

IRM PROCEDURAL UPDATE

DATE: 03/11/2026

NUMBER: ts-03-0326-0303

SUBJECT: Clarifying Instructions When Multiple Parts of Form 8288 Are Filled

AFFECTED IRM(s)/SUBSECTION(s): 3.21.261

CHANGE(s):

IRM 3.21.261.1.1.2(3) - Replaced "purchaser" with transferee (buyer) for consistency.

(3) In general, a copy of Form 8288-A stamped by the IRS must be attached to the transferor's (seller's) return to establish the amount withheld under IRC 1445(a) or 1446(f)(1) which is available as a credit. In situations where the tax is withheld but the transferee (buyer) does not pay over the amount withheld to the IRS, the transferor (seller) will not receive a stamped copy of Form 8288-A from the IRS. Nonetheless, the transferor (seller) can establish the amount of tax withheld by the transferee (purchaser/buyer) by attaching to its tax return substantial evidence (e.g., closing documents for IRC 1445(a) or partnership interest purchase agreement for IRC 1446(f)(1)) of the amount of tax withheld. See IRM 3.21.25.17, Credit Verifying Form 8288-A (FIRPTA) Credits, for more information.

IRM 3.21.261.18.2(3) - Clarified instruction for editing name control when trust name present.

(3) Edit the Name Control as follows:

If	And	Then
The entity is not on an IRS label,		Underline the Name Control.
A second name is present and begins with "FKA" (formerly known as),		Continue editing the return.
A second name is present and begins with "AKA" (also known as) or "DBA" (doing business as), etc.,		Circle the abbreviations.
Multiple Transferees (buyers) are listed on Form 8288, U.S.		Research IDRS and underline the first name control that matches the first Taxpayer

Withholding Tax Return for Certain Dispositions by Foreign Persons, Line 1		Identification Number (TIN) and circle out the other transferee's (buyers) information that is not being used.
Unable to determine the Name Control,	Unnumbered	<ol style="list-style-type: none"> 1. Research IDRS. 2. If found, edit to the proper location. 3. If not found, route to Entity Control following local procedures.
Unable to determine the Name Control,	Numbered	<ol style="list-style-type: none"> 1. Edit Computer Condition Code (CCC) "U" 2. Prepare Form 4227, Intra-SC Reject or Routing Slip, addressed to Entity Control Unit (ECU). Route to ECU.
Line 1a contains an individual name along with a trust name,		The individual's name should be circled out and the name control should be edited on the trust's entity name.

IRM 3.21.261.19.2(1) - Replaced Note and Exception with if and then table for clarity.

(1) The transferee (buyer) must complete Form 8288, U.S. Withholding Tax Return for Certain Dispositions by Foreign Persons, and Form 8288-A, Statement of Withholding on Certain Dispositions by Foreign Persons, after the transfer of the USRPI or interest in the partnership has taken place. This requires the transferee to complete Part I, Part II or Part III of Form 8288. The Part number can be found on the left margin Form 8288, and just above the part completed by the transferee. The editing of this field has an impact on the tax calculation.

If	And	Then
Both Part I and Part II are filled out,	Part II Line 9 is not checked or Line 11c does not have a significant amount, and Line 2 does not describe the transfer of partnership interest,	<p>Edit Part I for transcription, and X out Part II. Transfer amounts from Part II to Part I if necessary.</p> <p>Exception: If Part II Line 9 is checked or Line 11c has a significant amount, "X" out Part I and edit Part II. If necessary, transfer amounts from Part I to Part II. However, if Line 2 describes the transfer of partnership interest, edit Part III and cross out Part I and Part II. If necessary, transfer amounts from Part I or Part II to Part III.</p>

