

26 U.S. Code § 708. Continuation of partnership

U.S. Code Notes

(a) GENERAL RULE

For purposes of this subchapter, an existing partnership shall be considered as continuing if it is not terminated.

(b) TERMINATION

(1) GENERAL RULE

For purposes of subsection (a), a partnership shall be considered as terminated only if no part of any business, financial operation, or venture of the partnership continues to be carried on by any of its partners in a partnership.

(2) SPECIAL RULES

(A) Merger or consolidation

In the case of the merger or consolidation of two or more partnerships, the resulting

partnership shall, for purposes of this section, be considered the continuation of any merging or consolidating partnership whose members own an interest of more than 50 percent in the capital and profits of the resulting partnership.

(B) Division of a partnership

In the case of a division of a partnership into two or more partnerships, the resulting partnerships (other than any resulting partnership the members of which had an interest of 50 percent or less in the capital and profits of the prior partnership) shall, for purposes of this section, be considered a continuation of the prior partnership.

(Aug. 16, 1954, ch. 736, 68A Stat. 244; Pub. L. 115–97, title I, § 13504(a), Dec. 22, 2017, 131 Stat. 2141.)

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