued pursuant to notice, reverse exchanges, **9:214**
- Issuance
 - contingent debt instruments for nonpublicly traded property, timing of interest deductions under Tax Reform Act of 1984, **11:37**
 - real estate investment trust securities, limitations under Blue Sky provisions, **25:80**
- ITC (investment tax credit), depreciation under Tax Reform Act of 1986, **9:45, 9:55, 9:56**
- Itemized deductions, limitations on miscellaneous itemized deductions, **11:65**
- Leasebacks
 - economic accrual method, treatment of current expenses, **11:55**
 - sale-leasebacks, **9:54, 9:223**
- Leases
 - improvements, depreciation under Tax Reform Act of 1986, **9:34**
 - tangible property, fifteen-year amortization, **11:20**
 - tax-exempt entity leasing, **9:66 to 9:100**
- Leverage
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - state substantive regulation of real estate programs, **12:17**
- Leveraged real estate offering, state substantive regulation of real estate programs, **12:25**
- Liability or liabilities, real estate investment trusts, shareholders, **25:20, 25:103**

REAL ESTATE—Cont'd

- Like-kind exchanges of real property, **9:187 et seq.**
- Limitations
 - front-end fees, state substantive regulation of real estate programs, **12:9**
 - miscellaneous itemized deductions, treatment of current expenses, **11:65**
 - partnership leverage, state substantive regulation of real estate programs, **12:17**
 - private real estate securities transactions, uniform limited offering exemption, **14:11 to 14:17**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - qualified low income housing projects, low income housing credit, **9:149**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - at risk limitation, low income housing credit, **9:162**
 - state low income housing credit authority limitations, **9:155 to 9:161**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Loans
 - commitment or standby fees for construction and permanent loan, **11:17**
 - deemed loan provisions, economic accrual method, **11:58**
 - mortgage loan programs, state substantive regulation of real estate programs, **12:7, 12:18**
 - points, treatment of current expenses, **11:26 to 11:44**
 - publicly registered real estate syndications, mortgage loans, **26:38 to 26:44, 26:73**
 - real estate investment trusts, participating loans, **25:164 to 25:167**
- Local payroll and sales taxes, treatment of current expenses, **11:49**

REAL ESTATE—Cont'd

- Long-term agreements, economic accrual method, **11:56**
- Loss
 - active business loss limitation, **9:5**
 - history of loss from activity, facts and circumstances test for activities not engaged in for profit, **11:13**
 - passive loss. See **Passive Loss** (this index)
 - real estate investment trusts, property sales, **25:34**
 - real estate mortgage investment conduits, taxation of holders of residual interests, **28:35, 28:37**
- Low-income community investment, the new markets tax credit, **9:128**
- Low income housing
 - credit, **9:132 to 9:165**
 - special rules applicable to low income housing, activities not engaged in for profit, **11:6**
 - tax rollovers, **9:166 to 9:168**
- Mandatory use, election to avoid interest expense limitation, alternative depreciation system, **9:36**
- Method or methods
 - depreciation, **9:20, 9:20 et seq.**
 - economic accrual method, treatment of current expenses, **11:53 to 11:61**
 - noncontingent bond method, contingent debt instruments, **11:36**
 - operations, facts and circumstances test for activities not engaged in for profit, **11:8**
- Mid-quarter convention, depreciation under Tax Reform Act of 1986, **9:26**
- Minimum
 - alternative minimum tax (AMT)
 - computations, depreciation under Tax Reform Act of 1986, **9:43**
 - qualified low income housing projects, minimum set-aside election, **9:150**
 - real estate investment trusts, capital, **25:96**
 - unit purchase, state substantive regulation of real estate programs, **12:24**

REAL ESTATE—Cont'd

- Miscellaneous itemized deductions, limitations, **11:65**
- Mixed use property, eligible basis and low income housing credit, **9:144**
- Modification. See Change or modification, above
- Money. See Interest on money, above
- Mortgages
 - FASB ASC Topic No. 310, receivables (previously AICPA statement of position 97-1), **26:44**
 - fifteen-year amortization for intangibles, mortgaging servicing rights, **11:23**
 - investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
 - investment trusts, mortgage participations based on gain, **1:33**
 - loan programs, state substantive regulation of real estate programs, **12:7, 12:18**
 - publicly registered real estate syndications, mortgage loans, **26:38 to 26:44, 26:73**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- Multi-party exchanges, non-qualifying property—like-kind exchanges, **9:197, 9:198**
- NASAA. See North American Securities Administrators Association (NASAA), below
- National Securities Markets Improvement Act of 1996, **25:124 to 25:130, 26:157, 26:158**
- New markets tax credit under Section 45D, **9:126 to 9:131**
- Nominee corporations, **9:174 to 9:176**
- Nonaccredited investors, state regulation of private real estate securities transactions, **14:12**
- Noncompetition covenants, fifteen-year amortization for intangibles, **11:22**
- Noncontingent bond method, timing of interest deductions under Tax Reform Act of 1984, **11:36**
- Nonprofit
 - activities not engaged in for profit,

INDEX

REAL ESTATE—Cont'd

Nonprofit—Cont'd

treatment of current expenses,
11:5 to 11:16

special set-aside for qualified non-profit organizations, state low income housing credit authority limitations, **9:157**

Nonpublicly traded property, issuance of contingent debt instruments, **11:37**

Nonqualifying property, like-kind exchanges, **9:192 et seq.**

Nonresidential real property, depreciation recapture, **9:57**

North American Securities Administrators Association (NASAA)

compensation to sponsor and others, state substantive regulation of real estate programs, **12:5, 12:9**

private real estate securities transactions, state regulation of, **14:10 to 14:20**

programs, statement of policy, **App I**

publicly registered real estate syndications, rollout amendments, **26:190 to 26:194**

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

Notices

IRS Notice 90-41, unrelated business taxable income (UBTI), **9:95 to 9:99**

IRS Notice 2000-4, **9:214**

Obligations

installment obligations, exceptions to original issue discount rules, **11:43**

real estate investment trusts, interest on obligations secured by mortgages, **25:141**

real estate mortgage investment conduits, purchase assets, **28:15 to 28:17**

tax exempt contingent payment obligations, contingent debt instruments, **11:38**

Occasional profits, facts and circumstances test for activities not engaged in for profit, **11:14**

Offering reform modifications, summary, **25:65**

REAL ESTATE—Cont'd

Offerings

leveraged real estate offering, state substantive regulation of real estate programs, **12:25**

private real estate securities transactions, state regulation of, **14:1 et seq.**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

Operation or operations

method of operations, facts and circumstances test for activities not engaged in for profit, **11:8**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

section 47, rehabilitation tax credit, **9:116**

Organizations

real estate mortgage investment conduits, tax on transfer of residual interest to disqualified organizations, **28:40**

special set-aside for qualified non-profit organizations, **9:157**

Original issue discount, timing of interest deductions under Tax Reform Act of 1984, **11:28 et seq.**

Parking exchanges outside safe harbor, **9:211**

Participation

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

tax-exempt financing, tax-exempt entity leasing, **9:74**

Partners and partnerships

investment opportunities, **2:20 to 2:22**

REAL ESTATE—Cont'd

- Partners and partnerships—Cont'd
 - limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - tax-exempt entity leasing, **9:83, 9:89, 9:94**
 - unrelated business taxable income (UBTI), **9:89, 9:94**
- Passive loss. See **Passive Loss** (this index)
- Pass-through entities
 - deduction for business income, **9:3**
 - real estate mortgage investment conduits, **28:41**
 - tax-exempt entity leasing, **9:83**
- Payment or payments
 - contingent payment sales, **9:184**
 - deferral. See **Deferral**, above
 - prepayment. See **Prepayment**, below
 - real estate mortgage investment conduits, payment for services, **28:12**
 - related party payments, treatment of current expenses, **11:62, 11:63**
 - tax exempt contingent payment obligations, timing of interest deductions under Tax Reform Act of 1984, **11:38**
- Payroll taxes, treatment of current expenses, **11:49**
- Percent or percentage
 - low income housing credit, **9:134**
 - publicly registered real estate syndications, experience in raising and investing funds on percentage basis, **26:26**
 - real estate investment trusts, percentage rents, **1:38**
 - thirty-five percent reduction, special rules applicable to investment tax credit, **9:55**
- Permanent loan, commitment or standby fees, **11:17**

REAL ESTATE—Cont'd

- Permissible or allowable
 - real estate investment trusts, permissive change to calendar year, **1:29**
 - real estate mortgage investment conduits, permitted investments, **28:22 to 28:25**
 - state low income housing credit authority, **9:156 to 9:159**
- Personal pleasure, facts and circumstances test for activities not engaged in for profit, **11:16**
- Placed in service, depreciation under Tax Reform Act of 1986, **9:23, 9:53**
- Plant facilities, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:52**
- Points for loans, treatment of current expenses, **11:26 to 11:44**
- Potentially abusive situations, application of original issue discount rules, **11:34**
- Preemption of offerings of covered securities, state regulation of private real estate securities transactions, **14:2**
- Pre-opening expenses, treatment of current expenses, **11:3 to 11:4**
- Prepayment
 - interest, treatment of current expenses, **11:26 to 11:44**
 - other expenses, treatment of current expenses, **11:45 to 11:48**
- Prescribed methods, depreciation under Tax Reform Act of 1986, **9:20**
- Principal purpose for increasing or decreasing rents, avoidance of tax, **11:57**
- Prior or former matters
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - tax-exempt entity leasing, formerly tax-exempt entities, **9:72**
- Private real estate securities transactions, state regulation of, **14:1 et seq.**
- Procedure to adopt NASAA guideline, state substantive regulation of real

INDEX

REAL ESTATE—Cont'd

- estate programs, **12:2**
- Processing fees, treatment of current expenses, **11:26 to 11:44**
- Profits
 - computing profits, alternative depreciation system, **9:42**
 - nonprofit. See Nonprofit, above
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - sales, unrelated business taxable income (UBTI), **9:87**
- Programs
 - california regulations regarding contents of prospectus and projections in real estate programs, **App H**
 - north American Securities Administrators Association (NASAA), statement of policy, **App I**
 - publicly registered real estate syndications, prior performance tables, **26:28, 26:29, 26:31**
 - state substantive regulation of real estate programs, **12:1 to 12:25**
- Prohibited transactions
 - real estate investment trusts, **1:36**
 - real estate mortgage investment conduits, net income, **28:28**
- Promotional interest, state substantive regulation of real estate programs, **12:6 to 12:9**
- Protection, state substantive regulation of real estate programs, **12:15 to 12:19**
- Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Publicly traded
 - partnership interests, unrelated business taxable income (UBTI), **9:89**
 - tax-exempt entity leasing, publicly traded stock exception, **9:69**
- Purchases and purchasers
 - minimum unit purchase, state substantive regulation of real estate programs, **12:24**

REAL ESTATE—Cont'd

- Purchases and purchasers—Cont'd
 - options, tax-exempt entity leasing, **9:75**
 - publicly registered real estate syndications, repurchase agreements, **26:48**
 - real estate investment trusts, qualified purchasers, **25:127**
 - real estate mortgage investment conduits, obligation to purchase assets, **28:15 to 28:17**
- Purpose for increasing or decreasing rents, avoidance of tax, **11:57**
- Qualified or qualifying matters
 - basis, low income housing credit, **9:136 to 9:147**
 - community development entities, **9:129**
 - equity investment, **9:127**
 - like-kind exchanges, **9:191 et seq., 9:206**
 - low income housing projects, low income housing credit, **9:148 to 9:151**
 - nonprofit organizations, special set-aside, **9:157**
 - private real estate securities transactions, state regulation, **14:6**
 - publicly registered real estate syndications, qualifying personal guarantee, **26:40**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
- Qualified revitalization building, commercial revitalization deduction, **9:123**
- Qualified revitalization expenditure, commercial revitalization deduction, **9:124**
- Rate or rates
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - real estate mortgage investment conduits, variable rate interests, **28:8**

REAL ESTATE—Cont'd

Rate or rates—Cont'd

timing of interest deductions under
Tax Reform Act of 1984, **11:32,**
11:33, 11:40

variable rate. See Variable rate, below

Real estate investment trusts. See **Real
Estate Investment Trusts (REITs)**
(this index)

Recapture

compliance period, low income hous-
ing credit, **9:152, 9:153**

depreciation, **9:57**

economic accrual method, treatment
of current expenses, **11:60**

new Markets tax credit under Section
45D, **9:130**

Receipt of substantially the same prop-
erty and constructed property,
9:204

Records

access. See Access to records, above
real estate investment trusts, Blue Sky
provisions, **25:99, 25:101,**
25:114

Recovery year vs taxable year, deprecia-
tion under Tax Reform Act of 1986,
9:24

Recreation, facts and circumstances test
for activities not engaged in for
profit, **11:16**

Recurring item exception, prepayments
of other expenses, **11:46**

Reduction. See Decrease or reduction,
above

Reflection of income, prepayments of
other expenses, **11:48**

Registration

publicly registered real estate syndica-
tions. See **Publicly Registered
Real Estate Syndications** (this
index)

real estate investment trusts, federal
provisions, **25:53 to 25:61**

state regulation of private real estate
securities transactions, **14:13**

Regulations

private real estate securities transac-
tions, state regulation, **14:1 et
seq.**

publicly registered real estate syndica-
tions, rollup transactions,

REAL ESTATE—Cont'd

Regulations—Cont'd

26:148, 26:158, 26:161

state regulation of private real estate
securities transactions, Regula-
tion D, **14:10 to 14:20**

substantive regulation of real estate
programs, state regulation, **12:1
to 12:25**

unrelated business taxable income
(UBTI), tax-exempt entity leas-
ing and depreciation, **9:98**

Rehabilitation

expenditures, low income housing
credit, **9:145**

tax credit, **9:113 to 9:121**

Reimbursement for program expenses,
state substantive regulation of real
estate programs, **12:11**

Related party exchanges, like-kind
exchanges, **9:193**

Related party payments, treatment of
current expenses, **11:62, 11:63**

Relief from acquisition indebtedness,
unrelated business taxable income
(UBTI), **9:91 to 9:99**

Rental matters

constant rental method, treatment of
current expenses, **11:54**

fifteen-year amortization for
intangibles, rental property,
11:21

leases. See Leases, above

Rent or rents

avoidance of tax as principal purpose
for increasing or decreasing
rents, economic accrual method,
11:57

gross rent limitation, qualified low
income housing projects, **9:149**

investment trusts, percentage rents,
1:38

real estate investment trusts. See **Real
Estate Investment Trusts**
(REITs) (this index)

unrelated business taxable income
(UBTI), tax-exempt entity leas-
ing and depreciation, **9:88**

Repeals

low income housing tax rollovers,
9:166 to 9:168

INDEX

REAL ESTATE—Cont'd

Repeals—Cont'd

real estate investment trusts, capital gains rate for corporations, **25:175**

Reports

annual reports. See **Annual reports**, above

like-kind exchanges, final regulations, **9:208**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts, Blue Sky provisions, **25:99**

Residential real estate. See **Residential Real Estate** (this index)

Revenue Act of 1987, unrelated business taxable income (UBTI), tax-exempt entity leasing and depreciation, **9:96**

Revenue Procedure 2000-37, generally, **9:210**

Revenue Procedure 2002-22, **9:217 to 9:219**

Revenue Reconciliation Act of 1989, compliance period—low income housing credit, **9:154**

Revenue Reconciliation Act of 1990, low income housing tax rollovers, **9:166 to 9:168**

Revenue Reconciliation Act of 1993, **9:95, 9:99**

Reverse exchanges

Generally, **9:209 et seq.**

conditions for obtaining ruling under Revenue Procedure 2002-22, **9:218**

installment obligations and deferred exchanges, **9:213**

installment sales and Section 1031, **9:212**

IRS Notice 2000-4 and regulations issued pursuant to notice, **9:214**

like-kind exchanges and, safe harbors, **9:211**

parking exchanges outside safe harbor, **9:211**

revenue Procedure 2000-37, generally, **9:210**

REAL ESTATE—Cont'd

Reverse exchanges—Cont'd

revenue Procedure 2002-22, **9:217 to 9:219**

safe harbors, **9:211**

tenancies-in-common and Section 1031, **9:215, 9:216**

Rights

mortgaging servicing rights, **11:23**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

real estate mortgage investment conduits, rights not treated as interests, **28:10 to 28:17**

state substantive regulation of real estate programs, **12:15 to 12:19**

voting rights. See **Voting rights**, below

At risk. See **At Risk** (this index)

Rollovers, low income housing tax rollovers, **9:166 to 9:168**

Rules

antichurning rules, depreciation under Tax Reform Act of 1986, **9:44**

basic rules, rehabilitation tax credit, **9:116, 9:119**

compensation to sponsor and others, state substantive regulation of real estate programs, **12:5**

general rules. See **General rules**, above

original issue discount rules, timing of interest deductions under Tax Reform Act of 1984, **11:31 to 11:34, 11:41 to 11:44**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

real estate mortgage investment conduits, taxation of holders of residual interests, **28:34, 28:39**

regulations governing “Fractions Rule,” unrelated business taxable income (UBTI), **9:98**

REAL ESTATE—Cont'd**Rules—Cont'd**

short taxable year rules, depreciation under Tax Reform Act of 1986, **9:22 to 9:30**

special rules. See Special rules, below
tax benefit rule, sale or disposition of real property, **9:179**

tax-exempt entity leasing, depreciation, **9:79**

uniform capitalization rules of Section 263A, treatment of current expenses, **11:24 to 11:25**

Rulings, pre-opening expenses and start-up expenditures, **11:3**

Safe harbors, **9:117, 9:205, 9:211**

Sale-leasebacks, **9:54, 9:223**

Sales

Generally, **9:177 to 9:223**

contingent payment sales, **9:184**

installment sales, **9:183, 9:185**

local sales taxes, treatment of current expenses, **11:49**

options, tax-exempt use property, **9:75**

profit on sale, unrelated business taxable income (UBTI), **9:87**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

Salvage value, depreciation under Tax Reform Act of 1986, **9:31**

Section 1400I, commercial revitalization deduction, **9:122**

Section 47

regulations under I.R.C. § 50(d)(5), **9:118**

rehabilitation tax credit, **9:113 to 9:121**

safe harbor provisions, **9:117**

Section 183, activities not engaged in for profit, **11:5**

Section 263A, uniform capitalization rules, **11:24 to 11:25**

Section 195, pre-opening expenses and start-up expenditures, **11:4**

Section 197, fifteen-year amortization for intangibles, **11:19**

REAL ESTATE—Cont'd

Section 453, sale or disposition of real property, **9:181**

Section 453A interest, sale or disposition of real property, **9:186**

Section 467, treatment of current expenses, **11:51 to 11:52, 11:59, 11:61**

Section 1031, like-kind exchanges of real property, **9:187 et seq., 9:201, 9:215**

Section 1231 gain, sale or disposition of real property, **9:178**

Securities offering reform modifications, summary, **25:65**

Security, publicly registered real estate syndications, mortgage loan financial statements, **26:39 to 26:41**

Self-constructed property, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:50**

Services

deferred payments for use of services, treatment of current expenses, **11:51 to 11:52**

leases vs service contracts, tax-exempt entity leasing, **9:82**

mortgaging servicing rights, fifteen-year amortization for intangibles, **11:23**

placed in service, depreciation under Tax Reform Act of 1986, **9:23, 9:53**

publicly registered real estate syndications, matching services, **26:110**

real estate mortgage investment conduits, payment for services, **28:12**

Set-asides, low income housing credit, **9:150, 9:157**

Seven-year class of property, depreciation, **9:12**

Short taxable year rules, depreciation under Tax Reform Act of 1986, **9:22 to 9:30**

Similar activity success, facts and circumstances test for activities not engaged in for profit, **11:12**

Simplified method, depreciation under Tax Reform Act of 1986, **9:29**

Sophistication of investors, state regulation of private real estate securities

INDEX

REAL ESTATE—Cont'd

- transactions, **14:14**
- Special rules
 - investment tax credit, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:55, 9:56**
 - low income housing, activities not engaged in for profit, **11:6**
 - real estate investment trusts, income tests, **25:141**
 - real estate mortgage investment conduits, financial institutions, **28:39**
 - transitional rules, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:50 to 9:52**
- Special set-aside for qualified nonprofit organizations, state low income housing credit authority limitations, **9:157**
- Sponsors
 - compensation, state substantive regulation of real estate programs, **12:5 to 12:12**
 - real estate mortgage investment conduits, taxation, **28:26**
 - role of sponsor-manager, **2:17**
 - underwriting agreement for REIT
 - initial public offering, properties acquired from sponsor of REIT and leased to affiliate of sponsor, **App Y**
- Standards
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
 - state substantive regulation of real estate programs, investor suitability standards, **12:21, 12:24**
- Standby fees for construction and permanent loan, treatment of current expenses, **11:17**
- Start-up expenditures, treatment of current expenses, **11:3 to 11:4**
- State
 - california. See California, above
 - low income housing credit authority limitations, **9:155 to 9:161**

