



Note: *The draft you are looking for begins on the next page.*

Caution: DRAFT—NOT FOR FILING

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

SCHEDULE K-2
(Form 8865)Department of the Treasury
Internal Revenue Service

Partners' Distributive Share Items—International

Attach to Form 8865.
Go to www.irs.gov/Form8865 for instructions and the latest information.

OMB No. 1545-1668

2025

Name of partnership

Employer identification
number (EIN) (if any)

Reference ID number (see instructions)

A Check to indicate the parts of Schedule K-2 that apply.

- 1 Does Part I apply? If "Yes," complete and attach Part I
- 2 Does Part II apply? If "Yes," complete and attach Part II
- 3 Does Part III apply? If "Yes," complete and attach Part III
- 4 Does Part IV apply? If "Yes," complete and attach Part IV
- 5 Does Part V apply? If "Yes," complete and attach Part V
- 6 Does Part VI apply? If "Yes," complete and attach Part VI
- 7 Does Part VII apply? If "Yes," complete and attach Part VII
- 8 Does Part VIII apply? If "Yes," complete and attach Part VIII

	Yes	No
1		
2		
3		
4		
5		
6		
7		
8		

B Check the applicable boxes. (1) ☐ Amended K-2 (2) ☐ Reserved for future use**Part I Partnership's Other Current Year International Information**

Check box(es) for additional specified attachments. See instructions.

- | | | | |
|--|---|---|--|
| ☐ 1. Gain on personal property sale | ☐ 4. Foreign tax translation | ☐ 7. Reserved for future use | ☐ 10. Partner loan transactions |
| ☐ 2. Foreign oil and gas taxes | ☐ 5. High-taxed income | ☐ 8. Form 5471 information | ☐ 11. Dual consolidated loss |
| ☐ 3. Splitter arrangements | ☐ 6. Section 267A disallowed deduction | ☐ 9. Other forms | ☐ 12. Other international items
(attach description and statement) |

Part II Foreign Tax Credit Limitation**Section 1—Gross Income**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
1 Sales							
A _____							
B _____							
C _____							
2 Gross income from performance of services							
A _____							
B _____							
C _____							
3 Gross rental real estate income							
A _____							
B _____							
C _____							
4 Other gross rental income							
A _____							
B _____							
C _____							

Name of partnership

EIN (if any)

Reference ID number (see instructions)

Part II Foreign Tax Credit Limitation (continued)**Section 1—Gross Income** (continued)

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
5 Guaranteed payments							
6 Interest income							
A _____							
B _____							
C _____							
7 Ordinary dividends (exclude amount on line 8)							
A _____							
B _____							
C _____							
8 Qualified dividends							
A _____							
B _____							
C _____							
9 Reserved for future use							
10 Royalties and license fees							
A _____							
B _____							
C _____							
11 Net short-term capital gain							
A _____							
B _____							
C _____							
12 Net long-term capital gain							
A _____							
B _____							
C _____							
13 Collectibles (28%) gain							
A _____							
B _____							
C _____							
14 Unrecaptured section 1250 gain							
A _____							
B _____							
C _____							

Name of partnership

EIN (if any)

Reference ID number (see instructions)

Part II Foreign Tax Credit Limitation *(continued)***Section 1 – Gross Income** *(continued)*

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
15 Net section 1231 gain							
A _____							
B _____							
C _____							
16 Section 986(c) gain							
17 Section 987 gain							
18 Section 988 gain							
19 Reserved for future use							
A _____							
B _____							
C _____							
20 Other income (see instructions)							
A _____							
B _____							
C _____							
21 Reserved for future use							
A _____							
B _____							
C _____							
22 Reserved for future use							
A _____							
B _____							
C _____							
23 Reserved for future use							
A _____							
B _____							
C _____							
24 Total gross income (combine lines 1 through 23)							
A _____							
B _____							
C _____							

Name of partnership

EIN (if any)

Reference ID number (see instructions)

