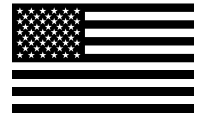


Publication 5346

Instructions for Form 8980



Partnership Request for Modification of Imputed Underpayments Under IRC Section 6225(c)

General Instructions

Electronic Submission of Form 8980

Internal Revenue Code (IRC) section 6241(10), in part, gives the IRS authority to require electronic filing of anything required to be filed or submitted under section 6225(c). Please submit Form 8980, attachments, and related forms electronically. Refer to the BBA website ([IRS.gov/bbaesubmit](https://irs.gov/bbaesubmit)) for steps and instructions for electronic submission.

Note: Administrative Adjustment Requests (AARs), including AARs with an attached Form 8980, must be filed at the Internal Service Center location where the partnership's original return was filed in the manner that the original return was filed (on paper or electronically submitted). Electronically filed AARs cannot be submitted in the BBA Online Form Submission Service (OFSS), but instead are e-filed through the Modernized e-file (MeF) system. For further information regarding the filing of BBA AARs, see the Instructions to Form 1065 and the BBA AAR page at irs.gov/bbaaar.

Be sure to download and complete the latest version of the fillable forms available from [IRS.gov/forms-instructions](https://irs.gov/forms-instructions). Any earlier version of the forms cannot be submitted electronically and will be rejected. Also, see "Important Tips for Electronic Submission" below.

If you are having difficulty downloading or opening the PDF form, it may be because of the browser you are using. Check that "Adobe" is set as the program that opens the PDF, by right clicking on any PDF file on your computer. Once you right click, select "properties." If "Adobe" isn't the program that the form "opens with", change it to "Adobe".

Important Tips for Electronic Submission for Partnerships Under Examination

- Download and complete the latest version of the fillable forms available from [IRS.gov/forms-instructions](https://irs.gov/forms-instructions). Any earlier version of the forms cannot be submitted electronically and will be rejected.
- The fillable form has mandatory fields that must be completed in order for the form to be accepted when it is submitted. Mandatory fields are generally outlined in red boxes on the fillable form. If you do not complete all mandatory fields on the fillable form, you will get a pop-up message stating that you have not completed all of the mandatory fields. Please **note: ALL FORMS LISTED BELOW AS "PRIMARY" OR "RELATED" MUST BE SUBMITTED IN THEIR FILLABLE FORMAT, not printed and scanned to create a PDF file. The attachments, signature files, and "Manual signature" forms listed below may be printed and scanned to create a PDF or other type of document in order to upload for electronic submission.**
- Name fields:** Do not enter double blank spaces or punctuation.
- Taxpayer ID Number (TIN) fields:**
 - For TIN fields which can be either an Employer Identification Number (EIN) or Social Security Number (SSN),** be sure to enter a dash when entering an EIN (Example: XX-XXXXXXX), and two dashes when entering an SSN (Example: XXX-XX-XXXX).
 - For fields that stipulate an EIN or SSN,** you do not need to enter the dashes, as the fillable form will appropriately format the number and automatically include the dash/dashes.
- U. S. Zip Code fields:** U.S. Zip Code fields should be entered as either 5 or 9 numeric digits, no dashes. The fillable form will automatically include a dash if 9 numeric digits are entered.
- Form 8980, Attachments to Form 8980, and Form 8980 related forms (Form 8982, Form 8983, and Form 15028):**
 - Do not password protect or encrypt attachments.
 - The file name should be a unique, meaningful name and description. The following file name requirements must be followed when naming files:
Allowed:
 - ☐ Alpha (A-Z);
 - ☐ Numeric (0-9);
 - ☐ Hyphen/dash (-);
 - ☐ Underscore (_);
 - ☐ Maximum of 50 characters (including the file extension);
 - ☐ Allowed file extensions: .doc, .docx, .pdf, .xls, .xlsx, .zip;
 - ☐ Use unique filenames. For example, you cannot have two attachments as follows: "form.pdf" and "form.doc" included in the same submission.
 - ☐ Avoid naming files: "Other", "PDF Attachment", "Miscellaneous Information", or any other generic term.
Not Allowed:
 - ☐ Blank spaces
 - ☐ Consecutive dashes or underscores
 - ☐ Special characters (other than non-consecutive dashes or underscores)
- When electronically submitting Form 8980 (Primary form) and any required Related Forms (Forms 8982, Forms 8983, and Form 15028), the following categories of forms and attachments are possible:**
 - Primary form: Form 8980**
 - Form 8980 Attachments** (includes statements and schedules which provide further information to information requested in Form 8980)
 - Related form: Form 8982**
 - Form 8982 Signature files** (Each Form 8982 submitted must have an associated signature file that includes a scanned image of partner signature page)

- o **Form 8982 Attachments** (includes statements and schedules when additional space is needed beyond form capacity)
- o **Related Form: Form 8983**
- o **Form 8983 Signature files** (Each Form 8983 submitted must have an associated signature file that includes a scanned image of partner signature page)
- o **Form 8983 Attachments** (includes required statements and schedules as applicable and when additional space is needed beyond form capacity)
- o **Related Form: Form 15028**
- o **Form 15028 Attachments** (when additional space is needed beyond form capacity)
- o **Other forms relating to the Modification process that can be submitted electronically as stand-alone forms:**
 - ☐ Form 8981
 - ☐ Form 8984
 - ☐ Form 15027 (agreement)
 - ☐ Form 14726
- **Modification-related Form Signature Requirements:** Electronically submitted forms have different signature requirements depending on the form. The following is a summary of the form signature methods and submission formats:

Form	Signed By	Signature Method*
8980	Partnership Representative	PIN signature
8982	Partner & Partner's spouse (if applicable)	Manual signature – separate file
8983	Partner	Manual signature – separate file
15028	Partnership Representative	PIN signature
8981	Partnership Representative	PIN signature
8984	Partnership Representative	Manual signature – no separate file
15027	Partnership Representative	Manual signature – no separate file
14726	Partnership Representative	Manual signature – no separate file

***Explanation of Signature Methods:**

PIN signature = 5-digit PIN signature is transmitted as part of the form when the form is electronically submitted. This is the PIN that is self-selected during the Transmitter Control Code (TCC) application step of the multi-step process for electronic submission (go to [IRS.gov/bbaesubmit](https://www.irs.gov/bbaesubmit) for the complete steps and instructions for electronic submission). A Power of Attorney (POA) for the Partnership Representative (PR) may sign on behalf of the PR using the POA's PIN and information where the PR is unable to sign.

If you didn't select a PIN or don't remember the PIN selected, you must select or change the PIN before signing and submitting the form. The "typed" name of the person signing the form must exactly match the name entered during the TCC application step for electronic submission. For example, if the name entered during the TCC application step is John T. Smith, the typed name on the form must be John T. Smith, not John Smith, JT Smith, etc.

Manual signature – separate file = Requires a separate file to be uploaded (in addition to the completed fillable form) that includes the signature page with the scanned image of the signature, referred to as a "signature file".

Manual signature – no separate file = The form is completed, manually signed, and then scanned to create a PDF file to upload for electronic submission.

- **Successful Electronic Submission** = Receipt ID: When you have successfully submitted your forms electronically, a "Receipt ID Number" will be displayed along with a list of forms that have been submitted. You should print and keep the Receipt ID page displayed. You need the Receipt ID in order to check the status of your form submission. If the submission was "Rejected", you will receive the reason(s) for the rejection so that you can fix the forms and resubmit them. If the status is "Accepted", there is nothing further you need to do. Before the expiration of your submission deadline, a submission must be in "accepted status" in order to have met that deadline.

Purpose of Form 8980

Section references are to the Internal Revenue Code (IRC) unless otherwise noted.

Form 8980 is submitted by a partnership to request the modification of an imputed underpayment under section 6225(c). An imputed underpayment is reported to a partnership in a notice of proposed partnership adjustment (NOPPA). Additionally, Form 8980 is also used by a partnership that is applying certain permitted modifications to an imputed underpayment included in the filing of an Administrative Adjustment Request (AAR). In the case of an AAR that includes modifications to an imputed underpayment, the partnership should complete and attach Form 8980 (including all required Form 8980 supporting forms and attachments, and any supporting documents) to the AAR when filed. **Note:** AARs that include Form 8980 must be filed at the Internal Revenue Service Center location where the partnership's original return was filed.

Modification Request Not for Disputed Partnership Issues. A request for modification is a request to modify an imputed underpayment and is not a request to appeal or modify partnership adjustments. The Office of Appeals handles formal protests of any proposed partnership adjustments and imputed underpayment computations when requested prior to the issuance of the NOPPA. For further information on the Appeals process and filing a formal protest prior to receiving a NOPPA, see Publication 5, Your Appeal Rights and How To Prepare a Protest If You Don't Agree.

Who Must Submit

Modification Request of a NOPPA Imputed Underpayment. A partnership choosing to request modification of a proposed imputed underpayment reported in a NOPPA should use Form 8980 to request the modification. The partnership representative (PR) should complete and sign Form 8980 and include all required Form 8980 supporting forms and attachments and any supporting documents when Form 8980 is submitted. The IRS will acknowledge your request and will contact you if additional information is required in order to evaluate your request and make a determination.

Modification of Adjustments That Do Not Result in an Imputed Underpayment. If the imputed underpayment calculation in the NOPPA results in an amount that is zero or less than zero, or if there are net negative adjustments that are excluded from the calculation of the imputed underpayment, modification may be requested with respect to the underlying adjustments under the following types of modification and using the appropriate Part of Item E of Form 9880:

- Partner modification amended returns (PMARs) (use Part I);
- Partner alternative procedure (PAP) (use Part I);
- Modification of the number and composition of the imputed underpayments (use Part V);
- Closing agreements (use Part VII for partner closing agreements, and use Part IX for a source partnership closing agreement); or
- Other Modifications, if applicable (use Part IX).

Modifications Applied to an Imputed Underpayment Reported in an Administrative Adjustment Request (AAR). Form 9880 is also used to report to the IRS any permitted modifications that are being applied to an imputed underpayment reported in an AAR. The PR should complete and sign Form 9880, including all required Form 9880 supporting forms and attachments and any supporting documents, and include it with the AAR when filed. AARs must be filed at the IRS Service Center where the partnership's original return was filed, in the manner that the original return was filed (on paper or electronically submitted).

One Form 9880 Per Reviewed Year: If a partnership is requesting modification for more than one reviewed year, a Form 9880 should be completed and submitted for each reviewed year. Each Form 9880 pertains to a particular partnership and a particular reviewed year.

Partnership Responsibility to Provide Information to Partners. The failure of the partnership to provide all necessary information to the partner in order for the partner to fulfill its requirements pertaining to a particular requested modification may result in the IRS's denial, in whole or in part, of the partnership's request for modification. For all modification requests involving one or more relevant partners' actions affecting the source partnership's modification request, the PR must provide to each relevant partner their distributive share of all proposed partnership adjustments set forth in the partnership's NOPPA, regardless of whether such adjustments resulted in an imputed underpayment(s). This information must also be provided by the PR on Form 9880, Item C, Allocation of Adjustments Relevant to Modification. The PR should provide all necessary information with regard to each adjustment allocation in order for the partner to fulfill the requirements pertaining to a particular requested modification. Such information includes a description of each positive and negative adjustment, grouping, subgrouping, and whether or not the adjustment was included in the general or a specific imputed underpayment.

When to Submit

Modification Request of a NOPPA Imputed Underpayment and Adjustments That Do Not Result in an Imputed Underpayment. Under section 6225(c)(7), a partnership has 270 calendar days from the date the NOPPA is mailed to request modification. Form 9880, along with all required supporting forms and attachments should be submitted within this 270-day modification submission period. This period may be extended if it is requested by the partnership and approved by the IRS. See "Extension of the Modification Submission Period" below.

Modifications to an Imputed Underpayment Included in an Administrative Adjustment Request (AAR). If filing an AAR with modifications, refer to the instructions in the relevant AAR forms regarding the allowable time period to file an AAR. Form 9880, including all required attachments and supporting documentation, should be attached to an AAR when it is filed if such AAR includes any permitted modifications that are being applied to the imputed underpayment reported in the AAR. Permitted modifications to an imputed underpayment in an AAR include: modifications regarding tax-exempt partners; the applicable highest tax rate; certain passive activity losses of specified partners or qualified relevant partners of publicly traded partnerships; the limitation or restriction in the grouping of adjustments; qualified investment entity partners; foreign partner tax treaty modification and statutory exemptions; and other modifications (if appropriate). Modifications for partner amended returns, partner alternative procedure, and closing agreements are not permitted in an AAR. AARs must be filed at the Internal Service Center location where the partnership's original return was filed in the manner that the original return was filed (on paper or electronically submitted). If a modification is requested but the Form 9880 is not attached to the AAR, the modification is denied. See also [irs.gov/bbaaar](https://www.irs.gov/bbaaar) for additional information.

Extension of the Modification Submission Period. If the partnership's 270-day period from the NOPPA mailing date has not expired and the partnership needs additional time to submit a modification request, to fully complete a timely submitted Form 9880 modification request, to provide the required supporting documents relative to a modification request, or to correct a previously submitted modification request, the 270-day period under section 6225(c)(7) may be extended, if it is requested by the partnership and approved by the IRS. Use Form 9884, *Extension of the Taxpayer Modification Submission Period Under Section 6225(c)(7)*, to request an extension of the 270-day modification submission period. Such request, if made, must be submitted and approved prior to the expiration of the 270-day period. Form 9884 should be submitted electronically. See [IRS.gov/bbaesubmit](https://www.irs.gov/bbaesubmit).

What to Submit with Form 9880

All related forms (when required) such as Forms 9882, 9883, and 15028, and any required attachments to Form 9880 should be submitted along with Form 9880. The related forms and required supporting attachments will depend upon the type(s) of modifications being requested, or in the case of an AAR, the permitted modifications being applied to the imputed underpayment in the AAR. See the specific instructions for each type of modification requested for the required related forms and supporting attachments that needs to be included with Form 9880 when submitted.

Who Must Sign

The partnership representative (PR) of the source partnership requesting modification, or applying permitted modifications in the case of an AAR, must sign Form 9880, Item F. For further information, see "Modification-related Form Signature Requirements, *Explanation of signature Methods" above, under "Important Tips for Electronic Submission."

Where to Submit

Submitting Form 9880 pursuant to receipt of a NOPPA. You must upload the completed fillable version of the form. (Do not print, scan, and upload Form 9880). See "Electronic Submission of Form 9880" at the beginning of these instructions, for additional information.

Submitting Form 9880 with an AAR. You should attach the completed form with the AAR being filed. AARs must be filed at the IRS Service Center where the partnership's original return was filed. Refer to the instructions in the relevant AAR forms.

BBA Partner Payments Related to Requested Modifications

All partner payments relating to modifications that will be requested must be properly identified as a partner payment under BBA modification. IRS offers several payment options. Partners can pay online or by phone, mobile device, cash (maximum \$1,000 per day and per transaction), check, or money order. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for payment options. However partners choose to pay, they must identify their payment by selecting "**Partner Payment (Pymnt) for BBA Modification**". If partners choose to mail a tax payment, they must make their check or money order payable to "United States Treasury" for the full amount due. On their payment, they must put their name, current address, daytime phone number, and SSN/TIN. If they are a joint filer, enter the SSN shown first on their return. Also, include the tax year and description as follows: "Modification [Insert Tax Year] Form [Insert Form Number]". To help process the payment, enter the amount on the right side of the check like this: \$XXX.XX. Do not use dashes or lines (*for example, do not enter "\$XXX-" or "\$XXXxx100"*).

Waiver of the Modification Submission Period

If the partnership has submitted a complete and accurate Form 9880 along with all required attachments and supporting documentation and does not need the full 270-day period (or longer period if an extension was previously approved) to submit supplemental modification requests or provide additional information, the partnership may request to waive the remainder of the modification submission period by submitting Form 9881, *Waiver of the Period Under IRC Section 6231(b)(2)(A) and Expiration of the Period for Modification Submissions Under IRC Section 6225(c)(7)*. If the IRS approves the waiver, you will be notified in writing. An approved Form 9881 may allow the IRS to complete its evaluation of the partnership's modification request, notify the partnership of the modification acceptance or denial, and issue the notice of final partnership adjustment (FPA) earlier than if a waiver is not requested. Form 9881 should be submitted electronically.

Substantiation of Facts Supporting a Modification Request

A partnership requesting modification must demonstrate to the satisfaction of the IRS that any modification requested is appropriate and accurate. The partnership bears the burden of providing all documents required to establish the appropriateness and accuracy of a modification request. The IRS may deny modification, in whole or in part, if the partnership fails to provide sufficient evidence of the appropriateness and accuracy of a modification request.

Notification of Modification Acceptance or Denial. All modification requests pursuant to a NOPPA must be approved by the IRS. The IRS will notify the partnership in writing of the modification determination.

Appeal of Modification Determination. Regarding modification requests pursuant to a NOPPA, once the partnership is notified, in writing, regarding the details of approved, partially approved, and denied modifications, along with the computation of the resulting modified imputed underpayment(s), if the partnership disagrees with the IRS' determination, the partnership may first request a conference with the group manager. If there is still disagreement after the conference, the partnership can appeal its case to the IRS Independent Office of Appeals. The modification determination notification letter (Letter 5975) will provide information regarding what to do if you disagree with the determination.

Imputed Underpayment is a Liability of the Partnership

Any imputed underpayment (after all approved modifications have been applied to the imputed underpayment) remains a liability of the partnership, unless the partnership makes a valid election under section 6226 to push out partnership adjustments and the applicability of any penalties, additions to tax, or additional amounts to its partners from the reviewed year as an alternative to payment of the imputed underpayment. The election under section 6226 may only be made after the FPA is mailed to the partnership, and must be submitted within 45 days of the date the FPA is mailed by the IRS.

