



Tax Reduction Letter

[CLICK HERE](#) to return to the home page

Reg. Section 1.469-4(g)

Definition of Activity.

...

(g) Treatment of partial dispositions. A taxpayer may, for the taxable year in which there is a disposition of substantially all of an activity, treat the part disposed of as a separate activity, but only if the taxpayer can establish with reasonable certainty--

(1) The amount of deductions and credits allocable to that part of the activity for the taxable year under § 1.469-1(f)(4) (relating to carryover of disallowed deductions and credits); and

(2) The amount of gross income and of any other deductions and credits allocable to that part of the activity for the taxable year.

(h) Rules for grouping rental real estate activities for taxpayers qualifying under section 469(c)(7). See § 1.469-9 for rules for certain rental real estate activities.