

26 U.S. Code § 721. Nonrecognition of gain or loss on contribution

U.S. Code Notes Authorities (CFR)

(a) GENERAL RULE

No gain or loss shall be recognized to a partnership or to any of its partners in the case of a contribution of property to the partnership in exchange for an interest in the partnership.

(b) SPECIAL RULE

Subsection (a) shall not apply to gain realized on a transfer of property to a partnership which would be treated as an investment company (within the meaning of section 351) if the partnership were incorporated.

(c) REGULATIONS RELATING TO CERTAIN TRANSFERS TO PARTNERSHIPS

The Secretary may provide by regulations that subsection (a) shall not apply to gain realized on the transfer of property to a partnership if such gain, when recognized, will be includible in the gross income of a person other than a United States person.

(d) TRANSFERS OF INTANGIBLES

For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d) (3).

(Aug. 16, 1954, ch. 736, 68A Stat. 245; Pub. L. 94-455, title XXI, § 2131(b), Oct. 4, 1976, 90 Stat. 1924; Pub. L. 105-34, title XI, § 1131(b)(3), (5)(B), Aug. 5, 1997, 111 Stat. 979, 980.)

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