

**SCHEDULE G  
(Form 8865)**

(November 2018)

Department of the Treasury  
Internal Revenue Service

**Statement of Application of the Gain Deferral Method  
Under Section 721(c)**

OMB No. 1545-1668

▶ **Attach to Form 8865. See the Instructions for Form 8865.**

▶ **Go to [www.irs.gov/Form8865](http://www.irs.gov/Form8865) for instructions and the latest information.**

|  |  |  |  |  |   |
|--|--|--|--|--|---|
| Name of person filing Form 8865            |  |  |  | Filer's identification number  |   |
| Name of partnership                        |  |  | <input type="checkbox"/> Successor partnership     | EIN (if any)   | Reference ID number (see instructions)    |
| Name of U.S. transferor (see instructions) |  |  | <input type="checkbox"/> Successor U.S. transferor | Filing year: (see instructions)<br><input type="checkbox"/> Tax year of gain deferral contribution | <input type="checkbox"/> Annual reporting |

| <b>Part I Section 721(c) Property</b> (see instructions) |   |                       |                                  |   |                                |              |                      |  |                          |                          |   |                             |
|--|---|-----------------------|----------------------------------|---|--------------------------------|--------------|----------------------|--|--------------------------|--------------------------|---|-----------------------------|
| 1.<br>Tax year of contribution                           | 2.<br>Description of property               | 3.<br>Recovery period | 4.<br>Section 197(f)(9) property | 5.<br>Effectively connected income property | 6. On the date of contribution |              |                      | 7. Events  |                          |                          |   |                             |
|  |   |                       |                                  |   | (a)<br>Fair market value       | (b)<br>Basis | (c)<br>Built-in gain | (a)<br>Acceleration (including partial acceleration event) | (b)<br>Termination       | (c)<br>Successor         | (d)<br>Tax disposition of a portion of partnership interest | (e)<br>Section 367 transfer |
| 1  |   |                       | <input type="checkbox"/>         | <input type="checkbox"/>                    |                                |              |                      | <input type="checkbox"/>                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                                    | <input type="checkbox"/>    |
| 2  |   |                       | <input type="checkbox"/>         | <input type="checkbox"/>                    |                                |              |                      | <input type="checkbox"/>                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                                    | <input type="checkbox"/>    |
| 3  |   |                       | <input type="checkbox"/>         | <input type="checkbox"/>                    |                                |              |                      | <input type="checkbox"/>                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                                    | <input type="checkbox"/>    |
| 4  |   |                       | <input type="checkbox"/>         | <input type="checkbox"/>                    |                                |              |                      | <input type="checkbox"/>                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                                    | <input type="checkbox"/>    |
| 4a   | From Part I additional statement(s), if any |                       | <input type="checkbox"/>         | <input type="checkbox"/>                    |                                |              |                      | <input type="checkbox"/>                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                                    | <input type="checkbox"/>    |

Do the tiered partnership rules of Temporary Regulations section 1.721(c)-3T(d) apply to this partnership? See instructions . . . . .  **Yes**  **No**

| <b>Part II Remaining Built-in Gain, Remedial Income, and Gain Recognition</b> (see instructions) |   |   |   |  |  |
|--|---|---|---|--|--|
| Part I, line number  | (a)<br>Remaining built-in gain at beginning of tax year | (b)<br>Remaining built-in gain at end of tax year | (c)<br>Remedial income allocated to U.S. transferor | (d)<br>Gain recognized due to acceleration event | (e)<br>Gain recognized due to section 367 transfer |
| 1  |   |   |   |  |  |
| 2  |   |   |   |  |  |
| 3  |   |   |   |  |  |
| 4  |   |   |   |  |  |
| <b>Total*</b>  |   |   |   |  |  |

\* Total must include any amounts included on an attached statement. See instructions.

