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KPMG report: Treasury and IRS guidance on partnership “basis shifting” transactions

The U.S. Department of the Treasury and IRS on June 17, 2024, released three guidance packages related to certain “basis-shifting” transactions involving partnerships and related parties (and certain tax-indifferent parties) that the government perceives as abusive.

- [Notice 2024-54](#) announces the Treasury and the IRS’s intent to publish two sets of forthcoming proposed regulations related to certain partnership related-party basis adjustment transactions (covered transactions).
- In addition, Treasury and the IRS released [proposed regulations](#) identifying those covered transactions and substantially similar transactions as transactions of interest (TOI).
- Finally, Treasury and the IRS released [Rev. Rul. 2024-14](#) clarifying when the economic substance doctrine (ESD) may apply to disallow tax benefits associated with covered transactions.

Read a [June 2024 report](#) prepared by KPMG LLP that provides initial analysis and observations on the notice, proposed regulations, and revenue ruling.

kpmg.com/socialmedia



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