Practising Law Institute®

**Tax Planning for**

Domestic & Foreign Partnerships, LLCs, Joint Ventures & Other Strategic Alliances 2007

- Review basic concepts then tackle more complex issues
- The benefits and detriments of choosing the partnership form
- Review of pending regulatory proposals
- Partnership mergers, divisions and terminations under the final regulations
- Update on tax shelters, recent tax shelter cases and legislation, and ethical considerations
- Luncheon session on partnership and LLC compensatory and noncompensatory interests including options, featuring a government panelist
- Inside tax counsel on forming and operating a joint venture
- Interesting partnership transactions of the past year, current hot topics, and “Q&A” continental breakfast

Chicago, May 17-18, 2007
New York City, May 31-June 1, 2007
San Francisco, June 14-15, 2007

Register Online at www.pli.edu or Call (800) 260-4PLI
Joint ventures between large companies or with start up or other smaller companies are now an everyday occurrence. Partnerships have long been the tried and true format for the holding and operation of real estate, and, since the 1981 Act, for the conduct of closely-held business operations. Further, the increase in the number of joint ventures to develop large-scale projects and innovative concepts, the rise of the limited liability company, the promulgation of the final Check-the-Box regulations, and the increasing use of hybrids that have fueled an explosion of tax planning opportunities have led many companies, both large and small, to focus on the partnership form or the LLC form for structuring subsidiary operations and foreign operations. More than ever before, corporate tax executives find they must advise senior management, and outside counsel find they must advise their clients, on the opportunities and pitfalls of structuring joint ventures and investments as partnerships or LLCs under Subchapter K of the Internal Revenue Code.

This two day seminar will trace the partnership tax rules from the birth of the partnership through its operating life, with emphasis on tax issues and planning strategies and opportunities, and then, since for one reason or another such ventures frequently unwind either before or after satisfying their purpose, will focus on exit strategies and tax planning possibilities in unwinding. Some of the sessions on the first day are intended to serve as a review of basics.

Special attention will also be given to planning under recently finalized sets of regulations and proposed regulations and to changes wrought by recent legislation and legislative proposals. Speakers from Treasury and the IRS will be joining a number of the more advanced panels in order to discuss cutting-edge issues. This will include a panel on anti-abuse rules, tax shelters, recent tax shelter cases and legislation, attorney-client privilege and related matters. Finally, the entire afternoon of the second day will be committed to international joint venture tax planning including the use of hybrids and, therefore, is intended to be quite advanced.
WHAT YOU WILL LEARN & SPECIAL FEATURES

• The benefits and detriments of choosing the partnership form
• Avoiding the partnership form for certain strategic alliances
• Effects of the final Check-the-Box regulations
• Formation issues, including joint ventures of operating businesses
• Special partnership tax accounting rules
• Inside and outside partnership basis rules
• Determinations of partner distributive shares and the effect of liabilities
• Luncheon session on partnership and LLC compensatory and noncompensatory interests including options, featuring a government panelist
• Transactions between the partnership and partners, including exit strategies
• Dispositions of partnership interests
• Nonliquidating and liquidating partnership distributions
• Partnership terminations under the final regulations
• The effects of the final partnership anti-abuse regulations on planning
• Update on tax shelters, recent tax shelter cases and legislation, attorney-client privilege and work-product doctrine, ethical considerations
• Interesting partnership transactions of the past year, current hot topics, and “questions and answers” continental breakfast
• Section 754 election and special basis adjustments including effects of 2004 Jobs Act amendments
• Partnership mergers and divisions under the final regulations
• Analysis and use of single-owner LLCs in corporate acquisitions and otherwise
• Utilizing limited liability companies in a consolidated return context
• Structuring Private Equity Funds
• Inside tax counsel on forming and operating a joint venture
• Luncheon session featuring a government speaker on key partnership issues
• International joint venture issues and planning — outbound and inbound, including government panelists
• International check-the-box planning, including government panelists
• Effects of 2004 Jobs Act and other recent or proposed tax legislation
• Pending regulatory proposals

The faculty will consist of both inside and outside tax counsel with special expertise in the transactional aspects of structuring partnerships, joint ventures and other strategic alliances, both domestic and foreign. For some of the more advanced topics, the faculty will be joined by panelists from IRS and Treasury. Many of the faculty have significant teaching experience and will adopt an approach designed to enable attendees to progress rapidly from an elementary understanding of the rules to the cutting-edge of the most complex of current transactional issues.

