Index

AAA

See Accumulated Adjustments Account (AAA) (this index)

ABANDONMENT

Passive activity losses under 1986 Tax Reform Act, 3:147

ACCESS TO INFORMATION

Securities laws, 5:32

ACCOUNTS AND ACCOUNTING

Accumulated adjustments account (AAA), 3:74, 3:78, 3:79, 4:74

Application for Change in Accounting Method (Form 3115), **App 4W**, **App 4X**

Audit, partnerships, 4:11, 4:12 C corporations, **4:46**, **4:60**, **4:75**

Passive activity losses under 1986 Tax Reform Act, 3:130

ACCREDITED INVESTORS

Securities laws, 5:14, 5:16, 5:21

ACCUMULATED ADJUSTMENTS ACCOUNT (AAA)

C corporations, 4:75

Distributions, 3:74, 3:78, 3:79

ACCUMULATED EARNINGS TAX

Avoidance of, 1:10

ADDITIONAL BENEFITS

Generally, 1:12

ADJUSTED CURRENT EARNINGS

C corporations, **4:66**

ADJUSTED HIGHEST SECTION 1 RATE

Partnerships, 4:31

ADJUSTMENTS

Accumulated adjustments account (AAA), 3:74, 3:78, 3:79, 4:74

C corporations, **4:59**, **4:75**, **4:85**

ADVISERS

Passive activity losses under 1986 Tax Reform Act, 3.128

AFFILIATED GROUPS

Pre-1997 ineligibility for member of affiliated group, 2:3

AGGREGATION

Passive activity losses under 1986 Tax Reform Act, 3:104-3:107

ALLOCATIONS

Election of Subchapter S, 2:48

Partnerships, 4:6

ALLOWANCES

Partnerships, 4:7

ALTERNATIVE MINIMUM TAX

PROVISIONS

Repeal of, 1:8

AMENDMENTS

Amendments to Regulation D, 5:15

C Corporations (this index)

AMORTIZATION

Taxation (this index)

ANTIFRAUD LIABILITIES

Securities laws, 5:60-5:65

ANTI-STUFFING RULES

C corporations, 4:52

ANTITRUST LAWS

Regulation D, 5:93

APPRECIATED PROPERTY

Distribution of appreciated property, rules before 1987, **3:2**

APPROVALS

Passive activity losses under 1986 Tax Reform Act, 3:121

ASSETS

C corporations, 4:49

AT-RISK

Partnerships, 4:10

Passive activity losses under 1986 Tax Reform Act,

3:141

AUDITS AND AUDITING

Partnerships, 4:11, 4:12

AUTHORITY

Securities laws, 5:79

AVOIDANCE

Accumulated earnings tax, 1:10

Double taxation, avoidance of, 1:6

AVOIDANCE—Cont'd

Income tax election to avoid Section 1375, 3:8 Passive losses, possible avoidance of, 1:9 Personal holding company tax, 1:11

BACK-UP SECTION 444 ELECTION

Partnerships (this index)

BENEFICIARIES

Successive income beneficiaries, 2:13

BLUE SKY LAWS

Securities laws, state blue sky laws, 5:66-5:80

BONUS DEPRECIATION

Deductions (this index)

BOOK INCOME

C corporations, 4:65

BROKER-DEALERS

Securities laws, 5:81 et seq.

BROKERS

Defined, 5:82

Independent broker, 5:85

BUSINESS

See **Trade or Business** (this index)

BUSINESS ACTIVITIES

Passive activity losses under 1986 Tax Reform Act, 3:94

BUY-SELL AGREEMENTS

One class of stock, requirement of, 2:22

CANCELLATION OF DEBT

Income tax, 3:5

CAPITAL GAINS AND LOSSES

Excess passive investment income, 3:13-3:20 Income tax return for S corporation. Form 1120S (this index)

Pass-through of tax items to shareholders, 3:67

CARRYFORWARDS

C corporations, 4:58

CARRYOVER BASIS PROPERTY

C corporations, 4:50

CASE LAW

Partnerships, 4:4

C CORPORATIONS

Generally, 4:88

Accounting method, 4:60

Adjusted current earnings, 4:66

Adjustment

Basic, 4:85

Section 481, 4:59

Amended Section 1374

Generally, 4:45-4:51

Anti-stuffing rules, **4:52**

C CORPORATIONS—Cont'd

Amended Section 1374—Cont'd

Appropriate accounting method, 4:46

Carryover basis property, Section 1374(d)(8),

4:50

Final regulations, effective date of, 4:53

Installment sales method, use of, 4:48

Partnership interests, 4:47

Substituted basis property, Section 1374(d)(6),

4:51

Valuing assets, 4:49

Basis adjustments, 4:85

Book income, 4:65

Carryforwards, 4:58

Collapsible corporations, **4:82**

Comparison with S Corporations (chart), 4:89

Conversion from C corporation to S corporation,

4:56

Debt versus equity, 4:84

Deferred income taxes, 4:57

Earnings, 4:66

Election, 4:55, 4:72

Employee benefit plans, 4:67-4:69

Employee Stock Ownership Plan (ESOP), 4:68

Estimated tax payments, 4:61

Fringe benefits, 4:67

Gains and losses

Carryforwards, loss of, 4:58

Liquidation gains and losses, below

Section 1244 as applied to S corporation losses, 4:83

General Utilities Doctrine, 4:44

Income, 4:65

Income tax

Generally, 4:43

Deferred income taxes, 4:57

State income tax, below

Individuals, 4:62

Liquidation gains and losses

Generally, 4:77-4:81

Distributions of property in liquidation, 4:44

Reorganizations, Section 368, 4:81

Section 331 sale or exchange, 4:78

Section 336 gain or loss recognized on property distributed in complete liquidation, 4:79

Section 338, 4:80

Section 368, 4:81

Loss of carryforwards, 4:58

Section 481 adjustment, 4:59

Section 1244 as applied to S corporation losses, 4:83

State income tax

Generally, 4:70-4:76

Accumulated adjustment account, 4:75

Credits, **4:76**

Model S Corporation Income Tax Act, 4:71

S election procedure, 4:72

C CORPORATIONS—Cont'd

State income tax—Cont'd Shareholder's basis, **4:74**

Taxation

Generally, 4:64

Deferred income taxes, **4:57** Estimated tax payments, **4:61**

Income tax, above Preferences, **4:63** State income tax, above Tax preferences, **4:63**

Transition rules for C corporations electing S corporation status, **4:55**

Valuation of stock, 4:54

CHARITABLE CONTRIBUTIONS

Pass-through of tax items to shareholders, 3:68

CHARTS

Lines of business, 4:87

CIVIL LIABILITIES

Securities laws, **5:60-5:65**

CLASSIFICATION OF ENTITY

Partnerships, 4:42

CLOSELY HELD CORPORATIONS

Passive activity losses under 1986 Tax Reform Act, 3:85

COLLAPSIBLE CORPORATIONS

C corporations, 4:82

COMMODITIES

Excess passive investment income, 3:17

COMMON CONTROL

Passive activity losses under 1986 Tax Reform Act,

3:110-3:113

COMPENSATION

Taxation (this index)

COMPETITION

Covenants not to compete, 3:56

CONDITIONS

Securities (this index)

