

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, **8:170**
Due diligence and civil liability, inadequate or materially misleading disclosure, **8:82 to 8:190, 8:208**
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, **8:135**
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, **8:170**

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, **8:186**

ACTUAL PARTICIPATION

Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:145**

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 provisions under Taxpayer Bill of Rights, **23:140**

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

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

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

ADDITIONS TO BASIS

Real estate, low income housing credit, **9:147**

ADEQUATE OR SUFFICIENT MATTERS

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

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

Publicly registered real estate syndications, net cash flow, **26:43**

ADJUSTMENT OR ADJUSTMENTS

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

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)

S corporations, adjusted highest section one rate, **22:76**

ADMINISTRATIVE MATTERS

Adjustments, master limited partnerships, **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, **8:173**

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 Partnerships** (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 exception, **8:142**

ADVERSE OPINION

Due diligence, adverse opinion requirement 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**

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**

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, **6:310**

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, **9:126**

AGENTS

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:88, 8:140**

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)

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**

INDEX

AGREEMENTS OR CONTRACTS

—Cont'd

- 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, **8:85, 8:91, 8:113 to 8:122**
- 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 materially misleading disclosure, **8:180**

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**

ALLOCATION OR ALLOCATIONS

—Cont'd

- 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 ECONOMIC EFFECT TEST

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

ALTERNATIVE MINIMUM TAX

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

ALTERNATIVE MINIMUM TAX**—Cont'd**

- Farmland and agriculture, **18:21**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (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 Minimum Tax** (this index)
- Passive loss, alternative tests for material participation, **4:36 to 4:43**
- Publicly registered real estate syndications. 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 position 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 syndications, **26:164**

AMORTIZATION

- Corporate income tax, intangibles, **1:54**
- Limited partners and partnerships, accounting issues affecting investment 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**
- 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)

INDEX

AMOUNT, QUANTITY OR NUMBER —Cont'd

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, **8:115**

Financial Industry Regulatory Authority (FINRA), frequently asked questions, **13:19**

IRS audit program, substantial understatement of income tax taxpayer penalty, **23:41**

APPEAL AND REVIEW—Cont'd

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, **6:303**

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**

APPRECIATION—Cont'd

- 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)
- 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**

ASSETS—Cont'd

- 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, **8:115**

ASSOCIATED PERSONS

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

INDEX

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**
- 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**

AT RISK—Cont’d

- 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, **9:163**
- Limited liability companies, taxation of LLCs and members, **5:66**
- 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**

AT RISK—Cont'd

- 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, **9:163**
 - 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.**
- 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**

AT RISK—Cont'd

- 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, **8:170**
- American Bar Association. See **American Bar Association** (this index)
- Due diligence and civil liability
 - inadequate or materially misleading disclosure, **8:82 to 8:190, 8:208, 8:219 to 8:222**
 - state law due diligence duties of securities counsel, **8:223**

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**
- 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**

INDEX

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, **8:170**

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, **8:116, 8:128, 8:130**
et seq., **8:137**

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**

Publicly registered real estate syndica-
tions, 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.

AUDITS-IRS—Cont'd

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 practi-
cal 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 profes-
sional 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, transac-
tions with, **23:15**

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 regard-
ing “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**

AUDITS-IRS—Cont'd

American Jobs Creation Act of 2004
 —Cont'd
 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
 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, Ameri-
 can Jobs Creation Act of 2004,
23:10

AUDITS-IRS—Cont'd

Assessments—Cont'd
 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, informa-
 tion 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**
 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 penal-
 ties, **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**

INDEX

AUDITS-IRS—Cont'd

- 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**
 - 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**

AUDITS-IRS—Cont'd

- Disclosure, **23:3.30**—Cont'd
 - 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**
 - 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**

AUDITS-IRS—Cont'd

- 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**
 - 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**

AUDITS-IRS—Cont'd

- Income—Cont'd
 - 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**
 - 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**

INDEX

AUDITS-IRS—Cont'd

- 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.**
- 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**

AUDITS-IRS—Cont'd

- Opinions—Cont'd
 - 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**
 - 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**

AUDITS-IRS—Cont'd

- 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.**
- 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.**

AUDITS-IRS—Cont'd

- Regulations—Cont'd
 - 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**
- 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**

INDEX

AUDITS-IRS—Cont'd

- 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**
- 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**

AUDITS-IRS—Cont'd

- 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**
 - 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**

AUDITS-IRS—Cont'd

- Understatements—Cont'd
 - 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, **8:190**
- 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**
- 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**

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**

AVOIDANCE—Cont'd

- Motion pictures, at riskrule, **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)
- Real estate. See **Real Estate** (this index)
- Research and development programs, **21:4**
- At riskrules, 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**

INDEX

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 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**

BAIL OUTS OF BURNED OUT TAX SHELTERS—Cont'd

- 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**
- 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, refinanc-

BAIL OUTS OF BURNED OUT TAX SHELTERS—Cont'd

- Exceptions—Cont'd
 - ings 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**
 - 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**

BAIL OUTS OF BURNED OUT TAX SHELTERS—Cont'd

- Interests—Cont'd
 - 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**
 - 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**

INDEX

BAIL OUTS OF BURNED OUT TAX SHELTERS—Cont'd

- 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
 - 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**

BAIL OUTS OF BURNED OUT TAX SHELTERS—Cont'd

- 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**
 - 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

BALANCING TEST—Cont'd

materially misleading disclosure,
8:217, 8:221

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 bank-
ruptcy estates, **4:133**

BAR

Broker-dealers, disciplinary procedures,
15:114

Due diligence and civil liability, bar
orders, **8:197**

"BARCHRIS" CASE

Due diligence and civil liability, **8:9,**
8:84

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 infla-
tion, **1:8**

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

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

BASIS—Cont'd

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**

IRS audit program, nominee reporting to
partnership, **23:87**

Limited partners and partnerships, two-
tier limited partnerships under
Investment Company Act of 1940,
6:297

BENEFITS

Due diligence and civil liability, tax
benefits as offset to damages for
inadequate or materially misleading
disclosure, **8:191**

Equipment leasing, tax benefits not gen-
erally 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 materi-

INDEX

“BESPEAKS CAUTION” DOCTRINE—Cont’d

ally misleading disclosure, **8:183**

“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, **8:92**

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, **8:223**

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)

BLUE SKY LAWS—Cont’d

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, **9:177**

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

Additional first year depreciation, **9:60**

Effective for property placed in service before september 27, 2017, **9:61**

Previous provisions, **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, **9:196**

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**

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

BROKER-DEALERS—Cont’d

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**

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**

INDEX

BROKER-DEALERS—Cont'd

- Commencing business, **15:14**
- Commercial paper, computation of net capital, **15:53**
- Common-law duties to customers, **6:286**
- 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, **8:147**
- 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**

BROKER-DEALERS—Cont'd

- Disciplinary procedures—Cont'd
 - 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, **8:147**
 - 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,” **8:175**
 - regulation D offerings, suggested due diligence procedures, **15:96**
- Education, continuing education training plan, **30:9, 30:12**
- 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**

BROKER-DEALERS—Cont'd

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**

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**

BROKER-DEALERS—Cont'd

Forms—Cont'd

- applications—Cont'd
 - 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**
- 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**

INDEX

BROKER-DEALERS—Cont'd

Forms—Cont'd
registration—Cont'd
 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**
 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

BROKER-DEALERS—Cont'd

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, **8:147**
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,” **8:175**
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**
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,” **8:175**
Liability. See Control person liability, above
Limited partnerships
 compliance for real estate limited partnership syndications, **15:1 et seq.**

BROKER-DEALERS—Cont'd

- Limited partnerships—Cont'd
 - 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**
- 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**

BROKER-DEALERS—Cont'd

- 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**
- 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

INDEX

BROKER-DEALERS—Cont'd

- 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**
- 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**

BROKER-DEALERS—Cont'd

- Registration—Cont'd
 - compliance for real estate securities offerings—Cont'd
 - 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**
- 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**

BROKER-DEALERS—Cont'd

- 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**
- 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**

BROKER-DEALERS—Cont'd

- Supervisory matters
 - compliance for real estate limited partnership syndications, **15:73**
 - legal / compliance officers or in-house counsel of broker-dealers as “supervisors,” **8:175**
 - 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**
 - 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

INDEX

BROKER-DEALERS—Cont'd

- Uniform applications, forms—Cont'd 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, **8:88, 8:147**
- 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)
- 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**

BUSINESS OR BUSINESSES—Cont'd

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**

CALCULATION OR COMPUTATION—Cont'd

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**

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**

INDEX

CANCELLATION OF

INDEBTEDNESS—Cont'd

- 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)
- 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**
- 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**

CARRIED INTEREST—Cont'd

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)

CAUSE AND CAUSATION—Cont'd

Due diligence, Rule 10b-5 and inadequate or materially misleading disclosure, loss causation, **8:108**

CAUTIONARY STATEMENTS

Due diligence, **8:185**

C&DIs

Crowdfunding, **6:167**

Cybersecurity incident disclosures, Form 8-K, **App F9**

EGCs, registration and disclosure requirements under FAST Act, **6:238**

Limitation on amount of securities sold, **6:225 et seq.**

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**

intrastate offering exemption, Rule 147, **6:137**

permitted general solicitation under Rule 506(c) (Nov 2013), **6:25**

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**

INDEX

C&DIs—Cont'd

- Limited partners and partnerships
 - Cont'd
 - 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, **8:174**

CEILING RULE

- Master limited partnerships, transfers of MLP interests, **10:494**
- 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, **9:121**

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, **8:196**
- 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)
- 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**

CHANGE OR CHANGES—Cont'd

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**

CHECK THE BOX REGULATIONS

—**Cont'd**

Partners and partnerships, **10:15 to 10:34, 10:73**

Single owner entity, **5:11, 10:22, 10:74**

CHEVRON DOCTRINE

Due diligence, **8:163**

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

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)

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

CIVIL FINES

SEC ALJ enforcement proceedings involving civil fines ruled unconstitutional Seventh Amendment violation, **8:161**

CIVIL LIABILITY

Due diligence, **8:1 to 8:224**

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**

INDEX

CLASSIFICATION—Cont'd

- 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**
- 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**

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, **8:208**

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**

COMMUNICATIONS—Cont'd

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, **9:144**

COMPARATIVE INFORMATION

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

COMPENSATION

Commissions. See **Commissions** (this index)

Equipment leasing, state guidelines for registration of equipment programs, **19:90**

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)

COMPLIANCE—Cont'd

Due diligence and civil liability, compliance with GAAS and GAAP, **8:134, 8:136**

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, C&DIs, **App F1**

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**

INDEX

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 registra-

CONSIDERATION—Cont'd

tion 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 misleading disclosure, **8:120**

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**
- 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, **8:193 to 8:205**
- Joint and several versus proportionate liability, **8:194**

CONTRIBUTIONS—Cont'd

- 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 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, **8:138 to 8:151**

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, **9:223**
- Resales by investors, special tacking rules, **6:208**

CONVERTIBLE MATTERS

- Mortgage, real estate mortgage investment conduits, **28:17**
- Notes, at risk, **3:14**

INDEX

CONVERTIBLE MATTERS—Cont'd

- 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**
- Constitutionality, **9:113**
- 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**

CORPORATE TRANSPARENCY ACT (CTA)—Cont'd

- 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**
- 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, **8:107, 8:188**

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, **8:174**

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**

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)

COURTS—Cont’d

Real estate, tax court position on nominee corporations, **9:176**

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**

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

CREDIT

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)

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

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

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

INDEX

CREDITS—Cont'd

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

CRIMINAL LIABILITY

Due diligence, Rule 10b-5 and inadequate or materially misleading disclosure, **8:121**

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**

Federal rule, **6:164**

Investor bulletin, **App P1**

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

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

CRYPTOCURRENCY

Cryptocurrency, SEC injunctive authority, **8:153**

CULPABLE PARTICIPATION REQUIREMENT

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

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**

CURRENT MATTERS—Cont'd

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**

FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:41, 13:48**

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, **8:191**

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

DATA—Cont'd

- 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, **8:88, 8:147**
- National Association of Securities Dealers. See **National Association of Securities Dealers (NASD)** (this index)
- Passive loss. See **Passive Loss** (this index)
- 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)

DEBT OR INDEBTEDNESS—Cont'd

- 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, **8:192**
- 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**

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), **8:198**
- 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**
- 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**

INDEX

DEDUCTIONS—Cont'd

- 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**
- 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, **9:124**
- Qualified revitalization expenditure, **9:125**
- Section 1400I, commercial revitalization deduction, **9:123**
- 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**

DEEMED SALE—Cont'd

- 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, **8:145**
- 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 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**

DEFINITIONS—Cont'd

- 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, **6:298**
- Investment interest, **11:124, 19:11**
- Investor, **23:60**
- Large accelerated filers, amendments, **7:4**
- Low income housing tax rollovers, **9:168**
- 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**
- 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**
- 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 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, **9:221, 9:222**

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

DEMOLITION COSTS

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

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)

INDEX

DEPRECIATION—Cont'd

- 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**
 - 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**

DEPRECIATION—Cont'd

- 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**
- Short taxable year, **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 syndications, Form S-11 requirements for contents of prospectus, **26:50**
- Real estate, like-kind exchanges, **9:204**
- 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**

DETERMINATIONS—Cont'd

- 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**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Passive loss. See **Passive Loss** (this index)
- Research and development. See **Research and Development** (this index)

