

# 2015



Department of the Treasury  
Internal Revenue Service

# Instructions for Form 8865

## Return of U.S. Persons With Respect to Certain Foreign Partnerships

Section references are to the Internal Revenue Code unless otherwise noted.

<b>Contents</b>	<b>Page</b>
General Instructions . . . . .	<a href="#">1</a>
Specific Instructions . . . . .	<a href="#">6</a>
Schedule A. Constructive Ownership of Partnership Interest . . . . .	<a href="#">8</a>
Schedule A-1. Certain Partners of Foreign Partnership . . . . .	<a href="#">8</a>
Schedule A-2. Affiliation Schedule . . . . .	<a href="#">8</a>
Schedule B. Income Statement—Trade or Business Income . . . . .	<a href="#">9</a>
Schedule D. Capital Gains and Losses . . . . .	<a href="#">9</a>
Schedules K and K-1. Partners' Distributive Share Items . . . . .	<a href="#">9</a>
Schedule L. Balance Sheets per Books . . . . .	<a href="#">10</a>
Schedule M. Balance Sheets for Interest Allocation . . . . .	<a href="#">10</a>
Schedule M-1. Reconciliation of Income (Loss) per Books With Income (Loss) per Return . . . . .	<a href="#">10</a>
Schedule M-2. Analysis of Partners' Capital Accounts . . . . .	<a href="#">10</a>
Schedule N. Transactions Between Controlled Foreign Partnership and Partners or Other Related Entities . . . . .	<a href="#">11</a>
Schedule O. Transfer of Property to a Foreign Partnership . . . . .	<a href="#">11</a>
Schedule P. Acquisitions, Dispositions, and Changes of Interests in a Foreign Partnership . . . . .	<a href="#">12</a>
Index . . . . .	<a href="#">17</a>

For more information, see the Instructions for Form 8938, especially *Duplicative reporting* and *Part IV. Excepted Specified Foreign Financial Assets*.

**Notice 2015-54 Acceleration Event.** See *Reporting required by Notice 2015-54*, later, for more information.

**Additional Schedule O Supplemental Information.** New information is required to be reported for *Schedule O. Transfer of Property to a Foreign Partnership*. See *Part I. Transfers Reportable Under Section 6038B*, under Schedule O, later, for more information.

### General Instructions

The specific instructions for Schedules B, K, K-1, M-1, and M-2 are not included in these instructions. If you are required to complete these schedules for Form 8865, use the instructions for the corresponding schedules of Form 1065, U.S. Return of Partnership Income, (or Form 1065-B, U.S. Return of Income for Electing Large Partnerships, if the foreign partnership is an electing large partnership). See the general instructions for these schedules, later, for more information.

If you are completing Form 8865	Then use the instructions for Forms 1065/1065-B:
Schedule B	Form 1065, page 1 (income and deductions); Form 1065-B, Parts I and II
Schedules K and K-1	Schedules K and K-1
Schedule L	Schedule L
Schedule M-1	Schedule M-1
Schedule M-2	Schedule M-2

**Note.** If you are reporting capital gains and losses, use Schedule D (Form 1065). See the Instructions for Schedule D (Form 1065).

### Purpose of Form

Use Form 8865 to report the information required under section 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), or section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interests).

### Who Must File

A U.S. person qualifying under one or more of the Categories of Filers (see below) must complete and file Form 8865. These instructions and the *Filing Requirements for Categories of Filers* chart, later, explain the information, statements, and schedules required for each category of filer. If you qualify under more than one category for a particular foreign partnership, you must submit all the items required for each category under which you qualify.

**Example.** If you qualify as a Category 2 and a Category 3 filer, you must submit all the schedules required of Category 2 filers (page 1 of Form 8865, Schedules A, A-2, N, and K-1) plus any additional schedules that Category 3 filers are required to submit (Schedules A-1 and O).

Complete a separate Form 8865 and the applicable schedules for each foreign partnership.

File the 2015 Form 8865 with your income tax return for your tax year beginning in 2015.

If a Form 8832, Entity Classification Election, was filed for this entity for the current tax year, see *When and Where To File* in the instructions for Form 8832 to determine if you are required to attach a copy of the Form 8832 to the tax return to which the Form 8865 is being attached.

### Future Developments

For the latest information about developments related to Form 8865, its schedules, and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form8865](http://www.irs.gov/form8865).

### What's New

New Item E adds a checkbox to be checked by you to satisfy your Form 8938, Statement of Specified Foreign Financial Assets, reporting obligations by filing Form 8865 and completing Form 8938, Part IV, Excepted Specified Foreign Financial Assets.

## Filing Requirements for Categories of Filers

Filing Requirements	Category of Filers			
	1	2	3	4
Identifying information— (page 1 of Form 8865)	✓	✓	✓	✓
Schedule A—Constructive Ownership of Partnership Interest	✓	✓	✓	✓
Schedule A-1—Certain Partners of Foreign Partnership	✓		✓	
Schedule A-2—Affiliation Schedule	✓	✓	✓	✓
Schedule B—Income Statement—Trade or Business Income	✓			
Schedule K—Partners' Distributive Share Items	✓			
Schedule L—Balance Sheets per Books	✓			
Schedule M—Balance Sheets for Interest Allocation	✓			
Schedule M-1—Reconciliation of Income (Loss) per Books With Income (Loss) per Return	✓			
Schedule M-2—Analysis of Partners' Capital Accounts	✓			
Schedule N—Transactions Between Controlled Foreign Partnership and Partners or Other Related Entities	✓	✓		
Schedule D— Schedule D (Form 1065), Capital Gains and Losses	✓			
Schedule K-1—Partner's Share of Income, Deductions, Credits, etc. (direct partners only)	✓	✓		
Schedule O—Transfer of Property to a Foreign Partnership			✓	
Schedule P—Acquisitions, Dispositions, and Changes of Interests in a Foreign Partnership				✓

### Categories of Filers

**Category 1 filer.** A Category 1 filer is a U.S. person who controlled the foreign partnership at any time during the partnership's tax year. Control of a partnership is ownership of more than a 50% interest in the partnership. See the definition of 50% interest, later. There may be more than one Category 1 filer for a partnership for a particular partnership tax year.

**Category 2 filer.** A Category 2 filer is a U.S. person who at any time during the tax year of the foreign partnership owned a 10% or greater interest in the partnership while the partnership was controlled by U.S. persons each owning at least a 10% interest. However, if the foreign partnership had a Category 1 filer at any time during that tax year, no person will be considered a Category 2 filer. See the definition of a 10% interest, later.

**Category 3 filer.** A Category 3 filer is a U.S. person who contributed property during that person's tax year to a foreign partnership in exchange for an interest in the partnership (a section 721 transfer), if that person either:

1. Owned directly or constructively at least a 10% interest in the foreign partnership immediately after the contribution, or

2. The value of the property contributed (when added to the value of any other property contributed to the partnership by such person, or any related person, during the 12-month period ending on the date of transfer) exceeds \$100,000.

If a domestic partnership contributes property to a foreign partnership, the domestic partnership's partners are considered to have transferred a proportionate share of the contributed property to the foreign partnership. However, if the domestic partnership files Form 8865 and properly reports all the required information with respect to the contribution, its partners will not be required to report the transfer.

Category 3 also includes a U.S. person that previously transferred appreciated property to the partnership and was required to report that transfer under section 6038B, if the foreign partnership disposed of such property while the U.S. person

remained a direct or indirect partner in the partnership.

**Category 4 filer.** A Category 4 filer is a U.S. person that had a reportable event under section 6046A during that person's tax year. There are three categories of reportable events under section 6046A: acquisitions, dispositions, and changes in proportional interests.

**Acquisitions.** A U.S. person that acquires a foreign partnership interest has a reportable event if:

- The person did not own a 10% or greater direct interest in the partnership and as a result of the acquisition, the person owns a 10% or greater direct interest in the partnership (for example, from 9% to 10%). For purposes of this rule, an acquisition includes an increase in a person's direct proportional interest (see *Change in a proportional interest*, later); or
- Compared to the person's direct interest when the person last had a reportable event, after the acquisition the person's direct interest has increased by at least a 10% interest (for example, from 11% to 21%).

**Dispositions.** A U.S. person that disposes of a foreign partnership interest has a reportable event if:

- The person owned a 10% or greater direct interest in the partnership before the disposition and as a result of the disposition the person owns less than a 10% direct interest (for example, from 10% to 8%). For purposes of this rule, a disposition includes a decrease in a person's direct proportional interest; or
- Compared to the person's direct interest when the person last had a reportable event, after the disposition the person's direct interest has decreased by at least a 10% interest (for example, from 21% to 11%).

**Changes in proportional interests.** A U.S. person has a reportable event if compared to the person's direct proportional interest the last time the person had a reportable event, the person's direct proportional interest has increased or decreased by at least the equivalent of a 10% interest in the partnership.

**Special rule for a partnership interest owned on December 31, 1999.** If the U.S. person owned at least a 10% direct interest in the foreign partnership on December 31, 1999, then comparisons should be made to the person's direct interest on December 31, 1999. Once the person has a reportable event after December 31, 1999, future comparisons should be made by reference to the last reportable event.

## Exceptions to Filing

**Multiple Category 1 filers.** If during the tax year of the partnership more than one U.S. person qualifies as a Category 1 filer, only one of these Category 1 partners is required to file Form 8865. A U.S. person with a controlling interest in the losses or deductions of the partnership is not permitted to be the filer of Form 8865 if another U.S. person has a controlling interest in capital or profits; only the latter may file the return. The U.S. person that files the Form 8865 must complete item F on page 1.

The single Form 8865 to be filed must contain all of the information that would be required if each Category 1 filer filed a separate Form 8865. Specifically, separate Schedules N and K-1 must be attached to the Form

8865 for each Category 1 filer. Also, items B, C, and D on page 1 and Schedule A on page 2 of Form 8865 must be completed for each Category 1 filer not filing the form. Attach a separate statement listing this information to the single Form 8865.

A Category 1 filer not filing Form 8865 must attach a statement entitled "Controlled Foreign Partnership Reporting" to that person's income tax return.

The statement must include the following information.

- A statement that the person qualified as a Category 1 filer, but is not submitting Form 8865 under the multiple Category 1 filers exception.
- The name, address, and identifying number (if any) of the foreign partnership of which the person qualified as a Category 1 filer.
- A statement that the filing requirement has been or will be satisfied.
- The name and address of the person filing Form 8865 for this partnership.
- The Internal Revenue Service Center where the Form 8865 must be filed (or indicate "e-file" if the Form 8865 has been or will be filed electronically).



