Partnership Returns, Tax Year 2024

by Ron DeCarlo, Shamika France, and Nina Shumofsky

The number of partnerships and partners in the United States increased for Tax Year (TY) 2024.[1] Partnerships filed over 4.7 million returns for the year, representing almost 32.5 million partners. The Real estate and rental and leasing sector comprised half of all partnerships (50.9%) and a third of all partners (32.7%).

Total assets, total receipts, and total income (loss) minus deductions all increased in 2024 (Figure A). The Finance and insurance sector accounted for the largest portion of each of these three critical financial figures.

The number of partnerships increased by 3.8% (from 4,575,280 to 4,747,894) between 2023 and 2024 (Figure B). The number of partnerships has grown at an average annual rate of 2.9% over the period from 2015–2024. Partnerships classified as limited liability companies (LLCs) accounted for most of this growth.[2]

The number of partners increased by 7.4% for 2024 (from 30,239,463 to 32,480,282). Partnerships with fewer than three partners made up more than half (60.6%) of all partnerships (Figure C). These small partnerships accounted for just under a quarter (23.8%) of all partnerships with total assets of $100 million or more. Partnerships with 100 or more partners accounted for only 0.4% of all partnerships.

Figure A

Partnership Returns: Percentage Changes in Selected Items, Tax Years 2015–2024

Tax year	Number of partnerships	Number of partners	Total assets	Total receipts	Total income (loss) minus total deductions
	(1)	(2)	(3)	(4)	(5)
2015	2.9	-2.2	4.7	-4.4	-6.7
2016	1.3	4.0	5.8	-2.3	-14.2
2017	3.8	-2.4	11.9	16.1	25.3
2018	2.7	-0.2	6.0	7.7	-1.1
2019	-4.7	-7.9	5.0	-7.3	-11.6
2020	12.0	11.8	19.8	14.7	29.8
2021	4.3	8.4	17.7	30.9	98.3
2022	0.7	-6.0	3.3	3.3	-34.3
2023	1.7	5.0	9.1	-4.4	-17.9
2024	3.8	7.4	11.0	12.7	43.6

Source: IRS, Statistics of Income Division, Partnerships, June 2026.

Partnerships do not generally pay taxes on their income but instead "pass through" any profits and losses to their partners, who then must include those profits and losses on their income tax returns.[3] For 2024, partnerships passed through $3.0 trillion in total income (loss) minus total deductions available for allocation to their partners (Figure D). This amount represents a 43.6% increase from 2023 when partnerships passed through $2.1 trillion. The Finance and insurance sector reported the largest increase ($731.5 billion) in 2024. For more than a decade, partners that are partnerships received the largest portion of this income.[4]

Highlights

- Partnerships filed over 4.7 million returns for Tax Year (TY) 2024, a 3.8% increase over the number filed for 2023. These returns represented almost 32.5 million partners, a 7.4% increase from the previous year.
- Limited liability companies (LLCs) made up most partnerships (73.2%). LLCs have surpassed all other entity types for more than two decades.
- Limited partnerships represented 9.3% of all partnerships, and they reported 33.7% of all pass-through income and more than one third of the total partners (34.9%).
- Real estate and rental and leasing accounted for approximately half (50.9%) of all partnerships and about one third (32.7%) of all partners. The Finance and insurance sector reported the largest shares of total income (loss) minus total deductions or pass-through income (loss) (68.5%), total assets (61.0%), and total receipts (29.0%) for 2024.
- Total assets increased 11.0% between 2023 and 2024, from $57.3 trillion to $63.6 trillion.
- Receipts totaled $13.5 trillion for 2024, up 12.7% from the amount that was reported for 2023. Pass-through income (loss) increased 43.6% to $3.0 trillion for 2024, up from $2.1 trillion for 2023.
- Partners classified as partnerships received the largest share of income (loss) allocated to partners, $1.1 trillion.

[1] SOI based the statistics for Tax Year 2024 on a stratified probability sample selected from the population of partnerships processed by the Internal Revenue Service (IRS) during Calendar Year 2025. This article also references Tax Year 2023 data. For further information on these data, see Ron DeCarlo, Tuba Ozer-Gurbuz, and Nina Shumofsky, "Partnership Returns, Tax Year 2023," Statistics of Income Bulletin, Fall 2025, Volume 45, Number 2 (SOI Tax Stats - Partnership SOI bulletin articles | Internal Revenue Service). The tables referenced in this article are available on the IRS website at SOI Tax Stats—Partnership Statistics by Sector or Industry.

[2] See the "Explanation of Selected Terms" section for more information on LLCs.

[3] The Bipartisan Budget Act of 2015 created a new centralized partnership audit regime effective for partnership tax years beginning after 2017, which revised the auditing of some partnership returns. Any adjustment takes place at the partnership level, and any taxes will be paid by the partnership.

[4] For further discussion of pass-through income, see the section of this article entitled "Partnerships Allocated Over $3 Trillion to Their Partners in 2024."

Figure B

Partnership Returns: Number of Partnerships and Partners, by Selected Industrial Groups, Tax Years 2023 and 2024

Industrial group	Number of partnerships		Percentage change	Number of partners		Percentage change
	2023	2024		2023	2024	
	(1)	(2)	(3)	(4)	(5)	(6)
All industries	**4,575,280**	**4,747,894**	**3.8**	**30,239,463**	**32,480,282**	**7.4**
Finance and insurance	490,731	531,365	8.3	9,579,458	10,970,456	14.5
Securities, commodity contracts, and other financial investments and related activities	366,076	400,923	9.5	7,758,215	9,378,513	20.9
Securities and commodity contracts and exchanges	6,656	6,929	4.1	51,562	348,101	575.1
Other financial investment activities	359,420	393,994	9.6	7,706,653	9,030,412	17.2
Funds, trusts and other financial vehicles	77,596	87,407	12.6	1,476,946	1,312,904	-11.1
Other finance and insurance	47,059	43,034	-8.6	344,297	279,040	-19.0
Real estate and rental and leasing	2,320,939	2,415,772	4.1	9,905,857	10,629,744	7.3
Real estate	2,281,245	2,370,891	3.9	9,774,755	10,476,340	7.2
Lessors of residential buildings and dwellings and cooperative housing	850,331	875,782	3.0	3,530,819	4,002,171	13.3
Lessors of nonresidential buildings (except miniwarehouses)	853,379	833,878	-2.3	3,504,082	3,360,284	-4.1
Lessors of miniwarehouses and self-storage units	18,381	23,202	26.2	102,574	132,035	28.7
Lessors of other real estate property	149,942	162,870	8.6	671,958	677,172	0.8
Other real estate activities	409,213	475,159	16.1	1,965,323	2,304,679	17.3
Rental and leasing services and lessors of nonfinancial intangible assets (except copyrighted works)	39,694	44,881	13.1	131,102	153,404	17.0

NOTE: Detail may not add to totals because of rounding. For data on additional industries, see Table 10.
Source: IRS, Statistics of Income Division, Partnerships, June 2026.