DIFFERENTIAL COMPENSATION

- Publicly registered real estate syndications, SEC rollout disclosure rules, **26:188**

DIFFERENT PARTNERSHIPS

- Publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:92**

DIGITAL ASSETS

- Recent legislative proposals, IRS guidance 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, Regulation S, **6:175**

DIRECT LOAN TO S CORPORATION

- Self-charged interest, **22:46**

DIRECTORS OF CORPORATIONS

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:84, 8:148, 8:201**
- Full disclosure, **7:13, 7:16, 7:48, 7:49**
- Other persons, **8:151**

DIRECT OWNERSHIP OF RESIDENTIAL REALTY

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

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, **8:152 to 8:177**

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**

INDEX

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, **8:106**

Advisers curtailed in Fifth Circuit ruling, **8:179**

Audits - IRS (this index)

Authority pertaining to private funds, **8:179**

Drafting disclosure documents, **8:172, 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**

DISCLOSURE—Cont'd

Securities Act Rules, selected Compliance and Disclosure Interpretations

C&DIs, **App F1**

Small Entity Compliance Guide, **App A9**

Solicitation and proxy voting advice businesses, **8:178**

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)
 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, **8:172, 17:90, 17:91**
 Due diligence and civil liability, inadequate or materially misleading disclosure, **8:82 to 8:190**
 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 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, **8:79**

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)

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, **8:172, 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, **8:176**
Accountants and accounting
accountants, inadequate or materially misleading disclosure, **8:208**
audits and auditors. Auditing internal control over financial reporting, standard for, below
inadequate or materially misleading disclosure, **8:130 to 8:137**
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, **8:114 et seq.**
misrepresentations, **8:22**

DUE DILIGENCE—Cont'd

Actual knowledge, state of mind safe harbor for inadequate or materially misleading disclosure, **8:186**
Actual participation, control person liability for inadequate or materially misleading disclosure, **8:145**
Administrative law judges, constitutionality of SEC's appointment process, **8:160**
Administrative proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:173**
Adverse interests exception, corporate scientist, **8:142**
Adverse opinion requirement when material weakness exists, **8:59**
Advice
aiding and abetting, Rule 10b-5 and inadequate or materially misleading disclosure, **8:115**
direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:172**
Agents, inadequate or materially misleading disclosure, **8:88, 8:140**
Agreements. See **Contract provisions**, below
Aiding and abetting, inadequate or materially misleading disclosure, **8:85, 8:91, 8:113 to 8:122**
ALJ enforcement proceedings involving civil fines ruled unconstitutional Seventh Amendment violation, **8:161**
Allegations of violation, defenses to inadequate or materially misleading disclosure, **8:180**
Application or applicability
GAAP, **8:133**
GAAS and GAAP, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:130, 8:132**
model Rules and Codes, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:125**
safe harbors for forward-looking statements, defenses to inade-

DUE DILIGENCE—Cont'd

- Application or applicability—Cont'd
 - adequate or materially misleading disclosure, **8:184**
 - section 12(2) of Securities Act of 1933, inadequate or materially misleading disclosure, **8:90**
- Appointment of administrative law judges by SEC, **8:160**
- Arsenal against professionals and others, SEC enforcement, **8:154**
- Aspirational statements, **8:21**
- Assisting in preparation of statements made by another, aiding and abetting in inadequate or materially misleading disclosure, **8:115**
- Attorneys
 - inadequate or materially misleading disclosure, **8:82 to 8:190, 8:208, 8:219 to 8:222**
 - public companies for Securities Exchange Act of 1934 periodic filings, duties, **8:52**
 - securities counsel, state law duties, **8:223**
- Attorneys and accountants, **8:150**
- 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**

DUE DILIGENCE—Cont'd

- Audit committee—Cont'd
 - SEC disclosure rules—Cont'd
 - 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**
 - 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, **8:116, 8:128, 8:130 et seq., 8:137**

INDEX

DUE DILIGENCE—Cont'd

- Authority of SEC to expand safe harbors for forward-looking statements, inadequate or materially misleading disclosure, **8:190**
- Balancing test, state law claims for inadequate or materially misleading disclosure, **8:217, 8:221**
- “BarChris” case, **8:9, 8:84**
- Bar orders, inadequate or materially misleading disclosure, **8:197**
- “Bespeaks caution” doctrine, defenses to inadequate or materially misleading disclosure, **8:183**
- Bright line approach, **8:117**
- Broker - Dealers. See **Broker - Dealers** (this index)
- Brokers, inadequate or materially misleading disclosure, **8:88, 8:147**
- Business of company, investigation of issuer, **8:31**
- Cases adopting Ultramares, **8:211**
- Cause and causation, Rule 10b-5 and inadequate or materially misleading disclosure, loss causation, **8:108**
- Cease and desist orders, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:174**
- Chamber of Commerce APA challenge to SEC proxy voting advice business regulations, **8:177**
- Charter of audit committee, **8:69, 8:75**
- Checklists
 - Generally, **App N**
 - broker-dealers, real estate syndication, **15:79 to 15:94**
- Chevron doctrine, **8:163**
- Choice of accounting method, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:135**
- Chris-Craft case, Section 11 civil liability, **8:11**
- Civil liability, **8:1 to 8:224**
- Claims
 - federal preemption of pendent state claims for indemnification and contribution, inadequate or materially misleading disclosure, **8:204**

DUE DILIGENCE—Cont'd

- Claims—Cont'd
 - Rule 10b-5 Standing to bring claim restricted
 - implied private right of action, **8:122**
 - special pleading requirements for Rule 10b-5 claims brought against attorneys and accountants, inadequate or materially misleading disclosure, **8:122**
 - state law claims for inadequate or materially misleading disclosure, **8:206 to 8:224**
- Common law, claims for inadequate or materially misleading disclosure, **8:208**
- Companies taking advantage of the safe harbor, **8:189**
- Compliance
 - GAAS and GAAP, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:134, 8:136**
 - 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, **8:120**
- Constitutionality of SEC’s appointment process of administrative law judges, **8:160**
- Contract provisions
 - enforcing no representation and no-reliance contract provisions against Rule 10b-5 claims, **8:182**
 - inadequate or materially misleading disclosure, contract provisions for contribution, **8:205**
- Contribution, inadequate or materially misleading disclosure, **8:193 to 8:205**
- Control person liability, inadequate or materially misleading disclosure, **8:138 to 8:151**
- Corporate scienter generally, **8:141**

DUE DILIGENCE—Cont'd

- Corporate scienter—Cont'd
 - adverse interests exception, **8:142**
 - pleading, **8:123**
- Corporations
 - directors, inadequate or materially misleading disclosure, **8:84, 8:148, 8:201**
 - officers, inadequate or materially misleading disclosure, **8:82 to 8:190**
- Correction duty, inadequate or materially misleading disclosure, **8:107, 8:188**
- “Costanza” case, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:174**
- Courts
 - “bespeaks caution” doctrine, defenses to inadequate or materially misleading disclosure, **8:183**
 - decisions of courts, **8:2 et seq.**
 - SEC ALJ enforcement proceedings involving civil fines ruled unconstitutional Seventh Amendment violation, **8:161**
 - SEC disgorgement remedy, application of statute of limitations by Supreme Court, **8:162**
- Criminal liability, Rule 10b-5 and inadequate or materially misleading disclosure, **8:121**
- Culpable participation requirement, control person liability for inadequate or materially misleading disclosure, **8:144**
- Damages, inadequate or materially misleading disclosure, **8:191**
- Dealers, inadequate or materially misleading disclosure, **8:88, 8:147**
- Decisions of courts, **8:2 et seq.**
- Defenses, inadequate or materially misleading disclosure, **8:84**
- Directors of corporations, inadequate or materially misleading disclosure, **8:84, 8:148, 8:201**
- Direct participation programs, FINRA regulation, **13:16, 13:52**
- Direct proceedings by SEC, inadequate or materially misleading disclosure, **8:152 to 8:177**

DUE DILIGENCE—Cont'd

- Disclosure
 - audit committee, above
 - inadequate disclosure, **8:80 to 8:224**
 - materially misleading disclosure, **8:80 to 8:224**
 - public companies, periodic filings under Securities Exchange Act of 1934, below
- Disgorgement remedy, application of statute of limitations, **8:162**
- Documents, inadequate or materially misleading disclosure, **8:82 to 8:190**
- Dodd-Frank Act, SEC rule-making provisions under, **8:76**
- Drafting
 - disclosure documents, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:172**
 - express contract provisions for contribution, inadequate or materially misleading disclosure, **8:205**
 - statements made by another, aiding and abetting, **8:115**
- Duties
 - accountants, disclosure of material facts, **8:106**
 - correction duty, inadequate or materially misleading disclosure, **8:107, 8:188**
 - inadequate or materially misleading disclosure, **8:83 et seq.**
 - underwriter’s duties under Rule 10b-5, **8:102**
 - update duty, inadequate or materially misleading disclosure, **8:107, 8:188**
- Editing statements made by another, Rule 10b-5 and inadequate or materially misleading disclosure, **8:115**
- Employers, control person liability for inadequate or materially misleading disclosure, **8:140**
- Enforcement, direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:152 to 8:177**
- Enforcement authority, private funds and private fund advisers curtailed

INDEX

DUE DILIGENCE—Cont'd

- in Fifth Circuit ruling, **8:179**
- Evidence, inadequate or materially misleading disclosure, **8:134, 8:145**
- Exclusions, safe harbors for forward-looking statements, **8:184**
- 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, **8:80 to 8:224**
- “Feldman” case, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:174**
- Fiduciary duties and liability for failure to advise board concerning its monitoring duties, **8:129**
- Financial experts of audit committee, **8:64 et seq.**
- Financial matters
 - aiding and abetting, Rule 10b-5 and inadequate or materially misleading disclosure, **8:116**
 - 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, **8:137**
- Financial statement “materiality,” Rule 10b-5 and inadequate or materially misleading disclosure, **8:105**
- FINRA guidance for private placements, practical aspects of due diligence investigations, **8:36**

DUE DILIGENCE—Cont'd

- 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, **8:215, 8:216**
- Formal opinions negligently issued, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**
- Forward-looking statement safe harbor, defenses to inadequate or materially misleading disclosure, **8:183 to 8:190**
- Fraud
 - FINRA regulation of direct participation, **13:52**
 - joint and several liability, inadequate or materially misleading disclosure, **8:195**
 - public companies, periodic filings under Securities Exchange Act of 1934, **8:51**
 - regulation D offerings, **13:52**
 - sale of unregistered securities, **8:94**
 - scheme to defraud, aiding and abetting, **8:120**
 - SEC negligent securities “fraud” action, **8:95, 8:96**
- Future payments by limited partners, inadequate or materially misleading disclosure, **8:192**
- GAAP (generally accepted accounting principles), influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:131, 8:134**
- GAAS (generally accepted auditing standards), influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:130 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, **8:131, 8:134**

DUE DILIGENCE—Cont'd

- Generally accepted auditing standards (GAAS), influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:130 et seq.**
- Good faith, control person liability for inadequate or materially misleading disclosure, **8:145**
- “Goodman v Kennedy” case, state law claims for inadequate or materially misleading disclosure, **8:220**
- Immateriality as matter of law, puffery, **8:20**
- “Immaterial” safe harbor, defenses to inadequate or materially misleading disclosure, **8:187**
- Inadequate disclosure, **8:80 to 8:224**
- Inadequate or materially misleading disclosure, **8:82 to 8:190**
- Indemnity, **8:202**
- Indemnity, inadequate or materially misleading disclosure, **8:193 to 8:205**
- Independent duty to disclose, **8:101**
- Industry of issuer, practical aspects of due diligence investigations, **8:28**
- Influence of professional standards on liability, inadequate or materially misleading disclosure, **8:124 to 8:137**
- Information
 - response of attorney to auditors’ requests for information, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:128**
 - sources of information, practical aspects of due diligence investigations, **8:33 to 8:35**
 - statements made by accountant regarding unaudited financial information, Rule 10b-5 and inadequate or materially misleading disclosure, **8:116**
- In-house counsel of broker-dealers as “supervisors,” **8:175**
- Injunctions, direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:166**
- Inquiry notice under statutes of limitations, defenses to inadequate or

DUE DILIGENCE—Cont'd

- materially misleading disclosure, **8:180**
- 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**
 - 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 disclosure, **8:192**
- Investors, preparation of disclosure documents for, **8:82 to 8:190**
- Issuer, investigations, **8:29**
- Items to investigate, **8:24**
- Janus, SEC
 - circumvention, **8:159**
 - prosecutorial position, **8:97**
- Joint and several liability, inadequate or materially misleading disclosure, **8:194 to 8:198**
- Judgment reduction formula, Private Securities Litigation Reform Act (PSLRA), **8:198**
- “Kern” case, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:173**
- Knowledge
 - joint and several liability, inadequate or materially misleading disclosure, **8:195**
 - modified proportionate liability for nonknowing defendants, inadequate or materially misleading disclosure, **8:196**
- “Leasco” case, **8:10, 8:84**
- Legal / compliance officers or in-house counsel of broker-dealers as “supervisors,” **8:175**

