

## Treasury and IRS release guidance on partnership related-party transactions

The Treasury Department and the Internal Revenue Service on June 24 issued a notice of proposed rulemaking under section 6011, a revenue ruling, and a notice announcing an intent to publish proposed regulations, all addressing certain “basis-shifting” transactions involving partnerships and related parties.

**URL:** <https://www.federalregister.gov/documents/2024/06/18/2024-13282/certain-partnership-related-party-basis-adjustment-transactions-as-transactions-of-interest>

**URL:** <https://www.irs.gov/pub/irs-drop/rr-24-14.pdf>

**URL:** <https://www.irs.gov/pub/irs-drop/n-24-54.pdf>

In Fact Sheet 2024-21, the IRS described the guidance as focusing on “the inappropriate use of partnership rules to inflate the basis of the underlying assets without causing any meaningful change to the economics of their business.”

**URL:** <https://www.irs.gov/newsroom/new-irs-treasury-guidance-focuses-on-basis-shifting-transactions-used-by-partnerships>

An IRS press release, also dated June 17, announced the formation of a “new dedicated group in the Office of Chief Counsel specifically focused on developing guidance on partnerships.” The new group “will work closely with a new passthrough work group being established in the IRS Large Business and International division that will be formally established this fall,” the release said.

**URL:** <https://www.irs.gov/newsroom/irs-announces-new-steps-to-combat-abusive-use-of-partnerships-agencys-focus-intensifies-as-new-guidance-closes-loopholes-worth-tens-of-billions>

### Find out more

A new alert from Deloitte Tax LLP provides an overview of the guidance.

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240712\\_4\\_suppA.pdf](https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240712_4_suppA.pdf)

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