Part II Foreign Tax Credit Limitation *(continued)***Section 2—Deductions**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
25 Expenses allocable to sales income							
26 Expenses allocable to gross income from performance of services							
27 Net short-term capital loss							
28 Net long-term capital loss							
29 Collectibles loss							
30 Net section 1231 loss							
31 Other losses							
32 Research & experimental (R&E) expenses							
A SIC code:							
B SIC code:							
C SIC code:							
33 Allocable rental expenses—depreciation, depletion, and amortization							
34 Allocable rental expenses—other than depreciation, depletion, and amortization							
35 Allocable royalty and licensing expenses—depreciation, depletion, and amortization							
36 Allocable royalty and licensing expenses—other than depreciation, depletion, and amortization							
37 Depreciation not included on line 33 or line 35							
38 Charitable contributions							
39 Interest expense specifically allocable under Regulations section 1.861-10(e)							
40 Other interest expense specifically allocable under Regulations section 1.861-10T							
41 Other interest expense—business							
42 Other interest expense—investment							
43 Other interest expense—passive activity							
44 Section 59(e)(2) expenditures, excluding R&E expenses on line 32							
45 Foreign taxes not creditable but deductible							

Name of partnership	EIN (if any)	Reference ID number (see instructions)
---------------------	--------------	--

Part II Foreign Tax Credit Limitation *(continued)***Section 2—Deductions** *(continued)*

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
46 Section 986(c) loss							
47 Section 987 loss							
48 Section 988 loss							
49 Other allocable deductions (see instructions)							
50 Other apportioned share of deductions (see instructions)							
51 Reserved for future use							
52 Reserved for future use							
53 Reserved for future use							
54 Total deductions (combine lines 25 through 53)							
55 Net income (loss) (subtract line 54 from line 24)							

Part III Other Information for Preparation of Form 1116 or 1118**Section 1—R&E Expenses Apportionment Factors**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____) (country code _____)		
1 Gross receipts by SIC code							
A SIC code: _____							
B SIC code: _____							
C SIC code: _____							
D SIC code: _____							
E SIC code: _____							
F SIC code: _____							
2 Exclusive apportionment with respect to total R&E expenses entered on Part II, line 32. Enter the following.							
A R&E expense with respect to activity performed in the United States							
(i) SIC code: _____						2A(i)	
(ii) SIC code: _____						2A(ii)	
(iii) SIC code: _____						2A(iii)	
B R&E expense with respect to activity performed outside the United States							
(i) SIC code: _____						2B(i)	
(ii) SIC code: _____						2B(ii)	
(iii) SIC code: _____						2B(iii)	

Name of partnership

EIN (if any)

Reference ID number (see instructions)

Part III Other Information for Preparation of Form 1116 or 1118 (continued)**Section 2—Interest Expense Apportionment Factors**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____) (country code _____)		
1 Total average value of assets							
2 Sections 734(b) and 743(b) adjustment to assets—average value							
3 Assets attracting directly allocable interest expense under Regulations section 1.861-10(e)							
4 Other assets attracting directly allocable interest expense under Regulations section 1.861-10T							
5 Assets excluded from apportionment formula							
6a Total assets used for apportionment (subtract the sum of lines 3, 4, and 5 from the sum of lines 1 and 2)							
b Assets attracting business interest expense							
c Assets attracting investment interest expense							
d Assets attracting passive activity interest expense							
7 Basis in stock of 10%-owned noncontrolled foreign corporations (see attachment)							
8 Basis in stock of CFCs (see attachment)							

Section 3—Foreign-Derived Intangible Income (FDII) Deduction Apportionment Factors

Description	(a) U.S. source	Foreign Source			(e) Sourced by partner	(f) Total
		(b) Passive category income	(c) General category income	(d) Other (category code _____) (country code _____)		
1 Foreign-derived gross receipts						
2 Cost of goods sold (COGS)						
3 Partnership deductions allocable to foreign-derived gross receipts						
4 Other partnership deductions apportioned to foreign-derived gross receipts						

Name of partnership	EIN (if any)	Reference ID number (see instructions)
---------------------	--------------	--