INDEX

DUE DILIGENCE—Cont'd

- Lenders, control person liability for inadequate or materially misleading disclosure, **8:149**
- Liability
 - civil liability, **8:1 to 8:224**
 - criminal liability, aiding and abetting, **8:121**
 - inadequate internal financial controls, SEC enforcement and private actions, **8:65**
- Limitations of liability, state law claims for inadequate or materially misleading disclosure, **8:216**
- Limited partners, inadequate or materially misleading disclosure, **8:192**
- Loss causation
 - Generic misstatements, Fraud-on-the-market, **8:111**
 - materialization of risk, **8:110**
 - Reliance, Mixed affirmative statements and omissions, **8:112**
 - Rule 10b-5 and inadequate or materially misleading disclosure, **8:108**
- 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, **8:98 to 8:122**
 - financial statement materiality, **8:105**
 - "Immaterial" safe harbor, defenses to inadequate or materially misleading disclosure, **8:187**
 - misleading disclosure, **8:80 to 8:224**
 - puffery, immateriality as matter of law, **8:20**
 - SEC prosecutorial position, materiality under Rule 10b-5, **8:99**
- 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**

DUE DILIGENCE—Cont'd

- Matter of law—Cont'd
 - section 11 civil liability, **8:13**
- Meaningful cautionary statement safe harbor, defenses to inadequate or materially misleading disclosure, **8:185**
- Memorandum of offering, defenses to inadequate or materially misleading disclosure, **8:180**
- Method of accounting, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:135**
- Misleading disclosure, **8:80 to 8:224**
- Misrepresentations
 - compliance, actionable, **8:22**
 - defenses to inadequate or materially misleading disclosure, **8:180**
- Misstatements
 - rule 10b-5 and inadequate or materially misleading disclosure, **8:114**
 - SA § 17(a)(2) misstatement liability, **8:95**
 - SEC negligent securities "fraud" action, **8:95**
- Model Rules and Codes, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:125**
- Modified proportionate liability for nonknowing defendants, inadequate or materially misleading disclosure, **8:196**
- "Near privity" rule, state law claims for inadequate or materially misleading disclosure, **8:209**
- Negligence
 - issuance of formal opinions, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:171**
 - SEC negligent securities "fraud" actions, **8:95, 8:96**
 - state law claims for inadequate or materially misleading disclosure, **8:208**
- New investment decisions, inadequate or materially misleading disclosure, **8:192**
- New York, state law claims for inadequate or materially misleading

DUE DILIGENCE—Cont'd

- disclosure, **8:209, 8:210**
- Non-client disclosure obligations, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:126**
- Nonknowing defendants, modified proportionate liability for inadequate or materially misleading disclosure, **8:196**
- No representation and no-reliance contract provisions, enforcing against Rule 10b-5 claims, **8:185**
- Offerings
 - public offerings, inadequate or materially misleading disclosure, **8:90**
 - using offering memorandum as defense, inadequate or materially misleading disclosure, **8:180**
- Officers of corporations, inadequate or materially misleading disclosure, **8:82 to 8:190**
- Offset to damages, inadequate or materially misleading disclosure, **8:191**
- Opinion or belief, investigation, **8:18**
- Opinions of attorneys, inadequate or materially misleading disclosure, **8:127, 8:167**
- Oral misrepresentations or statements, defenses to inadequate or materially misleading disclosure, **8:180, 8:187**
- Orders
 - bar orders, inadequate or materially misleading disclosure, **8:197**
 - cease and desist orders, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:174**
- Outside directors' liability under Section 11 of Securities Act of 1933, inadequate or materially misleading disclosure, **8:201**
- Outside sources of information, investigations, **8:35**
- In pari delicto defense, **8:224**
- Participation, control person liability for inadequate or materially misleading disclosure, **8:144, 8:145**
- PCAOB Auditing Standard No. 16: Auditor communications with

DUE DILIGENCE—Cont'd

- Audit Committees, **8:45**
- Pendent state claims for indemnification and contribution, federal preemption, **8:204**
- 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, **8:87, 8:88**
- Pleadings, inadequate or materially misleading disclosure, **8:123**
- Practical aspects of due diligence investigations, **8:25 to 8:36**
- Preemption of pendent state claims for indemnification and contribution, inadequate or materially misleading disclosure, **8:204**
- Pre-filing review of quarterly financial statements, audit committee, **8:67**
- Preparation of disclosure documents for investors, inadequate or materially misleading disclosure, **8:82 to 8:190**
- Primary violations, aiding and abetting, **8:119**
- Principals, control person liability for inadequate or materially misleading disclosure, **8:140**
- Private actions
 - internal controls over financial reporting inadequate, liability, **8:65**
 - rule 10b-5 and inadequate or materially misleading disclosure, **8:113 to 8:122**
- Private placements, guidance under FINRA 132, **8:36**
- Private Securities Litigation Reform Act (PSLRA), inadequate or materially misleading disclosure, **8:198 to 8:200**
- Proceedings and actions, inadequate or materially misleading disclosure, **8:114 et seq.**
- Professionals, inadequate or materially misleading disclosure, **8:82 et seq.**
- Professionals duty to disclose material facts, **8:103**
- Attorneys, **8:104**

INDEX

DUE DILIGENCE—Cont'd

- Promoters, inadequate or materially misleading disclosure, **8:82 to 8:190**
- Proportionate liability, inadequate or materially misleading disclosure, **8:193 to 8:205**
- Providing disclosure and other advice, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:172**
- 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, **8:198 to 8:200**
- 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**

DUE DILIGENCE—Cont'd

- Public companies, periodic filings under Securities Exchange Act of 1934—Cont'd
 - 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**
- Public offerings, inadequate or materially misleading disclosure, **8:90**
- 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, **8:214**
- 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, **8:134**
 - standard of reasonableness, Section 11 civil liability, **8:6**
 - state law claims for inadequate or materially misleading disclosure, reasonably foreseeable approach, **8:215, 8:216**
- Related party transactions, financial / transactional due diligence, **8:52**
- Reliance on expertise, Section 11 civil liability, **8:7**

DUE DILIGENCE—Cont'd

- Reliance unreasonable or unjustifiable, defenses to inadequate or materially misleading disclosure, **8:180**
- 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, **8:140**
- Response of attorney to auditors' requests for information, influence of attorney standards on liability for inadequate or materially misleading disclosure, **8:128**
- Restatement (Second) approach, state law claims for inadequate or materially misleading disclosure, **8:212, 8:213, 8:216**
- Reviewing statements made by another, Rule 10b-5 and inadequate or materially misleading disclosure, **8:115**
- Rule 10b-5
 - enforcing no representation and no-reliance contract provisions against, **8:185**
 - inadequate or materially misleading disclosure, **8:94, 8:180**
 - independent duty to disclose, **8:101**
 - Janus case, SEC prosecutorial position, **8:97**
 - materiality, **8:99**
 - SEC prosecutorial position, **8:97, 8:99**
 - SA § 17(a) contrasted, **8:93 et seq.**
 - underwriter's duties, **8:102**
 - unregistered brokers, SEC responsibility to regulate under Exchange Act § 15, **8:94**
- Rule 102(e), direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:167**
- Rule 176, Section 11 civil liability, **8:14**
- Safe harbors
 - audit committee, SEC disclosure rules, **8:71**

DUE DILIGENCE—Cont'd

- Safe harbors, forward-looking statements, defenses to inadequate or materially misleading disclosure, **8:183 to 8:190**
- Scheme liability, SEC negligent securities "fraud" action, **8:95**
- Scheme to defraud, Rule 10b-5 and inadequate or materially misleading disclosure, **8:120**
- Scienter, corporate. Corporate scienter, above
- SEC. See Securities and Exchange Commission, below
- SEC Amicus approach
 - Creating misrepresentation, **8:116**
- SEC enforcement authority, private funds and private fund advisers curtailed in Fifth Circuit ruling, **8:179**
- SEC injunctive authority
 - Consent decree to enjoin future section 17 and related violations, **8:158**
- SEC responsibility to regulate unregistered brokers, section 15 Exchange Act, **8:100**
- Section 10A of Securities Exchange Act of 1934, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:131**
- Section 11 of Securities Act of 1933, **8:3 to 8:14, 8:83 to 8:85, 8:201**
- Market manipulation, **8:5**
- Standing
 - Direct listing, **8:4**
- Section 12 of Securities Act of 1933, **8:16, 8:17, 8:86 to 8:92, 8:180**
- Section 15(c)(4) of 1934 Act, administrative proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:173**
- Section 17(a) of Securities Act of 1933
 - inadequate or materially misleading disclosure, generally, **8:93 et seq.**
 - negligent securities "fraud" actions by SEC, **8:95, 8:96**
 - rule 10b-5 contrasted, **8:93 et seq.**
 - SA § 17(a)(2), **8:95**

INDEX

DUE DILIGENCE—Cont'd

- Section 17(a) of Securities Act of 1933
 - Cont'd
 - SA § 17(a)(3) scheme liability, **8:96**
 - sale of unregistered securities and securities fraud action by the SEC, **8:94**
- Securities Act of 1933, **8:3 to 8:14, 8:80, 8:83 to 8:97, 8:180, 8:201**
- Securities and Exchange Commission
 - administrative law judges, constitutionality of appointment, **8:160**
 - aiding and abetting, Rule 10b-5 and inadequate or materially misleading disclosure, **8:121**
 - audit committee, above
 - auditing internal control over financial reporting, SEC guidance, **8:60**
 - cryptocurrency, SEC injunctive authority, **8:153**
 - direct proceedings by SEC, inadequate or materially misleading disclosure, **8:152 to 8:177**
 - disgorgement remedy, application of statute of limitations, **8:162**
 - enforcement and private actions, liability for inadequate internal controls, **8:65**
 - enforcement power
 - consent decrees, **8:155**
 - misrepresentations in connection with the purchase or sale of a security, **8:154**
 - no-deny provisions, **8:155**
 - proxy and reporting violations, misstatements about interlocking directorates, **8:156**
 - Janus case. Janus, SEC, above
 - negligent securities “fraud” actions, **8:95, 8:96**
 - safe harbors for forward-looking statements, defenses to inadequate or materially misleading disclosure, **8:190**
 - sale of unregistered securities, **8:94**
 - sexual misconduct, **8:157**
- Securities counsel, state law duties, **8:223**
- Securities Exchange Act of 1934
 - Generally, **8:81, 8:94, 8:129**

DUE DILIGENCE—Cont'd

- Securities Exchange Act of 1934
 - Cont'd
 - 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, **8:173**
- Self-regulatory organization audit committee rules, **8:72 et seq.**
- Sellers, inadequate or materially misleading disclosure, **8:88**
- Setoff to damages, inadequate or materially misleading disclosure, **8:191**
- Settlement, inadequate or materially misleading disclosure, **8:193 to 8:205**
- “Software Toolworks and Worlds of Wonder” case, Section 11 civil liability, **8:8**
- Sources of information, investigations, **8:33 to 8:35**
- Special pleading requirements for Rule 10b-5 claims brought against attorneys and accountants, inadequate or materially misleading disclosure, **8:123**
- Special procedural considerations, inadequate or materially misleading disclosure, **8:203**
- 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, **8:124 to 8:137**
 - section 11 civil liability, standard of reasonableness, **8:6**
- State, inadequate or materially misleading disclosure, **8:204, 8:206 to 8:224**
- State law duties of securities counsel, **8:223**
- Statements
 - aspirational, **8:21**
 - inadequate or materially misleading disclosure, **8:115, 8:120, 8:137, 8:183 to 8:190**

DUE DILIGENCE—Cont'd

- Statements—Cont'd
 - misstatements, above
- Statements by accountant
 - unaudited financial information, **8:118**
- State of mind safe harbor, defenses to inadequate or materially misleading disclosure, **8:186**
- State securities statutes, **8:207**
- Statute of limitations
 - defenses to inadequate or materially misleading disclosure, **8:180, 8:181**
 - SEC disgorgement remedy, **8:162**
- Statutes, **8:1 et seq.**
- “Supervisors,” in-house counsel of broker-dealers as, **8:175**
- Supreme Court holds that litigants, SEC administrative proceedings
 - federal district court parallel or collateral to administrative proceedings before the SEC, **8:165**
- Targeted solicitation, importance or not, **8:92**
- Tax benefits as offset to damages, inadequate or materially misleading disclosure, **8:191**
- Transaction causation, Rule 10b-5 and inadequate or materially misleading disclosure, **8:108**
- Two-prong test, control person liability for inadequate or materially misleading disclosure, **8:143 to 8:145**
- Unaudited materials, inadequate or materially misleading disclosure, **8:116, 8:137**
- Underwriters
 - inadequate or materially misleading disclosure, **8:88**
 - investigations, **8:15, 8:27 to 8:32**
 - rule 10b-5 liability, duties, **8:102**
 - section 11 liability, mandatory duty to conduct investigation, **8:15**
- Update duty, inadequate or materially misleading disclosure, **8:107, 8:188**
- Use, offering memorandum, defenses to inadequate or materially misleading disclosure, **8:180**
- Violations, inadequate or materially misleading disclosure, **8:119, 8:180**

DUE DILIGENCE—Cont'd

- “Waivable” defense to civil liability, Section 11 liability, **8:15**
- “Weiss” case, direct proceedings by SEC against attorneys regarding inadequate or materially misleading disclosure, **8:174**
- 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**
- 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**

INDEX

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, **8:115**

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**

EFFORT OR EFFORTS—Cont'd

- 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, **8:135**
- 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**
- 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-

ELIGIBILITY OR ELIGIBLE—Cont'd

- Existing eligible entities—Cont'd
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**

EMERGING GROWTH COMPANIES (EGCs)—Cont'd

- 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)

EMPLOYEES, EMPLOYERS AND EMPLOYMENT

- Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:140**
- 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, **8:152, 8:162**
- Broker-dealers, SEC disciplinary actions, **15:107**
- Due diligence and civil liability, direct proceedings by SEC regarding inadequate or materially misleading

