The Push-Out Election and AARs Might Not Get You Back to Kansas

by Kate Kraus

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In this article, Kraus identifies some reasons why the Bipartisan Budget Act of 2015's pushout election or an administrative adjustment request might not be able to produce the results that would have arisen had the adjusted amounts been properly reported on an original return or taken into account under the rules of the 1982 Tax Equity and Fiscal Responsibility Act.

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I. Introduction

The partnership audit rules enacted by the Bipartisan Budget Act of 2015 (BBA) are a substantial departure from how adjustments were previously made. Before the BBA (that is, in the good old days[1]), special procedural rules generally applied under the 1982 Tax Equity and Fiscal Responsibility Act, but economically, adjustments that related to partnerships were generally treated like adjustments that did not relate to partnerships. The ultimate taxpayer, such as an individual or a C corporation, would pay the correct amount of tax — that is, the amount of tax that it would have paid had it properly reported the adjusted amounts on its original tax return. For example, if the taxpayer had originally paid less than the correct amount, the taxpayer would have to pay the difference, but if the taxpayer had overpaid, the taxpayer would be entitled to a refund.

The BBA adopts a different approach — or to be more precise, different approaches, for it provides multiple options for how an adjustment may be taken into account. None of these is quite like the good old days. The BBA may change who is liable for any additional amounts due, who is entitled to the benefit of a favorable adjustment, how much additional tax is due, and how a favorable adjustment is taken into account. The BBA may also affect the amount of interest and penalties due, and it establishes new procedural rules. The rules are complicated, and the stakes may be high.

Many taxpayers and their advisers would welcome a simple approach that always produces the correct economic results, and many have hoped that the section 6226 push-out election would be just that. Unfortunately, a push-out election is not a pair of ruby slippers that can be relied on to quickly and easily bring us back to Kansas. For starters, the election is not always available. When it is available, it might not result in a taxpayer paying the correct amount of tax, and even

[1] I'm well aware that the BBA was enacted because the good old days were not so good for the IRS. The rules under TEFRA were difficult for the IRS to administer. It remains to be seen whether the BBA will make it easier for the IRS to enforce the tax laws in the partnership context.

if it does, there may be other ways in which it is more costly than the outcome that would have resulted in the good old days.

Even more troubling are the implications when a partnership would like to amend its return. Under the BBA, a partnership doesn't correct an error by filing an amended return. Instead, the partnership files an administrative adjustment request (AAR), and many of the AAR rules are based on the push-out rules that are available under section 6226 when the IRS makes an adjustment.[2] As a result, the AAR rules have inherited some of the disadvantages of the push-out election, so when a partnership corrects an error by filing an AAR, it might not be possible to obtain the correct economic results.

There doesn't appear to be an easy solution for these problems.

II. Pushing Out Audit Adjustments

When adjustments are made as the result of an audit, the adjustments may sometimes be taken into account through the push-out election provided by section 6226. This election can't be relied on to produce the same economic results that would have arisen in the good old days. There may be situations in which a partnership can't make the election, and even when the election may be made, other approaches might produce results that are better or more correct.

A. Availability of Election

The first question is whether a partnership will be able to make a valid push-out election. There may be circumstances in which the election is unavailable because of legal or practical limitations.

1. Partner statements.

A partnership that is under audit may push out the adjustments that result so that it is its reviewed-year partners, not the partnership itself, who must take the adjustments into account and pay any additional tax that is due. If a reviewed-year partner is itself a partnership, it, too, may push out its share of the adjustments to its reviewed-year partners.[3] To push out the adjustments, a partnership must provide each of its reviewed-year partners with a statement that is similar to an amended Schedule K-1 in that it informs the partner of its share of the adjusted items. This requirement to furnish partner statements might seem ministerial, but it may make it difficult to push out adjustments, and if a partnership doesn't successfully push out an adjustment, the partnership may be liable for an imputed underpayment.

One reason why it may be difficult to furnish a partner with a partner statement is that the partner might no longer be a partner and might not have kept the partnership apprised of any change of address. The regulations provide some leniency if a partnership can't locate a partner.

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[2] Section 6227.

[3] If the upper-tier partnership and the audited partnership have different tax years, the upper-tier partnership pushes its share of adjustments out to those who were its partners in the tax year in which the upper-tier partnership included its share of items from the audited partnership for the reviewed year. Reg. section 301.6226-3(e)(3). For simplicity, I'll assume that the two partnerships have the same tax year.

