**CURRENT SECTIONS OF THE INTERNAL REVENUE CODE**

**AS OF DECEMBER 9, 2016**

**THAT ARE EFFECTIVE FOR YEARS AFTER DECEMBER 31, 2017**

**SHOWING PROPOSED CHANGES NOT YET ENACTED**

***NOTE: This document is prepared as of December 9, 2016 showing certain provisions of the IRC effective for years after December 31, 2017 (as they were amended by Pub.L. 114-74 – The Bipartisan Budget Act of 2015, as amended by Pub.L. 114-113) including notations on repealed provisions (the TEFRA provisions), with redline changes for PROPOASED (but yet to be adopted) changes as part of a technical corrections bill (HR 6439) introduced but not enacted in the 114th Congress.***

**26 U.S.C.A. § 6221**

**§ 6221. Tax treatment determined at partnership level**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (c)(1), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N765F0AC0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 638, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6221. Determination at partnership level**

**(a)** **In general.**--Any adjustment to items a partnership-related item shall be determined, 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 or share shall be determined, at the partnership level pursuant to 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).

**26 U.S.C.A. § 6222**

**§ 6222. Partner’s return must be consistent with partnership return or Secretary notified of inconsistency**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (c)(1), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N80079380AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 638, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6222. Partner’s return must be consistent with partnership return**

**(a)** **In general.**--A partner shall, on the partner’s return, treat partnership-related item in a manner which is consistent with the treatment of such income, gain, loss, deduction, or credit on the partnership return.

**(b)** **Underpayment due to inconsistent treatment assessed as math error.**--Any underpayment of tax by a partner by reason of failing to comply with the requirements of subsection (a) shall be assessed and collected in the same manner as if such underpayment were on account of a mathematical or clerical error appearing on the partner’s return. Paragraph (2) of section 6213(b) shall not apply to any assessment of an underpayment referred to in the preceding sentence.

**(c)** **Exception for notification of inconsistent treatment.**--

**(1)** **In general.**--In the case of any item referred to in subsection (a), if--

**(A)(i)** the partnership has filed a return but the partner’s treatment on the partner’s return is (or may be) inconsistent with the treatment of the item on the partnership return, or

**(ii)** the partnership has not filed a return, and

**(B)** the partner files with the Secretary a statement identifying the inconsistency,

subsections (a) and (b) shall not apply to such item.

**(2)** **Partner receiving incorrect information.**--A partner shall be treated as having complied with subparagraph (B) of paragraph (1) with respect to an item if the partner--

**(A)** demonstrates to the satisfaction of the Secretary that the treatment of the item on the partner’s return is consistent with the treatment of the item on the statement furnished to the partner by the partnership, and

**(B)** elects to have this paragraph apply with respect to that item.

**(d)** **Final decision on certain positions not binding on partnership.**--Any final decision with respect to an inconsistent position identified under subsection (c) in a proceeding to which the partnership is not a party shall not be binding on the partnership.

**(e)** **Addition to tax for failure to comply with section.**--For addition to tax in the case of a partner’s disregard of the requirements of this section, see part II of subchapter A of chapter 68.

**26 U.S.C.A. § 6223**

**§ 6223. Notice to partners of proceedings**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (c)(1), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N7CA22160AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 627, 638, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6223. Partners bound by actions of partnership**

**(a)** **Designation of partnership representative.**--Each partnership shall designate (in the manner prescribed by the Secretary) a partner (or other person) with a substantial presence in the United States as the partnership representative who shall have the sole authority to act on behalf of the partnership under this subchapter. In any case in which such a designation is not in effect, the Secretary may select any person as the partnership representative.

**(b)** **Binding effect.**--A partnership and all partners of such partnership shall be bound--

**(1)** by actions taken under this subchapter by the partnership, and

**(2)** by any final decision in a proceeding brought under this subchapter with respect to the partnership.

**26 U.S.C.A. § 6224**

**§ 6224. Participation in administrative proceedings; waivers; agreements**

**REPEAL OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N77CCCB90AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6225**

**§ 6225. Assessments made only after partnership level proceedings are completed**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N797FD2C0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), § 1101(a), (c)(1), (g), Nov. 2, 2015, 129 Stat. 625, 628, 638; amended [Pub.L. 114-113](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(IF340D000CC-4C11E59E956-4006A5B4ACF)&originatingDoc=N797FD2C0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Div. Q, Title IV, § 411(a), (e), Dec. 18, 2015, 129 Stat. 3121, 3122, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6225. Partnership adjustment by Secretary**

**(a)** **In general.**--In the case of any adjustments by the Secretary to any partnership-related items with repsect to any reviewed year of a partnership --

(1) if such adjustments result in an imputed underpayment, the partnership shall pay an amount equal to such imputed underpayment in the adjustment year as provided in section 6232, and

(2) if such adjustments do not result in an imputed underpayment, such adjustments shall be taken into account by the partnership in the adjustment year.--

**(A)** except as provided in subparagraph (B), as a reduction in non-separately stated income or an increase in non-separately stated loss (whichever is appropriate) under section 702(a)(8), or

**(B)** in the case of an item of credit, as a separately stated item.

**(b)** **Determination of imputed underpayments.**--For purposes of this subchapter--

**(1)** **In general.**--Except as provided in this section, any imputed underpayment with respect to any reviewed year shall be determined by the Secretary by--

**(A)** appropriately netting all partnership adjustments with respect to such reviewed year, and

**(B)** applying the highest rate of tax in effect for the reviewed year under section 1 or 11..

**(2)** **Adjustments to distributive shares of partners not netted.**--In the case of any adjustment which reallocates the distributive share of any item from one partner to another, such adjustment shall be taken into account by disregarding so much of such adjustment as results in a decrease in the amount of imputed underpayment.