INDEX

ENFORCEMENT—Cont'd

- disclosure, **8:152 to 8:177**
- Professionals, **8:170**
- 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**

EQUIPMENT LEASING—Cont'd

- 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**
 - 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**

EQUIPMENT LEASING—Cont'd

- 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**
- 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**

EQUIPMENT LEASING—Cont'd

- Investment—Cont'd
 - 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**
- 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**

INDEX

EQUIPMENT LEASING—Cont'd

- Operation or operating—Cont'd
 - 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**
 - 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**

EQUIPMENT LEASING—Cont'd

- Recapture—Cont'd
 - 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**
- 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**

EQUIPMENT LEASING—Cont'd

- 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**
- 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, **9:128**
- 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**

EQUITY—Cont'd

- 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)

- Pre 1981 Act depreciation, **9:59**
- Real estate, depreciation, **9:58**

ESCROW

- Accounts. See **Real Estate** (this index)
- Agreement, broker-dealers, **15:92**

“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**

INDEX

ESTIMATED MATTERS—Cont'd

- 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, **8:134, 8:145**
- 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)

EXCEPTIONS OR EXCLUSIONS

—Cont'd

- Depreciation, excluded property, **1:6**
- Due diligence and civil liability, safe harbors for forward-looking statements, **8:184**
- 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 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, **9:188 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)
- 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**

EXEMPTIONS FROM TAX—Cont'd

- 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, **9:140**

EXPANSION

- Due diligence, authority of SEC to expand safe harbors for forward-looking statements, **8:190**
- IRS audit program, confidentiality privilege, **23:112**
- 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)

INDEX

EXPENSE, EXPENSES AND

EXPENDITURES—Cont'd

- 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**
- 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, **9:155**

EXTENSION OF ADJUSTMENT PERIOD

- Master limited partnerships, requests for administrative adjustments, **10:621**

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, **8:106**
- Circumstances and facts test. See **Facts and Circumstances Test** (this index)

FACTS—Cont'd

Due diligence and civil liability, professional's duty to disclose material facts under Rule 10b-5, **8:98 to 8:122**

Underwriter's duty to disclose material facts under Rule 10b-5, **8:102**

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**

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**

INDEX

FARMLAND AND AGRICULTURE

—Cont'd

- 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**
 - 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**

FARMLAND AND AGRICULTURE

—Cont'd

- Investment—Cont'd
 - 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**
 - 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**

FARMLAND AND AGRICULTURE**—Cont'd**

- 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

- 1985, forward, **6:77**
- ABA Interpretative Letter, civil, antifraud and criminal liability, **6:277**
- Accounts
 - assets requirement under Rule 147, Securities Act of 1933, **6:123, 6:124**
 - common law duties of broker-dealer to customers, **6:288, 6:290**
- Accounts receivable, **6:121**
- 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**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- Accredited investors—Cont'd
 - 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**
- Affiliates, registration, **6:310**
- 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, **6:297**
- 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, **6:299**
- Applications for exemptive orders, two-tier limited partnerships under Investment Company Act of 1940, **6:303**
- Assets requirement, **6:120**
- Automatic shelf registration for well-known seasoned issuers, **6:263**
- Avoiding registration as investment adviser, **6:309**
- Bad actors, Rule 506 offerings involving, **6:26, 6:28**
- Basic structure of Regulation S, **6:172**
- Beneficial owner, two-tier limited partnerships under Investment Company Act of 1940, **6:297**
- 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**

INDEX

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

Business—Cont'd

primarily engaged in certain business,
two-tier limited partnerships
under Investment Company Act
of 1940, **6:305**

real estate business, two-tier limited
partnerships under Investment
Company Act of 1940, **6:300**

California law

duties of broker-dealer to customers,
6:291

Categories of issuer safe harbor, Regula-
tion S, **6:176 et seq.**

Change or modification

“Horner” letter, civil, antifraud and
criminal liability, **6:277**

revision of general solicitation prohi-
bition, 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**

Commission, **6:93**

Commissions, civil, antifraud and crimi-
nal liability, **6:276**

Commodity futures trading, assets
requirement under Rule 147, **6:124**

Consequences of being registered
adviser, **6:312**

Consideration, private offering exemp-
tion 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**

Criminal liability, investment limited
partnerships, **6:266 et seq.**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

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**

Defining the problem, **6:84**

Definitions

investment company, **6:298**

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 custom-
ers, **6:290**

Distributions

motion pictures, gross revenues
requirement under Rule 147,
6:128

Doing business within state, intrastate
offering exemption from registra-
tion requirements of Securities Act
of 1933, **6:118**

Efforts of others, investment participa-
tions as securities, **6:6**

Electronic road shows, registration
under 1933 Act, **6:249**

Elimination of general solicitation prohi-
bition, Regulation D, **6:25, 6:41**

Emerging growth companies under
JOBS Act (2012), **6:243, 6:254**

Emphasis on terms of partnership agree-
ment, 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

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

Employees—Cont'd
 requirements of Securities Act of
 1933, **6:95, 6:96**

Exceptions or exclusions
 decisions within “Williamson” excep-
 tions, investment participations
 as securities, **6:14**
 exempt offering framework, amend-
 ments (2020) to, **6:19**
 exempt offerings, frequently asked
 questions, **6:22**
 JOBS Act (2012), accredited inves-
 tors, **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**
 two-tier limited partnerships under
 Investment Company Act of
 1940, **6:297, 6:299, 6:303**

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**

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**

Financing
 single plan of financing, private offer-
 ing exemption from registration
 requirements of Securities Act of
 1933, **6:78**

Five factor test, **6:73**

Foreign offerings
 transactional exemptions from
 registration requirements of

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

Foreign offerings—Cont'd
 Securities Act of 1933, **6:108,**
 6:169 et seq.

Form D filings, Regulation D, **6:30**

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**

General partners
 investment Advisors Act of 1940,
 6:313
 investment participations as securi-
 ties, **6:5, 6:6**
 Required disclosure of back-dated
 trading strategies, **6:314**

Grantor trusts, C&DIs relating to, **6:53**

Gross revenues requirement, **6:126**

Historical perspective, issuer safe
 harbor, **6:99**

“Horner” letter, civil, antifraud and
 criminal liability, **6:268, 6:277**

“Howey” case, investment participa-
 tions as securities, **6:6**

Informational matters
 regulation D, private offering exemp-
 tion from registration require-
 ments 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**
 regulation D, **6:58**
 safe harbor, **6:58, 6:135**

Integration as viewed by the regulatory
 and judicial authorities, **6:92**

Integration versus aggregation, Regula-
 tion 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**

INDEX

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- 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**
- 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, **6:114 et seq., 6:137**
- Investment Company Act of 1940, **6:294 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, **6:173, 6:176 et seq.**
- Issuer safe harbor, **6:98**
- 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**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- JOBS Act (2012)—Cont'd
 - 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**
- 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

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- No-action letters—Cont'd
 - 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, **6:302**
- 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**
 - 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 6:234**
- Offshore transactions, Regulation S, **6:174**
- One hundred beneficial owners exception, two-tier limited partnerships under Investment Company Act of 1940, **6:297**
- Other issues, **6:136**
- Other transaction exemptions, **6:91**
- 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, **6:297**
 - securities involving direct ownership

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- Owners and ownership—Cont'd
 - 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**
 - 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, **6:305**
- 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 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**

INDEX

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- Prohibitions—Cont'd
 - rule 506(c) elimination of prohibition against general solicitation, **6:25, 6:29**
- Proposals, private offering exemption from registration requirements of Securities Act of 1933, **6:97 et seq.**
- Proposed issuer integration safe harbor, **6:100**
- Proposes conditional exemption for finders in private capital raising, **6:293**
- 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, **6:299, 6:300**

FEDERAL SECURITIES LAWS AND TAX-ADVANTAGED SECURITIES—Cont'd

- 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**
- 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.**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- Registration—Cont'd
 - 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**
 - 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**
 - Form D filings, **6:61**
 - general requirements, offerings, **6:27**
 - Integration versus aggregation, **6:113**
 - internet foreign offerings, private placements under Regulation D, **6:72**
 - proposed amendment, **6:30**
 - rule 146, **6:33**
 - rule 506(c) elimination of prohibition against general solicitation, **6:25, 6:29**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- 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**
- Releases
 - adopting release, intrastate offering exemption from registration requirements of Securities Act of 1933, **6:119**
 - primary Interpretive Release (1975), civil, antifraud and criminal liability, **6:270**
 - two-tier limited partnerships under Investment Company Act of 1940, Release Number 8456, **6:301, 6:302**
- 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, **6:306**
- Rule 3a12-5, broker-dealers, **6:281**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- 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, **6:311**
- 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, **6:173, 6:176 et seq.**
 - JOBS Act (2012) and safe harbors from broker-dealer registration, **6:40**
 - regulation S, transactional exemptions from registration requirements of Securities Act of 1933, **6:173 et seq.**
- Sales
 - civil, antifraud and criminal liability, investment limited partnerships, **6:273, 6:274**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- 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**
- SEC guidance regarding accredited investors, **6:52**
- Secondary market trading of U.S. nonreporting issuers, **6:179**
- SEC proposes ESG disclosure rules for investment companies and investment advisers, **6:295, 6:308**
- SEC regulation 13D-G, rules for beneficial ownership reporting, **6:292**
- Section 3(a)(10), **6:106**
- Section 3(a)(9) exemptions, **6:86**
- Section 3(a)(10) exemptions, **6:87**
- Section 3(a)(11) exemptions, **6:138**
- Section 3(b)(1) versus Section 3(b)(2), **6:304**
- 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 6:234**
- Securities Exchange Act of 1934, investment limited partnerships, **6:266 et seq.**
- Selected C&DIs relating to existence and substance of pre-existing relationships, **6:36**
- Selection, investment, gross revenues requirement under Rule 147, **6:130**
- Shelf offerings, registration under 1933 Act, **6:261**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- 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**
- 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
 - 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 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**
- Transaction exemptions from registration, **6:85**
- Transactions
 - exemptions from registration requirements of Securities Act of 1933, **6:18 to 6:234**

**FEDERAL SECURITIES LAWS AND
TAX-ADVANTAGED
SECURITIES—Cont'd**

- Transactions—Cont'd
 - exempt offering framework, amendments (2020) to, **6:19**
 - 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, **6:296 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, **8:174**

FELONS

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

FFO (FUNDS FROM OPERATIONS)

Funds From Operations (FFO) (this index)

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)

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 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, **9:225**

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)

FINAL REGULATIONS—Cont'd

Real estate, like-kind exchanges, **9:203 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 investment 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.**

**FINANCIAL INDUSTRY
REGULATORY AUTHORITY
(FINRA)—Cont'd**

Broker-dealers—Cont'd

- 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**

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**

**FINANCIAL INDUSTRY
REGULATORY AUTHORITY
(FINRA)—Cont'd**

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**

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**

INDEX

FINANCIAL INDUSTRY

REGULATORY AUTHORITY (FINRA)—Cont'd

- 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**
- 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

FINANCIAL INDUSTRY

REGULATORY AUTHORITY (FINRA)—Cont'd

- 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**
- 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**

**FINANCIAL INDUSTRY
REGULATORY AUTHORITY
(FINRA)—Cont'd**

- 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**
 - 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**

**FINANCIAL INDUSTRY
REGULATORY AUTHORITY
(FINRA)—Cont'd**

- 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**
 - 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**

INDEX

FINANCIAL INDUSTRY

REGULATORY AUTHORITY (FINRA)—Cont'd

- Rule 5110—Cont'd
 - 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-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**

FINANCIAL INDUSTRY

REGULATORY AUTHORITY (FINRA)—Cont'd

- 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**
 - 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**

FINANCIAL MATTERS—Cont'd

- 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, **8:137**
- Full disclosure, Staff observations, **7:65**
- Materiality, Rule 10b-5 and inadequate or materially misleading disclosure, **8:105**
- 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**
- 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 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**

INDEX

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)
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 classification, **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 Securities 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 partnerships, **10:562**

FOREIGN USE PROPERTY

Real estate, alternative depreciation system, **9:37**

FORESEEABILITY

Due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:215, 8:216**

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, **8:171**

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)

FORM OR FORMAT—Cont'd

- Publicly registered real estate syndications, SEC interpretive release on real estate limited partnership offerings, **26:85**
- Real estate investment trusts, underwriting 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**
 - 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)
- 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**

FORMS—Cont'd

- 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, **8:183 to 8:190**

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**

INDEX

FRONT COVER—Cont'd

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**

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**

FULL DISCLOSURE—Cont'd

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**

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**

FULL DISCLOSURE—Cont'd

- 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**

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**

FUTURE OR PROSPECTIVE MATTERS—Cont'd

- Due diligence and civil liability, future payments by limited partners, **8:192**
- 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, **8:131, 8:134**

GAAS (GENERALLY ACCEPTED AUDITING STANDARDS)

- Due diligence and civil liability, influence of accountant standards on liability for inadequate or materially misleading disclosure, **8:130 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**
- Regulation D, Rule 506(c) elimination of prohibition against general solicitation, **6:25, 6:29**

INDEX

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, **8:131, 8:134**

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, **8:130 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, **8:146**

Due diligence and civil liability, control person liability for inadequate or materially misleading disclosure, **8:145**

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, **8:220**

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, **9:141**

GROSS RENT LIMITATION

Real estate, qualified low income housing projects, **9:150**

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**

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, **9:121**

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**

INDEX

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**
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, **8:187**