CONDUIT SYSTEM

Pass-through of tax items to shareholders, 3:59

CONSENT

Election of Subchapter S, 2:33-2:35

CONSISTENCY

Passive activity losses under 1986 Tax Reform Act, 3:97

CONSOLIDATED GROUP TREATMENT

Passive activity losses under 1986 Tax Reform Act, 3:86

CONSULTANTS

Securities laws, 5:85

CONTRACTS AND AGREEMENTS

One class of stock, requirement of, 2:22

Shareholders' agreements, protecting election by using, **2:45**

CONTRIBUTIONS

Charitable contributions, 3:68

CONVENTIONS

Depreciation after 1986 Act, 3:32

CONVERSION

C corporations, 4:56

CONVERTIBLE DEBT

Election, 2:28

COVENANTS NOT TO COMPETE

15-year amortization for intangibles, **3:56**

COVERED SECURITIES

Securities laws, **5:77**

CREDIT

C corporations, state income tax, 4:76

Disclosures where broker-dealer extends or

arranges credit to customer, **5:96**

Passive Activity Credit Limitations: Income Tax

(Form 8582-CR), **App 4O**

Securities (this index)

CREDITS, TAX

See **Taxation** (this index)

CRIMINAL LIABILITIES

Securities laws, 5:17, 5:60-5:65

CROWDFUNDING

Generally, 5:26

Intermediaries, 5:27

SEC rules, **5:27**

DEALER

Defined, **5:82**

Passive activity losses under 1986 Tax Reform Act,

3:91

Taxation, exclusion of certain capital gains of options and commodities dealers, 3:17

DEATH OF TAXPAYER

Passive activity losses under 1986 Tax Reform Act,

3:145

DEBT

C corporations, 4:84

Taxation, 3:5, 3:47, 3:50, 3:51

DEBT-FINANCED DISTRIBUTION

Taxation, 3:45

DECEDENTS

Pass-through of tax items to shareholders, 3:66

DECISIONS

Securities laws, **5:29**, **5:34**

DEDUCTIONS

Generally, 3:23-3:57

Amortization

15-year amortization for intangibles. **Taxation** (this index)

Start-up and organizational expenditures, deduction and amortization of, 3:57

Compensation

See also other entries throughout this topic

Impact of Section 83(b), 3:39

Reasonable compensation, below

Depreciation after 1986 Act

Generally, **3:23-3:33**

Alternative depreciation system, 3:30, 3:31

Bonus depreciation, above

Real property, 3:29

Section 179 expense election, 3:33

Expenses

Depreciation after 1986 Act, Section 179 expense election, **3:33**

Interest expense, below

Start-up and organizational expenditures, deduction and amortization of, 3:57

15-year amortization for intangibles. **Taxation** (this index)

Interest deduction limitation, 3:40, 3:41

Interest expense

Generally, 3:42-3:48

Alternative depreciation system, mandatory use,

Debt-financed distributions from pass-through entity to its owners, **3:45**

Debt incurred to acquire interest in pass-through entities, 3:44

Direct loan to S corporation, 3:47

Indirect loan to shareholder, 3:48

Ownership, 3:43, 3:45

Pass-through entities, 3:43-3:45

Self-charged interest, 3:46-3:48

Investment interest limitation under Section 163(d), **3:41**

Limitation on deductibility of business interest, 1:3, 3:40

Own worthless stock or debt, 3:50

Partnerships, 4:7

Pass-through business income, Section 199A, 1:2

Reasonable compensation

Generally, 3:34-3:38

Limited liability companies, self-employment tax treatment of, **3:36-3:38**

Limited partnerships, self-employment tax treatment of, **3:36-3:38**

Partnerships, self-employment tax treatment of, 3:36-3:38

Private letter rulings, 3:38

DEDUCTIONS—Cont'd

Reasonable compensation—Cont'd

Regulations, 3:37

Self-employment tax, 3:35-3:38

Schedule K-1 (Form 1120S): Shareholder's Share of Income, Credits, Deductions, **App 4G, App**

Section 83(b), impact, 3:39

Section 163(d) treatment before 1982, 3:49

Start-up and organizational expenditures, deduction and amortization of, **3:57**

Third-party debt, 3:51

Worthless stock, **3:50**

DEEMED DIVIDEND ELECTION

Income tax, 3:9

DEEMED SALE RULE

Passive activity losses under 1986 Tax Reform Act, 3:150

DEFERRED INCOME TAXES

C corporations, 4:57

DEFINITIONS

Activity, passive activity losses under 1986 Tax Reform Act, **3:93-3:109**

Broker, 5:82

Dealer, 5:82

Election (this index)

Gross receipts, 2:38

Integration of separate private or intrastate offerings, generally, **5:37**

Passive investment income, 2:39

Qualified Subchapter S trust (QSST), 2:10

Security, **5:3**, **5:4**

Trade or business activities, 3:94

DELEGATION

Passive activity losses under 1986 Tax Reform Act, 3:131

DEPRECIATION

Taxation (this index)

DIRECT LOANS

Taxation deductions, 3:47

DISCLOSURES

Access to or disclosure of information, **5:32** Credit extended or arranged by broker-dealer, **5:96** Form U-7 Disclosure Document, **5:69**, App **5D**

DISPOSITIONS

Passive Activity Losses Under 1986 Tax Reform Act (this index)

Stock, disposition when losses are suspended, 4:9

DISTRIBUTIONS

See **Taxation** (this index)

C corporations, 4:44, 4:78

Election, 2:21, 2:46

DIMIDENDO	ELECTION C 41
DIVIDENDS	ELECTION—Cont'd
Deemed dividend election, 3:9	One class of stock, requirement of—Cont'd Warrants, options, and similar instruments,
DODD-FRANK ACT	2:25-2:27
Regulation D offerings, proposal to implement bad	Partnerships, 4:25 , 4:26
actors provisions of Dodd-Frank Act, 5:18	Partnerships (this index)
DOING BUGINEGO	Passive activity losses under 1986 Tax Reform Act,
DOING BUSINESS	3:112, 3:113
Securities laws, 5:44	Pre-1997 ineligibility for member of affiliated
DOUBLE TAXATION	group, 2:3
Avoidance of, 1:6	Qualified Subchapter S trust (QSST), 2:10-2:12
	Qualified subsidiaries, 2:6
EARNINGS	Reelection after termination or revocation, 2:44
See Income and Earnings (this index)	Rescinding revocation, 2:43
ELECTION	Revocation
	Generally, 2:42-2:44
Generally, 2:1-2:48	QSST election, 2:12
C corporations, 4:55, 4:72	Reelection after termination or revocation, 2:44
Convertible debt, 2:28	Rescinding revocation, 2:43
Definitions	Section 444. Partnerships (this index)
Gross receipts, 2:38	Shareholders
Passive investment income, 2:39 Qualified Subchapter S trust (QSST), 2:10	Generally, 2:8
	Agreements, protecting election by using,
Eligibile corporations 2.2	termination of status, 2:45
Eligible corporations, 2:2 Eligible shareholders, 2:4	Maximum number of shareholders, 2:4
Requirements, 2:1	Shareholders' consents, election of status, 2:33-
Final regulations	2:35
Generally, 2:19	Small business corporations, election to become S
Distributions and liquidation proceeds, determi-	corporation (Form 2553), App 4A, App 4B
nation of whether stock confers identical	Small business trusts, 2:9
rights to, 2:21	Status, election of
General tax principles, other instruments,	Generally, 2:29-2:35
obligations, or arrangements treated as equity	Filing, 2:32
under, 2:23	Private letter rulings under 1996 Act, 2:30
Outstanding shares, 2:20	Shareholders' consents, 2:33-2:35
Redemptions, buy-sell agreements, and restric-	Signature on consent, 2:34
tions on transfers, 2:22	Termination of status, below
Individuals, 2:5	Time and mechanics of making election, 2:29
Maximum number of shareholders, 2:4	Timeliness, determination of, 2:31
1996 Act, 2:2	Successive income beneficiaries, 2:13
One class of stock, requirement of	Taxation (this index)
Generally, 2:17-2:27	Termination of status
Call options and loans, 2:27	Generally, 2:36-2:48
Distributions and liquidation proceeds, determi-	Allocation of income on termination, 2:48
nation of whether stock confers identical	Distributions after termination, 2:46
rights to, 2:21	Gross receipts defined, 2:38
Final regulations, above	Inadvertent termination, relief from, 2:41
General tax principles, other instruments,	Partnership interests as stock or securities, 2:40
obligations, or arrangements treated as equity	Passive investment income, 2:37-2:40
under, 2:23	Post-termination transition period, 2:47
Options, warrants, and similar instruments,	Revocation, above
2:25-2:27	Shareholders' agreements, protecting election
Outstanding shares, 2:20	by using, 2:45
Redemptions, buy-sell agreements, and restric-	Small business corporation, failure to qualify as,
tions on transfers, 2:22	2:36 Tambination year 2:46
Safe harbor of certain options, 2:26	Termination year, 2:46
Straight debt safe harbor, 2:24	Trusts
Voting rights, distinctions in, 2:18	Generally, 2:7, 2:14-2:16