**(3) Adjustments separately netted by category.**—For purposes of paragraph (1)(A), partnership adjustments for any reviewed year shall first be separately deterimined (and netted as appropriate) within each category of items that are required to be taken into account separately under section 702(a) or other provision of this title.

**(4) Limitation on adjustments that may be taken into account.--** If any adjustment would (but for this paragraph)—

(A) result in a decrease in the amount of the imputed underpayment, and

(B) could be subject to any additional limitation under the provisions of this title (or not allowed, in whole or in part, against ordinary income) if such adjustment were taken into account by any person,

such adjustment shall not be taken into account under paragraph (1)(A) except to the extent otherwise provided by the Secretary.

**(c)** **Modification of imputed underpayments.**--

**(1)** **In general.**--The Secretary shall establish procedures under which the imputed underpayment amount may be modified consistent with the requirements of this subsection.

**(2)** **Procedures for partners to take adjustments into account.**--

**(A)** **Amended returns of partners.**--Such procedures shall provide that if--

**(i)** one or more partners file returns for the taxable year of the partners which includes the end of the reviewed year of the partnership (and for any taxable year with respect to which any tax attribute is affected by reason of any adjustment referred to in clause (ii)),

**(ii)** such returns take into account all adjustments under subsection (a) properly allocable to such partners (and the effect of such adjustments on any tax attributes), and

**(iii)** payment of any tax due is included with such return,

then the imputed underpayment amount shall be determined without regard to the portion of the adjustments so taken into account.

**(B) Alternative procedure to filing amended returns.--** Such procedures shall provide that, with respect to any partner referred to in subparagraph (A), the requirements of subparagraph (A) shall be treated as satisfied with respect to adjustments properly allocable to such partner if, in lieu of filing the returns described in such subparagraph—

(i) the amounts described in subparagraph (A)(iii) are paid by the partner,

(ii) the adjustments to the tax attributes of such partner referred to in subparagraph (A)(ii) are binding with respect to all subsequent taxable years of the partner, and

(iii) such partner provides, in the form and manner specified by the Secretary (including, if the Secretary so specifies, in the same form as on an amended return), such information as the Secretary may require to carry out this subparagraph.

**(C)** **Reallocation of distributive share.**--In the case of any adjustment which reallocates the distributive share of any item from one partner to another, this paragraph shall apply with respect to any such partner only if the requirements of subparagraph (A) or (B) are satisfied with respect to all partners affected by such adjustment.

**(D) Application of statute of limitations.--** Sections 6501 and 6511 shall not apply with respect to any return filed for purposes of subparagraph (A)(i) or any amount paid under subparagraph (A)(iii) or (B)(i), but only with respect to adjustments referred to in subparagraph (A)(ii).

**(E) Application to tiered partnerships.—**In the case of any partnership any partner of which is a partnership, except as otherwise provided by the Secretary, subparagraph (B) shall apply with respect to any partner in the chain of ownership of such partnerships. For purposes of applying the preceding sentence, an S corporation and its shareholders shall be treated in the same manner as a partnership and its partners.

**(F) Adjustments not reated as amended return.**—An administrative adjustment request under section 6227 and a partnership adjustment tracking report under section 6226(b)(4)(A) shall not be treated as a return for purposes of this paragraph.

**(3)** **Tax-exempt partners.**--Such procedures shall provide for determining the imputed underpayment without regard to the portion thereof that the partnership demonstrates is allocable to a partner that would not owe tax by reason of its status as a tax-exempt entity (as defined in section 168(h)(2)).

**(4)** **Modification of applicable highest tax rates.**--

**(A)** **In general.**--Such procedures shall provide for taking into account a rate of tax lower than the rate of tax described in subsection (b)(1)(A) with respect to any portion of the imputed underpayment that the partnership demonstrates is allocable to a partner which--

**(i)** is a C corporation, or

**(ii)** in the case of a capital gain or qualified dividend, is an individual.

In no event shall the lower rate determined under the preceding sentence be less than the highest rate in effect with respect to the income and taxpayer described in clause (i) or clause (ii), as the case may be. For purposes of clause (ii), an S corporation shall be treated as an individual.

**(B)** **Portion of imputed underpayment to which lower rate applies.**--

**(i)** **In general.**--Except as provided in clause (ii), the portion of the imputed underpayment to which the lower rate applies with respect to a partner under subparagraph (A) shall be determined by reference to the partners’ distributive share of items to which the imputed underpayment relates.

**(ii)** **Rule in case of varied treatment of items among partners.**--If the imputed underpayment is attributable to the adjustment of more than 1 item, and any partner’s distributive share of such items is not the same with respect to all such items, then the portion of the imputed underpayment to which the lower rate applies with respect to a partner under subparagraph (A) shall be determined by reference to the amount which would have been the partner’s distributive share of net gain or loss if the partnership had sold all of its assets at their fair market value as of the close of the reviewed year of the partnership.

**(5)** **Certain passive losses of publicly traded partnerships.**--

**(A)** **In general.**--In the case of a publicly traded partnership (as defined in section 469(k)(2)), such procedures shall provide--

**(i)** for determining the imputed underpayment without regard to the portion thereof that the partnership demonstrates is attributable to a net decrease in a specified passive activity loss which is allocable to a specified partner, and

**(ii)** for the partnership to take such net decrease into account as an adjustment in the adjustment year with respect to the specified partners to which such net decrease relates.