REAL ESTATE—Cont'd

- State—Cont'd
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- State Commercial Revitalization Agency, **9:125**
- Statements
 - financial statements. See Financial statements, above
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Status
 - dealer status, sale or disposition of real property, **9:180**
 - financial status of taxpayer, facts and circumstances test for activities not engaged in for profit, **11:15**
- Stock, publicly traded stock exception, **9:69**
- Structures. See Buildings and structures, above
- Subscription procedures, state substantive regulation of real estate programs, **12:3**
- Subsidies, eligible basis and low income housing credit, **9:140**
- Substantive regulation of real estate programs by state, **12:1 to 12:25**
- Success in similar activities, facts and circumstances test for activities not engaged in for profit, **11:12**
- Suitability of investors
 - private real estate securities transactions, state regulation of, **14:14**
 - real estate investment trusts, Blue Sky provisions, **25:81**
 - substantive regulation of real estate programs by state, **12:21, 12:24**
- Survey, state substantive regulation of real estate programs, **12:24, 12:25**
- Tangible property leases, fifteen-year amortization for intangibles, **11:20**
- Taxable year or years
 - real estate investment trusts, structure, **25:135**
 - short taxable year rules and depreciation under Tax Reform Act of 1986, **9:22 to 9:30**
- Tax aspects, **9:1 to 9:224**

REAL ESTATE—Cont'd

- Tax benefit rule, sale or disposition of real property, **9:179**
- Tax consequences of Delaware statutory trust, **9:221**
- Tax court position, nominee corporations, **9:175**
- Tax credits. See Credits, above
- Tax Cuts and Jobs Act of 2017. See **Tax Cut and Jobs Act of 2017** (this index)
- Tax-exempt
 - bond financed property, alternative depreciation system, **9:39**
 - contingent payment obligations, timing of interest deductions under Tax Reform Act of 1984, **11:38**
 - entity leasing, **9:66 to 9:100**
 - financing, **9:39, 9:74**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - use property, **9:38, 9:73 to 9:77**
- Taxpayers, facts and circumstances test for activities not engaged in for profit, **11:9, 11:15**
- Tax Reform Act of 1984
 - depreciation, **9:58**
 - timing of interest deductions, treatment of current expenses, **11:27 to 11:44**
 - unrelated business taxable income (UBTI), tax-exempt entity leasing and depreciation, **9:92 to 9:94**
- Tax Reform Act of 1986
 - coordination of provisions, low income housing credit, **9:163**
 - depreciation, **9:8 to 9:57, 9:72, 9:95**
 - escrow account taxation, treatment of current expenses, **11:66, 11:67**
 - passive loss provisions, **9:4**
 - real estate mortgage investment conduits, **1:42 to 1:46, 28:2**
 - tax-exempt entity leasing, **9:72, 9:95**
 - treatment of current expenses, **11:64, 11:66, 11:67**
 - unrelated business taxable income (UBTI), tax-exempt entity leasing and depreciation, **9:95**

REAL ESTATE—Cont'd

- Technical and Miscellaneous Revenue Act of 1988
 - escrow account taxation, treatment of current expenses, **11:67**
 - unrelated business taxable income (UBTI), tax-exempt entity leasing and depreciation, **9:95, 9:97, 9:98**
- Tenancies-in-common, **9:215, 9:216**
- Tenant qualification, low income housing credit, **9:151**
- Ten-year class of property, depreciation, **9:13**
- Termination
 - real estate investment trusts, Blue Sky provisions, **25:99, 25:102**
 - real estate mortgage investment conduits, inadvertent terminations, **28:6**
- Term of lease, tax-exempt entity leasing, **9:76**
- Test rate, application of original issue discount rules, **11:32**
- Thirty-five percent reduction, investment tax credit and depreciation, **9:55**
- Thirty-nine-year class of property, depreciation, **9:18**
- Three-year class of property, depreciation, **9:10**
- Time
 - acceleration. See Acceleration, above
 - annual reports. See Annual reports, above
 - classes of property, depreciation after Tax Cuts and Jobs Act of 2017, **9:9 to 9:19**
 - compliance period, low income housing credit, **9:152 to 9:154**
 - deferral. See Deferral, above
 - depreciation periods, tax-exempt entity leasing, **9:80**
 - determination of eligible basis, low income housing credit, **9:142**
 - effective dates. See Effective dates, above
 - facts and circumstances test for activities not engaged in for profit, **11:10**
 - fifteen-year. See Fifteen-year, above

INDEX

REAL ESTATE—Cont'd

Time—Cont'd

interest deduction timing, **11:27 to 11:44**

long-term agreements, economic accrual method, **11:56**

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

taxable year or years. See **Taxable year or years**, above

term of lease, tax-exempt entity leasing, **9:76**

Trade-off of promotional interest, state substantive regulation of real estate programs, **12:8, 12:9**

Trade or business, like-kind exchanges, **9:189**

Trading

issuance of contingent debt instruments for nonpublicly traded property, timing of interest deductions under Tax Reform Act of 1984, **11:37**

publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

publicly traded. See **Publicly traded**, above

real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

Transactions

characterization, **9:6**

leaseback transactions, economic accrual method, **11:55**

partnership transactions, unrelated business taxable income (UBTI), **9:94**

prohibited transactions. See **Prohibited transactions**, above

publicly registered real estate syndications, rollup transactions, **26:91 et seq.**

real estate mortgage investment conduits, net income from prohibited transactions, **28:28**

state regulation of private real estate securities transactions, **14:1 et seq.**

REAL ESTATE—Cont'd

Transferability, determination of state low income housing credit amount allocation, **9:161**

Transfers

publicly registered real estate syndications, transfer agent registration, **26:126**

real estate investment trusts, **25:187**

real estate mortgage investment conduits, tan on transfer of residual interest to disqualified organizations, **28:40**

use after transfers and tax-exempt entity leasing, **9:77**

Transition rules, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:48 to 9:56**

Treatment

current expenses, **11:2 to 11:67**

developers' treatment of estimated future costs of common improvements, prepayments of other expenses, **11:47**

liabilities, like-kind exchanges of real property, **9:195**

partnerships and other pass-through entities, tax-exempt entity leasing, **9:83**

publicly traded partnership interests, unrelated business taxable income (UBTI), **9:89**

real estate investment trusts, nonrecurring items, **25:31**

real estate mortgage investment conduits, foreign residual holders, **28:43**

unfunded deferred benefits, **11:63**

Twenty-seven-and-one-half-year class of property, depreciation, **9:17**

Twenty-year class of property, depreciation, **9:16**

UBTI (unrelated business taxable income), **9:84 to 9:100, 25:182**

ULOE (uniform limited offering exemption), state regulation of private real estate securities transactions, **14:11 to 14:17**

Unacquired assets, deductible expenses, **11:50**

Undertaking requirements, state regulation of private real estate securities

REAL ESTATE—Cont'd

- transactions, **14:16**
- Unfunded deferred benefits, treatment, **11:63**
- Uniform capitalization rules of Section 263A, treatment of current expenses, **11:24 to 11:25**
- Uniform limited offering exemption (ULOE), state regulation of private real estate securities transactions, **14:11 to 14:17**
- Uniform Securities Act, state regulation of private real estate securities transactions, **14:2, 14:3**
- Unit or units
 - investment units, determining original issue discount, **11:30**
 - low income unit, qualified basis and low income housing credit, **9:147**
 - minimum unit purchase, state substantive regulation of real estate programs, **12:24**
 - publicly registered real estate syndications, Form S-11 requirements for contents of prospectus, **26:50**
- Unrelated business taxable income (UBTI), **9:84 to 9:100, 25:182**
- Use
 - deferred payments for use of property or services, treatment of current expenses, **11:51 to 11:52**
 - election to use
 - Alternative depreciation system, **9:41**
 - Modified ACRS, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:47**
 - extended use compliance period, low income housing credit, **9:154**
 - foreign use property, alternative depreciation system, **9:37**
 - mixed use property, eligible basis and low income housing credit, **9:144**
 - post-transfer use, tax-exempt entity leasing, **9:77**
 - publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

REAL ESTATE—Cont'd

- Use—Cont'd
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - tax-exempt use property, **9:38, 9:73 to 9:77**
- Variable rate
 - debt instruments, timing of interest deductions under Tax Reform Act of 1984, **11:33**
 - interests, real estate mortgage investment conduits, **28:8**
- Voting rights
 - publicly registered real estate syndications, **26:152, 26:194**
 - real estate investment trusts, rollups under Blue Sky provisions, **25:114**
 - state substantive regulation of real estate programs, **12:15**
- Windows placed in service, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:53**
- Write-downs for impairments, REITs, **25:35**

REAL ESTATE INVESTMENT TRUSTS (REITS)

- Generally, **1:26 to 1:41, 25:1 to 25:199**
- Acceleration requests, plain English rules, **25:61**
- Access to records, rollups, **25:114**
- Accounting
 - calculation of REIT earnings, **25:27 to 25:37**
 - structure of REIT, **25:135**
- Acquisition expenses, Blue Sky provisions, **25:91**
- Administration, Blue Sky provisions, **25:99**
- Administrative expenses, **1:39**
- Advisor compensation, state Blue Sky laws, **25:89**
- Advisory contract, state Blue Sky laws, **25:88**
- AFFO, adjusted funds from operations, **25:39**
- Allocation, taxation of REITs, **25:184, 25:190**
- Amendment. See **Change or modification**, below

INDEX

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

- Amortization, funds from operations (FFO), **25:30**
- Analysis, comparison to publicly traded partnerships, **25:183**
- Annual reports and meetings, Blue Sky provisions, **25:99**
- Antiabuse regulations of UPREITs, **25:195**
- Applicable federal registration provisions, **25:48 et seq.**
- Appraisals, Blue Sky provisions, **25:106, 25:113**
- Assets
 - new capital, **25:146**
 - partnership, loan secured by interest in, **25:145**
 - taxation of REITs, **25:143 et seq.**
- At risk, expansion of rules, **25:174**
- Authority preservation, National Securities Markets Improvement Act of 1996, **25:129**
- Best interest standard for broker-dealers, **25:77**
- Blue Sky provisions, **25:78 et seq.**
- Brokerage commissions, Blue Sky provisions, **25:93**
- Broker-dealers, best interest standard for, **25:77**
- Broker-dealers, compliance for real estate limited partnership syndications, **15:35, 15:36**
- Business
 - doing business issues, corporation vs trust, **25:23**
 - miscellaneous business expense limitations, effect of non-REIT provisions of Internal Revenue Code, **25:176**
 - unrelated business income for tax-exempt partners, comparison to publicly traded partnerships, **25:182**
- CAD (cash available for distribution), funds from operations (FFO), **25:39**
- Calculations, write-downs for impairments, **25:35**
- Calendar year, permissive change to, **1:29**

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

- Cancellation of indebtedness income, **25:199**
- Candidates for CR-DPP, **25:117**
- Capital
 - asset tests, new capital, **25:146**
 - gain or gains. See Capital gain or gains, below
 - minimum capital, Blue Sky provisions, **25:96**
- Capital gain or gains
 - dividends, **1:35**
 - taxation, **25:159, 25:175**
- Cash
 - available for distribution (CAD), funds from operations (FFO), **25:39**
 - use of cash flow data, calculation of REIT earnings, **25:27 et seq.**
- Cash flow data, use of
 - generally, **25:39 to 25:42**
 - AFFO, adjusted funds from operations, **25:39**
 - CAD (cash available for distribution), **25:39**
 - FAD (funds available for distribution), **25:39**
 - FFO definition, modifications to, **25:40, 25:41**
 - income producing property held for sale, FFO from, **25:42**
- Change or modification
 - declaration of trust, Blue Sky provisions, **25:107**
 - funds from operations (FFO) definition, calculation of REIT earnings, **25:40, 25:43**
 - permissive change to calendar year, **1:29**
 - plain English rules, federal registration provisions, **25:56**
- Comment letter, coordinated review, **25:123**
- Comparison
 - NASAA REIT and RELP compensation and expense provisions, Blue Sky provisions, **25:95**
 - publicly traded partnerships, **25:179 to 25:183**
 - stock exchange listing and maintenance requirements, **25:131**

REAL ESTATE INVESTMENT**TRUSTS (REITS)—Cont'd**

- Compensation, Blue Sky provisions, **25:90 to 25:95**
- Compliance, seventy five percent tests, taxation, **25:150**
- Computation or computations, impairments, write-downs, **25:35**
- Conflicts of interest, Blue Sky provisions, **25:86**
- Congressional reform, **25:162**
- Contingent debt, participating loans, **25:164**
- Convertible debt
 - participating loans, **25:166**
- Converting conventional REIT to UPREIT structure, **25:196**
- Coordinated review (CR)
 - addition of jurisdictions to Form CR-DPP, **25:122**
 - candidates for CR-DPP, **25:117**
 - comment letter, **25:123**
 - coordinating state's role, **25:119**
 - documentation, **25:118**
 - jurisdiction, **25:120, 25:122**
 - lead jurisdiction, **25:120**
 - procedures, **25:115**
 - required documents, **25:118**
 - selection of lead jurisdiction, **25:120**
 - state's role, **25:119**
 - timing of CR-DPP, **25:121**
- Corporations
 - comparison to publicly traded partnerships, **25:179**
 - corporate taxation, **25:180**
 - repeal of capital gains rate for corporations, effect of non-REIT provisions of Internal Revenue Code, **25:175**
 - trust vs corporation, structure of REIT, **25:19 to 25:23**
- Covered securities, National Securities Markets Improvement Act of 1996, **25:125**
- Covid-19 Pandemic, tax considerations for, **25:151.50**
- Date. See Time or date, below
- Debt
 - allocation issues relating to pay down of property debt, UPREITs, **25:190**

REAL ESTATE INVESTMENT**TRUSTS (REITS)—Cont'd**

- Debt—Cont'd
 - cancellation of indebtedness income, **25:199**
 - effect of non-REIT provisions of Internal Revenue Code, debt modification, **25:177**
 - mortgage REITs, convertible debt, **25:166**
 - participating loans, taxation of REITs, **25:164 to 25:167**
- Declaration of trust, Blue Sky provisions, **25:82, 25:107, 25:109**
- Deduction limit on executive pay, **1A:6**
- Deficiency dividends, **1:37**
- Definitions
 - entities addressed in the FFO definition, **25:32**
 - final regulations defining real property, real estate assets, **25:144**
 - real estate investment trust (REIT), **25:79**
 - rollup, **25:111**
- Delaware Revised Uniform Limited Partnership Act, limited partnership agreement under, **App Z2**
- Department of Labor rules, plan assets, **25:72 to 25:75**
- Depreciation
 - funds from operations (FFO), calculation of REIT earnings, **25:30**
 - UPREITs, **25:189**
- Determining net asset value, **25:15**
- Direct participation programs (CR-DPP), generally, **25:116 to 25:123**
- Disclosure
 - amendment of requirements, **25:70**
 - funds from operations (FFO), **25:33, 25:36**
- Disguised sales, UPREITs, **25:191**
- Distributions
 - Generally, **1:34**
 - Blue Sky provisions, **25:98**
 - cash available for distribution (CAD), funds from operations (FFO), **25:39**
 - first year distributions, taxation of REITs, **25:169**
 - foreign shareholders, taxation of, **25:156 to 25:161**

INDEX

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- Distributions—Cont'd
 - foreign shareholders, taxation of REIT distributions, **25:157**
 - funds available for distribution (FAD), funds from operations (FFO), **25:39**
 - test, taxation of REITs, **25:151**
- Dividends, **1:35, 1:37, 25:151.50, 25:154**
- Dodd-Frank Wall Street Reform and Consumer Protection Act, **25:63**
- Doing business issues, corporation vs trust, **25:23**
- Domestically controlled REITs, **9:224**
- DOWNREITs
 - history, **25:9**
 - taxation, **25:197, 25:198**
- Draft IPOs, nonpublic review process for, **25:69**
- Due diligence, request for REIT initial public offering, **App N1**
- Duties of trustees, Blue Sky provisions, **25:85**
- Earnings
 - no pre-REIT earnings, **1:28**
 - structure of REIT, **25:134**
- Effect
 - dividend tax cut, **25:13**
 - interest rates, third REIT boom, **25:12**
 - non-REIT provisions of Internal Revenue Code, taxation of REITs, **25:172 to 25:178**
- Effective dates, **1:40**
- Elections
 - taxation of REITs, **25:137**
 - trustees, Blue Sky provisions, **25:83**
 - UPREITs, **25:193**
- Enforcement, National Securities Markets Improvement Act of 1996, **25:130**
- Equity, types of REITs, **25:18**
- ERISA fiduciary and related conflict of interest rules, **25:76**
- Exceptions
 - offerings, National Securities Markets Improvement Act of 1996, **25:128**
 - tax-exempt. See Tax-exempt, below
- Excess shares, structure of REIT, **25:136**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- Executive pay deduction limit, **1A:6**
- Expansion of at-risk rules, effect of non-REIT provisions of Internal Revenue Code, **25:174**
- Expenses
 - administrative expenses, **1:39**
 - Blue Sky provisions, **25:90 to 25:95**
 - miscellaneous business expense limitations, effect of non-REIT provisions of Internal Revenue Code, **25:176**
- Experience of trustees, Blue Sky provisions, **25:85**
- Externally managed REITs, **25:24**
- FAD (funds available for distribution), funds from operations (FFO), **25:39**
- Fast-pay stock, **25:155**
- Federal securities aspects of REIT offerings, **25:48 et seq.**
- FFO (funds from operations), calculation of REIT earnings, **25:27 to 25:37**
- Filings, funds from operations (FFO), **25:33**
- Final regulations defining real property, real estate assets, **25:144**
- Final regulations on domestically controlled REITs, **9:224**
- Financial Industry Regulatory Authority (FINRA), regulation of direct participation programs and non-traded real estate investment trusts, contents and standards for REIT communications with public, **13:22**
- Financial statement requirements for real estate offerings, summary, **25:52**
- First REIT boom, history, **25:3**
- First year distributions, taxation of REITs, **25:169**
- Flexibility of operations, corporation vs trust, **25:22**
- Forecasts, Blue Sky provisions, **25:108**
- Foreclosure, effect of non-REIT provisions of Internal Revenue Code, **25:177**
- Foreign Investment in Real Property Tax Act (FIRPTA), **25:162**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

Foreign shareholders, taxation of, **25:156 to 25:161**

Form of underwriting agreement for REIT initial public offering, **App N2**

FREITs (Finite life REITs), **25:4, 25:5**

Front cover, plain English rules, **25:57**

Funds from operations (FFO), calculation of REIT earnings, **25:27 to 25:37**

Gain or gains

- capital gain or gains. See Capital gain or gains, above
- mortgage participations based on gain, **1:33**
- property sales, funds from operations (FFO), **25:34**

Generally accepted accounting principles, effect of non-GAAP financial information rules on REITs, **25:44**

General rules, structure of REIT, **25:133**

History, **25:2 to 25:15, 25:28**

Incentive fees, Blue Sky provisions, **25:94**

Income

- operating income distributions, taxation of foreign shareholders, **25:158**
- tests, taxation of REITs, **25:138 to 25:142**
- unrelated business income for tax-exempt partners, comparison to publicly traded partnerships, **25:182**

Income producing property held for sale, funds from operations (FFO) from, **25:42**

Incorporation by reference, applicable registration provisions, **25:49**

Indemnification, Blue Sky provisions, **25:105**

Independent contractors, **1:32, 25:170**

Independent trustees, Blue Sky provisions, **25:84**

Industrial property holdings, Terreno Realty Corporation, prospectus for public offering, **App Z**

Information, plain English rules, **25:59**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

Initial public offering

- due diligence, request for REIT initial public offering, **App N1**
- form of underwriting agreement, **App N2**

Inside / front cover, plain English rules, **25:58**

Inspection of records, Blue Sky provisions, **25:101**

Intended use, funds from operations (FFO), **25:28**

Interest on money

- effect of interest rates, third REIT boom, **25:12**
- income tests, interest on obligations secured by mortgages, **25:141**

Interests

- conflicts of interest, Blue Sky provisions, **25:86**
- real estate mortgage investment conduit (REMIC), taxation of shareholders, **25:161**

UPREITs, **25:187, 25:188**

Internally managed REITs, **25:25**

Investment Company Act, **25:71**

Investment company securities, National Securities Markets Improvement Act of 1996, **25:126**

Investors' suitability, Blue Sky provisions, **25:81**

IRS regulations on disguised sales rules and allocation of partnership liabilities, **25:192**

Issuance of REIT securities, limitations under Blue Sky provisions, **25:80**

JOBS Act and public offerings, **25:66 to 25:68**

- emerging growth companies generally, **25:67**
- opt-in compliance, **25:68, 25:70**

Joint ventures, **25:184, 25:185**

Jurisdiction, coordinated review, **25:120, 25:122**

Labor department rules

- generally, **25:72 to 25:75**
- exemptions, **25:73 to 25:75**
- plan assets, **25:72**
- publicly offered securities, exemption for, **25:75**

INDEX

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

Labor department rules—Cont'd
qualified plans, exemption for insignificant participation in, **25:73**
real estate operating company, exemption for, **25:74**

