

2022

Instructions for Form 1065

U.S. Return of Partnership Income

Volume 1 of 6



Department of the Treasury
Internal Revenue Service

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Future Developments

For the latest information about developments related to Form 1065 and its instructions, such as legislation enacted after

they were published, go to [IRS.gov/Form1065](https://www.irs.gov/Form1065).

What's New

Changes from the Inflation Reduction Act of 2022. The following changes from the Inflation Reduction Act of 2022 (P.L. 117-169) may affect partnerships with fiscal years, corporate partners, or certain impacted activities.

- Advanced manufacturing investment credit for qualified investment in an advanced manufacturing facility placed in service after 2022. Section 48D.
- Excise tax on repurchase of corporate stock by certain corporations which make repurchases after 2022. Section 4501.
- Excise tax on drug manufacturers under certain circumstances. Section 5000D.

- Increase in energy credit for solar and wind facilities placed in service in connection with low-income communities, effective January 1, 2023. Section 48(e).
- Extension of incentives for biodiesel, renewable diesel, and alternative fuels for productions after 2021. See Form 8864 and its instructions. Sections 40A, 6426, and 6427.
- Credit for sustainable aviation fuel sold after 2022. Section 40B.
- Credit for clean hydrogen produced after 2022. Section 45V.
- Deduction for qualified retrofit for energy efficient commercial buildings in tax years beginning after 2022. Section 179D(f).
- Credit for clean vehicles placed in service after 2022. Section 30D.

- Credit for qualified commercial clean vehicles for vehicles acquired after 2022. Section 45W.
- Advanced manufacturing production credit for certain components produced and sold after 2022. See Form 7207 and its instructions. Section 45X.
- Credit against payroll taxes for small businesses for increase in research for tax years beginning after 2022. Section 41(h).

Schedule K, line 16. International Transactions. See information under *Line 16. International Transactions* regarding a filing exception for Schedules K-2 and K-3 (Form 1065).

Schedule M-1. Reconciliation of Income (Loss) per Books With Analysis of Net Income (Loss) per Return. The title of the Schedule M-1 has been changed to

Reconciliation of Income (Loss) per Books With Analysis of Net Income (Loss) per Return. There weren't any changes to the Schedule M-1 line items. This change clarifies that Schedule M-1, line 9, is not the taxable income of the partnership. Instead, Schedule M-1, line 9, agrees with the Analysis of Net Income (Loss) per Return, line 1. The Analysis of Net Income (Loss) per Return, line 1, is a summary of various items reported on the Schedule K and is used for reconciliation purposes.

Domestic partnerships treated as aggregates for purposes of sections 951, 951A, and 956(a). Final regulations announced in Treasury Decision 9960 treat domestic partnerships as aggregates of their partners for purposes of sections 951, 951A, and 956(a), and any provision that specifically applies by reference to any of those sections, for tax years of foreign corporations beginning on or after January

25, 2022, and for tax years of U.S. persons in which or with which such tax years of foreign corporations end. Domestic partnerships may apply the final regulations to tax years of foreign corporations beginning after December 31, 2017, and to tax years of the domestic partnership in which or with which such tax years of the foreign corporations end, provided certain consistency requirements are met. See *What's New* in 2022 Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

IRA partner disclosure. For IRA partners, the partnership reports the EIN of the IRA's custodian in item E on the partner's Schedule K-1 (Form 1065). If the partnership reports unrelated business taxable income to an IRA partner on line 20, code V, the partnership must report the IRA's EIN on line 20, code AH. See Items E and F and Other information (code AH), later.

Reminders

Schedules K-2 and K-3 (Form 1065).

Schedules K-2 and K-3 replaced prior lines 16 and 20 for certain international codes on Schedules K and K-1. They were designed to provide greater clarity for partners on how to compute their U.S. income tax liability with respect to items of international tax relevance, including claiming deductions and credits.

Schedules K and K-1 (Form 1065). Line 21 replaced line 16p for foreign taxes paid or accrued with respect to basis adjustments and income reconciliation.

Note. Foreign taxes paid or accrued must also be reported on Schedules K-2 and K-3 for foreign tax credit purposes.

Section 743(b) adjustment. Code U on line 20c of Schedules K and K-1 is used to report the total remaining section 743(b) adjustment

for applicable partners. This was reported in previous years on line 20, code AH.

Section 1061 reporting. Section 1061 recharacterizes certain long-term capital gains of a partner that holds one or more applicable partnership interests as short-term capital gains. An applicable partnership interest is an interest in a partnership that is transferred to or held by a taxpayer, directly or indirectly, in connection with the performance of substantial services by the taxpayer or any other related person, in an applicable trade or business. See Pub. 541, Partnerships, for pass-through entity and owner-taxpayer filing and reporting requirements.

Paycheck Protection Program (PPP)

loans. Partnerships report certain information related to PPP loans. The forgiveness of a PPP loan creates tax-exempt income which affects each partner's basis in the partnership. A partnership can treat tax-exempt income

resulting from the forgiveness of a PPP loan as received or accrued (1) as, and to the extent that, eligible expenses are paid or incurred;

(2) when the partnership applies for forgiveness of the PPP loan; or (3) when forgiveness of the PPP loan is granted. See Schedule B, Question 6; Schedules K and K-1, lines 11 and 18b; Schedule M-1; and Schedule M-3, later, for PPP reporting instructions. For additional details about the timing of tax-exempt income related to PPP loans, see [*Rev. Proc. 2021-48*](#), 2021-49 I.R.B. 835.



PPP loans that aren't properly forgiven because of a taxpayer's misrepresentation or omission are considered taxable income to the taxpayer.

Tax shelter election. Final regulations issued January 5, 2021, under section 448 permit a taxpayer to make an annual election to use its allocations made in the immediately

preceding tax year, instead of using the current tax year's allocation, to determine whether the taxpayer is a syndicate under section 448(d)(3) for the current tax year. See Tax shelter election, later.

Payroll credit for COVID-related paid sick leave or family leave. Under the Families First Coronavirus Response Act (FFCRA), as amended, and the American Rescue Plan Act of 2021 (the ARP), an eligible employer can take a credit against payroll taxes owed for amounts paid for qualified sick leave or family leave if incurred during the allowed period, which starts on April 1, 2020, and ends September 30, 2021. There is no double tax benefit allowed and the amounts claimed are reportable as income on line 7. See Line 7. Other Income (Loss), later.

Temporary allowance of 100% business meals. A partnership is allowed a 100% deduction for certain business meals paid or

incurred after 2020 and before 2023. See Travel, meals, and entertainment, later.

Box 20, code AG. Gross receipts for section 448(c)(2). Partnerships and partners must determine whether they are subject to certain accounting methods and to section 163(j) based on their gross receipts. For tax years ending after December 30, 2020, partnerships with current year gross receipts greater than \$5 million are required to report their current year gross receipts to partners.

For tax years ending after December 30, 2021, a partnership that has current year gross receipts greater than \$5 million will be required to report gross receipts to partners for the 3 immediately preceding tax years as well as gross receipts for the current year.

Partnerships whose current year gross receipts are less than or equal to \$5 million may also use this code to report gross receipts.