**(B)** **Specified passive activity loss.**--For purposes of this paragraph, the term “specified passive activity loss” means, with respect to any specified partner of such publicly traded partnership, the lesser of--

**(i)** the passive activity loss of such partner which is separately determined with respect to such partnership under section 469(k) with respect to such partner’s taxable year in which or with which the reviewed year of such partnership ends, or

**(ii)** such passive activity loss so determined with respect to such partner’s taxable year in which or with which the adjustment year of such partnership ends.

**(C)** **Specified partner.**--For purposes of this paragraph, the term “specified partner” means any person if such person--

**(i)** is a partner of the publicly traded partnership referred to in subparagraph (A),

**(ii)** is described in section 469(a)(2), and

**(iii)** has a specified passive activity loss with respect to such publicly traded partnership,

with respect to each taxable year of such person which is during the period beginning with the taxable year of such person in which or with which the reviewed year of such publicly traded partnership ends and ending with the taxable year of such person in which or with which the adjustment year of such publicly traded partnership ends.

**(6)** **Other procedures for modification of imputed underpayment.**--The Secretary may by regulations or guidance provide for additional procedures to modify imputed underpayment amounts on the basis of such other factors as the Secretary determines are necessary or appropriate to carry out the purposes of this subsection.

**(7)** **Year and day for submission to Secretary.**--Anything required to be submitted pursuant to paragraph (1) shall be submitted to the Secretary not later than the close of the 270-day period beginning on the date on which the notice of a proposed partnership adjustment is mailed under section 6231 unless such period is extended with the consent of the Secretary.

**(8)** **Decision of Secretary.**--Any modification of the imputed underpayment amount under this subsection shall be made only upon approval of such modification by the Secretary.

(9) Modification of adjustments not resulting in an imputed underpayment.—The Secretary shall establish procedures under which the adjustments described in subsection (a)(2) may be modified in such manner as the Secretary determines appropriate.

**(d)** **Definitions.**--For purposes of this subchapter--

**(1)** **Reviewed year.**--The term “reviewed year” means the partnership taxable year to which the item being adjusted relates.

**(2)** **Adjustment year.**--The term “adjustment year” means the partnership taxable year in which the final determination is made with respect to the adjustment--

**(A)** in the case of an adjustment pursuant to the decision of a court in a proceeding brought under section 6234, such decision becomes final,

**(B)** in the case of an administrative adjustment request under section 6227, such administrative adjustment request is made, or

**(C)** in any other case, notice of the final partnership adjustment is mailed under section 6231.

(3) FINAL DETERMINATION.—The final determination is made with respect to an adjustment on the date on which—

(A) in the case of an adjustment pursuant to the decision of a court in a proceeding brought under section 6234, such decision becomes final,

(B) in the case of an administrative adjustment request under section 6227, such administrative adjustment request is filed, or

(C) in any other case, 90 days after the date on which the notice of the final partnership adjustment is mailed under section 6231.

**26 U.S.C.A. § 6226**

**§ 6226. Judicial review of final partnership administrative adjustments**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N7D18B0F0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), § 1101(a), (c)(1), (g), Nov. 2, 2015, 129 Stat. 625, 630, 638; amended [Pub.L. 114-113](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(IF340D000CC-4C11E59E956-4006A5B4ACF)&originatingDoc=N7D18B0F0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Div. Q, Title IV, § 411(b)(1), (e), Dec. 18, 2015, 129 Stat. 3122, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6226. Alternative to payment of imputed underpayment by partnership**

**(a)** **In general.**--If the partnership--

**(1)** not later than 45 days after the date of the notice of final partnership adjustment, elects the application of this section with respect to an imputed underpayment, and

**(2)** at such time and in such manner as the Secretary may provide, furnishes to each partner of the partnership for the reviewed year and to the Secretary a statement of the partner’s share of any adjustment to a partnership-related item (as determinedby reference to the final determination with respect to such adjustment),

section 6225 shall not apply with respect to such underpayment (and no assessment of tax, levy, or proceeding in any court for the collection of such underpayment shall be made against such partnership) and each such partner shall take such adjustment into account as provided in subsection (b). The election under paragraph (1) shall be made in such manner as the Secretary may provide and, once made, shall be revocable only with the consent of the Secretary.

**(b)** **Adjustments taken into account by partner.**--

**(1)** **Tax imposed in year of statement.**--Except as provided in paragraph (4), each partner’s tax imposed by chapter 1 for the taxable year which includes the date the statement was furnished under subsection (a) shall be adjusted by the aggregate of the correction amounts determined under paragraph (2) for the taxable years referred to therein.

**(2)** **Correction amounts.**--The correction amounts determined under this paragraph are--

**(A)** in the case of the taxable year of the partner which includes the end of the reviewed year, the amount by which the tax imposed under chapter 1 would increase or decrease if the partner’s share of the adjustments described in subsection (a) were taken into account for such taxable year, and

**(B)** in the case of any taxable year after the taxable year referred to in subparagraph (A) and before the taxable year referred to in paragraph (1), the amount by which the tax imposed under chapter 1 would increase or decrease by reason of the adjustment to tax attributes under paragraph (3).

**(3)** **Adjustment of tax attributes.**--Any tax attribute which would have been affected if the adjustments described in subsection (a) were taken into account for the taxable year referred to in paragraph (2)(A) shall--

**(A)** in the case of any taxable year referred to in paragraph (2)(B), be appropriately adjusted for purposes of applying such paragraph, and

**(B)** in the case of any subsequent taxable year, be appropriately adjusted.

**(4) Treatment of Partnerships in Tierd Structures.—**

**(A) In general.—**If a partner which receives a statement under subsection (a)(2) is a partnership or an S corporation, such partner shall, with respect to the partner’s share of the adjustment—

(i) file with the Secretary a partnership adjustment tracking report which includes such information as the Secretary may require, and

(ii) either—

(I) pay the imputed underpayment under rules similar to the rules of section 6225 (other than paragraphs (2)(A), (6), (7), and (9) of subsection (c) thereof), or

(II) furnish statements under rules similar to the rules of subsection (a)(2).