*A U.S. person who qualifies for this exception to the Category 1 filing requirement would still have to file a separate Form 8865 if that person is also subject to the filing requirements of Category 3 or 4. This separate Form 8865 would include all the information required for a Category 3 or 4 filer in addition to the Controlled Foreign Partnership Reporting statement.*

**Constructive owners.** See the definition of constructive ownership under *Definitions*, later. A Category 1 or 2 filer that does not own a direct interest in the partnership and that is required to file this form solely because of constructive ownership from a U.S. person(s) is not required to file Form 8865 if:

1. Form 8865 is filed by the U.S. person(s) through which the indirect partner constructively owns an interest in the foreign partnership,
2. The U.S. person through which the indirect partner constructively owns an interest in the foreign partnership is also a constructive

owner and meets all the requirements of this constructive ownership filing exception, or

3. Form 8865 is filed for the foreign partnership by another Category 1 filer under the multiple Category 1 filers exception.

To qualify for the constructive ownership filing exception, the indirect partner must file with its income tax return a statement entitled "Controlled Foreign Partnership Reporting."

This statement must contain the following information.

1. A statement that the indirect partner was required to file Form 8865, but is not doing so under the constructive owners exception.
2. The names and addresses of the U.S. persons whose interests the indirect partner constructively owns.
3. The name and address of the foreign partnership for which the indirect partner would have had to have filed Form 8865, but for this exception.
4. If the indirect partner is a domestic corporation, a statement setting forth all the information that the indirect partner would have had to provide in response to questions 8a and 8b on Form 8865. See *Item H8. Separate Units Note*, later, for more information.

**Members of an affiliated group of corporations filing a consolidated return.** If one or more members of an affiliated group of corporations filing a consolidated return qualify as Category 1 or 2 filers for a particular foreign partnership, the common parent corporation may file one Form 8865 on behalf of all of the members of the group required to report. Except for group members who also qualify under the constructive owners exception, the Form 8865 must contain all the information that would have been required to be submitted if each group member filed its own Form 8865.

**Exception for certain trusts.** Trusts relating to state and local government employee retirement plans are not required to file Form 8865.

**Exception for certain Category 4 filers.** If you qualify as a Category 3 and 4 filer because you contributed property to a foreign partnership in exchange for a 10% or greater interest



in that partnership, you are not required to report this transaction under both Category 3 and 4 filing requirements. If you properly report the contribution of property under the Category 3 rules, you are not required to report it as a Category 4 filer. However, the acquisition will count as a reportable event to determine if a later change in your partnership interest qualifies as a reportable event under Category 4.

**Example.** Partner A does not own an interest in FPS, a foreign partnership. Partner A transfers property to FPS in exchange for a 15% direct interest. Partner A qualifies as a Category 3 filer because he transferred property to a foreign partnership and owned at least a 10% interest in FPS immediately after the contribution. Partner A is also a Category 4 filer because he did not own a 10% or greater direct interest in FPS and as a result of the acquisition now owns a 10% or greater direct interest in FPS. If Partner A properly reports the contribution on Form 8865 as a Category 3 filer, Partner A is not required to report his acquisition of the 15% interest in FPS as a Category 4 filer.

### Relief for Category 1 and 2 Filers When the Foreign Partnership Files Form 1065 or Form 1065-B

If a foreign partnership files Form 1065 or Form 1065-B for its tax year, Category 1 and 2 filers may use a copy of the completed Form 1065 or 1065-B schedules in place of the equivalent schedules of Form 8865.

If you file Form 8865 with an electronically filed income tax return, see the electronic filing publications identified in the instructions for your income tax return for more information.

See the first paragraph under *General Instructions*, earlier, for the Form 1065/1065-B schedules that are equivalent to the Form 8865 schedules.

**Example.** Partner A is a Category 1 filer with respect to FPS, a foreign partnership during the 2015 tax year. FPS completes and files a Form 1065 for its 2015 tax year. Instead of completing Schedules B, K, L, M-1, M-2, and K-1 of Form 8865, Partner A may attach to its Form 8865 page 1 of

Form 1065 and Form 1065 Schedules K, L, M-1, M-2, and K-1 (including the Schedules K-1 for Partner A and all other U.S. persons owning 10% or greater direct interests in FPS). Partner A must complete the following items and schedules on Form 8865.

- The first page.
- Schedule A.
- Schedule A-1.
- Schedule A-2.
- Schedule M.
- Schedule N.

**Example.** Partner A is a Category 2 filer with respect to FPS, a foreign partnership. If FPS completes and files a Form 1065 for its 2015 tax year, Partner A may file with Form 8865 the Schedule K-1 (Form 1065) that it receives from the partnership instead of Schedule K-1 (Form 8865). Partner A must complete the following items and schedules on Form 8865.

- The first page.
- Schedule A.
- Schedule A-2.
- Schedule N.

### When and Where To File

Attach Form 8865 to your income tax return (or, if applicable, partnership or exempt organization return) and file both by the due date (including extensions) for that return. If you do not have to file an income tax return, you must file Form 8865 separately with the IRS at the time and place you would be required to file an income tax return (or, if applicable, a partnership or exempt organization return). See below for penalties that may apply if you do not file Form 8865 on time.

### Definitions

**Partnership.** A partnership is the relationship between two or more persons who join to carry on a trade or business, with each person contributing money, property, labor, or skill and each expecting to share in the profits and losses of the business whether or not a formal partnership agreement is made.

The term “partnership” includes a limited partnership, syndicate, group, pool, joint venture, or other unincorporated organization, through or by which any business, financial operation, or venture is carried on, that is not, within the meaning of the regulations under section 7701, a

corporation, trust, estate, or sole proprietorship.

A joint undertaking merely to share expenses is not a partnership. Mere co-ownership of property that is maintained and leased or rented is not a partnership. However, if the co-owners provide services to the tenants, a partnership exists.

**Foreign partnership.** A foreign partnership is a partnership that is not created or organized in the United States or under the law of the United States or of any state or the District of Columbia.

**50% interest.** A 50% interest in a partnership is an interest equal to:

- 50% of the capital,
- 50% of the profits, or
- 50% of the deductions or losses.

For purposes of determining a 50% interest, the constructive ownership rules described below apply.

**10% interest.** A 10% interest in a partnership is an interest equal to:

- 10% of the capital,
- 10% of the profits, or
- 10% of the deductions or losses.

For purposes of determining a 10% interest, the constructive ownership rules described below apply.

**Constructive ownership.** For purposes of determining an interest in a partnership, the constructive ownership rules of section 267(c) (excluding section 267(c)(3)) apply, taking into account that such rules refer to corporations and not to partnerships. Generally, an interest owned directly or indirectly by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its owners, partners, or beneficiaries.

Also, an individual is considered to own an interest owned directly or indirectly by or for his or her family. The family of an individual includes only that individual's spouse, brothers, sisters, ancestors, and lineal descendants. An interest will be attributed from a nonresident alien individual under the family attribution rules only if the person to whom the interest is attributed owns a direct or indirect interest in the foreign partnership under section 267(c)(1) or (5).

**U.S. person.** A U.S. person is a citizen or resident of the United

States, a domestic partnership, a domestic corporation, and any estate or trust that is not foreign.

**Control of a corporation.** For purposes of Schedule N, control of a corporation is ownership of stock possessing more than 50% of the total combined voting power, or more than 50% of the total value of shares of all classes of stock of the corporation. For rules concerning indirect ownership and attribution, see Regulations section 1.6038-2(c).

**Change in a proportional interest.** A partner's proportional interest in a foreign partnership can change as a result of changes in other partners' interests, for example, when another partner withdraws from the partnership. A partner's proportional interest can also change, for example, by operation of the partnership agreement (for example, if the partnership agreement provides that a partner's interest in profits will change on a set date or when the partnership has earned a specified amount of profits, then the partner's proportional interest changes when the set date or specified amount of profits is reached).

## Penalties

### Failure to timely submit all information required of Category 1 and 2 filers.

- A \$10,000 penalty is imposed for each tax year of each foreign partnership for failure to furnish the required information within the time prescribed. If the information is not filed within 90 days after the IRS has mailed a notice of the failure to the U.S. person, an additional \$10,000 penalty (per foreign partnership) is charged for each 30-day period, or fraction thereof, during which the failure continues after the 90-day period has expired. The additional penalty is limited to a maximum of \$50,000 for each failure.
- Any person who fails to furnish all of the information required within the time prescribed will be subject to a reduction of 10% of the foreign taxes available for credit under sections 901, 902, and 960. If the failure continues 90 days or more after the date the IRS mails notice of the failure, an additional 5% reduction is made for each 3-month period, or fraction thereof, during which the

failure continues after the 90-day period has expired. See section 6038 (and the underlying regulations) for the maximum reduction, the exception due to reasonable cause, and for limits on the amount of these penalties.

- Criminal penalties under sections 7203, 7206, and 7207 may apply for failure to file or for filing false or fraudulent information.

Additionally, any person that files under the constructive owners exception may be subject to these penalties if all the requirements of the exception are not met. Any person required to file Form 8865 who does not file under the multiple Category 1 filers exception may be subject to the above penalties if the other person does not file a correctly completed form and schedules. See *Exceptions to Filing*, earlier.

**Failure to file information required of Category 3 filers.** Any person that fails to properly report a contribution to a foreign partnership that is required to be reported under section 6038B and the regulations under that section is subject to a penalty equal to 10% of the fair market value (FMV) of the property at the time of the contribution. This penalty is subject to a \$100,000 limit, unless the failure is due to intentional disregard. In addition, the transferor must recognize gain on the contribution as if the contributed property had been sold for its FMV. See section 6038B for the exception due to reasonable cause.

**Failure to file information required of Category 4 filers.** Any person who fails to properly report all the information requested by section 6046A is subject to a \$10,000 penalty, in addition to the section 7203 criminal penalty, unless it is shown that such failure is due to reasonable cause. If the failure continues for more than 90 days after the IRS mails notice of the failure, an additional \$10,000 penalty will apply for each 30-day period (or fraction thereof) during which the failure continues after the 90-day period has expired. The additional penalty shall not exceed \$50,000.

**Treaty-based return positions.** File Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), to report a return

position that a treaty of the United States (such as an income tax treaty, an estate and gift tax treaty, or a friendship, commerce, and navigation treaty):

- Overrides or modifies any provision of the Internal Revenue Code, and
- Causes (or potentially causes) a reduction of any tax incurred at any time.

Failure to make such a report may result in a \$1,000 penalty (\$10,000 in the case of a C corporation). See section 6712.