Labor Department rules, plan assets, **25:72 to 25:75**

Lead jurisdiction, coordinated review, **25:120**

Lease accounting issues, **25:38**

Leverage

limitations, Blue Sky provisions, **25:96**

third REIT boom, history, **25:11**

Liability of shareholders, **25:20, 25:103**

Like-kind exchanges, taxation of REITs, **25:178**

Limitations

issuance of REIT securities, Blue Sky provisions, **25:80**

leverage limitations, Blue Sky provisions, **25:97**

miscellaneous business expense limitations, effect of non-REIT provisions of Internal Revenue Code, **25:176**

passive activity loss limitations, effect of non-REIT provisions of Internal Revenue Code, **25:173**

Limited partnerships

comparison of NASAA REIT and RELP compensation and expense provisions, **25:95**

Delaware Revised Uniform Limited Partnership Act, agreement under, **App Z2**

history, limited partnerships vs FREITs, **25:5**

JOBS Act (2012) and real estate securities offering sponsors and intermediaries, **6:40**

Listed securities, **25:125, 25:131**

Losses on property sales, funds from operations (FFO), **25:34**

Maintenance requirements, **25:131**

Management, structure of REIT, **25:24, 25:25**

Market or markets

national Securities Markets Improvement Act of 1996, **25:124 to 25:130**

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

Market or markets—Cont'd
public vs private market valuation of real estate, history, **25:14**

Meetings, Blue Sky provisions, **25:99, 25:100**

Method of accounting, structure of REIT, **25:135**

Minimum capital, Blue Sky provisions, **25:96**

Miscellaneous business expense limitations, effect of non-REIT provisions of Internal Revenue Code, **25:176**

Modification. See Change or modification, above

Modified funds from operations (“MFFO”), **25:45**

Mortgages

contingent debt, participating loans, **25:164**

interest on obligations secured by mortgages, income tests, **25:141**

interests in real estate mortgage investment conduit, taxation of shareholders, **25:161**

participations based on gain, **1:33**

REMIC residuals, **25:167**

shared appreciation mortgages, participating loans, **25:165**

taxable mortgage pools, **25:167**

types of REITs, **25:17**

NAREIT

discussion paper, funds from operations (FFO), **25:43**

supplemental measure of performance, EBITDA for real estate, **25:46**

NAREIT white paper on FFO

generally, **25:29 to 25:37**

amortization, **25:30**

depreciation, **25:30**

disclosure of FFO, **25:33**

entities addressed in the FFO definition, **25:32**

gains and losses on property sales, **25:34**

impairments, write-downs for, **25:35**

nonrecurring items, **25:31**

property sales, gains and losses on, **25:34**

REAL ESTATE INVESTMENT**TRUSTS (REITS)—Cont'd**

- NAREIT white paper on FFO—Cont'd
 - supplemental disclosures relating to FFO
 - capital expenditures, **25:36**
 - straight-line rents, **25:37**
 - write-downs for impairments, **25:35**
- NASAA. See North American Securities Administrators Association (NASAA), below
- National Securities Markets Improvement Act of 1996, **25:124 to 25:130**
- New capital, assets, **25:146**
- Ninety five percent test, income tests, **25:140**
- Non-GAAP (generally accepted accounting principles) financial information rules, effect on REITs, **25:44**
- Nonpublic review process for draft IPOs and initial registration statements, availability to all companies, **25:69**
- Nonrecurring items, funds from operations (FFO), **25:31**
- Non-traded REITs
 - generally, **25:50, 25:51**
 - FINRA regulation of, **13:1 to 13:56**
- No pre-REIT earnings and profits, **1:28**
- North American Securities Administrators Association (NASAA)
 - comparison of NASAA REIT and RELP compensation and expense provisions, **25:95**
 - statement of policy, **App Y3**
- “No” votes, rollups under Blue Sky provisions, **25:112**
- Number of trustees, Blue Sky provisions, **25:83**
- Offering reform modifications, summary, **25:65**
- Offerings
 - expenses, Blue Sky provisions, **25:91**
 - federal and state securities aspects of REIT offerings, **25:48 et seq.**
 - initial public offering. See Initial public offering, above
 - public offerings. See Public offerings, below
- One hundred shareholder test, structure of REIT, **25:26**

REAL ESTATE INVESTMENT**TRUSTS (REITS)—Cont'd**

- Operating and operations
 - flexibility of operations, corporation vs trust, **25:22**
 - foreign shareholders, operating income distributions, **25:158**
 - funds from operations (FFO), calculation of REIT earnings, **25:27 to 25:37**
 - modified funds from operations (“MFFO”), **25:45**
 - total operating expenses, Blue Sky provisions, **25:92**
- Organization expenses, Blue Sky provisions, **25:91**
- Outside / back cover, plain English rules, **25:58**
- Participation
 - loans, taxation of REITs, **25:164 to 25:167**
 - mortgage loans, taxation of REITs, **25:164 to 25:167**
- Partners and partnerships
 - assets, loan secured by interest in partnership, **25:145**
 - comparison to publicly traded partnerships, **25:179 to 25:183**
 - elective classification under check-the-box regulations, **10:27**
 - joint ventures with REITs, **25:184, 25:185**
 - limited partnerships. See Limited partnerships, above
 - publicly traded partnerships, **25:179 to 25:183, 25:194**
 - umbrella partnership REIT. See UPREIT, below
- Passive activity loss limitations, effect of non-REIT provisions of Internal Revenue Code, **25:173**
- Passive loss rule, comparison to publicly traded partnerships, **25:181**
- Pay down of property debt, allocation issues relating to, **25:190**
- Percentage rents, **1:38**
- Permissive change to calendar year, **1:29**
- Phillips Edison—ARC Shopping Center REIT Inc., prospectus for public offering of non-listed REIT (shopping center holdings), **App Y2**

INDEX

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

Plain English rules, federal registration provisions, **25:53 to 25:61**

Policy

investment policy, Blue Sky provisions, **25:87**

non-traded REITs disclosure, **25:50**

statement of policy, North American Securities Administrators

Association (NASAA), **App Y3**

Positive spread investing, history, **25:7**

Pre-REIT years, earnings and profits, **25:134**

Preservation of authority, National Securities Markets Improvement Act of 1996, **25:129**

Principles, plain English rules, **25:54**

Prior to 1960, history, **25:2**

Private REITs, **25:163**

Private vs public market valuation of real estate, history, **25:14**

Profits

no pre-REIT profits, **1:28**

structure of REIT, taxation, **25:134**

Prohibited transaction rules, **1:36**

Publicity during non-traded REIT offering, **25:51**

Publicly traded partnerships, **25:179 to 25:183, 25:194**

Public offerings

industrial property holdings, Terreno Realty Corporation, prospectus, **App Z**

initial public offering. See Initial public offering, above

phillips Edison—ARC Shopping Center REIT Inc., prospectus, **App Y2**

Public vs private market valuation of real estate, history, **25:14**

Qualified or qualifying matters

income, taxation of REITs, **25:141**

purchasers, National Securities Markets Improvement Act of 1996, **25:127**

subsidiary, asset tests, **25:148**

Rate or rates

effect of interest rates, third REIT boom, **25:12**

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

Rate or rates—Cont'd

repeal of capital gains rate for corporations, effect of non-REIT provisions of Internal Revenue Code, **25:175**

Ratification of declaration of trust, Blue Sky provisions, **25:82**

Records

Blue Sky provisions, **25:99, 25:101, 25:114**

coordinated review, required documents, **25:118**

taxation of REITs, recordkeeping requirements, **25:171**

Reforms

ERISA fiduciary and related conflict of interest rules, **25:76**

Foreign Investment in Real Property Tax Act (FIRPTA), **25:162**

Registration, federal provisions, **25:53 to 25:61**

Regulation G, summary of applicability and requirements, **25:47**

Regulation S-K, Item 10(e), summary of applicability and requirements, **25:47**

Removal of trustees, Blue Sky provisions, **25:83**

Rents

income tests, taxation of REITs, **25:142**

percentage rents, **1:38**

straight-line rents, funds from operations (FFO), **25:37**

Repeal of capital gains rate for corporations, effect of non-REIT provisions of Internal Revenue Code, **25:175**

Repurchase of shares, **25:104**

Request for public comment on amendments to guidelines, **App Y4**

Requests

acceleration, plain English rules, **25:61**

due diligence, request for REIT initial public offering, **App N1**

Residuals, **25:167**

Responsibilities of trustees, Blue Sky provisions, **25:85**

REAL ESTATE INVESTMENT**TRUSTS (REITS)—Cont'd**

Revenue Reconciliation Act of 1993,
1:41

Review process for draft IPOs and initial
registration statements, availability
to all companies, **25:69**

Revisions to federal registration process,
25:64

Rights

appraisal rights, Blue Sky provisions,
25:113

voting rights, Blue Sky provisions,
25:114

Risk

at risk, expansion of rules, **25:174**

plain English rules, federal registra-
tion provisions, **25:60**

Rollups, Blue Sky provisions, **25:110 to**
25:114

Rules

allocation rules, partnerships and joint
ventures with REITs, **25:184**

expansion of at risk rules, effect of
non-REIT provisions of Internal
Revenue Code, **25:174**

passive loss rule, comparison to
publicly traded partnerships,
25:181

plain English rules, federal registra-
tion provisions, **25:53 to 25:61**

prohibited transactions, **1:36**

special rules, income tests, **25:141**

Sales

disguised sales, UPREITs, **25:191**

gains and losses on property sales,
funds from operations (FFO),
25:34

shares, taxation of foreign sharehold-
ers, **25:160**

Sarbanes-Oxley Act and SEC's actions,
25:62

Satisfying one hundred shareholder test,
structure of REIT, **25:26**

Second REIT boom, history, **25:4**

Securities and Exchange Commission
disclosure requirements, amendment
of, **25:70**

funds from operations (FFO), **25:33**

non-GAAP financial information
rules, effect, **25:44**

REAL ESTATE INVESTMENT**TRUSTS (REITS)—Cont'd**

Securities and Exchange Commission
—Cont'd

review process for draft IPOs and
initial registration statements,
availability to all companies,
25:69

Securities offering reform modifications,
summary, **25:65**

Selection of lead jurisdiction,
coordinated review, **25:120**

Seventy five percent tests, taxation of
REITs, **25:139, 25:143**

compliance, **25:150**

Shared appreciation mortgages,
participating loans, **25:165**

Shareholders

dividend reinvestment plans, **25:154**

liability of shareholders, **25:20,**
25:103

satisfying one hundred shareholder
test, structure of REIT, **25:26**

taxation, **25:153 to 25:161**

test, **1:27**

Shares, taxation, **25:136, 25:160**

Special meetings, Blue Sky provisions,
25:100

Special problems, taxation of REITs,
25:169 to 25:171

Special rules, income tests, **25:141**

Standards, plain English rules, **25:55**

State

Blue Sky provisions, **25:78 et seq.**

coordinated review, role of coordinat-
ing state, **25:119**

securities aspects of REIT offerings,
25:48 et seq.

taxation, corporation vs trust, **25:21**

Statement of policy, North American
Securities Administrators Associa-
tion (NASAA), **App Y3**

Stock exchanges, **25:131**

Straight-line rents, funds from opera-
tions (FFO), **25:37**

Structure of REIT, **25:16 to 25:26,**
25:133 to 25:136

Subsidiaries

Generally, **1:30**

asset tests, taxation of REITs, **25:148,**
25:149

INDEX

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

- Suitability of investors, Blue Sky provisions, **25:81**
- Summary information, plain English rules, **25:59**
- Supplemental disclosures, funds from operations (FFO), **25:36**
- Taxable year, structure of REIT, **25:135**
- Taxation of REITs
 - generally, **25:132 et seq.**
 - foreign shareholders, **25:157**
 - 2017 Tax Act, applicable provisions, **25:168**
- Tax Cut and Jobs Act, deduction limit on executive pay, **1A:6**
- Tax-exempt
 - joint ventures with tax-exempt entities, taxation of REITs, **25:185**
 - shareholders, **25:156**
 - unrelated business income for tax-exempt partners, comparison to publicly traded partnerships, **25:182**
- Tax Reform Act of 1986, **1:26 to 1:41**
- Temporary investments, **1:31**
- Termination, Blue Sky provisions, **25:99, 25:102**
- Third REIT boom, history, **25:6 to 25:12**
- Time or date
 - annual reports and meetings, Blue Sky provisions, **25:99**
 - coordinated review, timing of CR-DPP, **25:121**
 - effective dates. See Effective dates, above
 - first year distributions, taxation of REITs, **25:169**
 - permissive change to calendar year, **1:29**
 - requests for acceleration, plain English rules, **25:61**
 - taxable year, structure of REIT, **25:135**
- Total operating expenses, Blue Sky provisions, **25:92**
- Trading, publicly traded partnerships, **25:179 to 25:183, 25:194**
- Transfer of property or partnership interests, UPREITs, **25:187**

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

- Treatment of nonrecurring items, funds from operations (FFO), **25:31**
- Trustees, Blue Sky provisions, **25:82 et seq.**
- Twenty-five percent test, asset tests, **25:147**
- 2017 Tax Act, applicable provisions, **25:168**
- Types of REITs, **25:16 to 25:18**
- Umbrella partnership REIT. See UPREIT, below
- Underwriting agreement for REIT initial public offering
 - form, **App N2**
 - net lease properties acquired from sponsor of REIT and leased to affiliate of sponsor, **App Y**
- Unrelated business income for tax-exempt partners, comparison to publicly traded partnerships, **25:182**
- UPREITs (Umbrella partnership REITs)
 - antiabuse regulations of, **25:195**
 - DOWNREITs, **25:198**
 - taxation, **25:186 to 25:198**
 - third REIT boom, history, **25:8**
- Use
 - cash flow data, calculation of REIT earnings, **25:27 et seq., 25:47**
 - forecasts, Blue Sky provisions, **25:108**
- Valuation
 - public vs private market valuation of real estate, history, **25:14**
 - third REIT boom, valuation of real estate securities, **25:10**
- Voting rights, rollups under Blue Sky provisions, **25:114**
- Write-downs for impairments, **25:35**

REAL ESTATE MORTGAGE INVESTMENT CONDUITS (REMICS)

- Generally, **1:42 to 1:46, 28:1 to 28:45**
- Acquisition of assets right, qualifying interests, **28:15 to 28:17**
- Approaches used before 1986 Act, background in mortgage securitization, **28:2**

**REAL ESTATE MORTGAGE
INVESTMENT CONDUITS
(REMICS)—Cont'd**

Assets

Generally, **1:44**

composition test, qualifying interests, **28:18 to 28:25**

rights not treated as interests, **28:15 to 28:17**

Background in mortgage securitization, **28:2, 28:3**

Cash flow investments, asset composition test, **28:23**

Clean-up call, rights not treated as interests, **28:15**

Composition of assets, test for qualifying interests, **28:18 to 28:25**

Contributions to REMIC after start-up day, taxation of REMIC, **28:30**

Convertible mortgage, rights not treated as interests, **28:17**

Credit enhancement contracts, rights not treated as interests, **28:14**

Definition of REMIC, **1:43**

De minimis interests, rights not treated as interests, **28:11**

Determination of REMIC's taxable income or net loss, taxation of holders of residual interests, **28:35**

Disposition of interests, taxation of parties and entities, **28:32, 28:42**

Disqualified organizations, tax on transfer of residual interest to, **28:40**

Distributions, taxation of holders of residual interests, **28:36**

Elections

master limited partnerships, simplified reporting for electing large partnerships, **10:565**

mechanics of election, **28:5**

Entities, taxation of, **28:26 to 28:43**

Excess inclusions, taxation of holders of residual interests, **28:38, 28:39**

Financial institutions, excess inclusions, **28:39**

Foreclosure property

net income from, taxation of REMIC, **28:29**

permitted investments, asset composition test, **28:25**

**REAL ESTATE MORTGAGE
INVESTMENT CONDUITS
(REMICS)—Cont'd**

Foreign residual interest holders, tax treatment, **28:43**

General rules, taxation of holders of residual interests, **28:34**

Holders of interests, taxation of, **1:45, 28:31 to 28:39, 28:43**

Inadvertent terminations, **28:6**

Income

determination of REMIC's taxable income, taxation of holders of residual interests, **28:35**

net income, taxation of REMIC, **28:28, 28:29**

Interests

disposition of interests, taxation of parties and entities, **28:32, 28:42**

holders of interests, taxation of, **1:45, 28:31 to 28:39, 28:43**

qualifying interests, **28:7 to 28:25**

regular interests. See Regular interests, below

residual interests. See Residual interests, below

Investments permitted, asset composition test, **28:22 to 28:25**

Liquidation, rights not treated as interests, **28:16**

Loss or losses, taxation of holders of residual interests, **28:35, 28:37**

Master limited partnerships, simplified reporting for electing large partnerships, **10:565**

Mechanics of election, **28:5**

Net income, taxation of REMIC, **28:28, 28:29**

Net loss, taxation of holders of residual interests, **28:35**

Notice requirements, **28:44**

Obligation to purchase assets, rights not treated as interests, **28:15 to 28:17**

Parties, taxation of, **28:26 to 28:43**

Pass-through entities, tax on, **28:41**

Payment for services, rights not treated as interests, **28:12**

Permitted investments, asset composition test, **28:22 to 28:25**

Pools, taxable mortgage pools, **1:46, 28:45**

INDEX

REAL ESTATE MORTGAGE

INVESTMENT CONDUITS (REMICS)—Cont'd

- Principally secured by interest in real property, qualified mortgages, **28:20**
- Procedural requirements, **28:4 to 28:6**
- Prohibited transactions, net income from, **28:28**
- Qualified or qualifying matters
 - interests, **28:7 to 28:25**
 - liquidation, rights not treated as interests, **28:16**
 - mortgages, asset composition test, **28:19 to 28:21**
 - replacement mortgages, asset composition test, **28:21**
 - reserve assets, permitted investments, **28:24**
- Reasons for REMIC legislation, background in mortgage securitization, **28:3**
- Regular interests
 - holders of regular interests, taxation of, **28:31, 28:32**
 - qualifying interests, **28:7, 28:8**
- Replacement mortgages, asset composition test, **28:21**
- Reporting
 - master limited partnerships, simplified reporting for electing large partnerships, **10:565**
 - requirements, **28:44**
- Reserve assets, permitted investments, **28:24**
- Residual interests
 - qualifying interests, **28:9**
 - taxation of parties and entities, **28:34 to 28:40, 28:42, 28:43**
- Rights not treated as interests, qualifying interests, **28:10 to 28:17**
- Rules, taxation of holders of residual interests, **28:34, 28:39**
- Special rule for financial institutions, excess inclusions, **28:39**
- Sponsor, taxation of, **28:26**
- Start-up day, contributions to REMIC after, **28:30**
- Statutes
 - reasons for REMIC legislation, background in mortgage securitization, **28:3**

REAL ESTATE MORTGAGE

INVESTMENT CONDUITS (REMICS)—Cont'd

- Statutes—Cont'd
 - tax Reform Act of 1986, **1:42 to 1:46, 28:2**
- Stripped interests, rights not treated as interests, **28:13**
- Taxable mortgage pools, **1:46, 28:45**
- Taxation of parties and entities, **1:45, 28:26 to 28:43**
- Tax Reform Act of 1986, **1:42 to 1:46, 28:2**
- Terminations, inadvertent, **28:6**
- Transfer of residual interest to disqualified organizations, tax on, **28:40**
- Treatment of foreign residual holders, taxation of parties and entities, **28:43**
- Variable rate interests, qualifying interests, **28:8**

REALLOCATION RULES

- Limited partners and partnerships, limitation on deductibility of interest, **11:152 to 11:155**

REAL PROPERTY

- See **Real Estate** (this index)

REASONABLE MATTERS

- Audits-IRS. See **Audits - IRS** (this index)
- Due diligence. See **Due Diligence** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)

REASONABLENESS

- See **Due Diligence** (this index)

RECAPITALIZATIONS

- Exemptions from registration. See **Resales by Investors** (this index)

RECAPTURE

- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Equipment leasing. See **Equipment Leasing** (this index)
- Farmland, sales of, **18:24**
- Livestock, sales and exchanges, **17:71**
- Partners and partnerships, depreciation recapture allocation, **10:145**

RECAPTURE—Cont'd

- Real estate. See **Real Estate** (this index)
- At risk, **3:15**
- S corporations, inventory appreciation recaptured upon conversion from C corporation to S corporation, **22:68**

RECEIPT OR RECEIPTS

- Limited partners and partnerships, use of depository receipts in transactions, **24:13 to 24:18**
- Partnership interest, compensation to service partner, **10:418 to 10:451**
- Real estate, receipt of substantially the same property and constructed property, **9:204**

RECEIVABLES

- FASB ASC Topic No. 310, Receivables (former AICPA statement of position 97-1), **26:44**
- IRS audit program, returns relating to exchanges of partnership interests involving unrealized receivables, **23:80, 23:81**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

