

**SCHEDULE K-2
(Form 1065)**

(December 2021)
Department of the Treasury
Internal Revenue Service

Partners' Distributive Share Items—International

▶ Attach to Form 1065 Schedule K.

▶ Go to www.irs.gov/Form1065 for instructions and the latest information.

651113

OMB No. 1545-0123

Name of partnership

Employer identification number

A Is the partnership a withholding foreign partnership?

Yes No If "Yes," enter your WP-EIN ▶ _____

B Is the partnership (including the home office or any branch) a qualified derivatives dealer?

Yes No If "Yes," enter your QI-EIN ▶ _____

Part I Partnership's Share of Current Year International Transaction Information

Check box for additional specified attachments:

- | | | | |
|--|---|--------------------------------------|---|
| <input type="checkbox"/> 1. Gain on personal property sale | <input type="checkbox"/> 4. Foreign tax translation | <input type="checkbox"/> 7. Reserved | <input type="checkbox"/> 10. Reserved |
| <input type="checkbox"/> 2. Foreign oil and gas taxes | <input type="checkbox"/> 5. High-taxed income | <input type="checkbox"/> 8. Reserved | <input type="checkbox"/> 11. Reserved |
| <input type="checkbox"/> 3. Splitter arrangements | <input type="checkbox"/> 6. Section 267A disallowed deduction | <input type="checkbox"/> 9. Reserved | <input type="checkbox"/> 12. Other international transactions
(attach description and statement) |

Part II Foreign Tax Credit Limitation

Section 1—Gross Income

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
1 Sales							
A _____							
B _____							
C _____							
2 Gross income from performance of services							
A _____							
B _____							
C _____							
3 Gross rental real estate income							
A _____							
B _____							
C _____							
4 Other gross rental income							
A _____							
B _____							
C _____							
5 Guaranteed payments							
6 Interest income							
A _____							
B _____							
C _____							

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Part II Foreign Tax Credit Limitation *(continued)*

Section 1 – Gross Income *(continued)*

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
7 Ordinary dividends (exclude amount on line 8)							
A _____							
B _____							
C _____							
8 Qualified dividends							
A _____							
B _____							
C _____							
9 Reserved							
10 Royalties and license fees							
A _____							
B _____							
C _____							
11 Net short-term capital gain							
A _____							
B _____							
C _____							
12 Net long-term capital gain							
A _____							
B _____							
C _____							
13 Collectibles (28%) gain							
A _____							
B _____							
C _____							
14 Unrecaptured section 1250 gain							
A _____							
B _____							
C _____							
15 Net section 1231 gain							
A _____							
B _____							
C _____							

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Part II Foreign Tax Credit Limitation *(continued)*

Section 1—Gross Income *(continued)*

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code ____)		
16 Section 986(c) gain							
17 Section 987 gain							
18 Section 988 gain							
19 Section 951(a) inclusions							
A _____							
B _____							
C _____							
20 Other income							
A _____							
B _____							
C _____							
21 Reserved							
A _____							
B _____							
C _____							
22 Reserved							
A _____							
B _____							
C _____							
23 Reserved							
A _____							
B _____							
C _____							
24 Total gross income (combine lines 1 through 23) ▶							
A _____							
B _____							
C _____							

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Section 2—Deductions

25 Expenses allocable to sales income							
26 Expenses allocable to gross income from performances of services							
27 Net short-term capital loss							
28 Net long-term capital loss							
29 Collectibles loss							
30 Net section 1231 loss							
31 Other losses							

Part II Foreign Tax Credit Limitation (continued)

Section 2—Deductions (continued)