**Section 6662(j).** Penalties may be imposed for underpayment attributable to undisclosed foreign financial asset understatements. The term "undisclosed foreign financial asset" with respect to any tax year includes any asset with respect to which required information was not provided. An "undisclosed foreign financial asset understatement" means for any tax year, the portion of the understatement for that tax year which is attributable to any transaction involving an undisclosed foreign financial asset. No penalty will be imposed with respect to any portion of an underpayment if the taxpayer can demonstrate that the failure to comply was due to reasonable cause with respect to such portion of the underpayment and the taxpayer acted in good faith with respect to such portion of the underpayment. See sections 6662(j) and 6664(c) for additional information.

**Reporting required by Notice 2015-54.** Failure to fulfill reporting requirements imposed under sections 6038, 6038B, and 6046A described in these instructions may result in an acceleration event under Notice 2015-54. See Notice 2015-54 for more information on these requirements.

### Corrections to Form 8865

If you file a Form 8865 that you later determine is incomplete or incorrect, file a corrected Form 8865 with an amended tax return following the instructions for the return with which you originally filed Form 8865. Write "corrected" at the top of the form and attach a statement identifying and explaining the changes.

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## Specific Instructions

**Important:** All information must be in English. All amounts must be stated in U.S. dollars.

If the information required in a given section exceeds the space provided within that section, attach separate sheets to provide the remaining information, using the same size and format as the printed forms.

**Fill in all applicable lines and schedules.** All categories of filers must complete all items on page 1, with three exceptions. Complete item E only if, in addition to filing the form on your own behalf, you are reporting information about other Category 1 filers under the multiple Category 1 filing exception, or you are reporting information about members of your affiliated group of corporations under the consolidated return exception. Only Category 1 and 2 filers are required to complete item H6. See *Exceptions to Filing*, earlier. Answer items H8 and H9 only if you are a Category 1 filer.

### Tax Year

Enter in the space below the title of Form 8865 the tax year of the foreign partnership that ended with or within the tax year of the person filing this form. Category 1 or 2 filers must report information for the tax year of the foreign partnership that ends with or within their tax years. A Category 3 or 4 filer must report on Schedules O or P, respectively, transactions that occurred during that filer's tax year (rather than during the partnership's tax year).

### Identifying Numbers and Addresses

Enter the identifying number of the person filing this return. Use an employer identification number (EIN) to identify partnerships, corporations, and estates or trusts. For individuals, use a social security number (SSN) or other identification number.

Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the U.S. person has a P.O. box, show the box number instead.

**Foreign address.** Enter the information in the following order: city or town, state or province, and

country. Follow the country's practice for entering the postal code, if any. Do not abbreviate the country name.

### Item A. Category of Filer

Check the box for each category that describes the person filing the form. If more than one category applies, check all boxes that apply. See *Categories of Filers*, earlier.

### Item C

Enter the filer's share of nonrecourse liabilities, partnership-level qualified nonrecourse financing, and other liabilities. Nonrecourse liabilities are those liabilities of the partnership for which no partner bears the economic risk of loss. The extent to which a partner bears the economic risk is determined under the rules of Regulations section 1.752-2.

"Qualified nonrecourse financing" generally includes financing:

- For which no one is personally liable for repayment;
- That is borrowed for use in an activity of holding real property; and
- That is borrowed from a qualified person (defined in section 49(a)(1)(D)(iv)) or is lent or guaranteed by a federal, state, or local government.

See section 465(b)(6) for more information on qualified nonrecourse financing.

### Item D. Identification of Common Parent

If the person filing the form is a member of a consolidated group, but not the parent, list the name, address, and EIN of the filer's common parent.

### Item E

Check the Item E checkbox only if you also file Form 8938 for the tax year and include this form in the total number of Forms 8865 reported on your Form 8938, Part IV, line 5.

### Item F

#### Information about certain partners.

If you are reporting information about other persons under the multiple Category 1 filers exception, or are reporting information about members of your affiliated group of corporations under the consolidated return exception (see *Exceptions to Filing*, earlier), identify each such person in item F. List their names, addresses, and identifying numbers. Also, indicate whether each person is a

Category 1 filer or Category 2 filer, and whether such person constructively owned an interest in the foreign partnership during the tax year of the partnership listed at the top of Form 8865, page 1. See *Constructive ownership*, earlier.

### Item G1

For the foreign partnership's address, enter the city or town, state or province, and the foreign country in that order. Follow the foreign country's practice in placing the postal code in the address. Do not abbreviate the country name. If the partnership receives its mail in care of a third party (such as an accountant or attorney), enter "C/O" followed by the third party's name and street address or P.O. box.

### Item G2(b)

A reference ID number (defined below) is required on item G2(b) only in cases where no EIN was entered on item G2(a) for the foreign partnership. However, filers are permitted to enter both an EIN on item G2(a) and a reference ID number on item G2(b). If applicable, enter the reference ID number you have assigned to the foreign partnership identified on item G1.

A "reference ID number" is a number established by or on behalf of the U.S. person identified at the top of page 1 of the form that is assigned to a foreign partnership with respect to which Form 8865 reporting is required. These numbers are used to uniquely identify the foreign partnership in order to keep track of the partnership from tax year to tax year.

The reference ID number must meet the requirements set forth below.

**Note.** Because reference ID numbers are established by or on behalf of the U.S. person filing Form 8865, there is no need to apply to the IRS to request a reference ID number or for permission to use these numbers.

**Note.** Generally, the reference ID number assigned to a foreign partnership on Form 8865 has relevance only on Form 8865, its schedules, and any other form that is attached to or associated with Form 8865, and should not be used with respect to that foreign partnership on



other IRS forms. However, the foreign partnership's reference ID number should also be entered on Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, if the foreign partnership is listed as a tax owner of a foreign disregarded entity on Form 8858. See the instructions for Form 8858, line 3c(2), for more information.

## Requirements

The reference ID number that is entered in item F2(b) must be alphanumeric (defined below) and no special characters or spaces are permitted. The length of a given reference ID number is limited to 50 characters.

For these purposes, the term "alphanumeric" means the entry can be alphabetical, numeric, or any combination of the two.

The same reference ID number must be used consistently from tax year to tax year with respect to a given foreign partnership. If for any reason a reference ID number falls out of use (for example, the foreign partnership no longer exists due to disposition or liquidation), the reference ID number used for that foreign partnership cannot be used again for another foreign partnership for purposes of Form 8865 reporting.

There are some situations that warrant correlation of a new reference ID number with a previous reference ID number when assigning a new reference ID number to a foreign partnership. For example:

- In the case of a merger or acquisition, a Form 8865 filer must use a reference ID number which correlates the previous reference ID number with the new reference ID number assigned to the foreign partnership.
- In the case of an entity classification election that is made on behalf of the foreign partnership on Form 8832, Regulations section 301.6109-1(b)(2)(v) requires the foreign partnership to have an EIN for this election. For the first year that Form 8865 is filed after an entity classification election is made on behalf of the foreign partnership on Form 8832, the new EIN must be entered on item G2(a) of Form 8865

and the old reference ID number must be entered on item G2(b). In subsequent years, the filer may continue to enter both the EIN on item G2(a) and the reference ID number on item G2(b), but must enter at least the EIN on item G2(a).

You must correlate the reference ID numbers as follows: New reference ID number (space) Old reference ID number. If there is more than one old reference ID number, you must enter a space between each such number. As indicated above, the length of a given reference ID number is limited to 50 characters and each number must be alphanumeric and no special characters are permitted.

**Note.** This correlation requirement applies only to the first year the new reference ID number is used.

## Item G6. Principal Business Activity Code

**If the foreign partnership filed Form 1065 or 1065-B.** Enter the business code number (principal business activity code) shown in item C of the Form 1065 or 1065-B filed by the partnership.

**If the foreign partnership did not file Form 1065 or 1065-B.** Enter the applicable principal business activity code from *Codes for Principal Business Activity and Principal Product or Service* near the end of the instructions. If the information necessary to apply the total receipts test is not available, pick a principal business activity code using the information you have about the partnership.

## Item G8a. Functional Currency

Enter the foreign partnership's functional currency. See sections 985 through 989 and the regulations thereunder. If the partnership had more than one qualified business unit (QBU), attach a statement identifying each QBU, its country of operation, and its functional currency. A QBU is any separate and clearly identified unit of a trade or business of the partnership which maintains separate books and records.

**Hyperinflationary exception.** A partnership that has a hyperinflationary currency as its functional currency is subject to special rules set forth in Regulations section 1.985-3. Under these rules, a

partnership must use the U.S. dollar as its functional currency.

## Item G8b. Exchange Rate

When translating functional currency to U.S. dollars, you must use the method specified in sections 985 through 989 and the regulations thereunder. But, regardless of the specific method required, all exchange rates must be reported using a "divide-by convention" rounded to at least four places. That is, the exchange rate must be reported in terms of the amount by which the functional currency amount must be divided in order to reflect an equivalent amount of U.S. dollars. As such, the exchange rate must be reported as the units of foreign currency that equal one U.S. dollar, rounded to at least four places. Do not report the exchange rate as the number of U.S. dollars that equal one unit of foreign currency.

**Note.** You must round the result to more than four places if failure to do so would materially distort the exchange rate or the equivalent amount of U.S. dollars.

## Item H2

If the foreign partnership was required to file Form 1065 or Form 1065-B for the partnership's tax year listed at the top of page 1 (Form 8865), check the applicable box and enter the IRS Service Center where the form was or will be filed (or enter "e-file" if the form was or will be filed electronically). Also, check the applicable box(es) if the foreign partnership was required to file (for its taxable year) Form 8804, Annual Return for Partnership Withholding Tax (Section 1446), or (for the calendar year ending with or within the foreign partnership's tax year) Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.

## Item H6

**Note.** Only Category 1 and 2 filers are required to complete item H6. Enter the number of Forms 8858 attached to Form 8865. A disregarded entity is an entity that is disregarded as an entity separate from its owner under Regulations section 301.7701-2(c)(2). The partnership is the tax owner of the foreign disregarded entity if it is treated as owning the assets and liabilities of the

foreign disregarded entity for purposes of U.S. income tax law.

If the foreign partnership is the tax owner of a foreign disregarded entity and you are a Category 1 or 2 filer of Form 8865, complete and attach Form 8858 to Form 8865. For more information, see the Instructions for Form 8858.

### Item H8. Separate Units

**Note.** Only Category 1 filers (or indirect partners that are filing the constructive ownership exception statement) are required to answer items H8a and H8b if applicable. Answer "Yes" to item H8a if the filer is a domestic corporation and (1) the partnership is a hybrid entity, or (2) the filer, through its interest in the partnership, indirectly owns an interest in a hybrid entity or indirectly carries on a business operation outside the United States that, if carried on by a U.S. person, would constitute a foreign branch (as defined in Regulations section 1.367(a)-6T(g)(1)). Under Regulations section 1.1503(d)-1(b)(3), a hybrid entity means an entity that is not taxable as an association for U.S. federal tax purposes, but is subject to an income tax of a foreign country as a corporation (or otherwise at the entity level) either on its worldwide income or on a residence basis. If the answer to item H8a is "No," skip item H8b.