**Part III Allocation Percentages of Partnership Items With Respect to Section 721(c) Property** (see instructions)

| Part I,<br>line<br>number | 1. Income                 |                                     |                                    | 2. Gain                   |                                     |                                    | 3. Deduction              |                                     |                                    | 4. Loss                   |                                     |                                    |
|---------------------------|---------------------------|-------------------------------------|------------------------------------|---------------------------|-------------------------------------|------------------------------------|---------------------------|-------------------------------------|------------------------------------|---------------------------|-------------------------------------|------------------------------------|
|                           | (a)<br>U.S.<br>transferor | (b)<br>Related domestic<br>partners | (c)<br>Related foreign<br>partners | (a)<br>U.S.<br>transferor | (b)<br>Related domestic<br>partners | (c)<br>Related foreign<br>partners | (a)<br>U.S.<br>transferor | (b)<br>Related domestic<br>partners | (c)<br>Related foreign<br>partners | (a)<br>U.S.<br>transferor | (b)<br>Related domestic<br>partners | (c)<br>Related foreign<br>partners |
| <b>1</b>                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  |
| <b>2</b>                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  |
| <b>3</b>                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  |
| <b>4</b>                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  | %                         | %                                   | %                                  |

**Part IV Allocation of Items to U.S. Transferor With Respect to Section 721(c) Property** (see instructions)

| Part I,<br>line<br>number | 1. Income   |            | 2. Gain     |            | 3. Deduction |            | 4. Loss     |            |
|---------------------------|-------------|------------|-------------|------------|--------------|------------|-------------|------------|
|                           | (a)<br>Book | (b)<br>Tax | (a)<br>Book | (b)<br>Tax | (a)<br>Book  | (b)<br>Tax | (a)<br>Book | (b)<br>Tax |
| <b>1</b>                  |             |            |             |            |              |            |             |            |
| <b>2</b>                  |             |            |             |            |              |            |             |            |
| <b>3</b>                  |             |            |             |            |              |            |             |            |
| <b>4</b>                  |             |            |             |            |              |            |             |            |

**Part V Additional Information** (see instructions). If "Yes" to any question 1 through 6b below, complete Schedule H.

|   | Yes       | No |
|---|-----------|----|
| <b>1</b> During the tax year, did an acceleration event or partial acceleration event (as described in Temporary Regulations section 1.721(c)-4T or Temporary Regulations section 1.721(c)-5T(d)) occur with respect to one or more section 721(c) properties? . . . . .  | <b>1</b>  |    |
| <b>2</b> During the tax year, did a termination event (as described in Temporary Regulations section 1.721(c)-5T(b)) occur with respect to one or more section 721(c) properties? . . . . .   | <b>2</b>  |    |
| <b>3</b> During the tax year, did a successor event (as described in Temporary Regulations section 1.721(c)-5T(c)) occur with respect to one or more section 721(c) properties? . . . . .   | <b>3</b>  |    |
| <b>4</b> During the tax year, was there a tax disposition of a portion of an interest in the partnership (as described in Temporary Regulations section 1.721(c)-5T(f))? . . . . .  | <b>4</b>  |    |
| <b>5</b> During the tax year, was there a direct or indirect transfer of section 721(c) property to a foreign corporation subject to section 367 (as described in Temporary Regulations section 1.721(c)-5T(e))? . . . . .  | <b>5</b>  |    |
| <b>6a</b> Was any additional section 721(c) property contributed to the section 721(c) partnership during the tax year? If "Yes," complete Schedule O, include each contributed property in Part I above and information with respect to the property in Parts II-IV above, and complete line 6b . . . . .  | <b>6a</b> |    |
| <b>b</b> Is the gain deferral method applied with respect to one or more of such additional section 721(c) property contributed? . . . . .  | <b>6b</b> |    |
| <b>7a</b> Was a copy of the waiver of treaty benefits (as described in Temporary Regulations section 1.721(c)-6T(b)(2)(iii)) filed with respect to each section 721(c) property contribution to the section 721(c) partnership? If "Yes," complete line 7b . . . . .  | <b>7a</b> |    |
| <b>b</b> With respect to each section 721(c) property for which a waiver of treaty benefits was filed, after exercising reasonable diligence, has the U.S. transferor determined that to the best of its knowledge and belief, all income from section 721(c) property allocated to the partners during the tax year remained subject to taxation as income effectively connected with the conduct of a trade or business within the United States (under either section 871 or 882) for all direct or indirect partners that are related foreign persons with respect to the U.S. transferor (regardless of whether any such partner was a partner at the time of the gain deferral contribution), and that neither the section 721(c) partnership nor any such partner has made any claim under an income tax convention to an exemption from U.S. income tax or a reduced rate of U.S. income taxation on income derived from the use of section 721(c) property? See Temporary Regulations section 1.721-6T(b)(3)(vi) . . . . . | <b>7b</b> |    |

**Part VI Supplemental Information** (see instructions)

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