Part III Other Information for Preparation of Form 1116 or 1118 (continued)

Section 4—Foreign Taxes

Description	(a) Type of tax	(b) Section 951A category income		(c) Foreign branch category income		
		U.S.	Foreign	U.S.	Foreign	Partner
1 Direct (section 901 or 903) foreign taxes: ☐ Paid ☐ Accrued						
A _____						
B _____						
C _____						
D _____						
E _____						
F _____						
2 Reduction of taxes (total)						
A Taxes on foreign mineral income						
B Reserved for future use						
C International boycott provisions						
D Failure-to-file penalties						
E Taxes with respect to splitter arrangements . .						
F Taxes on foreign corporate distributions . . .						
G Other						
3 Foreign tax redeterminations						
A _____						
Related tax year: _____						
Date tax paid: _____						
Contested tax ☐						
B _____						
Related tax year: _____						
Date tax paid: _____						
Contested tax ☐						
C _____						
Related tax year: _____						
Date tax paid: _____						
Contested tax ☐						
4 Reserved for future use						
5 Reserved for future use						
6 Reserved for future use						

Name of partnership

EIN (if any)

Reference ID number (see instructions)

Part III Other Information for Preparation of Form 1116 or 1118 (continued)**Section 4—Foreign Taxes** (continued)

	(d) Passive category income			(e) General category income			(f) Other (category code _____)	(g) Total
	U.S.	Foreign	Partner	U.S.	Foreign	Partner		
1								
A								
B								
C								
D								
E								
F								
2								
A								
B								
C								
D								
E								
F								
G								
3								
A								
B								
C								
4								
5								
6								

Section 5—Other Tax Information

Description	(a) U.S. source	Foreign Source					(g) Sourced by partner	(h) Total
		(b) Section 951A category income	(c) Foreign branch category income	(d) Passive category income	(e) General category income	(f) Other (category code _____) (country code _____)		
1 Section 743(b) positive income adjustment .								
2 Section 743(b) negative income adjustment .								
3 Reserved for future use . .								
4 Reserved for future use . .								

Name of partnership	EIN (if any)	Reference ID number (see instructions)
---------------------	--------------	--

Part IV Information on Partners' Section 250 Deduction With Respect to Foreign-Derived Intangible Income (FDII)**Section 1—Information To Determine Deduction Eligible Income (DEI) and Qualified Business Asset Investment (QBAI) on Form 8993**

1 Net income (loss)	1
2a DEI gross receipts	2a
b DEI COGS	2b
c DEI properly allocated and apportioned deductions	2c
3a Income and gain from the sale or other disposition of intangible property under section 250(b)(3)(A)(i)(VII)(aa) (see instructions)	3a
b Income and gain from the sale or other disposition of certain other property under section 250(b)(3)(A)(i)(VII)(bb) (see instructions)	3b
4 Controlled foreign corporation (CFC) dividends	4
5 Financial services income	5
6 Domestic oil and gas extraction income	6
7 Foreign branch income	7
8 Partnership QBAI	8

Section 2—Information To Determine Foreign-Derived Deduction Eligible Income (FDDEI) on Form 8993 (see instructions)

Description	(a) Foreign-derived income from all sales of general property	(b) Foreign-derived income from all sales of intangible property	(c) Foreign-derived income from all services	(d) Total (add columns (a) through (c))
9 Gross receipts				
10 COGS				
11 Allocable deductions				
12 Other apportioned deductions				12

Section 3—Other Information for Preparation of Form 8993

Description	(a) DEI	(b) FDDEI	(c) Total
13 Interest deductions			
A Interest expense specifically allocable under Regulations section 1.861-10(e)			
B Other interest expense specifically allocable under Regulations section 1.861-10T			
C Other interest expense			
14 Interest expense apportionment factors			
A Total average value of assets			
B Sections 734(b) and 743(b) adjustments to assets—average value			
C Assets attracting directly allocable interest expense under Regulations section 1.861-10(e)			
D Other assets attracting directly allocable interest expense under Regulations section 1.861-10T			
E Assets excluded from apportionment formula			
F Total assets used for apportionment (the sum of lines 14C, 14D, and 14E subtracted from the sum of lines 14A and 14B)			
R&E expenses apportionment factors			
15 Gross receipts by SIC code			
A SIC code:			
B SIC code:			
C SIC code:			
16 R&E expenses by SIC code			
A SIC code:			16A
B SIC code:			16B
C SIC code:			16C