**(B) Due date.—**For purposes of subparagraph (A), with respect to a partner’s share of the adjustment, the partnership adjustment tracking report shall be filed, and the imputed underpayment shall be paid or statements shall be furnished, not later than the due date for the return for the taxable year of the audited partnership which includes the date the final determination was made with respect to such partnership.

**(C) Partnership payment of tax not permitted if elected out of subchapter.—**In the case of a partnership which has elected the application of section 6221(b) with respect to the taxable year of the partnership which includes the end of the reviewed year of the audited partnership, this paragraph shall apply notwithstanding such election, except that subparagraph (A) shall be applied without regard to clause (ii)(I) thereof.

**(D) Audited partnership.—**For purposes of this paragraph, the term ‘audited partnership’ means, with respect to any partner described in subparagraph (A), the partnership in the chain of ownership originally electing the application of this section.

**(c)** **Penalties and interest.**--

**(1)** **Penalties.**--Notwithstanding subsections (a) and (b), any penalties, additions to tax, or additional amount shall be determined as provided under section 6221 and the partners of the partnership for the reviewed year shall be liable for any such penalty, addition to tax, or additional amount.

**(2)** **Interest.**--In the case of an imputed underpayment with respect to which the application of this section is elected, or which is described in subsection (b)(4)(A)(ii)(II), interest shall be determined--

**(A)** at the partner level,

**(B)** from the due date of the return for the taxable year to which the increase is attributable (determined by taking into account any increases attributable to a change in tax attributes for a taxable year under subsection (b)(2)), and

**(C)** at the underpayment rate under section 6621(a)(2), determined by substituting “5 percentage points” for “3 percentage points” in subparagraph (B) thereof.

**(d)** **Judicial review.**--For the time period within which a partnership may file a petition for a readjustment, see section 6234(a).

**26 U.S.C.A. § 6227**

**§ 6227. Administrative adjustment requests**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (c)(1), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N7A9847A0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 631, 638, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6227. Administrative adjustment request by partnership**

**(a)** **In general.**--A partnership may file a request for an administrative adjustment in the amount of one or more partnership-related items for any partnership taxable year.

**(b)** **Adjustment.**--Any such adjustment under subsection (a) shall be determined and taken into account for the partnership taxable year in which the administrative adjustment request is filed--

**(1)** by the partnership under rules similar to the rules of section 6225 (other than paragraphs (2), (6) and (7) of subsection (c) thereof) for the partnership taxable year in which the administrative adjustment request is filed, or

**(2)** by the partnership and partners under rules similar to the rules of section 6226 (determined without regard to the substitution described in subsection (c)(2)(C) thereof).

In the case of an adjustment that would not result in an imputed underpayment, paragraph (1) shall not apply and paragraph (2) shall apply with appropriate adjustments.

**(c)** **Period of limitations.**--A partnership may not file such a request more than 3 years after the later of--

**(1)** the date on which the partnership return for such year is filed, or

**(2)** the last day for filing the partnership return for such year (determined without regard to extensions).

In no event may a partnership file such a request after a notice of an administrative proceeding with respect to the taxable year is mailed under section 6231.

**26 U.S.C.A. § 6228**

**§ 6228. Judicial review where administrative adjustment request is not allowed in full**

**REPEAL OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N8022BCA0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6229**

**§ 6229. Period of limitations for making assessments**

**REPEAL OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N55891740393211DFAB5AEDAFC51B3934&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6230**

**§ 6230. Additional administrative provisions**

**REPEAL OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N89D29740D03B11DC9A91F5BEC574B9BC&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6231**

**§ 6231. Definitions and special rules**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (c)(1), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N79E23E10AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 632, 638, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6231. Notice of proceedings and adjustment**

**(a)** **In general.**--The Secretary shall mail to the partnership and the partnership representative--

**(1)** notice of any administrative proceeding initiated at the partnership level with respect to an adjustment of any partnership-related item for a partnership taxable year, or any partner’s distributive share thereof,

**(2)** notice of any proposed partnership adjustment resulting from such proceeding, and

**(3)** notice of any final partnership adjustment resulting from such proceeding.

Any notice of a final partnership adjustment shall be sufficient if mailed to the last known address of the partnership representative or the partnership (even if the partnership has terminated its existence). The first sentence shall apply to any proceeding with respect to an administrative adjustment request filed by a partnership under section 6227.

**b) Timing Of Notices.—**

**(1) Notice of proposed partnership adjustment.--**Any notice of a proposed partnership adjustment shall not be mailed later than the date determined under section 6235 (determined without regard to paragraphs (2) and (3) of subsection (a) thereof).

**(2) Notice of final partnership adjustment.—**

**(A) In general.—**Except to the extent that the partnership elects to waive the application of this subparagraph, any notice of a final partnership adjustment shall not be mailed earlier than 270 days after the date on which the notice of the proposed partnership adjustment is mailed.

**(B) Statute of limitations on adjustment.—**For the period of limitations on making adjustments, see section 6235.”.

**(c)** **Further notices restricted.**--If the Secretary mails a notice of a final partnership adjustment to any partnership for any partnership taxable year and the partnership files a petition under section 6234 with respect to such notice, in the absence of a showing of fraud, malfeasance, or misrepresentation of a material fact, the Secretary shall not mail another such notice to such partnership with respect to such taxable year.