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, **8:80 to 8:224**

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**

INCLUDED OR INCLUSION—Cont'd

- Publicly registered real estate syndications, transactions included in SEC rollout 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)
- 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**

INCOME TAX—Cont'd

- 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 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, **8:202**

INDEMNITY AND INDEMNIFICATION

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:193 to 8:205**
- Oil and gas, passive loss, **16:33**
- Partners and partnerships. See **Partners and Partnerships** (this index)

INDEX

INDEMNITY AND

INDEMNIFICATION—Cont'd

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, **8:170**

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

Due diligence and civil liability, industry of issuer, **8:28**

Equipment leasing, disclosure of communications 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**

INDUSTRY OR INDUSTRIES—Cont'd

Prospectus for public offering for listed REIT (industrial property holdings), Terreno Realty Corporation, **App Z**

INFLATION

Depreciation, no basis increase for inflation, **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, inadequate or materially misleading disclosure, **8:124 to 8:137**

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 reporting, **23:79 et seq.**

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, plain English rules, **25:59**

Research and development, technological information, **21:40**

INITIAL ISSUANCE OF DEPOSITARY RECEIPTS

Limited partners and partnerships, certificates 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 syndications, small business initiative, **26:2**

INJUNCTIONS

- Audits—IRS, abusive tax shelters, **23:49**
- Cryptocurrency, **8:153**
- Due diligence and civil liability, direct proceedings by SEC regarding inadequate or materially misleading disclosure, **8:166**
- Master limited partnerships, electing large partnership adjustment proceedings, **10:610**
- SEC injunctive remedies, attempt to label as punitive, **8:164**

IN KIND DISTRIBUTIONS

- Limited partners and partnerships, certificates of limited partnership and tax-advantaged investments, **24:38**

IN PARI DELICTO DEFENSE

- Due diligence, **8:224**

INQUIRY NOTICE UNDER STATUTES OF LIMITATIONS

- Due diligence and civil liability, defenses to inadequate or materially misleading disclosure, **8:180**

INSIDE BASIS

- Partners and partnerships, **10:229, 10:234, 10:235**

INSIDE/FRONT COVER

- Publicly registered real estate syndications, 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, practical aspects of due diligence investigations, **8:34**

INSIGNIFICANT PARTICIPATION

- Publicly registered real estate syndications, 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**
- Master limited partnerships, simplified reporting for electing large partnerships, **10:568**
- Passive loss calculations, special disposition 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 Partnerships** (this index)

INDEX

INTANGIBLES—Cont'd

- 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 Partnerships** (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)

INTEREST OR INTERESTS—Cont'd

- 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**
- 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

INTERIM DISTRIBUTIONS—Cont'd
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**

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)

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, **9:215**

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, **9:193**

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, **6:88, 6:114 et seq., 6:137**

Rule 147A, general provisions, **6:117**

Separate private or intrastate offerings, **6:89**

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**

INDEX

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)

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)

INVESTMENT—Cont'd

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

Value, **2:6**

INVESTMENT ADVISERS ACT OF 1940

Generally, **6:307**

SEC proposes ESG disclosure rules for investment companies and investment advisers, **6:308**

INVESTMENT COMPANY ACT OF 1940

Limited partnerships, **6:294 et seq.**

Oil and gas, **16:71**

Real estate investment trusts, **25:71**

SEC proposes ESG disclosure rules for investment companies and investment advisers, **6:295**

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), **9:119**

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, **8:82 to 8:190**

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**

INVESTORS—Cont'd

- 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**
 - 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, **9:223**
- 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, **8:171**
- 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

- 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, **8:194 to 8:198**

INDEX

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**

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), **8:198**

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, **8:173**

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**

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, 8:84**

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**

LEASES—Cont'd

- Motion pictures, investment tax credit, **20:34**
- Partners and partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this 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, **8:127**
- 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)

LIABILITY OR LIABILITIES**—Cont'd**

- Due diligence. See **Due Diligence** (this index)
- Limitations on liability companies. See **Limited Liability Companies** (this index)
- due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:216**
- 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, **9:188 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

INDEX

LIMITATIONS—Cont'd

- materially misleading disclosure, **8:216**
- Equipment leasing. See **Equipment Leasing** (this index)
- 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, **8:180, 8:181**
- Master limited partnerships, electing large partnership audit systems,

LIMITATIONS OF ACTIONS—Cont'd

- 10:620, 10:621, 10:626**
- S corporations, audits, **22:70**

LIMITED LIABILITY COMPANIES

- Generally, **5:1 to 5:70**
- 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**

LIMITED LIABILITY COMPANIES**—Cont'd**

- Characteristics of LLCs, **5:38 to 5:42, 10:62 to 10:66**
- Characterization of elective changes in classification, proposed amendments 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**

LIMITED LIABILITY COMPANIES**—Cont'd**

- 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**
- 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**

INDEX

LIMITED LIABILITY COMPANIES

—Cont'd

- Interests—Cont'd
 - 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**
- 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**

LIMITED LIABILITY COMPANIES

—Cont'd

- 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**
- 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**

LIMITED LIABILITY COMPANIES**—Cont'd**

- 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**
 - 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**

LIMITED LIABILITY COMPANIES**—Cont'd**

- Termination—Cont'd
 - 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**
 - 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**

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Actions and proceedings—Cont'd
 - 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 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,

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Alternative minimum tax—Cont'd
 - 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**
- 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- 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**
- 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Change or modification—Cont'd
 - certificate of limited partnership, tax-advantaged investments, **24:51, 24:52**
 - limitation on deductibility of investment interest, accounting issues affecting investment limited 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,

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Control—Cont'd
 - tax-advantaged investments, **24:20 to 24:22**
 - pollution control facilities, alternative minimum tax, **11:169**
- 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Debt or indebtedness—Cont'd
 - master limited partnerships, discharge of indebtedness income, **10:561 to 10:568**
 - traced debt, uniform capitalization rules, **11:70**
- 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Disclosure
 - compliance and Disclosure Interpretations. See **C&DIs** (this index)
 - due diligence and civil liability, inadequate or materially misleading disclosure, **8:192**
- 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, **8:192**
- 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Elections—Cont'd
 - master limited partnerships. See **Master Limited Partnerships** (this index)
- Eligibility
 - taxable year, certificates of limited partnership and tax-advantaged 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**

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- 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 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

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- General partners—Cont'd
 - tax-advantaged investments, **24:41 to 24:44**
 - master limited partnerships, electing large partnership adjustment proceedings, **10:605**
- 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)

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Interim distributions, certificates of limited partnership and tax-advantaged investments, **24:36**
- Interpretation or interpretations compliance and Disclosure Interpretations. See **C&DIs** (this index)
- 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

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Losses—Cont'd
 - investments, **24:33**
 - farm activity losses, alternative minimum tax, **11:163**
 - net losses, accounting issues affecting investment limited partnerships, **11:128 to 11:133**
 - 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**

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Net—Cont'd
 - 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**
- 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- 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**
- 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- 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 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- 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**
- 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**

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

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**

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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

Service or services, borrowing used to pay debt service, **11:148**

Shareholders, ownership of flow-through entities, **11:85**

Significant future benefits, **11:97**

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 depository receipts, **24:17**

Surrender of depository 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Termination—Cont'd
 - master limited partnerships. See **Master Limited Partnerships** (this index)
 - 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**

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Transfers—Cont'd
 - master limited partnerships. See **Master Limited Partnerships** (this index)
 - 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**

INDEX

LIMITED PARTNERS AND PARTNERSHIPS—Cont'd

- Voting rights, certificates of limited partnership and tax-advantaged 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**

LIVESTOCK PROGRAMS—Cont'd

- Advisor expertise, facts and circumstances test for activity engaged in for profit, **17:13**
- 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**

LIVESTOCK PROGRAMS—Cont'd

- Deferral of income, **17:55, 17:56**
- Depreciation, **17:62 to 17:67, 17:71**
- 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**

LIVESTOCK PROGRAMS—Cont'd

- Farming and agriculture
 - capitalization of costs, farm price method, **17:41**
 - 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**

INDEX

LIVESTOCK PROGRAMS—Cont'd

- Lease vs sale, broodmare rental, **17:53, 17:54**
- 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

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, **8:149**
 - 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)

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, **9:129**

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**

“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**

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**

INDEX

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**
- Application of TEFRA audit rules, electing large partnership audit systems, **10:586**
- Appointment of representatives, electing large partnership adjustment proceedings, **10:606**

MASTER LIMITED PARTNERSHIPS

—Cont'd

- 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**
- 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**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

- 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**
 - 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**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

- 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**
- 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**

INDEX

MASTER LIMITED PARTNERSHIPS

—Cont'd

- 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**
 - 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**

MASTER LIMITED PARTNERSHIPS

—Cont'd

- 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**
- 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**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

- 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**
- 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**

MASTER LIMITED PARTNERSHIPS**—Cont'd**

- 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**
- 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,

INDEX

MASTER LIMITED PARTNERSHIPS

—Cont'd

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**

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**

MASTER LIMITED PARTNERSHIPS

—Cont'd

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)

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, **8:185**

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, **8:180**

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**

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)

INDEX

METHOD OR METHODS—Cont'd

- 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, **8:80 to 8:224**

MISREPRESENTATIONS

- Due Diligence** (this index)

MISSTATEMENTS

- Due diligence and civil liability, Rule 10b-5 and inadequate or materially misleading disclosure, **8:114**

MISTAKES

- See **Errors** (this index)

MIXED USE PROPERTY

- Real estate, eligible basis and low income housing credit, **9:145**

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, **8:125**

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**
- 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**
 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**

MOTION PICTURES—Cont'd

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**
 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**

INDEX

MOTION PICTURES—Cont'd

- Production—Cont'd
 - 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**
- Repeat 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**
- 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, **9:199, 9:200**

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**
- 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, **8:209**

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)

NET—Cont'd

- 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, **8:192**

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, **8:209, 8:210**
- Limited liability companies, operating agreements form, **31:9**

INDEX

NEW YORK—Cont'd

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.**

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, **8:126**

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, **8:196**

NONLIVESTOCK FARMING

Generally, **18:3 to 18:5**

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, **9:193 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**

NORTH AMERICAN SECURITIES

ADMINISTRATORS

ASSOCIATION (NASAA)—Cont'd

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)

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**

INDEX

NOTICE OR NOTICES—Cont'd

- 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, **9:215**
- 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**
- 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**
- Tender offer. See **Tender Offer** (this index)

OFFICERS OF CORPORATIONS

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:82 to 8:190**
- 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, **8:191**

OFFSET—Cont'd

- 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**
- 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**

OIL AND GAS—Cont'd

- 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**
- Document, 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**

INDEX

OIL AND GAS—Cont'd

- 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**
- 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**

OIL AND GAS—Cont'd

- Interests—Cont'd
 - 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**
 - 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**

OIL AND GAS—Cont'd

- 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**
- 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**

OIL AND GAS—Cont'd

- Passive loss—Cont'd
 - 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**
- 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**

INDEX

OIL AND GAS—Cont'd

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**

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**

OIL AND GAS—Cont'd

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, **6:297**

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**

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)

OPERATING, OPERATION OR OPERATIONS—Cont'd

- 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, 8:127, 8:171**
- 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, **8:180, 8:187**

ORCHARDS

- Farming, non-livestock, **18:4**

ORDERING

- Limited partners and partnerships, repayment ordering rules, **11:155**

ORDERS

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

ORDERS—Cont'd

- 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, **6:303**

ORDINARY INCOME

- Recapture, bail-outs of burned-out tax shelters, **27:42**
- Treatment, sales of partnership interests, **10:354**

ORGANISATION

- Delaware enacts books and records changes to safe harbor procedures, **5:45**

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.**

INDEX

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, **8:201**

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 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)

OWNERS AND OWNERSHIP—Cont'd

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, **8:144, 8:145**

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**

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)

PARTICIPATION—Cont'd

- 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
 - 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,

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Adjustments—Cont'd
 - 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**
 - 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- 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 non-recourse 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**
 - 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Application or applicability—Cont'd
 - 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 non-recourse 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**
 - reevaluation 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**
 - 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Background—Cont'd
 - 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**
- 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Business—Cont'd
 - 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
 - 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

INDEX

PARTNERS AND PARTNERSHIPS

—Cont'd

- Capital accounts—Cont'd
 - 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 repropoed 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**
 - 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-

PARTNERS AND PARTNERSHIPS

—Cont'd

- Characterization—Cont'd
 - 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**
- 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Contributions—Cont'd
 - 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**
 - reevaluation 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**
- 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Debt—Cont'd
 - 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**
- 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**

INDEX

PARTNERS AND PARTNERSHIPS

—Cont'd

- 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**
 - 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**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Distributions—Cont'd
 - 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**
 - 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

Elections—Cont'd

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**

reevaluation 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**

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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

Exceptions or exclusions—Cont'd

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.**

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**

INDEX

PARTNERS AND PARTNERSHIPS

—Cont'd

- 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 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**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Gain—Cont'd
 - minimum gain—Cont'd
 - 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 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

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**
- 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****PARTNERS AND PARTNERSHIPS****—Cont'd**

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**
- contingent indemnification agreements, 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**

INDEX

PARTNERS AND PARTNERSHIPS

—Cont'd

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
- 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**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Internal Revenue Service (IRS)—Cont'd
- 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**
- disguised sales, compensation to ser-
vice partner, **10:467 to 10:471**
 - funded or guaranteed by partner, final
nonrecourse regulations regard-
ing 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

