



# Instructions for Forms 8804, 8805, and 8813

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

## What's New

The IRS and Treasury have issued final and temporary regulations under section 1446. See T.D. 9200, 2005-23 I.R.B. 1158. Forms 8804, 8805, and 8813, and these instructions, were modified to reflect these regulations. In addition, the following new forms were developed:

- Form 8804-W, Installment Payments of Section 1446 Tax for Partnerships, has been developed to reflect the rules of Regulations section 1.1446-3. This new form is used to compute installment payments of section 1446 tax during the partnership's tax year. This form replaces the worksheet that used to be on page 4 of these instructions. It is optional and is not filed with the IRS.

- Schedule A (Form 8804), Penalty for Underpayment of Estimated Section 1446 Tax by Partnerships, has been developed to reflect the estimated tax penalty that applies to partnerships that fail to withhold enough section 1446 tax during the tax year. If the penalty applies, it is reported on new line 8 of Form 8804.

**Effective dates.** The final and temporary regulations are effective for partnership tax years beginning after May 18, 2005. However, a partnership may elect to apply the final regulations and the temporary regulations to partnership tax years beginning after December 31, 2004, and before May 19, 2005.

**Note.** A partnership may elect to apply the temporary regulations to partnership tax years beginning after December 31, 2004, and before May 19, 2005, only if the partnership also elects to apply the final regulations to the same years beginning after that date.

Statements must be attached to Form 8804 to make both elections described above (see Regulations sections 1.1446-7 and 1.1446-6T(f) for details). For partnerships to whom the regulations are not effective during the current tax year, the forms and schedules are generally completed the same except that these partnerships do not complete the following:

- Form 8804, lines 4b and 4d through 4j.
- Schedule A (Form 8804), lines 33b and 33d through 33j.
- Form 8805, Schedule T.

**Note.** Form 8804-W applies to all partnerships because it is to be completed for tax years beginning in 2006.

## Photographs of Missing Children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

## General Instructions

### Purpose of Forms

Use Forms 8804, 8805, and 8813 to pay and report section 1446 withholding tax based on effectively connected taxable income allocable to foreign partners.

Use Form 8804, Annual Return for Partnership Withholding Tax (Section 1446), to report the total liability under section 1446 for the partnership's tax year. Form 8804 is also a transmittal form for Form(s) 8805.

Use Form 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, to show the amount of effectively connected taxable income and the total tax credit allocable to the foreign partner for the partnership's tax year.

File a separate Form 8805 for each foreign partner, even if no section 1446 withholding tax was paid. Attach Copy A of each Form 8805 to the Form 8804 filed with the IRS.

Foreign partners must attach Form 8805 to their U.S. income tax returns to claim a withholding credit for their shares of the section 1446 tax withheld by the partnership. Any U.S. person erroneously subjected to the withholding tax would also receive Form 8805 from a partnership and should attach it to his or her income tax return to claim a withholding credit. A partnership that receives a Form 8805 from a lower-tier partnership should see *Tiered Partnerships*, on page 4.

Form 8805 may also be completed, in some cases, by a foreign trust or estate. A foreign partner that is a foreign trust or estate must complete Schedule T of Form 8805 to report to the trust or estate's beneficiaries the section 1446 withholding

tax that may be claimed as a withholding tax credit on the beneficiaries income tax return. See *Schedule T—Beneficiary Information*, on page 6 for details.

Use Form 8813, Partnership Withholding Tax Payment Voucher (Section 1446), to pay the withholding tax under section 1446 to the United States Treasury. Form 8813 must accompany each payment of section 1446 tax made during the partnership's tax year.

## Who Must File

All partnerships with effectively connected gross income allocable to a foreign partner in any tax year must file Forms 8804 and 8805 whether or not distributions were made during the partnership's tax year. The partnership may designate a person to file the forms. The partnership, or person it designates, must file these forms even if the partnership has no withholding tax liability under section 1446.

