

LLCs Update 2020

- I. “Unincorporated” Entities for Doing Business in Pennsylvania
 - a. General Partnerships
 - b. Limited Partnerships
 - c. Limited Liability Partnerships and Limited Liability Limited Partnerships
 - d. Limited Liability Companies
 - e. Others
 - i. Professional associations
 - ii. Electing Partnerships
 - f. Not covered
 - i. Proprietorships
 - ii. Business Corporations
 - iii. Non-Profit Corporations
 - iv. Unincorporated Associations
- II. Recent Statutes in Pennsylvania
 - a. Pennsylvania Uniform Partnership Act of 2016 (15 Pa. C.S.A. Ch. 84, §8411, et seq.)
 - b. Pennsylvania Uniform Limited Partnership Act of 2016 (15 Pa. C.S.A. Ch. 86, §8611, et seq.)
 - c. Domestic Limited Liability Partnerships and Limited Liability Limited Partnerships (15 Pa. C.S.A. Ch. 84, Subchapter A, §8201, et seq.)
 - d. Pennsylvania Uniform Limited Liability Company Act of 2016 (15 Pa. C.S.A. Ch. 88, §8811, et seq.)
 - e. Multiple Entity Transaction Act (including 15 Pa. C.S.A. §Sec. 301-376)
- III. General Partnerships under the Pennsylvania Uniform Partnership Act
 - a. Formation of Partnership
 - i. No filing required (as previously)
 - ii. Rules for determining formation (15 Pa. C.S.A. §8422)
 - b. General liability of all Partners (as previously)
 - c. Governing Law
 - i. May be selected in Partnership Agreement
 - ii. Otherwise, where principal office located
 - d. Partnership Agreement
 - i. Scope and application of Agreement (15 Pa. C.S.A. §8415)
 - ii. Application and Amendment (15 Pa. C.S.A. §8416-17)
 - e. Default provisions where not covered by Partnership Agreement
 - f. Optional Certificate of Partnership Authority (15 Pa. C.S.A. §8433)
- IV. Limited Partnerships
 - a. General Partners generally liable/Limited Partners limited liability
 - b. Formation (15 Pa. C.S.A. §8621)

- i. Certificate of Limited Partnership filing required
 - ii. May be amended or restated (15 Pa. C.S.A. §8622)
 - c. Governing Law
 - i. Pennsylvania law applies (15 Pa. C.S.A. §8614)
 - d. Partnership Agreement
 - i. Contents and scope of Partnership Agreement (15 Pa. C.S.A. §8615)
 - ii. Application and Amendment of Partnership Agreement (15 Pa. C.S.A. §8616-17)
 - e. Rights and duties of General and Limited Partners
- V. Limited Liability Partnerships and Limited Liability Limited Partnerships
 - a. Registration required to limit liability of General Partner
 - b. Full liability shield provided
 - i. Different from prior law
- VI. Limited Liability Companies
 - a. Governing Law
 - i. Pennsylvania law applies (15 Pa. C.S.A. §8814)
 - b. Formation (15 Pa. C.S.A. §8821)
 - i. Certificate of Organization filing required
 - c. Operating Agreement
 - i. Contents (15 Pa. C.S.A. §8815)
 - ii. Application and scope (15 Pa. C.S.A. §8816)
 - iii. Amendment and effect of Operating Agreement (15 Pa. C.S.A. §8817)
 - d. Management
 - i. Manager-managed or Member-managed
 - ii. Management determined by Operating Agreement
 - iii. Default provisions where not covered by Operating Agreement
 - e. Rights and duties of Members
- VII. Multiple Entity Transaction Act
 - a. Numerous transactions facilitated
 - i. Merger
 - ii. Interest exchange
 - iii. Conversion
 - iv. Division
 - v. Domestication
 - b. Approval process for transaction
 - c. Filings required for transactions

- VIII. Taxation and Accounting
 - a. Generally Partnership taxation, but “Check the Box” election possible
 - b. Accounting Provisions in Agreement
 - c. Other tax Issues
 - i. Tax-Free Reorganization Rules
 - ii. FLPs for estate planning
 - iii. Realty transfer tax

- IX. Differences , advantages and disadvantages between LLCs, S Corps and FLPs

- X. The optimal choice of an entity for the QBI deduction

- XI. Using a buy/sell agreement to establish a business value

- XII. Mergers of LLCs utilizing Section 708

- XIII. Centralized partnership audit rules re amending returns under the Bipartisan Budget Act of 2015 (BBA)

- XIV. Section 743(b), inside/outside basis/ Section 754 election considerations

- XV. Review of carried interest, basis, single member v Partnership, technical termination and Section 731 issues