



DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Requesting Comments on Form 8865

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Internal Revenue Service, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on continuing information collections, as required by the Paperwork Reduction Act of 1995. The IRS is soliciting comments concerning Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships.

DATES: Written comments should be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** to be assured of consideration.

ADDRESSES: Direct all written comments to Kinna Brewington, Internal Revenue Service, Room 6526, 1111 Constitution Avenue N.W., Washington, DC 20224. Please send separate comments for each specific information collection listed below. You must reference the information collection's title, form number, reporting or record-keeping requirement number, and OMB number in your comment.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the form and instructions should be directed to Jon Callahan, (737) 800-7639, at Internal Revenue Service, Room 6526, 1111 Constitution Avenue N.W., Washington, DC 20224, or through the internet at jon.r.callahan@irs.gov.

SUPPLEMENTARY INFORMATION:

Currently, the IRS is seeking comments concerning the following information collection tools, reporting, and record-keeping requirements:

Title: Return of U.S. Persons with Respect to Certain Foreign Partnerships.

OMB Number: 1545-1668.

Form Number: Form 8865, Schedules A, A-1, A-2, A-3, B, G, H, K, K-1, K-2, K-3, L, M, M-1, M-2, N, O, P, and Form 8838 P.

Abstract: The Taxpayer Relief Act of 1997 significantly modified the information reporting requirements with respect to foreign partnerships. The Act made the following three changes: (1)

expanded section 6038B to require U.S. persons transferring property to foreign partnerships in certain transactions to report those transfers, (2) expanded section 6038 to require certain U.S. Partners of controlled foreign partnerships to report information about the partnerships, and (3) modified the reporting required under section 6046A with respect to acquisitions and dispositions of foreign partnership interests. Form 8865 is used by U.S. persons to fulfill their reporting obligations under sections 6038B, 6038, and 6046A. Form 8838-P is used to extend the statute of limitations for U.S. persons who transfers appreciated property to partnerships with foreign partners related to the transferor. The form is filed when the transferor makes a gain recognition agreement. This agreement allows the transferor to defer the payment of tax on the transfer.

Current Actions: There are changes to the existing collection: (1) The number of responses for each form and schedule is being reduced to account for filers (individuals, businesses and tax-exempt organizations) being reported under OMB numbers 1545-0123 and 1545-0074, (2) additional information is being collected to comply with the Tax Cuts and Jobs Act, P.L. 115-97, and new section 250, (3) information about the number of foreign partners subject to section 864(c)(8) is being collected, (4) information about section 721(c) partnerships is being collected, (5) information is being collected for disclosure requirements under Treasury Regulations 1.703-3, 1.707-6, and 1.707-8, and (6) new Schedules K-2 and K-3 replace, supplement, and clarify certain amounts formerly reported on Schedules K and K-1 of Form 8865.

Type of Review: Revision of a currently approved collection.

Affected Public: Business or other for-profit organizations, individuals, and not-for-profit institutions.

Estimated Number of Respondents: 3,695.

Estimated Time Per Respondent: 22 hours, 45 minutes.

Estimated Total Annual Burden Hours: 84,057

The following paragraph applies to all of the collections of information covered by this notice.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their

contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: July 2, 2021.

Jon R. Callahan,

Tax Analyst.

[FR Doc. 2021-14557 Filed: 7/7/2021 8:45 am; Publication Date: 7/8/2021]