If a partnership sends the partner statement through the mail, the partnership must send it to the most recent address it has for the partner.[4] If the statement is returned as undeliverable, the partnership will be deemed to have furnished the statement as long as it undertakes reasonable diligence to identify a correct address for the partner and then sends the statement there, if a correct address is obtained.[5]

It is not clear what reasonable diligence means. How much time and money must be spent trying to locate a partner? For how long must the search continue? Does it depend on how much is at stake? When a partner is difficult to locate, the IRS will have an incentive to determine that the partnership didn't exercise reasonable diligence; this would render the push out-election invalid and therefore make it is easier for the IRS to collect any additional tax that is due. The partnership might successfully challenge such a determination by the IRS, but the process may be expensive and time-consuming.

Another question is whether this reasonable diligence standard applies when a reviewed-year partner has died or has liquidated. May a partnership satisfy its obligation to furnish partner statements by sending the statement to a deceased partner's last address? If not, is it even possible to make a valid push-out election when a reviewed-year partner has died or has liquidated?

The requirement to provide partner statements makes it particularly difficult for a tiered partnership to push out an adjustment. Consider a partnership (the top partnership) that is a partner in a middle-tier partnership, which in turn is a partner in a lower-tier partnership that is audited by the IRS (the audited partnership). If the IRS adjusts the audited partnership's return, that adjustment may be pushed out to the middle partnership, which in turn may push out its share of the adjustments to the top partnership, which in turn may push out its share of the adjustments to its own partners.

To push out an adjustment, all partnerships that hold a direct or indirect interest in the audited partnership have the same deadline for furnishing their partner statements: the date by which the audited partnership must file its return for the adjustment year, as extended.[6] Partnerships that are higher in the structure are not given extra time to prepare and furnish their partner statements even though it may take longer for them to receive the information they need to prepare the statements. Moreover, the top partnership might not be able to prepare its partner statements until it receives its own partner statement from the middle partnership, but the day it receives that statement might also be the day that it is required to furnish partner statements to its own partners. As a result, it may be difficult for a higher-tier partnership to push out its share of adjustments.

It might also be difficult to push out an adjustment when a partner is a foreign corporation. When a partner is a controlled foreign corporation or a passive foreign investment company, each U.S. shareholder of the CFC, and each taxpayer that makes a qualified electing fund (QEF) election under section 1295 with respect to the PFIC, is treated as a partner of the partnership for purposes of the BBA, except as otherwise provided by the secretary.[7] To date, the secretary has

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4 Reg. section 301.6226-2(b)(2).

5 *Id*.

6 Reg. section 301.6226-3(e)(3)(ii).

7 Section 6241(12). Here, "U.S. shareholder" is as defined in section 951(b) or 953(c)(1).

not provided any exceptions. Therefore, when a partnership has a partner that is a CFC or a PFIC, it appears that the partnership will be required to provide partner statements to each U.S. shareholder of the CFC, and to each shareholder of the PFIC that has made a QEF election, to push out an adjustment.

A partnership might be affected by this rule even if the partner that is a foreign corporation is not a CFC or a PFIC. For a push-out election to be respected, a partnership might be required to establish that it has properly furnished partner statements to all of its partners, and to do this, the partnership may need to establish that its partner that is a foreign corporation is not a CFC or a PFIC.

When a partnership has a partner that is a foreign corporation, the partnership might know little (or possibly nothing at all) about the shareholders of the corporation or any elections they have made. This may make it difficult for the partnership to establish that the corporation is not a CFC or a PFIC, or to prepare and furnish accurate partner statements for the shareholders when the corporation is a CFC or a PFIC. Partnerships that want to ensure that a push-out election will be available may want to consider asking any partner that is a foreign corporation to either certify annually that it is not a CFC or a PFIC, or to agree to provide the information about its shareholders that the partnership may need to push adjustments out under section 6226.

2. Imputed underpayment.

A push-out election is not allowed unless there is an imputed underpayment,[8] and some taxpayer-favorable adjustments do not result in (or are not taken into account in the computation of) an imputed underpayment. For example, if the only adjustment is a reduction to the partnership's income, no imputed underpayment would result, and a push-out election could not be made.