SPECIAL BONUSES FOR ALL ATTENDEES!

Attendees will receive a complimentary copy of the 17-Volume Course Handbook on CD-ROM at the program. A second complimentary, fully searchable CD-ROM will be shipped to attendees in the Fall of 2007 (NOTE: Approximately 10 out of 178 Chapters will not be included on the CD-ROMs). Attendees will also receive a single Conference Book containing speaker outlines and PowerPoint slides for reference at the program.

PLEASE NOTE: The Program Fee does not include the soft-bound 17-Volume Course Handbook. Program Attendees may purchase the book at a Special Discounted Price. A limited supply of Course Handbooks will be available for purchase. Course Handbooks must be ordered by June 29, 2007. See Registration/Order Form for details.

PLI’S GUARANTEE

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OTHER RELEVANT PRODUCTS FROM PLI

Course Handbook
Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures, & Other Strategic Alliances 2007. This 17-volume Course Handbook will be available for a special attendee discount price of $595. A limited supply of Course Handbooks will be available for purchase and must be ordered by June 29, 2007.

Treatises
Langer on Practical International Tax Planning, Fourth Edition
Denis A. Kleinfeld (The Kleinfeld Law Firm, Miami), Marshall J. Langer (Attorney at Law, Miami) and Edward J. Smith (Attorney at Law, New York City)

The only complete guide to every tax haven and offshore financial center worldwide, Langer on Practical International Tax Planning gives you the latest and most detailed information on the legal, tax, business, financial, social, political, technological, geographic, and regional factors you must consider when developing tax-advantaged plans for clients.

2 looseleaf volumes, 1,690 pages, $350 (Revised annually or as needed: No charge for revision issued within 3 months of purchase)

Tax and Estate Planning with Real Estate, Partnerships and LLCs
by Jerome Ostrov (Friedlander Misler, Washington, D.C.)

Topics covered in the treatise include: personal residence tax issues, choice of entity, partnership and LLC tax law, passive losses, REITs, distressed and awkwardly-held real estate, capital gains, tax-free exchanges, deductions and credits associated with constructing, leasing and improving real estate, charitable giving, exempt organizations, asset protection, general estate planning and estate planning valuations and discount issues (with the latter emphasizing family limited partnerships and LLCs).

1 looseleaf volume, 825 pages, $225 (Revised annually or as needed: No charge for revision issued within 3 months of purchase)

For more information on any treatise, including the Table of Contents, log on to www.pli.edu

All treatises require prepayment and can be returned within 30 days for a full refund. For information on quantity order discounts, please contact PLI's Customer Relations Department at (800) 260-4PLI.

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Program Attorney:  
Stacey L. Greenblatt
First Day 8:30 a.m. – 6:00 p.m.

**MORNING SESSION: 8:30 A.M. – 1:45 P.M.**

8:30 **Partnership Basis Issues Including Allocating Liabilities Among Partners**
Relevance of basis in partnership interest; equality of inside and outside basis; Sections 705 and 752; partnership interest distinguished from partner’s capital account; effects of contributions; effects of liabilities; effects of Peracchi; effects of income and loss; effects of distributions; ordering and timing rules; allocation schemes for recourse and nonrecourse liabilities; final regulations for DREs; contingent liabilities and “Son of Boss” regulations; recent Notices.

**CHI:** Michael G. Frankel  
**NYC:** William F. Nelson  
**SF:** Stephen L. Owen

9:15 **Drafting Partnership Agreements for Substantial Economic Effect**
Section 704(b); basic principles and relationship with Section 752; regulatory standards for allocations; substantial economic effect; deficit restoration obligations and other recourse assumptions; capital account maintenance; revaluations including proposed regulations; alternative test for economic effect; economic equivalence test; substantiality; PIP; nonrecourse deductions and minimum gain attributable to nonrecourse liabilities; minimum gain chargeback; partner nonrecourse debt; tiered partnerships; temporary and proposed regulations on “non-tax basis liabilities”; planning strategies.

