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From:

Sent: Thursday, April 22, 2010 9:12:55 AM

To:

Cc:

Subject: RE: 870 PTAD or 870 LTAD

These TEFRA forms are the equivalent of closing agreements. The Form 870-PT resolves the partnership-level determination of partnership items and related penalties, but does not resolve partner-level defenses to penalties and affected items.

Part I of the Form 870-LT is equivalent to the Form 870-PT. Part II of the Form 870-LT, however, constitutes a separately executed legal agreement as to the treatment of partner-level defenses to penalties and affected items.

These forms are designed for use for a specific taxable year. If future years are also involved (e.g., future use of basis), a closing agreement should be used instead.