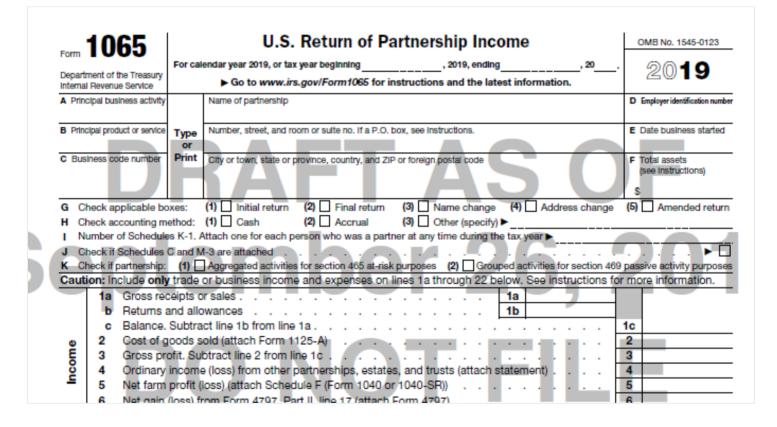
CPA Practice **Advisor**

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noncompliance while ensuring that compliant taxpayers are less likely to be examined.





The IRS has issued a draft of the tax year 2019 Form 1065, U.S. Return of Partnership Income (PDF), and its Schedule K-1, Partner's Share of Income, Deductions, Credits, etc (PDF). The changes to the form and schedule aim to improve the quality of the information reported by partnerships both to the IRS and the partners of such entities.

For example, among the changes is the addition of a checkbox that allows a taxpayer to indicate if certain grouping or aggregation elections have been made. The changes also reflect updates consistent with changes resulting from the Tax Cuts and Jobs Act. The additional information requested in the draft Form 1065 and Schedule K-1 is

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released today.

Over the past decade and a half, tax filings by partnerships have seen an increase. For calendar year 2004, about 2.5 million partnerships filed Form 1065; by calendar year 2017, that number had risen to more than 4 million, an increase of 59 percent. The rise in filings by partnerships was considerably greater than the rise in filing by C-corporations and S-corporations, combined, which rose about 14 percent over the same timeframe. This increase in filings reinforces the IRS's need to improve the data available for its compliance selection processes.

The draft 2019 Form 1065 and Schedule K-1, as well as the draft Form 1120-S and its Schedule K-1, are near-final forms. The drafts are intended to give tax practitioners a preview of the changes and software providers the information they need to update systems before the final version of the updated forms and schedules are released in December.

The IRS is now accepting comments for 30 days at IRS.gov/FormComments.

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