



Outside basis may be an affected item required to be properly determined in a partner-level deficiency proceeding. Thompson v. Commissioner, 729 F.3d 869, 873 (8th Cir. 2013); Jade Trading, LLC ex rel. Ervin v. United States, 598 F.3d 1372, 1380 (Fed. Cir. 2010); Petaluma FX Partners, LLC v. Commissioner, 591 F.3d 649, 655 (D.C. Cir. 2010); Greenwald v. Commissioner, 142 T.C. 308, 314-317 (2014); see I.R.C. secs. 6213(a), 6230(a)(2) (A)(i). Cf. United States v. Wood, 571 U.S. \_\_\_, 134 S.Ct. 557 (2013).

Upon due consideration, it is

ORDERED that, on or before April 28, 2016, respondent shall file a Response to petitioners' objection. In that Response respondent shall set forth and discuss fully respondent's position as to whether the Court here in the instant case has jurisdiction to review the outside-basis adjustments made in the deficiency notice for 1999 issued to petitioners.

**(Signed) Michael B. Thornton**  
**Chief Judge**

Dated: Washington, D.C.  
April 6, 2016