Definitions

270-Day Modification Submission Period Expiration Date refers to the end of the period defined in section 6225(c)(7) during which an audited partnership may request modification (including the submission of all required supporting documents). This period is 270 calendar days from the date the NOPPA is mailed. The 270-Day Modification Submission Period Expiration Date is included on the top right section of the NOPPA Letter 5892/5892-A received by the partnership/partnership representative. The submission period may be extended if requested by the partnership (using Form 9884) and approved by the IRS.

Adjustment year means the partnership taxable year in which:

- (i) In the case of an adjustment pursuant to the decision of a court in a proceeding brought under section 6234, such decision becomes final;
- (ii) In the case of an administrative adjustment request (AAR) under section 6227, such AAR is filed; or
- (iii) In any other case, an FPA is mailed under section 6231 or, if the partnership waives the restrictions under section 6232(b) (regarding limitations on assessments), the waiver is executed by the IRS.

Adjustment year partner means any person who held an interest in a partnership at any time during the adjustment year.

Adjustments That Do Not Result in an Imputed Underpayment (ATDNR) occur if: (i) After grouping, subgrouping, and netting the adjustments, the result of netting with respect to any grouping or subgrouping that includes a particular partnership adjustment is a net negative adjustment; or (ii) the imputed underpayment calculation results in an amount that is zero or less than zero. Any adjustment that does not result in an imputed underpayment is taken into account by the partnership in the adjustment year, except if an AAR is being filed. Modification may be requested with respect to such adjustments under the following types of modification: Amended returns, Alternative procedure, Number and composition of the imputed underpayments, Closing agreements, or, if applicable Other Modifications. Use the appropriate Part of Form 9880, Item E, to request such modification.

Closing Agreement for this purpose is an agreement entered into by the IRS and the partnership or any relevant partner, or both, if appropriate, pursuant to section 7121. See Form 9880, Item E, Part VII and the associated specific line instructions.

Direct partner means any person that holds a direct interest in a partnership, and not through another entity. A direct partner can also be a relevant partner.

First affected year is the taxable year of the partner that includes the end of the partnership's reviewed year.

General Imputed Underpayment is calculated based on all adjustments (other than adjustments that do not result in an imputed underpayment) that are not taken into account to determine a specific imputed underpayment. If there is only one imputed underpayment in an administrative proceeding, it is a general imputed underpayment.

Grouping means placing partnership adjustments into one of four groupings: reallocation, residual, creditable expenditure, and credit. For partnerships under examination (and prior to any requested and approved modifications), the grouping of each proposed partnership adjustment is shown on the Form 14792 received by the partnership.

Imputed Underpayment is an amount determined, in accordance with sections 6225, 6226, 6227 and the Regulations thereunder.

Indirect partner means any person who has an interest in a partnership through their interest in one or more pass-through partners or through a wholly-owned entity disregarded as separate from its owner for federal tax purposes. An indirect partner can also be a relevant partner.

Modification refers to the process of the source partnership requesting and obtaining modification to a proposed imputed underpayment, or partnership adjustment that does not result in an imputed underpayment, set forth in a NOPPA pursuant to the provisions in section 6225(c) and applicable Regulations. Modification for an AAR refers to the partnership applying certain permitted modifications to an imputed underpayment pursuant to applicable Regulations.

Modification year is any taxable year with respect to which any tax attribute of the relevant partner is affected by reason of taking into account the relevant partner's distributive share of all partnership adjustments in the first affected year. A modification year may be a taxable year before or after the first affected year, depending on the effect on the relevant partner's tax attributes from taking into account the relevant partner's distributive share of the partnership adjustments in the first affected year. See Form 8982 and instructions for more information.

Netting means summing all adjustments together within each grouping or subgrouping, as appropriate, per Treas. Reg. section 301.6225-1(e).

Notice of Proposed Partnership Adjustment (NOPPA) is a notice of proposed partnership adjustment under section 6231(a)(2), and includes Letters 5892, 5892-A and Form 14792, *Partnership Examination Changes, Imputed Underpayment Computation and Partnership Level Determinations as to Penalties, Additions to Tax and Additional Amounts*.

Partner Alternative Procedure (PAP) refers to the procedure under section 6225(c)(2)(B) whereby a relevant partner fulfills all of the requirements under section 6225(c)(2), except that the partner does not file an amended return. If this modification is requested by the partnership, Form 8982 is a required related form to Form 8980. Therefore, in addition to meeting the requirements of the PAP, the partner must also complete and sign Form 8982 and provide it to the PR. The PR must submit Form 8982 (as a related form) when Form 8980 is submitted. See Form 8980, Item E, Part I and the associated specific line instructions, along with Form 8982 and instructions.

Partner Modification Amended Return (PMAR) is an amended return filed by a relevant partner of a source partnership and takes into account all of the partnership adjustments properly allocable to such partner. A PMAR includes a partner modification amended return for the partner's first affected year, and all modification years. In order to meet the requirement under section 6225(c)(2), the PMARs filed by a partner must include the payment of all tax, penalties, additions to tax, and interest due as a result of taking into account all partnership adjustments properly allocated to the partner. If this modification is requested by the partnership, Form 8982 is a required related form to Form 8980. Therefore, in addition to filing the PMAR, the partner must also complete and sign Form 8982 and provide it to the PR. The PR must submit Form 8982 (as a related form) when Form 8980 is submitted. See Form 8980, Item E, Part I and the associated specific line instructions, along with Form 8982 and instructions.

Partnership adjustment means any adjustment to a partnership-related item as defined in applicable Regulations and includes any portion of a partnership adjustment.

Partnership-partner means a partnership that holds an interest in another partnership.

Pass-through partner means a pass-through entity that holds an interest in a partnership. A pass-through entity is:

- A partnership required to file a return under section 6031(a);
- An S corporation;
- A trust (other than a wholly-owned trust disregarded as separate from its owner for federal tax purposes); and
- A decedent's estate.

For this purpose, a pass-through entity is not a wholly-owned entity disregarded as separate from its owner for federal tax purposes.

Publicly Traded Partnership is defined in section 469(k)(2) and means any partnership if -- interests in such partnership are traded on an established securities market, or interests in such partnership are readily tradable on a secondary market (or the substantial equivalent thereof). A publicly traded partnership may request modification under IRC section 6225(c)(5) regarding specified passive activity losses of specified partners and qualified relevant partners pertaining to the publicly traded partnership's activity. If such modification is requested by the partnership, Form 15028 must be completed and signed by the PR of the partnership and submitted (as a related form) when Form 8980 is submitted. See Form 8980, Item E, Part IV and the associated specific line instructions, along with Form 15028 and instructions.

Qualified Investment Entity is an entity defined under section 860(b), which includes both a regulated investment company (RIC) and a real estate investment trust (REIT). See Form 8980, Item E, Part VI and the associated specific line instructions.

Qualified Relevant Partner means a relevant partner that meets the requirements to be a specified partner, for each year beginning with the first affected year through the most recent year for which the publicly traded partnership has filed a return under section 6031. An indirect partner of the publicly traded partnership, if it meets the requirements of a qualified relevant partner, except for being a direct partner of the publicly traded partnership requesting modification, may also be a qualified relevant partner.

Relevant partner means any person for whom modification is requested by the source partnership that is:

- A reviewed year partner, including any pass-through partner, except for any reviewed year partner that is a wholly-owned entity disregarded as separate from its owner for federal tax purposes; or
- An indirect partner except for any indirect partner that is a wholly-owned entity disregarded as separate from its owner for federal tax purposes.

Reviewed year means the partnership's taxable year to which a partnership adjustment relates.

Reviewed year partner means any person who held an interest in the partnership at any time during the reviewed year.

Source partnership means the partnership under examination that is requesting modification of an imputed underpayment under section 6225(c), or a partnership filing an AAR to report an imputed underpayment for which it is applying permitted modifications to such imputed underpayment.

Specific Imputed Underpayment may be designated by the IRS, with respect to adjustments to a partnership-related item or items that were allocated to one partner or a group of partners that had the same or similar characteristics or that participated in the same or similar transaction or on such other bases as the IRS determines properly reflects the facts and circumstances. The IRS may designate more than one specific imputed underpayment with respect to any partnership taxable year. In addition, a partnership may request one or more specific imputed underpayments, as a modification. See Form 8980, Item E, Part V and the associated specific line instructions for more information.

Specified Partner is a person that, for each taxable year beginning with the first affected year through the person's taxable year in which or with which the partnership adjustment year ends, satisfies the following three requirements:

- (A) The person is a partner of the publicly traded partnership requesting modification;
- (B) The person is an individual, estate, trust, closely held C corporation, or personal service corporation; and
- (C) The person has a specified passive activity loss with respect to the publicly traded partnership.

Specified Passive Activity Loss means, with respect to any specified partner or qualified relevant partner of a publicly traded partnership, the carryover amount, which is the lesser of the section 469(k) passive activity loss of that partner that is separately determined with respect to such partnership:

- (A) At the end of the first affected year (affected year loss); or
- (B) At the end of:
 - (1) The specified partner's taxable year in which or with which the adjustment year of the partnership ends, reduced to the extent any such partner has utilized any portion of its affected year loss to offset income or gain relating to the ownership or disposition of its interest in such publicly traded partnership during either the adjustment year or any other year; or
 - (2) If the adjustment year has not yet been determined, the most recent year for which the publicly traded partnership has filed a return under section 6031.

Subgrouping means to place adjustments in further groupings if any partnership adjustment within any grouping is a negative adjustment. In general, an adjustment is subgrouped according to how the adjustment would be required to be taken into account separately under section 702(a) or any other provision of the IRC or regulation applicable to the adjusted item. For purposes of creating subgroupings, if any adjustment could be subject to any preference, limitation, or restrictions under the IRC (or not allowed in whole or in part against ordinary income) if taken into account by any person, the adjustment is placed in a separate subgrouping from all other adjustments within the grouping. For partnerships under examination (and prior to any requested and approved modifications), the subgrouping of each proposed partnership adjustment is shown on Form 14792 received by the partnership.

Tax attribute is anything that can affect the amount or timing of a partnership-related item, which can affect the amount of tax due in any taxable year. Examples of tax attributes include, but are not limited to, basis and holding period, as well as the character of items of income, gain, loss, deduction, or credit and carryovers and carrybacks of such items. Regarding a relevant partner's tax attributes affected by reason of taking into account its distributive share of all partnership adjustments in the partner's first affected year, see Form 8982 and instructions for more information.

Tax-Exempt Partner (for purposes of the modification of a partnership's imputed underpayment under section 6225(c)(3)) is defined as a relevant partner which is a tax-exempt entity under section 168(h)(2)(A), (C), and (D). If this modification is requested by the partnership, Form 8983 is a required related form to Form 8980. Therefore, the tax-exempt partner must complete and sign Form 8983 and provide it to the PR, unless the partner is a foreign partner exempt from tax under a provision other than section 501(a). The PR must submit Form 8983 (as a related form) when Form 8980 is submitted. See Form 8980, Item E, Part II and the associated specific line instructions, along with Form 8983 and instructions.

Zero Adjustment/Zero Amount Adjustment is a partnership adjustment that is treated as zero, solely for purposes of the imputed underpayment calculation. Generally, if the effect of one partnership adjustment is reflected in one or more other partnership adjustments, the IRS may treat the one adjustment as zero solely for purposes of calculating the imputed underpayment. In addition, if a positive adjustment to an item is related to, or results from, a positive adjustment to another item, one of the positive adjustments will generally be treated as zero solely for purposes of calculating any imputed underpayment, unless the IRS determines that an adjustment should not be treated as zero in the calculation of the imputed underpayment. This also applies to the calculation of any imputed underpayment, including imputed underpayments calculated by a partnership or pass-through partner (for example, as part of the filing of an AAR under section 6227). **Note:** Adjustments treated as zero solely for purposes of the imputed underpayment calculation may not be excluded from the modification request.

Specific Instructions

All form fields appearing with a red outline on the fillable PDF form are mandatory fields. If these fields are not properly completed, the form may not be accepted for further processing. Complete all appropriate lines and the signature block information (Partnership Representative/ Designated Individual information and signature).

Name fields: Do not enter double blank spaces or punctuation.

TIN (Taxpayer Identification Number) fields:

- **For TIN fields which can be either an Employer Identification Number (EIN) or Social Security Number (SSN)**, be sure to enter a dash when entering an EIN (Example: XX-XXXXXX), and two dashes when entering an SSN (Example: XXX-XX-XXXX).
- **For fields that stipulate an EIN or SSN**, you do not need to enter the dashes, as the fillable form will appropriately format the number and automatically include the dash/dashes.

U.S. Zip Code fields: U.S. Zip Code fields should be entered as either 5 or 9 numeric digits, no dashes. The fillable form will automatically include a dash if 9 numeric digits are entered.

Date fields: Use the drop-down calendar on the field to select the date when available. All dates must be in the following format: **MM/DD/YYYY**

Audit control number. Enter the 10-digit audit control number for the partnership requesting modification. This number is located on the notice of proposed partnership adjustment (NOPPA) received by the partnership and PR, which includes Letter 5892/5892-A and Form 14792. If Form 8980 is being attached to an AAR, leave blank.

Partnership Information

Line 1 – Name. Enter the full name of the source partnership.

Line 2 – Taxpayer ID Number (TIN). Enter the partnership's Taxpayer Identification Number without dashes.

Line 3 – Tax Year Ended. Using the drop-down calendar, select the date that is the last day of the partnership's tax year for the reviewed year. The date must be entered in the following format: MM/DD/YYYY. For example, a partnership requesting modification for a reviewed year that is calendar year 2022 would select or enter: 12/31/2022.

Line 4 – Type of address. Check the appropriate box to indicate whether the partnership's address is either a domestic (U.S.) address or foreign address. Once the appropriate box is checked, the relevant address fields will be visible for completion.

Lines 5 – Address. After checking the appropriate type of address on Line 4, complete Lines 5.

- **For a domestic address,** complete Lines 5a through 5d with the full address of the partnership. Be sure to use the drop-down menu choice for Line 5c (State). All fields are required.
- **For a foreign address,** complete Lines 5a through 5e with the full foreign address. Be sure to use the drop-down menu choice for Line 5d (Country code). All fields are required.

Partnership Representative (PR) Information

Line 1 – Type of partnership representative. Check the appropriate box to indicate whether the partnership representative is an entity or individual. Once the appropriate box is checked, the relevant fields will be visible for completion.

Line 2 and 3 – Name and Taxpayer ID Number (TIN) of PR. If the partnership representative is an individual, enter the full name of the individual's full name and TIN. If the partnership representative is an entity, enter the name of the entity and its TIN, and complete the numbered lines under the "Designated Individual (DI) Information (if PR is an Entity)." Section.

Lines 4a through 4d – Street Address, City or town, State, and ZIP code. Include the full address of the partnership representative

Designated Individual (DI) Information (if PR is an entity)

This section only needs to be completed if the partnership representative is an entity.

Lines 1 and Line 2 – Name and TIN of Designated Individual. If the partnership representative is an entity, enter the full name of the Designated Individual on lines 1a through 1c. Enter the Designated Individual's Taxpayer ID Number (TIN) on line 2.

Lines 3a through 3d – Street Address, City or town, State, and ZIP code. Include the full address of the Designated Individual.

Which Parts of Form 990-BE Need to Be Completed

For all Form 990-BE submissions (whether "Original", "Corrected", "Supplemental", or "Supporting Documents") complete Items A through C, the applicable Parts of Item E (depending on the modifications requested), and Item F.

Item A – Modification Submission Type

Check the appropriate box for the type of Form 990-BE being submitted. ***This is a required field.*** One check box must be selected:

- **Original Form 990-BE** – Check this box if this is the first modification request being submitted for the source partnership for the tax year. **Note:** If an "Original Form 990-BE" was submitted electronically, but rejected, the Form 990-BE when resubmitted should still be marked "Original Form 990-BE";
- **Supplemental Form 990-BE** which should be considered in addition to a previously submitted Form 990-BE original request – Check this box if the modification request being submitted is in addition to an "Original Form 990-BE" already submitted by the source partnership for the tax year.
- **Corrected Form 990-BE** that should replace a Form 990-BE previously submitted and electronically accepted – Check this box if the modification request (Original and any Supplementals) was already submitted and accepted electronically, and now the previously accepted submission needs to be corrected. If a previously submitted Form 990-BE was rejected electronically, then the next submission of Form 990-BE should still be checked as an "Original Form 990-BE" and not a "Corrected Form 990-BE". **Caution:** A "Corrected Form 990-BE" can only be submitted if an "Original Form 990-BE" has been submitted and its status is "Accepted". A "Corrected Form 990-BE" replaces all prior Form 990-BEs submitted (Original and Supplemental) for the source partnership for the tax year. **Therefore, a "Corrected Form 990-BE" must be submitted in entirety and be all-inclusive.**
- **Supporting documents only** are being submitted to substantiate a previously submitted Form 990-BE modification request – Check this box if documents are being submitted which support an Original, Supplemental, or Corrected Form 990-BE already submitted by the source partnership for the tax year.
- **A Form 990-BE attached to the filing of an Administrative Adjustment Request (AAR).** (Be sure to attach Form 990-BE to the AAR when filed). If the Form 990-BE is not included with the AAR when filed, the modification will be denied.

Item B – Modification(s) Requested

Check the box corresponding to the types of modifications being requested. **This is a required section**, therefore at least one check box must be selected. Check all boxes that apply. **When a box is checked in this section, it enables the related Part (Part I through IX) of Item E to be unlocked for completion. Therefore, failure to check a box in this section for a particular type of modification will prevent the Item E part of the form from being completed properly. Also, if you've entered information in any section in error, you must remove all of the information entered before unchecking the relevant box in this section.**

Note: For an AAR with modifications, the following types of modification are not permitted to be applied: Partner modification amended returns; Partner alternative procedure, and closing agreements. For further information regarding each type of modification, see the instructions for Item E – Modifications Requested.