ELECTION—Cont'd

Trusts—Cont'd

Considerations before using, 2:16

Examples, 2:14 Small businesses, 2:9 Summary, 2:15

Warrants, options, and similar instruments, 2:25-

2:27

ELIGIBILITY

Affiliated group, pre-1997 ineligibility for member

01, 2:3

Election (this index)
Partnerships, 4:24

EMPLOYEE BENEFIT PLANS

C corporations, **4:67-4:69**

EMPLOYEE STOCK OWNERSHIP PLAN

(ESOP)

C corporations, 4:68

ENFORCEMENT

Securities laws, 5:80

ENGAGED IN "REGULAR BUSINESS"

Securities laws, 5:83

ENTITY-LEVEL LOSSES

Utilization of, 1:7

EOUITY

C corporations, **4:84** Election, **2:23**

EOUITY-FINANCED LENDING RULE

Passive activity losses under 1986 Tax Reform Act,

3:139

ESTATES

Election, 2:7

ESTIMATED TAX

C corporations, 4:61

EXCEPTIONS

See Exemptions

Exceptions, and Exclusions (this index)

EXCESS INCOME

Partnerships, 4:40

EXCESS PASSIVE INVESTMENT INCOME

See **Taxation** (this index)

EXCHANGES

C corporations, 4:78

EXCLUSIONS

See Exemptions

Exceptions, and Exclusions (this index)

EXEMPTIONS, EXCEPTIONS, AND

EXCLUSIONS

JOBS Act (this index)

EXEMPTIONS, EXCEPTIONS, AND

EXCLUSIONS—Cont'd

Partnerships (this index)

Passive activity losses under 1986 Tax Reform Act,

3:90

Regulation D, 5:95

Securities (this index)

Taxation, 3:16, 3:17

EXISTING LAW

Securities laws, 5:3, 5:47

EXPENSES

Partnerships, 4:40

Taxation (this index)

EXPERIENCE IN BUSINESS

Passive activity losses under 1986 Tax Reform Act,

3:127

EXTENSION OF CREDIT

Securities laws, 5:96

EXTENSION OF TIME

Partnerships, 4:27

FALSE STATEMENTS

Securities laws, exemption available but false state-

ment or omission involved, 5:61

FARMING

Passive activity losses under 1986 Tax Reform Act,

3:125

15-YEAR AMORTIZATION

Taxation (this index)

FIFTH CIRCUIT DECISIONS

Securities laws, 5:34

FIFTY-TWO TO FIFTY-THREE WEEK

TAXABLE YEAR

Partnerships, 4:22

FINAL REGULATIONS

C corporations, 4:53

Election (this index)

Passive activity losses under 1986 Tax Reform Act,

3:94

FINANCES

Passive activity losses under 1986 Tax Reform Act,

3:139

FINRA MEMBERSHIP

Generally, 5:89

Broker-dealer obligations to conduct investigations,

FINRA guidance, 5:92

Private offerings, FINRA Rule, 5:90

Regulation T, 5:89

Sales of private placements, FAQs on FINRA Rules

5122 and 5123, **5:91**

Section 11(d)(1), **5:89**

FISCAL YEAR

Partnerships, 4:20

FOREIGN TAXES

Pass-through of tax items to shareholders, 3:70

FORM 1120S

Income Tax Return, S corporation

Generally, App 4D

Schedule D: Capital Gains and Losses and Built-In Gains, App 4E, App 4F

Schedule K-1: Shareholder's Share of Income, Credits, Deductions, etc., **App 4G, App 4H**

FORM 1128

Income tax year: Application to Adopt, Change, or Retain Tax Year, **App 4I, App 4J**

FORM 1139

Income tax: Corporation Application for Tentative Refund, App 4T, App 4U

FORM 2553

Small business corporation, election to become S corporation, **App 4A**, **App 4B**

FORM 3115

Income tax: Application for Change in Accounting Method, App 4W, App 4X

FORM 8082

Income tax return: Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR), App 4R, App 4S

FORM 8582

Passive Activity Loss Limitations (this index)

FORM 8716

Income tax year: Election to Have Tax Year Other Than Required Tax Year, App 4K

FORM 8752

Income tax: Required Payment or Refund Under Section 7519, **App 4P**

FORM 8825

Income tax: Rental Real Estate Income or Expenses of Partnership or S Corporation, **App 40**

FORM 8869

Income tax: Qualified Subchapter S Subsidiary Election, App 4V

FORM D

Notice of Sale of Securities, App 5B

FORM U-7

Securities laws, 5:69, App 5D

FRINGE BENEFITS

C corporations, 4:67

GAINS AND LOSSES

Active business loss limitation, 4:8

GAINS AND LOSSES-Cont'd

Capital Gains and Losses (this index)

C Corporations (this index)

Disposition of stock when losses are suspended, **4:9** Excess passive investment income, capital gains and losses, **3:13-3:20**

Partnerships, 4:7

Pass-through of tax items to shareholders, 3:67

GENERAL TAX PRINCIPLES

One class of stock, requirement of, 2:23

GENERAL UTILITIES DOCTRINE

C corporations, 4:44

GIFT

Passive activity losses under 1986 Tax Reform Act, 3:146

GRANDFATHERED FISCAL YEAR

Partnerships, 4:20

GROSS RECEIPTS

Election of Subchapter S, 2:37-2:40

GROUPING

Passive activity losses under 1986 Tax Reform Act, 3:95, 3:96

GUIDES

Securities laws, 5:40

IDENTICAL RIGHTS

One class of stock, requirement of, 2:21

INADVERTENT TERMINATION

Election of Subchapter S, 2:41

INCOME AND EARNINGS

Accumulated earnings tax, 1:10

C corporations, 4:65, 4:66

Election of Subchapter S, 2:37-2:40, 2:48

Income recharacterization rules. Passive Activity
Losses Under 1986 Tax Reform Act (this index)

Investment Income (this index)

Partnerships, **4:32**, **4:35**, **4:40**

Schedule K-1 (Form 1120S): Shareholder's Share of Income, Credits, Deductions, **App 4G, App 4H**

Taxation (this index)