Moreover, a push-out election might not apply to a favorable adjustment even if there is also an unfavorable adjustment made for the same tax year. If the IRS reduces the income allocated to Stella by $100 (the favorable adjustment) and increases the income allocated to Jonathan by $100 (the unfavorable adjustment), a partnership may make a push-out election for the unfavorable adjustment made to Jonathan's share of income, but would that election also apply to the favorable adjustment made to Stella's share? It appears that the answer is yes when the two adjustments are related (for example, if they result from a misallocation of income),[9] but the answer is not clear when the two adjustments are unrelated.

Because a partner can't assume that a favorable adjustment will be able to be taken into account with a push-out election, it may be advisable to consider how such an adjustment might be treated and whether any steps should be taken to ensure that a partner can obtain the best

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[8] Section 6226(a)(1).

[9] *See* reg. section 301.6226-3(h)(2), Example 2 (both the favorable and the unfavorable adjustments relating to a mischaracterization of loss are subject to a push-out election); reg. section 301.6226-3(h)(4), Example 4 (both the favorable and the unfavorable adjustments relating to a misallocation are subject to a push-out election).

possible result.[10] The amended-return modification rules of section 6225(c)(2)(A) may be a particularly valuable alternative, for that is generally the only way in which a partner may get a refund.[11] However, a partner can't unilaterally adopt the amended-return modification rules. It will need the cooperation of the partnership representative.[12] Therefore a partner may want a provision in the partnership agreement that guarantees that it will be able to take advantage of an amended-return modification.

3. Closing agreements.

A partnership might resolve an audit by entering into a closing agreement under Section 7121. In that case, no Notice of Final Partnership Adjustment (FPA) will be issued. When no FPA is issued, no push-out election is possible, for the election is made 45 days after the date of the FPA.[13] Therefore, it is not possible to enter into a closing agreement and then push out the agreed-to adjustments.

B. No Refunds

As discussed, a push-out election can't be made unless there is an imputed underpayment (for example, an increase in the income or a decrease in the loss that should have been reported). This means that a push-out election can't be made if the only adjustment is a favorable adjustment, but there are situations in which a push-out election may apply to an adjustment that would decrease the amount of tax a partner should have paid.[14] If a partner paid too much tax in a prior year, the push-out rules do not allow the partner to receive a refund; instead, the partner effectively receives a nonrefundable credit. The partner might therefore be better off if a push-out election is not made.

To determine the tax benefit that a partner may receive from an adjustment when a push-out election is made, the partner must first recalculate the amount of tax it should have paid for the reviewed year and any subsequent tax year.[15] If the adjustment would have reduced the amount of tax the partner should have paid for that period, the partner may reduce the amount of tax it

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[10] Another question is whether the push-out election produces a good result when applied to a favorable adjustment. As discussed later, other approaches may sometimes be more beneficial.

[11] Refunds are not available under the default rule of section 6225(a) or under the pull-in modification of section 6225(c)(2)(B). Reg. section 301.6225-2(d)(2)(x)(A). A refund might be available in connection with a closing agreement modification under reg. section 301.6225-2(d)(8), however.

[12] Reg. section 301.6225-2(a) (only the partnership representative is allowed to request a modification).

[13] Section 6226(a)(1).

[14] For example, if a partnership misallocates income, a push-out election can apply to both the additional income allocated to one partner and the reduction in income allocated to the other partner. Reg. section 301.6226-3(h)(4), Example 4.

[15] Reg. section 301.6226-3(b). This calculation is subject to special rules, so the result may be different than the amounts that would have been reported had the adjusted items been properly reported on the original returns of the partnership and the partners. Also, the calculation doesn't take into account any changes to the amount of tax that should have been paid for a year that precedes the reviewed year.

pays for its reporting year, which is the year in which the partnership that was audited furnishes its direct partners with partner statements.[16] No other benefit is provided.

For example, consider an audit in which the IRS reduces the amount of long-term capital gain from 2018 that is allocated to Stella by $100. If the partnership makes a push-out election that applies to that adjustment, Stella must recalculate the amount of tax that she would have owed had she been allocated $100 less long-term capital gain for 2018.[17] If the adjustment would have reduced her tax liability by $20, she may reduce the tax she pays in the reporting year by $20. Therefore, if she otherwise would have owed $73 of tax for the reporting year, she will owe only $53 of tax. However, if she recognized no income in the reporting year and therefore would not have owed any tax even if no adjustment had been made to the partnership's return for 2018, she will not be entitled to a $20 refund. The $20 adjustment to her taxes for the reporting year is like a nonrefundable credit that is useful only if there is tax in that year to offset. Any part of the $20 that doesn't reduce Stella's taxes for the reporting year can't be carried forward or back to any other tax year.

