


### Internal Revenue Code Section 721(a)

Nonrecognition of gain or loss on contribution.

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- A red arrow pointing to the right, highlighting the first item in the list.
- (a) General rule. No gain or loss shall be recognized to a partnership or to any of its partners in the case of a contribution of property to the partnership in exchange for an interest in the partnership.
  - (b) Special rule. Subsection (a) shall not apply to gain realized on a transfer of property to a partnership which would be treated as an investment company (within the meaning of section 351) if the partnership were incorporated.
  - (c) Regulations relating to certain transfers to partnerships. The Secretary may provide by regulations that subsection (a) shall not apply to gain realized on the transfer of property to a partnership if such gain, when recognized, will be includible in the gross income of a person other than a United States person.
  - (d) Transfers of intangibles. For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).