Item C – Source Partnership Structure, Ownership, and Allocations of Adjustments Relevant to Modification

This is a required section of the form that must be completed in all cases (whether "Original", "Corrected", "Supplemental", or "Supporting Documents" Form 990-BE). Therefore, if a "Corrected", "Supplemental", "Supporting Documents" Form 990-BE is being submitted, it is suggested that you start with a copy of the previously submitted Form 990-BE to use as a starting point, and revise accordingly. This will lessen the amount of data entry needed on the Item C, Structure section. If no revisions or additions are needed to the Item C, Structure section for the "Corrected", "Supplemental", or "Supporting Documents" Form 990-BE, then you can use the previously submitted Form 990-BE, Item C Structure section, as is, for the "Corrected", "Supplemental", or "Supporting Documents" Form 990-BE.

Use Item C to report the structure of the source partnership and the partners' allocation of all proposed partnership adjustments relevant to the requested modifications. Be sure to review the "Basic Examples" and the "Comprehensive Example" and "Solution to Comprehensive Example" within the Item C Specific Instructions. The "Show Example" button at the Top of Form 990-BE, Item C, also shows the solution to the Comprehensive Example.

Item C – General Instructions

Before Completing Item C: Click on the “Show Example” button on Form 8980, Item C, to see an example of how Item C is completed). The example facts are included below in these instructions.

Source Partnership Structure: Tiers, Partners, and Ownership: *This is a required section of the form.* The applicable partners of the source partnership must be properly identified, along with their respective profit, loss and capital ownership percentages in the source partnership. For any relevant partner that is not a direct partner, it is important that all partners within the chain of ownership leading to a relevant partner be properly identified. If the partners are not properly identified (including correct name and TIN), it may cause Form 8980 to fail IRS TIN validation, causing the form to reject.

Allocation of Adjustments Relevant to Modification: *This is a required section of the form.* For each partnership adjustment relevant to the modification request, a table should be completed. For each table (representing one partnership adjustment), the following fields are required:

- **IU type** (in table header);
- **Grouping** (in table header);
- **Subgrouping** (in table header);
- **Adjustment description** (in column 9 header field);
- **Total adjustment amount** (in the field directly below the Adjustment description, and above Line 1). **Note:** For zero amount adjustments, do not enter zero. Instead, enter the partnership adjustment amount underlying the zero adjustment for purposes of the imputed underpayment.
- TIN of Partner
- Relevant Partner's allocation (column 13)

The rest of the table should detail how the total adjustment amount is allocated to the partners and relevant partners. The allocations pertaining to the relevant partners must be shown in column 13. The amounts that are listed in column 13 of each table should represent the allocations of all partnership adjustments from the source partnership which are relevant to the modifications requested. This information is necessary in order for the IRS to evaluate and approve the modifications requested in Item E. The failure to provide such information may result in the IRS's denial, in whole or in part, of the source partnership's requested modifications.

Important Tip: For an audited partnership, generally all adjustments (positive, negative, and zero) which were included on Form 14792 should be shown in this section, along with the allocations to the relevant partners, unless such allocation is not applicable to a requested modification type. **Note:** For zero amount adjustments, enter the allocations for the partnership adjustment amount underlying the zero adjustment (which is zero solely for purposes of the imputed underpayment). Adjustments treated as zero solely for purposes of the imputed underpayment calculation may not be excluded from the modification request.

Item C – Specific Instructions

Source Partnership Structure: Tiers, Partners, and Ownership. See the example below in these instructions, and click on the “Show Example” button on Form 8980, Item C, to see an example of how Item C is completed.

A. Total number of partners (direct and indirect) for the source partnership structure, ownership, and allocations of adjustments relevant to modification. *This is a required field.* By entering the total number of partners, the form will populate with the necessary number of lines for completion of the structure table and the allocation of adjustments table(s).

Note regarding the first line of the table: The first line of the table is reserved for the source partnership and therefore is not numbered. The fillable PDF will auto-populate the non-numbered source partnership line once the source partnership name and TIN are entered on Page 1, Partnership Information, Line 1 and Line 2.

After the non-numbered line for the source partnership, the following partners must be listed in the Source Partnership Structure: Tiers, Partners, and Ownership table:

- All direct partners of the source partnership; and
- All relevant partners of the source partnership (if not already included due to the partner also being a direct partner); and
- Any pass-through partner and disregarded entity in the chain of ownership between the relevant partners and the source partnership.

(See “Definitions” earlier in these instructions for the terms used above in order to properly identify the partners in Item C). **Note:** For a disregarded entity partner, the beneficial owner's name and TIN should be entered in addition to the disregarded entity itself. See the “Comprehensive Example” for an example of how to report a disregarded entity and beneficial owner.

Note regarding partners that must be listed in the Item C structure table and allocations table(s): For Item C, not all of the partners in all tiers need to be listed in the Source Partnership Structure table and Allocation of Adjustments Relevant to Modification table(s) – Only direct partners, relevant partners (if not direct partners), and pass-through partners and disregarded entities in the chain of ownership between the relevant partners and the source partnership need to be listed. See the “Comprehensive Example” further down in these instructions which illustrates this point.

Note regarding the number of lines entered on Line A: If the number entered on Line A exceeds 999 partners, the form must be completed up through partner number 999. The structure information exceeding 999 partners should be included on schedules or statements attached to Form 8980. (The form will populate with “See attached” on row number 1,000).

As a reminder: See the example below in these instructions, and click on the “Show Example” button on Form 8980, Item C, to see an example of how Item C is completed.

For all lines in the table after the first line for the source partnership (which will be populated automatically from page 1 information), use the following instructions:

Column (1): Source partnership (Tier 1) Direct Partners. For each direct partner to be identified in columns 3 through 5, enter “1” to indicate that the partner is a direct partner in tier 1 of the partnership's structure. For all partners identified that are not a direct partner, leave column 1 blank.

Column (2): Tier Number (if not a direct partner). For each indirect partner to be identified in columns 3 through 5, enter the tier number to indicate the tier of the source partnership's structure that the indirect partner relates. (As a reminder: See the example below in these instructions, and click on the “Show Example” button on Form 8980, Item C, to see an example of how Item C is completed).

Column (3): Partner Name & Type of Partner. First check the box indicating whether the partner is an entity or individual partner. Once the box is checked to indicate the type of partner, the name fields will be visible for completion. *This is a required checkbox.* Once the type of partner checkbox is selected, then enter the complete name of the partner. *This is a required field.*

Column (4): TIN. Enter the Employer Identification Number (EIN) if an entity partner, or Social Security Number (SSN) if an individual partner for the partner identified in column 3. **This is a required field.** Be sure to enter the appropriate dashes in the correct placement of the number. (If an EIN: XX-XXXXXXX, or if an SSN: XXX-XX-XXXX). If the format of the TIN entered does not match the type of partner selected, the form may be rejected.

Caution: The partner TINs (EIN or SSN) should be known based on TIN information from the Schedule K-1s issued to reviewed year partners. If the EIN or SSN is unknown, select "Unknown" from the drop-down box. If you select "Unknown" for a partner and the IRS has EIN or SSN information for the partner, the form may be rejected.

Column (5): Entity Type. This is a required field. Using the drop-down menu, select the type of entity for the partner identified in column 3 and 4. **For direct partners** (Tier 1), this should be the type of entity indicated on the partner's original reviewed year Schedule K-1 from the source partnership. (i.e., Individual, Corporation, S corporation, Estate, Trust, Partnership, Disregarded Entity, Exempt Organization, Individual Retirement Arrangement (IRA), or Foreign Government). **For indirect partners**, the entity type indicated should be consistent with the original Schedule K-1 issued to the indirect partner by the pass-through partner in the chain of ownership through which the indirect partner of the source partnership holds a direct interest.

Columns (6), (7), and (8): % of Source Partnership – (6) Profit %, (7) Loss % and (8) Capital %. For column 6, 7 and 8, enter the partner's percentage share of the source partnership's profit, loss, and capital at the end of the partnership's reviewed year, as determined under the partnership agreement. **An entry is required in at least one column (column 6, 7, or 8), for each partner included in the structure.**

- **For direct partners:** Such percentages entered in column 6, 7 and 8 should be consistent with the Schedule K-1's issued to the partners for the reviewed year, unless an examination adjustment affected such percentage. As a check, the total percentage for each column 6, 7 and 8 for all direct partners should equal 100%.
- **For indirect partners:** The percentages entered on Line 6, 7 and 8 should be the percentage of profit, loss and capital ownership in the source partnership (not the ownership percentages in the pass-through partner through which the partner holds its interest in the source partnership).

These fields allow up to four digits after the decimal. For example: 12.5555. If a percentage exceeds four decimal places, you may round. For example, for a partner with a 12.55557% interest, enter: 12.5556. Do not enter a percentage sign since it is already hard-coded on the form.

Allocation of Adjustments Relevant to Modification

For an audited partnership, generally all adjustments (positive, negative, and zero) that were included on Form 14792 should be shown in this section, along with the allocations to the relevant partners, unless such allocation is not applicable to a requested modification type. **Note regarding zero amount adjustments:** For each zero amount adjustment, enter the allocations for the partnership adjustment amount underlying the zero adjustment (which is zero solely for purposes of the imputed underpayment). Adjustments treated as zero solely for purposes of the imputed underpayment calculation may not be excluded from the modification request.

See the "Basic Example" in this section as well as the Comprehensive Example and Solution for examples on how this portion of Item C must be completed. The "Show Example" button on Form 8980, Item C, also shows the Comprehensive Example Solution.

Note for each proposed partnership adjustment included in Form 14792 (or AAR) that is relevant to modification, an allocation table must be completed in this section. This will include zero amount adjustments, and adjustments that do not result in an imputed underpayment, if applicable.

To insert additional adjustment tables, click on the "Add Adjustments" button and the table will populate with additional columns 9 through 13. For each additional table added, the column headings 9-13 will automatically be labelled with "c", "d", etc. (for example, 9c, 10c, 11c, 12c, 13c). **For example, if there are three adjustments included on Form 14792 which are relevant to the requested modification(s), there must be three allocation tables completed (one for each adjustment). The allocation table for the first adjustment will have columns 9a through 13a. The allocation table for the second adjustment will have columns 9b through 13b. And the allocation table for the third adjustment will have columns 9c through 13c.**

The following specific instructions apply for each adjustment table.

Caution: Once you enter the number of relevant partners in the Item C, Structure table (Item C, Line A), the same number of relevant partner lines will populate in the Item C, Allocation of Adjustment Relevant to Modification tables upon completion of the "Imputed Underpayment" drop-down field in the header area (above columns 9a through 13a). Therefore, if you later revise the number of relevant partners entered on Item C, Line A on the fillable PDF, you must click back in the "Imputed Underpayment" drop-down field in order to get the Allocation of Adjustments Relevant to Modification table(s) to refresh with the appropriate number of lines for relevant partners.

Top Heading Area of Each Table (Above Columns (9) through (13)): For each adjustment included in Form 14792 (or AAR) and relevant to modification, an adjustment allocation table should be completed. Complete the heading area of the allocations table (Imputed Underpayment, Grouping, and Subgrouping) above columns 9a through 13a which includes the drop-down menu choices (and customized type-in choice) for imputed underpayment type, and subgrouping. For each proposed partnership adjustment included in the source partnership's Form 14792 (or included in the AAR) (both positive and negative adjustments) that is relevant to modification, you will complete an adjustment allocations table.

For each adjustment allocations table, complete the following required fields:

Imputed Underpayment: Choose from the drop-down menu the imputed underpayment type (either General or Specific 1), depending on how it was classified per Form 14792 or determined in an AAR. There is also a customizable fill-in choice if the adjustment table being completed relates to an adjustment that was included in a specific IU other than Specific 1 in Form 14792. **This is a required field.**

Note: Selection of the Imputed Underpayment type will activate the allocation table to populate with the number of lines for relevant partners based on the number of relevant partners entered on Item C, Line A above the Structure table. Also, see "Caution" note above.

Grouping: Choose from the drop-down menu, the name of the grouping for the adjustment as indicated on Form 14792 or determined in an AAR (Reallocation, Residual, Creditable Expenditure, or Credit). **This is a required field.**

Subgrouping: Click on the first menu choice and type in the customized subgrouping for the adjustment as indicated on Form 14792. Abbreviate the subgrouping description as necessary to fit in the custom field (up to 35 characters). **This is a required field.**

Column 9(a, b, c, etc.) – Source Partnership Adjustment Allocation to Direct Partners

Column 9(a, b, c, etc.) - Fillable field inside column heading: In the fillable area within the column 9a heading, type in the **description of the partnership adjustment** as stated on Form 14792 or as included in the AAR that is relevant to modification. You may abbreviate the adjustment description as necessary. **This is a required field.**

Column 9(a, b, c, etc.) Source partnership line (Fillable field on the line for the source partnership to the right of the pre-populated source partnership TIN and underneath the adjustment description): Enter the **total amount of partnership adjustment** per Form 14792 (or per AAR) that relates to the adjustment description that was entered in the fillable field inside the column heading. This amount should be the total partnership adjustment as reported on Form 14792. Negative amounts should be typed in with a “-” sign, and no commas. The form will automatically format the number. For example, if the total partnership adjustment is (100,000), you would type in “-100000”, and the form will automatically format it to “(100,000)”. **ALL DOLLAR AMOUNTS SHOULD BE IN WHOLE DOLLARS ONLY – DO NOT ENTER CENTS. This is a required field.**

Basic Example:

A source partnership has two proposed partnership adjustment included on Form 14792:

Residual Grouping:

Subgrouping: Ordinary business income (loss), Sch K, Line 1

Gross receipts	500,000
Legal and professional fees	(300,000)

Item C, Allocation of Adjustments Relevant to Modification header areas of the adjustment allocations tables would be completed as follows, for each adjustment:

Allocation of Adjustments Relevant to Modification

Imputed Underpayment: GENERAL

Grouping: RESIDUAL

Subgrouping: Ordinary bus inc(loss) Sch K Ln 1

TIN of Partner	(9a) Source Partnership Adjustment Allocation to Direct Partners: Gross receipts	(10a) Check for Special Allocations	(11a) Subsequent Tier's Allocations	(12a) Check for Special Allocations	(13a) Relevant Partner's Allocations
12-3456789	500,000	☐		☐	
1.		☐		☐	

Imputed Underpayment: GENERAL

Grouping: RESIDUAL

Subgrouping: Ordinary bus inc(loss) Sch K Ln 1

TIN of Partner	(9b) Source Partnership Adjustment Allocation to Direct Partners: Legal & professional fees	(10b) Check for Special Allocations	(11b) Subsequent Tier's Allocations	(12b) Check for Special Allocations	(13b) Relevant Partner's Allocations
12-3456789	(300,000)	☐		☐	
1.		☐		☐	

Column 9(a, b, c, etc.) – All lines After the line for the source partnership (beginning with Line 1).

For each direct partner in the source partnership, beginning on Line 1, enter the:

- TIN of the direct partner in the “TIN of Partner” column (before/ to the left of column 9).** The partner's TIN (EIN or SSN) must be consistent with the TIN listed for the partner in the partnership structure table section of Item C.
- Note:** For any partners not receiving a distributive share (allocation amount) of a partnership adjustment, you may select “Unknown” for the partner TIN field, and leave the columns on that row blank. **EVERY PARTNER LISTED IN EACH ALLOCATION TABLE MUST HAVE THE PARTNER'S TIN ENTERED IN THE “TIN OF PARTNER” COLUMN.** If the TIN or “Unknown” is not entered for every partner listed, the form will reject.
- Direct partner's distributive share allocation of the total partnership adjustment which was entered on the source partnership line. The partner's distributive share of partnership adjustment should be consistent with the allocation percentage information entered in columns 6, 7 and 8 of the Source Partnership Structure table, regarding profit, loss and capital percentages in the source partnership unless there is a special allocation. If the distributive share amount entered in column 9 is a special allocation, check the box in column 10. As a check, the total of all amounts entered in column 9 after line 1 should equal the amount entered on line 1. If the direct partner is also a relevant partner (included in one of the requested modifications on Form 8980, Item E), then also enter the partner's allocation in column 13.

For all indirect partners, leave column 9 blank.

Instead, complete column 11 for the indirect partner's allocation. If the indirect partner is a relevant partner (included in one of the requested modifications on Form 8980, Item E), then also enter the partner's allocation in column 13.

Column (10): Check for Special Allocations. If the amount entered in column 9 for the direct partner's distributive share amount is a special allocation (not based on the allocation percentage information entered in columns 6 through 8), check the box in column 10.

Column (11): Subsequent Tier's Allocations.

For all direct partners in the source partnership, leave column 11 blank.

For each indirect partner, enter in column 11, the partner's distributive share of the source partnership's adjustment identified on Line 1. The distributive share of partnership adjustment should be consistent with the allocation percentage information entered in columns 6, 7 and 8 regarding profit, loss and capital percentages in the source partnership unless there is a special allocation. If the distributive share amount entered in column 11 is a special allocation, check the box in column 12.

Column (12): Check for Special Allocations. If the amount entered in column 11 for the indirect partner's distributive share amount is a special allocation (not based on the allocation percentage information entered in columns 6 through 8), check the box in column 12.

Column (13): Relevant Partner's Allocations.

For all direct partners which are also relevant partners (included in one of the requested modifications on Form 8980, Item E), enter in column 13 the amount from column 9.

For all indirect partners which are also relevant partners (included in one of the requested modifications on Form 8980, Item E), enter in column 13 the amount from column 11.