## When To File

### Forms 8804 and 8805

Generally, file these forms on or before the 15th day of the 4th month following the close of the partnership's tax year. For partnerships that keep their records and books of account outside the United States and Puerto Rico, the due date is the 15th day of the 6th month following the close of the partnership's tax year. If the partnership is permitted to file these forms on or before the 15th day of the 6th month, check the box at the top of Form 8804.

If a due date falls on a Saturday, Sunday, or legal holiday, file by the next business day.

File Forms 8804 and 8805 separately from Form 1065, U.S. Return of Partnership Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships.

If you need more time, you may file Form 7004, Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns, to request an extension of time to file Form 8804. The extension may not be for more than 6 months except for taxpayers who are abroad. Form 7004 does not extend the time for payment of tax.

## Form 8813

File on or before the 15th day of the 4th, 6th, 9th, and 12th months of the partnership's tax year for U.S. income tax purposes.

## Where To File

File Forms 8804, 8805, and 8813 with: Internal Revenue Service Center, Philadelphia, PA 19255.

## Taxpayer Identifying Number

To insure proper crediting of the withholding tax when reporting to the IRS, a partnership must provide a U.S. taxpayer identifying number (TIN) for each foreign partner. The partnership should notify any of its foreign partners without such a number of the necessity of obtaining a U.S. identifying number. An individual's identifying number is the individual's social security number (SSN) or individual taxpayer identification number (ITIN). Any other partner's identifying number is its U.S. employer identification number (EIN).

Certain aliens who do not have and are not eligible to get an SSN may apply for an ITIN on Form W-7, Application for IRS Individual Taxpayer Identification Number. The application is also available in Spanish.

## Requirement To Make Withholding Tax Payments

A foreign or domestic partnership that has effectively connected taxable income allocable to a foreign partner must pay a withholding tax equal to the applicable percentage of the effectively connected taxable income that is allocable to its foreign partners. However, this requirement does not apply to a partnership treated as a corporation under the general rule of section 7704(a). Effectively connected taxable income is defined on below. Applicable percentage is defined on page 3.

## Withholding Agents

For ease of reference, these instructions refer to various requirements applicable to withholding agents as requirements applicable to partnerships themselves.

## Determining If a Partner Is a Foreign Person

A partnership must determine if any partner is a foreign person subject to section 1446. Under section 1446, a foreign person is a nonresident alien individual, foreign corporation, foreign partnership, or foreign trust or estate.

A partnership may determine a partner's foreign or nonforeign status by relying on a W-8 form (for example, Form W-8BEN), Form W-9, an acceptable substitute form, or by other means. See *Form of certification* and *Use of Means Other Than Certification* below. Also, see

Regulations section 1.1446-1(c) for additional information.

## Certification of Nonforeign Status

In general, a partnership may determine that a partner is not a foreign person by obtaining a Form W-9 from the partner. A partnership that has obtained this certification may rely on it to establish the nonforeign status of a partner. See *Effect of certification* below.

**Form of certification.** Generally, a partnership may determine a partner's foreign or nonforeign status by obtaining one of the following withholding certificates from the partner.

- Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding.
- 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.
- W-8EXP, Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding.
- W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding.
- Form W-9, Request for Taxpayer Identification Number and Certification.
- An acceptable substitute form (as described in Regulations section 1.1446-1(c)(5)).
- A statement required from a domestic grantor trust (as described in Regulations section 1.1446-1(c)(2)(ii)(E)) with the necessary documentation required for the trust and the grantor.

**Effect of certification.** Generally, a partnership that has obtained a withholding certificate (for example, a Form W-8 or W-9) according to the rules in these instructions may rely on the certification to determine the applicable percentage to apply to the partner's allocable share of effectively connected taxable income or that the partner is not subject to withholding. A partnership may not rely on a withholding certificate if it knows or has reason to know that any information provided on the withholding certificate is incorrect or unreliable, and based on that information the partnership should pay more section 1446 withholding tax. Under those circumstances, the certificate is not valid.

