

ID: CCA\_2012042008562437

Number: **201222037**

Office:

Release Date: 6/1/2012

UILC: 108.03-01

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**From:**

**Sent:** Friday, April 20, 2012 8:56:35 AM

**To:**

**Cc:**

**Subject:** RE: TEFRA non- pops question

Since the partnership did not report enough income, we would have to issue an FPAA to increase the partnership's income and restore any basis adjustment made at the partnership level. Following the partnership proceeding we would directly assess those partners who have not made a section 108(d)(6) election. If a partner has made a purported election which we think is improper, we would have to issue an affected item notice of deficiency to disallow the election.

We can rely on the period under section 6229(a) to conduct all of the above proceedings.