Description	(a) U.S. source	Foreign source			(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income		
32 Research & experimental (R&E) expenses						
A SIC code						
B SIC code						
C SIC code						
33 Allocable rental expenses—depreciation, depletion, and amortization						
34 Allocable rental expenses—other than depreciation, depletion, and amortization						
35 Allocable royalty and licensing expenses—depreciation, depletion, and amortization						
36 Allocable royalty and licensing expenses—other than depreciation, depletion, and amortization						
37 Depreciation not included on line 33 or 35						
38 Charitable contributions						
39 Interest expense specifically allocable under Regulations section 1.861-10(e)						
40 Other interest expense specifically allocable under Regulations section 1.861-10T						
41 Other interest expense—business						
42 Other interest expense—investment						
43 Other interest expense—passive activity						
44 Section 59(e)(2) expenditures, excluding R&E expenses on line 32						
45 Foreign taxes not creditable but deductible						
46 Section 986(c) loss						
47 Section 987 loss						
48 Section 988 loss						
49 Other allocable deductions						

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Part II Foreign Tax Credit Limitation *(continued)*

Section 2—Deductions *(continued)*

Description	(a) U.S. source	Foreign source			(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income		
50 Other apportioned share of deductions						
51 Reserved						
52 Reserved						
53 Reserved						
54 Total deductions (combine lines 25 through 53) ▶						
55 Net income (loss) (subtract line 54 from line 24). This amount should equal line 1 under <i>Analysis of Net Income (Loss)</i> on page 5 of Form 1065 . . . ▶						

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Part III Other Information for Preparation of Form 1116 or 1118

Section 1—R&E Expenses Apportionment Factors

Description	(a) U.S. source	Foreign Source	
		(b) Foreign branch category income	(c) Passive branch category income
1 Sales by SIC code			
A SIC code			
B SIC code			
C SIC code			
D SIC code			
E SIC code			
F SIC code			
2 Gross income by SIC code			
A SIC code			
B SIC code			
C SIC code			
D SIC code			
E SIC code			
F SIC code			

Part III Other Information for Preparation of Form 1116 or 1118 (continued)

Section 1 – R&E Expenses Apportionment Factors (continued)

	Foreign Source		(f) Sourced by partner	(g) Total
	(d) General category income	(e) Other (category code _____) (country code _____)		
1				
A				
B				
C				
D				
E				
F				
2				
A				
B				
C				
D				
E				
F				
3	Exclusive apportionment with respect to total R&E expenses entered on Part II, line 32, enter the following:			
A	R&E expense with respect to activity performed in the United States			
	(i) SIC code _____			
	(ii) SIC code _____			
	(iii) SIC code _____			
B	R&E expense with respect to activity performed outside the United States			
	(i) SIC code _____			
	(ii) SIC code _____			
	(iii) SIC code _____			

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Part III Other Information for Preparation of Form 1116 or 1118 (continued)

Section 2—Interest Expense Apportionment Factors

Description	(a) U.S. source	Foreign Source	
		(b) Foreign branch category income	(c) Passive category income
1 Total average value of assets			
2 Sections 734(b) and 743(b) adjustment to assets—average value			
3 Assets attracting directly allocable interest expense under Regulations section 1.861-10(e)			
4 Other assets attracting directly allocable interest expense under Regulations section 1.861-10T			
5 Assets excluded from apportionment formula			
6a Total assets used for apportionment (subtract the sum of lines 3, 4, and 5 from the sum of lines 1 and 2)			
b Assets attracting business interest expense			
c Assets attracting investment interest expense			
d Assets attracting passive activity interest expense			
7 Basis in stock of 10%-owned noncontrolled foreign corporations (see attachment)			
8 Basis in stock of CFCs (see attachment)			
	Foreign Source		
	(d) General category income	(e) Other (category code _____) (country code _____)	(f) Sourced by partner
			(g) Total
1			
2			
3			
4			
5			
6a			
b			
c			
d			
7			
8			

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Part III Other Information for Preparation of Form 1116 or 1118 (continued)

Section 3—Foreign Taxes

Description	(a) Type of tax	(b) Section 951A category income		(c) Foreign branch category income		
		U.S.	Foreign	U.S.	Foreign	Partner
1 Direct (section 901 or 903) foreign taxes: <input type="checkbox"/> Paid <input type="checkbox"/> Accrued						
A _____						
B _____						
C _____						
D _____						
E _____						
F _____						
2 Reduction of taxes (total)						
A Taxes on foreign mineral income						
B Reserved						
C International boycott provisions						
D Failure to file penalties						
E Taxes with respect to splitter arrangements						
F Taxes on foreign corporate distributions						
G Other						
3 Foreign tax redeterminations						
A _____						
Related tax year ▶						
B _____						
Related tax year ▶						
C _____						
Related tax year ▶						
4 Reserved						
5 Reserved						
6 Reserved						