See Regulations section 1.1503(d)-1(b)(4) for more information on separate units, including information on when two or more individual separate units are combined and treated as one separate unit. If you answer "Yes" to item H8b, then, for each separate unit that has a dual consolidated loss, attach a statement that sets forth (1) the identity and country of operation of the separate unit or, in the case of a combined separate unit, the identity and country of operation of each individual separate unit that is treated as part of the combined separate unit, and (2) the amount of the dual consolidated loss. See Regulations section 1.1503(d)-5 for rules on determining the amount of a dual consolidated loss attributable to a separate unit.

### Item H9

**Note.** Only Category 1 filers are required to answer item H9.

Answer "Yes" to item H9 if the partnership meets both of the requirements shown on the form. Total receipts is defined as the sum of gross receipts or sales (Schedule B, line 1a); all other income reported on Schedule B (lines 4 through 7); income reported on Schedule K, lines 3a, 5, 6a, and 7; income or net gain reported on Schedule K, lines 8, 9a, 10, and 11; and income or net gain reported on Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation, lines 2, 19, and 20a.

### Signature

**Filer.** Do not sign Form 8865 if you are filing it as an attachment to your income tax return. Sign the return only if you are filing Form 8865 separately because you are not required to file a U.S. income tax return. See *When and Where To File*, earlier, for more information.

**Paid preparer.** Do not sign Form 8865 or complete the paid preparer section at the bottom of the form if Form 8865 is filed as an attachment to an income tax return. Sign Form 8865 and complete the paid preparer section only if Form 8865 is filed separately.

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## Schedule A. Constructive Ownership of Partnership Interest

All filers must complete Schedule A. Check box a if the person filing the return owns a direct interest in the foreign partnership. Check box b if the person filing the return constructively owns an interest in the foreign partnership. See *Constructive ownership*, earlier.

**Category 1 and 2 filers.** Category 1 and 2 filers must list the persons (U.S. and foreign) whose interests in the foreign partnership they constructively owned during the partnership tax year.

**Category 3 filers.** Category 3 filers must list the persons (U.S. and foreign) whose interests in the foreign partnership they constructively owned during the filer's tax year that the reportable transfer occurred.

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## Schedule A-1. Certain Partners of Foreign Partnership

All Category 1 and certain Category 3 filers must complete Schedule A-1. Any person already listed on Schedule A is not required to be listed again on Schedule A-1.

**Category 1 filers.** Category 1 filers must list all U.S. persons who owned at least a 10% direct interest in the foreign partnership during the partnership's tax year listed at the top of page 1 of Form 8865.

**Category 3 filers.** Category 3 filers must list:

- Each U.S. person that owned a 10% or greater direct interest in the foreign partnership during the Category 3 filer's tax year, and

- Any other person related to the Category 3 filer that was a direct partner in the foreign partnership during that tax year.

See Regulations section 1.6038B-2(i)(4) for the definition of a related person.

**Exception.** Category 3 filers who only transferred cash and did not own a 10% or greater interest in the transferee partnership after the transfer are not required to complete Schedule A-1.

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## Schedule A-2. Affiliation Schedule

All filers must complete Schedule A-2. List on Schedule A-2 all partnerships (foreign or domestic) in which the foreign partnership owned a direct interest, or a 10% indirect interest (under the rules of section 267(c)(1) and (5)) during the partnership tax year listed at the top of page 1, Form 8865.

**Category 1 filers.** Only Category 1 filers must complete the ordinary income or loss column. In that column, report the foreign partnership's share of ordinary income (even if not received) or loss from partnerships in which the foreign partnership owns a direct interest. The total amount of ordinary income or loss from each partnership must also be included on Schedule B, line 4.



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## Schedule B. Income Statement—Trade or Business Income

**Important:** You do not need to complete Form 8865, Schedule B, if you have attached a copy of Form 1065, page 1, or Form 1065-B, Parts I and II, filed by the foreign partnership.

All Category 1 filers must complete Form 8865, Schedule B.

### Specific Instructions for Schedule B

For specific instructions for Form 8865, Schedule B, use the instructions for Form 1065, lines 1a through 21 (income and deductions). If the foreign partnership files Form 1065-B, use the instructions for Form 1065-B, Parts I and II.



*You can view or download the instructions for Form 1065 or Form 1065-B at [www.irs.gov/formspubs/](http://www.irs.gov/formspubs/). Also, these instructions can be ordered by calling 1-800-829-3676 (1-800-TAX-FORM).*

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## Schedule D. Capital Gains and Losses

**Important:** All Form 8865 Category 1 filers must complete Schedule D (Form 1065), Capital Gains and Losses, to report sales or exchanges of capital assets, capital gain distributions, and nonbusiness bad debts. See the Instructions for Schedule D (Form 1065). You do not need to complete a separate Schedule D (Form 1065) if you have attached to Form 8865 a copy of the Schedule D from Form 1065 or Form 1065-B filed by the foreign partnership.



*You can view or download the Schedule D (Form 1065) and the Instructions for Schedule D (Form 1065) at [www.irs.gov/formspubs/](http://www.irs.gov/formspubs/). Also, the form and its instructions can be ordered by calling 1-800-829-3676 (1-800-TAX-FORM).*

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## Schedules K and K-1. Partners' Distributive Share Items

**Important:** You do not need to complete Form 8865, Schedules K or K-1, if you have attached to Form 8865 a copy of the Schedules K or K-1 from Form 1065 or Form 1065-B filed by the foreign partnership.

### Schedule K

Form 8865, Schedule K is a summary schedule of all of the partners' shares of the partnership income, credits, deductions, etc. Only Category 1 filers must complete Form 8865, Schedule K.

### Schedule K-1

Form 8865, Schedule K-1 is used to report a specific partner's share of the partnership income, deductions, credits, etc.

All Category 1 and 2 filers must complete Form 8865, Schedule K-1 for any direct interest they hold in the partnership. A Category 1 or 2 filer that does not own a direct interest is not required to complete Form 8865, Schedule K-1.

Category 1 filers must also complete Form 8865, Schedule K-1 for each U.S. person that directly owns a 10% or greater direct interest in the partnership.

Provide the partner's beginning and year-end percentage interest in partnership profits, losses, capital, or deductions. These percentages should include any interest constructively owned by the filer.

Complete boxes 1 through 20 for any direct interest that the partner owns in the partnership.

**Example.** Partner A owns a 45% direct interest in a foreign partnership (FPS). Partner A also owns 100% of the stock of a domestic corporation (DC), which owns a 10% direct interest in FPS. Therefore, Partner A is considered to own a 55% interest in FPS and is thus a Category 1 filer. When Partner A completes Form 8865, Schedule K-1 for itself, Partner A must report the distributive share of items allocated to Partner A's direct interest of 45% but not any items allocated to DC's 10% interest. When Partner A completes Form 8865, Schedule K-1 for DC (which Partner A

must do because DC owns a direct 10% interest), Partner A must report on DC's Form 8865, Schedule K-1 only items allocated to DC's direct 10% interest.

Although the partnership is not subject to income tax, the partners are liable for tax on their shares of the partnership income, whether or not distributed, and must include their share of such items on their tax returns.

Allocations of income, gains, losses, deductions, or credits among the partners generally should be made according to the partnership agreement. See section 704 and the regulations thereunder.

### General Reporting Instructions for Form 8865, Schedule K-1

On each Form 8865, Schedule K-1, enter the information about the partnership and the partner in Parts I and II (items A through F). For Form 8865, Schedule K-1, items E and F, see the instructions for the corresponding Schedule K-1 (Form 1065), items J and L in the Instructions for Form 1065 under the heading *Specific Instructions (Schedule K-1 Only)*. In Part III, enter the partner's distributive share of each item of income, deduction, and credit and any other information the partner needs to prepare the partner's tax return.

### Item A2

Enter the reference ID number used on Form 8865, item G2(b). For details, see the instructions for item G2(b), earlier.

**Codes.** In box 11 and boxes 13 through 20, identify each item by entering a code in the column to the left of the dollar amount entry space. These codes are identified on the back of Form 8865, Schedule K-1.

**Attached statements.** Enter an asterisk (\*) after the code, if any, in the column to the left of the dollar amount entry space for each item for which you have attached a statement providing additional information. For those informational items that cannot be reported as a single dollar amount, enter the code and asterisk in the left column and write "STMT" in the dollar amount entry space to indicate the

information is provided on an attached statement.

More than one attached statement can be placed on the same sheet of paper and should be identified in alphanumeric order by box number followed by the letter code (if any). For example: "Box 20, Code T—Depletion information—oil and gas" (followed by the information the partner needs).

**Too few entry spaces on Form 8865, Schedule K-1?** If there are more coded items than the number of spaces in box 11 or boxes 13 through 20, do not enter a code or dollar amount in the last entry space of the box. In the last entry space, enter an asterisk (\*) in the left column and enter "STMT" in the entry space to the right. Report the additional items on an attached statement and provide the box number, the code, description, and dollar amount or information for each additional item. For example: "Box 15, Code J—Work opportunity credit—\$1,000."

### Specific Instructions for Schedules K and K-1

For the specific instructions for Form 8865, Schedules K and K-1, see the Instructions for Form 1065. If the foreign partnership files Form 1065-B, use the specific instructions for Form 1065-B, Schedules K and K-1, in the Instructions for Form 1065-B.

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## Schedule L. Balance Sheets per Books

**Important:** You do not need to complete Form 8865, Schedule L, if you have attached to Form 8865 a copy of the Schedule L from Form 1065 or Form 1065-B filed by the foreign partnership.

The balance sheets should agree with the partnership's books and records. Attach a statement explaining any differences.

Only Category 1 filers are required to complete Form 8865, Schedule L.

If you answered "Yes" to item H9 on page 1 of Form 8865, you do not have to complete Form 8865, Schedule L.

Schedule L requires balance sheets prepared and translated into U.S. dollars in accordance with U.S. generally accepted accounting principles (GAAP).

**Exception.** If the partnership or any qualified business unit of the partnership uses the dollar approximate separate transactions method (DASTM), Form 8865, Schedule L, should reflect the tax balance sheets prepared and translated into U.S. dollars according to Regulations section 1.985-3(d).

