

**Internal Revenue Service**  
**(TD 8851) Return Requirement for United States Persons Acquiring or Disposing of an Interest in a Foreign Partnership, or Whose Proportional Interest in a Foreign Partnership Changes**  
**OMB #1545-1646**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 6046A of the Code requires certain United States persons who acquire or dispose of an interest in a foreign partnership, or whose interest changes substantially, to file a return.

Section 6046A requires the filing of a return by a United States person to report (1) any acquisition or disposition of an interest in a foreign partnership only if the person holds at least a 10-percent interest in the foreign partnership either before or after the acquisition or disposition, or (2) a change in the person's proportional interest in the foreign partnership only if the change is equivalent to at least a 10-percent interest in the partnership.

The final regulations require the filing of a return on Form 8865, Information Return of U.S. Persons With Respect To Certain Foreign Partnerships, OMB Control number 1545-1668 with respect to a "reportable event." The regulations define a reportable event to mean (1) an acquisition of at least a 10-percent interest, (2) a disposition of at least a 10-percent interest, or (3) a change of at least 10 percent in a proportional interest. If certain conditions are met, the final regulations eliminate the filing requirement for certain partners in order to prevent duplicative filing requirements. Form 8865 generally must be filed with the income tax return for the taxable year in which the reportable event occurs.

2. USE OF DATA

This information is required by the IRS to identify United States persons with significant interests in foreign partnerships and to ensure the correct reporting of items with respect to these interests.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998. Electronic filing of Form 8865 is available.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or

adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The collection of information requirement will not have a significant economic impact on a substantial number of small entities.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION OF FEDERAL PROGRAMS OR POLICY ACTIVITIES

If the Internal Revenue Service (IRS) did not collect this information, the IRS will not be able to identify United States persons with significant interests in foreign partnerships and to ensure the correct reporting of items with respect to these interests and may hinder the IRS from meeting its mission.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

In response to the Federal Register notice dated November 22, 2017 (82 FR 55713), we received no comments during the comment period regarding TD 8851.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No sensitive personally identifiable information is being collected by the agency.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 1.6046A-1 requires the filing of a return on Form 8865, OMB Control Number 1545-1668 Information Return of U.S. Persons With Respect To Certain Foreign Partnerships, with respect to a reportable event. The burden of complying with the reporting requirement will be reflected on Form 8865.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS, AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

Note: The following paragraph applies to all of the collections of information in this submission:

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.