RECHARACTERIZATION OF INCOME

- Passive loss, **4:68 to 4:73, 16:37**

RECKLESS CONDUCT

- IRS audit program, preparer penalties, **23:110**

RECOGNITION

- Gain. See **Partners and Partnerships** (this index)
- Income, farmland and agriculture, **18:9, 18:10**

RECOMMENDATIONS

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:40**

RECORDINGS

- Motion pictures, sound recordings, **20:42**

RECORDKEEPING

- Broker-dealers, DPBD recordkeeping requirements, **15:63**

RECORDKEEPING—Cont'd

- Passive loss, material participation under 1988 regulations, **4:57**
- Real estate investment trusts, taxation, **25:171**

RECORDS

- Broker - Dealers. See **Broker - Dealers** (this index)
- Keeping of records. See **Recordkeeping** (this index)
- Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:45**
- Real estate. See **Real Estate** (this index)
- REITs. See **Real Estate Investment Trusts (REITs)** (this index)
- Track record. See **Track Record** (this index)

RECOURSE

- Bail-outs of burned-out tax shelters, foreclosure / involuntary conveyance of property to creditors, **27:53**
- Liabilities, **10:334**
- Partners and partnerships. See **Partners and Partnerships** (this index)

RECOVERY

- Accelerated cost recovery system. See **Accelerated Cost Recovery System (ACRS)** (this index)
- Depreciation, business and capital investment, **1:4**
- Limited partners and partnerships, uniform capitalization rules, **11:78**
- Oil and gas, secondary and tertiary recovery, **16:9**
- Real estate, recovery year vs taxable year, **9:24**
- Taxpayer Bill of Rights, recovery of administrative and litigation costs, **23:139**

RECREATION

- Facts and circumstances test for activities not engaged in for profit, **11:16**
- Livestock programs, facts and circumstances test for activity engaged in for profit, **17:20**

RECURRING ITEM EXCEPTION

- Prepayments of other expenses, **11:76**

INDEX

REDEMPTION OR REDEMPTIONS

- Corporate income tax, Tax Reform Act of 1986, **1:49**
- Publicly registered real estate syndications, redemption agreements, **26:48**
- S corporations, one class of stock requirement for eligibility, **22:22**

REDUCTION

- See **Decrease or Reduction** (this index)

REFINANCING

- Bail-outs of burned-out tax shelters, **27:3 to 27:35**
- Limited partners and partnerships, limitation on deductibility of interest, **11:149**

REFLECTION OF FAIR MARKET VALUE

- Partners and partnerships, adjustments, **10:99 to 10:102**

REFLECTION OF INCOME

- Prepayments of other expenses, **11:48**

REFORESTATION

- Farmland and agriculture, **18:23, 18:33**

REFUNDS

- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- S corporations, required payments, **22:79**

REGISTRATION

- Broker - Dealers. See **Broker - Dealers** (this index)
- Currently effective registration statement, **6:232**
- Equipment leasing, state guidelines for registration of equipment programs, **19:87 to 19:92**
- Exemptions from registration under Section 4(a)(1) and Rule 144. See **Resales by Investors** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Oil and gas, federal and state securities laws, **16:69, 16:70, 16:73 to 16:82**
- Real estate. See **Real Estate** (this index)

REGISTRATION—Cont'd

- Regulation A, conditional exemption. See **Regulation A / Regulation A+** (this index)
- Tax shelters, IRS audit program, **23:58 et seq.**

REGULAR INTERESTS

- See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)

REGULARLY TRADED

- Publicly registered real estate syndications, SEC rollup disclosure rules, **26:185**

REGULATION

- “Bottom” guarantees, restrictions on, **10:335**
- Disguised sale rules, **10:476**
- Equipment leasing, disclosure of aircraft regulation risks, **19:84**
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:1 to 13:56**
- Partnership liabilities, allocation of, **10:335, 10:337**
- Real estate. See **Real Estate** (this index)

REGULATION A/REGULATION A+

- Generally, **6:139 et seq.**
- Amendments, small entity compliance guide, **App A8**
- Amount or number, **6:139 et seq.**
- “Bad boy” exclusions, **6:155**
- C&DIs, **6:159**
- Circulars, **6:147 to 6:149**
- Compliance, **6:153**
- Conditional small issues exemption, **App A6**
- Crowdfunding, offerings of \$1,070,000 or less, **6:165**
- Current report, Form 1-U, **App A7.3**
- Disclosure, **6:146 to 6:151, 6:161**
- Electronic filing, **6:146**
- Eligibility, **6:140**
- Exit report, Form 1-Z, **App A7.4**
- Filing or filings, electronic, **6:146**
- Final offering circular, **6:148**
- Financial matters, statement requirements, **6:151**

REGULATION A/REGULATION A+**—Cont'd****Forms****1-A**disclosure and procedural requirements, **6:150, 6:151**Regulation A offering statement under Securities Act of 1933, **App A7**1-K, general instructions, **App A7.1**1-SA, semiannual report, **App A7.2**1-U, current report, **App A7.3**1-Z, exit report, **App A7.4**General instructions, Form 1-K, **App A7.1**Good faith compliance, **6:153**Informational matters, content of offering circular, **6:149**Integration, **6:143**Investments, **6:142**Liability, section 12(a)(2), **6:163****Limitations**investments, **6:142**offering price, **6:141**Preliminary offering circular, **6:147**Price of offering, **6:141**Procedure, **6:146 to 6:151**Registration, concurrent 1934 Act registration, **6:161**Reporting companies eligible, 2018 amendments, **6:158**Reporting requirements, ongoing, **6:152**Rule 152c-11, **6:160**Rules 144 and 144A, **6:160**Safe harbor, **6:156**Section 12(g) exemptions, **6:144**Section 12(a)(2) liability, **6:163**Semiannual report, Form 1-SA, **App A7.2**Small entity compliance guide, **App A8**Small issues exemption, conditional, **App A6**Substantial compliance, **6:153****Suspensions**exemptions, **6:154**tier 2 disclosure obligations, **6:162**Termination, tier 2 disclosure obligations, **6:162**Testing the waters, **6:145**2018 amendments, reporting companies eligible, **6:158****REGULATION D**Generally, **App A**Broker-dealers, suggested due diligence procedures, **15:96****C&DIs** (this index)Compliance programs, **App A3**Direct participation programs, FINRA regulation, **13:52**Disqualification of Rule 506 offerings involving felons and other bad actors, **6:26, 6:28**FINRA Notice 10-22, Regulation D offerings, **App A4****Form D**notice of sales, **App A1**proposed amendment, **6:30**Integration versus aggregation, **6:113**Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:27 to 6:61**

Limited partners and partnerships

internet foreign offerings, private placements, **6:72**prohibition against general advertising or solicitation, **6:34**Proposed amendment, **6:30**Real estate, state regulation of private real estate securities transactions, **14:10 to 14:20**Rule 506 offerings involving felons and other bad actors, disqualification, **6:26, 6:28**SEC Interpretive Releases, **App A2****REGULATION G**Publicly registered real estate syndications, summary of applicability and requirements, **26:76**Real estate investment trusts (REITs), applicability and requirements, **25:47****REGULATION S**Generally, **App B**Investment limited partnerships, transactional exemptions from registration requirements of Securities Act of 1933, **6:171 et seq.**Problematic practices under Regulation S, **App B2**SEC Release No. 33-7505 amending Regulation S, **App B1**

INDEX

REGULATION S-K

- Compliance and Disclosure Interpretations (C&DIs), **App F4**
- Full disclosure. See **Full Disclosure** (this index)
- Item 10(e), summary of applicability and requirements, publicly registered real estate syndications, **26:76**
- Items 30, 302, and 303, amendments (2020) to, **7:8**
- Real estate investment trusts (REITs), summary of applicability and requirements, Item 10(e), **25:47**
- 2018 amendments to, **7:5**
- 2019 amendments to, **7:6**

REGULATION S-P

- Broker-dealers, compliance for real estate limited partnership syndications, **15:72**
- Limited partners and partnerships, internet foreign offerings, **6:69**

REGULATIONS

- A. See **Regulation A / Regulation A+** (this index)
- Audits-IRS. See **Audits - IRS** (this index)
- California regulations regarding contents of prospectus and projections in real estate programs, **App H**
- Check the box regulations. See **Check the Box Regulations** (this index)
- D. See **Regulation D** (this index)
- Final regulations. See **Final Regulations** (this index)
- Limited liability companies, check-the-box regulations, **5:6 to 5:26, 10:68 to 10:82**
- Master limited partnerships. See **Master Limited Partnerships** (this index)
- Oil and gas, passive loss, **4:131, 16:30 to 16:37**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Proposed regulations
 - limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

REGULATIONS—Cont'd

- Proposed regulations—Cont'd
 - oil and gas, passive loss rules, **16:30 to 16:37**
 - Qualified opportunity zones, **9:173**
 - section 465, **App D**
- Real estate. See **Real Estate** (this index)
- Research and development programs, Section 174, **21:13**
- S. See **Regulation S** (this index)
- S-K. See **Regulation S-K** (this index)
- S-P. See **Regulation S-P** (this index)

REHABILITATION

- Real estate. See **Real Estate** (this index)
- Tax credit. See **Rehabilitation Tax Credit** (this index)

REHABILITATION TAX CREDIT

- Business and capital investment, Tax Reform Act of 1986, **1:11**
- Passive loss, special rules for rental activities and limited partnerships, **4:13**
- Real estate, **9:113 to 9:121**

REIMBURSEMENT OR REIMBURSEMENTS

- Partners and partnerships, preformation expenses, **10:463 to 10:472**
- Real estate program expenses, state substantive regulation of programs, **12:11**

REITS

- See **Real Estate Investment Trusts (REITs)** (this index)

RELATED PARTY

- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Full disclosure, transactions among related parties, **7:7, 7:52, 7:53**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Partners and partnerships, permanent nonrecourse exemption, **10:123**
- Real estate, like-kind exchanges, **9:193**
- Regulation S-K items 301, 302 and 303, amendments (2020) to, **7:8**

RELATED PARTY LIMITATIONS

Bail-outs of burned-out tax shelters,
like-kind exchange of property,
27:48

RELATED PERSON

Full disclosure, prospectus, **7:52, 7:53**
Partners and partnerships, inclusion of
debt in outside basis, **10:243,**
10:251, 10:271 to 10:274, 10:282,
10:326, 10:328
At risk, borrowings from related
persons, **3:26**

RELEASES

See **Securities and Exchange Commis-
sion** (this index)

RELIANCE

Audits-IRS, IRS Circular 230, **23:121,**
23:131
Due diligence and civil liability, **8:7,**
8:176

REMEDIES OR RELIEF

Broker-dealers, remedial disciplinary
action, **15:104, 15:106**
Due diligence and civil liability, dam-
ages, **8:187**
Injunctions. See **Injunctions** (this
index)
Partners and partnerships. See **Partners
and Partnerships** (this index)
Real estate, relief from acquisition
indebtedness, **9:91 to 9:99**
S corporations, relief from inadvertent
termination, **22:39**
SEC disgorgement remedy, application
of statute of limitations, **8:161**

REMICs

See **Real Estate Mortgage Investment
Conduits (REMICs)** (this index)

REMOVAL OF PERSONS

General partners, certificates of limited
partnership and tax-advantaged
investments, **24:44**
Trustees, real estate investment trusts,
25:83

RENOVATION

Partnership investment opportunities,
historical renovation, **2:24**

RENT

See **Rent or Rents** (this index)

RENTAL MATTERS

Broodmare rentals, livestock programs,
17:51 to 17:54
Leases. See **Leases** (this index)
Passive loss. See **Passive Loss** (this
index)
Real estate. See **Real Estate** (this index)

RENT OR RENTS

Livestock programs, deduction condi-
tion, **17:52**
Motion pictures, produced films, **20:41**
Passive loss. See **Passive Loss** (this
index)
Real estate. See **Real Estate** (this index)

REPAYMENT

Limited partners and partnerships, order-
ing rules, **11:155**
Partners and partnerships, liabilities
funded or guaranteed by partner,
10:120

REPEAL OR REPEALS

Motion pictures, repeal of investment
tax credit, **20:24 to 20:40**
Real estate. See **Real Estate** (this index)
At risk, **3:38, 3:40, 3:41**
S corporations, repeal of "General Utili-
ties" doctrine, **22:64**

REPLACEMENT MORTGAGES

Real estate mortgage investment
conduits, asset composition test,
28:21

REPORTING

Audits-IRS. See **Audits - IRS** (this
index)
Broker-dealers, compliance for real
estate limited partnership syndica-
tions, **15:49, 15:64 to 15:70**
Farm produce sales, deferred reporting
of income, **18:10**
Master limited partnerships. See **Master
Limited Partnerships** (this index)
Partnership interest sales, basis alloca-
tion, **10:372**
Publicly registered real estate syndica-
tions. See **Publicly Registered**

INDEX

REPORTING—Cont'd

- Real Estate Syndications** (this index)
- Real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
- Regulation A, ongoing requirements, **6:152**

REPORTS

- Annual reports. See **Real Estate** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)

REPRESENTATIONS

- IRS audit program, registration of tax shelters, **23:61**

REPRESENTATIVES

- See **Limited Partners and Partnerships** (this index)

REPROPOSED REGULATIONS

- Partners and partnerships, inclusion of debt in outside basis, **10:285 to 10:303**

REPURCHASE AGREEMENTS

- Publicly registered real estate syndications, Form S-11 requirements for contents of prospectus, **26:48**

REQUESTS

- Broker-dealers, request for withdrawal form, **30:10**
- Due diligence and civil liability, response of attorney to auditors' requests for information, **8:127**
- Master limited partnerships, requests for administrative adjustments, **10:619 to 10:625**
- Publicly registered real estate syndications, requests for acceleration, **26:12**
- Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

RESALES

- Exemptions from registration. See **Resales by Investors** (this index)

RESALES—Cont'd

- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Private real estate securities transactions, state regulation, **14:9**

RESALES BY INVESTORS

- Generally, **6:181 to 6:234**
- Absence of fungibility, **6:207**
- Accredited investors, **6:183**
- Acquisitions, "restricted securities" defined, **6:194, 6:198**
- Actions "in concert," **6:223**
- Affiliates and deemed affiliates, **6:185, 6:213**
- Aggregation
 - holding period, **6:212**
 - limitation on amount of securities sold, **6:219 to 6:224**
- Amendments to Rule 144, December 2007, **6:182**
- "Beneficial" ownership under former Rule 144(d)(1), **6:214 to 6:217**
- C&DIs, **6:218, 6:227, 6:229, 6:234**
- Class action settlements, **6:200**
- Compensation, **6:197**
- Construction and interpretation
 - currently effective registration statement, **6:232**
 - "Future tense" letters, **6:233**
 - SEC staff, interpretation by, **6:191**
 - uniform Commercial Code, sales by pledgees under, **6:231**
- Conversions, special tacking rules, **6:208**
- Corporations, "beneficial" ownerships under former Rule 144(d)(1), **6:217**
- Currently effective registration statement, **6:232**
- Current public information, **6:186, 6:202, 6:203**
- Definition of restricted securities, **6:193 to 6:200**
- Dividends, **6:200**
- Divorces as "beneficial" ownerships under former Rule 144(d)(1), **6:215**
- Employee benefit plans
 - holding period, **6:206**
 - "Restricted securities" defined, **6:199**
- Estates, holding period, **6:209, 6:211**

RESALES BY INVESTORS—Cont'd

Exemptions from registration under Section 4(a)(1) and Rule 144, generally, **6:181 to 6:226**

Finders, compensation, **6:197**

Fully paid securities, **6:205**

Fungibility, **6:207**

“Future tense” letters, **6:233**

Gifts

- holding period, **6:209, 6:213**
- non-restricted stock by affiliates, **6:213**
- “Restricted securities” defined, **6:195**

Holders relying on Exchange Act Rule 10b5-1(c), **6:230**

Holding period for restricted securities

- Generally, **6:204**
- aggregation under Rule 144(e), **6:212**
- “Beneficial ownership,” **6:214 to 6:217**
- c&DIs, **6:218**
- corporations, “beneficial” ownership, **6:217**
- divorce, “beneficial” ownership, **6:215**
- employee benefit plans, **6:206**
- estates, **6:211**
- former Rule 144(d)(1), “beneficial ownership,” **6:214**
- fully paid securities, **6:205**
- fungibility, **6:207**
- gifts and pledges of nonrestricted stock by affiliates, **6:213**
- marital separation, “beneficial” ownership, **6:215**
- nonrestricted stock, **6:213**
- partnerships, “beneficial” ownership, **6:216**
- pledges, gifts, trusts, and estates, special tacking rules, **6:209**
- recapitalizations, conversions and similar transactions, special tacking rules, **6:208**
- reliance on Rule 144, **6:187**
- rule 144(d)(3), tacking under, **6:212**
- special tacking rules, **6:208, 6:209**
- tracing securities, **6:207**
- trusts, **6:210**

Insufficiency of technical compliance, **6:192**

RESALES BY INVESTORS—Cont'd

Limitation on amount of securities sold

- Generally, **6:219 to 6:224**
- aggregation, **6:220 to 6:223**
- exclusions from volume limits, **6:224**
- express aggregation under Rule 144(a)(3), **6:222**
- reliance on Rule 144, **6:189**
- sales by persons agreeing to act “in concert,” **6:230**
- same “person” under Rule 144(a)(2), aggregation by, **6:221**
- special tacking provisions in Rule 144(d)(3), **6:222**
- volume limits exclusions, **6:224**

Manner of sale

- c&DI, **6:227**
- restrictions, **6:188**

Marital separation, “beneficial” ownership under former Rule 144(d)(1), **6:215**

Non-restricted stock, gifts and pledges by affiliates, **6:213**

Notice of sale, **6:190**

Partnerships, “beneficial” ownership under former Rule 144(d)(1), **6:216**

Pledges under UCC, **6:231**

Pledges

- holding period for restricted securities, **6:209, 6:213**
- “Restricted securities” defined, **6:196**

Preconditions to reliance on Rule 144, **6:186 to 6:190**

Qualification for exemption from registration, **6:184**

Recapitalizations

- holding period for restricted securities, **6:208**
- “Restricted securities” defined, **6:201**

Reorganizations, **6:200**

“Reporting” and “non-reporting” shell companies, **6:228**

Representations required, **6:230**

Restricted securities, defined, **6:193 to 6:200**

Rule 144

- final Rule (amended December 2007), **App B3**
- registration exemptions. See other lines in this topic
- SEC Staff Interpretation, **App B4**

INDEX

RESALES BY INVESTORS—Cont'd

- Rule 144—Cont'd
 - selected Compliance and Disclosure Interpretations (January 26, 2009), **App B5**
- Sales by persons agreeing to act “in concert,” **6:230**
- Same “person” under Rule 144(a)(2), aggregation by, **6:221**
- Schemes to evade registration, **6:192**
- SEC interpretation of Rule, **6:191**
- Section 4(a)(1) registration exemptions. See other lines in this group
- Section 5 violations, **6:198**
- Securities and Exchange Commission interpretation of Rule 144, **6:191, App B5**
- Selected Compliance and Disclosure Interpretations, Rule 144 (January 26, 2009), **App B5**
- Shell companies, “reporting” and “non-reporting,” **6:228**
- Special tacking rules
 - limitation on amount of securities sold, **6:222**
 - pledges, gifts, trusts, and estates, **6:209**
 - recapitalizations, conversions, and similar transactions, **6:208**
- Spin-offs, **6:200**
- Stock dividends, **6:200**
- Stock issued to underwriters and finders, **6:197**
- Tacking under Rule 144(d)(3), **6:212**
- Technical compliance insufficient, **6:192**
- Trusts
 - holding periods for restricted securities, **6:210**
 - special tacking rules, **6:209**
- 2007 amendments to Rule 144, **6:182**
- Underwriters, compensation, **6:197**
- Uniform Commercial Code, sales by pledgees under, **6:231**
- Volume limits exclusions, **6:224**

RESCISSION OF NOTICE OF ADJUSTMENT

- Master limited partnerships, electing large partnership adjustment proceedings, **10:608**

RESEARCH AND DEVELOPMENT

- Activities, specific exclusions from eligibility for tax credit, **21:44, 21:47**
- Adaptation by customer, specific exclusions from eligibility for tax credit, **21:45**
- Advantages of R & D partnership arrangement, **21:2, 21:3**
- Allocation of research expenses to foreign source income, partnership issues, **21:35**
- Alternative minimum tax, **21:29 to 21:31**
- Background, **21:4**
- Basic research expenses tax credit, **21:53 to 21:56**
- Benefits, tax, **21:12, 21:16, 21:25**
- Business
 - component, qualified research for tax credit, **21:39**
 - trade or business requirement, structuring R & D partnerships, **21:10**
- Calculation or computation, tax credit, **21:56, 21:57**
- Capital gain treatment, **21:17 to 21:26**
- Capitalization rules, R & D partnership issues, **21:34**
- Choosing general partner, structuring R & D partnerships, **21:5**
- Computation or calculation, tax credit, **21:56, 21:57**
- Computer software, **21:15, 21:49**
- Considerations applicable to all partnership investments, **21:36**
- “Corn Products” case, capital gain treatment, **21:26**
- Corporate taxpayers, alternative minimum tax, **21:31**
- Credits, **21:16, 21:37 to 21:58**
- Customer adaptation, specific exclusions from eligibility for tax credit, **21:45**
- Depreciation, other R & D partnership issues, **21:33**
- Duplication research, specific exclusions from eligibility for tax credit, **21:46**
- Eligibility exclusions, tax credit, **21:43 to 21:49**
- Equity partnerships, **21:8**
- Exclusions from eligibility for tax credit, **21:43 to 21:49**