Figure C

Partnership Returns: Number of Partnerships and Partners, by Number of Partners per Partnership, Tax Year 2024

Number of partners per partnership	Total number of partnerships	Partnerships with $100,000,000 or more in assets	
		Number of partnerships	Percentage of total
	(1)	(2)	(3)
Number of partnerships, total	**4,747,894**	**66,231**	**1.4**
Number of partners per partnership:			
Less than 3	2,877,232	15,732	0.5
At least 3, less than 5	1,075,136	14,838	1.4
At least 5, less than 10	455,902	9,802	2.2
At least 10, less than 20	171,272	6,619	3.9
At least 20, less than 30	59,549	3,549	6.0
At least 30, less than 40	35,809	2,499	7.0
At least 40, less than 50	15,353	1,803	11.7
At least 50, less than 60	9,285	1,651	17.8
At least 60, less than 70	15,402	1,094	7.1
At least 70, less than 80	3,995	1,040	26.0
At least 80, less than 90	5,707	818	14.3
At least 90, less than 100	2,824	770	27.3
At least 100	20,430	6,016	29.4
At least 1000 [1]	493	385	78.1

Number of partners per partnership	Total number of partners	Partnerships with $100,000,000 or more in assets	
		Number of partners	Percentage of total
	(4)	(5)	(6)
Number of partners, total	**32,480,282**	**10,029,670**	**30.9**
Number of partners per partnership:			
Less than 3	5,754,459	31,464	0.5
At least 3, less than 5	3,634,212	49,770	1.4
At least 5, less than 10	2,814,604	64,176	2.3
At least 10, less than 20	2,268,769	91,814	4.0
At least 20, less than 30	1,432,119	85,142	5.9
At least 30, less than 40	1,221,974	84,696	6.9
At least 40, less than 50	691,434	80,071	11.6
At least 50, less than 60	500,098	89,688	17.9
At least 60, less than 70	996,266	70,654	7.1
At least 70, less than 80	296,772	77,353	26.1
At least 80, less than 90	481,074	68,904	14.3
At least 90, less than 100	269,549	72,487	26.9
At least 100	12,118,952	9,163,451	75.6
At least 1000 [1]	7,936,089	7,702,252	97.1

[1] These statistics are also included on the line titled "At least 100".
NOTE: Detail may not add to totals because of rounding.
Source: IRS, Statistics of Income Division, Partnerships, June 2026.

The Finance and Insurance Sector Accounted for the Largest Shares of Assets, Receipts, and Total Income (Loss) Minus Total Deductions

Historically, partnerships classified in the Real estate and rental and leasing sector have accounted for the largest share of both partnerships and partners. TY 2024 was an exception to this trend because the Finance and insurance sector reported slightly more partners than the Real estate and rental and leasing sector (11.0 million and 10.6 million, respectively).

The Real estate and rental and leasing sector still accounted for approximately half of all partnerships and one third of all partners for both 2024 and 2023 (Table 10). They reported less than a fourth (19.8%) of total assets, 7.6% of total receipts, and 6.7% of total income (loss) minus total deductions available for allocation to partners for 2024. The Finance and insurance sector accounted for 11.2% of all partnerships and represented the largest percentage of several key money amounts, compared to all other sectors in 2024. Partnerships classified in this sector reported the largest share of total assets (61.0%), total receipts (29.0%), and total income (loss) minus total deductions available for allocation to partners (68.5%).

Total Assets Continued to Increase

Total assets for partnerships increased for 2024. For partnerships that reported balance sheet information, total assets rose 11.0% (from $57.3 trillion for 2023 to $63.6 trillion for 2024) (Table 10). The Finance and insurance sector accounted for the largest portion of this growth in asset accumulation, increasing about $4.5 trillion (from $34.3 trillion to $38.8 trillion). For 2023, this same sector also recorded the largest increase ($3.5 trillion).

Total Receipts Increased Between 2023 and 2024

Partnerships reported a 12.7% increase in total receipts (from $12.0 trillion to $13.5 trillion) between 2023 and 2024 (Table 10). Business receipts made up most of total receipts (62.7%), recording an increase to $8.5 trillion from $8.1 trillion for the year (Table 7).[5] The largest increase in total receipts was in the Finance and insurance sector (from $3.0 trillion to $3.9 trillion). Overall, just 2 sectors reported decreases for 2024.

The Finance and Insurance Sector Had the Largest Increases in Total Income (Loss) Minus Total Deductions Available for Allocation to Partners

Total income (loss) minus total deductions available for allocation to partners, or pass-through income (loss), increased 43.6% (from $2.1 trillion to $3.0 trillion) between 2023 and 2024 (Figure E). Increases in net long-term capital gains (losses) ($317.9 billion) and "other income (loss)" ($306.4 billion) accounted for the largest portions of the increase. Pass-through income (loss) was reduced by deductions. The "other deduction"

Figure D

Partnership Returns: Total Assets, Total Receipts, and Total Income (Loss) Minus Total Deductions, by Selected Industrial Group, Tax Years 2023 and 2024

[Money amounts are in thousands of dollars]