The partnership will not be subject to penalties for its failure to pay the section 1446 withholding tax prior to the date that it knows or has reason to know that the certificate is not valid. However, the partnership is fully liable for section 1446 withholding tax for the year, as well as penalties and interest, starting with the installment period or Form 8804 filing period during which it knows or has reason to know that the certificate is not valid. See Regulations section 1.1446-1(c)(2)(iii).

**Requirements for certificates to be valid.** Generally, the validity of a Form W-9 is determined under section 3406 and Regulations section 31.3406(h)-3(e). A Form W-8 is only valid if:

- Its validity period has not expired,
  - The partner submitting the form has signed it under penalties of perjury, and
  - It contains all the required information.
- See Regulations section 1.1446-1(c)(2)(iv) for more details.

**How long to keep the certifications.** A partnership or nominee who has responsibility for paying section 1446 withholding tax must retain each withholding certificate, statement, and other information received from its direct and indirect partners for as long as it may be relevant to the determination of the withholding agent's section 1446 tax liability under section 1461 and the regulations thereunder.

## Use of Means Other Than Certification

A partnership is not required to obtain a Form W-9. It may rely on other means to learn the nonforeign status of the partner. But if the partnership relies on other means and erroneously determines that the partner was not a foreign person, the partnership will be held liable for payment of the tax, any applicable penalties, and interest. A partnership is not required to rely on other means to determine the nonforeign status of a partner and may demand a Form W-9. If a certification is not provided, the partnership may withhold tax under section 1446 of the Code and will be considered for purposes of section 1461 through section 1463, to have been required to withhold such tax.

## Effectively Connected Taxable Income (ECTI)

### Definition

"Effectively connected taxable income" is the excess of the gross income of the partnership that is effectively connected under section 864(c), or treated as effectively connected with the conduct of a U.S. trade or business, over the allowable deductions that are connected to such income. See Pub. 519, U.S. Tax Guide for Aliens, for detailed instructions regarding the computation of effectively connected taxable income. For purposes of these instructions, figure this income with the following statutory adjustments:

1. Section 703(a)(1) does not apply.
2. The partnership is allowed a deduction for depletion of oil and gas wells, but the amount of the deduction must be determined without regard to sections 613 and 613A.
3. The partnership may not take into account items of income, gain, loss, or deduction allocable to any partner that is not a foreign partner.

See Regulations section 1.1446-2 for additional adjustments that may be required.

A partnership's ECTI includes partnership income subject to a partner's election under section 871(d) or 882(d) (election to treat real property income as income connected with a U.S. business). It also includes any partnership income treated as effectively connected with the conduct of a U.S. trade or business under section 897 (disposition of investment in U.S. real property), and other items of partnership income treated as effectively connected under other provisions of the Internal Revenue Code, regardless of whether those amounts are taxable to the partner.

See Regulations section 1.1446-2 for additional information for computing ECTI.

## Amount Allocable to Foreign Partners

The amount of a partnership's ECTI for the partnership's tax year allocable to a foreign partner under section 704 equals (a) the foreign partner's distributive share of effectively connected gross income of the partnership for the partnership's tax year that is properly allocable to the partner under section 704, minus (b) the foreign partner's distributive share of deductions of the partnership for that year that are connected with that income under section 873 or section 882(c)(1) and that are properly allocable to the partner under section 704. This income must be computed by taking into account any adjustments to the basis of the partnership property described in section 743 according to the partnership's election under section 754. Also, a partnership's ECTI is not allocable to a foreign partner to the extent the amounts are exempt from U.S. tax for that partner by a treaty or reciprocal agreement, or a provision of the Code.

## Certification of Deductions and Losses

A foreign partner, in certain circumstances, may certify to the partnership that it has deductions and losses it reasonably expects to be available to reduce the partner's U.S. income tax liability on the partner's allocable share of effectively connected income or gain from the partnership. In certain circumstances, the partnership may consider and rely on these deductions and losses to reduce the partnership's section 1446 tax. See Regulations section 1.1446-6T for additional information.



