

Have a Partnership? March 15th Deadline Offers a Window of Opportunity

Article

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Many senior housing properties are owned by limited liability companies or other entities that are taxed as partnerships for federal income tax purposes. The March 15th deadline for filing federal partnership tax returns is quickly approaching.

One often overlooked partnership tax rule is that partners can amend retroactively to the beginning of the prior tax year their partnership agreement if they do so on or before this March 15th deadline. What does this mean for you?

If you are in a partnership, this is a great time to look at your draft partnership return and then review your LLC or partnership agreement to see if you should make any changes to your tax provisions to maximize your tax benefits. For example, if you would be allocated losses from depreciation but do not have sufficient basis to utilize those losses, it may be beneficial to add a limited deficit restoration obligation or allocate those losses to a different partner.

If you are not sure whether this would benefit you, consider reaching out to your tax advisor to discuss whether an amendment would be beneficial before this window of opportunity closes.

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