



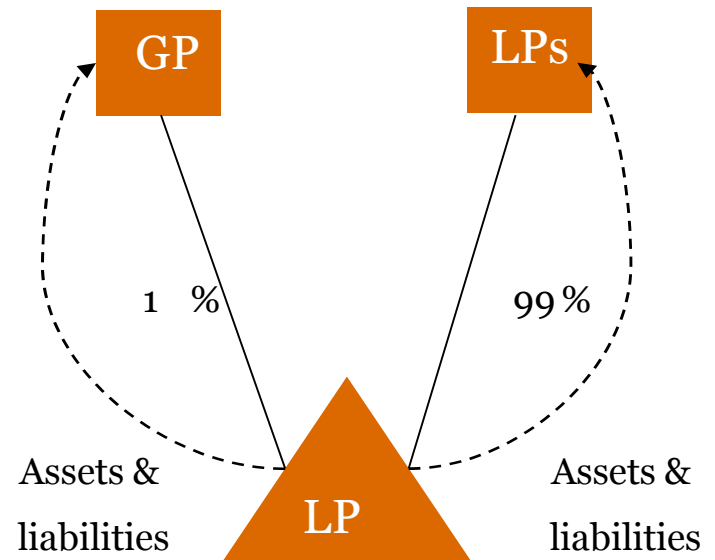
Partnership Liquidations

January 2017

Liquidating a Partnership: Distribution of Assets

Liquidation Considerations

- Three types of assets to distribute:
 - ✓ Cash
 - ✓ Stock of private companies
 - ✓ Marketable securities
- Basis in property distributed going forward



Liquidating a Partnership: Final K-1

Final 1065, K-1 and Capital Accounts

- In the last tax year – form 1065 and each schedule K-1 must indicate it is a “final return” or “final K-1.”
- Similarly, capital accounts should be zero.

Liquidating a Partnership: A new Trust?

Some GPs might want to consolidate a few sub-funds in the process of winding down.

- Option 1 – Transfer assets to a trust.
- Option 2 – Merge several partnerships into one partnership, tax free if certain requirements are met.

Thank you!

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