*Regulations section 1.1446-6T does not apply if the partnership's tax year began after December 31, 2004, and before May 19, 2005, and the partnership has not made the election described in Effective dates under What's New on page 1. Such a partnership must not complete Form 8804, lines 4b, 4e, and 4i, and Schedule A (Form 8804), lines 23, 33b, 33e, and 33i.*

## Amount of Withholding Tax

### Figuring the Tax Payments

Under section 1446, a partnership must make four installment payments of withholding tax during the tax year.

**Amount of each installment payment of withholding tax.** In general, the amount of a partnership's installment payment is equal to the sum of the installment payments for each of the partnership's foreign partners. A partnership will generally determine the amount of the installment payment for each of its foreign partners by applying the principles of section 6655 and Regulations section 1.1446-3. To do so, use Form 8804-W.

**Applicable percentage.** For all foreign partners, the section 1446 applicable percentage is generally 35%. However, in some circumstances, the partnership may consider the highest rate applicable to a particular type of income allocated to a non-corporate partner if such partner would be entitled to use a preferential rate on such income or gain. See Regulations section 1.1446-3(a)(2) for additional information.



*Regulations section 1.1446-3(a)(2) does not apply if the partnership's tax year began after December 31, 2004, and before May 19, 2005, and the partnership has not made the election described in Effective dates under What's New on page 1. Such a partnership must not complete Form 8804, lines 4d, 4g, and 4h, and Schedule A (Form 8804), lines 33d, 33g, and 33h.*

**When to make the payment.** Make installment payments of the withholding tax under section 1446 with Form 8813 by the applicable due dates during the tax year of the partnership in which the income is earned. The partnership must generally make the installment payments for each foreign partner on or before the 15th day of the 4th, 6th, 9th, and 12th month of the partnership's tax year.

Generally, pay any additional amounts due when filing Form 8804. However, if the partnership files Form 7004 to request an extension of time to file Form 8804, pay the balance of section 1446 withholding tax estimated to be due with Form 7004 in order to avoid the late payment penalty.

## Coordination With Other Withholding Rules

### Interest, Dividends, etc.

Fixed or determinable, annual or periodical income subject to tax under section 871(a) or 881 is not included in the partnership's ECTI under section 1446. However, these amounts are independently subject to withholding under the requirements of sections 1441 and 1442 and their regulations.

## Real Property Gains

**Domestic partnerships.** Domestic partnerships subject to the withholding requirements of section 1446 are not also subject to the payment and reporting requirements of section 1445(e)(1) and its regulations for income from the disposition of a U.S. real property interest. A domestic partnership's compliance with the requirement to pay a withholding tax under section 1446 satisfies the requirements under section 1445 for dispositions of U.S. real property interests. However, a domestic partnership that would otherwise be exempt from section 1445 withholding by operation of a nonrecognition provision must continue to comply with the requirements of Regulations section 1.1445-5(b)(2).

**Foreign partnerships.** A foreign partnership subject to withholding under section 1445(a) during a tax year will be allowed to credit the amount withheld under section 1445(a), to the extent such amount is allocable to foreign partners (as defined in section 1446(e)), against its liability to pay the section 1446 withholding tax for that year. This credit is allowed on line 6c of the Form 8804 filed by the foreign partnership.

## Reporting to Partners

When making a payment of withholding tax to the IRS under section 1446, a partnership must notify all foreign partners of their allocable shares of any section 1446 tax paid to the IRS by the partnership. The partners use this information to adjust the amount of estimated tax that they must otherwise pay to the IRS. The notification to the foreign partners must be provided within 10 days of the installment due date, or, if paid later, the date the installment payment is made. See Regulations section 1.1446-3(d)(1)(i) for information that must be included in the notification and for exceptions to the notification requirement.