RESEARCH AND DEVELOPMENT**—Cont'd**

Expenses and expenditures
 allocation of research expenses to
 foreign source income, other R
 & D partnership issues, **21:35**
 basic research expenses credit, **21:53**
 to **21:56**
 pre-operating expenses, tax credit,
21:50
 qualified research expenses, tax
 credit, **21:51, 21:52**
 qualifying expenditures, tax aspects,
21:14
 start-up expenses, tax credit, **21:50**
 Foreign source income, allocation of
 research expenses to, **21:35**
 Functional purposes, qualified research
 for tax credit, **21:42**
 Funded research, qualified research
 expenses for tax credit, **21:52**
 General partner, structuring R & D
 partnerships, **21:5**
 Imputed interest, tax aspects, **21:27**
 Individuals, alternative minimum tax,
21:30
 Internal use computer software, tax
 credit, **21:49**
 Inventory, capital gain treatment, **21:21**
 Investments, partnerships, **2:28, 21:36**
 Investors, partnerships, **21:3, 21:22**
 Joint venture partnerships, **21:8, 21:23**
 Limited partners and partnerships
 alternative minimum tax, research
 expenditures and, **11:173**
 registration under 1933 Act, research
 reports, **6:250**
 Manufacturing company, advantages of
 R & D partnership arrangement to,
21:2
 Noncorporate taxpayers, alternative
 minimum tax, **21:30**
 Original issue discount rules, **21:27**
 Other R & D partnership issues, tax
 aspects, **21:33 to 21:36**
 Partnerships, **2:28, 21:2 et seq.**
 Passive loss, **4:20**
 Post-research activities, specific exclu-
 sions from eligibility for tax credit,
21:44
 Pre-operating expenses, tax credit, **21:50**

RESEARCH AND DEVELOPMENT**—Cont'd**

Process-of-experimentation test, quali-
 fied research for tax credit, **21:41**
 Programs, **21:1 to 21:59**
 Property, capital gain treatment, **21:20**
 Qualified or qualifying
 expenditures, **21:14, 21:54**
 organizations, basic research expenses
 credit, **21:55**
 research, tax credit, **21:38 to 21:42**
 research expenses, tax credit, **21:51,**
21:52
 Reduction of tax benefits where credit is
 also used, **21:16**
 Regulations, Section 174, **21:13**
 Revised basic research expenses credit,
 computation rules for, **21:56**
 Risk considerations, **21:28**
 Royalty partnerships, **21:7**
 Rules
 capitalization rules, **21:34**
 computation rules for revised basic
 research expenses credit, **21:56**
 original issue discount rules, **21:27**
 special rules for internal use computer
 software, specific exclusions
 from eligibility for tax credit,
21:49
 tax benefit rule, capital gain treat-
 ment, **21:25**
 Software for computers, **21:15, 21:49**
 Special rules for internal use computer
 software, specific exclusions from
 eligibility for tax credit, **21:49**
 Specific exclusions from eligibility for
 tax credit, **21:43 to 21:49**
 Start-up expenses, tax credit, **21:50**
 Structuring R & D partnerships, **21:4 to**
21:10
 Studies, specific exclusions from
 eligibility for tax credit, **21:47**
 Summary of tax benefits, **21:12**
 Surveys, specific exclusions from
 eligibility for tax credit, **21:47**
 Tax aspects, **21:12 to 21:58**
 Tax benefits, **21:12, 21:16, 21:25**
 Tax credits, **21:16, 21:37 to 21:58**
 Taxpayers, alternative minimum tax,
21:29 to 21:31
 Tax Reform Act of 1986, **1:74, 1:75**

INDEX

RESEARCH AND DEVELOPMENT

—Cont'd

Technology and technological matters
capital gain treatment, **21:20, 21:21**
qualified research, tax credit, **21:40**
Trade or business requirement, structur-
ing R & D partnerships, **21:10**
Types of R & D partnerships, **21:6 to**
21:9

Use

reduction of tax benefits where credit
is also used, **21:16**
special rules for internal use computer
software, specific exclusions
from eligibility for tax credit,
21:49

RESERVE ASSETS

Real estate mortgage investment
conduits, permitted investments,
28:24

RESIDENCE

See **Limited Partners and Partner-
ships** (this index)

RESIDENTIAL REAL ESTATE

Depreciation recapture, **9:57**
Limited partnerships, broker-dealers,
6:281
Partnership investment opportunities,
2:22

RESIDUAL BASIS LAYERING

Partners and partnerships, nonrecourse
liabilities, **10:267**

RESIDUAL INTERESTS

Real estate mortgage investment
conduits. See **Real Estate**
Mortgage Investment Conduits
(REMICs) (this index)

RESIDUALS

Real estate investment trusts (REITs),
25:167

RESPONDEAT SUPERIOR

Due diligence and civil liability, control
person liability for inadequate or
materially misleading disclosure,
8:139

RESPONSE OF ATTORNEY

Auditors' requests for information, due
diligence and civil liability, **8:127**

RESPONSIBILITIES

See **Duties** (this index)

RESTATEMENT (SECOND) APPROACH

Due diligence and civil liability, state
law claims for inadequate or
materially misleading disclosure,
8:208, 8:209, 8:212

RESTATEMENTS

Partners and partnerships, adjustments
to reflect fair market value, **10:100,**
10:101

RESTORATION

See **Partners and Partnerships** (this
index)

RESTRICTIONS

See **Limitations** (this index)

RESTRUCTURINGS

Bail-outs of burned-out tax shelters,
27:3 to 27:35

RESULTS OF PROGRAMS

Publicly registered real estate syndica-
tions, prior performance tables,
26:28, 26:29

RETAINED ECONOMIC INTEREST

Timber, sale with, **18:31**

RETIREMENT

Limited liability companies, taxation of
LLCs and members, **5:68**
Partner, recognition of gain on liquidat-
ing distributions, **10:166**
Passive loss, plan distributions and pay-
ments, **4:63, 4:85**
Publicly registered real estate syndica-
tions, ERISA considerations,
26:195 to 26:198

RETROACTIVE ALLOCATION OF LOSSES

Partners and partnerships, **10:338 to**
10:341

RETURN OR RETURNS

Calculation of return, **2:7 to 2:16**
Equipment leasing, limitations on
deductibility of investment interest,
19:16

RETURN OR RETURNS—Cont'd

- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Oil and gas programs, declining returns, **16:25**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss, guaranteed and preferred returns, **4:19**
- Preferred returns. See **Preferred Returns** (this index)
- S corporations, taxable year, **22:74**

RETURNS FOR TAXES

- See **Tax Returns** (this index)

REVENUE ACT OF 1978

- At risk, **3:40**

REVENUE ACT OF 1987

- Real estate. See **Real Estate** (this index)

REVENUE PROCEDURE 87-32

- Limited partners and partnerships, taxable year, **24:27**

REVENUE PROCEDURE 89-5

- Equipment leasing, depreciation and ACRS, **19:29**

REVENUE PROCEDURE 92-88

- Partnership status, advance rulings on, **10:57 to 10:60**

REVENUE PROCEDURE 95-10

- Limited liability companies, general rules for entity classification, **5:32**

REVENUE PROCEDURE 2000- 37

- Real estate, **9:210**

REVENUE PROCEDURE 2002- 22

- Real estate, reverse exchanges, **9:217 to 9:219**

REVENUE RECONCILIATION ACT OF 1989

- See **Real Estate** (this index)

REVENUE RECONCILIATION ACT OF 1990

- Real estate, low income housing tax rollovers, **9:166 to 9:168**

REVENUE RECONCILIATION ACT OF 1993

- Passive loss, **1:17, 4:113 to 4:127**
- Real estate, **9:95, 9:99**

REVENUE RULINGS

- Partners and partnerships. See **Partners and Partnerships** (this index)
- At risk, guarantees and other risk limiting arrangements, **3:35**

REVENUES

- Investment limited partnerships, gross revenues requirement under Rule 147, **6:126 to 6:130**

REVERSE ALLOCATIONS

- Partners and partnerships, revaluation of assets and allocation of income and losses, **10:141**

REVERSE EXCHANGES

- See **Real Estate** (this index)

REVIEW

- See **Appeal and Review** (this index)

REVISED UNIFORM LIMITED PARTNERSHIP ACT

- See **Limited Partners and Partnerships** (this index)

REVISIONS

- Investment limited partnerships, revision of general solicitation prohibition, **6:25, 6:41**
- IRS audit program, American Bar Association Revised Opinion 346, **23:114**
- Partners and partnerships, adverse tax consequences of assets-over merger, **10:407**
- Real estate investment trusts, revisions to federal registration process, **25:64**
- Research and development programs, revised basic research expenses credit, **21:56**

REVOCATION

- Broker-dealers, disciplinary procedures, **15:114**
- S corporations, termination of election, **22:30**

INDEX

“RICE’S TOYOTA WORLD, INC. V COMMISSIONER” CASE

Equipment leasing, **19:55**

RIGHTS

Audits-IRS. See **Audits - IRS** (this index)

Limited partners and partnerships, general partners, **24:41**

Motion pictures, intangible contract right to participate in profits, **20:8**

Oil and gas, limited partners, **16:81**

Real estate. See **Real Estate** (this index)

Voting rights. See **Voting Rights** (this index)

RISK

Calculation of return, risk premium, **2:12**

Due diligence, loss causation, materialization of risk, **8:109**

Equipment leasing. See **Equipment Leasing** (this index)

Full disclosure, prospectus, **7:28, 7:29**

Livestock programs. See **Livestock Programs** (this index)

Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor’s Assessment of and Response to Risk (Dec. 17, 2009), **App E**

Oil and gas. See **Oil and Gas** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

Research and development programs, considerations, **21:28**

At risk. See **At Risk** (this index)

ROLE OF CAPITAL ACCOUNTS

Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:35**

ROLE OF SPONSOR-MANAGER

Generally, **2:17**

ROLLOVERS

Real estate, low income housing tax rollovers, **9:166 to 9:168**

ROLLUPS

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:53 to 13:56**

Master limited partnerships, formation, **10:513, 10:522**

Publicly registered real estate syndications, **26:91 et seq.**

Real estate investment trusts, Blue Sky provisions, **25:110 to 25:114**

ROYALTY OR ROYALTIES

Oil and gas, royalty interests, **16:7, 16:11, 16:14, 16:39**

Passive loss, royalties from intangibles, **4:65 to 4:67**

Research and development programs, royalty partnerships, **21:7**

RULE 3-05

Publicly registered real estate syndications, acquired property financial statements, **26:37**

RULE 3-14

Publicly registered real estate syndications, acquired property financial statements, **26:36**

RULE 3A-1

Investment limited partnerships, two-tier limited partnerships under Investment Company Act of 1940, **6:305**

RULE 3A4-1

Broker-dealers, exemption from registration, **15:6, 15:7**

RULE 3A12-5

Investment limited partnerships, broker-dealers, **6:281**

RULE 3A12-9

Investment limited partnerships, broker-dealers, **6:280**

RULE 10B-5

See **Due Diligence** (this index)

RULE 10B-9

Generally, **6:267 et seq., 15:40**

RULE 15B7-1

Broker-dealers, compliance for real estate limited partnership syndications, **15:17**

RULE 15C2-4

Generally, **6:285, 15:39**

RULE 15C2-11

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:49**
Regulation A, conditional exemption, **6:160**

RULE 15C3-3

Broker-dealers, compliance for real estate limited partnership syndications, **15:59**

RULE 15C-4

Investment limited partnerships, civil, antifraud and criminal liability, **6:267 et seq.**

RULE 17A-5

Broker-dealers, reporting obligations, **15:65**

RULE 17A-10

Broker-dealers, reporting obligations, **15:68**

RULE 17A-11

Broker-dealers, reporting obligations, **15:66**

RULE 102

Due diligence and civil liability, direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:166**

RULE 134

Generally, **13:30 to 13:33, 26:64**

RULE 135C

Limited partners and partnerships, internet foreign offerings—Rule 135c notice, **6:70**

RULE 144

Exemptions from registration under. See **Resales by Investors** (this index)
Investors' resales of securities. See **Resales by Investors** (this index)

RULE 144—Cont'd

Regulation A, conditional exemption, **6:160**

RULE 144A

Regulation A, conditional exemption, **6:160**

RULE 146

Investment limited partnerships, Regulation D, **6:33, 6:40**
JOBS Act (2012), general solicitation of accredited investors, **6:40**

RULE 147

Generally, **6:115 et seq., App G**
Accounts receivable, **6:123**
Amendments, proposed, **6:116**
SEC Rule 147 (as amended), **App G1**

RULE 147A

Intrastate offering exemption, general provisions, **6:117**

RULE 176

Due diligence and civil liability, Section 11 civil liability, **8:14**

RULE 203

Investment limited partnerships, Investment Advisors Act of 1940, **6:310**

RULE 415

Limited partners and partnerships, proposed amendments—registration under 1933 Act, **6:262**

RULE 501

Investment limited partnerships, Regulation D, **6:59, 6:60**
Limited partners and partnerships, C&DIs, **6:43**

RULE 506

Elimination of prohibition against general solicitation, Rule 506(c), **6:25, 6:29**
Internet foreign offerings, **6:71**
Investment limited partnerships, **6:45, 6:46**
Limited partners and partnerships, **6:71**
c&DIs, **6:44**
Offerings involving felons and other bad actors, disqualification, **6:26, 6:28**

INDEX

RULE 508

Substantial, good faith compliance defense, **6:32**

RULE 1001

Investment limited partnerships, Section 4(a)(5), **6:66**

RULE 2310

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:4 to 13:16**

RULE 5110

Financial Industry Regulatory Authority (FINRA)
amendments, **13:20**
overview, **13:17**

RULE 5121

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:5**

RULES

Antichurning rules. See **Antichurning Rules** (this index)

Audits-IRS. See **Audits - IRS** (this index)

Bail-outs of burned-out tax shelters, material modification rule, **27:8**

Broker - Dealers. See **Broker - Dealers** (this index)

C&DIs, **App F1**

Ceiling rule. See **Ceiling Rule** (this index)

Farmland and agriculture. See **Farmland and Agriculture** (this index)

Final rules under the CTA, **9:106**

General rules. See **General Rules** (this index)

Limited liability companies. See **Limited Liability Companies** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs. See **Livestock Programs** (this index)

Master limited partnerships. See **Master Limited Partnerships** (this index)

Motion pictures, at risk, **20:17 to 20:21**

RULES—Cont'd

National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss. See **Passive Loss** (this index)

Proposed, Corporate Transparency Act (CTA), **9:105**

Real estate. See **Real Estate** (this index)

Research and development. See **Research and Development** (this index)

At risk, **3:1 et seq.**

S corporations. See **S Corporations** (this index)

Special rules. See **Special Rules** (this index)

Transition rules. See **Transition Rules** (this index)

Uniform capitalization rules. See **Uniform Capitalization Rules** (this index)

RULINGS

Partners and partnerships. See **Partners and Partnerships** (this index)

Pre-opening expenses and start-up expenditures, **11:3**

Revenue rulings. See **Revenue Rulings** (this index)

RULPA (REVISED UNIFORM LIMITED PARTNERSHIP ACT)

See **Limited Partners and Partnerships** (this index)

SAFE HARBORS

Due diligence. See **Due Diligence** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs, unit livestock price method of cost capitalization, **17:43**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate
like-kind and reverse exchanges, **9:205, 9:211**

SAFE HARBORS—Cont'd

- Real estate—Cont'd
 - Section 47, **9:117**
- Regulation A, conditional exemption, **6:156**
- S corporations, one class of stock requirement for eligibility, **22:24, 22:26**

SALE LEASEBACKS

- Equipment leasing, depreciation and ACRS, **19:41**
- Real estate, **9:54, 9:223**

SALES

- Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Broker-dealers, selling agreement, **15:94**
- Deemed sale. See **Deemed Sale** (this index)
- Disguised sales
 - Amended rules, **10:476**
 - partners and partnerships, compensation to service partner, **10:458 to 10:476**
 - real estate investment trusts, UPREITs, **25:191**
- Due diligence and civil liability, sellers, **8:87**
- Farmland and agriculture, **18:10, 18:11, 18:24, 18:29 to 18:31**
- Full disclosure, prospectus, selling stockholders, **7:54**
- Installment sales. See **Installment Sales** (this index)
- Leasebacks. See **Sale Leasebacks** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs. See **Livestock Programs** (this index)
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Oil and gas. See **Oil and Gas** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)

SALES—Cont'd

- Real estate. See **Real Estate** (this index)
- Resales. See **Resales** (this index)
- At risk, seller financing, **3:20**
- S corporations, buy-sell agreements, **22:22**
- Tax on sales. See **Sales Tax** (this index)

SALES TAX

- Equipment leasing, operating the partnership, **19:78**
- Local sales tax, **11:49**

SALVAGE VALUE

- Real estate, depreciation under Tax Reform Act of 1986, **9:31**

SAME CLASS OF SECURITY

- Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:79**

SAME GENERAL PURPOSE OFFERINGS

- Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:82**

SAME TIME OFFERINGS

- Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:80**

SAME TYPE OF CONSIDERATION

- Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:81**

SAMPLE LANGUAGE

- Equipment leasing, disclosure of risks, **19:82, 19:86**

SANCTIONS

- Broker-dealers disciplinary procedures considerations in imposition of sanction, **15:103**
- FINRA general principles, application to sanction determinations, **15:102**

INDEX

“SANDERSON V COMMISSIONER” CASE

Equipment leasing, **19:60**

SARBANES OXLEY ACT

PCAOB Release No. 2012-001 Auditing Standards, **App E1**

Real estate investment trusts (REITs),
25:62

Real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Whistle-blower protection for employees in employment termination,
8:77

SATISFYING ONE HUNDRED SHAREHOLDER TEST

Real estate investment trusts, structure,
25:26

SCALED DISCLOSURE

Emerging growth companies
reduced disclosures, **7:2**

SEC Staff Guidance, FAQs on Title I provisions, **App K1**

SCHEME TO DEFRAUD

End-run around no aiding and abetting liability in private actions conspiracy, **8:119**

SCIENTER

Due diligence. See **Due Diligence** (this index)

Pleadings, **8:122**

SCOPE

Investment limited partnerships, common law duties of broker-dealer to customers, **6:287**

Master limited partnerships, review,
10:625

Passive loss. See **Passive Loss** (this index)

Publicly registered real estate syndications, financial forecasts, **26:78**

S CORPORATIONS

Generally, **22:1 to 22:85**

Accounting provisions, taxable years,
1:66

Accumulated earnings tax, avoidance of,
22:10

S CORPORATIONS—Cont’d

Acquisition of interest in pass-through entity, investment interest limitation, **22:43**

Active business loss limitation, **22:59**

Additional benefits of entity, **22:11**

Adjusted highest section one rate, taxable year, **22:76**

Affected taxpayers, limitation on passive losses under Tax Reform Act of 1986, **22:52**

Allocation of tax items, comparison of taxation of partners and shareholders, **22:58**

Allowances of losses and deductions,
22:59, 22:60

Alternative minimum tax, avoidance of corporate alternative minimum tax,
22:9

Amendments, **22:65**

Applicable percentage or payments, taxable year, **22:75, 22:78**

Appreciation

distribution of appreciated property, comparison of taxation of partners and shareholders, **22:62 to 22:66**

recapture of inventory appreciation upon conversion from C corporation to S corporation, comparison of taxation of partners and shareholders, **22:68**

Arrangements treated as equity, one class of stock requirement for eligibility, **22:23**

Audits, comparison of taxation of partners and shareholders, **22:69, 22:70**

Avoidance

accumulated earnings tax, **22:10**
corporate alternative minimum tax,
22:9

double taxation, **22:7**

elections to avoid election, passive investment income, **22:32**

personal holding company tax, **22:10**

section 1375, passive investment income, **22:36**

Basis, comparison of taxation of partners and shareholders, **22:55 to 22:57**

Benefits of entity, **22:1 et seq.**

S CORPORATIONS—Cont'd

Business income deduction

Limitation on, **22:4**Section 199A, **22:3**Buy-sell agreements, one class of stock requirement for eligibility, **22:22**Case law governing basis, comparison of taxation of partners and shareholders, **22:57**C corporations, comparison of taxation of partners and shareholders, **22:66, 22:68**Chart, comparison of partnership and S corporation provisions, **22:83**

Choice of entity

factors in determining, **22:5**Tax Cuts and Jobs Act considerations, **22:6**Classification of entity, comparison of taxation of partners and shareholders, **22:82**