Industrial group	Total assets		Percentage change	Total receipts		Percentage change	Total income (loss) minus total deductions		Percentage change
	2023	2024		2023	2024		2023	2024	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All industries	**57,322,271,527**	**63,646,604,991**	**11.0**	**11,969,273,719**	**13,489,201,903**	**12.7**	**2,099,412,354**	**3,013,882,936**	**43.6**
Finance and insurance	34,336,720,902	38,823,470,102	13.1	2,990,854,365	3,911,674,470	30.8	1,332,991,616	2,064,467,494	54.9
Securities, commodity contracts, and other financial investments and related activities	29,547,207,752	33,351,632,432	12.9	2,558,325,084	3,370,265,871	31.7	1,176,651,503	1,829,046,428	55.4
Securities and commodity contracts and exchanges	913,266,669	940,301,041	3.0	162,635,226	160,104,457	-1.6	29,372,904	44,610,690	51.9
Other financial investment activities	28,633,941,083	32,411,331,392	13.2	2,395,689,858	3,210,161,414	34.0	1,147,278,599	1,784,435,738	55.5
Funds, trusts and other financial vehicles	4,012,872,394	4,291,185,601	6.9	262,654,016	343,306,412	30.7	127,385,221	202,279,387	58.8
Other finance and insurance	776,640,756	1,180,652,069	52.0	169,875,265	198,102,187	16.6	28,954,891	33,141,679	14.5
Real estate and rental and leasing	11,841,646,201	12,623,899,795	6.6	877,908,551	1,025,238,389	16.8	116,381,318	201,508,035	73.1
Real estate	11,447,464,598	12,219,562,233	6.7	768,472,080	881,275,244	14.7	102,422,888	178,132,387	73.9
Lessors of residential buildings and dwellings and cooperative housing	3,533,412,303	3,706,307,189	4.9	121,417,312	185,523,037	52.8	-39,083,537	14,410,046	[P]
Lessors of nonresidential buildings (except miniwarehouses)	4,853,652,757	5,120,445,862	5.5	250,398,616	291,061,217	16.2	102,314,268	131,144,608	28.2
Lessors of miniwarehouses and self-storage units	120,530,001	156,807,866	30.1	8,988,201	12,450,261	38.5	3,788,346	5,133,894	35.5
Lessors of other real estate property	472,677,371	469,387,371	-0.7	26,944,702	30,411,850	12.9	6,540,488	11,381,500	74.0
Other real estate activities	2,467,192,166	2,766,613,945	12.1	360,723,248	361,828,879	0.3	28,863,324	16,062,340	-44.4
Rental and leasing services and lessors of nonfinancial intangible assets (except copyrighted works)	394,181,603	404,337,562	2.6	109,436,471	143,963,145	31.5	13,958,430	23,375,648	67.5

NOTE: Detail may not add to totals because of rounding. For data on additional industries, see Table 10.

[P] Percent change is not provided if the current year data contains a positive value (income) compared to a prior year negative value (loss).

Source: IRS, Statistics of Income Division, Partnerships, June 2026.

[5] See the "Explanation of Selected Terms" section for the definition of total receipts and business receipts.

Figure E
Partnership Returns: Components of Total Income (Loss) Minus Total Deductions, Tax Years 2023 and 2024

[Money amounts are in thousands of dollars]

Item	2023	2024	Change	
			Amount	Percentage
	(1)	(2)	(3)	(4)
Total income (loss) minus total deductions [1]	**2,099,412,354**	**3,013,882,936**	**914,470,582**	**43.6**
Partnership distributive income				
Ordinary business income (loss)	763,792,093	836,186,085	72,393,992	9.5
Guaranteed payments to partners	110,970,081	114,147,510	3,177,429	2.9
Interest income	625,515,194	791,441,875	165,926,681	26.5
Dividend income	319,951,607	368,130,137	48,178,530	15.1
Royalties	70,928,652	70,774,495	-154,157	-0.2
Net short-term capital gain (loss)	61,874,100	120,148,414	58,274,314	94.2
Net long-term capital gain (loss)	627,053,499	944,937,027	317,883,528	50.7
Net Section 1231 gain (loss)	202,599,914	279,253,940	76,654,026	37.8
Other Income (loss)	462,297,326	768,687,110	306,389,784	66.3
Partnership Distributive Deductions				
Section 179 deduction	16,215,168	17,356,201	1,141,033	7.0
Contributions - Cash	7,668,753	11,897,773	4,229,020	55.1
Contributions - Noncash	5,103,635	4,466,976	-636,659	-12.5
Investment interest expense	274,944,122	270,121,712	-4,822,410	-1.8
Section 59E(2) expenditures	102,859,444	86,095,287	-16,764,157	-16.3
Other deductions	616,347,029	761,152,201	144,805,172	23.5
Total foreign taxes	23,133,600	27,924,485	4,790,885	20.7
Net rental real estate income (loss)	-100,622,375	-108,826,788	-8,204,413	-8.2
Other net rental income (loss)	1,324,014	8,017,769	6,693,755	505.6

[1] Total income (loss) minus total deductions is discussed in the Explanation of Selected Terms section.

NOTE: Detail may not add to totals because of rounding.

category represented the largest deduction amount ($761.2 billion). Thirteen industrial sectors reported an increase in pass-through income (Table 10). The Finance and insurance sector had the largest increase, $731.5 billion (54.9%). The increases were countered by decreases, the largest of which was in Manufacturing ($23.0 billion).

Limited Liability Companies Made Up Most Partnerships for More Than Two Decades

Partnerships classify their business structures as one of six entity types: domestic general partnership, domestic limited partnership, domestic limited liability company (LLC), domestic limited liability partnership (LLP), foreign partnership, or "other" partnership.[6] LLCs accounted for 73.2% of all partnerships, surpassing all other entity types for the 23rd consecutive year (Figure F). The number of LLCs increased from 3.3 million filers to 3.5 million in 2024 (Figure G). Partners associated with LLCs increased 9.1% (from 14.4 million to 15.7 million), and pass-through income (loss) increased 36.9% (from $674.0 billion to $923.0 billion). LLCs accounted for 30.6% of the overall pass-through income (loss) in 2024. Looking at gains and losses separately, the losses for LLCs ($720.0 billion) were more than the combined losses for all other types of partnerships ($471.5 billion) and reduced the overall net profit amount for partnerships.

Limited partnerships represented 9.3% of all partnerships and reported 11.3 million partners. Their total pass-through income (loss) was $1.0 trillion, compared with $923.0 billion for LLCs. The number of limited partnerships decreased slightly (0.5%) while their number of partners increased 9.6% (Figure H). After two years of decline, total pass-through income (loss) for limited partnerships increased by $326.8 billion (from $689.1 billion to $1.0 trillion) between 2023 and 2024.

