

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

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

Isaac M. O'Bannon • Sep. 30, 2019

Form 1065 **U.S. Return of Partnership Income** OMB No. 1545-0123

For calendar year 2019, or tax year beginning _____, 2019, ending _____, 20**19**

Department of the Treasury
Internal Revenue Service

► Go to www.irs.gov/Form1065 for instructions and the latest information.

A Principal business activity	Name of partnership	D Employer identification number
B Principal product or service	Number, street, and room or suite no. If a P.O. box, see instructions.	E Date business started
C Business code number	City or town, state or province, country, and ZIP or foreign postal code	F Total assets (see instructions)

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

H Check accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ►

J Check if Schedules C and M-3 are attached ► ☐

K Check if partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

Income	1a Gross receipts or sales	1a		
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a		1c	
	2 Cost of goods sold (attach Form 1125-A)		2	
	3 Gross profit. Subtract line 2 from line 1c		3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)		4	
5 Net farm profit (loss) (attach Schedule F (Form 1040 or 1040-SR))		5		
6 Net gain (loss) from Form 4707, Part II, line 17 (attach Form 4707)		6		

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

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

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](https://www.irs.gov/FormComments).

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved