
TABLE OF CONTENTS

Overview	1
Overview: Test Your Knowledge	7
Overview: Solutions and Suggested Responses	9
Chapter 1: Introduction to Pass-Through Entities	11
1.01 Partnerships	14
1.02 S Corporations	15
Chapter 1: Test Your Knowledge	23
Chapter 1: Solutions and Suggested Responses	25
Chapter 2: Formation, Contributions, Services, and Receipt of Ownership Interests	27
2.01 Partnerships	28
2.02 S Corporation	30
Chapter 2: Test Your Knowledge	33
Chapter 2: Solutions and Suggested Responses	35
Chapter 3: Income and Deductions, Entity Level	37
3.01 Cash Method of Accounting	38
3.02 The Accrual Method	50
3.03 Uniform Capitalization Rules	55
3.04 Long Term Contracts	56
3.05 Changes in Accounting Method	56
3.06 New Depreciation and Section 179 Expensing Election Rules	58
3.07 Modification to the Like-Kind Exchange Rules	73
3.08 Restricting Capital Gain Treatment for Sales of Certain Intangible Assets	77
3.09 Restrictions on Deductibility of Entertainment and Certain Fringe Benefits for Employees	78
3.10 Business Interest Limitations	79
Chapter 3: Test Your Knowledge	93
Chapter 3: Solutions and Suggested Responses	95
Chapter 4: Income and Deductions, Owner Level	99
4.01 Qualified Business Income	99
4.02 Alternative Minimum Tax	130
4.03 Repatriation of Foreign Earnings	130
4.04 Charitable Contributions and Foreign Taxes	131
4.05 Taxes Paid on Income from Pass-Through Entities	133
Chapter 4: Test Your Knowledge	135
Chapter 4: Solutions and Suggested Responses	137

Chapter 5: Limitations on Loss Deductions	139
5.01 Business Interest Limitation	139
5.02 Limitation on Excess Business Losses	139
5.03 Net Operating Loss Changes	143
Chapter 5: Test Your Knowledge	149
Chapter 5: Solutions and Suggested Responses	151
Chapter 6: Termination of Status	153
6.01 Partnerships	153
6.02 S Corporations	156
Chapter 6: Test Your Knowledge	163
Chapter 6: Solutions and Suggested Responses	165
Chapter 7: Entity-Level Taxes	167
7.01 Partnerships	167
7.02 S Corporations	167
Chapter 7: Test Your Knowledge	173
Chapter 7: Solutions and Suggested Responses	175
Appendix: Selected Code Sections Affected by the Tax Cuts and Jobs Act	177
Supplemental Material: IRS Issues Proposed Regulations to Clarify the Section 199A Deduction	215
Glossary	227
Index	229
Final Exam Copy	231