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KPMG report: Primer on qualified real property business indebtedness

When times are tough and it becomes necessary for real property owners to enter into negotiations with lenders, there are many issues to consider. Among these issues is the federal income tax impact of a reduction or elimination of the debt relating to the real property.

Taxpayers, of course, generally will prefer to pay no federal income tax with respect to cancellation of indebtedness income that results from a debt workout transaction, and there are a number of exclusionary rules that can facilitate this result. Among the useful exclusions is the rule relating to “qualified real property business indebtedness,” which is explained in this article.

Read a [September 2016 report](#) [PDF 120 KB] prepared by KPMG LLP: *What’s News in Tax: A Primer on Qualified Real Property Business Indebtedness*

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