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Part III Other Information for Preparation of Form 1116 or 1118 (continued)

Section 3—Foreign Taxes (continued)

	(d) Passive category income			(e) General category income			(f) Other
	U.S.	Foreign	Partner	U.S.	Foreign	Partner	(category code ____)
1							
A							
B							
C							
D							
E							
F							
2							
A							
B							
C							
D							
E							
F							
G							
3							
A							
B							
C							
4							
5							
6							

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Part IV Other Foreign Transaction Information for U.S. Partners

Section 1 – Information on Partners’ Section 250 Deduction With Respect to Foreign-Derived Intangible Income (FDII)

Description	(a) U.S. source	Foreign Source	
		(b) Passive category income	
1 Gross receipts			
a General property			
b Intangible property			
c Services			
2 COGS			
3 Foreign-derived gross receipts			
a General property			
b Intangible property			
c Services			
4 COGS attributable to the amount on line 3			
5 Deductions properly allocable to the amount on line 1			
a General property			
b Intangible property			
c Services			
6 Deductions properly allocable to the amount on line 3			
a General property			
b Intangible property			
c Services			
7 Partnership qualified business asset investment			

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Part IV Other Foreign Transaction Information for U.S. Partners *(continued)*
Section 1—Information on Partners' Section 250 Deduction With Respect to Foreign-Derived Intangible Income (FDII) *(continued)*

	Foreign Source		(e) Sourced by partner	(f) Total
	(c) General category income	(d) Other (category code _____) (country code _____)		
1				
a				
b				
c				
2				
3				
a				
b				
c				
4				
5				
a				
b				
c				
6				
a				
b				
c				
7				

Section 2—Other Tax Information

Description	(a) U.S. source	Foreign Source	
		(b) Section 951A category income	(c) Foreign branch category income
1 Section 743(b) positive income adjustment			
2 Section 743(b) negative income adjustment			
3 Reserved			
4 Reserved			

	Foreign Source			(g) Sourced by partner	(h) Total
	(d) Passive category income	(e) General category income	(f) Other (category code _____) (country code _____)		
1					
2					
3					
4					

Part IV Other Foreign Transaction Information for U.S. Partners *(continued)*

Section 3—Distributions From Foreign Corporations to Partnership

(a) Name of distributing foreign corporation		(b) EIN or reference ID number	(c) Date of distribution	(d) Functional currency of distributing foreign corporation	(e) Amount of distribution in functional currency
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					
(f) Amount of E&P distribution in functional currency	(g) Spot rate (functional currency to U.S. dollars)	(h) Amount of distribution in U.S. dollars	(i) Amount of E&P distribution in U.S. dollars	(j) Qualified foreign corporation	(k) Reserved
A				<input type="checkbox"/>	
B				<input type="checkbox"/>	
C				<input type="checkbox"/>	
D				<input type="checkbox"/>	
E				<input type="checkbox"/>	
F				<input type="checkbox"/>	
G				<input type="checkbox"/>	
H				<input type="checkbox"/>	
I				<input type="checkbox"/>	
J				<input type="checkbox"/>	
K				<input type="checkbox"/>	
L				<input type="checkbox"/>	
M				<input type="checkbox"/>	
N				<input type="checkbox"/>	
O				<input type="checkbox"/>	

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Part V Information on Partners' Section 951(a)(1) and Section 951A Inclusions

- a Separate category (enter code—see instructions)
- b If U.S. source, complete as a separate Part V by separate category and check box

	(a) Name of CFC	(b) EIN or reference ID number	(c) Partners' share of CFC items through their ownership in the partnership ("aggregate share")	(d) Aggregate share of subpart F income	(e) Aggregate section 951(a)(1)(B) inclusion	(f) Tested income
A						
B						
C						
D						
E						
F						
G						
H						
I						
J						
K						