Continuing with the Basic Example:

A source partnership (EIN: 12-3456789) has two proposed partnership adjustment included on Form 14792:

Residual Grouping:

Subgrouping: Ordinary business income (loss), Sch K, Line 1

Gross receipts	500,000
Legal and professional fees	(300,000)

The source partnership has two partners, each owning 50% of the profit, loss, and capital: John Maple (an individual); and Trees Partners, LP (a partnership). Trees Partners, LP has two individual partners, each owning 50% of the profit, loss, and capital: Laurel Balsam; and Hazel Birch. The following is a summary of the ownership percentages in the source partnership:

Partner	Partner TIN	Direct Partner Ownership %	Partner Ownership % in Source Partnership
John Maple	111-11-1111	50%	50%
Trees Partners, LP	22-2222222	50%	50%
Laurel Balsam	333-33-3333		25%
Hazel Birch	444-44-4444		25%
		100%	

All income, expenses, losses, deductions, and credits are allocated pro-rata (no special allocations). The source partnership will request modification for partner, Hazel Birch, based on a modification amended return filed. As a result, Hazel Birch is a relevant partner. The source partnership would complete the Item C, Allocation of Adjustments Relevant to Modification tables for the two partnership adjustments, as follows:

Adjustment 1:**Allocation of Adjustments Relevant to Modification**

Imputed Underpayment: GENERAL

Grouping: RESIDUAL

Subgrouping: Ordinary bus inc(loss) Sch K Ln 1

TIN of Partner	(9a) Source Partnership Adjustment Allocation to Direct Partners: Gross receipts	(10a) Check for Special Allocations	(11a) Subsequent Tier's Allocations	(12a) Check for Special Allocations	(13a) Relevant Partner's Allocations
12-3456789	500,000	☐		☐	
1. 111-11-1111	250,000	☐		☐	
2. 22-2222222	250,000	☐		☐	
3. 333-33-3333		☐	125,000	☐	
4. 444-44-4444		☐	125,000	☐	125,000
	500,000				125,000

Adjustment 2:

Imputed Underpayment: GENERAL

Grouping: RESIDUAL

Subgrouping: Ordinary bus inc(loss) Sch K Ln 1

TIN of Partner	(9b) Source Partnership Adjustment Allocation to Direct Partners: Legal & professional fees	(10b) Check for Special Allocations	(11b) Subsequent Tier's Allocations	(12b) Check for Special Allocations	(13b) Relevant Partner's Allocations
12-3456789	(300,000)	☐		☐	
1. 111-111-1111	(150,000)	☐		☐	
2. 22-2222222	(150,000)	☐		☐	
3. 333-33-3333		☐	(75,000)	☐	
4. 444-44-4444		☐	(75,000)	☐	(75,000)
	(300,000)				(75,000)

Item C Comprehensive Example

The following is a comprehensive example of how Item C (Structure table and Allocations tables) should be completed. The solution is shown here after the facts of the example; however, you may also click on the "Show Example" button on Form 8980, Item C to see the comprehensive example's solution.

ABCDEFGF, LP, a source partnership, has 7 direct partners, and 13 indirect partners, comprised of 4 Tiers, structured as follows for the Reviewed Year 2020:

1. A Company, Inc. (a C corporation): 10% [Direct: Tier 1]
2. B. Brown: 10% [Direct: Tier 1]
3. CC 2012 Irrevocable Trust (Trust): 5% [Direct: Tier 1]
 - a. C. C. Brown (100% Beneficiary) [Tier 2]
4. D Corporation, Inc. (an S corporation): 5% [Direct: Tier 1]
 - a. D. D. Blue (100% Shareholder) [Tier 2]
5. Energy Partners, LP (a Partnership): 60% [Direct: Tier 1]
 - a. Energy Family Trust: 20% [Tier 2]
 - b. E. E. Green: 20% [Tier 2]
 - c. E. F. Green: 20% [Tier 2]
 - d. EEE Opportunity Fund (a Partnership): 20% [Tier 2]
 - i. E. G. Green: 20% Foreign Non-resident alien [Tier 3]
 - ii. E. H. Green: 20% [Tier 3]
 - iii. EEE Asset Management, LP (a Partnership): 60% [Tier 3]
 1. E. I. Green: 50% [Tier 4]
 2. E. J. Green: 50% [Tier 4]
 - e. The Triple E Foundation (Exempt Organization): 20% [Tier 2]
6. Friends Management, LLC (a Disregarded Entity): 5% [Direct: Tier 1]
 - a. Friends Infrastructure Corporation (a C corporation): 100% Sole Member [Tier 2]
7. GHIJK Pension Fund (an Exempt Organization): 5% [Direct: Tier 1]

The partnership examination of ABCDEFG, LP resulted in the following audit adjustments:

Ordinary business income	\$1,000,000
Long-term capital gain	500,000
Portfolio deductions (increase)	(1,000)

The following is a summary of the Form 14792 included with the NOPPA issued to the partnership:

General Imputed Underpayment

1. Reallocation Grouping	Subgroup	Positive Adjustment	Negative Adjustment
A.	☒		
i.			
Subtotal for subgroup			
2. Sum of all net positive Reallocation Grouping adjustments <i>(only include net positive adjustments in the total. See Line 3 for net negative adjustments)</i>			
3. Sum of all net negative Reallocation Grouping Adjustments <i>(only include net negative adjustments in the total. See Line 2 for net positive adjustments)</i>			
4. Residual Grouping			
A. Ordinary business income (loss), Sch K, Line 1	☒		
i. Ordinary business income		1,000,000	
Subtotal for subgroup		1,000,000	
B. Net long-term capital gain (loss), Sch K, Line 9a	☒		
i. Long-term capital gain		500,000	
Subtotal for subgroup		500,000	
C. Other deductions, Sch K, Line 13d (Code L)	☒		
i. Portfolio deductions			(1,000)
Subtotal for subgroup			(1,000)
5. Sum of all net positive Residual Grouping adjustments <i>(only include net positive adjustments in the total. See Line 6 for net negative adjustments)</i>			
6. Sum of all net negative Residual Grouping adjustments <i>(only include net negative adjustments in the total. See Line 5 for net positive adjustments)</i>			(1,000)
7. Sum of all net positive adjustments from Reallocation and Residual Groupings <i>(add Lines 2 and 5). Total netted partnership adjustments</i>		1,500,000	
8. Sum of all net negative adjustments from Reallocation and Residual Groupings <i>(add Lines 3 and 6). This amount is ignored for calculating the imputed underpayment</i>			(1,000)
9. Highest effective tax rate for the tax year ended		37%	
10. Imputed Underpayment before Creditable Expenditures and Credit Groupings <i>(multiply Line 7 by Line 9)</i>		555,000	
11. Creditable Expenditures Grouping <i>(decreases to creditable expenditures are positive adjustments and increases are negative adjustments)</i>			
A.	☒		
i.			
Subtotal for subgroup			
12. Sum of all net positive adjustments in the Creditable Expenditure Grouping <i>(only include net positive adjustments in the total. See Line 13 for net negative adjustments)</i>			
13. Sum of all net negative adjustments in the Creditable Expenditure Grouping <i>(only include net negative adjustments in the total. See Line 12 for net positive adjustments)</i>			
14. Credit Grouping <i>(decreases to credits are positive adjustments and increases are negative adjustments)</i>			
A.	☒		
i.			
Subtotal for subgroup			
15. Sum of all net positive adjustments in the Credit Grouping <i>(only include net positive adjustments in the total. See Line 16 for net negative adjustments)</i>			
16. Sum of all net negative adjustments in the Credit Grouping <i>(only include net negative adjustments in the total. See Line 15 for net positive adjustments)</i>			
17. Imputed Underpayment <i>(add Lines 10, 12 and 15)</i>			555,000

The partnership plans to request the following modifications to the imputed underpayment:

- Partner Modification Amended Returns filed inclusive of all properly allocable adjustments:
 - o B. Brown
 - o EEE Asset Management, LP
- Tax-Exempt Partners:
 - o GHIJK Pension Fund
 - o The Triple E Foundation
- Tax Rate Reduction:
 - o E. E. Green – Capital Gain is taxed at 20% maximum rate
 - o Friends Infrastructure Corp – All income taxed at 21% highest corporate rate.
- Partner Closing Agreement:
 - o A Company, Inc. enters into a closing agreement inclusive of all allocable adjustments.

Source Partnership Structure: Tiers, Partners, and Ownership

					% of Source Partnership		
(1) Source Partnership (Tier 1) Direct Partners	(2) Tier Number (if not a direct partner)	(3) Partner Name	(4) TIN	(5) Entity Type	(6) Profit %	(7) Loss %	(8) Capital %
		Type of partner ☒ Entity ☐ Individual Source Partnership	12-3456789	SOURCE PARTNERSHIP			
1. 1		Type of partner ☒ Entity ☐ Individual A Company, Inc.	XX-XXXXXXX	CORPORATION	10%	10%	10%
2. 1		Type of partner ☐ Entity ☒ Individual First name B Middle name B Last name Brown	XXX-XX-XXXX	INDIVIDUAL	10%	10%	10%
3. 1		Type of partner ☒ Entity ☐ Individual CC 2012 Irrevocable Trust	XX-XXXXXXX	TRUST	5%	5%	5%
4. 1		Type of partner ☒ Entity ☐ Individual D Corporation, Inc.	XX-XXXXXXX	S CORPORATION	5%	5%	5%
5. 1		Type of partner ☒ Entity ☐ Individual Energy Partners, LP	XX-XXXXXXX	PARTNERSHIP	60%	60%	60%
6.	2	Type of partner ☐ Entity ☒ Individual First name E Middle name E Last name Green	XXX-XX-XXXX	INDIVIDUAL	12%	12%	12%
7.	2	Type of partner ☒ Entity ☐ Individual EEE Opportunity Fund	XX-XXXXXXX	PARTNERSHIP	12%	12%	12%
8.	3	Type of partner ☒ Entity ☐ Individual EEE Asset Management, LP	XX-XXXXXXX	PARTNERSHIP	7.2%	7.2%	7.2%
9.	2	Type of partner ☒ Entity ☐ Individual The Triple E Foundation	XX-XXXXXXX	EXEMPT ORGANIZATION	12%	12%	12%
10. 1		Type of partner ☒ Entity ☐ Individual Friends Management LLC	UNKNOWN	DISREGARDED ENTITY	5%	5%	5%
11.	2	Type of partner ☒ Entity ☐ Individual Friends Infrastructure Corp	XX-XXXXXXX	CORPORATION	5%	5%	5%
12. 1		Type of partner ☒ Entity ☐ Individual GHIJK Pension Fund	XX-XXXXXXX	EXEMPT ORGANIZATION	5%	5%	5%

Allocation of Adjustments Relevant to Modification

Imputed Underpayment: General

Grouping: Residual

Subgrouping: Ordinary

TIN of Partner	(9a) Source Partnership Adjustment Allocation to Direct Partners: Ordinary Income (loss)	(10a) Check for Special Allocations	(11a) Subsequent Tier's Allocations	(12a) Check for Special Allocations	(13a) Relevant Partner's Allocations
12-345678	1,000,000	☐		☐	
1. XX-XXXXXXX	100,000	☐		☐	100,000
2. XXX-XX-XXXX	100,000	☐		☐	100,000
3. XX-XXXXXXX	50,000	☐		☐	
4. XX-XXXXXXX	50,000	☐		☐	
5. XX-XXXXXXX	600,000	☐		☐	
6. XXX-XX-XXXX		☐	120,000	☐	120,000
7. XX-XXXXXXX		☐	120,000	☐	
8. XX-XXXXXXX		☐	72,000	☐	72,000
9. XX-XXXXXXX		☐	120,000	☐	120,000
10. UNKNOWN	50,000	☐		☐	
11. XX-XXXXXXX		☐	50,000	☐	50,000
12. XX-XXXXXXX	50,000	☐		☐	50,000
		☐		☐	

Imputed Underpayment: General

Grouping: Residual

Subgrouping: LTCG

TIN of Partner	(9b) Source Partnership Adjustment Allocation to Direct Partners: Net Long-term Capital Gain (lo	(10b) Check for Special Allocations	(11b) Subsequent Tier's Allocations	(12b) Check for Special Allocations	(13b) Relevant Partner's Allocations
12-345678	500,000	☐		☐	
1. XX-XXXXXXX		☐		☐	
2. XXX-XX-XXXX		☐		☐	
3. XX-XXXXXXX		☐		☐	
4. XX-XXXXXXX	250,000	☒		☐	
5. XX-XXXXXXX	250,000	☒		☐	
6. XXX-XX-XXXX		☐	50,000	☐	50,000
7. XX-XXXXXXX		☐	50,000	☐	
8. XX-XXXXXXX		☐	30,000	☐	30,000
9. XX-XXXXXXX		☐	50,000	☐	50,000
10. UNKNOWN		☐		☐	
11. XX-XXXXXXX		☐		☐	
12. XX-XXXXXXX		☐		☐	
		☐		☐	

Imputed Underpayment: General

Grouping: Residual

Subgrouping: Portfolio Deductions

TIN of Partner	(9c) Source Partnership Adjustment Allocation to Direct Partners: Portfolio Deductions	(10c) Check for Special Allocations	(11c) Subsequent Tier's Allocations	(12c) Check for Special Allocations	(13c) Relevant Partner's Allocations
12-345678	-1,000	☐		☐	
1. XX-XXXXXXX	-100	☐		☐	-100
2. XXX-XX-XXXX	-100	☐		☐	-100
3. XX-XXXXXXX	-50	☐		☐	
4. XX-XXXXXXX	-50	☐		☐	
5. XX-XXXXXXX	-600	☐		☐	
6. XXX-XX-XXXX		☐	-120	☐	-120
7. XX-XXXXXXX		☐	-120	☐	
8. XX-XXXXXXX		☐	-72	☐	-72
9. XX-XXXXXXX		☐	-120	☐	-120
10. UNKNOWN	-50	☐		☐	
11. XX-XXXXXXX		☐	-50	☐	-50
12. XX-XXXXXXX	-50	☐		☐	-50
		☐		☐	

You may also click on the “Show Example” button at top of Item C of Form 8980 to see this solution to the comprehensive example.

Reminder: Note regarding partners that must be listed in the Item C structure table and allocations table(s): For Item C, not all of the partners in all tiers need to be listed in the Source Partnership Structure table and Allocation of Adjustments Relevant to Modification table(s) – only all direct partners, relevant partners and pass-through partners and disregarded entities in the chain of ownership between the relevant partners and the source partnership need to be listed. In the comprehensive example within the “Show Example” button, even though the source partnership has 20 direct and indirect partners (7 direct, 13 indirect), only 12 of the 20 partners meet the criteria to be listed.

Item D – Request for Modification Pre-Approval Relating to Partners of a Pass-Through Entity Partner

Use Item D to request the pre-approval of modifications relating to partners of a pass-through entity partner (for which the pass-through entity partner wants to take into account such approved modifications relating to its partners when the pass-through entity partner either files a partner modification amended return (PMAR) or chooses the partner alternative procedure (PAP). A pass-through entity partner of a source partnership that wants to apply modifications for purposes of its payment calculation pursuant to applicable Regulations, must receive pre-approval through the source partnership's modification request, in order to take such modifications into account.

Example of Modification Pre-Approval:

Source partnership, ABC, LLC, (hereinafter, "ABC") was audited in tax year 2020, and the IRS proposed a partnership adjustment consisting of a \$1,000,000 positive adjustment to Schedule K, Ordinary business income (loss). The proposed imputed underpayment was \$370,000 (37% of \$1,000,000). ABC has two equal direct partners:

- Dogwood & Associates, LP (a partnership); and
- Oak Corporation (an S corporation)

Dogwood & Associates, LP (hereinafter "Dogwood LP") has five individual partners, each owning 20% of the capital, profits, and losses in the reviewed year (2020): Dogwood, Elm, Fir, Juniper, and Maple. Four of the partners in Dogwood, LP don't want the burden of preparing partner modification amended returns (PMARs) and preparing a partner affidavit (Form 9882), and therefore want Dogwood LP to pay and file a PMAR Form 1065 inclusive of Dogwood LP's 50% allocable share of ABC's partnership exam adjustment (which is \$500,000), along with payment of the imputed underpayment calculated on Dogwood, LP's \$500,000 allocable share of partnership adjustment, plus interest. That way, if Dogwood LP chooses to file a PMAR and pay, then each of the partners of Dogwood LP (indirect partners of ABC) do not need to take any action regarding the source partnership's modification request, and would not need to be relevant partners in ABC's modification request.

However, if, in addition to the plan of Dogwood LP filing a PMAR and paying, Maple, one of the partners in Dogwood LP, also wanted to be a relevant partner to ABC's modification request and wanted to file its own PMAR, reporting and paying all amounts due, then source partnership, ABC, should first electronically submit a modification request (Form 9880) for modification pre-approval (using Form 9880, Item D, along with Item E, Part I) based on Maple's PMAR (which must include \$100,000 of ABC's partnership adjustment, which represents Maple's 20% share of Dogwood's \$500,000 allocation). Assuming Maple's filed PMAR meets all of the PMAR modification requirements (including the completion of Form 9882), then once the IRS approves the PMAR modification for Maple and notifies ABC of the approved PMAR modification pertaining to Maple, then Dogwood LP would prepare its PMAR, inclusive of taking into account the pre-approved PMAR modification pertaining to Maple, along with making payment of its imputed underpayment calculation. ABC would then electronically submit a "Supplemental Form 9880" requesting modification for Dogwood LP's PMAR (inclusive of the pre-approved modification pertaining to Maple). Therefore, as a result, Dogwood LP would be permitted to take into account the pre-approved PMAR modification related to Maple, and exclude Maple's \$100,000 allocation from Dogwood LP's \$500,000 allocable share of adjustment from ABC. Therefore, Dogwood LP's PMAR would reflect additional income of \$400,000 (\$500,000 allocable share of ABC's partnership adjustment to Dogwood LP, less the pre-approved PMAR modification pertaining to Maple consisting of \$100,000 allocable share of ABC's partnership adjustment), and Dogwood LP would calculate an imputed underpayment on \$400,000 at 37%, which is \$148,000. Dogwood LP's PMAR must include a schedule detailing its imputed underpayment calculation including the reduction of adjustments pertaining to the pre-approved modification for Maple's PMAR, and Dogwood, LP would include payment of the \$148,000 plus interest when its PMAR is filed.

