



TaxNewsFlash

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Final regulations: Recourse partnership liabilities and related party rules under section 752

The U.S. Treasury Department and IRS today released [final regulations](#) (T.D. 10014) under section 752 relating to recourse liabilities of a partnership and special rules for related persons.

The final regulations adopt proposed regulations issued in December 2013, with certain modifications in response to the two comments received on the proposed regulations.

The final regulations apply to any liability incurred or assumed by a partnership on or after December 2, 2024, subject to a binding contract provision.

- Partnership liabilities modified or refinanced after that date are not treated as incurred or assumed after that date to the extent of the amount and duration of the pre-modification (or refinancing) liability.
- Taxpayers may apply the final regulations to all liabilities incurred or assumed by a partnership (even liabilities incurred or assumed before that date), with respect to all returns, including amended returns, filed after the date the final regulations are published in the Federal Register, provided the partnership consistently applies all the rules in these final regulations to those liabilities.

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