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Internal Revenue Code Section 708(b)(2)(B)

Continuation of partnership

(a) General rule.

For purposes of this subchapter, an existing partnership shall be considered as continuing if it is not terminated.

(b) Termination.

(1) General rule.

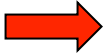
For purposes of subsection (a) , a partnership shall be considered as terminated only if-

(A) no part of any business, financial operation, or venture of the partnership continues to be carried on by any of its partners in a partnership, or

(B) within a 12-month period there is a sale or exchange of 50 percent or more of the total interest in partnership capital and profits.

(2) Special rules.

(A) Merger or consolidation. In the case of the merger or consolidation of two or more partnerships, the resulting partnership shall, for purposes of this section , be considered the continuation of any merging or consolidating partnership whose members own an interest of more than 50 percent in the capital and profits of the resulting partnership.



(B) Division of a partnership. In the case of a division of a partnership into two or more partnerships, the resulting partnerships (other than any resulting partnership the members of which had an interest of 50 percent or less in the capital and profits of the prior partnership) shall, for purposes of this section , be considered a continuation of the prior partnership.