



Morgan Lewis

ADVANCED TOPICS IN  
**PRIVATE FUND PRACTICES**  
**CONFERENCE**

Manager and Investor Perspectives

**BOSTON**

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# Tax

## Speakers



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# Tax: Hot Topics & Trends

## IRS Enforcement

- The IRS SECA campaign focusing on limited partnerships operating in the asset management, financial services, private equity and hedge fund industries
- The IRS campaign focusing on whether foreign investors participating in “inbound” lending transactions are engaged in a US trade or business and generated effectively connected income, or ECI, subject to US tax filing and payment obligations

## Partnership Audits

- Sponsors and investors heavily negotiate how audits will be handled and how assessment will be allocated among partners

## Sponsor Tax Optimization

- Implementing management fee waivers
- Carried interest plans, carried interest waivers, and technical requirements under 3-year carried interest rule of Section 1061

# Tax: Hot Topics & Trends

## Climate Strategies

- The tax incentives in the Inflation Reduction Act (IRA) should benefit funds focused on climate infrastructure and climate technologies
- The IRA has expanded the scope of investments for which tax credits are available, has increased the time periods during which tax credits are available, has increased the amount of available tax credits if certain requirements are met, and has provided new avenues for monetizing available tax credits

## Credit Funds

- Structures to accommodate non-US and UBTI-sensitive investors

# Tax: Hot Topics & Trends

## IRS Enforcement

- Structures to accommodate rollover investors

## Partnership Audits

- Issues for investors and sponsors related to Section 1446(f) tax withholding in secondary transactions and other transfers

## Sponsor Tax Optimization

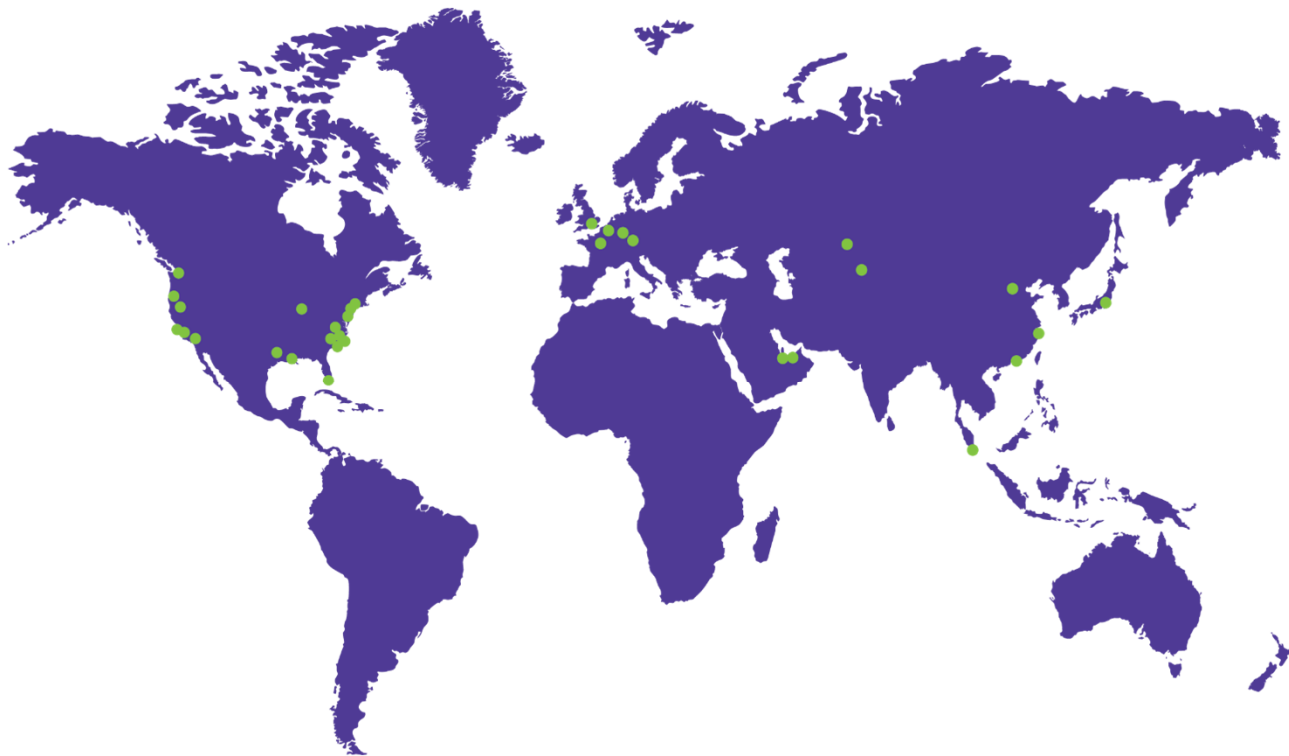
- In reaction to the addition of a \$10,000 cap on individual federal income tax deductions for state and local taxes, a majority of states have adopted pass through entity tax (PTET) regimes

## Our Global Reach

Africa  
Asia Pacific  
Europe  
Latin America  
Middle East  
North America

## Our Locations

Abu Dhabi  
Almaty  
Astana  
Beijing  
Boston  
Brussels  
Century City  
Chicago  
Dallas  
Dubai  
Frankfurt  
Hartford  
Hong Kong  
Houston  
London  
Los Angeles  
Miami  
Munich  
New York  
Orange County  
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