INCOME-PRODUCING OPERATIONS

Passive activity losses under 1986 Tax Reform Act, 3:103

INCOME TAX

See **Taxation** (this index)

INDEBTEDNESS

Partnerships, 4:3

INDEPENDENT BROKERS, LENDERS AND CONSULTANTS

Securities laws, 5:85

INDIRECT LOAN

Taxation deductions, 3:48

INDIVIDUALS

C corporations, 4:62

Election, 2:5

INFLATION REDUCTION ACT OF 2022

Generally, 1:1

INFORMATION

Securities (this index)

INSTALLMENT SALES

C corporations, **4:48**

Securities laws, 5:48

INTANGIBLES

Taxation (this index)

INTEGRAL SERVICES

Passive activity losses under 1986 Tax Reform Act,

3:124

INTEGRATION

Passive activity losses under 1986 Tax Reform Act,

3:108, 3:109, 3:141

Securities (this index)

INTEREST ON MONEY

Taxation (this index)

INTERNAL REVENUE SERVICE (IRS)

Reporting compliance of all S corporations, IRS initiative to assess, 1:14

INTRASTATE OFFERINGS

Securities (this index)

INVESTIGATIONS

Broker-dealer obligation to conduct investigation,

FINRA guidance, 5:92

INVESTMENT INCOME

Election of Subchapter S, 2:37-2:40

Taxation (this index)

INVESTMENT INTEREST

Taxation deductions, 3:41

INVESTMENTS

Income tax, 3:6

INVESTORS

Securities laws, accredited investors, 5:14, 5:16,

5:21

INVOLVEMENT

Passive activity losses under 1986 Tax Reform Act,

3:120, 3:129

"ISSUER EXEMPTION"

Securities laws, 5:84

JOBS ACT

Exemptions

1933 Act registration, 5:19

Comparison, 5:98

Private capital formation provisions, 5:20

Regulation A changes, 5:52

Regulation D, practical considerations, 5:28

KNOWLEDGE

See Notice and Knowledge (this index)

LEASES

Taxation deductions, 3:55

LEGAL SERVICES

Passive activity losses under 1986 Tax Reform Act,

3:130

LENDERS

Securities laws, 5:85

LETTER RULINGS

Election of Subchapter S, 2:30

Taxation deductions, 3:38

LIMITATION OF ACTIONS

Partnerships, 4:13

Securities laws, **5:62**, **5:63**

LIMITATIONS AND RESTRICTIONS

Business interest, limitation on deductibility, 1:3,

3:40

Election, 2:22

Passive activity losses under 1986 Tax Reform Act,

3:96, 3:131, 3:141

Passive losses, possible avoidance of, 1:9

Taxation, 3:21, 3:40, 3:41, 3:71

LIMITED LIABILITY COMPANIES

Taxation deductions, 3:36-3:38

LIMITED PARTNERSHIPS

Taxation (this index)

LIQUIDATION

C Corporations (this index)

Election, 2:21

LOANS

Passive activity losses under 1986 Tax Reform Act,

3:139

Taxation deductions, 3:47, 3:48

MANAGEMENT

Passive activity losses under 1986 Tax Reform Act,

3:126, 3:127

MATCHING SERVICES

Securities laws, **5:87**

MATERIAL PARTICIPATION

See Passive Activity Losses Under 1986 Tax Reform Act (this index)

MODEL S CORPORATION INCOME TAX ACT

C corporations, state income tax, 4:71

NASAA SMALL COMPANY OFFERINGS Generally, 5:50

NET BASE YEAR INCOME

Partnerships, section 444 election, 4:32, 4:35

NET INVESTMENT INCOME TAX

Excess passive investment income, **3:20**

NET REQUIRED PAYMENT BALANCE

Partnerships, 4:33

NINTH CIRCUIT

Securities laws, 5:35

NONEXCLUSIVE RULE

Securities laws, 5:46

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION (NASAA)

Securities (this index)

NOTICE AND KNOWLEDGE

Form D: Notice of Sale of Securities, **App 5B**Passive activity losses under 1986 Tax Reform Act, **3:116, 3:127**

NSMIA

Securities laws, 5:76

OFFERINGS

Securities (this index)

OIL AND GAS OPERATIONS

Passive activity losses under 1986 Tax Reform Act, 3:114

OMISSIONS

Securities laws, 5:61

ONE CLASS OF STOCK

Election (this index)

OPTIONS

Election (this index)

Taxation, 3:17

OUTSTANDING SHARES

Election, 2:20

OWNERSHIP

C corporations, 4:68

Passive activity losses under 1986 Tax Reform Act, 3:102

Taxation, 3:43, 3:45, 3:50

PAID ADVISER

Passive activity losses under 1986 Tax Reform Act, 3:128

PARTIAL DISPOSITIONS

Passive activity losses under 1986 Tax Reform Act, **3:99**

PARTICIPATION

Definition. See Passive Activity Losses Under 1986 Tax Reform Act (this index)

PARTNERSHIPS

Generally, **4:1-4:39**, **4:87**

Allocation of tax items, **4:6**

Allowances of losses and deductions, 4:7

At-risk, **4:10**

Audit procedures, 4:11, 4:12

Back-up Section 444 election. Section 444 election, below

Basis of taxation determined, 4:2

Case law, 4:4

C corporations, 4:47

Chart comparing partnership and S corporation provisions, **4:88**

Classification of entity, 4:42

Comparison of S corporations and, generally, **4:1 et seq.**

Election

Section 444 election, below

Status, termination of, 2:40

Exception for small S corporations, 4:17

Fifty-two to fifty-three week taxable year, **4:22**

Grandfathered fiscal year, 4:20

Income, 4:32, 4:35, 4:40

Income tax, **4:27**

Indebtedness, 4:3

Limitation of actions, **4:13**

1996 Act, audit procedures, 4:11

Overview of comparison of partnerships and S corporations, **4:1**

Passive activity losses under 1986 Tax Reform Act, 3:83, 3:87, 3:98, 3:140

Ratable inclusion of excess income over expenses,

Reporting requirements for actions affecting basis, 4:5

Revenue procedures 2006-46: Guidelines for establishing natural business year, **4:21**

Section 267, treatment of payments, 4:41

Section 444 election

Generally, 4:23 et seq.

