



TaxNewsFlash

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IRS practice unit: Examining taxpayers electing partial disposition of building

The IRS Large Business and International (LB&I) division publicly released a “practice unit”—part of a series of IRS examiner “job aides” and training materials intended to describe for IRS agents leading practices about tax concepts in general and specific types of transactions.

The title of this “process unit” (as this practice unit is referred to by the IRS) is: *Examining a taxpayer electing a partial disposition of a building*

Read the practice unit on the [IRS practice unit webpage](#) (posting date of November 6, 2019).

The practice unit concentrates on the five steps involved in examining a taxpayer that has elected a partial disposition of a building or its structural components, and is intended to assist the IRS examiner in verifying a taxpayer’s compliance with Code section 168 disposition regulations. The five steps for the IRS examiner are to:

- Determine if partial disposition of a building occurred
- Identify the disposed portion of the building
- Identify partially disposed asset and placed-in-service date
- Determine disposed portion’s adjusted basis
- Reduce adjusted basis of the asset

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