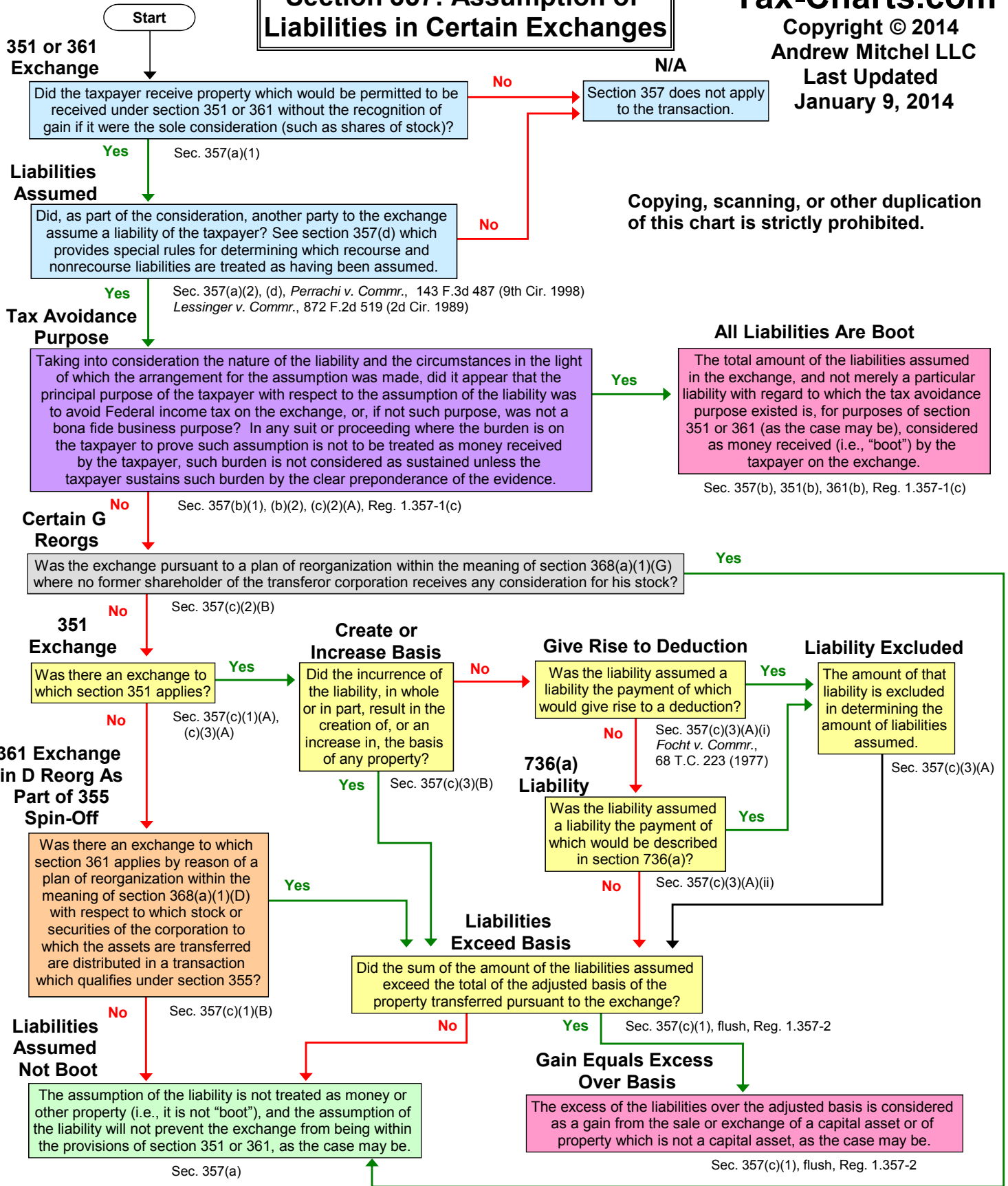


Section 357: Assumption of Liabilities in Certain Exchanges



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All Liabilities Are Boot

The total amount of the liabilities assumed in the exchange, and not merely a particular liability with regard to which the tax avoidance purpose existed is, for purposes of section 351 or 361 (as the case may be), considered as money received (i.e., "boot") by the taxpayer on the exchange.

Sec. 357(b), 351(b), 361(b), Reg. 1.357-1(c)

Disclaimer

This flowchart has been extensively reviewed to be as complete and accurate as possible. However, due to the complexity of these rules, this flowchart undoubtedly includes errors and omissions. You should consult a tax professional for individual advice regarding your own situation. This flowchart is not updated for changes in the tax laws and should not be relied upon for any purpose whatsoever.