Adjusted highest Section 1 rate, 4:31

Applicable payments, 4:34

Applicable percentages, **4:30**

Back-up Section 444 election, generally, **4:26 et seq.**

Eligibility, 4:24

PARTNERSHIPS—Cont'd	PASSIVE ACTIVITY LOSSES UNDER 1986
Section 444 election—Cont'd	TAX REFORM ACT—Cont'd
Extension of time to file income tax returns,	Disposition. Definition of activity, above
4:27	Election, 3:112
Manner and timing, 4:25	Exceptions to rental activities rules, 3:90
Net base year income, 4:32, 4:35	Final regulations, 3:94
Net required payment balance, 4:33	Gift, disposition of, 3:146
Payments (this index)	Grouping, 3:95 , 3:96
Penalties, 4:38	Income-producing operations versus support opera-
Refunds of required payments, 4:37	tions, 3:103
Section 7519 required returns, below	Income recharacterization rules
Taxation, 4:28	Generally, 3:134-3:139
Tiered structures, 4:36	Equity-financed lending rule, 3:139
Timing, 4:25 Section 7510 required returns	Lending business, 3:139
Section 7519 required returns Adjusted highest Section 1 rate, 4:31	Nondepreciable property rents, 3:138 Rental property, 3:136-3:138
Applicable payments, 4:34	Self-rented property, 3:137
Applicable percentages, 4:30	Significant participation activities, 3:135
Back-up Section 444 election, generally, 4:28-	Integration, 3:108, 3:109, 3:141
4:32	Limitations on grouping, 3:96
Net base year income, 4:32 , 4:35	Limited partnerships, 3:140
Net required payment balance, 4:33	Material participation
Payment, 4:29	Generally, 3:117-3:133
Penalties, 4:38	Accounting services provided to another type of
Refunds of required payments, 4:37	activity, 3:130
Taxation, 4:28	Experience in business, 3:127
Tiered structures, 4:36	Integral services, 3:124
Subchapter S items, 4:16	Involvement in operations, 3:120, 3:129
Taxable year, 4:18 , 4:22	Knowledge of business, 3:127
Taxation, 3:36-3:38, 4:2, 4:6, 4:27, 4:28	Legal services provided to another type of activ-
25 percent test, 4:19	ity, 3:130
Unified proceedings, 4:15	Limited delegation of implementation of deci-
DA COLLEGA CONTROL CONTROL IN THE A PRIONIC	sions, 3:131
PASSIVE ACTIVITY CREDIT LIMITATIONS	Management, 3:126 , 3:127
Income Tax Form 8582-CR, App 4N, App 4O	Mere approvals insufficient, 3:121
PASSIVE ACTIVITY LOSSES UNDER 1986	Paid adviser, 3:128
TAX REFORM ACT	Performing all required services, 3:132
Generally, 3:80-3:153	Principal business of tax payer suggests material
Abandonment as disposition, 3:147	participation, 3:122
Affected taxpayers, generally, 3:80-3:87	Record-keeping rules, 3:118
Closely held corporations, 3:85	Regular presence at principal place of business
Common control, 3:110-3:113	suggests material participation, 3:123 Senate report of 1986, generally, 3:119-3:130
Consistency requirement, 3:97	Some operations involvement, 3:129
Consolidated group treatment, 3:86	Special farming activity, 3:125
Control by same interest, 3:106	Tax services provided to another type of activ-
Dealer issue, 3:91	ity, 3:130
Death of taxpayer, 3:145	Material participation. Definition of activity, above
Definition of activity, 3:93-3:109	Notice 88-94, 3:116
Disposition	Oil and gas operations, 3:114
Generally, 3:144-3:153	Ownership by same person, 3:102
Abandonment, 3:147	Partial dispositions, 3:99
Death of taxpayer, 3:145	Participation, 3:135
Gift, 3:146	Definition of activity, 3:135
Pass-through entities, below	Trades or businesses with no material participa-
Rules, 3:142, 3:143	tion, 3:92
Transactions not qualifying as disposition,	Partnerships, 3:83, 3:87, 3:98
3:148	Passive activities, generally, 3:88-3:91

PASSIVE ACTIVITY LOSSES UNDER 1986 TAX REFORM ACT—Cont'd

Pass-through entities

Deemed sale rule, 3:150

Disposition, generally, 3:149-3:153

10 percent test, **3:151**

Tiered entities, 3:153

Transition rule, 3:152

Personal service corporations, 3:84

Publicly traded partnerships, 3:87

Recharacterization rules. Definition of activity, above

Rental activities, 3:89-3:91

Rental real estate election under Section 1.469-

4T(k) of 1989 temporary activity regulations, **3:113**

Rental undertakings, 3:111

Revenue Procedure 2010-13, 3:100

Sales, **3:144**

S corporations, 3:98

Shareholders, 3:83

Shareholders, impact on, 3:140

Similar undertakings, 3:107

Special disposition rules, 3:143

Temporary activities, 3:101, 3:112, 3:113, 3:143

Trade or business activities, 3:94, 3:109

Trade or business undertakings, aggregation of, 3:105-3:107

Trades or businesses with no material participation, 3:92

Undertakings, 3:105-3:107, 3:111, 3:112

Unreasonable activities. 3:115

PASSIVE ACTIVITY LOSS LIMITATIONS

Income Tax Form 8582, App 4L, App 4M

PASSIVE INVESTMENT INCOME

Election of Subchapter S, 2:37-2:40

Taxation (this index)

PASSIVE LOSSES

Limitations and restrictions, 1:9

PASS-THROUGH ENTITIES

Passive Activity Losses Through 1986 Tax

Reform Act (this index)

Taxation (this index)

PASS-THROUGH OF TAX ITEMS TO SHAREHOLDERS

Taxation (this index)

PAYMENTS

C corporations, 4:61

Passive activity losses under 1986 Tax Reform Act,

3:128

Section 267, partnerships, treatment of payments,

4:41

Section 444 election, partnerships

Generally, 4:29

PAYMENTS—Cont'd

Section 444 election, partnerships—Cont'd

Applicable payments, **4:34**

Net required payment balance, 4:33

Refunds of required payments, 4:37

PENALTIES

Partnerships, 4:38

PERFORMANCE

Passive activity losses under 1986 Tax Reform Act, 3:133

PERSONAL HOLDING COMPANY TAX

Avoidance of, 1:11

PERSONAL SERVICE CORPORATIONS

Passive activity losses under 1986 Tax Reform Act, 3.84

PLANNING ALTERNATIVES

Generally, 1:13

PREFERENCES

C corporations, 4:63

PRESENCE

Passive activity losses under 1986 Tax Reform Act, 3:123

PRESERVATION OF AUTHORITY

Securities laws, 5:79

PREVENTING RESALE

Securities laws, 5:36

"PREVIOUSLY TAXES INCOME"

ELECTION

Generally, 3:10

PRINCIPAL BUSINESS

Passive activity losses under 1986 Tax Reform Act, 3:122

PRIVATE CAPITAL FORMATION

JOBS Act, **5:20**

PRIVATE LETTER RULINGS

Election of Subchapter S, 2:30

Taxation deductions, 3:38

PRIVATE OFFERINGS

Securities (this index)

PRIVATE PLACEMENTS

FINRA Rules 5122 and 5123, FAQs, 5:91

PROCEEDS

Election, 2:21

PROFITS

Taxation, 3:73, 3:75-3:77

PRO RATA SHARE

Taxation, 3:60

PUBLICLY TRADED PARTNERSHIPS

Passive activity losses under 1986 Tax Reform Act, 3:87

OSST

Generally, 2:11 Defined, 2:10

Pass-through of tax items to shareholders, coordination with election to be an ESBT or a QSST, **3:62** Revocation of QSST election, **2:12**

QUALIFICATIONS

Pass-through of tax items to shareholders, **3:63**, **3:64**

Qualified Subchapter S trust (QSST) defined, **2:10** Small business corporation, failure to qualify as, **2:36**

Subsidiaries, 2:6

RATES

Partnerships, 4:31, 4:40

REAL PROPERTY

Passive activity losses under 1986 Tax Reform Act, 3:113, 3:136

Taxation, 3:29, 3:53

REASONABLE OR UNREASONABLE

Passive activity losses under 1986 Tax Reform Act, 3:115

Taxation (this index)

RECHARACTERIZATION

Passive Activity Losses Under 1986 Tax Reform Act (this index)

RECORDS AND RECORDING

Election of Subchapter S, 2:32

Partnerships, 4:27

Passive activity losses under 1986 Tax Reform Act, 3:118

REDEMPTIONS

Election, 2:22

Taxation distributions, 3:77

REELECTION

Status, termination of, 2:44

REFORM ACT

See Passive Activity Losses Under 1986 Tax Reform Act (this index)