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1 Partnership total (sum for all CFCs)

	(g) Tested loss	(h) Aggregate share of tested income	(i) Aggregate share of tested loss	(j) Aggregate share of Qualified Business Asset Investment (QBAI)	(k) Aggregate share of the tested loss QBAI amount	(l) Aggregate share of tested interest income	(m) Aggregate share of tested interest expense
A							
B							
C							
D							
E							
F							
G							
H							
I							
J							
K							
Partnership total (sum for all CFCs) <input type="checkbox"/>							

Part VII Partnership's Interest in Foreign Corporation Income (Section 960)

- A** Enter EIN or reference ID number of controlled foreign corporation _____ **B** Separate category (enter code—see instructions) _____
- C** If PAS was entered on line B, enter the applicable grouping under Regulations section 1.904-4(c). See instructions _____
- D** Check the box and attach a statement if there is more than one source country for a line. See instructions
- E** If U.S. source, check the box and complete a separate Part VII
- F** If FORI or FOGEI, check the box and attach a separate Part VII

<i>Enter amounts in functional currency of the foreign corporation (unless otherwise noted).</i>	(a) Country code	(b) Partnership's share of net income	Reserved	Reserved
1 Subpart F income groups				
a Dividends, interest, rents, royalties, and annuities (total)				
i Unit				
ii Unit				
b Net gain from certain property transactions (total)				
i Unit				
ii Unit				
c Net gain from commodities transactions (total)				
i Unit				
ii Unit				
d Net foreign currency gain (total)				
i Unit				
ii Unit				
e Income equivalent to interest (total)				
i Unit				
ii Unit				
f Foreign base company sales income (total)				
i Unit				
ii Unit				
g Foreign base company services income (total)				
i Unit				
ii Unit				
h Full inclusion foreign base company income (total)				
i Unit				
ii Unit				
i Insurance income (total)				
j International boycott income (total)				
k Bribes, kickbacks, and other payments (total)				
l Section 901(j) (total)				
2 Recaptured Subpart F income				
3 Tested income group (total)				
i Unit				
ii Unit				
4 Residual income group (total)				
5 Total <input type="checkbox"/>				

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Part VIII Partners' Information for Base Erosion and Anti-Abuse Tax (Section 59A)

Section 1—Applicable Taxpayer (see instructions)

Description	(a) Total	(b) Total base erosion payments	(c) Total base erosion tax benefits
1 Gross receipts for section 59A(e)			
2 Gross receipts for the first preceding year			
3 Gross receipts for the second preceding year			
4 Gross receipts for the third preceding year			
5 Amounts included in the denominator of the base erosion percentage as described in Regulations section 1.59A-2(e)(3)			

Section 2—Base Erosion Payments and Base Erosion Tax Benefits (see instructions)

6 Reserved			
7 Reserved			
8 Purchase or creations of property rights for intangibles (patents, trademarks, etc.)			
9 Rents, royalties, and license fees			
10a Compensation/consideration paid for services not excepted by section 59A(d)(5)			
b Compensation/consideration paid for services excepted by section 59A(d)(5)			
11 Interest expense			
12 Payments for the purchase of tangible personal property			
13 Premiums and/or other considerations paid or accrued for insurance and reinsurance as covered by sections 59A(d)(3) and 59A(c)(2)(A)(iii)			
14a Nonqualified derivative payments			
b Qualified derivative payments excepted by section 59A(h)			
15 Payments reducing gross receipts made to surrogate foreign corporation			
16 Other payments—specify ▶ _____			
17 Base erosion tax benefits related to payments reported on lines 6 through 16, on which tax is imposed by section 871 or 881, with respect to which tax has been withheld under section 1441 or 1442 at 30% (0.30) statutory withholding tax rate			
18 Portion of base erosion tax benefits reported on lines 6 through 16, on which tax is imposed by section 871 or 881, with respect to which tax has been withheld under section 1441 or 1442 at reduced withholding rate pursuant to income tax treaty. Multiply ratio of percentage withheld divided by 30% (0.30) times tax benefit. See instructions			
19 Total base erosion tax benefits (subtract the sum of lines 17 and 18 from the sum of lines 8 through 16)			
20 Reserved			
21 Reserved			
22 Reserved			