**(d)** **Authority to rescind notice with partnership consent.**--The Secretary may, with the consent of the partnership, rescind any notice of a partnership adjustment mailed to such partnership. Any notice so rescinded shall not be treated as a notice of a partnership adjustment for purposes of this subchapter, and the taxpayer shall have no right to bring a proceeding under section 6234 with respect to such notice.

**26 U.S.C.A. § 6232**

**[§ 6232. Repealed. Pub.L. 100-418, Title I, § 1941(b)(1), Aug. 23, 1988, 102 Stat. 1323]**

**REENACTMENT OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(c)(1), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N77F0F560AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 632, 638, reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6232. Assessment, collection, and payment**

**(a)** **In general.**--Any imputed underpayment shall be assessed and collected in the same manner as if it were a tax imposed for the adjustment year by subtitle A, except that in the case of an administrative adjustment request to which section 6227(b)(1) applies, the underpayment shall be paid when the request is filed.

**(b)** **Limitation on assessment.**--Except as otherwise provided in this chapter, no assessment of a deficiency may be made (and no levy or proceeding in any court for the collection of any amount resulting from such adjustment may be made, begun or prosecuted) before--

**(1)** the close of the 90th day after the day on which a notice of a final partnership adjustment was mailed, and

**(2)** if a petition is filed under section 6234 with respect to such notice, the decision of the court has become final.

**(c)** **Premature action may be enjoined.**--Notwithstanding section 7421(a), any action which violates subsection (b) may be enjoined in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action under this subsection unless a timely petition has been filed under section 6234 and then only in respect of the adjustments that are the subject of such petition.

**(d)** **Exceptions to restrictions on adjustments.**--

**(1)** **Adjustments arising out of math or clerical errors.**--

**(A)** **In general.**-- If the partnership is notified that, on account of a mathematical or clerical error appearing on the partnership return, an adjustment to a item is required, rules similar to the rules of paragraphs (1) and (2) of section 6213(b) shall apply to such adjustment.

**(B)** **Special rule.**--If a partnership is a partner in another partnership, any adjustment on account of such partnership’s failure to comply with the requirements of section 6222(a) with respect to its interest in such other partnership shall be treated as an adjustment referred to in subparagraph (A), except that paragraph (2) of section 6213(b) shall not apply to such adjustment.

**(2)** **Partnership may waive restrictions.**--The partnership may at any time (whether or not any notice of partnership adjustment has been issued), by a signed notice in writing filed with the Secretary, waive the restrictions provided in subsection (b) on the making of any partnership adjustment.

**(e)** **Limit where no proceeding begun.**--If no proceeding under section 6234 is begun with respect to any notice of a final partnership adjustment during the 90-day period described in subsection (b), the amount for which the partnership is liable under section 6225 shall not exceed the amount determined in accordance with such notice.

**(f) Failure To Pay Imputed Underpayment.—**

**(1) In general.—**If any amount of any imputed underpayment to which section 6225 applies or which is described in section 6226(b)(4)(A)(ii)(I) (or any interest or penalties with respect to any such amount) has not been paid by the date which is 10 days after the date on which the Secretary provides notice and demand for such payment—

(A) section 6621(a)(2)(B) shall be applied by substituting ‘5 percentage points’ for ‘3 percentage points’ with respect to such amount, and

(B) the Secretary may assess upon each partner of the partnership (determined as of the close of the adjustment year) a tax equal to such partner’s proportionate share of such amount (including any such interest or penalties, determined after application of subparagraph (A)).

**(2) Proportionate share.—**For purposes of paragraph (1), a partner’s proportionate share is such percentage as the Secretary may determine on the basis of such partner’s distributive share of items under section 702. The Secretary shall make determinations under the preceding sentence such that the aggregate proportionate shares so determined total 100 percent.

**(3) Coordination with partnership liability.—**The liability of the partnership for any amount with respect to which a partner is made liable under paragraph (1) shall be reduced upon payment by the partner of such amount. Paragraph (1)(B) shall not apply with respect to any amount after the date on which such amount is paid by the partnership.

**(4) S corporations.—**For purposes of this subsection, an S corporation and its shareholders shall be treated in the same manner as a partnership and its partners.

**(5) Rules related to assessment and collection.—**

**(A) Deficiency procedures not applicable.—**Subchapter B shall not apply to any assessment or collection under this paragraph.

**(B) Limitation on assessment.—**Except as otherwise provided in this chapter, no assessment may be made with respect to any partner with respect to an amount under paragraph (1) (and no levy or proceeding in any court for the collection of such amount may begin) after the date which is 2 years after the date on which the Secretary provides notice and demand to the partnership with respect to such amount.”.

**26 U.S.C.A. § 6233**

**§ 6233. Extension to entities filing partnership returns, etc.**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(a), (c)(1), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N7882D520AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Nov. 2, 2015, 129 Stat. 625, 633, 638, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6233. Interest and penalties**

**(a)** **Interest and penalties determined from reviewed year.**--

**(1)** **In general.**--Except to the extent provided in section 6226(c), in the case of a partnership adjustment for a reviewed year--

**(A)** interest shall be computed under paragraph (2), and

**(B)** the partnership shall be liable for any penalty, addition to tax, or additional amount as provided in paragraph (3).

**(2)** **Determination of amount of interest.**--The interest computed under this paragraph with respect to any partnership adjustment is the interest which would be determined under chapter 67 for the period beginning on the day after the return due date for the reviewed year and ending on the return due date for the adjustment year (or, if earlier, the date payment of the imputed underpayment is made). Proper adjustments in the amount determined under the preceding sentence shall be made for adjustments required for partnership taxable years after the reviewed year and before the adjustment year by reason of such partnership adjustment.

