



# United States Tax Court

Washington, DC 20217

SIRIUS SOLUTIONS, LLLP, SIRIUS  
SOLUTIONS G.P., LLC, TAX MATTERS  
PARTNER,

Petitioner

v.

COMMISSIONER OF INTERNAL  
REVENUE,

Respondent

Docket No. 30118-21.

## ORDER AND DECISION

This case was stricken from the Court’s June 3, 2024, Houston, Texas special trial session. On November 28, 2023, this Court issued its precedential opinion in *Soroban Capital Partners LP v. Commissioner*, Nos 16217-22, 16218-22, 161 T.C., (Nov. 28, 2023), which addressed and resolved the principal issue presented in this case. The Tax Court adheres to the doctrine of stare decisis and thus affords precedential weight to its prior reviewed and division opinions. *See, e.g., Analog Devices, Inc. & Subs. v. Commissioner*, 147 T.C. 429, 443 (2016). We accordingly requested that the parties provide us with their positions regarding further proceedings here. [Doc. 54.]<sup>1</sup>

In response, the parties filed status reports, as well as a fourth stipulation of facts and a stipulation of settled issues. [Docs. 55–58.] In the stipulation of settled issues, the parties agreed that (1) *Soroban Capital* was “precedential and applicable to the issues in this case” and (2) the functional analysis endorsed in that case dictated that Sirius Solutions, LLLP’s “state-law limited partners are not ‘limited partners, as such’ for purposes of I.R.C. § 1402(a)(13) and their distributive shares of Sirius Solutions, LLLP’s ordinary business income are part of net earnings from self-employment under I.R.C. § 1402(a).” [Doc. 56.]

In its status report, Sirius Solutions requested entry of decision under Rule 251 in favor of the Commissioner so that it might contest our holding in *Soroban Capital*

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<sup>1</sup> Unless otherwise indicated, statutory references are to the Internal Revenue Code, Title 26 U.S.C. (I.R.C.), in effect at all relevant times and Rule references are to the Tax Court Rules of Practice and Procedure. “Doc.” references are to the documents in the case as numbered by the Clerk of this Court, using .pdf pagination.

**Entered and Served 02/20/24**

in the U.S. Court of Appeals for the Fifth Circuit. [Doc. 58 at 3.] For his part, the Commissioner asked for leave to file a supplement to his pending motion for summary judgment in light of *Soroban Capital*. [Doc. 57 at 6.] Although we acceded to the Commissioner's request and allowed the parties to file supplementary pleadings for completeness of the record [Docs. 60–61, 63], our decision in this case stems from the parties' stipulation of settled issues. We thus will deny the pending cross-motions for summary judgment as moot.

It is accordingly

ORDERED that the Commissioner's motion for partial summary judgment filed July 18, 2023, is denied as moot. It is further

ORDERED that Sirius Solutions' motion for summary judgment filed September 7, 2023, is denied as moot. It is further

ORDERED that the Commissioner's motion for summary judgment filed January 26, 2024, is denied as moot. It is further

ORDERED and DECIDED that, pursuant to Rule 251, the following statement shows the adjustments to the partnership items of Sirius Solutions, LLLP, for the taxable periods ending December 31, 2015 and December 31, 2016:

<i>Partnership Item</i>	<i>2015</i>	
	<i>As Reported</i>	<i>As Determined</i>
Other deductions	\$129,722	\$0
Net earnings (loss) from self-employment	0	7,372,756
Distributions-Schedule L, Line 20z	0	244,676
Payment allocation – Interest – Schedule K, Line 20z	0	26,046
Purchase Price Allocation – Unrealized Receivables – Schedule K, Line 20z	0	164,025

<i>2016</i>		
<i>Partnership Item</i>	<i>As Reported</i>	<i>As Determined</i>
Net earnings (loss) from self-employment	\$0	(\$490,291)
Distributions – Schedule L, Line 20z	0	93,640
Payment allocation – Interest – Schedule K, Line 20z	0	8,051
Purchase Price Allocation – Unrealized Receivables – Schedule K, Line 20z	0	62,773

**(Signed) Patrick J. Urda**  
**Judge**