

6. July 2021

“CHECK-THE-BOX” ELECTIONS FOR COMMERCIAL PARTNERSHIPS IN THE PIPELINE

THE ACT TO MODERNIZE CORPORATE INCOME TAX LAW IS INTENDED TO ELIMINATE THE DIFFERENCES THAT CURRENTLY EXIST IN THE TAXATION OF PARTNERSHIPS AND CORPORATIONS. A CENTRAL COMPONENT OF THE BILL IS THE INTRODUCTION OF A SO-CALLED OPTION MODEL (ALSO KNOWN AS “CHECK-THE-BOX” ELECTION), WHICH IN THE FUTURE IS TO OPEN UP THE POSSIBILITY FOR COMMERCIAL PARTNERSHIPS TO BE TREATED LIKE A CORPORATION FOR INCOME TAX PURPOSES UPON APPLICATION. THIS NEWSLETTER ARTICLE OUTLINES THE KEY POINTS OF THE PLANNED OPTION MODEL AND ALSO CONTAINS AN INITIAL ASSESSMENT OF THE CONSTELLATIONS IN WHICH THE CHANGE OF TAXATION SYSTEM MAY BE ADVANTAGEOUS. [\(more...\)](#)