### Specific Instructions for Schedule L

For the specific instructions for Form 8865, Schedule L, see the Instructions for Form 1065. If the foreign partnership files Form 1065-B, use the specific instructions for Form 1065-B, Schedule L, in the Instructions for Form 1065-B.

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## Schedule M. Balance Sheets for Interest Allocation

All Category 1 filers must complete Form 8865, Schedule M, and it should reflect the book values of the partnership's assets, as described in Temporary Regulations sections 1.861-9T(g)(2) and 1.861-12T. Assets should be characterized as U.S. assets or foreign assets in one or more separate limitation categories as provided in Temporary Regulations sections 1.861-9T(g)(3) and 1.861-12T. The balance sheets should be prepared in U.S. dollars under Temporary Regulations section 1.861-9T(g)(2)(ii).

**Exception.** If the partnership or any qualified business unit of the partnership uses DASTM, Form 8865, Schedule M should reflect the tax balance sheet prepared in U.S. dollars under Regulations section 1.985-3(d). See Temporary Regulations section 1.861-9T(g)(2)(ii)(A)(2) for more information on DASTM.

**Line 2.** Enter the partnership's foreign assets according to the following income limitation categories.

- Passive category.
- General category.
- Other (attach statement).

See the instructions for Schedule K (Form 1065), line 16, and section 904(d) for more information.

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## Schedule M-1. Reconciliation of Income (Loss) per Books With Income (Loss) per Return

**Important:** You do not need to complete Form 8865, Schedule M-1, if you have attached to Form 8865 a copy of the Form 8865, Schedule M-1, from Form 1065 or Form 1065-B filed by the foreign partnership.

Form 8865 filers are not required to complete Schedule M-3 (Form 1065), Net Income (Loss) Reconciliation for Certain Partnerships.

Only Category 1 filers are required to complete Form 8865, Schedule M-1. If you answered "Yes" to item H9 on page 1 of Form 8865, you do not have to complete Form 8865, Schedule M-1.

### Specific Instructions for Schedule M-1

For the specific instructions for Form 8865, Schedule M-1, see the Instructions for Form 1065. If the foreign partnership files Form 1065-B, use the instructions for Form 1065-B, Schedule M-1.

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## Schedule M-2. Analysis of Partners' Capital Accounts

**Important:** You do not need to complete Form 8865, Schedule M-2, if you have attached to Form 8865 a copy of the Schedule M-2 from Form 1065 or Form 1065-B filed by the foreign partnership.

Only Category 1 filers are required to complete Form 8865, Schedule M-2. If you answered "Yes" to item H9 on page 1 of Form 8865, you do not have to complete Form 8865, Schedule M-2.

### Specific Instructions for Schedule M-2

For the specific instructions for Form 8865, Schedule M-2, see the Instructions for Form 1065. If the foreign partnership files Form 1065-B, use the specific instructions for Schedule M-2 in the Instructions for Form 1065-B.

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## Schedule N. Transactions Between Controlled Foreign Partnership and Partners or Other Related Entities

All Category 1 filers must complete Schedule N and report all transactions of the foreign partnership during the tax year of the partnership listed on the top of Form 8865, page 1. A Category 1 filer filing a Form 8865 for other Category 1 filers under the multiple Category 1 filers exception must complete a Schedule N for itself and a separate Schedule N for each Category 1 filer not filing Form 8865.

Category 2 filers are required to complete columns (a), (b), and (c) of Schedule N. Category 2 filers do not have to complete column (d).

**Column (a).** Use column (a) to report transactions between the foreign partnership and the person filing the Form 8865.

**Column (d).** Use column (d) to report transactions between the foreign partnership and any U.S. person with a 10% or more direct interest in the foreign partnership. If such person also qualifies under column (b), do not report transactions between the foreign partnership and that person under column (d). Report the transactions only under column (b).

**Lines 6 and 16.** Enter distributions received from other partnerships and distributions from the foreign partnership for which this form is being completed.

**Lines 20 and 21.** Enter the largest outstanding balances during the year of gross amounts borrowed from, and gross amounts lent to, the related parties described in columns (a) through (d). Do not enter aggregate cash flows, year-end loan balances, average balances, or net balances. Do not include open account balances resulting from sales and purchases reported under other items listed on Schedule N that arise and are collected in full in the ordinary course of business.

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## Schedule O. Transfer of Property to a Foreign Partnership

**Note.** Category 3 filers must complete Schedule O.

**Reference ID number.** Use the reference ID number shown on Form 8865, item G2(b). For details, see the instructions for item G2(b), earlier.

### Part I. Transfers Reportable Under Section 6038B

Part I is used to report the transfer of property to a foreign partnership. Provide the information required in columns (a) through (g) with respect to each contribution of property to the foreign partnership that must be reported. If you contributed property with an FMV greater than its tax basis (appreciated property), or intangible property, provide the information required in columns (a) through (g) separately with respect to each item of property transferred (except to the extent you are allowed to aggregate the property under Regulations sections 1.704-3(e)(2), (3), and (4)). Provide a general description of each item of property in the *Supplemental Information Required To Be Reported* section. For all other property contributed, aggregate by the categories listed in Part I.

**Column (a).** Enter the date of the transfer. If the transfer was composed of a series of transactions over multiple dates, enter the date the transfer was completed.

**Column (b).** Enter the number of items of property transferred.

**Column (c).** Enter the FMV of the property contributed (measured as of the date of the transfer).

**Column (d).** Enter your adjusted basis in the property contributed on the date of the transfer. See sections 1011 through 1016 for more information on the determination of adjusted basis.

**Column (e).** If you contributed appreciated property, enter the method (traditional, traditional with curative allocations, or remedial) used by the partnership to make section 704(c) allocations with respect to each item of property. See Regulations sections 1.704-3(b), (c),

and (d) for more information on these allocation methods.

**Column (f).** Enter the amount of gain, if any, recognized on the transfer. See sections 721(b) and 904(f)(3).

**Column (g).** Enter your percentage interest in the partnership immediately after the transfer. To the extent your percentage interest in the partnership differs among capital, profits, losses, or deductions, enter "See Below" and state the different percentages.

**Supplemental information required to be reported.** Enter any information from Part I that is required to be reported in greater detail. Identify the applicable column number next to the information entered in this section. In addition, if you contributed property to a foreign partnership as part of a wider transaction, briefly describe the entire transaction.

Additionally, describe any section 721(c) property, as defined in Notice 2015-54, contributed to a foreign section 721(c) partnership, as defined in Notice 2015-54, and identify whether the gain deferral method, as defined in Notice 2015-54, applies with respect to that property. Describe the manner in which all items of section 704(b) income, gain, loss, and deduction with respect to that section 721(c) property are allocated among the partners. Describe any acceleration events, as defined in Notice 2015-54, that have occurred with respect to the section 721(c) property, and whether any exception applies. See Notice 2015-54 for more information on these requirements.

### Part II. Dispositions Reportable Under Section 6038B

Use Part II to report certain dispositions by a foreign partnership. If you were required to report a transfer of appreciated property to the partnership, and the partnership disposes of the property while you are still a direct or constructive partner, you must report that disposition in Part II. If the partnership disposes of the property in a nonrecognition transaction and receives in exchange substituted basis property, report the subsequent disposition of the substituted basis property in the same manner as provided for the contributed property. See section 7701(a)(42) for the definition of



substituted basis property and Regulations section 1.704-3(a)(8) for more information.

**Column (a).** Provide a brief description of the property disposed of by the partnership. If you are reporting the disposition of substituted basis property received by the partnership in a nonrecognition transaction in exchange for appreciated property contributed by you, enter "See Attached." Attach a statement providing brief descriptions of both the property contributed by you to the partnership and the substituted basis property received by the partnership in exchange for that property.

**Column (b).** Enter the date that you transferred this property to the partnership. If you are reporting the disposition of substituted basis property received by the partnership in a nonrecognition transaction in exchange for property previously contributed by you, enter "See Attached." Attach a statement showing both the date you transferred the appreciated property to the partnership and the date the partnership exchanged the property for substituted basis property in a nonrecognition transaction. See Regulations section 1.6038B-2.

**Column (c).** Enter the date that the partnership disposed of the property.

**Column (d).** Briefly describe how the partnership disposed of the property (for example, by sale or exchange).

**Column (e).** Enter the amount of gain, if any, recognized by the partnership on the disposition of property.

**Column (f).** Enter the amount of depreciation recapture, if any, recognized by the partnership on the disposition of property. See Regulations section 1.1245-1(e) and 1.1250-1(f).

**Column (g).** Enter the amount of gain from column (e) allocated to you.

**Column (h).** Enter the amount of depreciation recapture from column (f) allocated to you. See Regulations sections 1.1245-1(e) and 1.1250-1(f). If you recognize any section 1254 recapture on the partnership's disposition of natural resource recapture property, enter "See Attached" and attach a statement

calculating the amount of recapture. See Regulations section 1.1254-5.

### Part III. Gain Recognition Under Section 904(f)(3) or (f)(5)(F)

If gain recognition was required with respect to any transfer reported in Part I under section 904(f)(3) and (f)(5)(F), attach a statement identifying the transfer and the amount of gain recognized.

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## Schedule P. Acquisitions, Dispositions, and Changes of Interests in a Foreign Partnership

Use Schedule P to report the acquisition, disposition, and change of interest in a foreign partnership.

*Every Category 4 filer must complete Schedule P.*

**Reference ID number.** Use the reference ID number shown on Form 8865, item G2(b). For details, see the instructions for item G2(b), earlier.

### Part I. Acquisitions

Part I is completed by Category 4 filers required to report an acquisition of an interest in a foreign partnership. See *Categories of Filers*, earlier, for more details about which types of acquisitions must be reported.

**Column (a).** If you acquired the interest in the foreign partnership by purchase, gift, inheritance, or in a distribution from a trust, estate, partnership, or corporation, enter the name, address, and identifying number (if any) of the person from whom you acquired the interest.

**Column (b).** Enter the date of the acquisition. If the acquisition was composed of a series of transactions over multiple dates, enter the date the acquisition was completed.

**Column (c).** Enter the FMV of the interest you acquired in the partnership (measured as of the date of acquisition).

**Column (d).** Enter your basis in the acquired partnership interest (measured as of the date of acquisition). See sections 722 and 742.

**Columns (e) and (f).** Enter your total direct percentage interest in the partnership both before and immediately after the acquisition. To

the extent your direct percentage interest in the partnership differs among capital, profits, losses, or deductions, enter "See Below" and state the different percentages in Part IV.

### Part II. Dispositions

This section is completed by U.S. persons who are Category 4 filers because they disposed of an interest in a foreign partnership. See *Categories of Filers*, earlier, for more details about what types of dispositions must be reported. For each disposition reported in Part II, indicate in Part IV whether a statement is required by Regulations section 1.751-1(a)(3) to be filed with respect to the disposition.