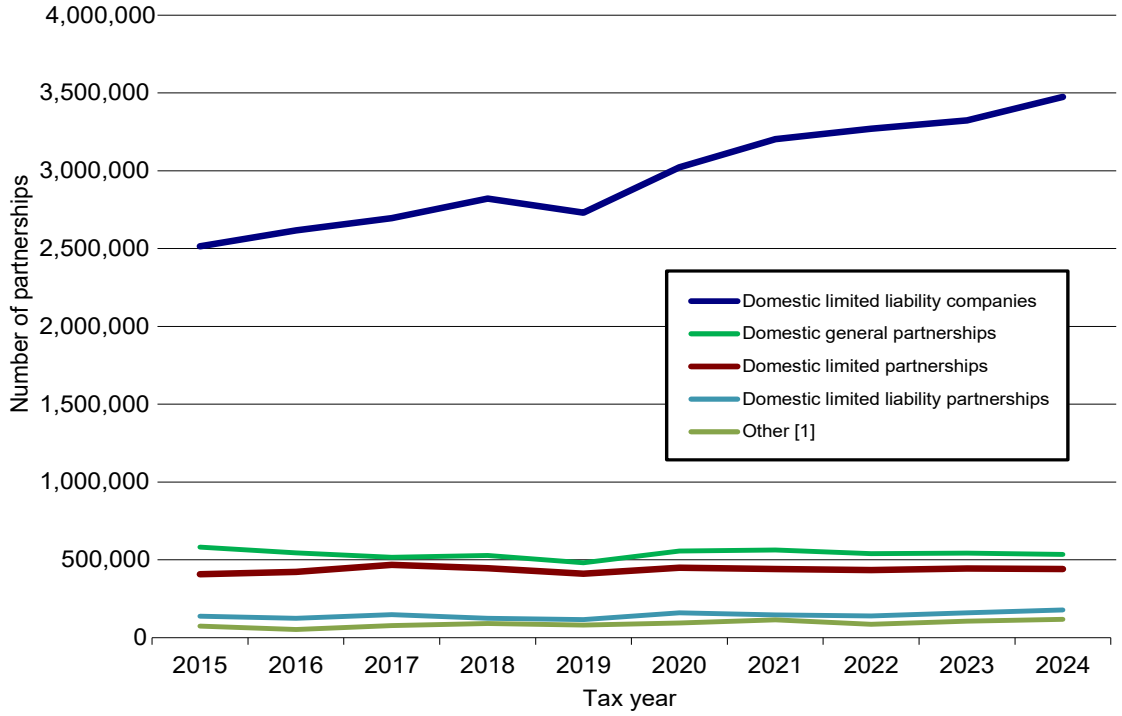
Prior to 2002, domestic general partnerships were consistently the most common type of partnership; they have ranked second since that time. This type of partnership accounted for 11.3% (0.5 million) of all partnerships for TY 2024. The number of domestic general partnerships decreased 1.3% in 2024 (from 542,540 to 535,511). The number of general partnerships has decreased 8.8% overall since 2015 (Figure I).

Partnerships Allocated Over $3.0 Trillion to Their Partners in 2024

Partners may be corporations, individuals, other partnerships, tax-exempt organizations, nominees, and other legal entities. For 2024, all partnerships reported a total of $4.2 trillion in total income (loss) available for allocation before deductions (Table 5). For separately stated deductions (such as contributions and interest investment expense), all partnerships reported a total

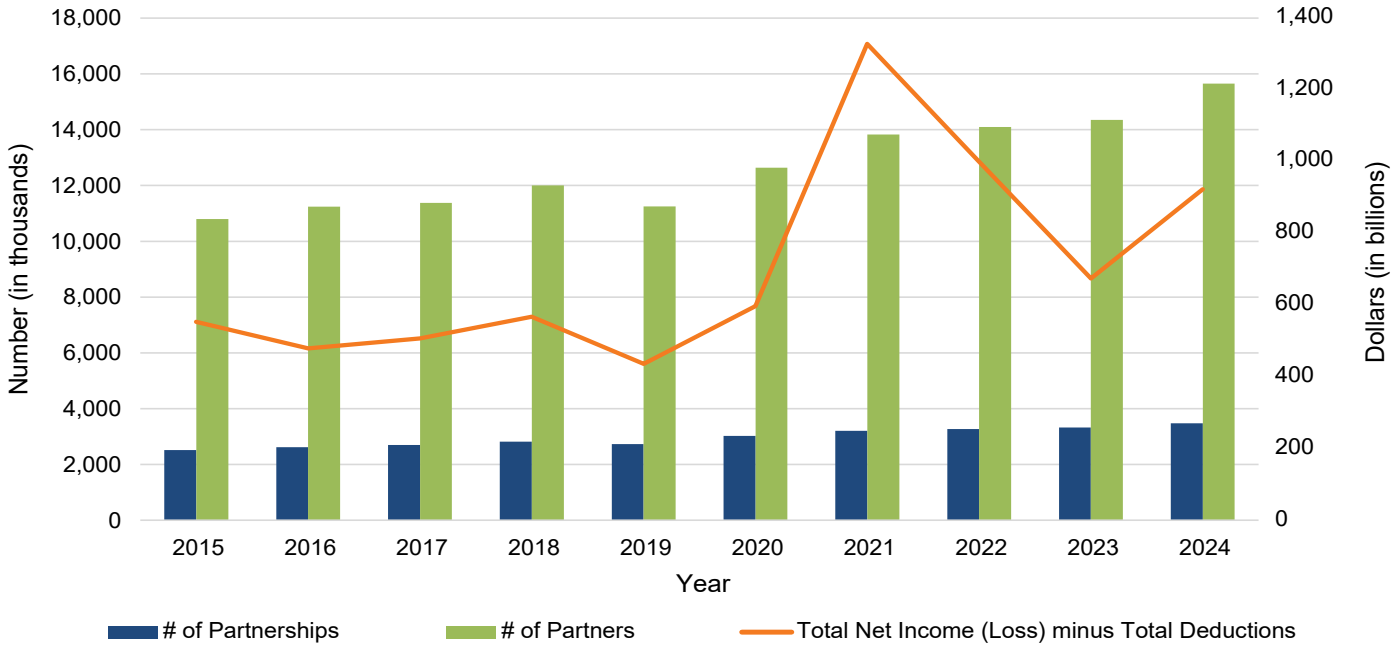
[6] See the "Explanation of Selected Terms" section for definitions of the different entity types.

Figure F
Number of Partnerships by Type of Entity, Tax Years 2015–2024



[1] Data for "other" partnerships include foreign partnerships, as well as partnerships which checked the "other" box, Form 1065, Schedule B, line 1, Type of Entity, or did not check a box.
Source: IRS, Statistics of Income Division, Partnerships, June 2026.

