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Third Party Communication: None

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From: [REDACTED]

Sent: Monday, March 25, 2013 8:57:41 AM

To: [REDACTED]

Cc: [REDACTED]

Bcc:

Subject: RE: Issue whether a partner is really a partner

This is a substantive question under [REDACTED] jurisdiction. [REDACTED] or [REDACTED] in that division may be able to help you. Generally we look to the Supreme Court tests in the Culbertson and Tower cases to determine whether a person is a partner for federal tax purposes; a person is a partner if he joins together with others capital or services in a trade or business for profit.

Jurisdictionally, the status of a listed partner as a partner is a partnership item under *Blonien v. Commissioner*, 118 T.C. 541 (2002). Thus, this determination would be subject to your FPAA.

We also determine self-employment income for certain pass-thru partners if the ultimate tax paying indirect partner would be subject to self-employment tax from the partnership. See *Olsen v. Commissioner*, T.C. Memo 2005-174. The status of your pass-thru partner for this purpose is under [REDACTED] jurisdiction- but I suspect that if your pass-thru partner is a disregarded entity, its owner would be subject to self-employment tax and we would, consequently, have to determine the pass-thru partner's share of self-employment income in this proceeding.