**Column (a).** Unless you disposed of the interest by withdrawing, in whole or in part, from the partnership, enter the name, address, and identifying number (if any) of the person to whom you transferred the interest in the foreign partnership.

**Column (b).** Enter the date of the disposition. If the disposition was composed of a series of transactions over multiple dates, enter the date the disposition was completed.

**Column (c).** Enter the FMV of the interest you disposed of in the partnership (measured as of the date of disposition). If you recognized gain or loss on the disposition, state the amount of gain or loss in Part IV. See section 741.

**Column (d).** Enter your adjusted basis in the partnership interest disposed of immediately before the disposition. See section 705.

**Columns (e) and (f).** Enter your total direct percentage interest in the partnership both before and immediately after the disposition. To the extent your percentage interest in the partnership differs among capital, profits, losses, or deductions, enter "See Below" and state the different percentages in Part IV.

### Part III. Change in Proportional Interest

This section is completed by U.S. persons who are Category 4 filers because their direct proportional interest in the foreign partnership changed. See *Categories of Filers*, earlier, for more details about which

changes in proportional interest must be reported.

**Column (a).** Briefly describe the event that caused your interest in the partnership to change (for example, the admission of a new partner).

**Column (b).** Enter the date of the change. If the change resulted from a series of transactions over multiple dates, enter the date the change was completed.

**Column (c).** Enter the FMV of your interest in the partnership immediately before the change.

**Column (d).** Enter your basis in your partnership interest immediately before the change.

**Columns (e) and (f).** Enter your direct percentage interest in the partnership both before and immediately after the change. To the extent your percentage interest in the partnership differs among capital, profits, losses, or deductions, enter "See Below" and state the different percentages in Part IV.

## Part IV. Supplemental Information Required To Be Reported

Enter any information asked for in Part I, Part II, or Part III that must be reported in detail. Identify the applicable part number and column next to the information entered in Part IV.

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**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form and its schedules to carry out the Internal Revenue laws of the United States. We need this information to ensure that you are complying with the revenue laws and to allow us to figure and collect the right amount of tax. Sections 6038, 6038B, 6038D, and 6046A require you to provide this information. Section 6038D requires specified individuals and, upon issuance of regulations, specified domestic entities to report specified foreign financial assets in which they have an interest. Form 8938 is generally used to comply with this reporting requirement, but if you checked the box on Form 8865, Item E, you're choosing to use Form 8865 (in conjunction with Form 8938) to report your interests. Section 6109 requires you to provide your identification number. Failure to provide all of the requested information in a timely manner or providing false information may subject you to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give such information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file this form and related schedules will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Form	Recordkeeping	Learning about the law or the form	Preparing, copying, assembling, and sending the form to the IRS
8865	66 hr., 58 min.	23 hr., 11 min.	36 hr., 5 min.
Schedule K-1 (Form 8865)	13 hr., 38 min.	41 min.	57 min.
Schedule O (Form 8865)	12 hr., 12 min.	2 hr., 22 min.	2 hr., 41 min.
Schedule P (Form 8865)	5 hr., 15 min.	35 min.	42 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form and related schedules simpler, we would be happy to hear from you. You can send your comments from [www.irs.gov/formspubs/](http://www.irs.gov/formspubs/). Click on "More Information" and then on "Give us feedback." Or you can send your comments to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send Form 8865 to this address. Instead, see [When and Where To File](#), earlier.

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**Codes for Principal Business Activity and Principal Product or Service**

This list of Principal Business Activities and their associated codes is designed to classify an enterprise by the type of activity in which it is engaged to facilitate the administration of the Internal Revenue Code. These Principal Business Activity Codes are based on the North American Industry Classification System.

Using the list of activities and codes below, determine from which activity the business derives the largest percentage of its "total receipts." Total receipts is defined as the sum of gross receipts or sales (Schedule B, line 1a); all other income reported on Schedule B, lines 4 through 7; income reported on Schedule K, lines 3a, 5, 6a, and 7; income or net gain reported on Schedule K, lines 8, 9a, 10, and 11; and income or net gain reported on Form 8825, lines 2, 19, and 20a. If the business purchases raw materials and supplies them to a

subcontractor to produce the finished product, but retains title to the product, the business is considered a manufacturer and must use one of the manufacturing codes (31110-339900).

Once the Principal Business Activity is determined, enter the six-digit code from the list below on page 1, item H6. Also enter a brief description of the business activity in item H7.

<p><b>Agriculture, Forestry, Fishing and Hunting</b></p> <p><b>Crop Production</b></p> <p>111100 Oilseed &amp; Grain Farming</p> <p>111210 Vegetable &amp; Melon Farming (including potatoes &amp; yams)</p> <p>111300 Fruit &amp; Tree Nut Farming</p> <p>111400 Greenhouse, Nursery, &amp; Floriculture Production</p> <p>111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet &amp; all other crop farming)</p> <p><b>Animal Production</b></p> <p>112111 Beef Cattle Ranching &amp; Farming</p> <p>112112 Cattle Feedlots</p> <p>112120 Dairy Cattle &amp; Milk Production</p> <p>112210 Hog &amp; Pig Farming</p> <p>112300 Poultry &amp; Egg Production</p> <p>112400 Sheep &amp; Goat Farming</p> <p>112510 Aquaculture (including shellfish &amp; finfish farms &amp; hatcheries)</p> <p>112900 Other Animal Production</p> <p><b>Forestry and Logging</b></p> <p>113110 Timber Tract Operations</p> <p>113210 Forest Nurseries &amp; Gathering of Forest Products</p> <p>113310 Logging</p> <p><b>Fishing, Hunting and Trapping</b></p> <p>114110 Fishing</p> <p>114210 Hunting &amp; Trapping</p> <p><b>Support Activities for Agriculture and Forestry</b></p> <p>115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, &amp; cultivating)</p> <p>115210 Support Activities for Animal Production</p> <p>115310 Support Activities For Forestry</p>	<p>237310 Highway, Street, &amp; Bridge Construction</p> <p>237990 Other Heavy &amp; Civil Engineering Construction</p> <p><b>Specialty Trade Contractors</b></p> <p>238100 Foundation, Structure, &amp; Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, &amp; siding)</p> <p>238210 Electrical Contractors</p> <p>238220 Plumbing, Heating, &amp; Air-Conditioning Contractors</p> <p>238290 Other Building Equipment Contractors</p> <p>238300 Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, &amp; finish carpentry)</p> <p>238900 Other Specialty Trade Contractors (including site preparation)</p> <p><b>Manufacturing</b></p> <p><b>Food Manufacturing</b></p> <p>311110 Animal Food Mfg</p> <p>311200 Grain &amp; Oilseed Milling</p> <p>311300 Sugar &amp; Confectionery Product Mfg</p> <p>311400 Fruit &amp; Vegetable Preserving &amp; Specialty Food Mfg</p> <p>311500 Dairy Product Mfg</p> <p>311610 Animal Slaughtering and Processing</p> <p>311710 Seafood Product Preparation &amp; Packaging</p> <p>311800 Bakeries, Tortilla &amp; Dry Pasta Mfg</p> <p>311900 Other Food Mfg (including coffee, tea, flavorings &amp; seasonings)</p> <p><b>Beverage and Tobacco Product Manufacturing</b></p> <p>312110 Soft Drink &amp; Ice Mfg</p> <p>312120 Breweries</p> <p>312130 Wineries</p> <p>312140 Distilleries</p> <p>312200 Tobacco Manufacturing</p> <p><b>Textile Mills and Textile Product Mills</b></p> <p>313000 Textile Mills</p> <p>314000 Textile Product Mills</p> <p><b>Apparel Manufacturing</b></p> <p>315100 Apparel Knitting Mills</p> <p>315210 Cut &amp; Sew Apparel Contractors</p> <p>315220 Men's &amp; Boys' Cut &amp; Sew Apparel Mfg</p> <p>315240 Women's, Girls' &amp; Infants' Cut &amp; Sew Apparel Mfg</p> <p>315280 Other Cut &amp; Sew Apparel Mfg</p> <p>315990 Apparel Accessories &amp; Other Apparel Mfg</p> <p><b>Leather and Allied Product Manufacturing</b></p> <p>316110 Leather &amp; Hide Tanning &amp; Finishing</p> <p>316210 Footwear Mfg (including rubber &amp; plastics)</p> <p>316990 Other Leather &amp; Allied Product Mfg</p> <p><b>Wood Product Manufacturing</b></p> <p>321110 Sawmills &amp; Wood Preservation</p>	<p>321210 Veneer, Plywood, &amp; Engineered Wood Product Mfg</p> <p>321900 Other Wood Product Mfg</p> <p><b>Paper Manufacturing</b></p> <p>322100 Pulp, Paper, &amp; Paperboard Mills</p> <p>322200 Converted Paper Product Mfg</p> <p><b>Printing and Related Support Activities</b></p> <p>323100 Printing &amp; Related Support Activities</p> <p><b>Petroleum and Coal Products Manufacturing</b></p> <p>324110 Petroleum Refineries (including integrated)</p> <p>324120 Asphalt Paving, Roofing, &amp; Saturated Materials Mfg</p> <p>324190 Other Petroleum &amp; Coal Products Mfg</p> <p><b>Chemical Manufacturing</b></p> <p>325100 Basic Chemical Mfg</p> <p>325200 Resin, Synthetic Rubber, &amp; Artificial &amp; Synthetic Fibers &amp; Filaments Mfg</p> <p>325300 Pesticide, Fertilizer, &amp; Other Agricultural Chemical Mfg</p> <p>325410 Pharmaceutical &amp; Medicine Mfg</p> <p>325500 Paint, Coating, &amp; Adhesive Mfg</p> <p>325600 Soap, Cleaning Compound, &amp; Toilet Preparation Mfg</p> <p>325900 Other Chemical Product &amp; Preparation Mfg</p> <p><b>Plastics and Rubber Products Manufacturing</b></p> <p>326100 Plastics Product Mfg</p> <p>326200 Rubber Product Mfg</p> <p><b>Nonmetallic Mineral Product Manufacturing</b></p> <p>327100 Clay Product &amp; Refractory Mfg</p> <p>327210 Glass &amp; Glass Product Mfg</p> <p>327300 Cement &amp; Concrete Product Mfg</p> <p>327400 Lime &amp; Gypsum Product Mfg</p> <p>327900 Other Nonmetallic Mineral Product Mfg</p> <p><b>Primary Metal Manufacturing</b></p> <p>331110 Iron &amp; Steel Mills &amp; Ferroalloy Mfg</p> <p>331200 Steel Product Mfg from Purchased Steel</p> <p>331310 Alumina &amp; Aluminum Production &amp; Processing</p> <p>331400 Nonferrous Metal (except Aluminum) Production &amp; Processing</p> <p>331500 Foundries</p> <p><b>Fabricated Metal Product Manufacturing</b></p> <p>332110 Forging &amp; Stamping</p> <p>332210 Cutlery &amp; Handtool Mfg</p> <p>332300 Architectural &amp; Structural Metals Mfg</p> <p>332400 Boiler, Tank, &amp; Shipping Container Mfg</p> <p>332510 Hardware Mfg</p> <p>332610 Spring &amp; Wire Product Mfg</p> <p>332700 Machine Shops; Turned Product; &amp; Screw, Nut, &amp; Bolt Mfg</p> <p>332810 Coating, Engraving, Heat Treating, &amp; Allied Activities</p>	<p>332900 Other Fabricated Metal Product Mfg</p> <p><b>Machinery Manufacturing</b></p> <p>333100 Agriculture, Construction, &amp; Mining Machinery Mfg</p> <p>333200 Industrial Machinery Mfg</p> <p>333310 Commercial &amp; Service Industry Machinery Mfg</p> <p>333410 Ventilation, Heating, Air-Conditioning, &amp; Commercial Refrigeration Equipment Mfg</p> <p>333510 Metalworking Machinery Mfg</p> <p>333610 Engine, Turbine &amp; Power Transmission Equipment Mfg</p> <p>333900 Other General Purpose Machinery Mfg</p> <p><b>Computer and Electronic Product Manufacturing</b></p> <p>334110 Computer &amp; Peripheral Equipment Mfg</p> <p>334200 Communications Equipment Mfg</p> <p>334310 Audio &amp; Video Equipment Mfg</p> <p>334410 Semiconductor &amp; Other Electronic Component Mfg</p> <p>334500 Navigational, Measuring, Electromedical, &amp; Control Instruments Mfg</p> <p>334610 Manufacturing &amp; Reproducing Magnetic &amp; Optical Media</p> <p><b>Electrical Equipment, Appliance, and Component Manufacturing</b></p> <p>335100 Electric Lighting Equipment Mfg</p> <p>335200 Household Appliance Mfg</p> <p>335310 Electrical Equipment Mfg</p> <p>335900 Other Electrical Equipment &amp; Component Mfg</p> <p><b>Transportation Equipment Manufacturing</b></p> <p>336100 Motor Vehicle Mfg</p> <p>336210 Motor Vehicle Body &amp; Trailer Mfg</p> <p>336300 Motor Vehicle Parts Mfg</p> <p>336410 Aerospace Product &amp; Parts Mfg</p> <p>336510 Railroad Rolling Stock Mfg</p> <p>336610 Ship &amp; Boat Building</p> <p>336990 Other Transportation Equipment Mfg</p> <p><b>Furniture and Related Product Manufacturing</b></p> <p>337000 Furniture &amp; Related Product Manufacturing</p> <p><b>Miscellaneous Manufacturing</b></p> <p>339110 Medical Equipment &amp; Supplies Mfg</p> <p>339900 Other Miscellaneous Manufacturing</p> <p><b>Wholesale Trade</b></p> <p><b>Merchant Wholesalers, Durable Goods</b></p> <p>423100 Motor Vehicle &amp; Motor Vehicle Parts &amp; Supplies</p> <p>423200 Furniture &amp; Home Furnishings</p> <p>423300 Lumber &amp; Other Construction Materials</p> <p>423400 Professional &amp; Commercial Equipment &amp; Supplies</p> <p>423500 Metal &amp; Mineral (except Petroleum)</p> <p>423600 Household Appliances &amp; Electrical &amp; Electronic Goods</p>
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**Codes for Principal Business Activity and Principal Product or Service (Continued)**