**(3)** **Penalties.**--Any penalty, addition to tax, or additional amount shall be determined at the partnership level as if such partnership had been an individual subject to tax under chapter 1 for the reviewed year and the imputed underpayment were an actual underpayment (or understatement) for such year.

**(b)** **Interest and penalties with respect to adjustment year return.**--

**(1)** **In general.**--In the case of any failure to pay an imputed underpayment on the date prescribed therefor, the partnership shall be liable--

**(A)** for interest as determined under paragraph (2), and

**(B)** for any penalty, addition to tax, or additional amount as determined under paragraph (3).

**(2)** **Interest.**--Interest determined under this paragraph is the interest that would be determined by treating the imputed underpayment as an underpayment of tax imposed in the adjustment year.

**(3)** **Penalties.**--Penalties, additions to tax, or additional amounts determined under this paragraph are the penalties, additions to tax, or additional amounts that would be determined--

**(A)** by applying section 6651(a)(2) to such failure to pay, and

**(B)** by treating the imputed underpayment as an underpayment of tax for purposes of part II of subchapter A of chapter 68.

(c) Deposit to suspend interest.—For rules allowing deposits to suspend running of interest on potential underpayments, see section 6603.

**26 U.S.C.A. § 6234**

**§ 6234. Declaratory judgment relating to treatment of items other than partnership items with respect to an oversheltered return**

[Pub.L. 114-74](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N7BB5ECA0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), § 1101(a), (c)(1), (g), Nov. 2, 2015, 129 Stat. 625, 634, 638; amended [Pub.L. 114-113](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(IF340D000CC-4C11E59E956-4006A5B4ACF)&originatingDoc=N7BB5ECA0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.DocLink)), Div. Q, Title IV, § 411(b)(2), (3), (e), Dec. 18, 2015, 129 Stat. 3122, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6234. Judicial review of partnership adjustment**

**(a)** **In general.**--Within 90 days after the date on which a notice of a final partnership adjustment is mailed under section 6231 with respect to any partnership taxable year, the partnership may file a petition for a readjustment for such taxable year with--

**(1)** the Tax Court,

**(2)** the district court of the United States for the district in which the partnership’s principal place of business is located, or

**(3)** the Court of Federal Claims.

**(b)** **Jurisdictional requirement for bringing action in district court or Court of Federal Claims.**--

**(1)** **In general.**--A readjustment petition under this section may be filed in a district court of the United States or the Court of Federal Claims only if the partnership filing the petition deposits with the Secretary, on or before the date the petition is filed, the amount of the imputed underpayment (as of the date of the filing of the petition) if the partnership adjustment was made as provided by the notice of final partnership adjustment. The court may by order provide that the jurisdictional requirements of this paragraph are satisfied where there has been a good faith attempt to satisfy such requirement and any shortfall of the amount required to be deposited is timely corrected.

**(2)** **Interest payable.**--Any amount deposited under paragraph (1), while deposited, shall not be treated as a payment of tax for purposes of this title (other than chapter 67).

**(c)** **Scope of judicial review.**--A court with which a petition is filed in accordance with this section shall have jurisdiction to determine all partnership-related items for the partnership taxable year to which the notice of final partnership adjustment relates, the proper allocation of such items among the partners, and the applicability of any penalty, addition to tax, or additional amount for which the partnership may be liable under this subchapter.

**(d)** **Determination of court reviewable.**--Any determination by a court under this section shall have the force and effect of a decision of the Tax Court or a final judgment or decree of the district court or the Court of Federal Claims, as the case may be, and shall be reviewable as such. The date of any such determination shall be treated as being the date of the court’s order entering the decision.

**(e)** **Effect of decision dismissing action.**--If an action brought under this section is dismissed other than by reason of a rescission under section 6231(c), the decision of the court dismissing the action shall be considered as its decision that the notice of final partnership adjustment is correct, and an appropriate order shall be entered in the records of the court.

**26 U.S.C.A. Subt. F, Ch. 63, Subch. D, Pt. I, Refs & Annos**

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**REPEAL OF PART I**

[Pub.L. 114-74, Title XI, § 1101(b)(2), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N616C3620996011E5A5B796F811954E7F&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), Nov. 2, 2015, 129 Stat. 625, 638, provided that, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, this part (consisting of [26 U.S.C.A. §§ 6240](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6240&originatingDoc=N616C3620996011E5A5B796F811954E7F&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)) to [6242](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6242&originatingDoc=N616C3620996011E5A5B796F811954E7F&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default))) is repealed.

26 U.S.C.A. Subt. F, Ch. 63, Subch. D, Pt. I, Refs & Annos, 26 USCA Subt. F, Ch. 63, Subch. D, Pt. I, Refs & Annos

Current through P.L. 114-248.