To make matters worse, it is not clear whether Stella's basis in her partnership interest would continue to reflect the $100 of excess gain that she was allocated, or whether she would be required to reduce her basis by that $100 as a result of the audit. Therefore, when an adjustment would reduce the amount of tax owed by a partner, the default rule of section 6225(a) or one of the modification rules of section 6225(c) might produce a better result.[18]

C. No Overpayment Interest

In the good old days, timing errors were generally not material. If income was reported in the wrong year, the correct amount of income would have been reported and subject to tax, so the taxpayer would generally not have to pay any additional tax. All that a taxpayer might have to pay is one or perhaps two years of interest on the deficiency. Timing errors may be much more significant when a push-out election is made because overpayment interest is not available.

Consider first how timing errors were treated in the good old days. If a partnership should have allocated $100 of capital gain to Stella in 2013 but erroneously allocated that gain to her in 2014, Stella would have reported $100 too little gain in 2013 and $100 too much in 2014. If that gain would have been subject to a 20 percent tax in either year, Stella would have paid $20 too little tax for 2013 and $20 too much for 2014. Therefore, Stella would have paid the correct amount of tax, albeit in the wrong year.

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[16] Reg. section 301.6226-3(a); -3(e)(3)(iv). Moreover, this reduction will not reduce any alternative minimum tax that the partner owes. The "regular tax" under section 55(c) is reduced, but the tentative minimum tax under section 55(b) is not. See Instructions for IRS Form 6251 (2021).

[17] *See supra* note 17.

[18] Refunds are available with an amended-return modification under section 6225(c)(2)(A) but not with a pull-in modification under section 6225(c)(2)(B). Reg. section 301.6225-2(d)(2)(x)(A).

However, she would have owed interest. Taxpayers generally owe interest on underpayments, and the IRS generally must pay interest to taxpayers who overpay their taxes.[19] In Stella's case, deficiency interest would begin to accrue on April 15, 2014, for the $20 of tax for 2013 that she underpaid, but she would also be entitled to overpayment interest that begins to accrue one year later, on April 15, 2015, for the $20 of excess tax that she paid for 2014.[20] When a taxpayer has an overpayment and an equivalent underpayment at the same time, section 6621(d) provides that the interest rate for both the overpayment and the underpayment equals 0 percent so that neither the IRS nor the taxpayer owes interest for that period. Therefore, the interest rate for Stella's deficiency from 2013 would drop to 0 percent on April 15, 2015. The only interest she would owe would be the interest that accrued from April 15, 2014, until April 15, 2015.

The push-out election produces a much worse result. If a partnership allocates to Stella $100 of capital gain for 2019 and the IRS determines that this gain should have instead been allocated to Stella in 2018, the IRS may adjust both the partnership's 2018 return and its 2019 return to reflect the correct amounts. If the partnership makes a push-out election for both years and this election applies to both adjustments, Stella would calculate the amount by which the adjustments affect her tax liabilities for 2018 and 2019 (as well as subsequent tax years). This calculation must be made separately for each tax year, and if the adjustments would increase the amount of tax she should have paid for a tax year, she must pay interest on that amount.[21] Under section 6226(c)(2)(C), the interest rate that applies when a push-out election is made is 2 percentage points higher than the rate that ordinarily applies to a deficiency. Therefore, if the gain omitted from her 2018 return would have increased her tax liability by $20, she would owe deficiency interest on that $20 at the higher rate that applies when a push-out election is made.

The adjustment to the 2019 return would have reduced the amount of tax that Stella owed for 2019 by $20, but under the push-out election, no overpayment interest is allowed.[22] Moreover, it appears that Stella's overpayment will not affect the amount of interest that she owes with respect to her $20 deficiency from 2018. As a result, instead of owing one year of interest on the $20 deficiency, Stella would owe interest from April 15, 2019, until the additional $20 of tax is paid.[23] It is not clear when this additional tax would be treated as paid, because it might be paid by crediting the excess amount of tax that Stella paid for the 2019 tax year, but it is likely that the payment date will be after the date the adjustments are made to the partnership's returns, which could be many years after 2019.[24]

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[19] Sections 6601 and 6611.