Figure G
Domestic Limited Liability Companies: Number of Partnerships and Partners, and Amount of Total Net Income (Loss) Minus Total Deductions, Tax Years 2015–2024



NOTE: For the full tabular data represented in this figure, see Tables 9a, 9b, and 9c.
Source: IRS, Statistics of Income Division, Partnerships, April 2026.

Figure H

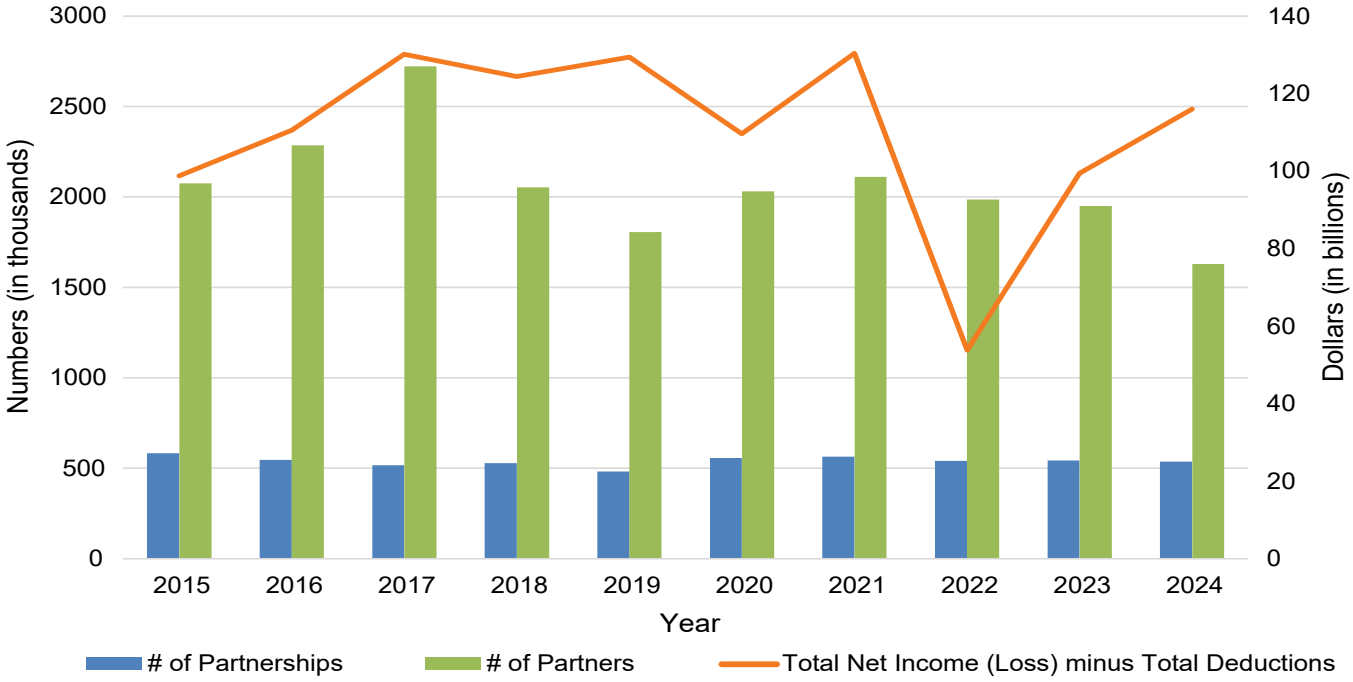
Domestic Limited Partnerships: Number of Partnerships and Partners, and Amount of Total Net Income (Loss) Minus Total Deductions, Tax Years 2015–2024



NOTE: For income/loss breakouts and the full tabular data represented in this figure, see Tables 9a, 9b, and 9c.
Source: IRS, Statistics of Income Division, Partnerships, June 2026.

Figure I

Domestic General Partnerships: Number of Partnerships and Partners, and Amount of Total Net Income (Loss) Minus Total Deductions, Tax Years 2015–2024



NOTE: For income/loss breakouts and the full tabular data represented in this figure, see Tables 9a, 9b, and 9c.
Source: IRS, Statistics of Income Division, Partnerships, June 2026.

of $1.2 trillion. The difference between total income (loss) and total deductions resulted in $3.0 trillion of total income (loss) minus total deductions available for allocation to partners, a 43.6% (or $914.5 billion) increase relative to 2023. Of the $3.0 trillion available for allocation to partners, almost all (99.6%) was identified by type of partner. The difference between total income (loss) minus total deductions available for allocation and income (loss) allocated to partners was due to some partnerships' failure to report allocations, by type of partner, on their originally filed returns.

For more than a decade, partners defined as partnerships surpassed both corporations and individuals as the top income (loss) recipients. Partnerships passed $1.1 trillion through to partners classified as partnerships for 2024, a $440.7 billion increase from the $635.5 billion passed through for 2023. In addition, partnerships passed $705.1 billion through to partners classified as individuals and $744.1 billion through to partners classified as corporations (Figure J).

Since the North American Industry Classification System (NAICS) data were first reported in 1998, partnerships in the Finance and insurance sector have had the largest share of allocations, except in 2002. The trend continued for 2024 when this sector reported 68.5% of the total amount of allocations of net income to partners.

Increases in Rental Expenses Drove a Decrease in Net Rental Real Estate Income (Loss)

For all industries, net rental real estate income (loss) declined from -$100.6 billion in 2023 to -$108.8 billion in 2024 (Figure K). Tax Year 2024 marked the sixth consecutive year that partnerships reported a net rental real estate loss.

