

**48-1d-202 Formation of partnership.**

- (1) Except as otherwise provided in Subsection (2), the association of two or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership.
- (2) An association formed under a statute other than this chapter, a predecessor statute, or a comparable statute of another jurisdiction is not a partnership under this chapter.
- (3) In determining whether a partnership is formed, the following rules apply:
  - (a) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not by itself establish a partnership, even if the co-owners share profits made by the use of the property.
  - (b) The sharing of gross returns does not by itself establish a partnership, even if the persons sharing them have a joint or common right or interest in property from which the returns are derived.
  - (c) A person who receives a share of the profits of a business is presumed to be a partner in the business, unless the profits were received in payment:
    - (i) of a debt by installments or otherwise;
    - (ii) for services as an independent contractor or of wages or other compensation to an employee;
    - (iii) of rent;
    - (iv) of an annuity or other retirement or health benefit to a deceased or retired partner or a beneficiary, representative, or designee of a deceased or retired partner;
    - (v) of interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds, or increase in value derived from the collateral; or
    - (vi) for the sale of the goodwill of a business or other property by installments or otherwise.

Enacted by Chapter 412, 2013 General Session