Name of partnership	EIN (if any)	Reference ID number (see instructions)
---------------------	--------------	--

Part V Distributions From Foreign Corporations to Partnership

	(a) Name of distributing foreign corporation			(b) EIN or reference ID number	(c) Date of distribution	(d) Functional currency of distributing foreign corporation	(e) Amount of distribution in functional currency
A							
B							
C							
D							
E							
F							
G							
H							
I							
J							
K							
L							
M							
N							
O							
	(f) Amount of E&P distribution in functional currency	(g) Spot rate (functional currency to U.S. dollars)	(h) Amount of distribution in U.S. dollars	(i) Amount of E&P distribution in U.S. dollars	(j) Qualified foreign corporation	(k) Reserved for future use	
A					☐		
B					☐		
C					☐		
D					☐		
E					☐		
F					☐		
G					☐		
H					☐		
I					☐		
J					☐		
K					☐		
L					☐		
M					☐		
N					☐		
O					☐		

DRAFT — DO NOT FILE

DRAFT — DO NOT FILE

Name of partnership	EIN (if any)	Reference ID number (see instructions)
---------------------	--------------	--

Part VI Information on Partners' Section 951(a)(1) and Section 951A Inclusions

- a** Separate category (enter code—see instructions)
- b** If U.S. source, complete as a separate Part VI by separate category and check box ☐

	(a) Name of CFC	(b) EIN or reference ID number	(c) Ending of CFC tax year	(d) Partners' share of CFC items through their ownership in the partnership ("aggregate share")	(e) Aggregate share of subpart F income	(f) Aggregate section 951(a)(1)(B) inclusion	(g) Tested income
A							
B							
C							
D							
E							
F							
G							
H							
I							
J							
K							
1	Partnership total (sum for all CFCs)						

	(h) Tested loss	(i) Aggregate share of tested income	(j) Aggregate share of tested loss	(k) Aggregate share of QBAI	(l) Aggregate share of the tested loss QBAI amount	(m) Aggregate share of tested interest income	(n) Aggregate share of tested interest expense
A	()		()		()		
B	()		()		()		
C	()		()		()		
D	()		()		()		
E	()		()		()		
F	()		()		()		
G	()		()		()		
H	()		()		()		
I	()		()		()		
J	()		()		()		
K	()		()		()		
1	()		()		()		

Name of partnership	EIN (if any)	Reference ID number (see instructions)
---------------------	--------------	--

Part VII Information Regarding Passive Foreign Investment Companies (PFICs)**Section 1—General Information****General Information**

	(a) Name of PFIC	(b) EIN or reference ID number	(c) Address of PFIC	(d) Beginning of PFIC tax year	(e) Ending of PFIC tax year
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					

Summary of Annual Information**Information Regarding Elections**

	(f) Description of each class of PFIC shares	(g) Dates PFIC shares acquired during tax year (if applicable)	(h) Total number of PFIC shares held at end of tax year	(i) Total value of PFIC shares held at end of tax year	(j) Check if foreign corporation has documented its eligibility to be treated as a qualifying insurance corporation under section 1297(f)(2).	(k) Check if PFIC has indicated its shares are "marketable stock" within the meaning of section 1296(e).	(l) Check if PFIC is also a CFC within the meaning of section 957.	(m) Check if PFIC meets the income test or asset test of section 1297(a) for the tax year.
A					☐	☐	☐	☐
B					☐	☐	☐	☐
C					☐	☐	☐	☐
D					☐	☐	☐	☐
E					☐	☐	☐	☐
F					☐	☐	☐	☐
G					☐	☐	☐	☐
H					☐	☐	☐	☐
I					☐	☐	☐	☐
J					☐	☐	☐	☐
K					☐	☐	☐	☐
L					☐	☐	☐	☐