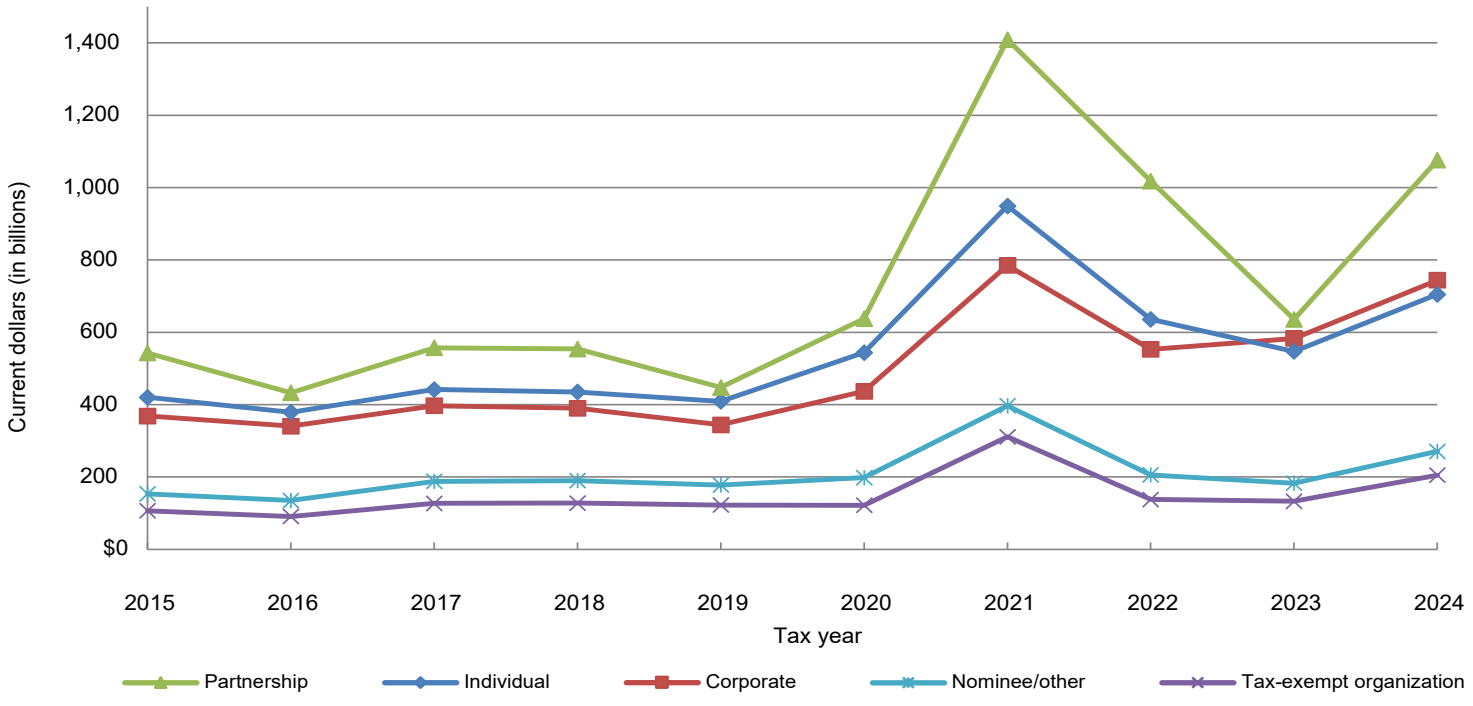
The overall loss was driven by an increase in total expenditures ($78.3 billion) and declines in pass-through income (-$8.6 billion) and net gain (loss) that was reported on Form 4797 (-$1.2 billion), which together more than offset the increase in total rents ($79.9 billion) (Table 4).

Among all sectors, the Finance and insurance sector recorded the largest decline in net rental real estate income (-$5.0 billion), followed by the Real estate and rental and leasing sector (-$4.4 billion). Overall, 10 sectors reported declines in net rental real estate income for Tax Year 2024.

Partnerships Reported Billions of Dollars in Differences Between Financial and Tax Reporting

Schedule M-3 (Form 1065), Net Income (Loss) Reconciliation for Certain Partnerships, provides more detail on the differences between financial accounting net income and tax accounting net income. Differences are divided into two categories: temporary and permanent. Temporary (or timing) differences between book income and taxable income are due to items of revenue or expense that are recognized in different periods for tax and book reporting. Permanent differences

Figure J
Partnership Returns: Income (Loss) Allocations, by Type of Partner, Tax Years 2015–2024



Source: IRS, Statistics of Income Division, Partnerships, June 2026.

Figure K
Partnership Returns: Net Rental Real Estate Income (Loss), by Selected Industrial Group, Tax Years 2023 and 2024

[Money amounts are in thousands of dollars]

Industrial group	2023	2024	Change	
			Amount	Percentage
	(1)	(2)	(3)	(4)
All industries	**-100,622,375**	**-108,826,788**	**-8,204,413**	**-8.2**
Finance and Insurance	-24,134,610	-29,102,199	-4,967,589	-20.6
Real estate and rental and leasing	-71,306,812	-75,684,298	-4,377,486	-6.1
Real estate	-71,411,624	-75,865,542	-4,453,918	-6.2
Lessors of residential buildings and dwellings and cooperative housing	-69,496,370	-71,843,381	-2,347,011	-3.4
Lessors of nonresidential buildings (except miniwarehouses)	48,634,472	57,040,642	8,406,170	17.3
Lessors of miniwarehouses and self-storage units	3,857,094	3,529,909	-327,185	-8.5
Lessors of other real estate property	335,198	976,730	641,532	191.4
Other real estate activities	-54,742,018	-65,569,443	-10,827,425	-19.8

NOTE: Detail may not add to totals because of rounding.
Source: IRS, Statistics of Income Division, Partnerships, June 2026.

are differences that partnerships never reverse; they are either nontaxable book revenues or nondeductible book expenses. For 2024, the partnerships that filed a Schedule M-3 reported $3,469.2 billion in reconciled income (loss) per income statement, -$957.2 billion in temporary differences, $41.4 billion in permanent differences, and $2,551.4 billion in reconciled income (loss) per tax return.[7]

More Than 95% of All Partnerships Filed Their Tax Returns Electronically

In 1986, the IRS first offered partnerships the option of using electronic media to file their Form 1065, U.S. Return of Partnership Income, returns. Beginning in TY 2000, the IRS required partnerships with more than 100 partners to file their returns electronically; however, the IRS could waive the electronic filing rules if a partnership demonstrated that a hardship would result from the requirement. In TY 2024, the IRS expanded the electronic filing requirements for partnership filers. The new rule required partnerships to aggregate all types of returns (such as W-2s, 1099s, and Form 1065). If the total is 10 or more, electronic filing was also mandatory. For other partnerships, electronic filing was optional.

4.6 million partnerships (96.0%) electronically filed for 2024, a 3.9% increase from 2023. These partnerships represented 31.8 million partners for 2024, a 7.2% increase from the 29.7 million partners for 2023. In addition, for 2024, returns filed electronically represented 97.8% of all partners, 98.2% of total assets, and 98.4% of total income (loss) minus deductions.

Data Sources and Limitations

IRS Statistics of Income (SOI) based the statistics for TY 2024 on a stratified probability sample of 49,506 returns selected from a population of 5,218,645 partnerships. TY 2024 covers returns that were processed by the IRS during Calendar Year 2025. All partnerships engaged in business in, or having income from sources within, the United States were required to file Form 1065 to report income or loss, deductions, tax credits, and other tax-related items that were generated by the partnership. The statistics are only for active partnerships, defined as those reporting any items of income or deduction derived from a trade or business or from rental or portfolio income.