If a partnership has ECTI, it must file a Form 8804 and it must file a separate Form 8805 for each partner for whom it paid tax. In addition, if the partnership relies on a certificate it receives from a partner under Regulations section 1.1446-6T, it must complete a Form 8805 for the partner even if no tax is paid on behalf of the partner. The foreign partner must also receive a copy of its Form 8805 by the due date of the partnership return (including extensions).

If the foreign partner is a foreign trust or estate, the foreign trust or estate must provide to each of its beneficiaries a Form 8805 completed as described under *Schedule T—Beneficiary Information* on page 6.

## Interest and Penalties

### Interest

Interest is charged on taxes not paid by the due date, even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

### Late Filing of Form 8804

A partnership that fails to file Form 8804 when due (including extensions of time to file) generally may be subject to a penalty of 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The penalty will not apply if the partnership can show reasonable cause for filing late. If the failure to timely file is due to reasonable cause, attach an explanation to Form 8804.

### Late Filing of Correct Form 8805

A penalty may be imposed for failure to file each Form 8805 when due (including extensions). The penalty may also be imposed for failure to include all required information on Form 8805 or for furnishing incorrect information. The penalty is based on when a correct Form 8805 is filed. The penalty is:

- \$15 per Form 8805 if the partnership correctly files within 30 days; maximum penalty of \$75,000 per year (\$25,000 for a small business). A "small business" has average annual gross receipts of \$5 million or less for the most recent 3 tax years (or for the period of time the business has existed, if shorter) ending before the calendar year in which the Forms 8805 were due.
- \$50 per Form 8805 if the partnership files more than 30 days after the due date or does not file a correct Form 8805; maximum penalty of \$250,000 per year (\$100,000 for a small business).

If the partnership intentionally disregards the requirement to report correct information, the penalty per Form 8805 is increased to \$100 or, if greater, 10% of the aggregate amount of items required to be reported, with no maximum penalty. For more information, see sections 6721 and 6724.

### Failure To Furnish Correct Forms 8805 to Recipient

A penalty of \$50 may be imposed for each failure to furnish Form 8805 to the recipient when due. The penalty may also be imposed for each failure to give the recipient all required information on each Form 8805 or for furnishing incorrect information. The maximum penalty is \$100,000 for all failures to furnish correct Forms 8805 during a calendar year.

If the partnership intentionally disregards the requirement to report correct information, the penalty is

increased to \$100 or, if greater, 10% of the aggregate amount of items required to be reported and the \$100,000 maximum penalty does not apply. For more information, see sections 6722 and 6724.

### Late Payment of Tax

The penalty for not paying tax when due is usually  $\frac{1}{2}$  of 1% of the unpaid tax for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the unpaid tax. The penalty will not apply if the partnership can show reasonable cause for paying late. If the failure to timely pay is due to reasonable cause, attach an explanation to the form.

### Failure To Withhold and Pay Over Tax

Any person required to withhold, account for, and pay over the withholding tax under section 1446, but who fails to do so, may be subject to a civil penalty under section 6672. The civil penalty is equal to the amount that should have been withheld and paid over.

### Other Penalties

Penalties may also be imposed, absent reasonable cause and good faith, for failing to accurately report the amount of tax required to be shown on a return, if any portion of the resulting underpayment is attributable to negligence, substantial understatement of income tax, valuation misstatement, or fraud. See sections 6662 and 6663.

## Treatment of Partners

A partnership's payment of section 1446 withholding tax on ECTI allocable to a foreign partner relates to the partner's U.S. income tax liability for the partner's tax year in which the partner is subject to U.S. tax on that income.

Amounts paid by the partnership under section 1446 on ECTI allocable to a partner are allowed to the partner as a credit under section 33. The partner may not claim an early refund of withholding tax paid under section 1446.