423700 Hardware, & Plumbing & Heating Equipment & Supplies	445310 Beer, Wine, & Liquor Stores	485410 School & Employee Bus Transportation	522292 Real Estate Credit (including mortgage bankers & originators)
423800 Machinery, Equipment, & Supplies	<b>Health and Personal Care Stores</b>	485510 Charter Bus Industry	522293 International Trade Financing
423910 Sporting & Recreational Goods & Supplies	446110 Pharmacies & Drug Stores	485990 Other Transit & Ground Passenger Transportation	522294 Secondary Market Financing
423920 Toy & Hobby Goods & Supplies	446120 Cosmetics, Beauty Supplies, & Perfume Stores	<b>Pipeline Transportation</b>	522298 All Other Nondepository Credit Intermediation
423930 Recyclable Materials	446130 Optical Goods Stores	486000 Pipeline Transportation	<b>Activities Related to Credit Intermediation</b>
423940 Jewelry, Watch, Precious Stone, & Precious Metals	446190 Other Health & Personal Care Stores	<b>Scenic &amp; Sightseeing Transportation</b>	522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, & money transmitting)
423990 Other Miscellaneous Durable Goods	<b>Gasoline Stations</b>	487000 Scenic & Sightseeing Transportation	<b>Securities, Commodity Contracts, and Other Financial Investments and Related Activities</b>
<b>Merchant Wholesalers, Nondurable Goods</b>	447100 Gasoline Stations (including convenience stores with gas)	<b>Support Activities for Transportation</b>	523110 Investment Banking & Securities Dealing
424100 Paper & Paper Products	<b>Clothing and Clothing Accessories Stores</b>	488100 Support Activities for Air Transportation	523120 Securities Brokerage
424210 Drugs & Druggists' Sundries	448110 Men's Clothing Stores	488210 Support Activities for Rail Transportation	523130 Commodity Contracts Dealing
424300 Apparel, Piece Goods, & Notions	448120 Women's Clothing Stores	488300 Support Activities for Water Transportation	523140 Commodity Contracts Brokerage
424400 Grocery & Related Products	448130 Children's & Infants' Clothing Stores	488410 Motor Vehicle Towing	523210 Securities & Commodity Exchanges
424500 Farm Product Raw Materials	448140 Family Clothing Stores	488490 Other Support Activities for Road Transportation	523900 Other Financial Investment Activities (including portfolio management & investment advice)
424600 Chemical & Allied Products	448150 Clothing Accessories Stores	488510 Freight Transportation Arrangement	<b>Insurance Carriers and Related Activities</b>
424700 Petroleum & Petroleum Products	448190 Other Clothing Stores	488990 Other Support Activities for Transportation	524140 Direct Life, Health, & Medical Insurance & Reinsurance Carriers
424800 Beer, Wine, & Distilled Alcoholic Beverages	448210 Shoe Stores	<b>Couriers and Messengers</b>	524150 Direct Insurance & Reinsurance (except Life, Health & Medical) Carriers
424910 Farm Supplies	448310 Jewelry Stores	492110 Couriers	524210 Insurance Agencies & Brokerages
424920 Book, Periodical, & Newspapers	448320 Luggage & Leather Goods Stores	492210 Local Messengers & Local Delivery	524290 Other Insurance Related Activities (including third-party administration of insurance and pension funds)
424930 Flower, Nursery Stock, & Florists' Supplies	<b>Sporting Goods, Hobby, Book, and Music Stores</b>	<b>Warehousing and Storage</b>	<b>Funds, Trusts, and Other Financial Vehicles</b>
424940 Tobacco & Tobacco Products	451110 Sporting Goods Stores	493100 Warehousing & Storage (except lessors of mini-warehouses & self-storage units)	525100 Insurance & Employee Benefit Funds
424950 Paint, Varnish, & Supplies	451120 Hobby, Toy, & Game Stores	<b>Information</b>	525910 Open-End Investment Funds (Form 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies)
424990 Other Miscellaneous Nondurable Goods	451130 Sewing, Needlework, & Piece Goods Stores	<b>Publishing Industries (except Internet)</b>	525920 Trusts, Estates, & Agency Accounts
<b>Wholesale Electronic Markets and Agents and Brokers</b>	451140 Musical Instrument & Supplies Stores	511110 Newspaper Publishers	525990 Other Financial Vehicles (including mortgage REITs and closed-end investment funds)
425110 Business to Business Electronic Markets	451211 Book Stores	511120 Periodical Publishers	"Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under <b>Management of Companies (Holding Companies)</b> below.
425120 Wholesale Trade Agents & Brokers	451212 News Dealers & Newsstands	511130 Book Publishers	<b>Real Estate and Rental and Leasing</b>
<b>Retail Trade</b>	<b>General Merchandise Stores</b>	511140 Directory & Mailing List Publishers	<b>Real Estate</b>
<b>Motor Vehicle and Parts Dealers</b>	452110 Department Stores	511190 Other Publishers	531110 Lessors of Residential Buildings & Dwellings (including equity REITs)
441110 New Car Dealers	452900 Other General Merchandise Stores	511210 Software Publishers	531120 Lessors of Nonresidential Buildings (except Mini-warehouses) (including equity REITs)
441120 Used Car Dealers	<b>Miscellaneous Store Retailers</b>	<b>Motion Picture and Sound Recording Industries</b>	531130 Lessors of Mini-warehouses & Self-Storage Units (including equity REITs)
441210 Recreational Vehicle Dealers	453110 Florists	512100 Motion Picture & Video Industries (except video rental)	531190 Lessors of Other Real Estate Property (including equity REITs)
441222 Boat Dealers	453210 Office Supplies & Stationery Stores	512200 Sound Recording Industries	531210 Offices of Real Estate Agents & Brokers
441228 Motorcycle, ATV, & All other Motor Vehicle Dealers	453220 Gift, Novelty, & Souvenir Stores	<b>Broadcasting (except Internet)</b>	531310 Real Estate Property Managers
441300 Automotive Parts, Accessories, & Tire Stores	453310 Used Merchandise Stores	515100 Radio & Television Broadcasting	531320 Offices of Real Estate Appraisers
<b>Furniture and Home Furnishings Stores</b>	453910 Pet & Pet Supplies Stores	515210 Cable & Other Subscription Programming	531390 Other Activities Related to Real Estate
442110 Furniture Stores	453920 Art Dealers	<b>Telecommunications</b>	<b>Rental and Leasing Services</b>
442210 Floor Covering Stores	453930 Manufactured (Mobile) Home Dealers	517000 Telecommunications (including paging, cellular, satellite, cable & other program distribution, resellers, & other telecommunications, and Internet service providers)	532100 Automotive Equipment Rental & Leasing
442291 Window Treatment Stores	453990 All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops)	<b>Data Processing Services</b>	
442299 All Other Home Furnishings Stores	<b>Nonstore Retailers</b>	518210 Data Processing, Hosting, & Related Services	
<b>Electronics and Appliance Stores</b>	454110 Electronic Shopping & Mail-Order Houses	<b>Other Information Services</b>	
443141 Household Appliance Stores	454210 Vending Machine Operators	519100 Other Information Services (including news syndicates & libraries, Internet publishing & broadcasting)	
443142 Electronic Stores (including Audio, Video, Computer, & Camera Stores)	454310 Fuel Dealers (including Heating Oil and Liquefied Petroleum)	<b>Finance and Insurance</b>	
<b>Building Material and Garden Equipment and Supplies Dealers</b>	454390 Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)	<b>Depository Credit Intermediation</b>	
444110 Home Centers	<b>Transportation and Warehousing</b>	522110 Commercial Banking	
444120 Paint & Wallpaper Stores	<b>Air, Rail, and Water Transportation</b>	522120 Savings Institutions	
444130 Hardware Stores	481000 Air Transportation	522130 Credit Unions	
444190 Other Building Material Dealers	482110 Rail Transportation	522190 Other Depository Credit Intermediation	
444200 Lawn & Garden Equipment & Supplies Stores	483000 Water Transportation	<b>Nondepository Credit Intermediation</b>	
<b>Food and Beverage Stores</b>	<b>Truck Transportation</b>	522210 Credit Card Issuing	
445110 Supermarkets and Other Grocery (except Convenience) Stores	484110 General Freight Trucking, Local	522220 Sales Financing	
445120 Convenience Stores	484120 General Freight Trucking, Long-distance	522291 Consumer Lending	
445210 Meat Markets	484200 Specialized Freight Trucking		
445220 Fish & Seafood Markets	<b>Transit and Ground Passenger Transportation</b>		
445230 Fruit & Vegetable Markets	485110 Urban Transit Systems		
445291 Baked Goods Stores	485210 Interurban & Rural Bus Transportation		
445292 Confectionery & Nut Stores	485310 Taxi Service		
445299 All Other Specialty Food Stores	485320 Limousine Service		

