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Office:

Release Date: 3/27/2009

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From:

Sent: Thu 9/25/2008 3:29 PM

To:

Cc:

Subject: RE: Form 1065 with all Frgn Ptrs.

TEFRA does not apply if the only two partners are C corporations (regardless of whether they are foreign) unless an election out of the small partnership exception was filed. If no such election was filed, we should follow non-TEFRA deficiency procedures. If they state on the partnership return that they filed such an election, but we know that they did not, we cannot "reasonably" rely on the return for this determination under section 6231(g). [REDACTED]