**26 U.S.C.A. § 6235**

**§ 6235. Period of limitations on making adjustments.**

**Effective: January 1, 2018**

§ **6235**. Period of limitations on making adjustments

**(a)** **In general.**--Except as otherwise provided in this section, no adjustment under this subpart[1](https://1.next.westlaw.com/Document/N304C58C0989F11E5878EF862979B703E/View/FullText.html?navigationPath=Search%2Fv3%2Fsearch%2Fresults%2Fnavigation%2Fi0ad6ad3a00000158e56e83e8152bf792%3FNav%3DSTATUTE%26fragmentIdentifier%3DN304C58C0989F11E5878EF862979B703E%26startIndex%3D1%26contextData%3D%2528sc.Search%2529%26transitionType%3DSearchItem&listSource=Search&listPageSource=023b3e15f22c4c3a63e021beb682e156&list=STATUTE&rank=1&grading=na&sessionScopeId=1025fd67c3a255479a617662c7114bf4e0c22b58edcded8ed1ed6c23c5be3634&originationContext=Search%20Result&transitionType=SearchItem&contextData=%28sc.Search%29#co_footnote_I78E889A17ADF11E6A833920D8AC166E8) for any partnership taxable year may be made after the later of—

**(1)** the date which is 3 years after the latest of--

**(A)** the date on which the partnership return for such taxable year was filed,

**(B)** the return due date for the taxable year, or

**(C)** the date on which the partnership filed an administrative adjustment request with respect to such year under [section 6227](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6227&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=LQ&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)), or

**(2)** in the case of any modification of an imputed underpayment under [section 6225(c)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6225&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=RB&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)#co_pp_4b24000003ba5), the date that is 270 days (plus the number of days of any extension consented to by the Secretary under paragraph (7) thereof) after the date on which everything required to be submitted to the Secretary pursuant to such section is so submitted, or

**(3)** in the case of any notice of a proposed partnership adjustment under [section 6231(a)(2)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6231&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=RB&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)#co_pp_d86d0000be040), the date that is 330 days (plus the number of days of any extension consented to by the Secretary under [section 6225(c)(7)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6225&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=RB&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)#co_pp_4b24000003ba5)[2](https://1.next.westlaw.com/Document/N304C58C0989F11E5878EF862979B703E/View/FullText.html?navigationPath=Search%2Fv3%2Fsearch%2Fresults%2Fnavigation%2Fi0ad6ad3a00000158e56e83e8152bf792%3FNav%3DSTATUTE%26fragmentIdentifier%3DN304C58C0989F11E5878EF862979B703E%26startIndex%3D1%26contextData%3D%2528sc.Search%2529%26transitionType%3DSearchItem&listSource=Search&listPageSource=023b3e15f22c4c3a63e021beb682e156&list=STATUTE&rank=1&grading=na&sessionScopeId=1025fd67c3a255479a617662c7114bf4e0c22b58edcded8ed1ed6c23c5be3634&originationContext=Search%20Result&transitionType=SearchItem&contextData=%28sc.Search%29#co_footnote_I36A22DC17AE011E6A833920D8AC166E8) after the date of such notice.

**(b)** **Extension by agreement.**--The period described in subsection (a) (including an extension period under this subsection) may be extended by an agreement entered into by the Secretary and the partnership before the expiration of such period.

**(c)** **Special rule in case of fraud, etc.**--

**(1)** **False return.**--In the case of a false or fraudulent partnership return with intent to evade tax, the adjustment may be made at any time.

**(2)** **Substantial omission of income.**--If any partnership omits from gross income an amount properly includible therein and such amount is described in [section 6501(e)(1)(A)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6501&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=RB&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)#co_pp_d39300002d0e0), [subsection (a)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6501&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=RB&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)#co_pp_8b3b0000958a4) shall be applied by substituting “6 years” for “3 years”.

**(3)** **No return.**--In the case of a failure by a partnership to file a return for any taxable year, the adjustment may be made at any time.

**(4)** **Return filed by Secretary.**--For purposes of this section, a return executed by the Secretary under [subsection (b) of section 6020](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6020&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=RB&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)#co_pp_a83b000018c76) on behalf of the partnership shall not be treated as a return of the partnership.

**(d)** **Suspension when Secretary mails notice of adjustment.**--If notice of a final partnership adjustment with respect to any taxable year is mailed under [section 6231](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6231&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=LQ&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)), the running of the period specified in subsection (a) (as modified by the other provisions of this section) shall be suspended--

**(1)** for the period during which an action may be brought under [section 6234](https://1.next.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6234&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=LQ&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)) (and, if a petition is filed under such section with respect to such notice, until the decision of the court becomes final), and

**(2)** for 1 year thereafter.

(Added [Pub.L. 114-74, Title XI, § 1101(c)(1)](https://1.next.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=SL&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)), Nov. 2, 2015, 129 Stat. 635; amended [Pub.L. 114-113](https://1.next.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(IF340D000CC-4C11E59E956-4006A5B4ACF)&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=SL&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)), Div. Q, Title IV, § 411(c)(1), (2), (e), Dec. 18, 2015, 129 Stat. 3122.)

**ENACTMENT OF SECTION** [Pub.L. 114-74](https://1.next.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N304C58C0989F11E5878EF862979B703E&refType=SL&originationContext=document&transitionType=DocumentItem&contextData=(sc.Search)), § 1101(c)(1), (g), Nov. 2, 2015, 129 Stat. 635, 638, as amended, provided that this section is enacted applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6240**

**§ 6240. Application of subchapter**

**REPEAL OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(b)(2), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N777D24F0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6241**

**§ 6241. Partner’s return must be consistent with partnership return**

**REPEAL AND REENACTMENT OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(b)(2), (c)(1), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N76A4ED60AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), Nov. 2, 2015, 129 Stat. 625, 636, 638, repealed and reenacted this section, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, to read:

**§ 6241. Definitions and special rules**

For purposes of this subchapter--

**(1)** **Partnership.**--The term “partnership” means any partnership required to file a return under section 6031(a).

**(2)**

(A) **Partnership adjustment.**—In general.—The term “partnership adjustment” means any adjustment to a partnership-related item.

