
AMENDMENTS
1976—Subsecs. (a), (b). Pub. L. 94–455 struck out “or his delegate” after “Secretary” wherever appearing.

Effective Date of 2004 Amendment

PART III—DEFINITIONS

Sec. 761. Terms defined.
§ 761. Terms defined
(a) Partnership
For purposes of this subtitle, the term “partnership” includes a syndicate, group, pool, joint venture, or other unincorporated organization through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this title, a corporation or a trust or estate. Under regulations the Secretary may, at the election of all the members of an unincorporated organization, exclude such organization from the application of all or part of this subchapter, if it is availed of—

(1) for investment purposes only and not for the active conduct of a business,
(2) for the joint production, extraction, or use of property, but not for the purpose of selling services or property produced or extracted, or
(3) by dealers in securities for a short period for the purpose of underwriting, selling, or distributing a particular issue of securities, if the income of the members of the organization may be adequately determined without the computation of partnership taxable income.

(b) Partner
For purposes of this subtitle, the term “partner” means a member of a partnership. In the case of a capital interest in a partnership in which capital is a material income-producing factor, whether a person is a partner with respect to such interest shall be determined without regard to whether such interest was derived by gift from any other person.

(c) Partnership agreement
For purposes of this subchapter, a partnership agreement includes any modifications of the partnership agreement made prior to, or at, the time prescribed by law for the filing of the partnership return for the taxable year (not including extensions) which are agreed to by all the partners, or which are adopted in such other manner as may be provided by the partnership agreement.

(d) Liquidation of a partner’s interest
For purposes of this subchapter, the term “liquidation of a partner’s interest” means the termination of a partner’s entire interest in a partnership by means of a distribution, or a series of distributions, to the partner by the partnership.

(e) Distributions of partnership interests treated as exchanges
Except as otherwise provided in regulations, for purposes of—

(1) section 708 (relating to continuation of partnership),
(2) section 743 (relating to optional adjustment to basis of partnership property), and
(3) any other provision of this subchapter specified in regulations prescribed by the Secretary,

any distribution of an interest in a partnership (not otherwise treated as an exchange) shall be treated as an exchange.

(f) Qualified joint venture
(1) In general
In the case of a qualified joint venture conducted by a husband and wife who file a joint return for the taxable year, for purposes of this title—

(A) such joint venture shall not be treated as a partnership,
(B) all items of income, gain, loss, deduction, and credit shall be divided between the spouses in accordance with their respective interests in the venture, and
(C) each spouse shall take into account such spouse’s respective share of such items as if they were attributable to a trade or business conducted by such spouse as a sole proprietor.

(2) Qualified joint venture
For purposes of paragraph (1), the term “qualified joint venture” means any joint venture involving the conduct of a trade or business if—

(A) the only members of such joint venture are a husband and wife,
(B) both spouses materially participate (within the meaning of section 469(h) without regard to paragraph (5) thereof) in such trade or business, and
(C) both spouses elect the application of this subsection.

(g) Cross reference
For rules in the case of the sale, exchange, liquidation, or reduction of a partner’s interest, see sections 704(b) and 706(c)(2).


AMENDMENTS
2015—Subsec. (b). Pub. L. 114–74 inserted at end “In the case of a capital interest in a partnership in which capital is a material income-producing factor; whether a person is a partner with respect to such interest shall be determined without regard to whether such interest was derived by gift from any other person.”
2007—Subsecs. (f), (g), Pub. L. 110–28 added subsec. (f) and redesignated former subsec. (f) as (g).
1984—Subsecs. (e), (f). Pub. L. 98–369 added subsec. (e) and redesignated former subsec. (e) as (f).
1976—Subsec. (a). Pub. L. 94–455, § 1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Effective Date of 2015 Amendment
Amendment by Pub. L. 114–74 applicable to partnership taxable years beginning after Dec. 31, 2015, set out as a note under section 704 of this title.

Effective Date of 2007 Amendment
Pub. L. 110–28, title VIII, § 8215(c), May 25, 2007, 121 Stat. 194, provided that: “The amendments made by this section [amending this section, section 1402 of this title, and redesignating former subsec. (e) as (f)] shall apply to taxable years beginning after December 31, 2006.”

Effective Date of 1986 Amendment

Effective Date of 1984 Amendment
Amendment by Pub. L. 98–369 applicable to distributions, sales, and exchanges made after Mar. 31, 1984, in taxable years ending after such date, see section 78(e) of Pub. L. 98–369, set out as an Effective Date note under section 386 of this title.

Effective Date of 1980 Amendment
Amendment by Pub. L. 96–222 effective, except as otherwise provided, as if it had been included in the provisions of the Revenue Act of 1978, Pub. L. 95–600, to which such amendment relates, see section 201 of Pub. L. 96–222, set out as a note under section 32 of this title.

Effective Date of 1976 Amendment
Amendment by section 213(c)(3)(B) of Pub. L. 94–455 applicable in the case of partnership taxable years beginning after Dec. 31, 1975, see section 213(c)(1) of Pub. L. 94–455, set out as a note under section 709 of this title.

Plan Amendments Not Required Until January 1, 1989
For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101–1147 and 1171–1177] or title XVIII (§§1800–1899A) of Pub. L. 99–514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99–514, as amended, set out as a note under section 401 of this title.

Part IV—Special Rules for Electing Large Partnerships
Sec. 771. Application of subchapter to electing large partnerships.
772. Simplified flow-through.
773. Computations at partnership level.

Sec. 774. Other modifications.
775. Electing large partnership defined.
776. Special rules for partnerships holding oil and gas properties.
777. Regulations.

Repeal of Part
Pub. L. 114–74, title XI, §1101(b)(1), (g), Nov. 2, 2015, 129 Stat. 625, 638, provided that, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, with certain exceptions, this part is repealed.

Prior Provisions

Amendments

§771. Application of subchapter to electing large partnerships
The preceding provisions of this subchapter to the extent inconsistent with the provisions of this part shall not apply to an electing large partnership and its partners.


Repeal of Section
Pub. L. 114–74, title XI, §1101(b)(1), (g), Nov. 2, 2015, 129 Stat. 625, 638, provided that, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, with certain exceptions, this section is repealed.

Prior Provisions

Effective Date of Repeal
Repeal applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, with certain exceptions, see section 1101(g) of Pub. L. 114–74, set out as an Effective Date of 2015 Amendment note under section 6221 of this title.

Effective Date

This part applicable to partnership taxable years beginning after Dec. 31, 1997, see section 1226 of Pub. L. 105–34, as amended, set out as an Effective Date of 1997 Amendment note under section 6011 of this title.

§772. Simplified flow-through
(a) General rule
In determining the income tax of a partner of an electing large partnership, such partner shall take into account separately such partner’s distributive share of the partnership’s—
(1) taxable income or loss from passive loss limitation activities,
(2) taxable income or loss from other activities,