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Part IX Foreign Partners' Character and Source of Income and Deductions

Section 1 – Gross Income

Description	(a) Total	(b) Partner determination	Partnership Determination				
			Non-ECI		ECI		
			(c) U.S source (FDAP)	(d) U.S. source (other)	(e) Foreign source	(f) U.S. source	(g) Foreign source
1 Ordinary business income (gross)							
2 Gross rental real estate income							
3 Other gross rental income							
4 Guaranteed payments for services							
5 Guaranteed payments for use of capital							
6 Interest income							
7 Dividends							
8 Dividend equivalents							
9 Royalties and license fees							
10 Net short-term capital gain							
11 Net long-term capital gain							
12 Collectibles (28%) gain							
13 Unrecaptured section 1250 gain							
14 Net section 1231 gain							
15 Reserved							
16 Reserved							
17 Reserved							
18 Reserved							
19 Reserved							
20 Other income (loss) not included on lines 1 through 19							
21 Gross income (add lines 1 through 20) ▶							

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Part IX Foreign Partners' Character and Source of Income and Deductions (continued)

Section 2—Deductions, Losses, and Net Income

Description	(a) Total	(b) Partner determination	Partnership Determination				
			Non-ECI			ECI	
			(c) U.S. source (FDAP)	(d) U.S. source (other)	(e) Foreign source	(f) U.S. source	(g) Foreign source
1 Expenses related to ordinary business income (gross)							
2 Research and experimental expenses							
3 Expenses from rental real estate							
4 Expenses from other rental activities							
5 Royalty and licensing expenses							
6 Section 179 deduction							
7 Interest expense on U.S.-booked liabilities							
8 Interest expense directly allocable under Regulations sections 1.882-5(a)(1)(ii)(B) and 1.861-10T							
9 Other interest expense							
10 Section 59(e)(2) expenditures							
11 Net short-term capital loss							
12 Net long-term capital loss							
13 Collectibles loss							
14 Net section 1231 loss							
15 Other losses							

16 Charitable contributions							
17 Other ▶							
18 Other ▶							
19 Reserved							
20 Reserved							
21 Reserved							
22 Reserved							
23 Reserved							
24 Total (add lines 1 through 23)							
25 Net income (loss) (line 21 (Section 1) minus line 24 (Section 2)). This amount should equal line 1 under <i>Analysis of Net Income (Loss)</i> on page 5 of Form 1065 ▶							

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Part IX Foreign Partners' Character and Source of Income and Deductions *(continued)*

Section 3—Allocation and Apportionment Methods for Deductions

1 Gross income

a Gross ECI _____

b Worldwide gross income _____

2 Assets

a Average U.S. assets (inside basis) _____

b Worldwide assets _____

3 Liabilities

a U.S.-booked liabilities of partnership _____

b Directly allocated partnership indebtedness _____

4 Personnel

a Personnel of U.S. trade or business _____

b Worldwide personnel _____

5 Gross receipts from sales or services by SIC code

(i) SIC code	(ii) ECI	(iii) Worldwide
a		
b		

6 Gross income by SIC code

(i) SIC code	(ii) ECI	(iii) Worldwide
a		
b		

7 Other allocation and apportionment key

(i) Key/Factor	(ii) Allocation
a	
b	

8 Other allocation and apportionment key

(i) Key/Factor	(ii) Allocation
a	
b	

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Part IX Foreign Partners' Character and Source of Income and Deductions *(continued)*

Section 4—Section 871(m) Covered Partnerships

- 1** Check the box if you are a publicly traded partnership as defined in section 7704(b) and you are a covered partnership as defined in Regulations section 1.871-15(m)(1) or directly or indirectly hold an interest in a lower-tier partnership that is a covered partnership
- 2** Specify the number of units of the partnership issued and outstanding ►

3 For each allocation period, provide the following information for the number of units specified on line 2:

(i) Beginning of allocation period	(ii) End of allocation period	(iii) Dividends	(iv) Dividend equivalents	(v) Total