Amounts paid by a partnership under section 1446 for a partner are to be treated as distributions made to that partner on the earliest of the following:

1. The day on which this tax was paid by the partnership.
2. The last day of the partnership's tax year for which the amount was paid.
3. The last day on which the partner owned an interest in the partnership during that year.

However, the amount of section 1446 withholding paid during a tax year by the partnership is generally treated as an advance or draw under Regulations section 1.731-1(a)(1)(ii) to the extent of the partner's share of income for the partnership year. See Regulations section 1.1446-3(d)(2)(v) for more details.

A partner that wishes to claim a credit against its U.S. income tax liability for amounts withheld and paid under section

1446 must attach Copy C of Form 8805 to its U.S. income tax return for the tax year in which it claims the credit.

See Regulations section 1.1446-3(d)(2) for additional information.

## Publicly Traded Partnerships (PTP)

A "publicly traded partnership" is any partnership whose interests are regularly traded on an established securities market (regardless of the number of its partners). However, it does not include a publicly traded partnership treated as a corporation under the general rule of section 7704(a).

A publicly traded partnership that has effectively connected income, gain, or loss, must withhold tax on distributions of that income made to its foreign partners. The rate is 35%. The publicly traded partnership may not consider preferential rates when computing the section 1446 tax for a partner. The partnership uses Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding; and Form 1042-T, Annual Summary and Transmittal of Forms 1042-S, to report withholding from distributions instead of following these instructions. It also must comply with the regulations under section 1461 and Regulations section 1.6302-2.

## Tiered Partnerships

The term "tiered partnership" describes the situation in which a partnership owns an interest in another partnership. The former is an "upper-tier partnership" and the latter is a "lower-tier partnership." An upper-tier partnership that owns a partnership interest in a lower-tier partnership is allowed a credit against its own section 1446 liability for any section 1446 tax paid by the lower-tier partnership for that partnership interest.

If an upper-tier partnership provides appropriate documentation to a lower-tier partnership, the lower-tier partnership may look through the partnership to the partners of such upper-tier partnership in determining its section 1446 tax due. The look through will occur only with respect to the portion of the upper-tier partnership's allocation that is allocable to partners of such partnership for which appropriate documentation has been received. For more information, see Regulations section 1.1446-5(c) for upper-tier foreign partnerships and Regulations section 1.1446-5(e) for upper-tier domestic partnerships.

**Note.** The look-through rules referred to above apply only for purposes of the lower-tier partnership's computation of its section 1446 tax liability. It does not affect the upper-tier partnership's reporting requirements with respect to Forms 8804 and 8805 as set forth in the next paragraph and elsewhere in these instructions.



The look-through rules referred to above do not apply if the partnership's tax year began after December 31, 2004, and before May 19, 2005, and the partnership has not made the election under the final regulations described in Effective dates under What's New on page 1.

An upper-tier partnership that has had section 1446 tax payments made on its behalf by a lower-tier partnership will receive a copy of Form 1042-S or Form 8805 from the lower-tier partnership. The upper-tier partnership must in turn file these forms with its Form 8804 and treat the amount withheld by the lower-tier partnership as a credit against its own liability to withhold under section 1446. This credit is allowed on line 6b of the Form 8804 filed by the upper-tier partnership. The upper-tier partnership must also provide to its partners the information described in *Reporting to Partners* on page 3. These statements and forms will enable those partners to obtain appropriate credit for tax withheld under section 1446.

See Regulations section 1.1446-5 for additional information.

## Specific Instructions

### Address

When providing a U.S. address on Form 8804, 8805, or 8813, include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the partnership (or withholding agent) has a P.O. box, show the box number instead of the street address. If the partnership (or withholding agent) receives its mail in care of a third party (such as an accountant or an attorney), enter on the street address line "c/o" followed by the third party's name and street address or P.O. box.

When providing a foreign address on Form 8804, 8805, or 8813, enter the number and street, city, province or state, and the name of the country. Follow the foreign country's practice in placing the postal code in the address. Do not abbreviate the country name.