(B) **Partnership-related item.--**The term “partnership-related item” means—

(i) any item or amount with respect to the partnership (without regard to whether or not such item or amount appears on the partnership’s return and including any item or amount relating to any transaction with, basis in, or liability of, the partnership) which is relevant (determined without regard to this subchapter) in determining the tax liability of any person under chapter 1, and

(ii) any partner’s distributive share of any item or amount described in clause (i).

**(3)** **Return due date.**--The term “return due date” means, with respect to the taxable year, the date prescribed for filing the partnership return for such taxable year (determined without regard to extensions).

**(4)** **Payments nondeductible.**--No deduction shall be allowed under subtitle A for any payment required to be made by a partnership under this subchapter.

**(5)** **Partnerships having principal place of business outside United States.**--For purposes of sections 6234, a principal place of business located outside the United States shall be treated as located in the District of Columbia.

**(6)** **Partnerships in cases under title 11 of United States Code.**--

**(A)** **Suspension of period of limitations on making adjustment, assessment, or collection.**--The running of any period of limitations provided in this subchapter on making a partnership adjustment (or provided by section 6501 or 6502 on the assessment or collection of any imputed underpayment determined under this subchapter) shall, in a case under title 11 of the United States Code, be suspended during the period during which the Secretary is prohibited by reason of such case from making the adjustment (or assessment or collection) and--

**(i)** for adjustment or assessment, 60 days thereafter, and

**(ii)** for collection, 6 months thereafter.

A rule similar to the rule of section 6213(f)(2) shall apply for purposes of section 6232(b).

**(B)** **Suspension of period of limitation for filing for judicial review.**--The running of the period specified in section 6234 shall, in a case under title 11 of the United States Code, be suspended during the period during which the partnership is prohibited by reason of such case from filing a petition under section 6234 and for 60 days thereafter.

**(7)** **Treatment where partnership ceases to exist.**--If a partnership ceases to exist before a partnership adjustment under this subchapter takes effect, such adjustment shall be taken into account by the former partners of such partnership under regulations prescribed by the Secretary.

**(8)** **Extension to entities filing partnership return.**--If a partnership return is filed by an entity for a taxable year but it is determined that the entity is not a partnership (or that there is no entity) for such year, then, to the extent provided in regulations, the provisions of this subchapter are hereby extended in respect of such year to such entity and its items and to persons holding an interest in such entity.

**(9) Coordination with other chapters--**This subchapter shall not apply with respect to any tax imposed (or any amount required to be deducted or withheld) under chapter 2, 2A, 3, or 4, except that any partnership adjustment determined under this subchapter for purposes of chapter 1 shall be taken into account for purposes of determining any such tax to the extent that such adjustment is relevant to such determination.

**(10) Treatment of special enforcement matters.—**

**(A) In general.—**In the case of partnership-related items which involve special enforcement matters, the Secretary may prescribe regulations pursuant to which—

(i) this subchapter (or any portion thereof) does not apply to such items, and

(ii) such items are subject to such special rules (including rules related to assessment and collection) as the Secretary determines to be necessary for the effective and efficient enforcement of this title.

**(B) Special enforcement matters.**—For purposes of subparagraph (A), the term “special enforcement matters” means—

(i) failure to comply with the requirements of section 6226(b)(4)(A)(ii),

(ii) assessments under section 6851 (relating to termination assessments of income tax) or section 6861 (relating to jeopardy assessments of income, estate, gift, and certain excise taxes),

(iii) criminal investigations,

(iv) indirect methods of proof of income,

(v) foreign partnerships, and

(vi) other matters that the Secretary determines by regulation present special enforcement considerations.

**26 U.S.C.A. § 6242**

**§ 6242. Procedures for taking partnership adjustments into account**

**REPEAL OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(b)(2), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N77D1D4A0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6243**

**[§ 6243. Repealed. Pub.L. 104-188, Title I, § 1307(c)(1), Aug. 20, 1996, 110 Stat. 1781]**

**Effective: January 1, 1997**

**26 U.S.C.A. § 6244**

**[§ 6244. Repealed. Pub.L. 104-188, Title I, § 1307(c)(1), Aug. 20, 1996, 110 Stat. 1781]**

**Effective: January 1, 1997**

**26 U.S.C.A. Subt. F, Ch. 63, Subch. D, Pt. II, Subpt. A, Refs & Annos**

**REPEAL OF SUBPART A**

[Pub.L. 114-74, Title XI, § 1101(b)(2), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=ND8DDCE239AD311E5A5B796F811954E7F&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), Nov. 2, 2015, 129 Stat. 625, 638, provided that, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, this subpart (consisting of [26 U.S.C.A. §§ 6245](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6245&originatingDoc=ND8DDCE239AD311E5A5B796F811954E7F&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)) to [6248](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=26USCAS6248&originatingDoc=ND8DDCE239AD311E5A5B796F811954E7F&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default))) is repealed.

**26 U.S.C.A. § 6245**

**§ 6245. Secretarial authority**

**REPEAL OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(b)(2), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N77E97B50AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6246**

**§ 6246. Restrictions on partnership adjustments**

**REPEAL OF SECTION**

[Pub.L. 114-74, Title XI, § 1101(b)(2), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N793200E0AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

**26 U.S.C.A. § 6247**

**§ 6247. Judicial review of partnership adjustment**

[Pub.L. 114-74, Title XI, § 1101(b)(2), (g)](http://www.westlaw.com/Link/Document/FullText?findType=l&pubNum=1077005&cite=UUID(I8842FCD081-EA11E5B65BB-0343D629250)&originatingDoc=N7A86E280AFF811D8803AE0632FEDDFBF&refType=SL&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Default)), Nov. 2, 2015, 129 Stat. 625, 638, repealed this section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.