Photographs of Missing Children

The Internal Revenue Service is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

How To Get Tax Help

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to [IRS.gov](#) to find resources that can help you right away.

Online tax information in other languages. You can find information on [IRS.gov/MyLanguage](#) if English isn't your native language.

Free Over-the-Phone Interpreter (OPI)

Service. The IRS is committed to serving our multilingual customers by offering OPI services. The OPI Service is a federally funded program and is available at Taxpayer Assistance Centers (TACs), other IRS offices, and every VITA/TCE return site. The OPI Service is accessible in more than 350 languages.

Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille, large print, audio, etc.). The Accessibility Helpline does not have access to your IRS account. For help with tax law, refunds, or account-related issues, go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp).

The Taxpayer Advocate Service (TAS) Is Here To Help You

What Is TAS?

TAS is an ***independent*** organization within the IRS that helps taxpayers and protects taxpayer rights. Their job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [*Taxpayer Bill of Rights*](#).

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [*TaxpayerAdvocate.IRS.gov*](#) to help you understand what these rights mean to you and how they apply. These are ***your*** rights. Know them. Use them.

What Can TAS Do for You?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue.

TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach TAS?

TAS has offices [*in every state, the District of Columbia, and Puerto Rico*](#). Your local advocate's number is in your local directory and at TaxpayerAdvocate.IRS.gov/Contact-Us. You can also call them at 877-777-4778.

How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, report it to them at IRS.gov/SAMS.

TAS for Tax Professionals

TAS can provide a variety of information for tax professionals, including tax law updates and guidance, TAS programs, and ways to let TAS know about systemic problems you've seen in your practice.

How To Get Forms and Publications

Internet. You can access the IRS website at IRS.gov 24 hours a day, 7 days a week to:

- *E-file* your return—Find out about commercial tax preparation and *e-file* services available free to eligible taxpayers;
- Download forms, including talking tax forms, instructions, and publications;
- Use the online Internal Revenue Code, regulations, or other official guidance;
- Get information on starting and operating a small business;
- Order IRS products online;
- Research your tax questions online;
- Search publications online by topic or keyword;

- View Internal Revenue Bulletins (IRBs) published in the last few years; and
- Sign up to receive local and national tax news by email.

Tax forms and publications. The partnership can download or print all of the forms and publications it may need on [IRS.gov/ FormsPubs](https://www.irs.gov/forms-pubs). Otherwise, the partnership can go to [IRS.gov/ OrderForms](https://www.irs.gov/orderforms) to place an order and have forms mailed to the partnership. The IRS will process your order for forms and publications as soon as possible.

General Instructions

Purpose of Form

Form 1065 is an information return used to report the income, gains, losses, deductions, credits, and other information from the operation of a partnership. Generally, a partnership doesn't pay tax on its income but

passes through any profits or losses to its partners. Partners must include partnership items on their tax or information returns.

Definitions

Centralized Partnership Audit Regime

The Bipartisan Budget Act of 2015 (BBA) created a new centralized partnership audit regime effective for partnership tax years beginning after 2017. The new audit regime replaces the consolidated audit proceedings under the Tax Equity and Fiscal Responsibility Act (TEFRA). The new audit regime applies to all partnerships unless the partnership is an eligible partnership and elects out by making a valid election using Schedule B-2 (Form 1065).

Electing out of the centralized partnership audit regime. See *Electing Out of the Centralized Partnership Audit Regime*,

later. **Adjustment year.** An adjustment year is a tax year in which:

- In the case of an adjustment pursuant to the decision of a court in a proceeding brought under section 6234, such decision becomes final;
- In the case of an administrative adjustment request (AAR) under section 6227, such AAR is filed; or
- In any other case, a notice of final partnership adjustment is mailed under section 6231 or, if the partnership waives the restrictions under section 6232(b) (regarding limitations on assessments), the waiver is executed by the IRS.

Reviewed year. A reviewed year is a partnership's tax year to which a partnership adjustment relates.

Partnership

A partnership is the relationship between two or more persons who join to carry on a trade or business, with each person contributing money, property, labor, or skill and each expecting to share in the profits and losses of the business whether or not a formal partnership agreement is made.

The term “partnership” includes a limited partnership, syndicate, group, pool, joint venture, or other unincorporated organization, through or by which any business, financial operation, or venture is carried on, that isn't, within the meaning of regulations under section 7701, a corporation, trust, estate, or sole proprietorship.

A joint undertaking merely to share expenses isn't a partnership. Mere co-ownership of property that is maintained and leased or rented isn't a partnership. However, if the co-

owners provide services to the tenants, a partnership exists.

Business owned and operated by spouses. Generally, if you and your spouse jointly own and operate an unincorporated business and share in the profits and losses, you are partners in a partnership and you must file Form 1065.

Exception—Qualified joint venture. If you and your spouse materially participate as the only members of a jointly owned and operated business, and you file a joint return for the tax year, you can make an election to be treated as a qualified joint venture instead of a partnership. By making the election, you will not be required to file Form 1065 for any year the election is in effect and will instead report the income and deductions directly on your joint return.

A qualified joint venture conducts a trade or business where the only members of the joint venture are a married couple who file a joint

return; both spouses materially participate in the trade or business (because mere joint ownership of property isn't enough); both spouses elect not to be treated as a partnership; and the business is co-owned by both spouses and isn't held in the name of a state law entity such as a partnership or limited liability company.

To make this election, you must divide all items of income, gain, loss, deduction, and credit between you and your spouse in accordance with your respective interests in the venture. Each of you must file a separate Schedule C (Form 1040), Profit or Loss From Business, or Schedule F (Form 1040), Profit or Loss From

Farming. On each line of your separate Schedule C or F (Form 1040), you must enter your share of the applicable income, deduction, or loss. Each of you must also file a separate Schedule SE (Form 1040), Self-

Employment Tax, to pay self-employment tax, as applicable.

If you and your spouse make the election for your rental real estate business, you each must report your share of income and deductions on Schedule E (Form 1040), Supplemental Income and Loss. Rental real estate income isn't generally included in net earnings from self-employment subject to self-employment tax and is generally subject to the passive loss limitation rules. Electing qualified joint venture status doesn't alter the application of the self-employment tax or the passive loss limitation rules.

To make the qualified joint venture election for 2022, jointly file the 2022 Form 1040 or 1040-SR with the required schedules. This generally doesn't increase the total tax on the return, but it does give each spouse credit for social security earnings on which retirement benefits are based, provided neither spouse exceeds the social security tax limitation.

Once made, the election cannot be revoked without IRS consent. If you and your spouse filed a Form 1065 for the year prior to the election, you don't need to amend that return or file a final Form 1065 for the year the election takes effect.

For more information on qualified joint ventures, go to [IRS.gov/ QJV](https://www.irs.gov/QJV).

Foreign Partnership

A foreign partnership is a partnership that isn't created or organized in the United States or under the law of the United States or of any state. In certain instances, a partnership created or organized in the United States can be treated as a foreign partnership. See, for example, Regulations sections 1.958-1(d)(1) and 1.958-1(d)(4)(ii).

In addition, if a domestic section 721(c) partnership is formed after January 17, 2017, and the gain deferral method is applied, then a U.S. transferor must treat the section

721(c) partnership as a foreign partnership and file a Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, with respect to the partnership. See Form 8865 and its instructions. See also Regulations section 1.721(c)-6(b)(4).