7519 (Form 8752), App 4P

REFUNDS

Income tax

Corporation Application for Tentative Refund (Form 1139), **App 4T**, **App 4U** Required Payment or Refund Under Section

Partnerships, 4:37

REGISTRATION

Securities (this index)

"REGULAR BUSINESS"

Securities laws, 5:83

REGULAR PRESENCE

Passive activity losses under 1986 Tax Reform Act, 3:123

REGULATION A

Generally, 5:51-5:54

JOBS Act, 5:52

SEC proposed rules, **5:53** Section 12(g) changes, **5:54**

REGULATION D

Generally, 5:7 et seq., 5:22-5:28, 5:39, 5:95, App

Antitrust laws, 5:93

"Bad actors," 5:17, 5:18

Crowdfunding and intermediaries. Crowdfunding (this index)

Dodd-Frank Act bad actor provisions, proposal to implement, 5:18

Exemption, 5:95

Information requirements, 5:22

JOBS Act, general conditions and practical considerations, **5:28**

Notice and knowledge, 5:24

Notice of sales, 5:24

Offerings, SEC modernization of, 5:23

Sales, 5:24

Section 4(5), **5:25**

Securities (this index)

REGULATION T

Securities laws, 5:89

RENTAL ACTIVITIES

Passive activity losses under 1986 Tax Reform Act, 3:89-3:91

RENTAL PROPERTY

Income tax: Rental Real Estate Income or Expenses of Partnership or S Corporation (Form 8825),

Passive activity losses under 1986 Tax Reform Act, 3:113, 3:136-3:138

Taxation deductions, 3:54

RENTAL UNDERTAKINGS

Passive activity losses under 1986 Tax Reform Act, 3:111

REORGANIZATIONS

C corporations, 4:81

Taxation distributions, 3:76

REPORTS AND REPORTING

IRS initiative to assess reporting compliance of all S corporations, 1:14

Passive Activity Losses Under 1986 Tax Reform Act (this index)

RESALE

Securities laws, 5:36, 5:45, 5:59

RESIDENCE

Securities laws, 5:45, 5:48

RESTRICTIONS AND LIMITATIONS

Limitations and Restrictions (this index)

RETURNS

Income tax, generally. **Taxation** (this index)

Partnerships, 4:27, 4:28

REVENUE PROCEDURE 2006-46

Partnerships

Guidelines for establishing natural business year, **4:21**

REVENUE PROCEDURE 2010-13

Passive activity losses under 1986 Tax Reform Act,

3:100

REVOCATION

Election (this index)

RULE 3A4-1

Securities laws. 5:86

RULINGS

Taxation deductions, 3:38

SAFE HARBOR

Election, 2:26

SALES

C corporations, **4:48, 4:78**

Passive activity losses under 1986 Tax Reform Act,

3:144, 3:150

Securities laws, 5:24, 5:36, 5:45, 5:48

SEC

Securities (this index)

SECTION 12(g)

Regulation A, changes, 5:54

SECTION 1374 BUILT-IN GAINS TAX

Amended Section 1374. See C Corporations (this index)

Excess passive investment income. See **Taxation** (this index)

SECURITIES

For particular matters regarding securities laws and regulations

See more specific entries throughout this index

Generally, **5:1-5:98**

Access to or disclosure of information, 5:32

Accredited investors

Generally, 5:14

Definition, proposed changes to, 5:21

Standards revisions, 5:16

Amendments to Regulation D, 5:15

Antifraud liabilities, 5:60-5:65

SECURITIES—Cont'd

Authority, 5:79

"Bad actors" and other felons disqualified from

Regulation D offerings, 5:17

Bad actors provisions of Dodd-Frank Act, Regula-

tion D offerings, 5:18

Blue sky laws, 5:66-5:80

Broker, independent, 5:85

Broker-dealer problems, 5:81 et seq.

Broker defined, 5:82

Civil liabilities, 5:60-5:65

Consultants, 5:85

Covered securities, 5:77

Credit

Disclosures where broker-dealer extends or

arranges credit to customer, 5:96

Criminal liabilities, 5:60-5:65

Crowdfunding and intermediaries. Crowdfunding

(this index)

Crowdfunding (this index)