[20] *Id*.

[21] Reg. section 301.6226-3(c).

[22] *Id*.

[23] Reg. section 301.6226-3(c)(1). If Stella is a resident of Maine or Massachusetts, interest would begin to accrue on April 17, 2019, due to the Patriots' Day and Emancipation Day holidays.

[24] As discussed earlier, outside the BBA context, when there is an overpayment and an equivalent underpayment, the overpayment doesn't automatically extinguish the underpayment. Instead, interest accrues on both the underpayment and the overpayment, but the interest rate that applies to both is reduced to 0 percent. Therefore, Stella's underpayment for 2018 is probably not "paid" when she overpays her taxes for 2019.

This asymmetric treatment of interest when there is a deficiency for one year and an overpayment for another year may have far-reaching consequences. Many adjustments ultimately relate to timing. More income now generally results in more basis now and therefore less income later.[25] For example, if the IRS increases the income a partnership should have allocated to Stella in 2018 by $100, she may owe additional tax for 2018, but if she sold her partnership interest in 2019 she would reduce her gain (or increase her loss) from that sale by $100. Deficiency interest would accrue for her underpayment from 2018, at a rate that is 2 percentage points higher than the ordinary deficiency rate, yet no overpayment interest would be provided for her overpayment from 2019.

When deficiency interest may be a material issue, the amended-return modification rules of section 6225(c)(2)(A) might be a better alternative than a push-out election. A partner may receive a refund under the amended-return modification rules, so it appears that a partner may be entitled to overpayment interest in connection with the refunded amount. In that case, the deficiency might be subject to a 0 percent interest rate for most of the period under section 6621(d).[26]

III. Administrative Adjustment Requests

Under the BBA, when a partnership wants to change the way something was reported on its original return, the partnership generally cannot file an amended return.[27] Instead, it files an AAR. Many of the rules regarding AARs piggyback off of the section 6226 push-out rules, so some of the issues discussed above may also be problematic in the AAR context.

The treatment of an adjustment made under an AAR depends on whether the adjustment results in an imputed underpayment. If it does, the partnership has a choice to make. One option is to pay the imputed underpayment. Under that approach, if the partnership had omitted $100 of income from its original return, it would pay tax on the $100 of omitted income.[28] The other

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[25] However, under the proposed regulations regarding adjustments to tax attributes when a push-out election is made, the partnership's basis in its assets is generally adjusted in the adjustment year, not the reviewed year. Prop. reg. section 301.6226-4(c).

[26] The benefits of section 6621(d) should also be available under the pull-in modification rules provided by section 6225(c)(2)(B). With a pull-in modification, the amount of interest that a partner must pay is equal to the amount that the partner would have had to pay under the amended-return modification rules. Reg. section 301.6225-2(d)(2)(x)(A). This is an interesting result, for refunds are not available with a pull-in modification. Therefore, if an adjustment would decrease the tax a partner owes for a particular tax year but not affect any other tax years, the partner would not be entitled to a refund or to overpayment interest. If instead an adjustment would increase a partner's tax liability for one year and decrease the partner's tax liability for another year, the partner will effectively get the benefit of overpayment interest for the period in which the overpayment and underpayment overlap, to the extent that the overpayment offsets the underpayment.

[27] The IRS has made some exceptions, however. See, e.g., Rev. Proc. 2021-50; Rev. Proc. 2021-29; and Rev. Proc. 2020-23.

[28] Some, but not all, of the section 6225(c) modification rules are available in connection with

option is to elect to apply rules that are based on the section 6226 push-out election.[29] Under these AAR push-out rules, the reviewed-year partners must take the adjustment into account and pay any additional amount that is due.[30]

When the requested adjustments do not result in an imputed underpayment, the partnership has a single option available: The adjustments must be addressed under the AAR push-out rules.[31]

A. Availability of AAR Push-Out

When the AAR push-out rules apply, a partnership must send its reviewed-year partners statements that are similar to the partner statements required under section 6226 when a partnership pushes out adjustments that result from an audit. The consequences of failing to furnish these partner statements is unclear. When an adjustment is made under an IRS audit and not an AAR, a push-out election is invalid when the partnership fails to properly furnish partner statements to its reviewed-year partners. In the AAR context, can a partnership make a valid election to apply the AAR push out rules if it doesn't properly furnish partner statements to its reviewed-year partners? If not, the partnership will be liable for any imputed underpayment that results from the adjustments.