General Partner

A general partner is a partner who is personally liable for partnership debts.

General Partnership

A general partnership is composed only of general partners.

Limited Partner

A limited partner is a partner in a partnership formed under a state limited partnership law, whose personal liability for partnership debts is limited to the amount of money or other property that the partner contributed or is required to contribute to the partnership. Some members of other entities, such as

domestic or foreign business trusts or limited liability companies that are classified as partnerships, may be treated as limited partners for certain purposes.

However, whether a partner qualifies as a limited partner for purposes of self-employment tax depends upon whether the partner meets the definition of a limited partner under section 1402(a)(13). See Self-Employment, later.

Limited Partnership

A limited partnership is formed under a state limited partnership law and composed of at least one general partner and one or more limited partners.

Limited Liability Partnership

A limited liability partnership (LLP) is formed under a state limited liability partnership law. Generally, a partner in an LLP isn't personally liable for the debts of the LLP or any other

partner, nor is a partner liable for the acts or omissions of any other partner solely by reason of being a partner.

Limited Liability Company

A limited liability company (LLC) is an entity formed under state law by filing articles of organization as an LLC. Unlike a partnership, none of the members of an LLC are personally liable for its debts. An LLC may be classified for federal income tax purposes as a partnership, a corporation, or an entity disregarded as an entity separate from its owner by applying the rules in Regulations section 301.7701-3. See Form 8832, Entity Classification Election, for more details.



A domestic LLC with at least two members that does not file Form 8832 is classified as a partnership for federal income tax purposes.

Nonrecourse Loans

Nonrecourse loans are those liabilities of the partnership for which no partner or related person bears the economic risk of loss.

Section 721(c) Partnership

A partnership (domestic or foreign) is a section 721(c) partnership if there is a contribution of section 721(c) property to the partnership and, after the contribution (and all transactions related to the contribution), (1) a related foreign person with respect to the U.S. transferor is a direct or indirect partner in the partnership; and (2) the U.S. transferor and related persons own 80% or more of the interests in partnership capital, profits, deductions, or losses. See Regulations section 1.721(c)-1(b)(14).

U.S. Transferor

A U.S. transferor is a U.S. person other than a domestic partnership. See Regulations section 1.721(c)-1(b)(18).

Section 721(c) Property

Section 721(c) property is property (other than excluded property) with built-in gain that is contributed to a partnership by a U.S. transferor, including pursuant to a contribution described in Regulations section 1.721(c)-2(d) (partnership look-through rule). See Regulations section 1.721(c)-1(b)(15).

Gain Deferral Contribution

A gain deferral contribution is a contribution of section 721(c) property to a section 721(c) partnership with respect to which the recognition of gain is deferred under the gain deferral method. See Regulations section 1.721(c)-1(b)(7).

Gain Deferral Method

The gain deferral method is the method described in Regulations section 1.721(c)-3(b) applied to avoid the immediate recognition of gain upon a contribution of section 721(c) property to a section 721(c) partnership under Regulations section 1.721(c)-2(b).

Who Must File

Domestic Partnerships

Except as provided below, every domestic partnership must file

Form 1065, unless it neither receives income nor incurs any expenditures treated as deductions or credits for federal income tax purposes.

Note. To be certified as a qualified opportunity fund (QOF), the partnership must file Form 1065 and attach Form 8996, Qualified Opportunity Fund, even if the

partnership had no income or expenses to report. See Schedule B, question 25, and the Instructions for Form 8996.

Entities formed as LLCs that are classified as partnerships for federal income tax purposes have the same filing requirements as domestic partnerships.

A religious or apostolic organization exempt from income tax under section 501(d) must file Form 1065 to report its taxable income, which must be allocated to its members as a dividend, whether distributed or not. Such an organization must figure its taxable income on an attached statement to Form 1065 in the same manner as a corporation. The organization may use Form 1120, U.S. Corporation Income Tax Return, for this purpose. Enter the organization's taxable income, if any, on Form 1065, Schedule K, line 6a, and each member's distributive share in box 6a of Schedule K-1 (Form 1065). Net operating losses aren't deductible by the

members but may be carried back or forward by the organization under the rules of section 172. The religious or apostolic organization must also make its annual information return available for public inspection. For this purpose, "annual information return" includes an exact copy of Form 1065 and all accompanying schedules and attached statements, except Schedules K-1. For more details, see Regulations section 301.6104(d)-1.

A qualifying syndicate, pool, joint venture, or similar organization may elect under section 761(a) not to be treated as a partnership for federal income tax purposes and will not be required to file Form 1065 except for the year of election. For details, see section 761(a) and Regulations section 1.761-2.

Real estate mortgage investment conduits (REMICs) must file Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.

Certain publicly traded partnerships (PTPs) treated as corporations under section 7704 must file Form 1120.

Foreign Partnerships

Generally, a foreign partnership that has gross income that is (or is treated as) effectively connected with the conduct of a trade or business within the United States (effectively connected income) or has gross income derived from sources in the United States (U.S. source income) must file Form 1065, even if its principal place of business is outside the United States or all its members are foreign persons. A foreign partnership required to file a return must generally report all of its foreign and U.S. partnership items.

A foreign partnership with U.S. source income isn't required to file Form 1065 if it qualifies for either of the following two exceptions.

Exception for foreign partnerships with U.S. partners. A return isn't required if:

- The partnership had no effectively connected income during its tax year;
- The partnership had U.S. source income of \$20,000 or less during its tax year;
- Less than 1% of any partnership item of income, gain, loss, deduction, or credit was allocable in the aggregate to direct U.S. partners at any time during its tax year; and
- The partnership isn't a withholding foreign partnership as defined in Regulations section 1.1441-5(c)(2)(i).

Exception for foreign partnerships with no U.S. partners and no effectively

connected income. A foreign partnership with U.S. source income is not required to file a return if it meets the following requirements:

- The partnership had no effectively connected income during its tax year;
- The partnership had no U.S. partners at any time during its tax year;
- The partnership isn't a withholding foreign partnership as defined in Regulations section 1.1441-5(c)(2)(i);
- All required Forms 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, and 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, were filed by the partnership or another withholding agent as required by Regulations sections 1.1461-1(b) and (c); and
- The tax liability of each partner for amounts reportable under Regulations sections 1.1461-1(b) and (c) has been fully satisfied by the withholding of tax at the source.

A foreign partnership filing Form 1065 solely to make an election (such as an election to amortize organization expenses) need only provide its name, address, and employer identification number (EIN) on page 1 of the form and attach a statement citing "Regulations section 1.6031(a)-1(b)(5)" and identifying the election being made. A foreign partnership filing Form 1065 solely to make an election must obtain an EIN if it doesn't already have one.

Termination of the Partnership

A partnership terminates when all its operations are discontinued and no part of any business, financial operation, or venture is continued by any of its partners in a partnership.

The partnership's tax year ends on the date of termination which is the date the partnership winds up its affairs. Special rules

apply in the case of a merger, consolidation, or division of a partnership. See Regulations sections 1.708-1(c) and (d) for details. Also see [IRS.gov/newsroom/questions-and-answers-about-technical-terminations-internal-revenue-code-irc-sec-708](https://www.irs.gov/newsroom/questions-and-answers-about-technical-terminations-internal-revenue-code-irc-sec-708).

Electronic Filing

Certain partnerships with more than 100 partners are required to file Form 1065, Schedules K-1, and related forms and schedules electronically. For tax years beginning after July 1, 2019, a religious or apostolic organization exempt from income tax under section 501(d) must file Form 1065 electronically. Other partnerships generally have the option to file electronically.

See Rev. Proc. 2012-17, available at [IRS.gov/pub/irs-irbs/irb12-10.pdf](https://www.irs.gov/pub/irs-irbs/irb12-10.pdf), for the requirements for furnishing substitute Schedule K-1 in electronic format.

The option to file electronically doesn't apply to certain returns, including:

- Bankruptcy returns, and
- Returns with pre-computed penalty and interest.

For more details on electronic filing using the Modernized e-file system, see:

- Pub. 3112, *IRS e-file Application and Participation*;
- Pub. 4163, *Modernized e-File (MeF) Information for Authorized*
- *IRS e-file Providers for Business Returns*;
- Pub. 4164, *Modernized e-File (MeF) Guide for Software*
- *Developers and Transmitters*;

- Form 8453-PE, U.S. Partnership Declaration for an IRS *e-file* Return; and
- Form 8879-PE, IRS *e-file* Signature Authorization for Form 1065.

For More Information on Filing Electronically

- Call the e-Help Desk at 866-255-0654.
- Visit [IRS.gov/Filing](https://www.irs.gov/Filing).

Electronic Filing Waiver

The IRS may waive the electronic filing rules if the partnership demonstrates that a hardship would result if it were required to file its return electronically. A partnership interested in requesting a waiver of the mandatory electronic filing requirement must file a written request, and request one in the manner prescribed by the Ogden Submission Processing Center.

Where To File

File Form 1065 at the applicable IRS address listed below. If Schedule M-3 is filed, Form 1065 must be filed at the Ogden Internal Revenue Service Center as shown below.

If the partnership's principal business, office, or agency is located in:	And the total assets at the end of the tax year (Form 1065, page 1, item F) are:	Use the following address:
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million and Schedule M-3 isn't filed	Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999-0011
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	\$10 million or more or less than \$10 million and Schedule M-3 is filed	Department of the Treasury Internal Revenue Service Center Ogden, UT 84201-0011
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming	Any amount	Department of the Treasury Internal Revenue Service Center Ogden, UT 84201-0011
A foreign country or U.S. possession	Any amount	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409

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All written requests for waivers should be mailed to:

Internal Revenue Service
Ogden Submission Processing Center
Attn: Form 1065 e-file Waiver Request
Mail Stop 1057
Ogden, UT 84201

Waiver requests can also be faxed to 877-477-0575.

Contact the e-Help Desk at 866-255-0654 for questions regarding the waiver procedures or process.

When To File

Generally, a domestic partnership must file Form 1065 by the 15th day of the 3rd month following the date its tax year ended as shown at the top of Form 1065. For calendar year partnerships, the due date is March 15.

If the due date falls on a Saturday, Sunday, or legal holiday in the District of Columbia or

the state in which you file your return, a return filed by the next day that isn't a Saturday, Sunday, or legal holiday will be treated as timely. Calendar year partnerships may therefore timely file their return for the 2022 partnership year by March 15, 2023.

Private Delivery Services (PDSs)

Partnerships can use certain PDSs designated by the IRS to meet the “timely mailing as timely filing/paying” rule for tax returns. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of designated services. The PDS can tell you how to get written proof of the mail date.

For the IRS mailing address to use if you are using a PDS, go to

[IRS.gov/PDSStreetAddresses](https://www.irs.gov/PDSStreetAddresses).



A PDS can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Extension of Time To File

File Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns, to request an extension of time to file. File Form 7004 by the regular due date of the partnership return. Form 7004 can be electronically filed. See the Instructions for Form 7004.

Period Covered

The 2022 Form 1065 is an information return for calendar year 2022 and fiscal years that begin in 2022 and end in 2023. For a fiscal year or a short tax year, fill in the tax year space at the top of Form 1065 and each Schedule K-1 and Schedules K-2 and K-3, if applicable.

The 2022 Form 1065 may also be used if:

1. The partnership has a tax year of less than 12 months that begins and ends in 2023, and
2. The 2023 Form 1065 isn't available by the time the partnership is required to file its return.

However, the partnership must show its 2023 tax year on the 2022 Form 1065 and incorporate any tax law changes that are effective for tax years beginning after 2022.

Who Must Sign

Any Partner or LLC Member

Form 1065 isn't considered to be a return unless it is signed by a partner or LLC member. When a return is made for a partnership by a receiver, trustee, or assignee, the fiduciary must sign the return, instead of the partner or LLC member.

Returns and forms signed by a receiver or

trustee in bankruptcy on behalf of a partnership must be accompanied by a copy of the order or instructions of the court authorizing signing of the return or form.

Signatures required when filing an AAR.

When filing an AAR, Form 1065 must be signed by the partnership representative (PR) (or the designated individual (DI) if the PR is an entity) for the reviewed year.

Paid Preparer's Information

If a partner, member, or employee of the partnership completes Form 1065, the paid preparer's space should remain blank. Only paid preparers with a valid preparer tax identification number (PTIN) should complete this section.

Generally, anyone who is paid to prepare the partnership return must do the following.

- Sign the return in the space provided for the preparer's signature.

- Fill in the other blanks in the “Paid Preparer Use Only” area of the return. A paid preparer cannot use a social security number (SSN) in the “Paid Preparer Use Only” box. The paid preparer must use a PTIN.
- Give the partnership a copy of the return in addition to the copy to be filed with the IRS.



A paid preparer may sign original or amended returns by rubber stamp, mechanical device, or computer software program.

Paid Preparer Authorization

If the partnership wants to allow the paid preparer to discuss its 2022 Form 1065 with the IRS, check the “Yes” box in the signature area of the return. The authorization applies only to the individual whose signature appears in the “Paid Preparer Use Only”

section of its return. It doesn't apply to the firm, if any, shown in the section.

If the "Yes" box is checked, the partnership is authorizing the IRS to call the paid preparer to answer any questions that may arise during the processing of its return. The partnership is also authorizing the paid preparer to:

- Give the IRS any information that is missing from its return,
- Call the IRS for information about the processing of its return, and
- Respond to certain IRS notices about math errors and return preparation.

The partnership isn't authorizing the paid preparer to bind the partnership to anything or otherwise represent the partnership before the IRS. If the partnership wants to expand the paid preparer's authorization, see Pub. 947, Practice Before the IRS and Power of Attorney.

The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (excluding extensions) for filing the 2023 return.

Penalties

Late Filing of Return

A penalty is assessed against the partnership if it is required to file a partnership return and it (a) fails to file the return by the due date, including extensions; or (b) files a return that fails to show all the information required, unless such failure is due to reasonable cause. The penalty is \$220 for each month or part of a month (for a maximum of 12 months) the failure continues, multiplied by the total number of persons who were partners in the partnership during any part of the partnership's tax year for which the return is due. If the partnership receives a notice about a penalty after it files the return, the partnership may send the IRS an

explanation and the IRS will determine if the explanation meets reasonable-cause criteria. **Do not** attach an explanation when filing the return.

Failure To Furnish Information Timely

For each failure to furnish Schedule K-1 (and K-3, if applicable) to a partner when due and each failure to include on Schedule K-1 (and K-3, if applicable) all the information required to be shown (or the inclusion of incorrect information), a \$290 penalty may be imposed for each Schedule K-1 (and K-3, if applicable) for which a failure occurs. The maximum penalty is \$3,532,500 for all such failures during a calendar year. If the requirement to report correct information is intentionally disregarded, each \$290 penalty is increased to \$580 or, if greater, 10% of the aggregate amount of items required to be reported. There is no limit to the amount of the penalty in the case of intentional disregard.

Trust Fund Recovery Penalty

This penalty may apply if certain excise, income, social security, and Medicare taxes that must be collected or withheld aren't collected or withheld, or these taxes are not paid. These taxes are generally reported on:

- Form 720, Quarterly Federal Excise Tax Return;
- Form 941, Employer's QUARTERLY Federal Tax Return;
- Form 943, Employer's Annual Federal Tax Return for Agricultural
- Employees;
- Form 944, Employer's ANNUAL Federal Tax Return; and
- Form 945, Annual Return of Withheld Federal Income Tax.

The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to have been responsible for collecting, accounting for, or paying over these taxes, and who acted willfully in not doing so. The penalty is equal to the unpaid trust fund tax. See the Instructions for Form 720; Pub. 15 (Circular E), Employer's Tax Guide; Pub. 51 (Circular A), Agricultural Employer's Tax Guide; or Pub. 15-T, Federal Income Tax Withholding Methods, for more details, including the definition of a *responsible person*.

Accounting Methods

An accounting method is a set of rules used to determine when and how income and expenditures are reported. The method of accounting used must be reconcilable with the partnership's books and records. In all cases, the method used must clearly reflect income. Generally, the following rules apply. For more information, see Pub. 538, Accounting Periods

and Methods. Permissible overall methods of accounting include:

- Cash,
- Accrual, or
- Any other method authorized by the Internal Revenue Code.

Generally, a partnership may use the cash method of accounting unless it's required to maintain inventories, has a C corporation as a partner, or is a tax shelter (as defined in section 448(d)(3)). However, for tax years beginning after 2017, any partnership qualifying as a small business taxpayer (defined below) may use the cash method.

Tax shelter election. A taxpayer that is a tax shelter, as defined in section 448(d)(3), is not permitted to use the cash method pursuant to section 448(a)(3), and is also not permitted to use the small business taxpayer exemptions contained in sections 163(j)(3)

(limitation on business interest), 263A(i) (uniform capitalization),

460(e)(1)(B) (percentage of completion method), and 471(c) (general inventory method). Under section 448(d)(3), a taxpayer that is a syndicate is considered a tax shelter. For purposes of section 448(d)(3), a syndicate is a partnership or other entity (other than a C corporation) if more than 35% of the losses of such entity during the tax year are allocated to limited partners or limited entrepreneurs.

The final regulations under section 448 permit a taxpayer to make an annual election to use its allocations made in the immediately preceding tax year, instead of using the current tax year's allocation, to determine whether the taxpayer is a syndicate under section 448(d)(3) for the current tax year. The election is made on the timely filed original return (including extensions) for the tax year for which it is made. The election is

valid only for the tax year for which it is made, and once made, cannot be revoked. See Regulations section 1.448-2(b)(2)(iii)(B)(2) for guidance on the time and manner of making the annual election and effective dates.

Small business taxpayer. For tax years beginning after 2017, a small business taxpayer (defined below) can adopt or change its accounting method to account for inventories (i) in the same manner as materials and supplies that are nonincidental; or (ii) to conform to the taxpayer's treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or, if the taxpayer doesn't have an applicable financial statement, the method of accounting used in the taxpayer's books and records prepared in accordance with the taxpayer's accounting procedures. See section 471(c)(1), and *Change in accounting method*, later.

For tax years beginning after 2017, a small business taxpayer (defined below) can adopt or change its accounting method to not capitalize costs to property produced or acquired for resale under section 263A. See section 263A(i), and Change in accounting method and Limitations on Deductions, later.

Small business taxpayer defined. For 2022, a small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$27 million or less for the prior 3 tax years, and (b) isn't a tax shelter (as defined in section 448(d)(3)).

Accrual method. Generally, under the accrual method, an amount is includible in income when:

1. All the events have occurred that fix the right to receive income, which is the earliest date:
 - Payment is earned through the required performance,

- Payment is due to the taxpayer,
 - Payment is received by the taxpayer, or
 - When the income is reported as revenue in an applicable financial statement (AFS); and
2. When the amount can be determined with reasonable accuracy.

See Regulations sections 1.451-1(a) and 1.451-3(c) for details.

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year in which:

- All events that establish the liability have occurred,
- The amount of the liability can be figured with reasonable accuracy, and
- Economic performance takes place with respect to the expense.

For property and service liabilities, for example, economic performance occurs as the property or service is provided. There are special economic performance rules for certain items, including recurring expenses. See section 461(h) and the related regulations for the rules for determining when economic performance takes place.

Nonaccrual-experience method. Accrual method partnerships aren't required to accrue certain amounts to be received from the performance of services that, on the basis of their experience, will not be collected if:

- The services are in the field of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting; or
- The partnership's average annual gross receipts don't exceed \$27 million for all prior tax years. For more details, see section 448(d)(5).

This provision doesn't apply to any amount if interest is required to be paid on the amount or if there is any penalty for failure to timely pay the amount. For information, see section 448(d)(5) and Regulations section 1.448-2. For reporting requirements, see the instructions for line 1a, later.

Percentage of completion method. Long-term contracts (except for certain real property construction contracts) must generally be accounted for using the percentage of completion method described in section 460. See section 460 and the underlying regulations for rules on long-term contracts.

Mark-to-market accounting method. Dealers in securities must use the mark-to-market accounting method described in section 475. Under this method, any security that is inventory to the dealer must be included in inventory at its fair market value (FMV). Any security that isn't inventory and

that is held at the close of the tax year is treated as sold at its FMV on the last business day of the tax year, and any gain or loss must be taken into account in determining gross income. The gain or loss taken into account is generally treated as ordinary gain or loss. For details, including exceptions, see section 475, the related regulations, and Rev. Rul. 97-39, 1997-39 I.R.B. 4.

Dealers in commodities and traders in securities and commodities can elect to use the mark-to-market accounting method. To make the election, the partnership must file a statement describing the election, the first tax year the election is to be effective, and, in the case of an election for traders in securities or commodities, the trade or business for which the election is made. Except for new taxpayers, the statement must be filed by the due date (not including extensions) of the return for the tax year immediately preceding the election year and attached to that return

or, if applicable, to a request for an extension of time to file that return. For more details, see Rev. Proc. 99-17, 1999-7 I.R.B. 52, as superseded in part by Rev. Proc. 99-49; and sections 475(e) and (f).

Change in accounting method. Generally, the partnership must get IRS consent to change its method of accounting used to report income or expense (for income or expense as a whole or for any material item). To do so, the partnership must generally file Form 3115, Application for Change in Accounting Method, during the tax year for which the change is requested. See the Instructions for Form 3115 and Pub. 538 for more information and exceptions.

Section 481(a) adjustment. The partnership may have to make an adjustment to prevent amounts of income or expenses from being omitted or duplicated. This is called a section 481(a) adjustment. The section 481(a) adjustment period is generally

1 year for a net negative adjustment and 4 years for a net positive adjustment. However, in some instances, a partnership can elect to modify the section 481(a) adjustment period. The partnership must complete the appropriate lines of Form 3115 to make the election. See the Instructions for Form 3115.

Include any net positive section 481(a) adjustment on page 1 of Form 1065, line 7. If the net section 481(a) adjustment is negative, report it on page 1, line 20.

There are some instances when the partnership can obtain automatic consent from the IRS to change to certain accounting methods. See the Instructions for Form 3115.

Accounting Periods

A partnership is generally required to have one of the following tax years.

1. The tax year of a majority of its partners (majority tax year).

2. If there is no majority tax year, then the tax year common to all of the partnership's principal partners (partners with an interest of 5% or more in the partnership profits or capital).
3. If there is neither a majority tax year nor a tax year common to all principal partners, then the tax year that results in the least aggregate deferral of income.

Note. In determining the tax year of a partnership under (1), (2), or (3) above, the tax years of certain tax-exempt and foreign partners are disregarded. See Regulations section 1.706-1(b) for more details.

4. Some other tax year if:
 - The partnership can establish that there is a business purpose for the tax year; or

- The partnership elects under section 444 to have a tax year other than a required tax year by filing Form 8716, Election To Have a Tax Year Other Than a Required Tax Year. For a partnership to have this election in effect, it must make the payments required by section 7519 and file Form 8752, Required Payment or Refund Under Section 7519.

A section 444 election ends if a partnership changes its accounting period to its required tax year or some other permitted year or it is penalized for willfully failing to comply with the requirements of section 7519. If the termination results in a short tax

year, enter at the top of the first page of Form 1065 for the short tax year, "SECTION 444 ELECTION TERMINATED"; or

- The partnership elects to use a 52-53-week tax year that ends with reference to either its required tax year or a tax year elected under section 444.

Change of tax year. To change its tax year or to adopt or retain a tax year other than its required tax year, the partnership must file Form 1128, Application To Adopt, Change, or Retain a Tax Year, unless the partnership is making an election under section 444.



The tax year of a common trust fund must be the calendar year.

Rounding Off to Whole Dollars

The partnership may enter decimal points and cents when completing its return. However, it should round off cents to whole dollars on its return, forms, and schedules to make completing its return easier. The partnership

must either round off all amounts on the return to whole dollars, or use cents for all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$8.40 rounds to \$8 and \$8.50 rounds to \$9.

If two or more amounts are added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Recordkeeping

The partnership must keep its records as long as they may be needed for the administration of any provision of the Internal Revenue Code. The partnership must usually keep records that support an item of income, deduction, or credit on the partnership return for 3 years from the date the return is due or is filed, whichever is later. These records must usually be kept for 3 years from the date each partner's return is due or is filed,

whichever is later. It must also keep records that verify the partnership's basis in property for as long as they are needed to figure the basis of the original or replacement property.

The partnership should also keep copies of all returns it has filed. They help in preparing future returns and in making computations when filing an amended return.

Administrative Adjustment Request (AAR)

A partnership that is subject to the BBA centralized partnership audit regime must file an AAR to request an administrative adjustment in the amount or other treatment of one or more partnership-related items.

BBA partnerships filing an AAR should not file amended tax returns or amended Schedules K-1 and/or K-3. For an exception where a BBA partnership is itself a partner in a BBA partnership and is filing an amended return,

see *Partner amended return filed as part of modification of the imputed underpayment during a BBA examination*, later.

Electronically filed AARs. If the AAR will be filed electronically, complete Form 1065 with the corrected amounts and check box G(5). In addition, complete Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR). See the Instructions for Form 8082 for detailed instructions. For AARs filed on paper, see *Paper-filed amended returns and AARs*, later.

AARs for which payment is made. A partnership filing an AAR that has not made a valid election out of the BBA centralized partnership audit regime, and that does not elect to have its partners take adjustments into account, and that has adjustments that result in an imputed underpayment, should report the imputed underpayment and any interest and penalties on Form 1065, page 1, line 25. See the Instructions for Form 8082

for information on how to figure a BBA imputed underpayment and what to do when an adjustment requested by an AAR doesn't result in an imputed underpayment. See section 6233 for information about interest and penalties on the imputed underpayment. Include the following information on your payment.

- Name of partnership.
- Form 1065.
- Tax identification number.
- Tax year.
- BBA AAR Imputed Underpayment.
- Checks must be payable to "United States Treasury."

Mail payment to:
Ogden Service Center
Ogden, UT 84201-0011

Payments can be made by check or electronically. If making an electronic payment, choose the payment description “BBA AAR Imputed Underpayment” from the list of payment types.

If the partnership has an imputed underpayment, the partnership may elect to have its partners take the adjustments into account instead of paying the imputed underpayment. See the Instructions for Form 8082 for information on how to make the election.

Amended Return

The procedures to follow when filing an amended partnership return depend on whether the amended return is filed electronically or on paper. The rules for determining when a return must be filed electronically (see *Electronic Filing*, earlier) also apply to amended returns.

Electronically filed amended returns. If the amended return will be filed electronically, complete Form 1065 and check box G(5) to indicate that you are filing an amended return. Attach a statement that identifies the line number of each amended item, the corrected amount or other treatment of the item, and an explanation of the reason(s) for each change. If the income, deductions, credits, or other information provided to any partner on Schedule K-1 or Schedule K-3, as applicable, is incorrect, file an amended Schedule K-1 or K-3 for that partner with the amended Form 1065. Also give a copy of the amended Schedule K-1 or K-3 to that partner. Check the "Amended K-1" or "Amended K-3" box at the top of the Schedule K-1 or K-3 to indicate that it is an amended Schedule K-1 or K-3.

Partner amended return filed as part of modification of the imputed underpayment during a BBA examination.

Section 6225(c)(2) allows a BBA partnership under examination to request specific types of modifications of any imputed underpayment proposed by the IRS. One type of modification that may be requested is when one or more partners, including partnership-partners, file amended returns for the tax years of the partners which include the end of the reviewed year of the BBA partnership under examination and for any tax year with respect to which tax attributes are affected. See [File an Administrative Adjustment Request under Bipartisan Budget Act of 2015 \(BBA\).](#)

A modification amended return filing must meet a number of requirements. Therefore, a partnership-partner filing a modification amended return must refer to Form 8982, Affidavit for Partner Modification Amended

Return Under IRC 6225(c)(2)(A) or Partner Alternative Procedure Under IRC 6225(c)(2)(B). The instructions for Form 8982, Section A, explain the modification of amended returns, requirements for payment and submission, and the requirement to provide Form 8982, Section A, to the PR of the BBA partnership. See *Filing Instructions for Partner Modification Amended Returns* and *Paying the Amount You Owe* in the instructions for Form 8982.