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Liability or liabilities—Cont'd
 - 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**
 - reevaluation 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**
 - 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- 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.**
- 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Methods—Cont'd
 - 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**
- 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Nonrecourse—Cont'd
 - 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**
 - 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- 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**
- 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- “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
 - 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

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Proposed matters—Cont'd
 - 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 syndications. See **Publicly Registered Real Estate Syndications** (this index)
- Publicly traded partnerships and partnership 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 syndications, post-effectiveness securities compliance, **26:135**
 - real estate investment trusts, **25:179 to 25:183, 25:194**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Publicly traded partnerships and partnership interests—Cont'd
 - 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 nonrecourse debt, inclusion of debt in outside basis, **10:274**
- Reduction. See **Decrease or reduction**, above
- 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

PARTNERS AND PARTNERSHIPS**—Cont'd**

- Regulations—Cont'd
 - 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**
- 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.**

PARTNERS AND PARTNERSHIPS**—Cont'd**

- 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**
- 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**

INDEX

PARTNERS AND PARTNERSHIPS

—Cont'd

Rules—Cont'd

- 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 allocation of income and losses, **10:144**
- disguised sales, compensation to service partner, **10:458 to 10:476**
- income tax consequences, **10:169**
- interests in partnership, **10:350 to 10:395, 10:403**

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**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Section 721 application to partnership on transfer of compensatory partnership interest—Cont'd
 - 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 Nonrecourse, 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 election, related person loans, **10:272**
- Significant item consistency requirement, 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**
- 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**

PARTNERS AND PARTNERSHIPS**—Cont'd**

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**

reevaluation 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**

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 regula-
tions, **10:31**

taxable year, **10:348, 10:349**

PARTNERS AND PARTNERSHIPS**—Cont'd**

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 alloca-
tions, **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 partner-
ships and partnership interests,
above

Traditional method

contributions, **10:199, 10:200, 10:211
to 10:221**

reevaluation of partnership assets and
allocation of income and losses,
10:138, 10:139

Transactions

acquisition in nonrecognition transac-
tion, 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**

INDEX

PARTNERS AND PARTNERSHIPS

—Cont'd

- Transactions—Cont'd
 - 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**
- 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**

PARTNERS AND PARTNERSHIPS

—Cont'd

- Value—Cont'd
 - 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**
 - 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**

PASSIVE LOSS—Cont'd

- Activity or activities—Cont'd
 - 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**
 - 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**

PASSIVE LOSS—Cont'd

- Amendments under 1993 Act—Cont'd
 - 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**
 - 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**

INDEX

PASSIVE LOSS—Cont'd

- Calculation or computation—Cont'd
 - 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**
 - 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**

PASSIVE LOSS—Cont'd

- 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**
- 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**

PASSIVE LOSS—Cont'd

- Exceptions—Cont'd
 - 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**
 - 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**

PASSIVE LOSS—Cont'd

- 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 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**

INDEX

PASSIVE LOSS—Cont'd

- Income—Cont'd
 - 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**
 - 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**

PASSIVE LOSS—Cont'd

- Investors—Cont'd
 - 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**
 - 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**

PASSIVE LOSS—Cont'd

- 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**
- 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**

PASSIVE LOSS—Cont'd

- 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 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**

INDEX

PASSIVE LOSS—Cont'd

- 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**
- 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**

PASSIVE LOSS—Cont'd

- Portfolio and service income—Cont'd
 - 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 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**

PASSIVE LOSS—Cont'd

- 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**
 - 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**

PASSIVE LOSS—Cont'd

- 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**
 - 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

INDEX

PASSIVE LOSS—Cont'd

Rules—Cont'd

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**

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**

PASSIVE LOSS—Cont'd

Services—Cont'd

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**

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**

PASSIVE LOSS—Cont'd

- 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 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**

PASSIVE LOSS—Cont'd

- Time or date—Cont'd
 - 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**
- 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)

INDEX

PASS-THROUGH—Cont'd

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,
8:192

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)

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, **8:204**

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)

Master limited partnerships, special ten-
percent penalty for late payments,
electing large partnership adjust-
ments, **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)

PERCENT OR PERCENTAGE**—Cont'd**

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 interest, **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, **8:87, 8:88**

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**
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**

INDEX

PLANS—Cont'd

- 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, **8:123**

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**

POLICY OR POLICIES—Cont'd (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**

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, **8:204**

Limited partners and partnerships, internet foreign offerings, Rule 506 offerings, **6:71**

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**

PERFORMANCE 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 disclosure, **8:82 to 8:190**

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**

INDEX

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**
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 Invest-

PRIMARILY ENGAGED IN CERTAIN BUSINESS—Cont'd

ment Company Act of 1940, **6:305**

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, **8:119**

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**

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, **8:140**

PRIOR OR PREVIOUS MATTERS

FINRA regulation of direct participation programs and non-traded real estate investment trusts, rollout rules, **13:54**

IRS audit program, partnership audit provisions, **23:76.80**

PRIOR OR PREVIOUS MATTERS**—Cont'd**

- 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, **8:113 to 8:122**

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 6:113**, **App A4**

PRIVATE PLACEMENTS

- Broker-dealers, FINRA guidance on obligation to conduct investigations, **15:95**
- FINRA, regulation of direct participation, **13:50, 13:51**
- 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

PRIVATE SECURITIES—Cont'd

- investment trusts, **13:29**

PRIVATE SECURITIES LITIGATION REFORM ACT (PSLRA)

- Due diligence and civil liability, inadequate or materially misleading disclosure, **8:198 to 8:200**

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, **8:209**

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)

INDEX

PRODUCTION—Cont'd

Oil and gas, payments, **16:13, 16:39**

PROFESSIONALS

Actions and proceedings, **8:170**

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:82 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)

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)

PROGRAMS—Cont'd

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**

PROMOTERS

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:82 to 8:190**

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)
- 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, **8:193 to 8:205**

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**

PROPOSED MATTERS—Cont'd

- 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 projections 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**

INDEX

PROSPECTUS—Cont'd

Full disclosure—Cont'd
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 **Pinnacle Foods Prospectus** (this index)
plan of distribution, **7:61**
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**

PROSPECTUS—Cont'd

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 Phillips Edison—ARC Shopping Center REIT Inc., **App Y2**
Pinnacle Foods prospectus. See **Pinnacle Foods Prospectus** (this index)
Publicly registered real estate syndications, **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, **8:172**

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, **8:198 to 8:200**

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 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

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**

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**

INDEX

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- Appraisals—Cont'd
 - 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**
 - 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- 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**
- 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- 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**
- 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Effect or effects—Cont'd
 - 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**
- 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**

INDEX

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

Fees—Cont'd

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**

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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

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**

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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- 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**
- 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Investment Company and Investment Advisers Act—Cont'd
 - 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**
 - 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Market or markets—Cont'd
 - 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**
- 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 REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Offerings—Cont'd
 - 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**
- 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

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Partners and partnerships—Cont'd
 - 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**
 - 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Proceeds—Cont'd
 - 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 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**

INDEX

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- 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**
 - 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

- 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**
 - 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**

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Sarbanes-Oxley Act (SOX)—Cont'd
 - 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**
- 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

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS**—Cont'd**

- Statements—Cont'd
 - 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**
 - use of promotional and sales material, contents of prospectus, **26:62 to 26:68**
- Supplemental documents, SEC rollup 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 rollup disclosure rules, **26:186**
- Trading
 - market, quality of disclosure, **26:95**

INDEX

PUBLICLY REGISTERED REAL ESTATE SYNDICATIONS

—Cont'd

Trading—Cont'd

regularly traded for purposes of the rollup rules exclusion, SEC rollup disclosure rules, **26:185**

Transactions, rollup, **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, rollup 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**

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, **8:90**

Investment limited partnerships, integration, **6:107**

PUBLIC OFFERINGS—Cont'd

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**

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

Investments, **9:172, 9:173**

Overview of legislation, **9:170**

Proposed regulations, **9:174**

Requirements, **9:171**

Tax benefits from investment, **9:172**

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)
- 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, **8:214**

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**

INDEX

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, **9:136**
 - 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 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**
 - 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**

REAL ESTATE—Cont'd

- Acquisition indebtedness, **9:90**
 - effect of the 1984 Act, **9:92**
 - relief from, **9:91**
- 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, **9:147**
- 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**
- 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**
- Allocation of credit authority, **9:160**

REAL ESTATE—Cont'd

- Allowable. See Permissible or allowable, below
- Allowable credit authority, **9:157**
- Allowance for depreciation, short taxable year, **9:27**
- Alternative depreciation system, **9:35**
- Alternative minimum tax (AMT)
 - computations, depreciation under Tax Reform Act of 1986, **9:43**
- Amended section 1031(a)(3), like-kind exchanges, **9:202**
- 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, **9:161, 9:162**
 - minimum. See Minimum, below
 - 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, **9:220**
- 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

REAL ESTATE—Cont'd

- Application or applicability—Cont'd
 - 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, **9:138**
 - 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, **9:159**
- Appraisals
 - publicly registered real estate syndications. 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)

INDEX

REAL ESTATE—Cont'd

Assets—Cont'd

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**

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

Background or history

income or loss from activity, treatment of current expenses, **11:13**

nominee corporations, **9:175**

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, **9:117, 9:120**

Basis

adjustment or adjustments

Eligible basis, low income housing credit, **9:142**

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, **9:198**

tax rollovers, low income housing, **9:169**

REAL ESTATE—Cont'd

Benefits

tax benefit rule, sale or disposition of real property, **9:180**

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**

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, **9:177**

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**

Boot, non-qualifying property, like-kind exchanges, **9:196**

Broker-dealers, compliance for real estate limited partnership syndications, **15:1 et seq.**

Buildings and structures

certified historic structures, rehabilitation tax credit, **9:121**

equipped buildings, effective dates for depreciation provisions of Tax Reform Act of 1986, **9:51**

existing buildings, low income housing credit, **9:140**

Business or businesses

active business loss limitation, **9:5**

like-kind exchanges, **9:190**

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

real estate investment trusts. See **Real Estate Investment Trusts**

REAL ESTATE—Cont'd

- Business or businesses—Cont'd
 - (REITs)** (this index)
 - unrelated business taxable income (UBTI), **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**
 - 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, **9:178**
- 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, **9:121**
- 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**

REAL ESTATE—Cont'd

- Change or modification—Cont'd
 - (REITs)** (this index)
- Characterization of transaction, **9:6**
- Clear reflection of income, prepayments of other expenses, **11:48**
- 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, **9:144**
- 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
 - 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, **9:161**

INDEX

REAL ESTATE—Cont'd

- Computation or computations—Cont'd
 - earnings and profits, depreciation under Tax Reform Act of 1986, **9:42**
 - impairments, write-downs, REITs, **25:35**
 - 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, **9:185**
- 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—Cont'd

- Contracts or agreements—Cont'd
 - Real Estate Syndications** (this index)
 - 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, **9:164**
 - publicly registered real estate syndications, rollup reform, **26:158**
- Corporations
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- Costs
 - demolition costs, rehabilitation tax credit, **9:120**
 - 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**
- Cost segregation, **9:32**
- 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**
 - tax-exempt entity leasing, depreciation, **9:81**

REAL ESTATE—Cont'd

- Current expenses of limited partnerships, treatment of, **11:2 to 11:67**
- Dealers, status, sale or disposition of real property, **9:181**
- Debt or indebtedness
 - accounting provisions, **1:70**
 - 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**
 - 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, **9:203**
 - installment obligations and deferred exchanges, **9:214**
 - like-kind exchanges, non-qualifying property, **9:201, 9:203**
 - payments
 - State substantive regulation of real estate programs, **12:20**
 - Use of property or services, treatment of current expenses, **11:51 to 11:52**
 - 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, **9:168**
 - unrelated business taxable income, **9:84**

REAL ESTATE—Cont'd

- Delaware statutory trust, **9:221, 9:222**
- De minimis original issue discount, timing of interest deductions under Tax Reform Act of 1984, **11:39**
- Demolition costs, rehabilitation tax credit, **9:120**
- Depreciation
 - Generally, **9:7, 9:8**
 - Classes of property, **9:9**
- Depreciation
 - 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, **9:161, 9:162**
 - tax-exempt use property, determinable price, **9:75**
 - time of determination, eligible basis and low income housing credit, **9:143**
- 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 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
 - convention, short taxable year, **9:23**

INDEX

REAL ESTATE—Cont'd

- Disposition or dispositions—Cont'd
 - 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, **9:207**
 - 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)
- 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, **9:141**
 - section 197, fifteen-year amortization for intangibles, **11:19**
- Effective dates
 - final regulations, **9:208**

REAL ESTATE—Cont'd

- Effective dates—Cont'd
 - low income housing credit, **9:165**
 - 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, **9:122**
 - short taxable year, depreciation under Tax Reform Act of 1986, **9:30**
 - tax-exempt entity leasing, depreciation, **9:70**
- Effective dates for 1986 Act provisions, **9:46**
 - General transition rules, **9:48**
- Effort, facts and circumstances test for activities not engaged in for profit, **11:10**
- Elections
 - acceleration, low income housing credit, **9:136**
 - alternative depreciation system usage, depreciation under Tax Reform Act of 1986, **9:41**
 - minimum set-aside election, qualified low income housing projects, **9:151**
 - 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 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
 - publicly registered real estate syndications, rollup transactions, **26:150 to 26:152**
- Eligible taxpayers, **9:183**