### Form 8804

#### Lines 1c, 1d, 2c and 2d

See *Address* above.

#### Lines 4a, 4d, 4g, and 4h

Figure the partnership's ECTI using the definition on page 2. Enter the total ECTI allocable to foreign partners (by income type) on lines 4a, 4d, 4g, and 4h.



Do not complete lines 4d, 4g, and 4h if the partnership's tax year began after December 31, 2004, and before May 19, 2005, and the partnership has not made the election under the final regulations described in

Effective dates under What's New on page 1.

Partnership ECTI on which a foreign partner is exempt from U.S. tax by a treaty or other reciprocal agreement is not allocable to that partner and is exempt from withholding under section 1446. However, this exemption from section 1446 withholding must be reported on Form 8805. See instructions for line 8b of Form 8805 below.

#### Lines 4b, 4e, and 4i

Enter the reduction to the partnership's ECTI allocable to foreign partners (by income type) by reason of valid certificates received from foreign partners under Regulations section 1.1446-6T. For these purposes, a "valid certificate" refers to any certificate the partnership considers and relies on under the rules of Regulations section 1.1446-6T.



Do not complete lines 4b, 4e, and 4i if the partnership's tax year began after December 31, 2004, and before May 19, 2005, and the partnership has not made the elections under the final and temporary regulations described in Effective dates under What's New on page 1.

#### Line 6b

Enter on line 6b the amount of section 1446 tax withheld by lower-tier partnerships with respect to ECTI allocable to the upper-tier partnership (see *Tiered Partnerships* on page 4). The amount withheld will be shown on line 10 of the Form 8805 the partnership receives from the lower-tier partnership. If the partnership receives a Form 1042-S from a lower-tier PTP, the amount withheld will be shown in box 7 of the Form 1042-S. (Box 1 of the Form 1042-S will show income code 27.)

#### Line 6c

Line 6c applies only to partnerships treated as foreign persons and subject to withholding under section 1445(a) or 1445(e)(1) upon the disposition of a U.S. real property interest.

Enter on line 6c the amount of tax withheld under section 1445(a) and shown on Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests, for the tax year in which the partnership disposed of the U.S. real property interest.

Also enter on line 6c the amount of section 1445(e)(1) tax withheld on a distribution by a domestic trust to the partnership with respect to the disposition of a U.S. real property interest by the trust. The amount withheld will be shown in box 7 of the Form 1042-S the partnership receives from the trust. (Box 1 of the Form 1042-S will show income code 25 or 26.)

For both of the situations described above, do not enter more than the amount allocable to foreign partners (as defined in section 1446(e)). Enter

amounts allocable to U.S. partners on line 15f of Schedule K (Form 1065) and in box 15 (using code U) of Schedule K-1 (Form 1065). For Form 1065-B, enter amounts on line 16 of Schedule K and in box 9 of Schedule K-1.

### Form 8805

#### Line 1b

A partnership must pay the withholding tax for a foreign partner even if it does not have a U.S. TIN for that partner. See *Taxpayer Identifying Number* on page 2 for details.

#### Line 1c

See *Address* above.

#### Line 3

Enter the type of partner (for example, individual, corporation, partnership, trust, estate).

#### Line 4

See *Country Codes* on pages 7 and 8.

#### Line 5c

See *Address* above.

#### Line 8b

Check the box on this line if any of the partnership's ECTI is treated as not allocable to the foreign partner identified on line 1a and therefore exempt from section 1446 withholding because the income is exempt from U.S. tax for that foreign partner by a treaty, reciprocal exemption, or a provision of the Internal Revenue Code.

#### Line 9

Enter the partnership ECTI allocable to the foreign partner (before considering any partner certifications under Regulations section 1.1446-6T).