Name of partnership	EIN (if any)	Reference ID number (see instructions)
---------------------	--------------	--

Part VII Information Regarding Passive Foreign Investment Companies (PFICs) *(continued)***Section 2—Additional Information on PFIC or Qualified Electing Fund (QEF)**

General Information			QEF Information		Section 1296 Mark-to-Market Information		Section 1291 and Other Information		
	(a) Name of PFIC	(b) EIN or reference ID number	(c) Ordinary earnings	(d) Net capital gain	(e) Fair market value (FMV) of PFIC shares at beginning of tax year	(f) FMV of PFIC shares at end of tax year	(g) Dates PFIC shares were acquired	(h) Amount of cash and FMV of property distributed by PFIC during the current tax year (if applicable)	(i) Dates of distribution
A									
B									
C									
D									
E									
F									
G									
H									
I									
J									
K									
L									

Section 1291 and Other Information

	(j) Total creditable foreign taxes attributable to distribution by PFIC	(k) Total distributions from PFIC in preceding 3 tax years	(l) Dates PFIC shares disposed of during tax year (if applicable)	(m) Amount realized on disposition of PFIC shares	(n) Tax basis of PFIC shares on dates of disposition	(o) Gain (loss) on disposition of PFIC shares
A						
B						
C						
D						
E						
F						
G						
H						
I						
J						
K						
L						

Name of partnership	EIN (if any)	Reference ID number (see instructions)
---------------------	--------------	--

Part VIII Partners' Information for Base Erosion and Anti-Abuse Tax (Section 59A)**Section 1—Applicable Taxpayer** (see instructions)

Description	(a) Total	(b) Total ECI gross receipts	(c) Total non-ECI gross receipts
1 Gross receipts for section 59A(e)			
2 Gross receipts for the first preceding year			
3 Gross receipts for the second preceding year			
4 Gross receipts for the third preceding year			
5 Amounts included in the denominator of the base erosion percentage as described in Regulations section 1.59A-2(e)(3)			

Section 2—Base Erosion Payments and Base Erosion Tax Benefits (see instructions)

Description	(a) Total	(b) Total base erosion payments	(c) Total base erosion tax benefits
6 Reserved for future use			
7 Cost sharing transaction payments			
8 Purchase or creations of property rights for intangibles (patents, trademarks, etc.)			
9 Rents, royalties, and license fees			
10a Compensation/consideration paid for services not excepted by section 59A(d)(5)			
b Compensation/consideration paid for services excepted by section 59A(d)(5)			
11 Interest expense			
12 Payments for the purchase of tangible personal property			
13 Premiums and/or other considerations paid or accrued for insurance and reinsurance as covered by sections 59A(d)(3) and 59A(c)(2)(A)(iii)			
14a Nonqualified derivative payments			
b Qualified derivative payments excepted by section 59A(h)			
15 Payments reducing gross receipts made to surrogate foreign corporation			
16 Other payments—specify:			
17 Base erosion tax benefits related to payments reported on lines 6 through 16, on which tax is imposed by section 871, 881, or 884(f), with respect to which tax has been withheld under section 1441 or 1442 at the 30% statutory withholding tax rate or subject to tax under Regulations section 1.884-4(a)(2)(ii) at the 30% statutory rate (see instructions)			
18 Portion of base erosion tax benefits reported on lines 6 through 16, on which tax is imposed by section 871 or 881, with respect to which tax has been withheld under section 1441 or 1442 at reduced withholding rate pursuant to income tax treaty or subject to a reduced rate of tax under Regulations section 1.884-4(a)(2)(ii). Multiply the amount of the base erosion tax benefit by a fraction equal to the rate of tax imposed under the treaty over the 30% (0.30) statutory rate. See instructions			
19 Total base erosion tax benefits (subtract the sum of lines 17 and 18 from the sum of lines 7 through 16)			
20 Reserved for future use			
21 Reserved for future use			
22 Reserved for future use			