Partnership-partners who are filing amended returns electronically as part of the modification will report the applicable payment of tax and interest and any penalties on Form 1065, page 1, line 25. A payment made with an amended Form 1065 should detail the amount of the payment to be applied separately to tax, interest, and penalties. The partnership should consider all guidance issued by the IRS when figuring the amount due. In general, the partnership

should figure its amount due in accordance with Regulations sections 301.6225-2(d)(2)(vi)(A) and 301.6226-3(e)(4)(iii).

Paper-filed amended returns and AARs. If the amended return or AAR will not be filed electronically, complete Form 1065-X, Amended Return or Administrative Adjustment Request (AAR), to file the amended return or AAR. See Form 1065-X and its separate instructions for information on completing and filing the form.



When a partnership's federal return is amended or changed for any reason, it may affect the partnership's state tax return. For more information, contact the state tax agency for the state in which the partnership return was filed.

What if You Can't Pay Now?

Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information about your options.

- Apply for an [online payment agreement](#) ([IRS.gov/OPA](https://www.irs.gov/opa)) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the [Offer in Compromise Pre-Qualifier](#) to see if you can settle your tax debt for less than the full amount you owe.

Other Forms, Returns, and Statements That May Be Required

Form, Return, or Statement	Use this to—
W-2 and W-3—Wage and Tax Statement; and Transmittal of Wage and Tax Statements	Report wages, tips, other compensation, and withheld income, social security, and Medicare taxes for employees.
720—Quarterly Federal Excise Tax Return	Report and pay environmental excise taxes, communications and air transportation taxes, fuel taxes, manufacturers taxes, ship passenger tax, and certain other excise taxes. Also see Trust Fund Recovery Penalty , earlier.
940—Employer’s Annual Federal Unemployment (FUTA) Tax Return	Report and pay FUTA tax.
941—Employer’s QUARTERLY Federal Tax Return	Report quarterly income tax withheld on wages and employer and employee social security and Medicare taxes. Also see Trust Fund Recovery Penalty , earlier.
943—Employer’s Annual Federal Tax Return for Agricultural Employees	Report income tax withheld and employer and employee social security and Medicare taxes on farmworkers. Also see Trust Fund Recovery Penalty , earlier.
944—Employer’s ANNUAL Federal Tax Return	File annual Form 944 instead of filing quarterly Forms 941 if the IRS notified you in writing.
945—Annual Return of Withheld Federal Income Tax	Report income tax withheld from nonpayroll payments, including pensions, annuities, individual retirement accounts (IRAs), gambling winnings, and backup withholding. Also see Trust Fund Recovery Penalty , earlier.
1042 and 1042-S—Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person’s U.S. Source Income Subject to Withholding	Report tax withheld on payments or distributions made to nonresident alien individuals, foreign partnerships, or foreign corporations to the extent these payments or distributions constitute gross income from sources within the United States that isn’t effectively connected with a U.S. trade or business. A domestic partnership must also withhold tax on a foreign partner’s distributive share of such income, including amounts that are not actually distributed. Withholding on amounts not previously distributed to a foreign partner must generally be made and paid over by the earlier of: <ul style="list-style-type: none">• The date on which Schedules K-1 and K-3 are sent to that partner, or• The 15th day of the 3rd month after the end of the partnership’s tax year. These forms are also used to report tax withheld on distributions of effectively connected taxable income made by PTPs and certain transfers of interests in PTPs. For more details, see instructions to Forms 1042 and 1042-S and Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.
1042-T—Annual Summary and Transmittal of Forms 1042-S	Transmit paper Forms 1042-S to the IRS.
1065-X—Amended Return or Administrative Adjustment Request (AAR)	Use Form 1065-X to correct a previously filed partnership return or to make an AAR for a previously filed return.
1095-B and 1094-B—Health Coverage; and Transmittal of Forms 1095-B	Required to be filed by certain health insurance issuers and others who provide minimum essential coverage to report information on the primary insured and other individuals covered under the plan.
1095-C and 1094-C—Employer-Provided Health Insurance Offer and Coverage; and Transmittal of Forms 1095-C	Used by certain employers to report information about the health care coverage the employer offered with regard to each full-time employee.
1096—Annual Summary and Transmittal of U.S. Information Returns	Transmit paper Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G to the IRS.
1097-BTC—Bond Tax Credit	Report tax credits to bond holders and tax credits passed to another person.
1098—Mortgage Interest Statement	Report the receipt from any individual of \$600 or more of mortgage interest (including certain points) in the course of the partnership’s trade or business.
1099-A, B, C, INT, K, LS, LTC, MISC, NEC, OID, R, S, and SA. Important. Every partnership must file Forms 1099-MISC or 1099-NEC if, in the course of its trade or business, it makes payments of rents, commissions, or other fixed or determinable income (see section 6041) totaling \$600 or more to any one person during the calendar year.	Report the following. <ul style="list-style-type: none">• Acquisitions or abandonments of secured property.• Proceeds from broker and barter exchange transactions.• Cancellation of debts.• Interest income.• Payment card and third-party network transactions.• Payments of long-term care and accelerated death benefits.• Acquisition of a life insurance contract, or interest therein, in a reportable policy sale.• Miscellaneous income.• Nonemployee compensation• Original issue discount.• Distributions from pensions, annuities, retirement or profit-sharing plans, IRAs, insurance contracts, etc.• Proceeds from real estate transactions.• Distributions from an HSA, Archer MSA, or Medicare Advantage MSA.