Dealer defined, 5:82

Decisional law apart from Regulation D, 5:29

Definitions, 5:3, 5:4, 5:37, 5:82

Disclosures, 5:32, 5:96

Doing business within state, issuer must be, 5:44

Election of Subchapter S, 2:40

Enforcement of requirements, 5:80

Engaged in regular business, **5:83**

Exemptions, exceptions, and exclusions

Exempt offerings, 5:78

False statement or omission, 5:61

Intrastate offering, 5:42

"Issuer exemption," 5:84

Liability despite exemption, 5:2

Limited exemption for offering of § 5 million or

less, prior to JOBS act, 5:51

Registration requirements of 1933 Act, gener-

ally, 5:5

Regulation T exemption, 5:95

State blue sky laws, 5:67

State registration, 5:66

Exempt offerings, 5:78

Existing law, 5:47

Extension of credit, disclosures, 5:96

Federal laws, generally, 5:1

Felons and other "bad actors" disqualified from

Regulation D offerings, 5:17

Fifth circuit decisions, 5:34

FINRA membership

Generally, 5:89

Broker-dealer obligations to conduct investiga-

tions, FINRA guidance, 5:92

FAQs on FINRA Rules 5122 and 5123, 5:91

Private offerings, FINRA Rule, 5:90

Regulation T, 5:89

Sales of private placements, 5:91

Section 11(d)(1), 5:89

Form U-7, **5:69**, **App 5D**

SECURITIES—Cont'd	SECURITIES—Cont'd
Guides, 5:40	Private offerings, generally, 5:6 , 5:94
Independent brokers, lenders and consultants, 5:85	Private offerings. Integration of separate private or
Installment sales under Rule 147, 5:48	intrastate offerings, above
Integration of separate private or intrastate offerings	Qualified purchasers, 5:56
Generally, 5:37-5:42	Registration
Guides, suggested, 5:40	Accredited investor definition, proposed
Regulation D, 5:39	changes to, 5:21
Rule 155, 5:41	Broker-dealer requirements, 5:97
SEC five-factor test, 5:38	Exempted transactions from requirements of
Internet use, 5:75	1933 Act, generally, 5:5 et seq.
Intrastate offerings	JOBS Act, exemptions from 1933 Act registra-
Generally, 5:42-5:50	tion, 5:19
Broker-dealers, 5:94	Section 5 registration, 5:3
Exclusivity of Rule 147, 5:46	State registration, generally, 5:66-5:80
Exemptions, Section 3(a)(11), 5:42	Regular business, engaged in, 5:83
Existing law apart from Rule 147, 5:47	Regulation A (this index)
Facilitation, SEC rule changes, 5:49	Regulation D (this index)
Installment sales, 5:48	Regulation T, 5:89, 5:94
Integration of separate private or intrastate	Regulation T exemption, 5:95
offerings, 5:37	Resale, 5:36, 5:45, 5:59
Integration of separate private or intrastate	Residence, 5:45 , 5:48
offerings, above	Rule 3a4-1, 5:86
Issuer residency, 5:44	Rule 10b-5, 5:65
NASAA Small Company Offerings, 5:50	Rule 147, 5:43-5:48
Offerees residency, 5:45	Rule 155, 5:41
Resales, 5:45	Rule 504, 5:9 Rule 505 (rappeled) 5:10
Residency requirements, 5:44 , 5:45 , 5:48	Rule 505 (repealed), 5:10
Rule 147, 5:43-5:48	Rule 506, 5:11
"Issuer exemption," 5:84	Rule 507, 5:12
Lenders, 5:85	Rule 508, 5:13 Rule 1001, 5:55-5:59
Liability, 5:2	SEC SEC
Liability provisions, state blue sky laws, 5:74 Limitation of actions, 5:62, 5:63	Five-factor test, 5:38
Limited exemption for offering of § 5 million or	Intrastate offerings, rule changes to facilitate,
less, prior to JOBS act, 5:51	5:49
Matching services, 5:87	Preemption, Tier 2 offering review, 5:71
NASAA	Rule 1001, 5:55-5:59
Multi-state coordinated review program, 5:70	Rules, crowdfunding and intermediaries, 5:27
Small Company Offering Registration (SCOR)	State registration with, generally, 5:75
Manual for completing Form U-7 Disclosure	Section 3(a)(11), exemption of intrastate offering,
Document, App 5E	5:42
NASAA Small Company Offerings, 5:50	Section 4(2), 5:29
Nature of offerees, 5:31	Section 4(5), 5:25
1933 Act, 5:5 et seq.	Section 5 registration, 5:3
1934 Act, 5:64	Section 10(b), 5:65
Ninth circuit, 5:35	Section 11(d)(1), 5:89
Nonexclusive rule, 5:46	Section 12(g) changes, 5:54
Notice, 5:58	Separate offerings. Integration of separate private of
Notice of Sale of Securities (Form D), App 5B	intrastate offerings, above
= =	Size of offering, 5:33
Notice of sales, 5:24	Small offerings registration form, 5:69
NSMIA, 5:76 Number of offeress 5:30	State blue sky laws, 5:66-5:80
Number of offerees, 5:30 Offerings, 5:30 , 5:31 , 5:32 , 5:45 , 5:57 , 5:78	State laws, generally, 5:1
Offerings, 5:30, 5:31, 5:33, 5:45, 5:57, 5:78	State registration, generally, 5:66-5:80
Preservation of authority, 5:79	State requirements for registration as broker-dealer,
Preventing resale, 5:36	5:97
Private offering exemption, state approach to, 5:75	Statute of limitations, 5:62 , 5:63

SECURITIES—Cont'd

"Testing the waters," state blue sky laws, **5:73** Tier 2 offerings

Review preempted by SEC, 5:71

ULOE, 5:68, App 5C

Uniform Limited Offering Exemption, **App 5C**Uniform treatment of exempt small offerings, **5:72**Willful violation of limitation of actions, **5:63**

SELF-CHARGED INTEREST

Taxation deductions, 3:46-3:48

SELF-DEVELOPED PROPERTY

Passive activity losses under 1986 Tax Reform Act, 3:136

SELF-EMPLOYMENT TAX

Reasonable compensation, 3:35-3:38

SELF-RENTED PROPERTY

Passive activity losses under 1986 Tax Reform Act, 3:137

SENATE REPORT

Passive Activity Losses Under 1986 Tax Reform Act (this index)

SEPARATE ACTIVITIES

Passive activity losses under 1986 Tax Reform Act, 3:112

SEPARATE OFFERINGS

Securities (this index)

SHARES AND SHAREHOLDERS

C corporations, **4:55**, **4:68**, **4:74**

Election (this index)

Passive activity losses under 1986 Tax Reform Act, 3:83, 3:140

Status, termination of, 2:45

Taxation (this index)

SIGNATURES

Election of Subchapter S, 2:34

SIGNIFICANT PARTICIPATION ACTIVITIES

Passive activity losses under 1986 Tax Reform Act, 3:133

SIMILAR UNDERTAKINGS

Passive activity losses under 1986 Tax Reform Act, 3:107

SMALL BUSINESS CORPORATION

Election of Subchapter S, 2:36

Election to become S corporation (Form 2553),

App 4A, App 4B

NASAA Small Company Offering Registration (SCOR) Manual for completing Form U-7 Disclosure Document, **App 5E**

SMALL BUSINESS TRUSTS

Election, 2:9

SMALL OFFERINGS REGISTRATION FORM

Securities laws, 5:69

Uniform treatment of exempt small offerings, 5:72

SMALL S CORPORATIONS

Partnerships (this index)

SOME OPERATIONS INVOLVEMENT

Passive activity losses under 1986 Tax Reform Act, 3:129

SPECIAL DISPOSITION RULES

Passive activity losses under 1986 Tax Reform Act, 3:143

SPECIAL FARMING ACTIVITY

Passive activity losses under 1986 Tax Reform Act, 3:125

START-UP AND ORGANIZATIONAL EXPENDITURES

Deduction and amortization of, 3:57

STATES

C Corporations (this index)

Securities (this index)

STATUS

Election of. See **Election** (this index) Termination of. See **Election** (this index)

STATUTES

Model S Corporation Income Tax Act, 4:71

National Securities Markets Improvement Act, 5:76

1934 Act, 5:64

1986 Act, **3:18**

1996 Act, audit procedures, 4:11

Passive Activity Losses Under 1986 Tax Reform

Act (this index)

Securities (this index)

