


IRC Section 6221(a)

Determination at partnership level



(a) In general.

Any adjustment to a partnership-related item shall be determined, and any tax attributable thereto shall be assessed and collected, and the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to any such item shall be determined, at the partnership level, except to the extent otherwise provided in this subchapter.

(b) Election out for certain partnerships with 100 or fewer partners, etc.

(1) In general.

This subchapter shall not apply with respect to any partnership for any taxable year if-

(A) the partnership elects the application of this subsection for such taxable year,

(B) for such taxable year the partnership is required to furnish 100 or fewer statements under section 6031(b) with respect to its partners,

(C) each of the partners of such partnership is an individual, a C corporation, any foreign entity that would be treated as a C corporation were it domestic, an S corporation, or an estate of a deceased partner,

(D) the election-

(i) is made with a timely filed return for such taxable year, and

(ii) includes (in the manner prescribed by the Secretary) a disclosure of the name and taxpayer identification number of each partner of such partnership, and

(E) the partnership notifies each such partner of such election in the manner prescribed by the Secretary.

(2) Special rules relating to certain partners.

(A) S corporation partners. In the case of a partner that is an S corporation-

(i) the partnership shall only be treated as meeting the requirements of paragraph (1)(C) with respect to such partner if such partnership includes (in the manner prescribed by the Secretary) a disclosure of the name and taxpayer identification number of each person with respect to whom such S corporation is required to furnish a statement under section 6037(b) for the taxable year of the S corporation ending with or within the partnership taxable year for which the application of this subsection is elected, and

(ii) the statements such S corporation is required to so furnish shall be treated as statements furnished by the partnership for purposes of paragraph (1)(B) .

(B) Foreign partners. For purposes of paragraph (1)(D)(ii) , the Secretary may provide for alternative identification of any foreign partners.

(C) Other partners. The Secretary may by regulation or other guidance prescribe rules similar to the rules of subparagraph (A) with respect to any partners not described in such subparagraph or paragraph (1)(C).