Comparison

limited liability companies, **5:33 to 5:35, 5:37**partnership and S corporation provisions, **22:83**taxation of partners and taxation of S corporation shareholders, **22:55 to 22:82**Consent of shareholders, elections, **22:29**Conversion from C corporation to S corporation, recapture of inventory appreciation, **22:68**Convertible debt, **22:27**Corporations eligible, **22:14**

Debt or indebtedness

convertible debt, **22:27**discharge of indebtedness income, tax treatment of certain items, **22:49**investment interest limitation, tax treatment of certain items, **22:43, 22:44**straight debt safe harbor, one class of stock requirement for eligibility, **22:24**worthless debt, tax treatment of certain items, **22:47, 22:48**Deductions allowed, **22:59, 22:60**Deemed divided election, passive investment income, **22:37****S CORPORATIONS—Cont'd**

Definitions

passive activity, **22:51**passive investment income, **22:34**Determining basis, comparison of taxation of partners and shareholders, **22:55, 22:57**Direct loan to S corporation, self-charged interest, **22:46**Discharge of indebtedness income, tax treatment of certain items, **22:49**Disposition of S stock when losses suspended, **22:60**

Distributions

appreciated property, comparison of taxation of partners and shareholders, **22:62 to 22:66**debt financed distributions from pass-through entity to its owners, investment interest limitation, **22:44**Double taxation, avoidance of, **22:7**

Elections

Generally, **22:28 to 22:32**deemed divided election, passive investment income, **22:37**IRS Form 2553, election by small business corporation, **22:84, 22:85**passive investment income, **22:32 to 22:38**permissible fiscal years without election, taxable year, **22:72**small business trusts, eligible shareholders, **22:19**termination, **22:30 to 22:32, 22:39**To avoid election, passive investment income, **22:32**transition rules for C corporations electing S corporation status, distribution of appreciated property, **22:66**

Eligibility

Generally, **22:13 to 22:27**taxable year, comparison of taxation of partners and shareholders, **22:73**Equity, one class of stock requirement for eligibility, **22:23**Estates, eligible shareholders, **22:17**

INDEX

S CORPORATIONS—Cont'd

- Estimated tax payments, comparison of taxation of partners and shareholders, **22:67**
- Excess passive investment income, **22:32, 22:35**
- Expense, investment interest limitation, **22:41 to 22:46**
- Failure to qualify as small business corporation, termination of election, **22:31**
- Financed by debt distributions from pass-through entity to its owners, investment interest limitation, **22:44**
- Fiscal years permissible without election, taxable year, **22:72**
- Forms
 - election by small business corporation (IRS Form 2553), **22:84, 22:85**
 - Texas S Corp LLC operating agreement, **31:4**
- “General Utilities” doctrine, distribution of appreciated property, **22:64**
- Highest section one rate, taxable year, **22:76**
- Impact on shareholders and limited partners, limitation on passive losses under Tax Reform Act of 1986, **22:54**
- Inadvertent termination, relief from, **22:39**
- Income
 - discharge of indebtedness income, tax treatment of certain items, **22:49**
 - net base year income, taxable year, **22:77**
 - passive investment income, **22:33 to 22:38**
 - state income tax considerations, comparison of taxation of partners and shareholders, **22:81**
- Indebtedness. See Debt or indebtedness, above
- Instruments, one class of stock requirement for eligibility, **22:23, 22:25**
- Inventory appreciation, recapture upon conversion from C corporation to S corporation, **22:68**
- Investment
 - interest limitation, tax treatment of certain items, **22:40 to 22:46**

S CORPORATIONS—Cont'd

- Investment—Cont'd
 - motion pictures, investment tax credit, **20:35**
 - passive investment income, **22:33 to 22:38**
 - potential as investment vehicle, **22:1 to 22:85**
- IRS Form 2553, election by small business corporation, **22:84, 22:85**
- IRS Initiative on S Corporation Compliance, **22:12**
- Limitations
 - investment interest limitation, tax treatment of certain items, **22:40 to 22:46**
 - passive losses, Tax Reform Act of 1986, **22:50 to 22:54**
 - statute of limitations, audits, **22:70**
 - transfers, one class of stock requirement for eligibility, **22:22**
- Limited liability companies
 - comparison, **5:33 to 5:35, 5:37**
 - Texas S Corp LLC operating agreement, **31:4**
- Limited partners, limitation on passive losses under Tax Reform Act of 1986, **22:54**
- Losses
 - allowance of losses, **22:59, 22:60**
 - disposition of S stock when losses suspended, **22:60**
 - passive loss. See **Passive Loss** (this index)
 - utilization of corporate losses, **22:8**
- Material participation, limitation on passive losses under Tax Reform Act of 1986, **22:53**
- Mechanics of election, **22:28**
- Motion pictures, investment tax credit, **20:35**
- Net base year income, taxable year, **22:77**
- Obligations treated as equity, one class of stock requirement for eligibility, **22:23**
- One class of stock requirement, eligibility, **22:21 to 22:26**
- Options, one class of stock requirement for eligibility, **22:25, 22:26**
- Other instruments, obligations or arrangements treated as equity, one

S CORPORATIONS—Cont'd

- class of stock requirement for eligibility, **22:23**
- Owners of pass-through entities, investment interest limitation, **22:42, 22:44**
- Own stock or debt of S corporation as worthless, **22:47**
- Partners and partnerships
 - chart, comparison of partnership and S corporation provisions, **22:83**
 - limited partners, limitation on passive losses under Tax Reform Act of 1986, **22:54**
 - taxation of partners compared with taxation of S corporation shareholders, **22:55 to 22:82**
- Passive investment income, **22:33 to 22:38**
- Passive loss. See **Passive Loss** (this index)
- Pass-through business income deduction, **22:3**
- Pass-through entities, investment interest limitation, **22:42 to 22:44**
- Payments
 - applicable payments, taxable year, **22:78**
 - estimated tax payments, comparison of taxation of partners and shareholders, **22:67**
 - refunds of required payments, taxable year, **22:79**
- Penalties, taxable year, **22:80**
- Permissible fiscal years without election, taxable year, **22:72**
- Personal holding company tax, avoidance of, **22:10**
- Potential as investment vehicle, **22:1 to 22:85**
- Previously taxed income election, passive investment income, **22:38**
- Qualified or qualifying
 - failure to qualify as small business corporation, termination of election, **22:31**
 - subsidiaries, eligible shareholders, **22:16**
 - trusts, eligible shareholders, **22:18**
- Recapture of inventory appreciation upon conversion from C corporation to S corporation, comparison

S CORPORATIONS—Cont'd

- of taxation of partners and shareholders, **22:68**
- Recent tax legislation, **22:1**
- Redemptions, one class of stock requirement for eligibility, **22:22**
- Refunds of required payments, taxable year, **22:79**
- Relief from inadvertent termination, **22:39**
- Repeal of “General Utilities” doctrine, distribution of appreciated property, **22:64**
- Return required, taxable year, **22:74**
- Revocation, termination of election, **22:30**
- At risk, comparison of taxation of partners and shareholders, **22:61**
- Rules, distribution of appreciated property, comparison of taxation of partners and shareholders, **22:62, 22:66**
- Safe harbors, one class of stock requirement for eligibility, **22:24, 22:26**
- Section 199A, pass-through business income deduction, **22:3**
- Section 1368(e)(3) election to avoid Section 1375, passive investment income, **22:36**
- Section 1375 avoidance, passive investment income, **22:36**
- Self-charged interest, investment interest limitation, **22:45, 22:46**
- Shareholders
 - comparison of taxation of partners and taxation of S corporation shareholders, **22:55 to 22:82**
 - consents, elections, **22:29**
 - eligibility, **22:15 to 22:19**
 - impact on shareholders, limitation on passive losses under Tax Reform Act of 1986, **22:54**
 - passive loss, **4:81 to 4:87, 22:54**
- Small business
 - electing small business trusts, eligible shareholders, **22:19**
 - failure to qualify as small business corporation, termination of election, **22:31**
- IRS Form 2553, election by small business corporation, **22:84, 22:85**

INDEX

S CORPORATIONS—Cont'd

- State income tax considerations,
comparison of taxation of partners
and shareholders, **22:81**
- Statute of limitations, audits, **22:70**
- Stock
 - disposition of S stock when losses
suspended, **22:60**
 - one class of stock requirement,
eligibility, **22:21 to 22:26**
 - worthless stock, tax treatment of
certain items, **22:47, 22:48**
- Straight debt safe harbor, one class of
stock requirement for eligibility,
22:24
- Subsidiaries, qualified subchapter S sub-
sidiaries, **22:16**
- Summary, comparison of partnership
and S corporation provisions, **22:83**
- Taxable year or years
 - accounting provisions, **1:66**
 - comparison of taxation of partners
and shareholders, **22:71 to 22:80**
- Tax Cuts and Jobs Act
 - Active business loss limitation, **22:59**
 - choice of entity considerations, **22:6**
 - Limitation on deductibility of interest,
22:4
 - Pass-through business income deduc-
tion, **22:3**
 - Section 199A, **22:3**
- Tax imposed on excess passive invest-
ment income, **22:35**
- Taxpayers affected, limitation on passive
losses under Tax Reform Act of
1986, **22:52**
- Tax Reform Act of 1986
 - distribution of appreciated property,
comparison of taxation of
partners and shareholders, **22:62
to 22:66**
 - limitation on passive losses under Tax
Reform Act of 1986, **22:50 to
22:54**
- Tax Reform Act of 1996, audits,
comparison of taxation of partners
and shareholders, **22:69**
- Tax treatment of certain items, **22:40 to
22:49**
- Termination of election, **22:30 to 22:32,
22:39**

S CORPORATIONS—Cont'd

- Texas S Corp LLC operating agreement,
31:4
- Third party debt, worthless debt, **22:48**
- Transfers, one class of stock require-
ment for eligibility, **22:22**
- Transition rules, distribution of appreci-
ated property, **22:66**
- Trusts, eligible shareholders, **22:17 to
22:20**
- 2004 Act, **22:2**
- Utilization of corporate losses, **22:8**
- Warrants, one class of stock requirement
for eligibility, **22:25**
- Worthless stock and debt, tax treatment
of certain items, **22:47, 22:48**

SEC

- See **Securities and Exchange Commis-
sion (SEC)** (this index)

SECONDARY RECOVERY

- Oil and gas, **16:9**

SECURITIES

- Full disclosure, prospectus, **7:56**

SECURITIES ACT (1933)

- C&DIs** (this index)
- Due diligence and civil liability, **8:3 to
8:17, 8:79, 8:82 to 8:92, 8:176,
8:197**
- Form D, Notice of sales under Regula-
tion D or section 4(6) of Securities
Act of 1933, **App A1**
- Investment limited partnerships,
transactional exemptions from
registration requirements, **6:18 to
6:180.53**
- Regulation A, Form 1-A. See **Regula-
tion A / Regulation A+** (this index)
- Regulation A / Regulation A+** (this
index)

SECURITIES AND EXCHANGE COMMISSION (SEC)

- Administrative law judges
 - constitutionality of appointment,
8:159
- enforcement proceedings involving
civil fines ruled unconstitutional
Seventh Amendment violation,
8:160

SECURITIES AND EXCHANGE**COMMISSION (SEC)—Cont'd**

Audits-IRS, American Jobs Creation Act of 2004—SEC disclosure requirements, **23:21**

Broker - Dealers. See **Broker - Dealers** (this index)

C&DIs (this index)

Chevron doctrine, **8:162**

Constitutionality of appointment process for administrative law judges, **8:159**

Crowdfunding, **14:21**

Cryptocurrency, injunctive authority over, **8:152**

Disgorgement remedy, application of statute of limitations, **8:161**

Dodd-Frank Act (2010) corporate governance provisions, **8:76**

Due diligence. See **Due Diligence** (this index)

Enforcement authority, private funds and private fund advisers curtailed in Fifth Circuit ruling, **8:175**

Enforcement power

consent decrees, **8:157**

misrepresentations in connection with the purchase or sale of a security, **8:153**

no-deny provisions, **8:154**

proxy and reporting violations, misstatements about interlocking directorates, **8:155**

ESG disclosure rule proposals for investment companies and advisers, **6:294, 6:307**

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:30 to 13:33, 13:49**

FINRA revisions to communications rules, **13:25**

Injunctive remedies, attempt to label as punitive, **8:163**

Interpretive releases

limited partners and partnerships, Primary Interpretive Release (1975) on civil, antifraud and criminal liability, **6:270**

publicly registered real estate syndications, **26:82 to 26:110**

regulation D, **App A2**

SECURITIES AND EXCHANGE**COMMISSION (SEC)—Cont'd**

Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, Staff interpretations, **6:95, 6:96**

Janus. See **Due Diligence** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

No-action letters

limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

selected letters, **App F3**

Prosecutorial position

Janus case, **8:96**

materiality, **8:98**

Rule 10b-5, **8:96, 8:98**

section 17(a), **8:96**

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

Real estate securities, SEC Rule 1001, state regulation of private real estate securities transactions, **14:5 to 14:9**

REITs. See **Real Estate Investment Trusts (REITs)** (this index)

Releases

interpretive releases. See Interpretive releases, above

limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

private offering exemption, SEC Release No. 33-4552, **App A5**

publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:82 to 26:110**

regulation S amendment, SEC Release No. 33-7505, **App B1**

rule 147 (as amended), **App G1**

section 5, Release No. 33-6099 (August 2, 1979), **App B6**

Resales by investors, interpretation of Rule 144, **6:191**

Responsibility to regulate unregistered brokers

Exchange Act section 15, **8:99**

INDEX

SECURITIES AND EXCHANGE

COMMISSION (SEC)—Cont'd

Rule 144

SEC Staff Interpretation, **App B4**
selected Compliance and Disclosure
Interpretations (January 26,
2009), **App B5**

Rule-making, Dodd-Frank Act (2010)
corporate governance provisions,
8:76

Sexual misconduct, enforcement arse-
nal, **8:156**

SPACs

adopts final disclosure rules, **6:259**
proposals for new regulatory regime
and disclosure rules, **6:258**

Statute of limitations, application to
SEC disgorgement remedy, **8:161**

SECURITIES EXCHANGE ACT (1934)

Broker-dealers, issuer's exemption from
registration under Rule 3a4-1, **15:6**,
15:7

Due diligence and civil liability, **8:80**,
8:93 et seq., **8:128**

Emerging growth companies, **6:236**

Investment limited partnerships, **6:266**
et seq.

Oil and gas, **16:71**

Publicly registered real estate syndica-
tions, post-effectiveness securities
compliance, **26:124 to 26:132**

Registration, changes to requirements
for registration and deregistration,
App K

SECURITIES INVESTOR

PROTECTION CORPORATION (SIPC)

See **Broker - Dealers** (this index)

SECURITIES OFFERING REFORM

Real estate, summary of offering reform
modifications, **25:65**

SECURITY

Real estate. See **Real Estate** (this index)

SELECTED FINANCIAL DATA

Publicly registered real estate syndica-
tions, SEC rollout disclosure rules,
26:177

SELECTION

Limited partners and partnerships,
investment, gross revenues require-
ment under Rule 147, **6:130**

Publicly registered real estate syndica-
tions, registrant's investments,
26:54

SELF CHARGED INTEREST

Generally, **4:88 to 4:100**, **22:45**, **22:46**

SELF CONSTRUCTED PROPERTY

Generally, **9:50**, **19:37**

SELF DEVELOPED PROPERTY SALES

Passive loss, income recharacterization
rules under 1988 regulations, **4:70**

SELF EMPLOYMENT

Income, livestock programs, **17:27**
Taxes, limited liability companies, **5:68**

SELF REGULATORY ORGANIZATIONS (SROS)

Due diligence, audit committee rules,
8:72 et seq.

SELF RENTED PROPERTY

Passive loss, income recharacterization
rules under 1988 regulations, **4:71**

SELLERS AND SELLING

See **Sales** (this index)

SEPARATE ACTIVITIES

Passive loss. See **Passive Loss** (this
index)

At risk, **3:7 to 3:9**

SEPARATE ASSESSMENTS

Master limited partnerships, Tax Equity
and Fiscal Responsibility Act of
1982 (TEFRA), **10:576**

SEPARATELY STATED ITEMS

Master limited partnerships, simplified
reporting for electing large partner-
ships, **10:553 to 10:560**

SEPARATE OFFERINGS INTEGRATION

Investment limited partnerships, private
offering exemption from registra-
tion requirements of Securities Act
of 1933, **6:73 to 6:114**

SEPARATE REFUNDS

Master limited partnerships, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:577**

SERVICE OR SERVICES

Equipment leasing. See **Equipment Leasing** (this index)

Limited liability companies, contributions, **5:56**

Limited partners and partnerships, use of borrowing to pay debt service, **11:148**

Matching services. See **Matching Services** (this index)

Motion pictures. See **Motion Pictures** (this index)

Partner, compensation of service partner, **10:417 to 10:451**

Passive loss. See **Passive Loss** (this index)

Placed in service. See **Placed in Service** (this index)

Real estate. See **Real Estate** (this index)

SET ASIDES

Real estate, low income housing credit, **9:150, 9:157**

SETOFF

See **Offset** (this index)

SETTLEMENT

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:189 to 8:201**

Partners and partnerships, anti-abuse rule and IRS settlement guideline, **10:12**

SEVEN DAY RULE

Passive loss, exceptions to rental activity status under 1988 regulations, **4:28**

SEVENTH AMENDMENT

SEC ALJ enforcement proceedings involving civil fines ruled unconstitutional, violation, **8:160**

SEVENTY FIVE PERCENT TESTS

Real estate investment trusts, **25:139, 25:143, 25:150**

SEVEN YEAR

Partners and partnerships, contributions, **10:181**

SEVEN YEAR—Cont'd

Real estate, class of property, **9:12**

SEXUAL MISCONDUCT

SEC enforcement arsenal, **8:156**

SHAM TRANSACTION

Motion pictures, depreciation deductions, **20:11**

SHAREHOLDERS

Limited partners and partnerships, ownership of flow-through entities, **11:85**

Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

S corporations. See **S Corporations** (this index)

SHARE OR SHARES

Full disclosure, prospectus, shares eligible for future sale, **7:58**

Master limited partnerships. See **Master Limited Partnerships** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate investment trusts, taxation, **25:136, 25:160**

SHARING

Farmland and agriculture, exclusive of forestry cost-sharing payments, **18:34**

Real estate investment trusts, shared appreciation mortgages, **25:165**

SHELF OFFERINGS

Limited partners and partnerships, registration under 1933 Act, **6:261**

SHELF REGISTRATION (AUTOMATIC)

Limited partners and partnerships, well-known seasoned issuers, **6:263**

SHELL COMPANIES

Resales by investors, “reporting” and “non-reporting,” **6:228**

SHELTERS

See **Tax Shelters** (this index)

SHIFTS

See **Partners and Partnerships** (this index)

INDEX

SHORT TAXABLE YEAR

Depreciation, **9:22 to 9:30, 19:34**

SHORT TERM LEASE EXCEPTION

Equipment leasing, tax-exempt use property, **19:75**

SIGNIFICANT MATTERS

American Jobs Creation Act of 2004, transactions with significant book-tax differences before de-listing by Notice 2006-6, **23:14**

Partners and partnerships, significant item consistency requirement, **10:110**

Passive loss. See **Passive Loss** (this index)

SIMILAR MATTERS

Facts and circumstances test, similar activity success, **11:12, 17:16**

SIMPLE TAX DEFERRAL

Farming, non-livestock, **18:3**

SIMPLIFIED MATTERS

Master limited partnerships, reporting for electing large partnerships, **10:550 to 10:573**

Real estate, depreciation under Tax Reform Act of 1986, **9:29**

SINGLE LIABILITY

Allocation among multiple properties, partners and partnerships, **10:332**

SINGLE OWNER ENTITY

Check-the-box regulations, **5:11, 10:22, 10:74**

SINGLE PLAN OF FINANCING

Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:78**

SIPC (SECURITIES INVESTOR PROTECTION CORPORATION)

See **Broker - Dealers** (this index)

SISTER/BROTHER PASS THROUGH ENTITY LOANS

Passive loss, **4:97**

SIX MONTH RESALE LIMITATION

Investment limited partnerships, intra-state offering exemption from

SIX MONTH RESALE LIMITATION

—**Cont'd**

registration requirements of Securities Act of 1933, **6:134**

SMALL BUSINESS OR BUSINESSES

Amendments to Regulation A, compliance guide, **App A8**

Capital gains and losses, exclusion for gain from certain small business stock, **1:25**

Publicly registered real estate syndications, small business initiative, **26:2**

S corporations. See **S Corporations** (this index)

SEC Small Entity Compliance Guide for Amendments (2020) to exempt offering framework, **6:21**