**Codes for Principal Business Activity and Principal Product or Service (Continued)**

532210 Consumer Electronics & Appliances Rental	<b>Management of Companies (Holding Companies)</b> 551111 Offices of Bank Holding Companies 551112 Offices of Other Holding Companies	621399 Offices of All Other Miscellaneous Health Practitioners	721191 Bed & Breakfast Inns
532220 Formal Wear & Costume Rental		621410 Family Planning Centers	721199 All Other Traveler Accommodation
532230 Video Tape & Disc Rental	<b>Administrative and Support and Waste Management and Remediation Services</b> <b>Administrative and Support Services</b> 561110 Office Administrative Services 561210 Facilities Support Services 561300 Employment Services 561410 Document Preparation Services 561420 Telephone Call Centers 561430 Business Service Centers (including private mail centers & copy shops) 561440 Collection Agencies 561450 Credit Bureaus 561490 Other Business Support Services (including repossession services, court reporting, & stenotype services) 561500 Travel Arrangement & Reservation Services 561600 Investigation & Security Services 561710 Exterminating & Pest Control Services 561720 Janitorial Services 561730 Landscaping Services 561740 Carpet & Upholstery Cleaning Services 561790 Other Services to Buildings & Dwellings 561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers)	<b>Outpatient Care Centers</b> 621420 Outpatient Mental Health & Substance Abuse Centers 621491 HMO Medical Centers 621492 Kidney Dialysis Centers 621493 Freestanding Ambulatory Surgical & Emergency Centers 621498 All Other Outpatient Care Centers	721210 RV (Recreational Vehicle) Parks & Recreational Camps
532290 Other Consumer Goods Rental		<b>Medical and Diagnostic Laboratories</b> 621510 Medical & Diagnostic Laboratories	721310 Rooming & Boarding Houses
532310 General Rental Centers	<b>Home Health Care Services</b> 621610 Home Health Care Services	<b>Food Services and Drinking Places</b> 722300 Special Food Services (including food service contractors & caterers) 722410 Drinking Places (Alcoholic Beverages) 722511 Full Service Restaurants 722513 Limited Service Restaurants 722514 Cafeterias & Buffets 722515 Snack & Nonalcoholic Beverage Bars	
532400 Commercial & Industrial Machinery & Equipment Rental & Leasing		<b>Other Ambulatory Health Care Services</b> 621900 Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)	
<b>Lessors of Nonfinancial Intangible Assets (except copyrighted works)</b> 533110 Lessors of Nonfinancial Intangible Assets (except copyrighted works)	<b>Hospitals</b> 622000 Hospitals	<b>Other Services</b> <b>Repair and Maintenance</b> 811110 Automotive Mechanical & Electrical Repair & Maintenance 811120 Automotive Body, Paint, Interior, & Glass Repair 811190 Other Automotive Repair & Maintenance (including oil change & lubrication shops & car washes) 811210 Electronic & Precision Equipment Repair & Maintenance 811310 Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance 811410 Home & Garden Equipment & Appliance Repair & Maintenance 811420 Reupholstery & Furniture Repair 811430 Footwear & Leather Goods Repair 811490 Other Personal & Household Goods Repair & Maintenance	
<b>Professional, Scientific, and Technical Services</b> <b>Legal Services</b> 541110 Offices of Lawyers 541190 Other Legal Services	<b>Waste Management and Remediation Services</b> 562000 Waste Management & Remediation Services	<b>Nursing and Residential Care Facilities</b> 623000 Nursing & Residential Care Facilities	<b>Personal and Laundry Services</b> 812111 Barber Shops 812112 Beauty Salons 812113 Nail Salons 812190 Other Personal Care Services (including diet & weight reducing centers) 812210 Funeral Homes & Funeral Services 812220 Cemeteries & Crematories 812310 Coin-Operated Laundries & Drycleaners 812320 Drycleaning & Laundry Services (except Coin-Operated) 812330 Linen & Uniform Supply 812910 Pet Care (except Veterinary) Services 812920 Photofinishing 812930 Parking Lots & Garages 812990 All Other Personal Services
<b>Accounting, Tax Preparation, Bookkeeping, and Payroll Services</b> 541211 Offices of Certified Public Accountants 541213 Tax Preparation Services 541214 Payroll Services 541219 Other Accounting Services	<b>Educational Services</b> 611000 Educational Services (including schools, colleges, & universities)	<b>Social Assistance</b> 624100 Individual & Family Services 624200 Community Food & Housing, & Emergency & Other Relief Services 624310 Vocational Rehabilitation Services 624410 Child Day Care Services	<b>Religious, Grantmaking, Civic, Professional, and Similar Organizations</b> 813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations (including condominium and homeowners associations)
<b>Architectural, Engineering, and Related Services</b> 541310 Architectural Services 541320 Landscape Architecture Services 541330 Engineering Services 541340 Drafting Services 541350 Building Inspection Services 541360 Geophysical Surveying & Mapping Services 541370 Surveying & Mapping (except Geophysical) Services 541380 Testing Laboratories	<b>Health Care and Social Assistance</b> <b>Offices of Physicians and Dentists</b> 621111 Offices of Physicians (except mental health specialists) 621112 Offices of Physicians, Mental Health Specialists 621210 Offices of Dentists <b>Offices of Other Health Practitioners</b> 621310 Offices of Chiropractors 621320 Offices of Optometrists 621330 Offices of Mental Health Practitioners (except Physicians) 621340 Offices of Physical, Occupational & Speech Therapists, & Audiologists 621391 Offices of Podiatrists	<b>Arts, Entertainment, and Recreation</b> <b>Performing Arts, Spectator Sports, and Related Industries</b> 711100 Performing Arts Companies 711210 Spectator Sports (including sports clubs & racetracks) 711300 Promoters of Performing Arts, Sports, & Similar Events 711410 Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures 711510 Independent Artists, Writers, & Performers	
<b>Specialized Design Services</b> 541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)		<b>Museums, Historical Sites, and Similar Institutions</b> 712100 Museums, Historical Sites, & Similar Institutions	
<b>Computer Systems Design and Related Services</b> 541511 Custom Computer Programming Services 541512 Computer Systems Design Services 541513 Computer Facilities Management Services 541519 Other Computer Related Services		<b>Amusement, Gambling, and Recreation Industries</b> 713100 Amusement Parks & Arcades 713200 Gambling Industries 713900 Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)	
<b>Other Professional, Scientific, and Technical Services</b> 541600 Management, Scientific, & Technical Consulting Services 541700 Scientific Research & Development Services 541800 Advertising & Related Services 541910 Marketing Research & Public Opinion Polling 541920 Photographic Services 541930 Translation & Interpretation Services 541940 Veterinary Services 541990 All Other Professional, Scientific, & Technical Services		<b>Accommodation and Food Services</b> <b>Accommodation</b> 721110 Hotels (except Casino Hotels) & Motels 721120 Casino Hotels	

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## Index

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10% interest [4](#)  
50% interest [4](#)

---

---

**A**  
Acquisitions [2](#)  
Analysis of partners' capital  
accounts [10](#)

---

---

**B**  
Balance sheets per books [10](#)

---

---

**C**  
Categories of Filers [2](#)  
Category 1 filer [2, 7, 8](#)  
Category 2 filer [2, 7](#)  
Category 3 filer [2, 7, 8](#)  
Category 4 filer [2, 7](#)  
Change in a Proportional  
Interest [5](#)

---

---

Changes in Proportional  
Interests [3](#)  
Consolidated Return [6](#)  
Constructive Ownership [4, 5](#)  
Control of a Corporation [5](#)  
Corrections to Form 8865 [5](#)

---

---

**D**  
Definitions [4](#)  
Dispositions [3](#)

---

---

**E**  
Exceptions to Filing [3](#)

---

---

**F**  
Foreign Address [6](#)  
Foreign Partnership [4](#)

---

---

---

---

**G**  
General Reporting Instructions for  
Schedule K-1 [9](#)

---

---

**H**  
Hyperinflationary Exception [7](#)

---

---

**I**  
Identifying Numbers and  
Addresses [6](#)

---

---

**P**  
Partnership [4](#)  
Penalties [5](#)  
Purpose of Form [1](#)

---

---

**R**  
Relief for Category 1 and 2 filers [4](#)

---

---

---

---

**S**  
Schedule B—Income Statement—  
Trade or Business Income [9](#)  
Schedules K and K-1—Partners'  
Shares of Income, Deductions,  
Credits, Etc. [9](#)

---

---

**T**  
Tax Year [6](#)  
Treaty-based Return Positions [5](#)

---

---

**U**  
U.S. Person [4](#)

---

---

**W**  
When To File [4](#)  
Who Must File [1](#)

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