When the adjustments do not result in an imputed underpayment, the AAR push-out rules are not elective; they are the only way in which adjustments may be taken into account. If the partnership doesn't satisfy its obligation to furnish partner statements, is the AAR disregarded? These questions are important because, as discussed earlier, it may sometimes be difficult to properly furnish partner statements.

B. No Refunds

Favorable adjustments may be particularly problematic under the AAR rules. As discussed earlier, refunds are not available when a push-out election is made. Refunds are similarly unavailable for adjustments made pursuant to an AAR.

There are two ways in which a favorable adjustment might be accounted for as the result of an AAR. The first is by reducing the amount of an imputed underpayment that the partnership must pay.[32]

Alternatively, a favorable adjustment may be taken into account by the reviewed-year partners under the AAR push-out rules, either because the partnership elects for those rules to apply or because there is no imputed underpayment. In that case, the section 6226 push-out rules generally

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an AAR, which might enable the partnership to reduce the amount of tax it must pay. Reg. section 301.6227-2(a)(2). The amended-return modification rules are not available, however. Section 6227(b)(1).

[29] Section 6227(b).

[30] Section 6227(b)(2).

[31] Section 6227(b).

[32] Whether a favorable adjustment may be taken into account in the calculation of an imputed underpayment is determined under the grouping rules of reg. section 301.6225-1(b)-(e).

apply.[33] Therefore, a partner may effectively receive the benefit of a nonrefundable credit but will not be entitled to a refund.

These are the only two ways in which a favorable adjustment may be taken into account when an AAR is filed. The amended-return modification rules that are available for audit adjustments are not available under the AAR rules.[34] However, a partnership may have some flexibility in *when* a favorable adjustment is taken into account. With an AAR, an adjustment affects the amount of tax that the reviewed-year partners owe for the reporting year, which is the year in which the partnership provides the partner statements to the partners.[35] These statements must be furnished on the date the partnership files the AAR with the IRS.[36] Therefore, when planning to file an AAR, a partnership may want to consider whether the results would be more favorable if the AAR is filed, and partner statements are provided, in one year as opposed to another.

C. No Overpayment Interest

As discussed earlier, with a push-out election under section 6226, overpayment interest is not available and will not offset or reduce any underpayment interest that a partner owes. The AAR push-out rules adopt the same approach. Therefore, if an adjustment increases the tax that a partner owes for one year and decreases the tax owed for another year, the overpayment will not reduce the amount of interest that the partner owes on the underpayment. This problem might not be as severe as it is in the section 6226 context; an audit adjustment may be made many years after a return is filed, but an AAR must be filed within three years of the date the original partnership return was filed or, if later, the unextended due date for filing that return.[37] Also, the interest rate under the AAR push-out rules is the ordinary deficiency interest rate; it is not subject to the 2 percentage point increase that applies to interest that is owed under the section 6226 push-out rules.[38]

IV. Conclusion

The ability to push out adjustments to the reviewed-year partners is important and may often be valuable in the context of adjustments that result from an audit or from an AAR. It might be unwise, however, to assume that a push-out approach will be available or produce the best or the correct economic result. A closer look at how the push-out rules work and what the alternatives might be may be warranted. For example, the amended-return modification rules of section 6225(c)(2)(A) will generally enable a partnership and its partners to achieve the economic results that would have arisen in the good old days, but these rules present their own set of challenges.[39]

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33 Reg. section 301.6227-2(c) and (d); reg. section 301.6227-3.
34 Section 6227(b)(1).
35 Reg. section 301.6227-3(a).
36 Reg. section 301.6227-1(d).
37 Section 6227(c); reg. section 301.6227-1(b).
38 Section 6227(b)(2).
39 Most notably, to take advantage of the amended-return modification rules, a partnership must obtain the cooperation of its reviewed-year partners. With a push-out election, a partnership can compel its reviewed-year partners to take an adjustment into account.

For AAR-related adjustments, there are fewer options available for how the adjustments may be taken into account, so it may be more important to make sure that the original return is accurate.