**CHI:** David H. Schnabel  
**NYC:** Sanford C. Presant  
**SF:** Robert D. Schachat

10:15 Break

10:30 **Practical Implications of Section 704(c) for Negotiating a Partnership Agreement**
Book/tax disparities; statutory framework; mechanics of Section 704(c) and reverse Section 704(c) allocations; final and temporary regulations; the traditional method; ceiling limitation principles; traditional method with curative allocations; remedial allocation method; other reasonable allocation methods; anti-abuse principles; planning concepts; impact of proposed “Son of Boss” regulations; effect of 2004 Jobs Act amendments, including allocations with respect to built-in loss property.

**CHI:** Steven G. Frost  
**NYC:** Andrew N. Berg  
**SF:** Kevin Richards

11:15 **Formation of Partnerships Including Joint Ventures of Operating Businesses**
Contributions of property, rights to use property and services; planning for transfers of intangibles under Section 197 in light of the final regulations, start-up costs, and deductibility of liabilities; contingent liabilities and trade or business exception to regulations; introduction to taxable transfers; partnership accounting methods, periods and issues; planning strategies.

**CHI:** William R. Welke  
**NYC:** Donald E. Rocap  
**SF:** Keith E. Villmow

12:15 **“Picnic Lunch” Program: Partnership and LLC Compensatory and Noncompensatory Interests Including Options**
Capital interests; profits interests; restricted versus unrestricted, Section 83(b) election; options; warrants; equity appreciation rights; convertible debt; consequences to all parties; gray areas; recent IRS releases; proposed regulations dealing with noncompensatory options and similar interests; proposed regulations dealing with service partners; effects of 2004 Jobs Act amendments.

**CHI:** Sheldon I. Banoff, Philip F. Postlewaite, William P. Bowers (Senior Counsel, Department of the Treasury)  
**NYC:** Sheldon I. Banoff, Linda Z. Swartz, William P. Bowers (Senior Counsel, Department of the Treasury)  
**SF:** Julie A. Divola, Bahar A. Schippel, William P. O’Shea (Associate Chief Counsel, Internal Revenue Service)

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**AFTERNOON SESSION: 2:00 P.M. – 6:00 P.M.**

2:00 **Transactions Between Partner and Partnership – Sections 707, 704(c)(1)(B) and 737**
Planning examples; statutory framework; payments to a partner other than in capacity as a partner; guaranteed payments; disguised sales; exit strategy planning techniques; theory of Section 707(a)(2) regulations; nonsimultaneous transfers; mixing bowl transactions; entrepreneurial risk situations; Times Mirror/Chandler I and II; leveraged partnerships; Arco/Arch Coal; contributions of encumbered property; new proposed Regulations on disguised sales of partnership interests; Section 737; combined impact of Section 737, Section 704(c)(1)(B), the disguised sale regulations, and the §1.701-2 anti-abuse rules; recent IRS Notices, FSAs and CCAs.

**CHI, NYC & SF:** Louis S. Freeman

3:00 **Sale, Exchange or Other Disposition of Partnership Interests; Partnership Distributions; Partnership Termination**
Sections 741 and 751; unrealized receivables; inventory items; effect of liabilities; current distributions; distributions in complete liquidation of partner interest; post-distribution consequences to distributee; distributions involving partnership ordinary income property; partnership terminations and consequences; the final Section 708 termination regulations including planning strategies; planning to avoid termination.

**CHI & SF:** Stephen D. Rose  
**NYC:** Michael Hirschkeld

4:00 Break

4:15 **Adjustments to the Basis of Partnership Assets (Sections 734, 743 and 754) Including Effects of 2004 Jobs Act Amendments**
Transfer of partnership interest; distribution of partnership assets; distribution to transferee-partner; effect of Section 1060; effect of Section 197 and the final regulations; planning opportunities and techniques involving making or not making the Section 754 election; final regulations under Section 755; effects of 2004 Jobs Act amendments including mandatory adjustments for built-in losses.