Requesting Pre-Approval Relating to Partners of a Pass-Through Entity Partner

To request modification pre-approval, the source partnership (not the pass-through entity partner), should use Item D to request the pre-approval of modifications relating to partners of a pass-through entity partner. Enter the following information in Item D:

- Explanation of the requested pre-approval including the pass-through entity partner's name and TIN, the pass-through entity partner's partners (names and TINs), and the types of modifications requested. (If additional space is needed, indicate "see attached" and attach a separate statement(s). Any additional statements or schedules detailing the request should be uploaded as an attachment to Form 9880.
- In addition, complete:
 - The appropriate parts of Item E (Modification types requested) which should include the partners of the pass-through partner which are relevant to the pre-approval request. For each partner of the pass-through partner included in the request, be sure to include all required information pertaining to the type of modification requested for each partner, by following the instructions for each type of modification (Item E, Parts I through X); and
- Item C (Source Partnership Structure, Ownership, and Allocations of Adjustments Relevant to Modification). This should be completed including all relevant partners (the pass-through entity partner and its partners for which the pre-approval is being requested) and allocations of adjustments relevant to the modifications (inclusive of the pass-through entity partner and its partners for which pre-approval is being requested).

Once this information is received and reviewed by the IRS, we will contact the PR regarding the pre-approval. The pass-through entity partner may not apply any such modifications to its payment calculation in a partner modification amended return (PMAR) filing or partner alternative procedure (PAP) selection until the IRS notifies the PR regarding the pre-approval request.

Note: If all partners of a passthrough entity partner wish to be relevant partners in the source partnership's modification request by filing their own PMARs or PAPs (instead of the pass-through entity partner filing a PMAR or choosing PAP), then pre-approval is not applicable. Do not complete Item D in that situation.

Time Period For Requesting Pre-Approval Relating to Partners of a Pass-through Entity Partner

If the source partnership wants to request pre-approval for a pass-through entity partner to take into account approved modifications pertaining to the pass-through entity's partners, then the modification request should be submitted early within the modification submission period in order to allow adequate time for the IRS to process the pre-approval and notify the source partnership, as well as to allow adequate time for the pass-through entity partner to then take into account the pre-approved modifications. All modification requests (including pre-approvals for partners of a pass-through entity partner to take modifications into account) must occur prior to the expiration of the modification submission period.

Item E – Modifications Requested

In general, a relevant partner should only be listed once in Item E (under only one modification type in Part I through Part IX). Listing the same partner under more than one type of modification request may cause a delay in the IRS approval process, or may cause a disallowance of a modification request if the IRS is not able to determine the appropriateness and accuracy of a request. If the partnership is uncertain as to the modification type that should be requested pertaining to a relevant partner, choose the modification type that most closely aligns with the request, include the relevant partner on that section of Item E, Part I-IX, and attach a statement to Form 9880, that includes the relevant partner name, partner TIN, and detailed explanation of the requested modification.

Part I – Amended Returns of Partners Under IRC Section 6225(c)(2)(A) & Alternative Procedure of Partners Under IRC Section 6225(c)(2)(B)

General Instructions

Partner Modification Amended Returns (PMARs)

Under section 6225(c)(2), an imputed underpayment will be determined without regard to the portion of the adjustments taken into account through PMARs. Use this part of Form 9880 to request modifications to the partnership's imputed underpayment(s) for any modification amended returns filed by a direct or indirect partner of the source partnership requesting modification. Each relevant partner must complete and sign a Form 9882, Affidavit for Partner Modification Amended Return Under IRC §6225(c)(2)(A) or Partner Alternative Procedure Under IRC §6225(c)(2)(B). A Form 9882 for each partner listed in this part must be submitted as a related form to Form 9880 when Form 9880 is submitted. If the IRS approves a modification for a PMAR under this section, the partnership may not request additional modifications with respect to that partner or with respect to the partnership adjustment allocated to such partner.

Caution: PMAR modification and partner alternative procedure (PAP) modification are not permitted for an AAR.

Filing Instructions for PMARs. Special filing instructions apply to all PMAR filed for the first affected year and all modification years. See **"Filing Instructions for Modification Amended Returns"** located in the instructions to Form 9882. In addition to filing the PMAR according to such instructions, the partner must also complete and sign Form 9882 and provide it to the PR.

Partner Statute of Limitations. For purposes of a PMAR filed under section 6225(c)(2), the partner's statute of limitations under section 6501 or section 6511 is not required to be open for any PMARs filed in the partner's first affected year and any other modification years.

Form 9882 Must Be Attached for Each Partner. For each partner listed in Part I, a Form 9882, must be a completed and signed by the partner, provided to the PR, and attached to Form 9880 when Form 9880 is submitted by the PR. Form 9882 is a requirement, among others, in order for the PMAR modification to be approved.

All Properly Allocable Adjustments Must Be Reported by the Partner in the PMARs. The PMARs must take into account all adjustments properly allocable to such partners (positive and negative adjustments) for the partner's first affected year, and for all modification years with respect to any adjustments to the partner's tax attribute affected by reason of taking the partnership adjustments into account in the first affected year. The reporting of all adjustments properly allocable to a partner in the PMAR(s) is a requirement in order for the PMAR modification to be approved. This includes their share of the adjustments that do not result in an imputed underpayment and adjustments treated as zero for purposes of the IU calculation that are included in the "Other Information" section of the Form 14792. (See exception under "PMAR for pass-through entity partner"). In addition to the other requirements under section 6225(c)(2)(A), if all proper adjustments are not included in the PMAR(s), the modification request cannot be approved.

PMAR for a Pass-Through Entity Partner: For a partner that is a pass-through entity choosing to file a PMAR (or choosing the partner alternative procedure (PAP)), by taking its share of partnership adjustments into account and making the required payment per Treas. Reg. section 301.6225-2(d)(2)(vi)(A), if there are adjustments that do not result in an imputed underpayment (ATDNR), then the PMAR or PAP does not include such ATDNR, and instead, the ATDNR must be taken into account by the pass-through entity partner in accordance with Treas. Reg. section 301.6225-3 in the taxable year of the pass-through entity partner that includes the date the payment is paid.

Example: Source partnership, ABC, LLC, (hereinafter, "ABC") was audited in tax year 2020, and the IRS proposed the following partnership adjustments:

- \$1,000,000 positive adjustment to Schedule K, Ordinary business income (loss); and
- \$(20,000) negative adjustment to Schedule K, Royalties.

ABC's proposed imputed underpayment was \$370,000 (37% of \$1,000,000). In addition, ABC's Form 14792 shows that are ATDNR consist of the \$(20,000) net negative adjustment to royalties. One of ABC's partners, Dogwood & Associates, LP (hereinafter "Dogwood") is a partnership partner owning a 50% interest in ABC. Dogwood wants to file a PMAR to take into account its allocable share of partnership adjustments and make the required payment under Treas. Reg. section 301.6225-2(d)(2)(vi)(A). Dogwood would calculate its payment due by taking into account its allocable share of the net positive partnership adjustment of \$1,000,000, which is \$500,000 (50%). Dogwood's payment that is due with its 2020 PMAR would be \$185,000 (\$500,000 x 37%), along with any penalties and interest. Dogwood's PMAR should not include any Schedule K-1s, (amended or otherwise), nor should Dogwood issue any amended Schedule K-1s. Regarding Dogwood's allocable share of the \$(20,000) net negative adjustment to royalties, which is \$(10,000), since this adjustment is an ATDNR, such adjustment must be taken into account by Dogwood in accordance with Treas. Reg. section 301.6225-3 in the taxable year in which Dogwood makes the payment under Treas. Reg. section 301.6225-2(d)(2)(vi)(A). Therefore, if Dogwood files its 2020 PMAR in 2025 and makes the payment when the PMAR is filed, then Dogwood would take the \$(20,000) ATDNR into account on its 2025 partnership return.

Binding Effect on Relevant Partner Tax Attributes. Any adjustments to tax attributes of any relevant partner that are affected by modification for PMARs are binding on the relevant partner with respect to the first affected year and all modification years. A failure to adjust any tax attribute is a failure to treat a partnership-related item in a manner that is consistent with the treatment of such item on the partnership return within the meaning of section 6222. The provisions of section 6222(c) and applicable Regulations (regarding notification of inconsistent treatment) do not apply with respect to such tax attributes.

Full Payment Required. Payment of any tax due, penalties, additions to tax, additional amounts, and interest due as a result of taking into account all partnership adjustments in the first affected year and all modification years must be made at the time of filing the PMAR. The payment of all amounts due by the partner is a requirement in order for the modification request to be approved. See the instructions in Form 9882 for how to pay and properly identify payments.

Reallocation Adjustments. In the case of adjustments that reallocate a distributive share of any item from one partner to another, if one partner chooses to file a partner modification amended return (PMAR), then all partners involved in the reallocation must also either file a PMAR, select the partner alternative procedure (PAP), or enter a closing agreement inclusive of the partner's share of reallocation adjustment, in order for the modification to be approved.

Further Partner Amended Returns Restricted. A partner that files a PMAR that has been accepted by the IRS generally may not file a subsequent amended return for the same tax year and with respect to the same partnership adjustments in order to change the treatment of the partnership adjustments that were previously taken into account with the modification amended return already filed. Exceptions to the general rule, include the following situations:

- A subsequent PMAR filed during the modification submission period in order to correct PMAR already filed;
- A subsequent amended return filed based on a final court determination that reduces or eliminates an imputed underpayment, or protective claim filed in anticipation of a final court decision; and
- A subsequent PMAR filed in order to take into account adjustments from another source partnership examination.

Subsequent PMAR filed within the unexpired modification submission period. If the partnership's modification submission period has not expired, and a partner needs to file another PMAR in order to correct the first PMAR filed and accepted by the IRS, the partner should file the subsequent PMAR in the same manner as the first PMAR filed by following the instructions to Form 9882. The PR should submit another Form 9880 and check the "Corrected Form 9880" box on Form 9880, Item A. In addition, another Form 9882 must be completed by the partner, and must be attached to Form 9880 by the PR. For filing instructions for a subsequent amended return based on a final court decision, protective claim filed in anticipation of a final court decision, or subsequent PMAR relating to adjustment from another source partnership examination, see the instructions to Form 9882 for further information.

Partner Alternative Procedure (PAP) Under IRC §6225(c)(2)(B)

Instead of filing a PMAR to take into account its distributive share of all partnership adjustments, a relevant partner may choose the partner alternative procedure (PAP) in order to take into account its distributive share of all partnership adjustments. Each relevant partner choosing this option must complete and sign Section B of Form 9882, Affidavit for Partner Modification Amended Return Under IRC §6225(c)(2)(A) or Partner Alternative Procedure Under IRC §6225(c)(2)(B). A Form 9882 for each partner listed in this part must be submitted as a related form to Form 9880 when Form 9880 is submitted. If the IRS approves a modification for a PAP under this section, the partnership may not request additional modifications with respect to that partner or with respect to the partnership adjustment allocated to such partner.

Requirements for the PAP. The following are requirements in order for the IRS to approve the PAP modification request:

- The partner must electronically pay any tax due as a result of taking into account their distributive share of all partnership adjustments in the first affected year and all modification years. Any penalties, additions to tax, additional amounts and interest that would be required if the relevant partner filed an amended return must also be paid;
- The partner agrees to take into account adjustments to any of its tax attributes;
- The partner completes and signs Section B of Form 9882 and provides it to the PR.
- The PR must attach the completed Form 9882 to Form 9880 when the Form 9880 is submitted to the IRS.

Refunds Not Allowed Under the PAP. The PAP does not include claims for refund. Therefore, under the PAP, a partner may not claim a refund. If a relevant partner, as a result of taking their distributive share of partnership adjustments into account, has a refund due (whether in the first affected year or any other modification year), the relevant partner cannot use the PAP to claim a refund. Instead of choosing the PAP, the relevant partner may choose to file an PMAR under section 6225(c)(2)(A) in order to claim a refund.

All Properly Allocable Adjustments Must Be Reported by the Partner Choosing PAP. The PAP must take into account all adjustments properly allocable to such partners (positive and negative adjustments) for the partner's first affected year, and for all modification years with respect to any adjustments to the partner's tax attribute affected by reason of taking the partnership adjustments into account in the first affected year. The reporting of all adjustments properly allocable to a partner in the PMAR(s) is a requirement in order for the PAP modification to be approved. This includes their share of the adjustments that do not result in an imputed underpayment and adjustments treated as zero for purposes of the IU calculation that are included in the "other information" section of the Form 14792. In addition to the other requirements under section 6225(c)(2)(B), if all proper adjustments are not included in the PAP, the modification request cannot be approved.

PAP For a Pass-Through Entity Partner: For a partner that is a pass-through entity choosing the PAP, by taking its share of partnership adjustments into account and making the required payment per Treas. Reg. section 301.6225-2(d)(2)(vi)(A), if there are adjustments that do not result in an imputed underpayment (ATDNR), then the PAP should not include such ATDNR. Instead, the ATDNR must be taken into account by the pass-through entity partner in accordance with Treas. Reg. section 301.6225-3 in the taxable year of the pass-through entity partner that includes the date the payment is paid.

Example: Source partnership, ABC, LLC, (hereinafter, "ABC") was audited in tax year 2020, and the IRS proposed the following partnership adjustments:

- \$1,000,000 positive adjustment to Schedule K, Ordinary business income (loss); and
- \$(20,000) negative adjustment to Schedule K, Royalties.

ABC's proposed imputed underpayment was \$370,000 (37% of \$1,000,000). In addition, ABC's Form 14792 shows that the ATDNR consist of the \$(20,000) net negative adjustment to royalties. One of ABC's partners, Dogwood & Associates, LP (hereinafter "Dogwood") is a partnership partner owning a 50% interest in ABC). Dogwood wants to choose the PAP modification and take into account its allocable share of partnership adjustments and make the required payment under Treas. Reg. section 301.6225-2(d)(2)(vi)(A). Dogwood would calculate its payment due by taking into account its allocable share of the net positive partnership adjustment of \$1,000,000, which is \$500,000 (50%). Dogwood's payment that is due with its 2020 PAP would be \$185,000 (\$500,000 x 37%), along with any penalties and interest. Regarding Dogwood's allocable share of the \$(20,000) net negative adjustment to royalties, which is \$(10,000), since this adjustment is an ATDNR, such adjustment must be taken into account by Dogwood in accordance with Treas. Reg. section 301.6225-3 in the taxable year in which Dogwood makes the payment under Treas. Reg. section 301.6225-2(d)(2)(vi)(A). Therefore, if Dogwood completes its 2020 PAP in 2025 and makes the payment at the same time, then Dogwood would take the \$(20,000) ATDNR into account on its 2025 partnership return.

Binding Effect on Relevant Partner Tax Attributes. Any adjustments to tax attributes of any relevant partner that are affected by modification for the PAP are binding on the relevant partner with respect to the first affected year and all modification years. A failure to adjust any tax attribute is a failure to treat a partnership-related item in a manner that is consistent with the treatment of such item on the partnership return within the meaning of section 6222. The provisions of section 6222(c) and applicable Regulations (regarding notification of inconsistent treatment) do not apply with respect to such tax attributes.

Full Payment Required. Electronic payment of any tax due, penalties, additions to tax, additional amounts, and interest due as a result of taking into account all partnership adjustments in the first affected year and all modification years must be made as if the partner were filing PMAR. The electronic payment of all amounts due by the partner is a requirement in order for the modification request to be approved. A modification request submitted under the PAP is not a claim for refund. See "Refunds Not Allowed Under the PAP" above, for further information.

Specific Instructions

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Total number of relevant partners filing a partner modification amended return (PMAR) or choosing the partner alternative procedure (PAP) under this modification request. Enter the total number of relevant partners that filed a PMAR or that chose the PAP. **This is a required field when this type of modification is requested.** When the number of relevant partners is entered, the form will populate with the correct number of lines needed for completion.

Note Regarding If Two Relevant Partners File a Joint Return: If two partners of the source partnership filed a joint original return then those partners must file a joint PMAR (or jointly choose the PAP). In this case, only one Form 9982 needs to be completed. Include both partners (both spouses) on Form 9982 as included in the PMAR or PAP. Both partners must also sign the Form 9982. For purposes of the PR's completion of Form 9980, each partner (although included in a joint return) must be listed on a separate line on Form 9980, Item E, Part I.

Columns (1) and (2): Name of Partner & TIN of Partner. **Both column (1) and column (2) are required fields for each relevant partner.** List the name and Taxpayer Identification Number (TIN) of each relevant partner that has filed a PMAR or has chosen the PAP. For each partner listed in columns 1 and 2, a Form 9982, Affidavit for Partner Modification Amended Return Filed Under Section 6225(c)(2)(A) or Partner Alternative Procedure Under IRC Section 6225(c)(2)(B), must be completed and signed by the partner, provided to the PR, and must be submitted as a related form to Form 9980 when Form 9980 is submitted.

For each partner listed in column (1), complete column (3) through column (8) as applicable and according to the following instructions:

Column (3a) & (3b): Check either Column 3a for Partner Modification Amended Return (PMAR), or 3b for Partner Alternative Procedure (PAP). Both columns 3a and 3b cannot be checked for a relevant partner.

Column (3a): Amended Return: If the relevant partner listed in column 1 has filed a PMAR pursuant to §6225(c)(2)(A), check the box in column 3a. You must also attach a completed and signed Form 9982.

Column (3b): Alternative Procedure: If the relevant partner listed in column 1 has selected the PAP pursuant to §6225(c)(2)(B), check the box in column 3b. You must also attach a completed and signed Form 9982.

Column (3c): Check if Indirect Partner: If the relevant partner listed in column 1 is an indirect partner of the source partnership, check the box in column 3c. **Caution:** By checking this box, you must ensure that all pass-through entity partners through which the indirect partner holds its interest in the source partnership are not taxable entities subject to Chapter 1 tax. If any of the pass-through entity partners through which the indirect partner holds its interest in the source partnership are taxable entities subject to Chapter 1 tax, modification cannot be requested for such indirect partner unless the source partnership also requests modification with respect to the adjustments resulting in Chapter 1 tax for the pass-through entity partner.