REAL ESTATE—Cont'd

- 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, **9:100**
- Existing buildings, low income housing credit, **9:140**
- Expenses and expenditures
 - costs. See Costs, above
 - publicly registered real estate syndications, amount of transactional expenses, **26:176**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - rehabilitation expenditures, low income housing credit, **9:146**
 - 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, treatment of current expenses, **11:9**

REAL ESTATE—Cont'd

- Extended use compliance period, low income housing credit, **9:155**
- 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, **9:141**
- 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 syndications. 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**
- 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, **9:203 et seq.**
- Final regulations on domestically controlled REITs, **9:225**
- Financial matters
 - forecasts, state substantive regulation of real estate programs, **12:16**
 - publicly registered real estate syndications. See **Publicly Registered**

INDEX

REAL ESTATE—Cont'd

- Financial matters—Cont'd
 - Real Estate Syndications** (this index)
 - real estate mortgage investment conduits, financial institutions, **28:39**
 - statements. See **Financial statements**, below
 - status of taxpayer, facts and circumstances test for activities not engaged in for profit, **11:15**
- Financial statements
 - publicly registered real estate syndications. 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 syndications, 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**
 - real estate mortgage investment conduits. See **Real Estate Mortgage Investment Conduits (REMICs)** (this index)
 - sale or disposition of real property, **9:180**
- 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**

REAL ESTATE—Cont'd

- Fractions
 - qualified basis and low income housing credit, applicable fraction, **9:138**
 - 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, 9:178, 9:180**
- General rules
 - like-kind exchanges, **9:189**
 - real estate investment trusts, structure, **25:133**
 - real estate mortgage investment conduits, taxation of holders of residual interests, **28:34**
- Grants, eligible basis and low income housing credit, **9:141**
- Gross rent limitation, qualified low income housing projects, **9:150**
- 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**

REAL ESTATE—Cont'd

- Historic structures, rehabilitation tax credit, **9:121**
- History. See Background or history, above
- Holders and holding
 - exchange, holding period before, **9:191**
 - like-kind exchanges, **9:198**
 - non-qualifying property, **9:198**
 - 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, **9:204**
- Impact of section 469, **9:132**
- 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**
- 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)

REAL ESTATE—Cont'd

- Income—Cont'd
 - unrelated business taxable income (UBTI), **25:182**
- Indebtedness. See Debt or indebtedness, above
- Installment
 - deferred exchanges, installment obligations and, **9:214**
 - obligations, exceptions to original issue discount rules, **11:43**
 - reverse exchanges, **9:213, 9:214**
 - sales of real property, **9:184, 9:186**
 - section 1031, reverse exchanges, **9:213**
- 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, **9:187**
 - 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**
 - 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**

INDEX

REAL ESTATE—Cont'd

Investment

- Generally, **9:1**
- like-kind exchanges, **9:190**
- 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.**
- 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, **9:223**

IRS Notice 2000-4 and regulations issued pursuant to notice, reverse exchanges, **9:215**

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**

REAL ESTATE—Cont'd

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**

Law before 1987, **9:166**

Leasebacks

- economic accrual method, treatment of current expenses, **11:55**
- sale-leasebacks, **9:54, 9:224**

Leases

- improvements, depreciation under Tax Reform Act of 1986, **9:34**
- tangible property, fifteen-year amortization, **11:20**

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**

Like-kind exchanges of real property, **9:188 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, **9:150**

REAL ESTATE—Cont'd

- Limitations—Cont'd
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - at risk limitation, low income housing credit, **9:163**
- 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**
- 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, **9:129**
- Low income housing
 - special rules applicable to low income housing, activities not engaged in for profit, **11:6**
- Low income housing credit
 - credit computation law, **9:134**
 - credit percentages, **9:135**

REAL ESTATE—Cont'd

- Low income housing credit—Cont'd
 - current law, **9:133**
 - eligible basis, **9:139**
- 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, **9:151**
 - real estate investment trusts, capital, **25:96**
 - unit purchase, state substantive regulation of real estate programs, **12:24**
- Miscellaneous itemized deductions, limitations, **11:65**
- Mixed use property, eligible basis and low income housing credit, **9:145**
- 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)

INDEX

REAL ESTATE—Cont'd

- Mortgages—Cont'd
 - 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, **9:199, 9:200**
- 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, **9:127**
- 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, treatment of current expenses, **11:5 to 11:16**
 - special set-aside for qualified non-profit organizations, state low income housing credit authority limitations, **9:158**
- Nonpublicly traded property, issuance of contingent debt instruments, **11:37**
- Nonqualifying property, like-kind exchanges, **9:194 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**

REAL ESTATE—Cont'd

- North American Securities Administrators Association (NASAA)
 - Cont'd
 - programs, statement of policy, **App I**
 - publicly registered real estate syndications, rollup amendments, **26:190 to 26:194**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- Notices
 - IRS Notice 2000-4, **9:215**
- 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**
- 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—Cont'd

- Operation or operations—Cont'd
 - Real Estate Syndications** (this index)
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - section 47, rehabilitation tax credit, **9:117**
- 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, **9:158**
- Original issue discount, timing of interest deductions under Tax Reform Act of 1984, **11:28 et seq.**
- Overview of law before the 1990 Act, **9:167**
- Parking exchanges outside safe harbor, **9:212**
- 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**
 - 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)

REAL ESTATE—Cont'd

- 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, **9:185**
 - 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, **9:135**
 - 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**
- Permissible or allowable
 - real estate investment trusts, permissible change to calendar year, **1:29**
 - real estate mortgage investment conduits, permitted investments, **28:22 to 28:25**
- 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**

INDEX

REAL ESTATE—Cont'd

- 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 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

REAL ESTATE—Cont'd

- Programs—Cont'd
 - (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**
- Proposed amendments to Delaware LLC Act and partnership acts, **12:23**
- 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**
 - 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 basis, **9:137**
- Qualified low income housing projects, **9:149**
- Qualified or qualifying matters
 - community development entities, **9:130**

REAL ESTATE—Cont'd

- Qualified or qualifying matters—Cont'd
 - equity investment, **9:128**
 - like-kind exchanges, **9:192 et seq., 9:207**
 - nonprofit organizations, special set-aside, **9:158**
 - 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, **9:124**
- Qualified revitalization expenditure, commercial revitalization deduction, **9:125**
- 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**
 - 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 housing credit, **9:153, 9:154**
 - depreciation, **9:57**
 - economic accrual method, treatment of current expenses, **11:60**
 - new Markets tax credit under Section 45D, **9:131**
- Recapture of the credit, **9:131**
- Receipt of substantially the same property and constructed property, **9:205**

REAL ESTATE—Cont'd

- 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, depreciation 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 syndications. 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 transactions, state regulation, **14:1 et seq.**
 - publicly registered real estate syndications, rollup transactions, **26:148, 26:158, 26:161**
 - state regulation of private real estate securities transactions, Regulation 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 leasing and depreciation, **9:98**
- Rehabilitation
 - expenditures, low income housing credit, **9:146**
- Reimbursement for program expenses, state substantive regulation of real estate programs, **12:11**
- Related party exchanges, like-kind exchanges, **9:195**

INDEX

REAL ESTATE—Cont'd

- Related party payments, treatment of current expenses, **11:62, 11:63**
- 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, **9:150**
 - 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 leasing and depreciation, **9:88**
- Repeals
 - real estate investment trusts, capital gains rate for corporations, **25:175**
- Reports
 - annual reports. See Annual reports, above
 - like-kind exchanges, final regulations, **9:209**
 - 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, **9:211**
- Revenue procedure 2002-22, **9:218**
- Revenue Reconciliation Act of 1989, compliance period—low income housing credit, **9:155**

REAL ESTATE—Cont'd

- Revenue Reconciliation Act of 1993, **9:95, 9:99**
- Reverse exchanges
 - Generally, **9:210 et seq.**
 - conditions for obtaining ruling under Revenue Procedure 2002-22, **9:219**
 - installment obligations and deferred exchanges, **9:214**
 - installment sales and Section 1031, **9:213**
 - IRS Notice 2000-4 and regulations issued pursuant to notice, **9:215**
 - like-kind exchanges and, safe harbors, **9:212**
 - parking exchanges outside safe harbor, **9:212**
 - revenue Procedure 2000-37, generally, **9:211**
 - safe harbors, **9:212**
 - tenancies-in-common and Section 1031, **9:216, 9:217**
- 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)
- Rules
 - antichurning rules, depreciation under Tax Reform Act of 1986, **9:44**
 - basic rules, rehabilitation tax credit, **9:117, 9:120**
 - 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**

REAL ESTATE—Cont'd

Rules—Cont'd

11:34, 11:41 to 11:44publicly 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**special rules. See Special rules, below tax benefit rule, sale or disposition of real property, **9:180**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, **9:118, 9:206, 9:212**Sale-leasebacks, **9:54, 9:224**

Sales

contingent payment sales, **9:185**installment sales, **9:184, 9:186**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, **9:123**

Section 47

regulations under I.R.C. § 50(d)(5), **9:119**safe harbor provisions, **9:118****REAL ESTATE—Cont'd**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**Section 453, sale or disposition of real property, **9:182**Section 453A interest, sale or disposition of real property, **9:187**Section 467, treatment of current expenses, **11:51 to 11:52, 11:59, 11:61**Section 1031, like-kind exchanges of real property, **9:188 et seq., 9:202, 9:216**Section 1231 gain, sale or disposition of real property, **9:179**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, **9:151, 9:158**Seven-year class of property, depreciation, **9:12**

INDEX

REAL ESTATE—Cont'd

- 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 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**
- Special set-aside for qualified nonprofit organizations, state low income housing credit authority limitations, **9:158**
- 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

REAL ESTATE—Cont'd

- State—Cont'd
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
- State Commercial Revitalization Agency, **9:126**
- State low income housing credit authority limitation, **9:156**
- 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, **9:181**
 - 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, **9:141**
- 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**
- Tax benefit rule, sale or disposition of real property, **9:180**

REAL ESTATE—Cont'd

- Tax consequences of Delaware statutory trust, **9:222**
- Tax court position, nominee corporations, **9:176**
- 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**
 - financing, **9:39, 9:74**
 - real estate investment trusts. See **Real Estate Investment Trusts (REITs)** (this index)
 - use property, **9:38**
- Tax exempt entity leasing
 - current laws, **9:66**
 - definition of tax exempt entity, **9:68**
 - pre 1984 law, **9:67**
- 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**
- Tax Reform Act of 1986
 - coordination of provisions, low income housing credit, **9:164**
 - depreciation, **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**
- Technical and Miscellaneous Revenue Act of 1988
 - escrow account taxation, treatment of current expenses, **11:67**

REAL ESTATE—Cont'd

- Technical and Miscellaneous Revenue Act of 1988—Cont'd
 - unrelated business taxable income (UBTI), tax-exempt entity leasing and depreciation, **9:95, 9:97, 9:98**
- Tenancies-in-common, **9:216, 9:217**
- Tenant qualification, low income housing credit, **9:152**
- 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
 - deferral. See Deferral, above
 - depreciation periods, tax-exempt entity leasing, **9:80**
 - determination of eligible basis, low income housing credit, **9:143**
 - 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
 - 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)

INDEX

REAL ESTATE—Cont'd

Time—Cont'd

- 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, **9:190**

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.**

Transferability, determination of state low income housing credit amount allocation, **9:162**

Transfers

- publicly registered real estate syndications, transfer agent registration, **26:126**
- real estate investment trusts, **25:187**

REAL ESTATE—Cont'd

Transfers—Cont'd

- 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**

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, **9:197**
- 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), **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 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**

REAL ESTATE—Cont'd

- 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, **9:148**
 - 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), **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, **9:155**
 - foreign use property, alternative depreciation system, **9:37**
 - mixed use property, eligible basis and low income housing credit, **9:145**
 - post-transfer use, tax-exempt entity leasing, **9:77**
 - 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 use property, **9:38**
- Use property, **9:73**
- Variable rate
 - debt instruments, timing of interest deductions under Tax Reform Act of 1984, **11:33**
 - interests, real estate mortgage investment conduits, **28:8**

REAL ESTATE—Cont'd

- 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
 - 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**

INDEX

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

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**

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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

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**

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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- 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**
 - 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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- 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**
 - 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**

INDEX

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

- Domestically controlled REITs, **9:225**
- 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**
- 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**

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

- 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, **9:225**
- 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**
- 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

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- Gain or gains—Cont'd
 - 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**
- 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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- Interest on money—Cont'd
 - 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**
 - 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**

INDEX

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

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**

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**

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

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**

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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- 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**
- 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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- 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**
- 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**

INDEX

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

- 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**
 - 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**

REAL ESTATE INVESTMENT

TRUSTS (REITS)—Cont'd

- 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**
- 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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- Risk—Cont'd
 - plain English rules, federal registration 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 registration 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 shareholders, **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**
 - 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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- 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 coordinating 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 Association (NASAA), **App Y3**
- Stock exchanges, **25:131**
- Straight-line rents, funds from operations (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**
- 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**

INDEX

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- 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**
- 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**

REAL ESTATE INVESTMENT TRUSTS (REITS)—Cont'd

- Underwriting agreement for REIT initial public offering—Cont'd
 - 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**
 - 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**

**REAL ESTATE MORTGAGE
INVESTMENT CONDUITS
(REMICS)—Cont'd**

- 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**
- 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**

**REAL ESTATE MORTGAGE
INVESTMENT CONDUITS
(REMICS)—Cont'd**

- 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**
- 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**

