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**From:**

**Sent:** Thursday, October 23, 2008 9:34 AM

**To:**

**Cc:**

**Subject:** RE: TEFRA partnership

It appears that you will be characterizing payments at the partnership level that will affect the taxability of the partners. To the extent that the partners are affected, only a Form 872-P at the partnership level, of a Form 872-i at the partner level, will extend the statute for assessing the three direct partners and the shareholder of the S corporation. The shareholder of the S corporation would have to sign the 872-i rather than the S corp. S corps pay no taxes and have no power to bind their shareholders. So there would be no point in getting the S corp to sign.

TEFRA generally does not apply to subtitle C issues. [REDACTED]

[REDACTED]