Small Entity Compliance Guide, **App A9**

SMALL DISPARITIES

Partners and partnerships, contributions, **10:208**

SMALLER ISSUERS

Disclosure controls and procedures, **7:65**

Internal controls of smaller issuers, **7:65**

SMALLER REPORTING COMPANY STATUS

Expansion of eligibility for, **7:3**

SMALL OFFERINGS

REGISTRATION FORM

Real estate, Form U-7, **14:20**

SOCIAL NETWORKING ACTIVITIES

FINRA guidance for broker-dealers, **15:97**

SOFTWARE FOR COMPUTERS

Research and development programs, **21:15, 21:49**

“SOFTWARE TOOLWORKS AND WORLDS OF WONDER” CASE

Due diligence and civil liability, Section 11 civil liability, **8:8**

SOIL AND WATER CONSERVATION EXPENDITURES

Farmland and agriculture, **18:16**

SOLICITATION

- Investment limited partnerships, Regulation D, **6:25, 6:33 to 6:42**
- JOBS Act (2012), general solicitation of accredited investors, **6:40**
- Publicly registered real estate syndications, California rollup reform, **26:154**

SOLVENT TAXPAYERS

- Accounting provisions, cancellation of indebtedness, **1:69**

SON OF BOSS TAX SHELTERS

- Audits-IRS, IRS responses, **23:3**

SOPHISTICATION

- Investment limited partnerships, Regulation D, **6:45, 6:46**
- Real estate, state regulation of private real estate securities transactions, **14:14**

SOUND RECORDINGS

- Motion pictures, **20:42**

SOURCE OR SOURCES

- Due diligence and civil liability, sources of information, **8:33 to 8:36**
- Publicly registered real estate syndications, source of funds, **26:176**
- Research and development, allocation of research expenses to foreign source income, **21:35**

SOUTH CAROLINA

- Limited liability companies, operating agreements form, **31:10**

**“SOWERBY V COMMISSIONER”
CASE**

- Equipment leasing, **19:56**

SPECIAL ALLOCATIONS

- Oil and gas, **16:42**
- Partners and partnerships, **10:118, 10:462**
- Passive loss, self-charged interest, **4:94**

SPECIAL BASIS ADJUSTMENTS

- Limited liability companies, proposed amendments to check-the-box regulations, **5:25**

SPECIAL MEETINGS

- Real estate investment trusts, Blue Sky provisions, **25:100**

SPECIAL PRESUMPTION

- Livestock programs, activity is engaged in for profit, **17:23**

**SPECIAL PURPOSE ACQUISITION
COMPANIES (SPACS)**

- Federal securities laws and tax-advantaged securities, **6:255, 6:256**
- SEC adopts final disclosure rules, **6:259**
- SEC proposed new regulatory regime and disclosure rules, **6:258**
- Selected C&DIs, **6:257**

SPECIAL REGISTRATION

- Oil and gas, federal securities laws, **16:70**

SPECIAL RULES

- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development tax credit, internal use computer software, **21:49**
- At risk, qualified nonrecourse financing as increasing amounts at risk, **3:23, 3:24**

SPECIAL SET ASIDE

- Real estate, qualified nonprofit organizations, **9:157**

SPECIAL TACKING RULES

- Exemptions from registration. See **Resales by Investors** (this index)

**SPECIAL TEN PERCENT PENALTY
FOR LATE PAYMENTS**

- Master limited partnerships, electing large partnership adjustments, **10:601**

SPINOFFS

- Resales by investors, **6:200**

SPONSORS

- Broker-dealers, due diligence checklist for real estate syndication, **15:81 to 15:84**
- Equipment leasing, state guidelines for registration of equipment programs, **19:89, 19:90**

INDEX

SPONSORS—Cont'd

- Oil and gas. See **Oil and Gas** (this index)
- Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Real estate. See **Real Estate** (this index)

SPORTING PURPOSES

- Horses held for, **17:70**

SPOUSES

- See **Passive Loss** (this index)

SPREAD

- Real estate investment trusts, positive spread investing, **25:7**

STACKING

- Partners and partnerships, nonrecourse liabilities, **10:264**

STANDARDBREDS

- Horses, business background, **17:97**

STANDARD DEDUCTION

- Individual income tax, Tax Reform Act of 1986, **1:57**

STANDARDS

- Audits-IRS, tax returns and other papers, **23:119**
- Due diligence. See **Due Diligence** (this index)
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, listing standards on NASDAQ for limited partnerships, **13:28**
- Passive loss, active participation standard, **4:12**
- PCAOB Release No. 2012-001, Auditing Standards, **App E1**
- Real estate. See **Real Estate** (this index)

STANDARDS FOR ADMISSION

- Broker-dealers, compliance for real estate limited partnership syndications, **15:19**

STANDBY FEES

- Construction and permanent loan, **11:17**

STARTUP

- Day, real estate mortgage investment conduits, **28:30**
- Expenses or expenditures, **11:3 to 11:4, 21:50**

STATE

- Audits-IRS, state or local bond opinions excluded, **23:126**
- Broker-dealers, registration, **30:6**
- California. See **California** (this index)
- Coordinated review, direct participation programs (CD-DPP), role of coordinating state, **25:119**
- Crowdfunding, **14:21**
- Delaware. See **Limited Liability Companies** (this index)
- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:200, 8:202 to 8:220**
- Equipment leasing, guidelines for registration of equipment programs, **19:87 to 19:92**
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, securities law issues, **13:42**
- Individual income tax, Tax Reform Act of 1986, **1:58**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- New York. See **New York** (this index)
- Oil and gas. See **Oil and Gas** (this index)
- Real estate. See **Real Estate** (this index)
- S corporations, state income tax considerations, **22:81**
- Securities laws. See **Blue Sky Laws** (this index)

STATEMENTS

- Due diligence and civil liability. See **Due Diligence** (this index)
- Financial statements. See **Financial Statements** (this index)
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, disclosure on

STATEMENTS—Cont'd

customer statements of DPP securities, **13:48**

NASAA. See **North American Securities Administrators Association (NASAA)** (this index)

Real estate. See **Real Estate** (this index)

STATE OF MIND SAFE HARBOR

Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:182**

STATUS

Equipment leasing investments under current law, operating the partnership, **19:80**

Livestock programs, financial status of taxpayer, **17:19**

Oil and gas programs, change of limited liability status, **16:35**

Partnerships, advance rulings, **10:49 to 10:60**

Passive loss. See **Passive Loss** (this index)

Real estate. See **Real Estate** (this index)

S corporations, transition rules for C corporations electing S corporation status, **22:66**

STATUTE OF LIMITATIONS

Audits-IRS, extended, **23:3.10**

Defenses to inadequate or materially misleading disclosure, **8:176, 8:177**

Due diligence. See **Due Diligence** (this index)

Master limited partnerships, electing large partnership audit systems, **10:620, 10:621, 10:626**

S corporations, audits, **22:70**

SEC disgorgement remedy, **8:161**

STATUTES

Broker-dealers, due diligence, **15:76**

Due diligence and civil liability, **8:1 et seq.**

Investment Company Act of 1940. See **Investment Company Act of 1940** (this index)

Limited liability companies. See **Limited Liability Companies** (this index)

National Securities Markets Improvement Act of 1996, **25:124 to**

STATUTES—Cont'd

25:130, 26:157, 26:158

Real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)

Revenue Act of 1987. See **Revenue Act of 1987** (this index)

Revenue Reconciliation Act of 1993. See **Revenue Reconciliation Act of 1993** (this index)

At risk, **3:2 et seq.**

Securities Act of 1933. See **Securities Act of 1933** (this index)

Securities Exchange Act of 1934. See **Securities Exchange Act of 1934** (this index)

State securities. See **Blue Sky Laws** (this index)

Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). See **Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)** (this index)

Tax Reform Act of 1984. See **Tax Reform Act of 1984** (this index)

Tax Reform Act of 1986. See **Tax Reform Act of 1986** (this index)

Technical and Miscellaneous Revenue Act of 1988 (TAMRA). See **Technical and Miscellaneous Revenue Act of 1988 (TAMRA)** (this index)

Uniform Partnership Act. See **Uniform Partnership Act** (this index)

STOCK

Accounting provisions, stock for debt exception, **1:71**

Capital gains and losses, Tax Reform Act of 1986, **1:24, 1:25**

Exchanges. See **Stock Exchanges** (this index)

Full disclosure, **7:54, 7:55**

Incentive stock options. See **Incentive Stock Options (ISOs)** (this index)

Oil and gas, stock seller sponsor, **16:63**

Real estate, publicly traded stock exception, **9:69**

Resales by investors, "restricted securities" defined, **6:201**

S corporations. See **S Corporations** (this index)

INDEX

STOCK EXCHANGES

- American Stock Exchange rollup rules, publicly registered real estate syndications, **26:164**
- National Securities Markets Improvement Act of 1996, **25:125**
- Real estate investment trusts, **25:125, 25:131**

STRAIGHT DEBT SAFE HARBOR

- S corporations, one class of stock requirement for eligibility, **22:24**

STRAIGHT LINE RENTS

- Real estate investment trusts, funds from operations (FFO), **25:37**

STRIPPED INTERESTS

- Real estate mortgage investment conduits, rights not treated as interests, **28:13**

STRONG SUPPLY/DEMAND FUNDAMENTALS

- Oil and gas, benefits of programs after Tax Reform Act of 1986, **16:18**

STRUCTURE

- Equipment leasing, transaction, **19:8**
- Oil and gas, state guidelines for registration of drilling programs, **16:74**
- Real estate investment trusts, **25:16 to 25:26, 25:133 to 25:136**

STRUCTURES AND BUILDINGS

- See **Buildings and Structures** (this index)

STRUCTURING

- Bail-outs of burned-out tax shelters, restructurings, **27:3 to 27:35**
- Passive loss, **4:137 to 4:141**
- Research and development programs, partnerships, **21:4 to 21:10**

STUD FEES

- Livestock programs, activity deductions, **17:47 to 17:49**

STUDIES

- Master limited partnerships, study of publicly traded limited partnerships, **10:548**
- Research and development tax credit, specific exclusions from eligibility, **21:47**

SUBCHAPTER S CORPORATIONS

- See **S Corporations** (this index)

SUBORDINATION AGREEMENTS

- Broker-dealers, minimum net capital requirement, **15:46**

SUBROGATION

- Partners and partnerships, recourse liabilities, **10:247**

SUBSCRIPTIONS

- Broker-dealers, due diligence checklist for real estate syndication, **15:92**
- Investment limited partnerships, civil, refund, **6:275**
- Limited partnerships, subscription refund, civil, antifraud and criminal liability, **6:275**
- Real estate programs, state substantive regulation of, **12:3**

SUBSEQUENT MATTERS

- Bail-outs of burned-out tax shelters, debt restructuring, **27:35**
- Limited partners and partnerships, amendments, **11:159 to 11:178**
- Motion pictures, purchasers, **20:33**
- At risk, later-included activities, **3:6**

SUBSIDIARIES

- Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- S corporations, qualified subsidiaries, **22:16**

SUBSIDIES

- Real estate, eligible basis and low income housing credit, **9:140**

SUBSTANCE OF PREEXISTING RELATIONSHIPS

- Investment limited partnerships, Regulation D, **6:35**

SUBSTANCE OVER FORM

- Bail-outs of burned-out tax shelters, acquisition of debt by related party, **27:34**

SUBSTANTIALLY ALL PARTICIPATION TEST

- Passive loss, alternative tests for material participation under 1988 regulations, **4:38**

SUBSTANTIAL MATTERS

- Audits-IRS. See **Audits - IRS** (this index)
- Partners and partnerships, final regulations regarding allocation of income and losses, **10:93 to 10:95, 10:127**
- Passive loss, substantially appreciated interest in property, **4:77**
- Publicly registered real estate syndications, security, **26:39 to 26:41**
- Regulation A, compliance, **6:153**

SUBSTANTIVE MATTERS

- State substantive regulation of real estate programs, **12:1 to 12:25**

SUBSTITUTED MATTERS

- See **Limited Partners and Partnerships** (this index)

SUCCESS IN SIMILAR ACTIVITY

- Facts and circumstances test, **11:12, 17:16**

SUCCESSORS

- Publicly registered real estate syndications, allocation of interest in successor, **26:94**

SUFFICIENT MATTERS

- See **Adequate or Sufficient Matters** (this index)

SUITABILITY

- Investors. See **Investors** (this index)
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Oil and gas, state guidelines for registration of drilling programs, **16:77**
- Publicly registered real estate syndications, Form S-11 requirements for contents of prospectus, **26:17**

SUMMARY

- Broker-dealers, computation of net capital, **15:57**
- Full disclosure, prospectus, **7:26, 7:27**
- Oil and gas, tax advantages, **16:27**
- Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

SUMMARY—Cont'd

- Real estate investment trusts, plain English rules, **25:59**
- Research and development programs, tax benefits, **21:12**
- S corporations, comparison of partnership and S corporation provisions, **22:83**

SUPERVISORY MATTERS

- Broker - Dealers. See **Broker - Dealers** (this index)
- Risk of Material Misstatement in Financial Statements, PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk (Dec. 17, 2009), **App E**

SUPPLEMENTAL DISCLOSURES

- Real estate investment trusts, funds from operations (FFO), **25:36**

SUPPLEMENTAL DOCUMENTS

- Publicly registered real estate syndications, SEC rollup disclosure rules, **26:180**

SUPPLEMENTS

- Publicly registered real estate syndications, post-effectiveness securities compliance, **26:118, 26:119**

SUPPLY

- Oil and gas, strong supply / demand fundamentals, **16:18**

SURRENDER OF DEPOSITARY RECEIPTS

- Limited partners and partnerships, certificates of limited partnership, **24:17**

SURVEYS

- Blue Sky survey, state substantive regulation of real estate programs, **12:24, 12:25**
- Limited liability company interests under state securities laws, **5:70**
- Research and development tax credit, specific exclusions from eligibility, **21:47**

SUSPENSION

- Broker-dealers, disciplinary procedures, **15:113**

INDEX

SUSPENSION—Cont'd

Regulation A, exemption, **6:154**

SYNDICATES

Farming syndicates, **17:59, 18:19**

SYNDICATION OR SYNDICATIONS

Broker-dealers, compliance for real estate limited partnership syndications, **15:1 et seq.**

Partners and partnerships, fees, **10:346**

Publicly registered real estate syndications. See **Publicly Registered Real Estate Syndications** (this index)

TABLE OF CONTENTS

Publicly registered real estate syndications, contents of prospectus, **26:16, 26:86**

TABLES

Classification of assets, research and development, **1:75**

Delaware Limited Liability Company Act, **App U7**

Limited liability companies, comparison with S corporations and limited partnerships, **5:37**

Partners and partnerships. See **Partners and Partnerships** (this index)

Publicly registered real estate syndications, prior performance, **26:24 to 26:31**

SEC no-action letters, **App F3**

TACKING OF HOLDING PERIOD

Partners and partnerships, outside basis, **10:232**

TAKE OUT COMMITMENT

Publicly registered real estate syndications, mortgage loan financial statements, **26:42**

TAMRA

See **Technical and Miscellaneous Revenue Act of 1988 (TAMRA)** (this index)

TANGIBLE PROPERTY

Leases, **11:20**

Passive loss, rental activity defined under 1988 regulations, **4:26 to 4:33**

TASK FORCE

Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:83**

TAXABLE EVENTS

Partnership carried interests, **10:427**

Partnership interest, receipt of, **10:422**

TAXABLE YEAR OR YEARS

Accounting provisions, partnerships, S corporations and personal service corporations, **1:66**

Equipment leasing, short taxable year, **19:34**

Partners and partnerships, **1:66, 10:347 to 10:349**

Real estate. See **Real Estate** (this index)

S corporations. See **S Corporations** (this index)

Short taxable year, depreciation, **9:22 to 9:30, 19:34**

TAX ASPECTS

Broker-dealers, due diligence checklist for real estate syndication, **15:87**

TAX COURT

Real estate, nominee corporations, **9:175**

TAX CREDITS

See **Credits** (this index)

TAX CUTS AND JOBS ACT OF 2017

See **Qualified Opportunity Zones** (this index)

Generally, **1A:1 et seq.**

Accelerated revenue recognition, **1A:7**

Active business loss limitation, **9:5, 22:59**

Assets, expensing of, **1A:5**

Bonus depreciation, **9:60 to 9:62**

Business interest, limitation on deductibility, **1A:4, 9:2, 22:4**

Business losses, limitation on, **9:5**

Carried interest, **1A:3, 10:427, 10:428**

Choice of entity considerations, **22:6**

Classes of property, depreciation of real estate, **9:9 to 9:19**

Compensation of executives, deduction limit, **1A:6**

Deduction limitations

business interest, **1A:4, 9:2, 22:4**

TAX CUTS AND JOBS ACT OF 2017**—Cont'd**

Deduction limitations—Cont'd
 executive pay of REITs, **1A:6**
 interest, Sec. 163(j), proposed regulations, proposed and final regulations on, **1A:12**

Depreciation of real estate, **9:7 to 9:100**

Energy, impact on, **1A:8**

Entity, choice of, **22:6**

Executive pay of REITs, deduction limit, **1A:6**

Exempt investors, provisions applicable, **1A:9**

Expensing of assets, **1A:5, 9:63**

Interest

carried interest provisions, **1A:3, 1A:13**

limit on deductibility, **1A:4, 1A:12, 9:2, 22:4**

Investors

non-U.S., tax advantaged securities, **1A:10**

tax exempt, provisions applicable, **1A:9**

Non-U.S. investors, tax advantaged securities, **1A:10**

Pass-through business income deduction, **1A:11, 22:3**

President Biden's 2024, tax proposals, **1A:15**

Proposed regulations

interest deduction limitation, Sec. 163(j), **1A:12**

pass through business income deduction, Sec. 199A, **1A:11**

Sec. 163(j), interest deduction limitation, proposed and final regulations on, **1A:12**

Sec. 199A, pass through business income deduction, **1A:11**

Qualified opportunity zones

Generally, **9:169 to 9:173**

Investments, **9:171, 9:172**

Overview of legislation, **9:169**

Proposed regulations, **9:173**

Requirements, **9:170**

Tax benefits from investment, **9:171**

Real estate

generally, **1A:2**

depreciation, **9:7 to 9:100**

TAX CUTS AND JOBS ACT OF 2017**—Cont'd**

Real estate—Cont'd

investing, **9:1**

REITs, executive pay deduction limit, **1A:6**

Recent legislative proposals, IRS guidance on the taxation of digital Assets, **1A:16**

Rehabilitation tax credit, **9:113, 9:114, 9:116**

Revenue, accelerated revenue recognition, **1A:7**

S Corporations. See **S Corporations** (this index)

Section 199A, pass-through business income deduction, **1A:11, 22:3**

Tax provisions, american families plan, **1A:14**

TAX EQUITY AND FISCAL**RESPONSIBILITY ACT OF 1982 (TEFRA)**

IRS audit program, partnership audit provisions, **23:76.80 to 23:78**

Master limited partnerships, electing large partnership audit systems, **10:575 to 10:580, 10:586**

TAX EVASION OR AVOIDANCE

See **Evasion of Tax** (this index)

TAX EXEMPTIONS

See **Exemptions From Tax** (this index)

TAX FREE EXCHANGES

Livestock, **17:74, 17:75**

TAX INCREASE PREVENTION AND RECONCILIATION ACT (TIPRA)

Audits-IRS, prohibited tax shelter transactions, **23:18, 23:19**

TAX MATTERS PARTNER

Generally, **5:67, 10:578**

Carried interests, **10:427**

TAXPAYER BILLS OF RIGHTS

IRS audit program, **23:136 to 23:141**

TAXPAYERS

Audits-IRS. See **Audits - IRS** (this index)

Equipment leasing, corporate taxpayers and alternative minimum tax, **19:18**

INDEX

TAXPAYERS—Cont'd

- Facts and circumstances test for activities not engaged in for profit, **11:9, 11:15**
- Livestock programs. See **Livestock Programs** (this index)
- Motion pictures, entitlement to investment tax credit, **20:31**
- Oil and gas, Tax Reform Act of 1984, **16:46, 16:47**
- Research and development programs, alternative minimum tax, **21:29 to 21:31**
- S corporations, limitation on passive losses under Tax Reform Act of 1986, **22:47**

TAX REFORM ACT OF 1976

- Partners and partnerships, retroactive allocation of losses, **10:339**

TAX REFORM ACT OF 1984

- Livestock programs, limitations on prepayments of expenses, **17:60**
- Oil and gas, **16:48**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)

TAX REFORM ACT OF 1986

- Generally, **1:1 et seq.**
- Calculation of return, **2:15, 2:16**
- Equipment leasing, **19:26 to 19:34**
- Investment value, **2:6**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Oil and gas. See **Oil and Gas** (this index)
- Passive loss, **4:1 to 4:146**
- Real estate. See **Real Estate** (this index)
- At risk, **3:9, 3:38, 3:41**
- S corporations. See **S Corporations** (this index)

TAX RETURNS

- Audits-IRS. See **Audits - IRS** (this index)
- Master limited partnerships, treatment on partner's return under Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), **10:575 to 10:580**

TAX SHELTERS

- Abusive tax shelters
 - injunctions, **23:49**
 - IRS responses, **23:3**
 - promoting abusive tax shelters, **23:48**
- Audits-IRS. See **Audits - IRS** (this index)
- Bail outs. See **Bail Outs of Burned Out Tax Shelters** (this index)
- Fragile structure, **2:5**
- Joint Committee on Taxation, overview and description of laws governing tax shelters, **2:32**
- Limited partners and partnerships, installment payments, broker-dealers, **6:279**
- Promoting abusive tax shelters, **23:48**
- Registration, IRS audit program, **23:58 et seq.**
- Tax Reform Act of 1986, **1:14 to 1:19**

