Exhibit 8-1 (Return to Partnership Audit COD: IRS section 61(a)(12) **Technique Guide Chapter 8)** GAIN: IRS section 61(a)(3) **Taxpayer still owns Property** Yes No COD Recourse Non-recourse **Quality for IRC section 108** COD Sale (not COD) **Exclusion** Debt-FMV=COD Amt. Realized=Debt Debt-A/B=Gain or Loss Insolvent **QRPBI Bankrupt SALE** FMV-A/B=Gain or Loss **Tax Attribute** Basic Sec. 1017 Reduction Reduction