SOI stratified the population into classes, based on industry, type of return, size of total assets, and size of certain receipt or income amounts from both ordinary business income (loss) and portfolio income (loss). From these classes, SOI selected returns with various probabilities of selection (from 0.01% to 100%) and then weighted them to represent the total population. SOI ruled that 1,178 sampled returns were either out of scope due to inactivity or being duplications of other returns in the sample. This resulted in a final sample of 48,328 returns and an estimated overall active population of 4,747,894 partnerships.

Because the data that are presented in this article are based on a sample of returns, they are subject to sampling error. To use the data properly, researchers must know the magnitude of the potential sampling error. Coefficients of variation (CVs), the ratios of an estimate's standard error to the estimate, are used to measure this magnitude. Figure L presents the coefficients of variation for certain money amounts for selected industrial sectors. The more reliable the estimate, the smaller the coefficient of variation.

Explanation of Selected Terms

Assets and liabilities—A partnership was not required to provide balance sheet information if it had total receipts of less than $250,000, had total assets of less than $1,000,000, filed and provided Schedules K-1 timely, and was not required to file Schedule M-3 (Form 1065), Net Income (Loss) Reconciliation for Certain Partnerships. SOI did not estimate the assets and liabilities of partnerships that did not provide this information.

[7] Not all partnerships are required to file Schedule M-3, and not all filers are required to complete the entire M-3. For more information, see 2024 Instructions for Schedule M-3 (Form 1065).

Figure L
Partnership Returns: Coefficients of Variation for Selected Items, by Industrial Sector, Tax Year 2024

[Coefficients of variation in percentages]

Industrial sector	Coefficients of variation			
	Number of partnerships	Total assets	Total income	Total deductions
	(1)	(2)	(3)	(4)
All industries	**0.63**	**0.15**	**0.33**	**0.36**
Agriculture, forestry, fishing, and hunting	9.28	5.3	5.1	4.98
Mining	19.37	2.15	2.24	2.48
Utilities	14.64	2.36	2.31	2.28
Construction	7.12	2.92	1.77	1.78
Manufacturing	12.51	1.19	1.18	1.2
Wholesale trade	12.31	1.62	1.43	1.45
Retail trade	8.8	1.99	1.46	1.47
Transportation and warehousing	13.87	1.71	1.92	1.97
Information	14.94	1.55	1.85	1.91
Finance and insurance	4.12	0.28	1.24	1.33
Real estate and rental and leasing	1.26	0.56	2.83	2.81
Professional, scientific, and technical services	6.93	1.78	1.27	1.36
Management of companies	13.49	1.59	3.43	3.86
Administrative and support and waste management and remediation services	11.59	4.37	3.14	3.16
Educational services	19.94	13.04	9.66	10.59
Health care and social assistance	6.16	2.57	1.72	1.76
Arts, entertainment, and recreation	13.98	3.11	3.48	3.63
Accommodation and food services	6.71	2.88	2.25	2.24
Other services	12.01	6.29	5.36	5.25
Nature of business not allocable*	n/a	n/a	n/a	n/a

Item [1]	Coefficients of variation (continued)
	(5)
Number of partnerships	0.63
Number of partners	2.25
Total assets	0.15
Total income	0.33
Business receipts	0.34
Total deductions	0.36
Cost of goods sold	0.53
Interest paid	1.07
Taxes and licenses	0.8
Depreciation	1.33
Ordinary business income	0.67
Ordinary business loss	1.37
Interest income	0.68
Dividend income	1.09
Royalty income	4.05
Net long-term capital gain (loss)	1.36
Net rental real estate income	1.69
Net rental real estate loss	1.73
Other net rental income	6.24
Other net rental loss	10.7
Interest deduction	1.07
Historical total net income (loss)	0.84
Total income (loss) minus total deductions available for allocation	1.23
Total receipts	0.32

[1] All items in this figure can be found in Table 1 except for: Total receipts (Table 7).

*For 2024, there were no returns classified as Nature of business not allocable.

Source: IRS, Statistics of Income Division, Partnerships, June 2026.

In addition, for returns with accounting periods ending after December 31, 2005, total assets should have been determined without offset by liabilities and not reported as a negative amount. If, however, the partnership continued to report negative total assets, no effort was made during data collection to change the amount.

Business receipts—Business receipts represent the gross receipts or sales less returns and allowances from trade or business income. Business receipts are typically the largest component of gross receipts for industry groups such as Manufacturing. SOI did not adjust business receipts to include rental real estate activity, which was reported separately on the partnership's return.

Electronically filed (ELF) partnerships—Certain partnerships with more than 100 partners were required to file their returns electronically. Beginning in TY 2024, the IRS expanded the electronic filing requirements for partnerships. Under the new rule, partnerships were required to aggregate returns of all types, such as Forms W-2, 1099, and 1065, when determining whether the electronic filing threshold was met. Electronic filing was generally required if the partnership filed 10 or more returns. Other partnerships could volunteer to file electronically. Partnerships submitting returns electronically submitted them in lieu of paper returns.

Foreign partnerships—A foreign partnership that has gross income effectively connected with the conduct of a trade or business within the United States or has gross income derived from sources in the United States must file a Form 1065, even if its principal place of business was outside the United States or all its partners were foreign persons.

Historical total net income (loss)—Through TY 1986, partnerships reported the amounts for total net income (loss) as ordinary income (loss) on Form 1065. After the tax law changes and tax form revisions in 1987, SOI studies began computing a similar total figure as the sum of the following:

- ordinary business income (loss),
- interest income,
- dividend income,
- royalties,
- net rental real estate income (loss) from Form 8825, and
- other net rental income (loss).

The sum of these components is a measure of overall partnership profit or loss, which allows for comparisons with total net income (loss), reported for years before 1987. The profit status of a partnership is determined based on the sum of these six amounts. Partnerships for which the sum of these six amounts equals zero are included with loss partnerships. For 2004, the definition of total net income (loss) was revised because other portfolio income (loss) was excluded since it was no longer reported separately on Schedule K, Partners' Distributive Share Items, but it was included on Schedule K, line 11, "Other

income (loss)." Beginning in 2021, the title of this term became "Historical Net Income (loss)" based on its pre-1987 definition.

