

## **Memo of Major Changes for 2008 Form 1065, U.S. Return of Partnership Income**

At the request of LMSB, we have made several changes to Form 1065. As a result of the changes, Form 1065 is now 5 pages.

Throughout the form, all year references have been updated as appropriate.

On page 1, line G, we have added Checkbox 6 “Technical termination – also check (1) or (2)”. This box is checked if the partnership had a technical termination. This box will appear directly underneath Checkbox 1.

Schedule B has been revised. The changes can be arranged in three categories:

- Questions Deleted
- Questions Renumbered/Revised
- Questions Added

### ***Questions Deleted***

Questions 2, 3, and 11 that appeared on the 2007 Form 1065 have been deleted from the form.

### ***Questions Renumbered/Revised***

Question 4 from the 2007 form is now question 5 on the 2008 form.

Question 5 from the 2007 form is now question 6 on the 2008 form. Additionally, 6b has a revised figure of “\$1 million”. Question 6 now lists a fourth condition (6d); specifically, whether or not the partnership is not filing, and is not required to file, Schedule M-3. In the text appearing after 6d, the reference to the Item on Schedule K-1 (Form 1065) has been revised to “Item L”.

Question 6 from the 2007 form is now question 16 on the 2008 form. In addition, the references to Form 8804 and 8813 have been deleted from question 16.

Question 8 from the 2007 form is now question 9 on the 2008 form. In addition, question 9 deleted the reference to section 6111 and added a reference to Form 8918, Material Advisor Disclosure Statement.

Question 9 from the 2007 form is now question 10 on the 2008 form. In addition, question 10 now includes the title of Form TD F 90-22.1.

Question 10 from the 2007 form is now question 11 on the 2008 form. In addition, question 11 now includes the title of Form 3520.

Question 12 from the 2007 form is now question 17 on the 2008 form.

***Questions Added***

New question 2 asks about the types of partners in the partnership.

New questions 3 and 4 ask for ownership information, regarding both who owns the partnership and what the partnership owns.

New question 8 asks about cancelled or modified debt.

New question 12 asks about section 754 elections, and 743(b) and 734(b) basis adjustments.

New question 13 required the partnership to check the box if it participated in certain types of like-kind exchanges.

New question 14 asks about distributions of interests in partnership property.

New question 15 asks, for partnerships that are required to file Form 8858, the number of Forms 8858 attached to the return.