TECHNICAL AND MISCELLANEOUS REVENUE ACT OF 1988 (TAMRA)

- IRS audit program, Taxpayer Bill of Rights, **23:136**
- Real estate. See **Real Estate** (this index)

TECHNOLOGY AND TECHNOLOGICAL MATTERS

- Equipment leasing, qualified technological equipment, **19:73**
- Research and development. See **Research and Development** (this index)

TEFRA

- See **Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)** (this index)

TELEVISION

- Partnership investment opportunities, cable television, **2:27**

TEMPORAL SAFE HARBOR

- Investment limited partnerships, private offering exemption from registration requirements of Securities Act of 1933, **6:101, 6:102**

TEMPORARY MATTERS

- Investments, real estate investment trusts, **1:31**

TEMPORARY MATTERS—Cont'd

Regulations, partners and partnerships,
10:296, 10:297, 10:313, 10:323,
10:324

TENANCIES IN COMMON

Property management agreement for
tenants in common transaction,
App J2
Real estate, **9:215, 9:216**
Tenants in common agreement, **App J1**

TENANTS

Equity participation, partners and
partnerships, **10:260**
Qualification, low income housing
credit, **9:151**

TENDER OFFER

FINRA regulation of direct participation
programs and non-traded real estate
investment trusts, **13:44**
Publicly registered real estate syndica-
tions, SEC rollup disclosure rules,
26:186

TEN PERCENT

Master limited partnerships, penalty for
late payments, **10:601**
Partners and partnerships, de minimis
exception, **10:291, 10:301, 10:307,**
10:316
Passive loss. See **Passive Loss** (this
index)

TEN YEAR CLASS OF PROPERTY

Real estate, depreciation, **9:13**

TERMINATION

Broker-dealers, form for termination
notice for securities industry
registration, **30:11**
Cancellation. See **Cancellation** (this
index)
Inadvertent terminations. See **Inadver-
tent Terminations** (this index)
Limited liability companies. See
Limited Liability Companies (this
index)
Limited partners and partnerships. See
**Limited Partners and Partner-
ships** (this index)
Partnerships. See **Partners and
Partnerships** (this index)
Real estate. See **Real Estate** (this index)

TERMINATION—Cont'd

S corporations, election, **22:30 to 22:32,**
22:39

TERM OF LEASE

Real estate, tax-exempt entity leasing,
9:76

TERM OF LIMITED PARTNERSHIP

Certificates of limited partnership and
tax-advantaged investments, **24:7**

TERTIARY RECOVERY

Oil and gas, **16:9**

TESTING THE WATERS

Regulation A, conditional exemption,
6:145

TEST RATE

Application of original issue discount
rules, **11:31**

TEXAS

Limited liability company operating
agreement, S Corporation, **31:4**

THIRD PERSONS OR PARTIES

Investment limited partnerships, third
party publicity under Regulation D,
6:38
JOBS Act (2012), general solicitation of
accredited investors, **6:40**
Limited liability companies, liability of
members and managers to third
parties, **5:48**
Partners and partnerships, third party
loans, **10:327, 10:328**
S corporations, worthless debt of third
party, **22:48**

30 DAY BRIGHT LINE EXCLUSION

Limited partners and partnerships, secu-
rities offerings and registration
under 1933 Act, **6:246**

**THIRTY DAY SIGNIFICANT
SERVICES RULE**

Passive loss, exceptions to rental activity
status under 1988 regulations, **4:29**

**THIRTY FIVE PERCENT
REDUCTION**

Real estate, investment tax credit and
depreciation, **9:55**

INDEX

THIRTY NINE YEAR CLASS OF PROPERTY

Real estate, depreciation, **9:18**

THOROUGHBREDS

Horses, business background, **17:93 to 17:97**

THREE YEAR

Passive loss, alternative tests for material participation under 1988 regulations, **4:42**

Real estate, class of property, **9:10**

TIC PRIVATE PLACEMENT MEMO

Limited liability companies, **App J**

TIERED ENTITIES

Master limited partnerships, electing large partnership adjustments, **10:594**

Partnerships. See **Partners and Partnerships** (this index)

Passive loss, **4:84, 4:96**

TIMBER AND TREES

See **Farmland and Agriculture** (this index)

TIME OR DATE

Acceleration. See **Acceleration** (this index)

Annual matters. See **Annual Matters** (this index)

Bail outs of burned out tax shelters. See **Bail Outs of Burned Out Tax Shelters** (this index)

Calculation of return, time / value of money, **2:11**

Coordinated review, timing of CR-DPP, **25:121**

Deferral and deferred matters. See **Deferral and Deferred Matters** (this index)

Duration. See **Duration** (this index)

Effective dates. See **Effective Dates** (this index)

Farmland and agriculture. See **Farmland and Agriculture** (this index)

Future or prospective matters. See **Future or Prospective Matters** (this index)

IRS audit program, nominee reporting to partnership, **23:87**

TIME OR DATE—Cont'd

Limited liability companies. See **Limited Liability Companies** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs. See **Livestock Programs** (this index)

Long term. See **Long Term** (this index)

Master limited partnerships. See **Master Limited Partnerships** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Passive loss. See **Passive Loss** (this index)

Prospective matters. See **Future or Prospective Matters** (this index)

Real estate. See **Real Estate** (this index)

Statute of limitations. See **Statute of Limitations** (this index)

Subsequent matters. See **Subsequent Matters** (this index)

Temporary matters. See **Temporary Matters** (this index)

Updating. See **Updating** (this index)

Year or years. See **Year or Years** (this index)

TIPRA (TAX INCREASE PREVENTION AND RECONCILIATION ACT)

Audits-IRS, prohibited tax shelter transactions, **23:18, 23:19**

“TORRES V COMMISSIONER” CASE

Equipment leasing, **19:62**

TOTAL OPERATING EXPENSES

Real estate investment trusts, Blue Sky provisions, **25:92**

TRACING RULES

Limited partners and partnerships, accounting issues affecting investment limited partnerships, **11:70 to 11:73, 11:137 to 11:155**

TRACK RECORD

Broker-dealers, due diligence checklist for real estate syndication, **15:85**

Oil and gas, sponsor, **16:59**

TRADEMARK EXPENDITURES

Corporate income tax, Tax Reform Act of 1986, **1:53**

TRADE NAME EXPENDITURES

Corporate income tax, Tax Reform Act of 1986, **1:53**

TRADE OFF OF PROMOTIONAL INTEREST

Real estate programs, state substantive regulation of, **12:8, 12:9**

TRADE OR BUSINESS

Corporate income tax, trademark and trade name expenditures, **1:53**

Passive loss. See **Passive Loss** (this index)

Research and development programs, structuring partnerships, **21:10**

TRADING

Futures trading. See **Futures Trading** (this index)

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Passive loss. See **Passive Loss** (this index)

Publicly traded. See **Publicly Traded** (this index)

Real estate. See **Real Estate** (this index)

TRADITIONAL EQUIPMENT LEASING

Generally, **19:53 to 19:69**

TRADITIONAL METHOD OR METHODS

Calculation of return, **2:8**

Partners and partnerships. See **Partners and Partnerships** (this index)

TRANSACTIONS

Audits-IRS. See **Audits - IRS** (this index)

Due diligence and civil liability, transaction causation, **8:107**

Equipment leasing, structure of transaction, **19:8**

FINRA regulation of direct participation programs and non-traded real estate investment trusts, nonmembers, **13:43**

TRANSACTIONS—Cont'd

Full disclosure, transactions among related parties, **7:7, 7:52, 7:53**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Master limited partnerships, simplified reporting for electing large partnerships, capital transactions, **10:555**

Motion pictures. See **Motion Pictures** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

Regulation S-K items 301, 302 and 303, amendments (2020) to, **7:8**

TRANSFERABILITY

Interests. See **Interest or Interests** (this index)

Real estate, determination of state low income housing credit amount allocation, **9:161**

TRANSFERS

Bail-outs of burned-out tax shelters, partnership interest transferred to controlled corporation, **27:70**

Broker-dealer registration, **30:2, 30:2.50**

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Master limited partnerships interests, **10:486 to 10:502**

Partners and partnerships. See **Partners and Partnerships** (this index)

Real estate. See **Real Estate** (this index)

S corporations, one class of stock requirement for eligibility, **22:22**

TRANSITION

Motion pictures. See **Motion Pictures** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Rules. See **Transition Rules** (this index)

TRANSITION RULES

Equipment leasing, depreciation and ACRS, **19:35 to 19:41**

Limited liability companies, check-the-box regulations, **5:19, 10:81**

Motion pictures, at risk, **20:20**

INDEX

TRANSITION RULES—Cont'd

- Partners and partnerships, inclusion of debt in outside basis, **10:270 to 10:279**
- Passive loss. See **Passive Loss** (this index)
- Real estate, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:48 to 9:56**
- S corporations, distribution of appreciated property, **22:66**

TRANSITORY ALLOCATIONS

- Partners and partnerships, final regulations regarding allocation of income and losses, **10:95**

TRAVEL

- Individual income tax, limitations on deductions, **1:60**

TREASURY DEPARTMENT

- Audit program of IRS, **23:116 et seq., 23:144 to 23:150**
- Circular No. 230, **23:116 et seq.**
- Forms, **23:144 to 23:150**
- Internal Revenue Service. See **Internal Revenue Service (IRS)** (this index)
- Master limited partnerships, study of publicly traded limited partnerships, **10:548**

TREATMENT

- Bail-outs of burned-out tax shelters, like-kind exchange treatment not available for taxable sale of partnership interest, **27:66**
- Crops, tax treatment, **18:9 to 18:12**
- Individual income tax, changes in treatment of hobby losses, **1:62**
- Limited liability companies. See **Limited Liability Companies** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs. See **Livestock Programs** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)

TREATMENT—Cont'd

- Research and development, capital gain treatment, **21:17 to 21:26**
- At risk, treatment of disallowed losses, **3:36, 3:37**
- S corporations, tax treatment of certain items, **22:40 to 22:49**

TREES AND TIMBER

- See **Farmland and Agriculture** (this index)

TRIAL BALANCE

- Broker-dealers, reporting obligations, **15:69**

TRUSTEES

- Real estate investment trusts, Blue Sky provisions, **25:82 et seq.**

TRUSTS

- Exemptions from registration. See **Resales by Investors** (this index)
- Limited liability companies, check-the-box regulations, **10:72**
- Motion pictures, investment tax credit, **20:35**
- Partners and partnerships, check-the-box regulations, **10:17, 10:27**
- Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- S corporations, eligible shareholders, **22:17 to 22:20**

TURN-KEY CONTRACT

- Oil and gas, **16:8**

TWELVE MONTH RULE

- Passive loss, special disposition rules under 1988 regulations, **4:76**

TWENTY FIVE PERCENT TEST

- Limited partners and partnerships, taxable year, **24:25**
- Real estate investment trusts, asset tests, **25:147**

TWENTY SEVEN AND ONE HALF YEAR CLASS OF PROPERTY

- Real estate, depreciation, **9:17**

TWENTY YEAR CLASS OF PROPERTY

- Real estate, depreciation, **9:16**

TWO PRONG TEST

Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:142 to 8:144**

TWO THIRDS INVESTMENT TAX CREDIT

Motion pictures, **20:29, 20:39**

TWO TIER LIMITED PARTNERSHIPS

Investment Company Act of 1940, **6:295 et seq.**

TWO WAY ADJUSTMENTS

Partners and partnerships, allocating basis adjustments, **10:378**

UBTI

See **Unrelated Business Taxable Income (UBTI)** (this index)

ULOE (UNIFORM LIMITED OFFERING EXEMPTION)

Generally, **14:11 to 14:17, App R**

“ULTRAMARES” CASE

Adopting, **8:207**

Near privity rule, **8:205**

UMBRELLA PARTNERSHIP REIT

See **Real Estate Investment Trusts (REITs)** (this index)

UNACQUIRED ASSETS

Deductible expenses, **11:50**

UNAUDITED MATERIALS

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:115, 8:136**

UNAVAILABILITY OF LIKE-KIND EXCHANGE TREATMENT

Bail-outs of burned-out tax shelters, taxable sale of partnership interest, **27:66**

UNCERTAINTY

Oil and gas, negatives of programs after Tax Reform Act of 1986, **16:26**

UNDERLYING PROPERTY

Bail-outs of burned-out tax shelters, taxable sale, **27:39 to 27:44**

UNDERPAYMENT OR UNDERPAYMENTS

Audits-IRS. See **Audits - IRS** (this index)

Master limited partnerships, imputed underpayment, **10:584, 10:596, 10:597, 10:599, 10:600, 10:602**

UNDERSTATEMENT OR UNDERSTATEMENTS

Audits-IRS. See **Audits - IRS** (this index)

UNDERTAKINGS

Joint undertakings. See **Joint Undertakings** (this index)

Real estate, state regulation of private real estate securities transactions, **14:16**

UNDERWRITERS AND UNDERWRITING

Due diligence. See **Due Diligence** (this index)

FINRA. See **Financial Industry Regulatory Authority (FINRA)** (this index)

Full disclosure, prospectus, **7:60, 7:61**

Real estate investment trusts, agreement for initial public offering, **App N2, App Y**

Resales by investors, compensation, **6:197**

UNDISTRIBUTED PROFITS

At risk, **3:27**

UNFUNDED DEFERRED BENEFITS

Treatment, **11:63**

UNHARVESTED CROPS

Farmland and agriculture, sale of land with crops, **18:11**

UNIFORM APPLICATIONS

Broker-dealer registration. See **Broker - Dealers** (this index)

UNIFORM CAPITALIZATION RULES

Accounting issues affecting investment limited partnerships, **11:68 to 11:86**

Current expenses of limited partnerships, treatment of, **11:24 to 11:25**

INDEX

UNIFORM CAPITALIZATION RULES—Cont'd

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

UNIFORM COMMERCIAL CODE

Resales by investors, sales by pledgees under, **6:231**

UNIFORM LAWS

Limited partners and partnerships, tax-advantaged investments, **24:3, 24:4, 24:54**

UNIFORM LIMITED LIABILITY COMPANY ACT

Generally, **App U6**

UNIFORM LIMITED OFFERING EXEMPTION (ULOE)

Generally, **14:11 to 14:17, App R**

UNIFORM LIMITED PARTNERSHIP ACT

See **Limited Partners and Partnerships** (this index)

UNIFORM PARTNERSHIP ACT

1914 version, **App U1**

1997 version, **App U2**

Limited partners and partnerships, tax-advantaged investments, **24:4**

UNIFORM REQUEST FOR WITHDRAWAL

Broker-dealers, form, **30:10**

UNIFORM SECURITIES ACT

Blue Sky laws, **8A:5, 8A:6**

Real estate, state regulation of private real estate securities transactions, **14:2, 14:3**

UNIFORM TERMINATION NOTICE

Broker-dealers, form, **30:11**

UNIT OR UNITS

Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

Livestock programs, unit livestock price method for capitalization of costs, **17:42, 17:43**

Master limited partnerships, fungibility of MLP units, transfers of MLP

UNIT OR UNITS—Cont'd

interests, **10:492, 10:494**

Real estate. See **Real Estate** (this index)

UNLOADING AT CROSSOVER

Equipment leasing, operating the partnership, **19:79**

UNREALISTIC POSITIONS

CAUSING UNDERSTATEMENTS

IRS audit program, preparer penalties, **23:109**

UNREALIZED RECEIVABLES

IRS audit program, returns relating to exchanges of partnership interests involving, **23:80, 23:81**

UNREASONABLE USE OF TRADITIONAL METHOD

Partners and partnerships, contributions, **10:213, 10:219**

UNRELATED BUSINESS TAXABLE INCOME (UBTI)

Computation, IRS guidance on, **9:101**

Master limited partnerships, **10:564**

Real estate, **9:84 to 9:100, 25:182**

UPDATING

Due diligence and civil liability, duty to update, **8:106, 8:184**

Publicly registered real estate syndications, prospectus, **26:109, 26:118**

UPREIT (UMBRELLA PARTNERSHIP REAL ESTATE INVESTMENT TRUST)

See **Real Estate Investment Trusts (REITs)** (this index)

USE

Accounting provisions, use of cash method, **1:65**

Due diligence, defenses to inadequate or materially misleading disclosure, offering memorandum, **8:176**

Due diligence. See **Due Diligence** (this index)

Equipment leasing. See **Equipment Leasing** (this index)

Full disclosure, prospectus, use of proceeds, **7:34, 7:35**

USE—Cont'd

- Individual income tax, changes in deduction for business use of home, **1:63**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Livestock programs, full disclosure of use of futures trading, **17:89**
- Motion pictures, prior law, **20:40**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Real estate. See **Real Estate** (this index)
- Research and development. See **Research and Development** (this index)
- At risk, borrowed amounts for use in activity, **3:13, 3:14**
- S corporations, utilization of corporate losses, **22:8**

USED PROPERTY LIMITATION

- Equipment leasing, investment tax credit, **19:47**

USE TAX

- Equipment leasing, **19:78**

USUAL BUSINESS FORMAT

- Motion pictures, **20:2, 20:3**

VALUATION

- Audits-IRS. See **Audits - IRS** (this index)
- Net worth. See **Net Worth** (this index)
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)

VALUE

- Calculation of return, **2:11, 2:13, 2:14**
- Fair market value. See **Fair Market Value** (this index)
- Investment value, **2:6**
- Limited liability companies, book value, **5:59**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Present value. See **Present Value** (this index)

VALUE—Cont'd

- Real estate, salvage value and depreciation under Tax Reform Act of 1986, **9:31**

“VAN ROEKEL V COMMISSIONER” CASE

- At risk, guarantees and other risk limiting arrangements, **3:31**

VARIABLE RATE

- Passive loss, self-charged interest, varying applicable percentage, **4:94**
- Real estate. See **Real Estate** (this index)

VENTURE CAPITAL

- Partnership investment opportunities, **2:29**

VIDEOCASSETTES

- Motion pictures, depreciation, **20:16**

VINES

- Farmland and agriculture, depreciation, **18:22**

VINEYARDS

- Farming, non-livestock, **18:4**

VIOLATIONS

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:118, 8:176**
- Penalties, CTA, **9:104**
- Professionals, **8:167**

VOLUME OF FINANCINGS

- Current volume of financings in limited partnership format, **2:18**

VOLUNTARY CONVEYANCE OF PROPERTY TO CREDITORS

- Bail-outs of burned-out tax shelters, **27:51**

VOTING RIGHTS

- Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:18**
- Real estate. See **Real Estate** (this index)

WAIVER

- Due diligence and Section 11 liability, “waivable” defense to civil liability, **8:15**
- Master limited partnerships, restrictions on adjustments, **10:612**

INDEX

WARRANTS

S corporations, one class of stock requirement for eligibility, **22:25**

WATER AND SOIL CONSERVATION EXPENDITURES

Farmland and agriculture, **18:16**

“WEISS” CASE

Due diligence and civil liability, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**

WELL BY WELL DETERMINATION

Oil and gas, passive loss, **16:31**

WETLANDS

Farmland and agriculture, disposition, **18:17**

WHISTLE-BLOWER PROTECTION

Dodd Frank Act
SEC administrative enforcement, **8:78**
Employees in employment termination cases under Sarbanes-Oxley, **8:77**

WILLFUL MATTERS

IRS audit program, preparer penalties, **23:110**

“WILLIAMSON” CASE

Investment limited partnerships, investment participations as securities, **6:9 et seq.**

WINDING UP

Limited partnerships, tax-advantaged investments, **24:46**

WINDOWS PLACED IN SERVICE

Real estate, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:53**

WISCONSIN

Limited liability companies, operating agreements form, **31:8**

WITHDRAWAL

Broker-dealers, request form, **30:10**

WITHDRAWAL—Cont’d

General partner, certificates of limited partnership and tax-advantaged investments, **24:43**

WORDS AND PHRASES

See **Definitions** (this index)

WORKING INTERESTS

Oil and gas, **4:129, 16:3**

WORLD COM CASE

Due diligence and civil liability, **8:12**

WORTHLESS STOCK AND DEBT

S corporations, tax treatment of certain items, **22:47, 22:48**

WRAPAROUND MORTGAGES

Generally, **10:263, 27:41**

WRITE-OFF

Oil and gas, one hundred percent, **16:41**

WRITING IN PLAIN ENGLISH

Full disclosure, **7:20**

YEARLINGS

Horses, thoroughbreds, **17:95**

YEARLY MATTERS

See **Annual Matters** (this index)

YEAR OR YEARS

Fiscal year. See **Fiscal Year** (this index)

Five year. See **Five Year** (this index)

Half year convention. See **Half Year Convention** (this index)

Partners and partnerships. See **Partners and Partnerships** (this index)

Taxable year or years. See **Taxable Year or Years** (this index)

Three year. See **Three Year** (this index)

ZERO VALUE LIQUIDATION TEST

Partners and partnerships, recourse liabilities, **10:244**