Form, Return, or Statement	Use this to—
5471 —Information Return of U.S. Persons With Respect to Certain Foreign Corporations	A partnership may have to file Form 5471 if it: <ul style="list-style-type: none">• Controls a foreign corporation,• Acquires or owns 10% or more of the total combined voting power or value of shares of all classes of stock, or• Disposes of sufficient stock to reduce its interest to less than 10% of the total combined voting power or value of shares of all classes of stock.
5713 —International Boycott Report	Report operations in, or related to, a boycotting country, company, or national of a country and to figure the loss of certain tax benefits. The partnership must give each partner a copy of the Form 5713 filed by the partnership if there has been participation in, or cooperation with, an international boycott.
8275 —Disclosure Statement	Disclose items or positions, except those contrary to a regulation, that are not otherwise adequately disclosed on a tax return. The disclosure is made to avoid the parts of the accuracy-related penalty imposed for disregard of rules or substantial understatement of tax. Also use Form 8275 for disclosures relating to preparer penalties for understatements due to unrealistic positions or disregard of rules.
8275-R —Regulation Disclosure Statement	Disclose any item on a tax return for which a position has been taken that is contrary to Treasury regulations.
8288 , 8288-A , and 8288-C —U.S. Withholding Tax Return for Certain Dispositions by Foreign Persons; Statement of Withholding on Certain Dispositions by Foreign Persons; and Statement of Withholding Under Section 1446(f)(4) on Dispositions by Foreign Persons of Partnership Interests	Report and send withheld tax on the sale of U.S. real property or the transfer of certain partnership interests by a foreign person. See sections 1445 and 1446(f), and the related regulations, for additional information.
8300 —Report of Cash Payments Over \$10,000 Received in a Trade or Business	Report the receipt of more than \$10,000 in cash or foreign currency in one transaction or a series of related transactions.
8308 —Report of a Sale or Exchange of Certain Partnership Interests	Report the sale or exchange by a partner of all or part of a partnership interest where any money or other property received in exchange for the interest is attributable to unrealized receivables or inventory items.
8594 —Asset Acquisition Statement Under Section 1060	Report a sale of assets if goodwill or going concern value attaches, or could attach, to such assets. Both the seller and buyer of a group of assets that makes up a trade or business must use this form.
8621 —Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund	Report an ownership interest in, make elections for, and compute inclusions with respect to passive foreign investment companies and qualified electing funds.
8697 —Interest Computation Under the Look-Back Method for Completed Long-Term Contracts	Figure the interest due or to be refunded under the look-back method of section 460(b)(2) on certain long-term contracts that are accounted for under either the percentage of completion-capitalized cost method or the percentage of completion method. Partnerships that are not closely held use this form. Closely held partnerships should see the instructions for Schedule K, Line 20c. Other Items and Amounts , and Look-back interest completed long-term contracts (code J) , later, for details on the Form 8697 information they must provide to their partners.
8804 , 8805 , and 8813 —Annual Return for Partnership Withholding Tax (Section 1446); Foreign Partner's Information Statement of Section 1446 Withholding Tax; and Partnership Withholding Tax Payment Voucher (Section 1446)	Use Forms 8804 and 8805 to figure and report the withholding tax on foreign partners' allocable shares of effectively connected taxable income (ECTI). Form 8804 must also be filed to report effectively connected gross income allocable to foreign partners even if the partnership has no ECTI on which to withhold. Use Form 8813 to send installment payments of withheld tax based on ECTI allocable to foreign partners. Exception. <i>PTPs do not file these forms. They must instead withhold tax on distributions to foreign partners and report and send payments using Forms 1042 and 1042-S. See Regulations section 1.1446-4 for more information.</i>
8832 —Entity Classification Election	See Entity Classification Election , later.
8865 —Return of U.S. Persons With Respect to Certain Foreign Partnerships	Report the information required under section 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interests), or section 721(c) (reporting related to the application of the gain deferral method). See Form 8865 and its instructions for more details.
8866 —Interest Computation Under the Look-Back Method for Property Depreciated Under the Income Forecast Method	Figure the interest due or to be refunded under the look-back method of section 167(g)(2) for certain property placed in service after September 13, 1995, depreciated under the income forecast method. Partnerships that are not closely held use this form. Closely held partnerships should see the instructions for Schedule K, line 20c, Look-back interest income forecast method (code K) , later, for details on the Form 8866 information they must provide to their partners.
8876 —Excise Tax on Structured Settlement Factoring Transactions	Report and pay the 40% excise tax imposed under section 5891.

Form, Return, or Statement	Use this to—
8886 —Reportable Transaction Disclosure Statement	<p>Disclose information for each reportable transaction in which the partnership participated. Form 8886 must be filed for each tax year the partnership participated in the reportable transaction. The partnership may have to pay a penalty if it's required to file Form 8886 and doesn't do so. The following are reportable transactions.</p> <ol style="list-style-type: none">Any listed transaction, which is a transaction that is the same as or substantially similar to one of the types of transactions that the IRS has determined to be a tax avoidance transaction and identified by notice, regulation, or other published guidance as a listed transaction.Any transaction offered under conditions of confidentiality for which the partnership (or a related party) paid an adviser a fee of at least \$50,000 (\$250,000 for partnerships if all partners are corporations).Certain transactions for which the partnership (or a related party) has contractual protection against disallowance of the tax benefits.Certain transactions resulting in a loss of at least \$2 million in any single year or \$4 million in any combination of years.Any transaction of interest, which is a transaction that is the same as, or substantially similar to, one of the types of transactions identified by the IRS by notice, regulation, or other published guidance. See Notice 2009-55, 2009-31 I.R.B. 170. <p>See Regulations section 1.6011-4; the Instructions for Form 8886; and the instructions for Schedule K, Line 20c, Other Items and Amounts, and Other information (code AH), later, for more information.</p>
8918 —Material Advisor Disclosure Statement	Material advisors to any reportable transaction must disclose certain information about the reportable transaction by filing a Form 8918 with the IRS. See Form 8918 and its instructions for more details.
8925 —Report of Employer-Owned Life Insurance Contracts	Report the number of employees covered by employer-owned life insurance contracts issued after August 17, 2006, and the total amount of employer-owned life insurance in force on those employees at the end of the tax year.
8990 —Limitation on Business Interest Expense Under Section 163(j)	Business interest expense may be limited. See section 163(j) and Form 8990 and its instructions. Also see Schedule B, questions 23 and 24, and the related instructions.
8994 —Employer Credit for Paid Family and Medical Leave	Report if the partnership has a credit for paid family and medical leave. See the Instructions for Form 8994 for more information.
8996 —Qualified Opportunity Fund	Certify that the requirements to be a qualified opportunity fund investing in qualified opportunity zone property, as defined in section 1400Z-2 have been fulfilled. Entities attaching Form 8996 must also complete Form 1065, Schedule B, question 25. For more information, see the Instructions for Form 8996.

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Assembling the Return

When submitting Form 1065, organize the pages of the return in the following order.

- Pages 1–5.
- Schedule F (Form 1040), Profit or Loss From Farming (if required).
- Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation (if required).
- Schedule D (Form 1065), Capital Gains and Losses (if required).
- Form 4797, Sales of Business Property (if required).
- Form 8949, Sales and Other Dispositions of Capital Assets (if required).
- Form 8996, Qualified Opportunity Fund (if required).

- Form 1125-A, Cost of Goods Sold (if required).
- Form 8941, Credit For Small Employer Health Insurance Premiums (if required).
- Form 6252, Installment Sale Income (if required).
- Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments (if required).
- Form 8938, Statement of Specified Foreign Financial Assets (if required).
- Any other schedules in alphabetical order, including Schedules K-2, K-3, and K-1 (Form 1065).
- Any other forms in numerical order.

Complete every applicable entry space on Form 1065 and Schedule K-1. Do not enter "See attached" instead of completing the entry spaces. Penalties may be assessed if

the partnership files an incomplete return. If you need more space on the forms or schedules, attach separate sheets and place them at the end of the return using the same size and format as on the printed forms. Show the totals on the printed forms. Also be sure to put the partnership's name and EIN on each supporting statement.

Entity Classification Election

Use Form 8832, Entity Classification Election, to make a change in classification. Except for certain business entities always classified as a corporation, a business entity with at least two members may

choose to be classified either as a partnership or an association taxable as a corporation. A domestic eligible entity with at least two members that doesn't file Form 8832 is classified under the default rules as a partnership. However, a foreign eligible entity with at least two members is classified under

the default rules as a partnership only if the entity doesn't provide limited liability to at least one member. File Form 8832 only if the entity doesn't want to be classified under these default rules or if it wants to change its classification.



Attach a copy of Form 8832 to the partnership's Form 1065 for the tax year of the election.

Elections Made by the Partnership

Generally, the partnership decides how to figure income from its operations. For example, it chooses the accounting method and depreciation methods it will use. The partnership also makes elections under the following sections.