**CHI & NYC:** Stuart L. Rosow  
**SF:** Stuart L. Rosow, William P. Wasserman

5:15 **Partnership Mergers and Divisions**
Final regulations; forms of partnership mergers; Assets-Over Form; Assets-Up Form; Interest-Over Form; effects under Section 752, buyout of a partner; merger or division as part of a larger transaction; forms of divisions; consequences under Sections 704(c)(1)(B) and 737.

**CHI & SF:** Blake D. Rubin  
**NYC:** William S. McKee

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**Second Day: 7:30 a.m. – 5:00 p.m.**

**MORNING SESSION: 7:30 A.M. – 2:00 P.M.**

7:30 Interesting Partnership Transactions of the Past Year, Current Hot Topics and "Questions and Answers" Continental Breakfast

*CHI: Linda E. Carlisle, James B. Sowell, Robert R. Wootton*
*NYC: Linda E. Carlisle, James B. Sowell, Andrea Macintosh Whiteway*
*SF: Linda E. Carlisle, Terence Floyd Cuff, James B. Sowell*

8:45 Anti-Abuse Rules, Tax Shelters, Recent Tax Shelter Cases and Legislation, Attorney-Client Privilege, Work Product Doctrine and Ethical Considerations

The impact on partnership and other transactions of recent case law, 2004 Jobs Act amendments, and administrative developments relating to economic substance and tax shelters; the application of various regulatory anti-abuse rules; developing interpretations of the attorney-client privilege and work product doctrine. Circular 230.

*CHI: Kenneth W. Gideon, Richard M. Lipton, Donald L. Korb (Chief Counsel, Internal Revenue Service)*
*NYC: Armando Gomez, Richard M. Lipton, Donald L. Korb (Chief Counsel, Internal Revenue Service)*
*SF: Richard M. Lipton, B. John Williams, Jr., Donald L. Korb (Chief Counsel, Internal Revenue Service)*

10:15 Break

10:30 Thinking Outside the Box and Inside the Circle (or Triangle?): Use of LLCs in a Consolidated Return Context, in Corporate Acquisitions, in Structuring Private Equity Funds, and Otherwise

The emerging use of partnerships in the public space, such as the Public LLC (or Pubco) structure, public “private” equity funds, and the “Advisor IPO” structure; the interaction of the corporate reorganization rules with partnerships and disregarded entities; the use of LLCs in a consolidated return context; other strategies.

*CHI: Eric B. Sloan, Lewis R. Steinberg, Mark J. Silverman*
*NYC: Eric B. Sloan, Lewis R. Steinberg, Lisa M. Zarlenga*
*SF: Eric B. Sloan, Mark J. Silverman, Lewis R. Steinberg*

11:30 Practical Problems and Challenges in Forming and Operating a Joint Venture: A Panel of Inside Tax Counsel

*CHI: Clifford M. Warren, Stephen Anthony Bonovich, Eugene M. McCluskey*
*SF: Clifford M. Warren, David C. Link, Jeff Shore*

12:30 Luncheon Program: Government Speaker

*CHI: Michael J. Desmond (Tax Legislative Counsel, Department of the Treasury)*
*NYC & SF: Eric Solomon (Assistant Secretary [Tax Policy], Department of the Treasury)*

2:15 International Joint Venture Issues – Outbound and Inbound General Joint Venture Tax Issues

– General review of benefits/detriment in using U.S. or foreign tax partnership vs. corporate structure in outbound/inbound joint ventures; covers formation, operation and termination of joint venture; foreign tax credit; tax treaty and Subpart F and withholding tax issues, problems with intangible property and multi-country joint ventures.

**“Check-the-Box” Planning** – Current planning techniques and issues under “Check-the-Box” regulations, including collateral consequences (e.g., branch accounting for foreign currency under Section 987, U.S. withholding tax regulations, conversion issues and impact on treaty entitlements); harmonization of foreign tax planning with these rules; planning opportunities with hybrids, check and sell issues.

*CHI: Hal Hicks, Steven M. Surdell, Lowell D. Yoder, Steven A. Musher (Associate Chief Counsel [International], Internal Revenue Service)*
*NY: James P. Fuller, Paul W. Oosterhuis, Willard B. Taylor, John L. Harrington (Acting International Tax Counsel, Department of the Treasury)*
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