

Death of a partner

- Estate succeeds decedent as partner;
- Partnership interest is sold (Chapter 6); *or*
- Partnership interest is liquidated (Chapter 8)

Common issues

- Partnership year closes upon death of partner, as to that partner only
 - IRC § 706(c)(2)(A)
 - Close the books or pro-rate
- Outside basis is stepped up (down) under IRC § 1014
 - No *inside* basis step-up (down) unless IRC § 754 election is in place (or IRC § 754 required)
 - No step-up for income in respect of a decedent (IRD) - IRC § 691

IRD in partnership setting

- IRC § 753
 - Any IRC § 736(a) payment
- Deceased partner's share of gain on receivables
 - Income earned before death but not taxed to decedent
 - *Woodhall and Quick Trust*

Final exam

Monday, May 1

1:15 p.m.

Room 2

Three 1-hour essay questions

Open book, open note

Secure exam

Exam preparation

- Group Q & A session
 - Tuesday April 25 - 3:00 p.m. - Room 1
- Office hours
 - Wed., Thu., Fri. April 26-28 - 12 noon to 2:00 p.m.
- E-mail inquiries:
 - *bojack@lclark.edu*
 - Goal: 24-hour turnaround