



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

Number: **INFO 2000-0214**

Release Date: 9/30/2000

CC:PSI:3 [REDACTED]
COR-111890-00
Index Number 0469.00-00

July 31, 2000

[REDACTED]

Dear [REDACTED]:

This letter is in response to your letter dated June 10, 2000, and subsequent correspondence, to Paul F. Kugler in which you ask for guidance regarding the potential disposition of your interest in a limited partnership.

You have asked whether the Internal Revenue Service has authority to direct the partnership to provide you with written confirmation of the existence or nonexistence of a market for your partnership interest. Under § 6031(b) of the Internal Revenue Code, a partnership is required to provide you with information necessary to determine your tax liability. While we appreciate your wish to obtain information that would assist with your planned disposition, it does not appear that the written confirmation you are contemplating is within the scope of § 6031(b) and Temporary Treasury Regulation § 1.6031(b)-1T. Thus, it is not the place of the Internal Revenue Service to direct the partnership to provide you with such a statement.

You have also asked for guidance on the proper reporting of the suspended passive losses attributable to your partnership interest and the anticipated disposition gain if you were to sell your interest in the partnership. Section 469 does not alter the reporting of gains and losses. For instance, if your prior losses would have been reported on Schedule E (Form 1040) when incurred, you will report them on Schedule E when they become allowable by reason of the disposition. If your gain on disposition is a capital gain, then you will report the gain on Schedule D (Form 1040). The instructions to the Form 8582 contain examples illustrating the proper reporting of disposition gain and prior suspended losses on pages six and seven. We have enclosed Form 8582 and its instructions to assist you with any future reporting.

COR-108381-00

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If you wish to discuss this further, please contact [REDACTED],
at (202) 622-3080.

Sincerely,

William P. O'Shea, Branch Chief
Branch 3
Office of the Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures:
Form 8582
Instructions for Form 8582