Limited liability companies (domestic)—A limited liability company (LLC) is an entity that is formed under state law by filing articles of organization as an LLC. An LLC that chooses to be classified as a partnership files Form 1065, U.S. Partnership Return of Income. SOI identified LLCs by their response to a question on Other Information (Schedule B, Form 1065). LLCs combine the corporate characteristics of limited liability for all members with the pass-through income treatment of a partnership. (The owners of an LLC are called members, not partners.) These businesses offer more organizational flexibility than do S corporations. (S corporations pass through their income, gains and losses, deductions, and credits to their shareholders for tax purposes, like partnerships.) For example, unlike S corporations, LLCs are not limited in the number and type of owners. Unlike partners in limited partnerships, all members of LLCs have limited liability protection, even if they actively participate in the management of the business. In some cases, LLCs file as sole proprietorships on individual income tax returns or as corporations on corporation income tax returns. LLC data reported on these returns were not included in this article.

Limited liability partnerships (domestic)—A limited liability partnership (LLP) is formed under a state limited liability partnership law. An LLP files Form 1065, U.S. Partnership Return of Income. SOI identified LLPs by response to a question on Other Information (Schedule B, Form 1065). Organizationally, LLPs are available in some states only for professional partnerships, such as law firms or accounting firms. A partner in an LLP receives liability protection from the actions of other partners but is liable for the partnership debts as well as the consequences of his or her own actions.

North American Industry Classification System (NAICS)—Starting with the 1998 partnership study, SOI classified data using NAICS, which replaced the Standard Industry Classification system (SIC). NAICS is a hierarchical system that classifies businesses, including partnerships, into sectors, subsectors, industry groups, and industries. Businesses are only classified in the Nature of business not allocable sector when a more specific activity cannot be identified from the return. SOI classified data within these industrial sectors in industrial groups. The most detailed classification in this article and related data tables is the sector. The 20 sectors used in this article are:

- Agriculture, forestry, fishing, and hunting
- Mining
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific, and technical services
- Management of companies (holding companies)
- Administrative and support and waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment, and recreation
- Accommodation and food services
- Other services
- Nature of business not allocable

Detail of the activities included in each classification is available at North American Industry Classification System (NAICS) U.S. Census Bureau (https://www.census.gov/naics). NAICS is updated every fifth year. This website also contains descriptions of the relationships between various classification system updates.

SOI determined a partnership industry based on the activity from which the business derived the largest percentage of its total receipts. For industry coding purposes only, SOI defined total receipts as the sum of:

- Gross receipts or sales less returns and allowances (i.e., business receipts in the statistics)
- Ordinary income from other partnerships, estates, and trusts
- Net farm profit
- Net gain from Form 4797 (Sales of Business Property)
- Other income (Form 1065, page 1, line 7)
- Other gross rental income
- Interest income
- Dividend income
- Royalties
- Net short-term capital gain
- Net long-term capital gain
- Net Section 1231 gain
- Other income (Form 1065, page 5, line 11)
- Gross rents from rental real estate
- Net gain from the disposition of property from rental real estate activities
- Net income from rental real estate activities from partnerships, estates, and trusts in which the partnership is a partner or beneficiary

"Total receipts" for partnership industry coding purposes differs from "total receipts" used elsewhere in this article (see "Total receipts" in this section).

Partner—Partners can be individuals, corporations, other partnerships, or any other legal entity. One partner may be part of multiple partnerships. Partners are classified as either general or limited. General partners are those who assume liability for the partnership's debts and losses. Limited partners are those whose liability in the partnership is limited to their investment. A partnership must have at least two partners, at least one of which must be a general partner. A general partnership is composed entirely of general partners. A limited partnership has at least one general partner and one or more limited partners.

Partnership—A partnership is the relationship between two or more persons who join to carry on a trade or business. Each partner contributes money, property, labor, or skill with the expectation of sharing in the profits and losses of the business, regardless of whether a formal partnership agreement was made. Every partnership that engages in a trade or business or has income from sources in the United States must file an annual return with the IRS, Form 1065, U.S. Partnership Return of Income, showing the partnership's income or loss for the year. A partnership must file this return even if its principal place of business is outside the United States and even if all its members are nonresident aliens.

Total income (loss) minus total deductions—Total income minus total deductions represents the entire amount a partnership passes through to its partners. It is shown on the return on Form 1065, Page 6, Line 1.

Total receipts—Total receipts are computed for the statistics to reflect similar computations published in other SOI studies. Total receipts are the sum of positive income received by partnerships for the specific items listed below (*Note that negative amounts or losses are included in the statistics as deduction items, and guaranteed payments are not included in this amount.*):

- Gross receipts or sales less returns and allowances (i.e., business receipts in the statistics)
- Ordinary income from other partnerships, estates and trusts
- Net farm profit
- Net gain from Form 4797
- Other income (Form 1065, page 1, line 7)
- Net rental real estate income
- Other net rental income
- Interest income
- Dividend income
- Royalties
- Net short-term capital gain
- Net long-term capital gain
- Net Section 1231 gain
- Other income (Form 1065, page 5, line 11)

Total receipts in Table 7 differ from total receipts that are presented in Table 11 in the Selected Historical and Projected Data, accessible online at https://www.irs.gov/statistics/soi-tax-stats-historical-table-11. Table 11 excludes certain income items that were allocated directly to partners (such as net short-term and long-term capital gains, net gain under Internal Revenue Code Section 1231, and other income (Schedule K, line 11).

Additional Tabular Data on Tax Stats Website

For additional partnership tabular data, see the Partnership section on the IRS's Tax Stats website at www.irs.gov/statistics/soi-tax-stats-partnership-statistics. This site contains tabular data, including partnership returns by size of total assets, returns with foreign transactions, and data for prior years.

The IRS issued requirements for safeguarding Federal Tax Information (FTI) in Tax Information Security Guidelines for Federal, State and Local Agencies (Publication 1075). While FTI is subject to Internal Revenue Code Section 6103(p)(4) safeguarding requirements, the increased availability of data on the internet and in the cloud creates greater challenges for government agencies that are responsible for protecting the confidentiality of FTI and preventing the commingling of FTI with other information. This article provides data tables that meet these requirements, with the understanding that periodic reviews could lead to further adjustments of content in future editions.

Ron DeCarlo, Shamika France, and Nina Shumofsky are economists with the Partnership and Special Projects Section. This article was prepared under the direction of Tuba Ozer-Gurbuz, Acting Chief.