INDEX

REAL ESTATE MORTGAGE INVESTMENT CONDUITS (REMICS)—Cont'd

Qualified or qualifying matters—Cont'd
reserve assets, permitted investments,
28:24

Reasons for REMIC legislation,
background in mortgage securitiza-
tion, **28:3**

Regular interests
holders of regular interests, taxation
of, **28:31, 28:32**
qualifying interests, **28:7, 28:8**

Replacement mortgages, asset composi-
tion 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**
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 disquali-
fied organizations, tax on, **28:40**

REAL ESTATE MORTGAGE INVESTMENT CONDUITS (REMICS)—Cont'd

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 inter-
est, **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**

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**

RECEIPT OR RECEIPTS—Cont'd

Real estate, receipt of substantially the same property and constructed property, **9:205**

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**

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**

RECORDS—Cont'd

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**

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)

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)
- 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 rollout 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**
- 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, **6:161**
- 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**
- 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**

REGULATION A/REGULATION A+—Cont'd

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**
 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**
 Summary of amendments, **6:157**
 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**

REGULATION D—Cont'd

Integration versus aggregation, **6:113**
 Limited partners and partnerships
 internet foreign offerings, private placements, **6:72**
 prohibition against general advertising or solicitation, **6:34**
 No action letters, **6:31**
 Other rulings, **6:39**
 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**

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**

INDEX

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)
 - oil and gas, passive loss rules, **16:30 to 16:37**
 - Qualified opportunity zones, **9:174** 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**

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, **9:195**
- 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 Commission** (this index)

RELIANCE

- Audits-IRS, IRS Circular 230, **23:121, 23:131**

RELIANCE—Cont'd

Due diligence and civil liability, **8:7, 8:180**

REMEDIES OR RELIEF

Broker-dealers, remedial disciplinary action, **15:104, 15:106**
 Due diligence and civil liability, damages, **8:191**
 Injunctions. See **Injunctions** (this index)
 Partners and partnerships. See **Partners and Partnerships** (this index)
 S corporations, relief from inadvertent termination, **22:39**
 SEC disgorgement remedy, application of statute of limitations, **8:162**

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 condition, **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, ordering rules, **11:155**

REPAYMENT—Cont'd

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 Utilities” 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 syndications, **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 allocation, **10:372**
 Publicly registered real estate syndications. See **Publicly Registered 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**

INDEX

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, **8:128**

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)

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

Private real estate securities transactions, state regulation, **14:9**

RESALES BY INVESTORS

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, **6:220**

holding period, **6:212**

Amendments to Rule 144, December 2007, **6:182**

C&DIs, **6:218, 6:227, 6:229, 6:234**

Class action settlements, **6:200**

Compensation, **6:197**

RESALES BY INVESTORS—Cont'd

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**

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**

Exemptions from registration under section 4(a)(1), **6:181**

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**

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**

RESALES BY INVESTORS—Cont'd

Holding period for restricted securities
—Cont'd

- 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**

Limitation on amount of securities sold, **6:219**

- 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**

RESALES BY INVESTORS—Cont'd

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**

Rule 144

- final Rule (amended December 2007), **App B3**
- registration exemptions. See other lines in this topic
- SEC Staff Interpretation, **App B4**
- 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**

INDEX

RESALES BY INVESTORS—Cont'd

- 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**

RESEARCH AND DEVELOPMENT

—Cont'd

- “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**
- 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**

RESEARCH AND DEVELOPMENT**—Cont'd**

- Limited partners and partnerships
 - Cont'd
 - 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 exclusions from eligibility for tax credit, **21:44**
- Pre-operating expenses, tax credit, **21:50**
- Process-of-experimentation test, qualified 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 treatment, **21:25**
- Software for computers, **21:15, 21:49**

RESEARCH AND DEVELOPMENT**—Cont'd**

- 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**
- Technology and technological matters
 - capital gain treatment, **21:20, 21:21**
 - qualified research, tax credit, **21:40**
- Trade or business requirement, structuring 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 Partnerships** (this index)

RESIDENTIAL REAL ESTATE

- Depreciation recapture, **9:57**
- Limited partnerships, broker-dealers, **6:281**
- Partnership investment opportunities, **2:22**

INDEX

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, **8:140**

RESPONSE OF ATTORNEY

Auditors' requests for information, due diligence and civil liability, **8:128**

RESPONSIBILITIES

See **Duties** (this index)

RESTATEMENT (SECOND) APPROACH

Due diligence and civil liability, state law claims for inadequate or materially misleading disclosure, **8:212, 8:213, 8:216**

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 syndications, 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 liquidating distributions, **10:166**

Passive loss, plan distributions and payments, **4:63, 4:85**

Publicly registered real estate syndications, 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**

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, **9:211**

REVENUE RECONCILIATION ACT OF 1989

See **Real Estate** (this index)

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**

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**

REVOCAATION

Broker-dealers, disciplinary procedures, **15:114**
S corporations, termination of election, **22:30**

“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, **8:110**
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)

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**

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, **6:306**

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, **8:167**

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)

RULE 144—Cont'd

Investors' resales of securities. See **Resales by Investors** (this index)
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, **6:311**

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**

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**

INDEX

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, **9:206, 9:212**

SAFE HARBORS—Cont'd

- Real estate—Cont'd
 - Section 47, **9:118**
 - 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, 9:224**

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, **8:88**
- 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**

“SANDERSON V COMMISSIONER” CASE

- Equipment leasing, **19:60**

SARBANES OXLEY ACT

- Fraudulent accounting who is an employer under the statute?, **8:78**
- 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, **8:120**

SCIENTER

- Due diligence. See **Due Diligence** (this index)
- Pleadings, **8:123**

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**

INDEX

S CORPORATIONS—Cont'd

- Accumulated earnings tax, avoidance of, **22:10**
- 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**

S CORPORATIONS—Cont'd

- Benefits of entity, **22:1 et seq.**
- 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**

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**

INDEX

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**

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 subsidiaries, **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 deduction, **22:3**
 - Section 199A, **22:3**
- Tax imposed on excess passive investment 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**

INDEX

S CORPORATIONS—Cont'd

- Texas S Corp LLC operating agreement, **31:4**
- Third party debt, worthless debt, **22:48**
- Transfers, one class of stock requirement for eligibility, **22:22**
- Transition rules, distribution of appreciated 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 Commission (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 8:14, 8:80, 8:180, 8:201**
- Form D, Notice of sales under Regulation D or section 4(6) of Securities Act of 1933, **App A1**
- Investment limited partnerships, transactional exemptions from registration requirements, **6:18 to 6:234**
- Regulation A, Form 1-A. See **Regulation A / Regulation A+** (this index)
- Regulation A / Regulation A+** (this index)

SECURITIES AND EXCHANGE COMMISSION (SEC)

- Administrative law judges
 - constitutionality of appointment, **8:160**
 - enforcement proceedings involving civil fines ruled unconstitutional Seventh Amendment violation, **8:161**

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, **8:163**
- Constitutionality of appointment process for administrative law judges, **8:160**
- Crowdfunding, **14:21**
- Cryptocurrency, injunctive authority over, **8:153**
- Disgorgement remedy, application of statute of limitations, **8:162**
- Dodd-Frank Act (2010) corporate governance provisions, **8:76**
- Due diligence. See **Due Diligence** (this index)
- Enforcement authority, private fund advisers curtailed in Fifth Circuit ruling, **8:179**
- Enforcement power
 - consent decrees, **8:158**
 - misrepresentations in connection with the purchase or sale of a security, **8:154**
 - no-deny provisions, **8:155**
 - proxy and reporting violations, misstatements about interlocking directorates, **8:156**
- ESG disclosure rule proposals for investment companies and advisers, **6:295, 6:308**
- 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, **8:164**
- 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**

Non-final administrative order, judicial review, **8:169**

Private nondelegation doctrine
constitutionality of FINRA broker suspension prior to SEC review, **8:168**

Prosecutorial position

Janus case, **8:97**

materiality, **8:99**

Rule 10b-5, **8:97, 8:99**

section 17(a), **8:97**

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**

SECURITIES AND EXCHANGE**COMMISSION (SEC)—Cont'd**

Releases—Cont'd

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, **8:100**

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 arsenal, **8:157**

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, **8:162**

SECURITIES EXCHANGE ACT (1934)

Broker-dealers, issuer's exemption from registration under Rule 3a4-1, **15:6, 15:7**

Due diligence and civil liability, **8:81, 8:94, 8:129**

Emerging growth companies, **6:236**

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

Oil and gas, **16:71**

Publicly registered real estate syndications, 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**

INDEX

SECURITY

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

SELECTED FINANCIAL DATA

Publicly registered real estate syndications, SEC rollup disclosure rules, **26:177**

SELECTION

Limited partners and partnerships, investment, gross revenues requirement under Rule 147, **6:130**

Publicly registered real estate syndications, 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 partnerships, **10:553 to 10:560**

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, **9:151, 9:158**

SETOFF

See **Offset** (this index)

SETTLEMENT

Due diligence and civil liability, inadequate or materially misleading disclosure, **8:193 to 8:205**

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, **8:161**

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, **8:157**

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)

SHORT TAXABLE YEAR

Depreciation, **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

INDEX

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**

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 8:35**

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, **9:158**

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**

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**

INDEX

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, **8:204, 8:206 to 8:224**
- 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, **8:186**

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, **8:180, 8:181**
- 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, **8:162**

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)

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**

INDEX

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, **9:141**

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 rollout 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**

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**

INDEX

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, **19:34**

TAX ASPECTS

Broker-dealers, due diligence checklist for real estate syndication, **15:87**

TAX COURT

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

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**
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**
Compensation of executives, deduction limit, **1A:6**
Deduction limitations
business interest, **1A:4, 9:2, 22:4**
executive pay of REITs, **1A:6**
interest, Sec. 163(j), proposed regulations, proposed and final regulations on, **1A:12**

TAX CUTS AND JOBS ACT OF 2017

—Cont'd

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**
Limitations on use of section 179, **9:65**
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**
Provisions before the 2017, TCJA, **9:64**
Qualified opportunity zones
Investments, **9:172, 9:173**
Overview of legislation, **9:170**
Proposed regulations, **9:174**
Requirements, **9:171**
Tax benefits from investment, **9:172**
Real estate
generally, **1A:2**
investing, **9:1**
REITs, executive pay deduction limit, **1A:6**
Recent legislative proposals, IRS guidance on the taxation of digital Assets, **1A:16**

TAX CUTS AND JOBS ACT OF 2017**—Cont'd**

Rehabilitation tax credit, **9:114, 9:115, 9:117**

amendments, **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**

Facts and circumstances test for activities not engaged in for profit, **11:9, 11:15**

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

TAXPAYERS—Cont'd

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**

INDEX

TAX SHELTERS—Cont'd

- 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**
- 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, **9:216, 9:217**
- Tenants in common agreement, **App J1**

TENANTS

- Equity participation, partners and partnerships, **10:260**
- Qualification, low income housing credit, **9:152**

TENDER OFFER

- FINRA regulation of direct participation programs and non-traded real estate investment trusts, **13:44**
- Publicly registered real estate syndications, 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 **Inadvertent Terminations** (this index)
- Limited liability companies. See **Limited Liability Companies** (this index)
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)
- Partnerships. See **Partners and Partnerships** (this index)
- Real estate. See **Real Estate** (this index)
- 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, securities 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**

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**

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

INDEX

TIME OR DATE—Cont'd

- 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, **8:108**
- Equipment leasing, structure of transaction, **19:8**
- FINRA regulation of direct participation programs and non-traded real estate investment trusts, nonmembers, **13:43**
- Full disclosure, transactions among related parties, **7:7, 7:52, 7:53**
- Limited partners and partnerships. See **Limited Partners and Partnerships** (this index)

TRANSACTIONS—Cont'd

- 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, **9:162**

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**
- Partners and partnerships, inclusion of debt in outside basis, **10:270 to 10:279**
- Passive loss. See **Passive Loss** (this index)

TRANSITION RULES—Cont'd

- 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)
- 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**

INDEX

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, **8:143 to 8:145**

TWO THIRDS INVESTMENT TAX CREDIT

Motion pictures, **20:29, 20:39**

TWO TIER LIMITED PARTNERSHIPS

Investment Company Act of 1940, **6:296 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, **8:211**

Near privity rule, **8:209**

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, **8:116, 8:137**

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,**

**UNDERPAYMENT OR
UNDERPAYMENTS—Cont'd**
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
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 interests, 10:492, 10:494
Real estate. See **Real Estate** (this index)

UNLOADING AT CROSSOVER
Equipment leasing, operating the partnership, 19:79

INDEX

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, **25:182**

UPDATING

Due diligence and civil liability, duty to
update, **8:107, 8:188**

Publicly registered real estate syndica-
tions, 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, **8:180**

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

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

Full disclosure, prospectus, use of
proceeds, **7:34, 7:35**

Individual income tax, changes in
deduction for business use of home,
1:63

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

Livestock programs, full disclosure of
use of futures trading, **17:89**

Motion pictures, prior law, **20:40**

USE—Cont'd

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)

Real estate, salvage value and deprecia-
tion under Tax Reform Act of 1986,
9:31

“VAN ROEKEL V COMMISSIONER” CASE

At risk, guarantees and other risk limit-
ing 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, **8:119, 8:180**

Penalties, CTA, **9:104**

Professionals, **8:170**

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**

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, **8:174**

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, **8:79**

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**

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**

WORLDCOM CASE

Due diligence and civil liability, **8:12**

INDEX

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**