Pass-through Entity Partners Only (Columns 3(d) through 3(f))

Check either Column 3d or 3f:

Column (3d): Pass-through Entity Not subject to Chapter 1 tax (therefore, using Treas. Reg. sections 301.6225-2(d)(2)(vi) and 301.6226-3(e)(4)(iii) to calculate its payment due): If the pass-through entity partner is:

- Filing a PMAR or selecting the PAP, and
- Is not a taxable entity subject to chapter 1 tax and is therefore calculating any payment due in accordance with Treas. Reg. sections 301.6225-2(d)(2)(vi) and 301.6226-3(e)(4)(iii),

Then check the box in column 3d. Go to the instructions for column 3e. If the pass-through entity plans to apply modifications with respect to any of the partners of the pass-through entity partner for purposes of the payment calculation pursuant to applicable Regulations, such modifications must be pre-approved by the IRS in order for the pass-through entity partner to take such modifications into account. See the instructions for Item D, including the "Example of Modification Pre-Approval" for how the source partnership must request the pre-approval (and do not check column 3e). Otherwise, if such modifications have already been approved by the IRS and the pass-through entity partner is applying the approved modifications to its payment calculation, then check column 3d and column 3e and go to the instructions for column 3e below.

Column (3e): If column 3d is checked: If column 3d is checked, and the pass-through entity partner is taking into account any pre-approved modifications with respect to any of its partners for purposes of the pass-through entity partner's payment calculation in accordance with Treas. Reg. sections 301.6225-2(d)(2)(vi) and 301.6226-3(e)(4)(iii), then check column 3e. **In addition, you must attach a statement detailing the payment calculation inclusive of the pre-approved modifications taken into account, including the following information:**

- The pass-through **entity** partner's payment calculation per Treas. Reg. sections 301.6225-2(d)(2)(vi) and 301.6226-3(e)(4)(iii), including the approved modification amounts applied to the calculation; and
- For each pre-approved modification applied, include the type of modification, identification of the relevant partners (name and TIN), and modification amount. Such information must be consistent with the pre-approval information (regarding the approved modifications for any partners of the pass-through **entity** partner) that you received from the IRS.

Caution: Only pre-approved modifications may be taken into account by the pass-through entity partner in calculating its payment due. If such modifications are applied to the payment calculation and not pre-approved by the IRS, the modification request relative to the pass-through entity partner amended return or alternative procedure will be denied. To request the pre-approval of modifications related to the partners of a pass-through entity partner, read the "Example for Modification Pre-Approval" in these instructions above, under "Item D", use Form 9980, Item D and follow the specific instructions for Item D.

Column (3f): Subject to Chapter 1 tax: If the pass-through **entity** partner is:

- Filing a PMAR or selecting the PAP, and
- Is a taxable entity subject to chapter 1 tax, then check the box in column 3f.

TIN of Partner. Re-enter the TIN of the relevant partner that was entered in column 2. *This column is a continuation of requested information for the partner. Therefore, make sure the TIN entered here is the same TIN entered in column (2). Once the TIN is entered, continue entering the appropriate information for the partner in columns (4) through (8), as applicable. This is a required field.*

Columns (4) through (7): At least one entry in columns 4 through 7 must be entered for each partner listed. ALL DOLLAR AMOUNTS SHOULD BE IN WHOLE DOLLARS ONLY – DO NOT ENTER CENTS.

Column (4): Total Share of Reallocation & Residual Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 4 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Reallocation and Residual groupings. The amount entered in column 4 should be consistent with the total amount entered on Form 9882, Section A or B, Part III, B, column 2. Do not include adjustments to Creditable Expenditures or Credits in this column. Any amounts entered in column 4 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments. Allocations of net negative adjustments resulting after subgroupings within the Reallocation and Residual grouping should be included in column 7.

Column (5): Total Share of Creditable Expenditure Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 5 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Creditable Expenditure grouping. This includes decreases to creditable expenditures (including decreases to Creditable Foreign Tax Expenditures (CFTEs) that were included in the subgroupings within the Creditable Expenditures grouping). The amount entered in column 5 should be consistent with the total amount entered on Form 9882, Section A or B, Part III, column 3. Any amounts entered in column 5 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments. Allocations of any net negative adjustments resulting after subgroupings (representing net increases to creditable expenditures) should be included in column 7.

Column (6): Total Share of Credit Grouping Adjustments (positive and negative adjustments). Enter in the appropriate subcolumn of column 6 (General or Specific – depending on which imputed underpayment such adjustments were included in), the total of each partner's distributive share of all credit adjustments (positive and negative) which were included in the Credit Grouping per the NOPPA. The amount entered in column 6 should be consistent with the total amount entered on Form 9882, Section A or B, Part III, column 4. Any amounts entered in column 6 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments.

Column (7): Total Share of Net Negative Adjustments. Include in column 7, the following amounts:

- The total of all allocations for each relevant partner that are net negative adjustments (resulting after subgrouping per the NOPPA) in the Reallocation and Residual grouping; and
- The total of any net negative adjustments (resulting after subgrouping per the NOPPA) in the Creditable Expenditures grouping. A net negative adjustment in the Creditable Expenditures grouping is a net increase to Creditable Expenditures after subgrouping.

The amount entered in column 7 should be consistent with the total amount entered on Form 9882, Section A or B, Part III, column 5. Any amounts entered in column 7 should be consistent with the allocation information provided on Form 9880, Item C, for such adjustments.

Column (8): If Column (3b) Alternative Procedure is checked, enter the amount paid. Include in column 8 the total amount paid (including all tax, penalties, additions to tax, additional amounts, and interest). The amount entered in column 8 should be the same amount reported on Form 9882, Section B, Part III, Line 6.

Part II – Tax-Exempt Partners Under IRC Section 6225(c)(3) and Foreign Partners Exempt under Section 501(a)

Under section 6225(c)(3), an imputed underpayment will be determined without regard to the portion of adjustments that the partnership demonstrates is allocable to a reviewed year relevant partner that is a tax-exempt entity under section 168(h)(2). Use this part of Form 9880 to request modifications to the partnership's imputed underpayment(s) for a tax-exempt partner and for a relevant foreign partner exempt from tax under section 501(a). A Form 9883, *Certification of Partner Tax-Exempt Status for Modification Under Section 6225(c)(3)*, must be completed and signed by the partner, provided to the PR, and must be submitted as a related form to Form 9880 when Form 9880 is submitted. There should be a completed Form 9883 submitted for each partner listed in this part.

Modifications for Foreign Tax-Exempt Partners other than exemptions under Section 501(a) Should Use Item E, Part VIII (not Part II).

Partnerships requesting modification for foreign partners based on partnership adjustments consisting of income that is exempt by statute other than section 501(a) (e.g., interest received from certain portfolio debt investments per section 871(h)) should not use Part II. Instead, use Part VIII to request such modifications. See the instruction to Part VIII, Foreign Partners: Modification Pursuant to Tax Treaty Claims & Statutory Exemptions other than Section 501(a), for more information.

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Total relevant tax-exempt partners under this modification request. Enter the total number of relevant partners that are tax-exempt partners included in this modification request. **This is a required field when this type of modification is requested.** When the number of relevant partners is entered, the form will populate with the correct number of lines needed for completion.

Columns (1) and (2): Name of Partner & TIN of Partner. *Both column (1) and column (2) are required fields.* List the name and Taxpayer Identification Number (TIN) of each relevant partner that is a tax-exempt partner. For each partner listed in columns 1 and 2, a Form 9883, *Certification of Partner Tax-Exempt Status for Modification Under Section 6225(c)(3)*, must be completed and signed by the partner, provided to the PR, and **must be submitted as a related form to Form 9880 when Form 9880 is submitted.**

Columns (3) through (6): *At least one entry in columns 3 through 6 must be entered for each partner listed.*

Column (3): Total Share of Reallocation & Residual Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 3 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Reallocation and Residual groupings. The amount entered in column 3 should be consistent with the total amount entered on Form 9883, Part III, column 2. Do not include adjustments to Creditable Expenditures or Credits in this column. Any amounts entered in column 3 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments.

Column (4): Total Share of Creditable Expenditure Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 4 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Creditable Expenditure grouping. The amount entered in column 4 should be consistent with the total amount entered on Form 9883, Part III, column 3. This includes decreases to creditable expenditures (including decreases to Creditable Foreign Tax Expenditures (CFTEs) that were included in the subgroupings within the Creditable Expenditures grouping. Any amounts entered in column 4 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments.

Column (5): Total Share of Credit Grouping Adjustments (positive and negative adjustments). Enter in the appropriate subcolumn of column 5 (General or Specific – depending on which imputed underpayment such adjustments were included in), the total of each partner's distributive share of all credit adjustments (positive and negative) that were included in the Credit Grouping per the NOPPA. The amount entered in column 5 should be consistent with the total amount entered on Form 9883, Part III, column 4. Any amounts entered in column 5 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments.

Column (6): Adjustments which are tax-exempt income or related to tax-exempt income. Include in column 6 the portion of column (3) amounts that is tax-exempt income or related to tax-exempt income. The amount entered in column 6 should be the same amount reported on Form 9883, Part III, B, column 6. **This is a required field.**

Part III – Applicable Highest Tax Rates of Partners Under IRC Section 6225(c)(4)

Under section 6225(c)(4), a portion of the adjustment included in the imputed underpayment will be determined with a lower rate of tax if such rate is lower than the highest rate of tax in effect for the reviewed year, and if the portion of the imputed underpayment is allocable to a partner which:

- Is a **C corporation**; or
- In the case of an adjustment consisting of a capital gain or qualified dividend, a partner that is an individual, or a **S corporation**.

In general, except in the case of rate modifications involving special allocations, the portion of the adjustment to which a lower rate of tax applies is determined by reference to a partner's distributive share of items to which the imputed underpayment relates.

Caution: For capital gains and qualified dividend rates, the tax rate requested for an individual or an S corporation partner cannot be lower than the maximum rate in effect for the type of income for the reviewed year. For example, if the maximum capital gain tax rate for net capital gains and qualified dividends for a reviewed year is 20%, but an individual relevant partner happens to be in a lower tax bracket based on taxable income (such as the 15% bracket), the partnership cannot request tax rate modification for a 15% tax rate for the relevant partner's capital gain adjustment allocation, since the maximum rate in effect for such capital gain item is 20% for the reviewed year. Instead, so that the relevant partner can benefit from a rate lower than the maximum capital gain tax rate in effect for the reviewed year, the modification type requested by the partnership could be partner modification amended return (PMAR) or partner alternative procedure (PAP), which are requested using Form 9880, Item E, Part I (along with Form 9882). Under the PMAR or PAP modification type, the partner would fully recalculate taxable income inclusive of the partner's allocable share of the partnership adjustments (including any capital gain or qualified dividend adjustments) and pay any resulting increase to tax, penalties, and interest when the partner files the PMAR or chooses the PAP modification.

Rate Modification Involving Special Allocations. If an imputed underpayment is calculated based on more than one adjustment and the determination of a partner's distributive share of such adjustments differs among adjustment items, ***the partnership must select which method it will use for determining each partner's distributive share to which the lower rate applies. You must check one box indicating which method, in Line B, below. See Line B, for further information.***

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Total number of direct and indirect reviewed year partners for which tax rate modification is requested. Enter the total number of relevant partners for which tax rate modification is requested. **This is a required field when this type of modification is requested.** When the number of relevant partners is entered, the form will populate with the correct number of lines needed for completion.

B. Special Allocations of Adjustments Within a Partner's Distributive Share Subject to Rate Modification. If any rate modification is being requested with respect to any relevant partner that has more than one adjustment within a distributive share that is specially allocated, check the special allocation box next to column 4 for the relevant partner. In addition, the partnership must check one of the boxes on Line B, to select one of the following methods for which it is using to determine the distributive share item which is subject to a lower rate:

Check the box on Line B for which method the partnership is using to determine the partner's distributive share to which the lower rate applies:

Alternative Option per section 6225(c)(4)(B)(i): Check the box for this option if the total distributive share amount that is subject to a lower rate is determined based on the actual special allocations of the various adjustments within the distributive share item. For each relevant partner with a special allocation, be sure to check the box within column 4. For the total amount to be listed in column 4 for each relevant partner, Form 9880, Item C should contain the allocation detail for each adjustment behind the total listed in column 4. If more than one rate is being requested for a relevant partner, only list the relevant partner once in Part III and attach a schedule detailing each allocation amount subject to a lower rate, the alpha code relating to the income type for each such allocation, and the associated lower rate pertaining to each allocation.

Reviewed Year liquidation rule per section 6225(c)(4)(B)(ii): Check the box for this option if the total distributive share amount that is subject to a lower rate is determined based on the amount of net gain or loss to the partner that would have resulted if the partnership had sold all of its assets at their fair market value as of the close of the partnership's reviewed year, appropriately adjusted to reflect any modification with respect to any relevant partner that has an approved modification other than rate modification. For each relevant partner with a special allocation, be sure to check the box within column 4. If more than one rate is being requested for a relevant partner, only list the relevant partner once in Part III, and attach a schedule detailing each allocation amount subject to a lower rate, the alpha code relating to the income type for each such allocation, and the associated lower rate pertaining to each allocation. In order to support the total amount listed in column 4, the following information must be provided with the modification request:

- For each relevant partner, a schedule detailing the specially allocated adjustments within the distributive share subject to rate modification;
- The partnership's calculation of the partners' book capital accounts through the end of the reviewed year (tax year ended date entered on Form 9880, Line 3); and
- The partnership's calculation of the asset liquidation gain or loss.

Columns (1) and (2): Name of Partner & TIN of Partner. ***Both column (1) and column (2) are required fields for each relevant partner.*** List the name and Taxpayer Identification Number (TIN) of each direct or indirect relevant partner for which the partnership is requesting modification under this section.

Column (3): Total Share of Reallocation & Residual Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 3 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Reallocation and Residual groupings. Do not include adjustments to Creditable Expenditures or Credits in this column. Any amounts entered in column 3 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments. **This is a required field.**

Column (4): Amounts in column (3) subject to rate reduction. This is a required field. For any special allocations, check the box and see instructions. Enter in the appropriate subcolumn of column 4 (General or Specific – depending on which imputed underpayment the adjustments are applied to), the amount of an adjustment from column (3) that is subject to an alternative lower rate of tax than the highest rate in effect. For example, for individual or S corporation partners this is long-term capital gains subject to lower capital gains rates or qualified dividends subject to the qualified dividends rate. For C corporation partners this is income subject to lower corporate income tax rate when the highest rate in effect is greater than the highest corporate tax rate. If such amount entered in column 4 includes a specially-allocated adjustment, check the “special allocation” box within column 4 for the relevant partner. Be sure to attach the required information for each relevant partner, depending on which method the partnership is selecting for the determination of the distributive share amounts subject to the lower rate. See Line B, **Special Allocations of Adjustments Within a Partner’s Distributive Share Subject to Rate Modification**, above for further information on what to attach to Form 9880. Also, make sure that each specially allocated adjustment detailed on Form 9880, Item C has the box for “Special Allocation” checked on the line for the relevant partner.

Column (5): Income Code: This is a required field. For each amount listed in Column 4, enter the alpha code associated with the type of income listed. **Use the following alpha codes:**

- General long-term capital gains, enter code: **CG-GEN**
- Sec. 1250 capital gains, enter code: **CG-1250**
- Capital gains on collectibles, enter code: **CG-COLL**
- Qualified dividends, enter code: **QDIV**
- Ordinary income, enter code: **ORDINC**
- Other income, enter code: **= OTHER**, and attach a statement detailing the type of income

Column (6): Reduced tax rate applicable to amount(s) in column (6). This is a required field. Include in column 6 the tax rate(s) that should be applied to the amounts listed in column 4. **Note:** If more than one rate is being requested for a relevant partner, only list the relevant partner once in Part III, and attach a schedule detailing each allocation amount subject to a lower rate, the alpha code relating to the income type for each such allocation, and the associated lower rate pertaining to each allocation. This field allows numeric characters with a decimal (if applicable).

Important Note about the Reduced Rate For Capital Gains and Qualified Dividend Rates: The tax rate requested for an individual or S corporation partner cannot be lower than the maximum rate in effect for the type of income for the reviewed year. For example, if the maximum capital gain tax rate for net capital gains and qualified dividends for a reviewed year is 20%, but an individual relevant partner happens to be in a lower tax bracket in the reviewed year based on taxable income (such as the 15% bracket), the partnership cannot request tax rate modification for a 15% tax rate for the relevant partner’s capital gain adjustment allocation, since the maximum rate in effect for such capital gain item is 20% for the reviewed year. Instead, so that the relevant partner can benefit from a rate lower than the maximum capital gain tax rate in effect for the reviewed year, the modification type requested by the partnership could be partner modification amended return (PMAR) or partner alternative procedure (PAP), which are requested using Form 9880, Item E, Part I (along with Form 9882). Under the PMAR or PAP modification type, the partner would fully recalculate taxable income inclusive of the partner’s allocable share of the partnership adjustments (including any capital gain or qualified dividend adjustments) and pay any resulting increase to tax, penalties, and interest when the partner files the PMAR(s) or chooses the PAP modification.

Part IV – Passive Activity Losses of Publicly Traded Partnerships (PTPs) Under IRC Section 6225(c)(5)

Under section 6225(c)(5), in the case of a publicly traded partnership (PTP), the imputed underpayment may be determined without regard to the portion of the adjustment that the partnership demonstrates would be reduced by a specified passive activity loss that is allocable to a specified partner or qualified relevant partner. If a PTP requests this type of modification, Form 15028 must be completed and signed by the PR and must be submitted as a related form to Form 9880 when Form 9880 is submitted.

A **publicly traded partnership** is defined under section 469(k)(2) as a partnership if interests in such partnership are traded on an established securities market, or interests in such partnership are readily tradable on a secondary market (or the substantial equivalent thereof).

See “Definitions” in these instructions for the definition of other terms used in this part.

