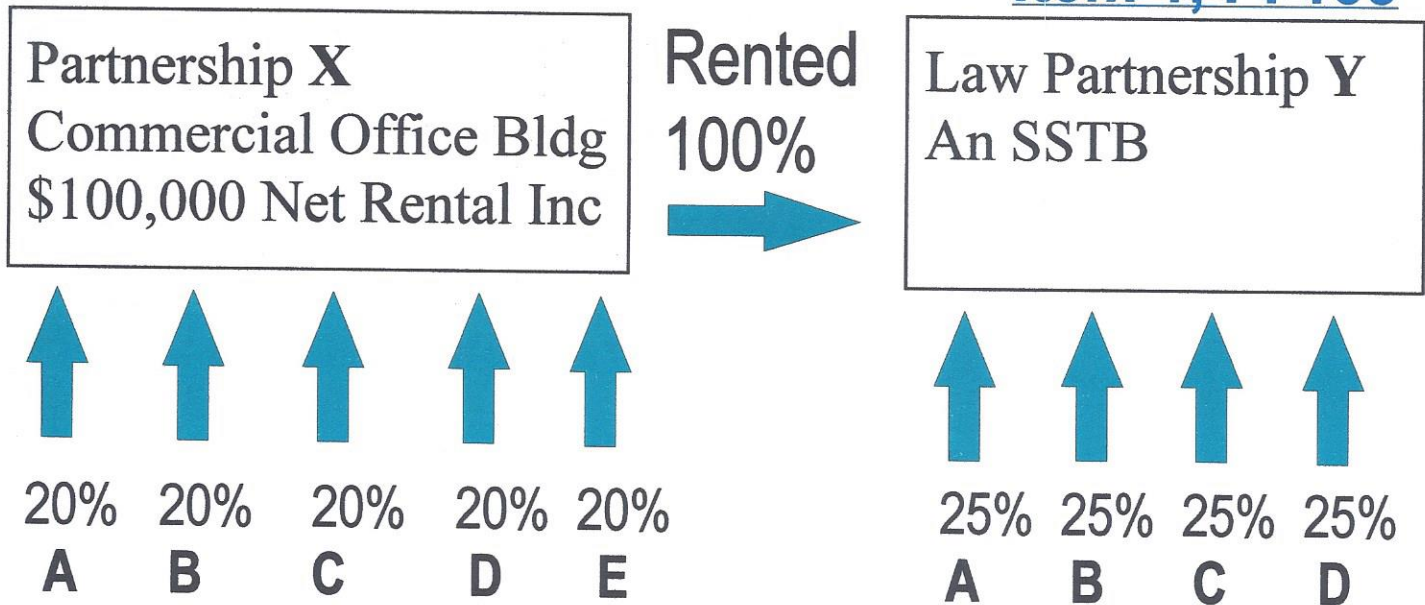


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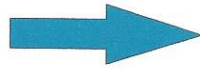
1. **E Is Not An Attorney**
2. **E Is Not Among Those Making Up 50% Common Ownership**
3. **E's \$20,000 Rental Income Not SSTB Income Since E Is Not Part Of Those Making Up 50% or More Ownership**
4. **\$80,000 Rental Income To A, B, C, & D Treated As SSTB Income From Separate SSTB**

Partnership X
Commercial Office Bldg
\$100,000 Net Rental Inc

Rented:

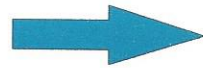
Item 2 - P. 159

20%



Unrelated Third
Party F

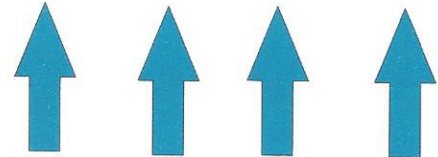
80%



Law Partnership Y
An SSTB



20% 20% 20% 20% 20%
A B C D E



25% 25% 25% 25%
A B C D

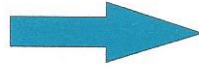
1. E Is Not An Attorney
2. E Is Not Among Those Making Up 50% Common Ownership
3. **E's \$20,000 Rental Income Not SSTB Income** Since E Is Not Part Of Those Making Up 50% or More Ownership
4. The **\$64,000** Rental Income Received By **A, B, C, & D Allocable To Commonly Owned SSTB** Is Income From a Separate SSTB
5. **\$16,000** of Income Received By **A, B, C, & D Allocable To Third Party Rental** Is Not SSTB Income

Rented:

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Partnership X
Commercial Office Bldg
\$100,000 Net Rental Inc

25%



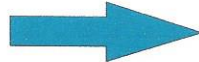
A's 100% Owned S Corp Practice SSTB

25%



B's 100% Owned S Corp Practice SSTB

25%



C's 100% Owned S Corp Practice SSTB

25%



D's 100% Owned S Corp Practice SSTB



25%

A



25%

B



25%

C



25%

D

FACTS

1. **A, B, C, & D** Are Dentist And Are Not Related Under §267(b)

CONCLUSIONS

3. **Not 50% or More Common Ownership** Of Any Of the S Corporations And Rental Partnership X
5. **Rental Income Should Not Be SSTB Income To A, B, C, or D**

Partnership X
Commercial Office Bldg
\$100,000 Net Rental Inc

Rented
100%


CPA Firm Y
A C Corporation