Both Part I and Part III are filled out,	Line 2 describes the transfer of partnership interest,	Edit Part III for transcription, and X out Part I. Transfer amounts from Part I to Part III if necessary. Exception: Line 2 does not describe the transfer of partnership interest or if Line 7b contains a significant amount, edit Part I for transcription, and "X" out Part III. Transfer amounts from Part III to Part I if necessary.
Both Part II and Part III are filled out,	Line 2 describes the transfer of partnership interest,	Edit Part III for transcription, and X out Part II. Transfer amounts from Part II to Part III if necessary. Exception: if any of these conditions exist, edit Part II for transcription, and "X" out Part III. Transfer amounts from Part III to Part II if necessary: <ul style="list-style-type: none"> • Line 2 does not describe the transfer of partnership interest. • Line 9 is checked. • Line 11b contains a significant amount. • Line 11c contains a significant amount.
Both Part I and Part IV are filled out,	There is no indication the Withholding Agent is trying to file a Section 1446(f)(4) return (e.g., No Form 8288-C attached, Line 2 does not describe partner failed to file),	Edit Part I for transcription and X out Part IV. Exception: If there is any indication on Line 2, attachments, or if Form 8288-C is attached (or should have been attached), edit Part IV for transcription and "X" out Part I.
Part II and Part IV are filled out,	Part II Line 9 is checked, or either Lines 11b or 11c have significant amounts on them,	Edit Part II for transcription and "X" out Part IV. Exception: If there is any indication on Line 2, attachments, or if Form 8288-C is attached (or should have been attached), edit Part IV for transcription and "X" out Part I.
Part III and Part IV are filled out,	There is no indication the Withholding Agent is the partnership trying to file a Section 1446(f)(4) return (e.g., No Form 8288-C attached, payments),	Edit Part III for transcription and X out Part IV. Exception: If a Form 8288-C is attached (or should have been attached), edit Part IV for transcription and "X" out Part III.

Part I, Part II, or Part III is filled out,	Part V is filled out,	Research IDRS to see if a Form 8288 Part I, Part II, or Part III return was previously filed. If one is present in BMF, then X out Part I, Part II, or Part III and route Form 8288 to AM. Exception: If there is no Form 8288 Part I, Part II, or Part III return posted to BMF, edit Part III.
Part IV and Part V are filled out,	There is no indication the Withholding Agent is the partnership trying to file a Section 1446(f)(4) return (e.g., No Form 8288-C attached, payments),	Research IDRS to see if a Form 8288 Part IV return was previously filed. If one is present in BMF, then X out Part IV and route Form 8288 to AM. Exception: If there is no Form 8288 Part IV return posted to BMF, edit Part IV and X out Part V.

Note: If Part I or Part II are filled out and Line 2 describes the transfer of partnership interest, and Lines 7b, 11b, or 11c contain a significant amount, then leave Part I or Part II as is and don't transfer the amounts to Part III.

IRM 3.21.261.19.9(5) - Clarified editing instructions for date of transfer on withholding certificate.

(5) The following table contains a list of withholding certificate letters.

Withholding Certificate Letter Numbers
<ul style="list-style-type: none"> • Letter 3307(SC/CG) Withholding Certificate - Approved Exempt • Letter 3308(SC/CG) Withholding Certificate - Approved Reduced • Letter 3309(SC/CG) Withholding Certificate - Approved Exempt • Letter 3310(SC/CG) Withholding Certificate - Approved Reduced • Letter 3311(SC/CG) Withholding Certificate - Approved Reduced • Letter 3497(SC/CG) Withholding Certificate - Approved Reduced • Letter 3312(SC/CG) Withholding Certificate - Approved Installment Plan <p>Caution: Edit the date of the payment as the new Date of Transfer when Form 3312 is attached. Do not edit a reduced withholding or bypass indicator. Do not edit the Date of Withholding Certificate on line 4. Circle the Date of Withholding Certificate if present on line 4.</p>

Example: Assume the applicable withholding rate is 10 percent. The Installment Withholding Certificate is issued March 2, 2020, a 10% (\$2,275.00 x 10% = \$227.50) FIRPTA tax is paid on the initial USRPI installment transfer. A subsequent installment transfer takes place on 03/02/2024 (\$3,310.00 x 10% = \$331.00). The new tax period is 202403 and not 202003. The new return due date (RDD) is 03/22/2024. As long as it is timely filed, no penalties or interest will be charged.

- Letter 3313(SC/CG) Withholding Certificate - Disapproved Reject
- Letter 3314(SC/CG) Withholding Certificate - Disapproved Reject
- Letter 3316(SC/CG) Withholding Certificate - Disapproved Reject
- Letter 3315(SC/CG) Withholding Certificate - Filed Late Rejected
- Letter 3318(SC/CG) Withholding Certificate - Filed Late Rejected

Caution: Letter 3315 and Letter 3318 are **NOT** considered a Withholding Certificate. When attached, the date on this letter is **NOT** considered a valid date of withholding certificate (which extends the due date of the return). **Do not edit the date of withholding certificate and do not edit a reduced withholding or bypass indicator. If the Date of Withholding Certificate is present on Line 4, circle out the date.**

IRM 3.21.261.19.13(2) - Clarified editing instructions for date of transfer on withholding certificate.

(2) Valid characters are:

- "1" = withholding certificate attached (See withholding certificate chart).