Notification Requirement to Specified Partners and Qualified Relevant Partners to Reduce Suspended Passive Loss Carryovers. The source partnership must complete and sign Form 15028 (Certification of Publicly Traded Partnership to Notify Specified Partners and Qualified Relevant Partners for Approved Modifications Under Section 6225(c)(5)), and it must be submitted as a related form to Form 9880 when Form 9880 is submitted. Form 15028 is used by the source partnership to certify to the IRS that the source partnership will report to each specified partner or qualified relevant partner the amount of the relevant partner’s reduction to its suspended passive loss carryover, based on the source partnership’s approved modification that takes such specified and qualified relevant partner suspended losses into account. Both Form 9880, Item E, Part IV and Form 15028 are completed as if the IRS will approve the modification based on the relevant partner amounts entered on Form 9880, Part IV, column 9 (and Form 15028, Part II, column 7). See the instructions to Form 15028 for additional information.

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Total number of specified partners or qualified relevant partners under this modification request. Enter the total number of specified partners or qualified relevant partners for which the partnership is requesting modification under this section. **This is a required field when this type of modification is requested.** When the number of partners is entered, the form will populate with the correct number of lines needed for completion.

Columns (1) and (2): Name of Partner & TIN of Partner. Both column (1) and column (2) are required fields for each relevant partner. List the name and Taxpayer Identification Number (TIN) of each specified or qualified relevant partner for which the partnership is requesting modification under this section.

Column (3): Total Share of Reallocation & Residual Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 3 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner’s distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Reallocation and Residual groupings. Do not include adjustments to Creditable Expenditures or Credits in this column. Any amounts entered in column 3 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments. **This is a required field.**

Section 469 Specified Passive Activity Loss Carryover

TIN of Partner: Re-enter the TIN of the relevant partner that was entered in column 2. **This column is a continuation of requested information for the partner. Therefore, make sure the TIN entered here is the same TIN entered in column (2). Once the TIN is entered, continue entering the appropriate information for the partner in columns (4) through (8), as applicable. This is a required field.**

Column (4): Affected Year Loss. Enter in column 4, the partner's section 469(k) passive activity loss at the end of the first affected year (affected year loss). This amount is the section 469(k) loss calculated without taking into account the partner's distributive share of partnership adjustments for the reviewed year. The amount entered in column 4 should be consistent with the amount entered on Form 15028, Part II, column 3. *All numbers entered in this column must be entered as negative numbers.*

Column (5a) through (5c): Utilization of Affected Year Loss- Year and Amount. Enter in Columns 5a through 5c the partner's taxable year(s) and the respective portion of the affected year loss (reported in column 4) that was utilized in a taxable year after the first affected year to offset income or gain relating to ownership disposition of its interest in the PTP during the adjustment year or any other year. *All numbers entered in this column must be entered as positive numbers.*

Column (5d): Balance. If any amounts are entered in columns 5a, 5b, or 5c, subtract such amounts from the amount in column 4 and enter the result in column 5d. The amount entered in column 5d should be consistent with the amount from Form 15028, Part II, column 4. *All numbers entered in this column must be entered as negative numbers or zero.*

Column (5e): Specified Passive Activity Loss at the End of the Most Recent Year for Which PTP has filed a return. Enter in column 5e, the partner's section 469(k) passive activity loss at the end of the most recent taxable year for which the PTP has filed a return. The amount entered in column 5e should be consistent with the amount from Form 15028, Part II, column 5. *All numbers entered in this column must be entered as negative numbers.*

Column (6): Specified Passive Activity Loss. Enter the lesser of column 4 or column 5e. The amount entered in column 6 should be consistent with the amount from Form 15028, Part II, column 6. *All numbers entered in this column must be entered as negative numbers. This is a required field.*

Effect of Modification

Columns 7 and 8 should be completed under the assumption that the IRS will approve the requested modification.

Column (7): Reduction in Carryover. Enter in column 7, the reduction to the partner's carryover as a result of the modification under section 6225(c)(5) whereby the partnership's imputed underpayment was determined without regard to the partner's distributive share of partnership adjustments that would be reduced by a specified passive activity loss. The amount entered should generally be the amount entered in column 3, unless the amount in column 3 exceeds the amount in column 6. In that case, only enter the amount from column 6 in column 7. The amount entered in column 7 cannot exceed the amount entered in column 6. The amount entered in column 7 should be consistent with the amount from Form 15028, Part II, column 5. *All numbers entered in this column must be entered as positive numbers. This is a required field.*

Column (8): Adjusted Balance in Carryover. Subtract the amount in column 7 from the amount in column 6 and enter the result in column 8. The amount entered in column 8 should be consistent with the amount from Form 15028, Part II, B, column 8. *All numbers entered in this column must be entered as negative numbers or zero. This is a required field.*

Part V – Modification of the Number and Composition of Imputed Underpayments Under Applicable Regulations

The imputed underpayment is determined, in general, according to section 6225(b). Rules on grouping, subgrouping and netting are provided in the applicable Regulations.

Under Treas. Reg. section 301.6225-2(d)(6), a partnership may request that the IRS:

- Include one or more partnership adjustments in the general imputed underpayment, per the NOPPA, be placed into one or more specific imputed underpayments (for example, see Treas. Reg. section 301.6225-2(f)(7), Example 7);
- Include one or more partnership adjustments in a particular grouping or subgrouping different from the NOPPA;
- Not apply certain restrictions and limitations (by proving that such restrictions or limitations do not apply) so that one or more partnership adjustments per the NOPPA can be subgrouped with other adjustments (for example, see Treas. Reg. section 301.6225-2(f)(8) Example 8).

Use Part V of Form 8980 to request any modifications to the number and composition of the imputed underpayment(s). **For all requests in Part V, you must provide supporting documents to substantiate your request.**

Request for Particular Treatment Regarding Limitations or Restrictions. The subgrouping rules provide that an adjustment is subgrouped according to how the adjustment would be required to be taken into account separately under section 702(a) or any other provision of the Code or regulations applicable to the partnership-related item. Therefore, if any adjustment could be subject to any preference, limitation, or restriction under the Code (or not allowed, in whole or in part, against ordinary income) if taken into account by any person, the adjustment is placed in a separate subgrouping from all other adjustments within the grouping. However, if a partnership can substantiate to the satisfaction of the IRS that such limitations or restrictions do not apply, then one or more partnership adjustments may be treated as if no limitations or restrictions apply, resulting in such adjustments being subgrouped with other adjustments. See Treas. Reg. section 301.6225-2(f)(8), Example 8, for an example. Use Part V of Form 8980 to request this type of modification. **Attach a statement detailing the adjustments and relevant partners relative to the request, and provide documents supporting the claim that such restrictions or limitations do not apply for each relevant partner. You must provide documentation substantiating your request.**

See the "Definitions" section earlier in these instructions for the definition of partnership adjustments, groupings, subgroupings, general imputed underpayment, and specific imputed underpayment.

Requests Relating to a Future Push Out Election by the Audited Partnership. Form 8980 should not be used to request allocation of partnership adjustments to partners relating to a future push-out election. If the partnership eventually wants to make a push out election under section 6226 for an imputed underpayment (which can only be done after the Notice of Final Partnership Adjustment (FPA) is issued to the partnership), then such an election, will require the partnership to issue push out statements (Form 8985 and Forms 8986) to its partners for the adjustments included in the imputed underpayment, and any relating adjustments that do not result in an imputed underpayment, relative to the imputed underpayment for which the section 6226 election was made. In this case, the push out statements issued by the partnership to its partners would reflect the proper allocation(s) of partnership adjustment(s), and no modification request is needed.

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Explanation of Modifications requested regarding the number and composition of imputed underpayments. For each modification requested in Part V, provide a detailed explanation of the requested modification including which partnership adjustments, relevant partners, grouping and subgrouping information, per the NOPPA and the request. **Attach additional schedules, in order to adequately explain the requested modifications. Be sure to also provide supporting documents substantiating your request.**

Attach a statement if additional space is needed.

B. Total Number of adjustments affected by this modification request. Enter the total number of adjustments that are involved in this modification request.

C. Enter the total number of specific imputed underpayments being requested. *This is a required field.* **Note:** If a specific imputed underpayment is not being requested, then enter the number of partners affected by the requested modification. When the number of specific imputed underpayments is entered, the form will populate with the correct number of lines needed for completion. In general, **each line entered in Part V pertains to each specific imputed underpayment being requested. Refer to the example on the fillable PDF before completing the lines and columns in Part V.**

Columns (1) through (4) - Adjustments & Imputed Underpayments per NOPPA

Each line entered in Part V pertains to each specific imputed underpayment being requested. If no specific imputed underpayment is being requested, then enter "See attached" under column (1). See the example before completing the lines and columns in Part V.

Column (1): Adjustments: ***This is a required field.*** Enter a description of the partner or group of partners pertaining to the adjustments that were included in the NOPPA, for which you are requesting one or more specific imputed underpayments. **Note: If no specific imputed underpayment is being requested, then enter "See attached" under column (1) for each relevant partner, and attach a schedule detailing the requested modification. Be sure to also provide supporting documents substantiating your request.**

Column (2): General: For all adjustments described in column 1, enter the amount of such adjustments which were included in the general imputed underpayment per the NOPPA.

Column (3): Specific: For all adjustments described in column 1, enter the amount of such adjustments, if any, which were already included in a specific imputed underpayment per the NOPPA.

Column (4): Negative adjustments: Enter the total amount of net negative adjustments per the NOPPA, which resulted after groupings, subgroupings and netting. Enter all numbers in this column as a negative amount.

Columns (5) through (8) - Groupings/Subgroupings per NOPPA

Column (5) Reallocation; Column (6) Residual; Column (7) Creditable Expenditures; and Column (8) Credits: For the adjustments listed in columns 2, 3, or 4, enter the amount of such adjustments in the appropriate grouping column 5, 6, 7, and 8 (Reallocation, Residual, Creditable Expenditure, or Credits), as grouped per the NOPPA. For each amount listed per grouping column, detail the amount and the subgrouping description next to the amount. (See example in this section for an illustration). All fields in columns 5 through 8 are text type fields. Therefore, you may enter both numeric and alpha characters.

Columns (9) through (12) - Specific Imputed Underpayments Requested for Adjustment Amounts in Column (2), (3), and (4)

Column (9) Reallocation; Column (10) Residual; Column (11) Creditable Expenditures; Column (12) Residual: For the adjustments detailed in columns 5, 6, 7 and 8, similarly detail the adjustments being requested to be placed in a specific imputed underpayment. For each amount listed per grouping columns 9, 10, 11 and 12, detail the amount and the subgrouping description next to the amount. (See example in this section for an illustration). Note that if more than one specific imputed underpayment is being requested, each specific imputed underpayment should be entered on a separate line. All fields in columns 5 through 8 are text type fields. Therefore, you may enter both numeric and alpha characters. Attach additional schedules if necessary. **Note: If no specific imputed underpayment is being requested, then enter "N/A" See attached" under column (1) for each relevant partner, and attach a schedule detailing the requested modification and provide supporting documents.**

Part VI – IRC Section 860(b) Qualified Investment Entity (QIE) Partners Under Treas. Reg. Sec. 301.6225-2(d)(7)

Under applicable Regulations, a partnership may request modification based on partnership adjustments allocated to a relevant partner where the modification is based on deficiency dividends distributed as described in section 860(f) by a relevant partner that is a qualified investment entity (QIE) defined under section 860(b). Such modification is only available to the extent that the deficiency dividends take into account the partnership adjustments that are also adjustments within the meaning of section 860(d)(1) or (d)(2) (whichever applies).

Qualified Investment Entity (QIE) Partner Defined. A QIE is defined under section 860(b) and includes both a regulated investment company (RIC), and a real estate investment trust (REIT).

Substantiation of QIE Partner's Determination Under IRC Section 860(e)(4) and Documentation of Deficiency Dividends. The partnership must provide substantiation of the determination described in section 860(e)(4) either by providing:

- A copy of a closing agreement entered into by the QIE partner pursuant to section 7121 and applicable regulations (modification for partner closing agreements); or
- A copy of Form 8927 (Determination Under Section 860(e)(4) by a Qualified Investment Entity) that was properly completed and filed by the RIC or REIT partner pursuant to section 860(e)(4).

In the case of a closing agreement, the determination date is the date in which the closing agreement is approved by the IRS. In the case of Form 8927, the determination date and the amount of the deficiency dividends actually paid, will be substantiated by the partnership providing a copy of Form 976 (Claim for Deficiency Dividends Deduction by a Personal Holding Company, Regulated Investment Company, or Real Estate Investment Trust) properly completed by or on behalf of the QIE pursuant to section 860(g), together with a copy of each of the required attachments to Form 976.

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Total number of relevant Qualified Investment Entity partners for this modification request. Enter the total number of relevant QIE partners for which the partnership is requesting modification. ***This is a required field when this type of modification is requested.*** When the number of partners is entered, the form will populate with the correct number of lines needed for completion.

Columns (1) and (2): Name of Each RIC or REIT (QIE) Partner & TIN of Partner. Both column (1) and column (2) are required fields for each relevant partner. List the name and Taxpayer Identification Number (TIN) of each direct or indirect QIE partner for which the partnership is requesting modification under this section. ***Both Columns 1 and 2 are required fields.***

Column (3): Type of QIE Partner: Use the drop-down menu to select the type of qualified investment entity ("RIC" or "REIT") for the relevant partner entered in column 1.

Column (4): Total Share of Reallocation & Residual Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 4 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Reallocation and Residual groupings. Do not include adjustments to Creditable Expenditures or Credits in this column. Any amounts entered in column 4 should be consistent with the allocation information provided on Form 9880, Item C for such adjustments.

Column (5): Total Share of Creditable Expenditure Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 5 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Creditable Expenditure grouping. This includes decreases to creditable expenditures (including decreases to Creditable Foreign Tax Expenditures (CFTEs)) that were included in the subgroupings within the Creditable Expenditures grouping. Any amounts entered in column 5 should be consistent with the allocation information provided on Form 8980, Item C for such adjustments.

Column (6): Total Share of Credit Grouping Adjustments (positive and negative adjustments). Enter in the appropriate subcolumn of column 6 (General or Specific – depending on which imputed underpayment such adjustments were included in), the total of each partner's distributive share of all credit adjustments (positive and negative) that were included in the Credit Grouping per the NOPPA. Any amounts entered in column 6 should be consistent with the allocation information provided on Form 8980, Item C for such adjustments.

Column (7): Amount of Tax Deficiency. Enter the amount from Form 976, Line 1 relative to the QIE partner's allocable share of partnership adjustments. If a Form 976 was not filed by the QIE partner, enter the amount of tax deficiency per the QIE partner's closing agreement. **Note:** See **"BBA Partner Payments Related to Requested Modifications"** under the General Instructions for information on how partner payments must be identified at the time payments are made.

Column (8): Tax Deficiency Amount Paid. Enter the amount from Form 976, Line 3a. If a Form 976 was not filed by the QIE partner, enter the amount of tax paid under the partner's closing agreement.

Column (9): Deficiency Dividend Distributed: Cash. For QIE partners that filed Form 976, enter the amount from Form 976, Line 8a.

Column (10): Deficiency Dividend Distributed: FMV of Other Property. For QIE partners that filed Form 976, enter the amount from Form 976, Line 8b(1).

Column (11): Amount Claimed as a Deduction for Deficiency Dividends. For QIE partners that filed Form 976, enter the amount from Form 976, Line 9a.

Part VII – Partner Closing Agreements Under Applicable Regulations

Under applicable regulations, a partnership may request modification based on partnership adjustments that were included in a closing agreement pursuant to section 7121 entered into by the IRS and the partnership or any relevant partner, or both if appropriate. Any partnership adjustment that is taken into account under such closing agreement and for which any required payment under the closing agreement is made, will not be taken into account in determining the imputed underpayment. Generally, if the IRS approves a modification based on a relevant partner's closing agreement under this section, additional modifications with respect to that partner will not be approved.

Caution: *Closing agreement modification is not permitted for an AAR.*

Note: Use Part VII only for partner closing agreements. *If the source partnership (rather than the partners, individually) entered into a closing agreement, do not use Part VII. Instead, use Part IX, Other Modifications, to request modification based on the source partnership closing agreement.*

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Enter the total number of relevant partners with closing agreements under this modification request. ***This is a required field when this type of modification is requested.*** When the number of partners is entered, the form will populate with the correct number of lines needed for completion.

Columns (1) and (2): Name of Partner & TIN of Partner. ***Both column 1 and column 2 are required fields for each relevant partner.*** List the name and Taxpayer Identification Number (TIN) of each direct or indirect partner for which the partnership is requesting modification under this section. **Both Columns 1 and 2 are required fields.**

Columns (3) through (6): ***At least one entry in columns 3 through 6 must be entered for each partner listed.***

Column (3): Total Share of Reallocation & Residual Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 3 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Reallocation and Residual groupings which were included under the closing agreement. Do not include adjustments to Creditable Expenditures or Credits in this column. Any amounts entered in column 3 should be consistent with the allocation information provided on Form 8980, Item C for such adjustments. Allocations of net negative adjustments resulting after subgroupings within the Reallocation and Residual grouping should be included in column 6.

Column (4): Total Share of Creditable Expenditure Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 4 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Creditable Expenditure grouping which were included under the closing agreement. This includes decreases to creditable expenditures (including decreases to Creditable Foreign Tax Expenditures (CFTEs)) that were included in the subgroupings within the Creditable Expenditures grouping. Any amounts entered in column 4 should be consistent with the allocation information provided on Form 8980, Item C for such adjustments. Allocations of any net negative adjustments resulting after subgroupings (representing net increases to creditable expenditures) should be included in column 6.

Column (5): Total Share of Credit Grouping Adjustments (positive and negative adjustments). Enter in the appropriate subcolumn of column 5 (General or Specific – depending on which imputed underpayment such adjustments were included in), the total of each partner's distributive share of all credit adjustments (positive and negative) that were included in the Credit Grouping per the NOPPA and which were included under the closing agreement. Any amounts entered in column 5 should be consistent with the allocation information provided on Form 8980, Item C for such adjustments.