Subchapter S Act, **3:7**, **3:62**

STRAIGHT DEBT

Election, 2:24

SUBSIDIARIES

Election, 2:6, App 4V

SUBSTITUTED BASIS PROPERTY

C corporations, 4:51

SUCCESSIVE INCOME BENEFICIARIES

Election, **2:13**

SUPPORT OPERATIONS

Passive activity losses under 1986 Tax Reform Act, 3:103

TANGIBLE PROPERTY

Taxation deductions, 3:55

TAXATION

Generally, **3:1-3:153**

Accumulated earnings tax, 1:10

TAXATION—Cont'd	TAXATION—Cont'd
Administrative adjustment request: Notice of Incon-	15-year amortization for intangibles
sistent Treatment or Amended Return (Form	Generally, 3:52-3:54
8082), App 4R, App 4S	Covenants not to compete, 3:56
Alternative minimum tax, repeal of, 1:8	Leases of tangible property, 3:55
Amortization for intangibles. Deductions (this	Rental property, 3:54
index)	Section 197 effect on real estate, 3:53
Application to Adopt, Change or Retain a Tax Year	Income, 3:66
(Form 1128), App 4I , App 4J	Income tax
Carried interest provision, 1:4	Generally, 3:1-3:20
C Corporations (this index)	Accounting, Application for Change in
Choice of entity considerations, 1:5	Accounting Method (Form 3115), App 4W,
Compensation. Deductions (this index)	App 4X
Credits	Cancellation of debt, income from, 3:5
Passive Activity Credit Limitations (Form 8582-	C Corporations (this index)
CR), App 4N, App 4O	Deemed dividend election, 3:9
Shareholder's Share of Income, Credits, Deduc-	Distribution of appreciated property, rules
tions: Schedule K-1 (Form 1120S), App 4G,	before 1987, 3:2
App 4H	Election
Deductions (this index)	Generally, 3:4
Depreciation after 1986 Act. Deductions (this	Previously taxed income, 3:10
index)	Section 1368(e)(3) election, 3:8
Distribution 2.72.2.70	Excess passive investment income, above
Generally, 3:72-3:79	Mechanics of election, 3:12
Accumulated adjustments account (AAA), 3:74,	1986 Act, rules after, 3:3
3:78, 3:79	Notice of Inconsistent Treatment or Administra-
Deductions, 3:45	tive Adjustment Request (AAR) (Form 8082).
Divisions, 3:76	App 4R, App 4S
Elections concerning AAA, 3:79	Partnerships, 4:27
Income tax, 3:2	Passive Activity Credit Limitations (Form 8582-
Redemptions, 3:77	CR), App 4N, App 4O
Reorganizations, 3:76	Passive Activity Loss Limitations (this index)
Section 1368(b) distributions, no earnings or	Passive investment income, treatment of, 3:6
profits, 3:73	"Previously taxes income" election, 3:10
Section 1368(c) distributions, earnings and	Refunds (this index)
profits, 3:75-3:77	Rental Real Estate Income or Expenses of
Double taxation, avoidance of, 1:6	Partnership or S Corporation (Form 8825),
Election	App 4Q
Generally, 2:23	Required Payment or Refund Under Section
Deductions, 3:33	7519 (Form 8752), App 4P
Distributions, 3:79	Return for S corporation (Form 1120S)
Effect of various elections, 3:11	Generally, App 4C , App 4D ; and see other
Income tax, below	lines in this heading
Pass-through of tax items to shareholders, 3:61- 3:64	Form 8869: Qualified Subchapter S Subsidiary Election, App 4V
Excess passive investment income	
Generally, 3:13-3:20	Schedule D: Capital Gains and Losses and
Capital gains, 3:14-3:17	Built-In Gains, App 4E , App 4F Schedule K-1: Shareholder's Share of
Corporate capital gains and losses, 3:18	Income, Credits, Deductions, App 4G ,
Exceptions to capital gain tax, 3:16	App 4H
Exclusion of certain capital gains of options and	Section 1368(e)(3) election, 3:8
commodities dealers, 3:17	Small business corporations, election to become
Limitation on capital losses, 3:21	
Net investment income tax, 3:20	S corporation (Form 2553), App 4A , App 4B
1986 Act, 3:18	Tax Year (this index) Tarmination under Subabantar S. Act. 3.7
	Termination under Subchapter S Act, 3:7
Noncorporate capital gains and losses, 3:19	Intangibles. 15-year amortization for intangibles,
Rules before 1987, 3:15	above
Expenses. Deductions (this index)	Intangibles. Deductions, above

TAXATION—Cont'd

Interest expense. Deductions, above

Interest on money, 3:40, 3:41, 3:44, 3:69

Investment income. Excess passive investment income, above

Limited liability companies, deductions, **3:36-3:38** Limited partnerships

Deductions, 3:36-3:38

Passive activity losses under 1986 Tax Reform Act, **3:140**

Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR) (Form 8082), **App 4S**

Partnerships, 4:2, 4:6, 4:28

Passive Activity Credit Limitations (Form 8582-

CR), **App 4N, App 4O**

Passive Activity Losses Under 1986 Tax Reform Act (this index)

Passive Activity Loss Limitations (this index)

Passive investment income. Excess passive investment income, above

Pass-through entities

Generally, 3:43-3:45

Deduction, pass-through business income, Section 199A, 1:2

Notice of Inconsistent Treatment or Amended Return: income tax (Form 8082), **App 4R**, **App 4S**

Pass-through of tax items to shareholders

Generally, 3:58-3:71

After Subchapter S Act, 3:59

Before 1982, **3:58**

Capital gains and losses, 3:67

Charitable contributions, 3:68

Conduit system, 3:59

Coordination with election in case of qualifying disposition, **3:63**

Coordination with election to be an ESBT or a QSST, **3:62**

Election in case of qualifying disposition, **3:63**, **3:64**

Election where shareholder terminates interest, 3:61-3:63

Foreign taxes, 3:70

Income in respect of decedent, 3:66

Limitations on use of tax items at both corporate and shareholder levels, **3:71**

Pro rata share, 3:60

Section 1231 gains and losses, **3:67**

Taxable year of shareholder, 3:65

Tax-exempt interest, 3:69

Personal holding company tax, 1:11

Qualified Subchapter S Subsidiary Election (Form 8869), **App 4V**

Reasonable compensation. **Deductions** (this index)

Reform Act. See Passive Activity Losses Under 1986 Tax Reform Act (this index)

Refunds (this index)

TAXATION—Cont'd

Rental Real Estate Income or Expenses of Partnership or S Corporation (Form 8825), **App 4Q**

Section 1374. Excess passive investment income, above

Shares and shareholders

Deductions, 3:48, 3:50

Pass-through of tax items to shareholders, above Schedule K-1 (Form 1120S): Shareholder's Share of Income, Credits, Deductions, **App 4G, App 4H**

Start-up and organizational expenditures, deduction and amortization of, 3:57

Statutes

See lines throughout this index topic

Tax Cuts and Jobs Act of 2017 (this index)

Year. See **Tax Year** (this index)

TAX CUTS AND JOBS ACT OF 2017

Active business loss limitation, 4:8

Business interest, limitation on deductibility, 1:3, 3:40

Carried interest provision, 1:4

Choice on entity considerations, 1:5

Depreciation, 3:23-3:33

Pass-through business income deduction, Section 199A, 1:2

TAX-EXEMPT INTEREST

Taxation, pass-through of tax items to shareholders, **3:69**

TAX REFORM ACT

See Passive Activity Losses Under 1986 Tax Reform Act (this index)

TAX SERVICES

Passive activity losses under 1986 Tax Reform Act, 3:130

TAX YEAR

Application to Adopt, Change, or Retain Tax Year (Form 1128), App 4I, App 4J

Election to have Tax Year Other Than a Required Tax Year (Form 8716), **App 4K**

Pass-through of tax items to shareholders, taxable year of shareholder, **3:65**

Taxable year

Election of Subchapter S, 2:37-2:40

Partnerships, 4:18, 4:22

Pass-through of tax items to shareholders, 3:65

TEMPORARY ACTIVITIES

Passive activity losses under 1986 Tax Reform Act, 3:101, 3:112, 3:113, 3:143

10 PERCENT TEST

Passive activity losses under 1986 Tax Reform Act, 3:151

TERMINATION

Election of Subchapter S. See **Election** (this index) Taxation, **3:7**

TERMINATION YEAR

Election of Subchapter S, 2:46

TESTS

SEC five-factor test, **5:38** 10 percent test, **3:151** 25 percent test, **4:19**

THIRD-PARTY DEBT

Taxation deductions, 3:51

TIERED ENTITIES

Partnerships, 4:36

Passive activity losses under 1986 Tax Reform Act, 3:153

TIME

C corporations, **4:53**

Election of Subchapter S, 2:29

Partnerships, **4:25**, **4:27**

TIMELINESS

Election of Subchapter S, 2:31

TIMING

Partnerships, 4:25

TRADE OR BUSINESS

Passive activity losses under 1986 Tax Reform Act, **3:92, 3:94, 3:105-3:107, 3:109**

TRANSFERS

One class of stock, requirement of, 2:22

TRANSITION RULE

C corporations, 4:55

Passive activity losses under 1986 Tax Reform Act, 3:152

TRUSTS

See **Election** (this index)

25 PERCENT TEST

Partnerships, 4:19

ULOE

Securities laws, 5:68, App 5C

UNDERTAKINGS

Passive activity losses under 1986 Tax Reform Act,

3:105-3:107, 3:111, 3:112

UNIFIED PROCEEDINGS

Partnerships, 4:15

VALUE AND VALUATION

C corporations, **4:49**, **4:55**

VOTING RIGHTS

Election, requirement of one class of stock, 2:18

WARRANTS

Election, requirement of one class of stock, 2:25-

2:27

WILLFUL ACTS AND MATTERS

Securities laws, violation of limitation of actions, 5:63

WORTHLESS STOCK

Tax deductions, 3:50