Reminder: Edit the reduced withholding indicator **1** in Line 7c, Line 11d or Line 14b, and bypass indicator "1" next to one of those lines when one of the **six** "Approved" certificates are attached to Form 8288, U.S. Withholding Tax Return for Certain Dispositions by Foreign Persons:

Withholding Certificate Letter Numbers
<ul style="list-style-type: none"> ○ Letter 3307(SC/CG) - Approved Exempt ○ Letter 3308(SC/CG) - Approved Reduced ○ Letter 3309(SC/CG) - Approved Exempt ○ Letter 3310(SC/CG) - Approved Reduced ○ Letter 3311(SC/CG) - Approved Reduced

- Letter 3497(SC/CG) - **Approved Reduced**
- Letter 3312(SC/CG) - **Approved Installment Plan**

Caution: Edit the date of the payment as the new Date of Transfer when Form 3312 is attached. **Do not** edit a reduced withholding or bypass indicator. **Do not** edit the Date of Withholding Certificate on line 4. Circle the Date of Withholding Certificate if present on line 4.

Example: Assume the applicable withholding rate is 10 percent. The Installment Withholding Certificate is issued March 2, 2020, a 10% (\$2,275.00 x 10% = \$227.50) FIRPTA tax is paid on the initial USRPI installment transfer. A subsequent installment transfer takes place on 03/02/2024 (\$3,310.00 x 10% = \$331.00). The new tax period is 202403 and not 202003. The new return due date (RDD) is 03/22/2024. As long as it is timely filed, no penalties or interest will be charged.

Otherwise, do not edit anything. The tax will be assessed at the full 10 percent, 15 percent, or 21 percent (35 percent for dispositions prior to January 1, 2018) amount for the rejected letters.

- **"blank"** = withholding certificate **not attached or** required.

IRM 3.21.261.19.14(5) - Added more scenarios for when Form 8288 is filled out incorrectly.

(5) A Form 8288-C must be attached when Part IV of Form 8288 is filled out. Follow the instructions in the table below:

If	And	Then
Part IV of Form 8288 is filled out,	Form 8288-C is attached,	Verify Form 8288-C is complete and continue processing. See IRM 3.21.25.16, Checking Form 8288-C for Completeness, for instructions.
Part IV of Form 8288 is filled out	Form 8288-C is attached but is incomplete,	Review Form 8288 and attachments and update the Form 8288-C. If 8288-C information cannot be found, edit Computer Condition Code (CCC) "U" and correspond for incomplete or missing Form 8288-C. Prepare Letter 3104C, FIRPTA and Foreign Partnership Withholding Tax Return Processing and Unsubstantiated Refundable Credit, CAS.

Part IV of Form 8288 is filled out	Form 8288-C is missing,	Edit CCC "U" and correspond for missing Forms 8288-C. Prepare Letter 3104C CAS.
Part IV of Form 8288 is not filled out	Form 8288-C is attached,	Look for the missing information on Form 8288-C or in any attachments. If the missing information cannot be found, Edit CCC "U" and correspond for missing information on Form 8288, Part IV. Prepare Letter 3104C CAS. Note: If no response is received, edit the green rocker amount (located at the top right corner of Form 8288) on Line 18 and continue processing.
Part IV of Form 8288 is filled out	Form 8288-A, Statement of Withholding on Certain Dispositions by Foreign Persons, is attached and Form 8288-C missing,	If there is no indication the taxpayer meant to fill out Parts I, II, or III, edit CCC "U" and correspond for missing Forms 8288-C. Do not enter Form 8288-A into the database and do not send a stamped Form 8288-A (copy B) to the seller. Otherwise, correspond for missing information in Parts I, II, or III. Prepare Letter 3104C CAS.
Part I, Part II, or Part III is filled out,	Form 8288-C is attached,	If there is no indication the taxpayer meant to fill out Part IV, convert Form 8288-C to Form 8288-A. If there is not enough information to convert the Form 8288-C to a Form 8288-A, edit CCC "U" and correspond for missing Form 8288-A. Do not enter Form 8288-C into the database. Otherwise, correspond for missing information for Parts IV. Prepare Letter 3104C CAS.
Part IV is filled out with a Form 8288-C attached,	It's obvious the withholding agent filled out the wrong part number, (Example: Line 2 shows USRPI transfer, or partnership interest transfer),	X out part IV and edit it to Part I, Part II, or Part III as appropriate. Convert Form 8288-C to Form 8288-A. If there is not enough information to convert the Form 8288-C to a Form 8288-A, edit CCC U and correspond for missing Form 8288-A. Do not enter Form 8288-C or Form 8288-A into the database. Exception: Otherwise, correspond for missing information for Parts IV. Prepare Letter 3104C CAS.