Column (6): Total Share of Net Negative Adjustments. Include in column 6, the following amounts, if included under the closing agreement:

- The total of all allocations for each specified partner that are net negative adjustments (resulting after subgrouping per the NOPPA) in the Reallocation and Residual grouping; and
- The total of any net negative adjustments (resulting after subgrouping per the NOPPA) in the Creditable Expenditures grouping. A net negative adjustment in the Creditable Expenditures grouping is a net increase to Creditable Expenditures after subgrouping.

Any amounts entered in column 6 should be consistent with the allocation information provided on Form 8980, Item C, for such adjustments.

Column (7): Amount of Tax Paid. Include in column 7 the amount of tax paid with the partner's closing agreement. If no tax was paid with the closing agreement, enter zero. ***This is a required field.*** **Note:** See **"BBA Partner Payments Related to Requested Modifications"** under the General Instructions for information on how partner payments must be identified at the time payments are made.

Column (8): Amount of Penalty Paid. Include in column 8 the amount of any penalty paid with the partner's closing agreement.

Column (9): Date Paid. Enter the date in which the tax and any penalties were paid.

Column (10): Other Modification Year(s) included in the closing agreement. List any other tax years which were included in the partner's closing agreement.

Column (11): Amount of Tax Paid for Other Modification Year(s). For any year listed in column 10, enter in column 11 the amount of tax paid relative to the other modification year included in the partner's closing agreement.

Part VIII – Foreign Partners: Modification Pursuant to Tax Treaty Claims & Statutory Exemptions Other Than Section 501(a)

(For modification requests involving domestic partners that are tax-exempt and foreign partners that are tax-exempt under section 501(a): Do not use Part VIII for modification requests involving domestic partners that are tax-exempt and foreign partners that are tax-exempt under section 501(a). Instead, use Part II of Form 990, and the supporting attachment Form 990-B, Certification of Partner Tax-Exempt Status for Modification Under IRC §6225(c)(3)).

Modification Pursuant to Tax Treaty Claims: Under applicable Regulations, a partnership may request modification based on a relevant partner's distributive share of an adjustment to a partnership-related item if, in the reviewed year if: (1) the relevant partner was a foreign person qualified under an income tax treaty with the United States for a reduction or exemption from tax with respect to such partnership-related item; or (2) the partnership itself was so qualified with respect to such item.

If requesting this modification, complete Part VIII, columns 1 through 3, and columns 4a through 4e. (Do not complete column 5)

Modification Based on Statutory Exemption other than section 501(a): For modification requests relating to a foreign partner that is exempt by statute due to a Code-based exemption (other than section 501(a)), modification should be requested based on a relevant partner's distributive share of an adjustment to a partnership-related item by using Part VIII, columns 1 through 3, and columns 5a and 5b. (Do not complete columns 4a through 4e).

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Total number of relevant partners included under this modification request. ***This is a required field when this type of modification is requested.*** When the number of partners is entered, the form will populate with the correct number of lines needed for completion.

Columns (1) and (2): Name of Partner & TIN of Partner. ***Both column 1 and column 2 are required fields for each relevant partner.*** List the full name and Taxpayer Identification Number (TIN) of each relevant foreign partner (direct or indirect) for which the source partnership is requesting modification based on partner tax treaty claims or statutory exemptions other than section 501. ***Both Columns 1 and 2 are required fields.***

For each partner listed in column (1) and (2), complete column (3), and either columns 4a through 4e (for tax treaty claims) or columns 5a and 5b (for statutory exemptions other than Section 501(a)), according to the following instructions:

Column (3a): Total Share of Reallocation & Residual Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 3 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments within the Reallocation and Residual groupings (resulting after subgrouping per the NOPPA). Do not include adjustments to Creditable Expenditures or Credits in this column. Any amounts entered in column 3 should be consistent with the allocation information provided on Form 990, Item C for such adjustments. ***This is a required field.***

Column (3b): Total Share of Creditable Expenditure Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 3b (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Creditable Expenditure grouping. This includes decreases to creditable expenditures (including decreases to Creditable Foreign Tax Expenditures (CFTEs) that were included in the subgroupings within the Creditable Expenditures grouping. Any amounts entered in column 3b should be consistent with the allocation information provided on Form 990, Item C for such adjustments.

Column (3c): Total Share of Credit Grouping Adjustments (positive and negative adjustments). Enter in the appropriate subcolumn of column 3c (General or Specific – depending on which imputed underpayment such adjustments were included in), the total of each partner's distributive share of all credit adjustments (positive and negative) that were included in the Credit Grouping per the NOPPA. Any amounts entered in column 3c should be consistent with the allocation information provided on Form 990, Item C for such adjustments.

Note for Columns (4a) through (5b): *In addition to columns 3a-3c, for each partner listed, you must complete either Columns 4a through 4e (Tax Treaty Modification) or Columns 5a and 5b (Statutory Exemptions).*

TIN of Partner: Re-enter the TIN of the relevant partner that was entered in column 2. **This column is a continuation of requested information for the partner. Therefore, make sure the TIN entered here is the same TIN entered in column (2). Once the TIN is entered, continue entering the appropriate information for the partner in columns (4a) through (5b), as applicable.** ***This is a required field.***

Modification For Foreign Partner Tax Treaty Claims (Columns 4a through 4e)

Column (4a): Country of Residence. Use the drop-down menu to select the relevant partner's country of residence.

Column (4b): Treaty Rate. Enter the percentage rate of withholding pertaining to the portion of income for which the tax treaty benefits are claimed, to be entered in column 4e. This field allows numeric characters with a decimal (if applicable).

Column (4c): Treaty article and paragraph. Enter the article and paragraph number of the tax treaty provision for the tax treaty indicated in column 4a.

Column (4d): Type of income pertaining to the treaty benefit identified in column 4c. Enter the description of the specific type of income or item pertaining to the treaty benefit indicated in column 4c.

Column (4e): Enter the portion of Column 3a, 3b, and 3c representing the item for which the partner is claiming tax treaty benefits for payments subject to withholding under chapter 3. Enter the amount of the partner's distributive share of partnership adjustment that is subject to the treaty benefit indicated in column 4c.

Example 1: A partnership originally reported U.S. source dividends as a Return of Capital (ROC). ROC is not subject to Chapter 3 withholding. Upon exam, the IRS determined that the U.S. source dividends were incorrectly characterized as ROC and should have been reported as ordinary dividends. The distributive share of the adjustment of ordinary dividends to Partner A, an individual resident of the United Kingdom, is \$1,000. Absent a treaty, Partner A would be subject to the statutory withholding of 30%. However, partner A has a valid Form W-8BEN on file with the partnership/withholding

agent claiming tax treaty benefits as a resident of the UK, which is subjected to the treaty rate of 15%. Since the partnership's imputed underpayment is calculated at the default tax rate of 37%, the partnership requests modification with regard to foreign Partner A's tax treaty benefit for U.S. source ordinary dividends at a rate of 15%. The partnership would complete Form 8980, Part VIII, as follows to request the modification based on Partner A:

(1) Name of Partner	(2) TIN of Partner	(3a) Total Share of Reallocation & Residual Grouping Adjustments <i>(net positive adjustments only)</i>		Tax Treaty Modification						Statutory Exemptions			
				(4a) Country of Residence	(4b) Treaty Rate	(4c) Treaty Article and Paragraph	(4d) Type of Income pertaining to the treaty benefit identified in column (4c)	(4e) Enter the portion of column (3a-c) representing items for which the partner is claiming tax treaty benefits for payments subject to withholding under Chapter 3		(5a) IRC section authority for exemption	(5b) Enter the portion of Column (3a-3c) representing items exempt by statute		
		General	Specific					General	Specific			General	Specific
1. Partner A	123-45-6789	1,000		UK	15%	Article 10, Para. 2b	US source ord div		1,000				
Total Part VIII		1,000							1,000				

The partnership should obtain and retain Form W-8BEN from Partner A, in support of the requested modification.

Modification For Foreign Partner Statutory Exemptions (Columns 5a through 5b)

Column (5a): IRC section authority for exemption. Enter the specific Internal Revenue Code section supporting the exemption from tax.

Column (5b): Enter the portion of Column (3) representing income exempt by statute. Enter the amount of the partner's distributive share of partnership adjustments which are subject to the exemption indicated in column 5a.

Example 2: Foreign Partner B has a distributive share adjustment of \$1,000 interest income from Partnership ABC that is eligible for the portfolio exclusion under section 871 regarding interest on certain portfolio debt instruments. Partnership ABC would complete Form 8980, Part VIII, as follows, to request the modification based on Partner B's Code- based exemption:

(1) Name of Partner	(2) TIN of Partner	(3a) Total Share of Reallocation & Residual Grouping Adjustments <i>(net positive adjustments only)</i>		Tax Treaty Modification						Statutory Exemptions			
				(4a) Country of Residence	(4b) Treaty Rate	(4c) Treaty Article and Paragraph	(4d) Type of Income pertaining to the treaty benefit identified in column (4c)		(4e) Enter the portion of column (3a-3c) representing items for which the partner is claiming tax treaty benefits for payments subject to withholding under Chapter 3		(5a) IRC section authority for exemption	(5b) Enter the portion of Column (3a-3c) representing items exempt by statute	
		General	Specific				General	Specific	General	Specific		General	Specific
1. Partner B	111-11-1111	1,000			%						871	1,000	
Total Part VIII		1,000										1,000	

Example 3: Foreign Partner C has a distributive share adjustment of \$1,000 interest income from Partnership ABC. Partner C is an international organization within the meaning of section 7701(a)(18) and such income is within the scope of exemption granted by section 892. Partnership ABC would complete Form 8980, Part VIII, as follows, to request the modification based on Partner C's foreign tax-exempt status:

(1) Name of Partner	(2) TIN of Partner	(3a) Total Share of Reallocation & Residual Grouping Adjustments <i>(net positive adjustments only)</i>		Tax Treaty Modification						Statutory Exemptions		
				(4a) Country of Residence	(4b) Treaty Rate	(4c) Treaty Article and Paragraph	(4d) Type of Income pertaining to the treaty benefit identified in column (4c)	(4e) Enter the portion of column (3a-3c) representing items for which the partner is claiming tax treaty benefits for payments subject to withholding under Chapter 3		(5a) IRC section authority for exemption	(5b) Enter the portion of Column (3a-3c) representing items exempt by statute	
								General	Specific		General	Specific
1. Partner C	12-3456789	1,000			%					892(b)	1,000	
Total Part VIII		1,000									1,000	

Partnership ABC should obtain and retain Form W-8EXP from Partner C, in support of the requested modification unless other facts surrounding the payment reasonably indicate that the beneficial owner of the payment is an international organization.

Supporting Documentation for Part VIII. For each relevant partner listed in Part VIII, the partnership should secure the applicable forms (listed below) and any other documentation supporting the facts for each relevant partner's situation. Such supporting documents will establish that the relevant partner is not a U.S. person, eligibility for treaty benefits involving a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty, or establish other exempt status and applicable statutory exemptions from tax. If the partnership is not the withholding agent, then such forms should be obtained from the withholding agent and retained by the partnership.

Note: All forms and supporting documentation should be retained by the partnership and should be made available to the IRS upon request. Do not attach such forms to Form 8980 or otherwise send such forms to the IRS. Such supporting forms to support requested modifications in Part VIII may include:

- Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals);
- Form W-8BEN-E, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities);
- Form W-8EXP, Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting;
- Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting;

- Form W-8ECI, Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States; or
- Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

Requirement for Partner Affidavit of Unchanged Status. If a Form W-8 series form is not already on file with the partnership at the time the modification is requested, or the form is no longer in effect at the time the modification is requested, the partnership should solicit the applicable form from the partner. The partner should complete the current version of the form and sign with a current date. In addition, the partner must sign an "Affidavit of Unchanged Status" to declare the validity of the form, its applicability to the partnership's reviewed year, and the partner's entitlement to the reduction in rate or exemption from tax. Such affidavit should be attached to the completed Form W-8 series form and retained by the partnership. The following is an example of an affidavit and the suggested language:

Attachment to Form W-8BEN

Name: Beneficial Owner [from Line One of the Form W-8 BEN]

Under penalties of perjury, I declare that:

- I have examined and signed the above Form W-8BEN [or other applicable W-8 series tax form] and the information and certifications contained therein remained the same and unchanged throughout _____ [calendar year(s)] taken into account in determining the amount of the requested modification in the reviewed year, and were true, correct and complete for those years; and
- With respect to any requested reviewed year modification based on a claim of benefits under an income tax treaty with the United States, that _____ [name of the beneficial owner] would have qualified for treaty benefits throughout _____ [calendar year(s)] taken into account in determining the amount of the requested modification in the reviewed year.

Signature of Beneficial Owner
(or individual authorized to sign for beneficial owner)

Date

Print name of signer

Capacity in which acting
(if not signed by beneficial owner)

Part IX – Other Modifications

Under applicable regulations, a partnership may request a modification not otherwise described in other parts of the Form 8980 and instructions, and the IRS will consider such request and determine whether such modification is accurate and appropriate. For each partner listed in this section:

- Attach a statement that describes, in detail, the requested modification.
- Include in columns 3 through 6, the partner's adjustment allocations that are relevant to the modification requested.
- If this section is being completed for a source partnership's closing agreement:
 - o Enter the source partnership's name and TIN in columns 1 and 2; and
 - o Enter all relevant adjustment allocations in columns 3 through 6 that were included in the partnership's closing agreement.

Make sure the relevant modification type is checked in Item B, otherwise the fields in this part will not be unlocked for completion. Once the relevant box in Item B is checked, you will be able to complete this part.

A. Total number of relevant partners included under this modification request. Enter the total number of relevant partners included under this modification request. **This is a required field when this type of modification is requested.** When the number of partners is entered, the form will populate with the appropriate number of lines needed for completion.

Columns (1) and (2): Name of Partner & TIN of Partner. **Both column 1 and column 2 are required fields for each relevant partner.** List the name and Taxpayer Identification Number (TIN) of each direct or indirect partner for which the partnership is requesting modification under this section. **Both Columns 1 and 2 are required fields.**

Columns (3) through (6): **At least one entry in columns 3 through 6 must be entered for each partner listed.**

Column (3): Total Share of Reallocation & Residual Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 3 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Reallocation and Residual groupings. Do not include adjustments to Creditable Expenditures or Credits in this column. Any amounts entered in column 3 should be consistent with the allocation information provided on Form 8980, Item C for such adjustments. Allocations of net negative adjustments resulting after subgroupings within the Reallocation and Residual grouping should be included in column 6.

Column (4): Total Share of Creditable Expenditure Grouping Adjustments (net positive adjustments only). Enter in the appropriate subcolumn of column 4 (General or Specific – depending on which imputed underpayment the adjustments were included in), the total of each partner's distributive share of all net positive adjustments (resulting after subgrouping per the NOPPA) within the Creditable Expenditure grouping. This includes decreases to creditable expenditures (including decreases to Creditable Foreign Tax Expenditures (CFTEs)) that were included in the subgroupings within the Creditable Expenditures grouping. Any amounts entered in column 4 should be consistent with the allocation information provided on Form 8980, Item C for such adjustments. Allocations of any net negative adjustments resulting after subgroupings (representing net increases to creditable expenditures) should be included in column 6.

Column (5): Total Share of Credit Grouping Adjustments (positive and negative adjustments). Enter in the appropriate subcolumn of column 5 (General or Specific – depending on which imputed underpayment such adjustments were included in), the total of each partner's distributive share of all credit adjustments (positive and negative) that were included in the Credit Grouping per the NOPPA. Any amounts entered in column 5 should be consistent with the allocation information provided on Form 8980, Item C for such adjustments.

Column (6): Total Share of Negative Adjustments. Include in column 6, the following amounts:

- The total of all allocations for each relevant partner which are net negative adjustments (resulting after subgrouping per the NOPPA) in the Reallocation and Residual grouping; and
- The total of any net negative adjustments (resulting after subgrouping per the NOPPA) in the Creditable Expenditures grouping. A net negative adjustment in the Creditable Expenditures grouping is a net increase to Creditable Expenditures after subgrouping.

Any amounts entered in column 6 should be consistent with the allocation information provided on Form 8980, Item C, for such adjustments.

Column (7): Amount of Tax Paid. Include in column 7 the amount of tax paid by the partner or on behalf of the partner relative to the requested modification. **Note:** See “*BBA Partner Payments Related to Requested Modifications*” under the General Instructions for information on how partner payments must be identified at the time payments are made.

Column (8): Amount of Penalty Paid. Include in column 8 the amount of any penalty paid by the partner or on behalf of the partner relative to the requested modification.

Column (9): Date Paid. Use the drop-down calendar to select the date of payment for the amount of tax included in column 7.

Item F – Signature of Partnership Representative (PR)

This form must be signed by the partnership representative who has the sole authority to act on behalf of the partnership.

If the form is being filed electronically:

- **Signature of individual partnership representative or designated individual:** The form is e-signed by entering the 5-digit PIN in the signature block. *A POA for the PR may sign Form 8980 with PIN signature.* Refer to the **PIN Signature** section under **Important Tips for Electronic Submission** at the beginning of this Publication. **This is a required field.**
- **Name of person signing form:** The name, exactly as it appears in the Transmitter Control Code (TCC) application, must be entered in the “Name of person signing the form” block (e.g., if your name is “John T. Smith” in the TCC application, enter the name “John T. Smith” in the name block, not “John Smith,” or “JT Smith,”). **This is a required field.**
- **Title & Date:** Enter your title and the date the form is being signed. **These are both required fields.**
- **Telephone number:** Enter a daytime telephone number.
- **Name of entity partnership representative (if applicable):** If the partnership representative is an entity, enter the entity name.

If the form is being attached to the filing of an AAR, the form can be signed manually:

- **If you are an individual partnership representative:**
 - o Signature of individual partnership representative or designated individual: Sign within this block.
 - o Name of person signing form: Enter the name of the person signing.
 - o Title, Date, and Telephone number: Enter the signor's title, date signed, and daytime telephone number.
- **If you are a designated individual:** In addition to completing the five fields mentioned above, also complete the field “Name of entity partnership representative”.