



# Partnership Basis & the Centralized Audit Regime (2 CE)

July 26, 2021

8:00 AM to 9:40 AM PT

## COURSE DESCRIPTION

Beginning January 1, 2020, partnerships are required to report partners' capital on Schedule K-1 on the tax basis method. Find out what is happening with the tax basis capital account reporting. We will examine the current state of this reporting issue, including the appropriate method per the IRS.

Then we will provide an all-purpose overview of the New Partnership Audit Rules as developed by the Bipartisan Budget Act of 2015 (BBA). A quick summary of previous audit rules, reasons for the change, and why we should be concerned about these new rules. Terms associated with the new audit rules. Who can or cannot elect out; how to elect out; and the election required to elect out of the new partnership audit rules.

Analysis on the importance of updating the partnership agreements in relation to these New Partnership Audit Rules, economic consequences to partners, and provide a detailed breakdown on the importance of the "New" Tax Matters Partner, which is now called the Partnership Representative "PR".

Other issues to be deliberated will include how to handle partners who have left the partnership, communications with the partners during proceedings with the IRS, role and power of the "PR", and how will partnership pay for the tax from audit.

## Learning Objectives

Upon completion of the session, the participant will be able to:

- ✓ Understand the partnership tax basis capital reporting requirements
- ✓ Understand the "tax basis method" and restating beginning tax capital
- ✓ Understand the outstanding issues related to the partnership tax basis capital reporting
- ✓ Provide attendees with a "brief" overview of New Partnership Audit Rules including the IRS roadmap and audit timeline
- ✓ Discuss the importance of updating partnership agreements in relation with the new Partnership Tax Audit Rules
- ✓ Importance of the "New" Tax Matters Partner, which is not called the Partnership Representative "PR"

## Michael Miranda, CPA



Bringing 44 years of experience with tax consulting, estate planning, and employee benefits to his work as an independent consultant, Michael is the owner of Miranda CPA & Consulting LLC in Sioux Falls, SD. His tax practice focuses on **corporate, individual, estate and gift**, and tax accounting. He also provides **employee benefit planning** and consultation services for qualified **and non-qualified plan** and **welfare benefit plans**. A recognized speaker, he maintains an active schedule presenting webinars and seminars on tax law, **employee benefit planning, and estate planning** through the Midwest part of the country. As part of his IRS representation practice, Michael has worked with the National Office to obtain private letter rulings for clients. In early December 2018 the IRS published two private letter rulings related to late Q-sub and S corporation elections.