

Justification of Changes
(Form 8804-W)

Several regulations have gone into effect that have affected this collection. Final regulations under section 6655 provide guidance with respect to estimated tax requirements. These regulations are applicable for tax years beginning after September 6, 2007. For partnerships that elect to use the annualized income installment method, extraordinary items (as defined in Regulations section 1.6655-2(f)(3)(ii)) generally must be taken into account after annualizing the effectively connected taxable income for the annualization period. Similar rules apply if the partnership uses the adjusted seasonal installment method. See the instructions for Parts II through IV. Final regulations were issued under section 1.1446-6. These final regulations address special rules to reduce a partnership's section 1446 tax with respect to a foreign partner's allocable share of effectively connected taxable income. Effective July 29, 2008, Form 8804-C, Certificate of Partner-Level Items to Reduce Section 1446 Withholding, is the sole method for foreign partners to certify partner-level items. The instructions for lines 1, 22, and 32 have been modified to reflect the reduction for state and local taxes permitted under Regulations section 1.466-6(c)(1)(iii). To accommodate these new regulations, fourteen new lines, six in Part 1, two in Part 2, and six in Part 3 and one new code reference in Part 2 were added to this collection, resulting in an increase of burden hours by 1,805 hours.