

Part IV - Items of General Interest

Section 1446 Tax for Fiscal Year Partnerships in 2013

Announcement 2013-30

Partnerships that have effectively connected taxable income (ECTI) allocable to a foreign partner must file a 2012 Form 8804, Annual Return for Partnership Withholding Tax (Section 1446), for any taxable year that begins in 2012. In all such cases, the 2012 Form 8804 continues to apply the tax rates in effect in 2012 for purposes of determining the amount of section 1446 withholding tax that partnerships must pay for taxable years beginning in 2012.

Foreign partners in a fiscal year partnership with a taxable year ending in 2013 nonetheless must pay tax on their distributive share of the partnership's ECTI based on the tax rates in effect in the taxable year of their inclusion as determined under section 706(a).

This Announcement is effective for partnership taxable years beginning in 2012.

DRAFTING INFORMATION

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