Computation of §1.752-7 Liability Reduction (in millions)

1. Basis of A's PRS interest	$5
2. Less adjusted value of A's PRS interest	
Value of PRS interest	3
A's share of nonrecourse debt	1
Total	(4)
3. Difference between 1 and 2	1
4. Remaining built-in loss from §1.752-7 liability	2
5. §1.752-7 liability reduction (lesser of 3 or 4)	$1

Gain/Loss on Sale of A's PRS Interest (in millions)

1. Amount realized on sale	
Value of PRS interest	$3
A's share of nonrecourse debt	1
Total	$4
2. Less basis of PRS interest	
Original	$5
§1.752-7 liability reduction	$1
Difference	($4)
3. Gain/Loss	0