The partnership must provide a statement (generally Schedule K-1 (Form 1065)) to the foreign partner that lists each income type of ECTI included on line 9. The income types of ECTI that may be included on line 9 are:

- Net ordinary income.
- 28% rate gains (non-corporate partners only).
- Unrecaptured section 1250 gains (non-corporate partners only).
- Qualified dividend income and net long-term capital gains (including net section 1231 gains) (non-corporate partners only).

#### Line 10

To calculate the total tax credit allowed to a foreign partner under section 1446, subtract from each type of ECTI allocable to the foreign partner the related amount of losses or deductions certified by the partner under Regulations section 1.1446-6T that the partnership considered in determining that partner's portion of the section 1446 withholding tax due. Then multiply the net amount by the applicable percentage (see page 3 for definition). Finally, total the resulting amounts. Any certificates received under Regulations

section 1.1446-6T that the partnership considered in whole or in part in making this calculation must be attached to Form 8805.

## Schedule T—Beneficiary Information

If the foreign partner is a foreign trust or estate, the foreign trust or estate must provide to each of its beneficiaries, a copy of the Form 8805 furnished by the partnership. In addition, the foreign trust or estate must complete Schedule T for each of its beneficiaries and must provide that Schedule T information to each beneficiary.

The foreign trust or estate may provide all of the information listed in the previous paragraph on a single Form 8805 for each of its beneficiaries. In this case, the information provided in boxes 1a through 10 will be the same for all of the beneficiaries, but the information provided on Schedule T may vary from beneficiary to beneficiary, depending on the ownership interests of the respective beneficiaries.



*Schedule T does not apply if the partnership's tax year began after December 31, 2004, and before May 19, 2005, and the partnership has not made the election described in Effective dates under What's New on page 1. Therefore, a foreign partner (which is also a foreign trust or estate) of a partnership described in the previous sentence is not required to complete Form 8805, Schedule T, with respect to its allocable share of ECTI of such a partnership.*

### Line 11c

See *Address* on page 5.

### Line 12

Enter the amount of ECTI on line 9 to be included in the beneficiary's gross income. The foreign trust or estate must provide a statement (generally Schedule K-1 (Form 1041)) to each of its beneficiaries that lists each income type of ECTI included on line 12. The income types of ECTI that may be included on line 12 are:

- Net ordinary income.
- 28% rate gains (non-corporate beneficiaries only).

- Unrecaptured section 1250 gains (non-corporate beneficiaries only).
- Qualified dividend income and net long-term capital gains (including net section 1231 gains) (non-corporate beneficiaries only).

### Line 13

To determine the total tax credit allowed to a beneficiary under section 1446, multiply each type of ECTI on line 12 by the applicable percentage (see page 3 for definition).

## Form 8813

### Line 1

A partnership without a U.S. EIN must obtain one and must pay any section 1446 withholding tax due. If the partnership has not received an EIN by the time it files Form 8813, indicate on line 1 of Form 8813 the date the partnership applied for its EIN. On receipt of its EIN, the partnership must immediately send that number to the IRS using the address as shown in *Where To*

*File* on page 2. Failure to provide an EIN may delay processing of payments on behalf of the partners.

### Line 3

See *Address* on page 5.

## Attachments

If the total section 1446 tax paid up through an installment period has been reduced as a result of relying in whole or in part on a partner's certificate under Regulations section 1.1446-6T, then that certificate must be attached to all Forms 8813 starting with the first installment period in which the certificate was considered. Under these circumstances, a partnership must file Form 8813 for an installment period even if no section 1446 withholding tax is due. Also, under these circumstances, the partnership must attach to the Form 8813 a computation of the tax due relating to each partner whose certificate it relied on. See Regulations section 1.1446-6T(d)(2)(ii).

**Paperwork Reduction Act Notice.** We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Section 6109 requires return preparers to provide their identifying numbers on the return.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time are:

Form	8804	8805	8813
Recordkeeping	52 min.	39 min.	26 min.
Learning about the law or the form	54 min.	53 min.	49 min.
Preparing the form	24 min.	21 min.	16 min.
Copying, assembling, and sending the form to the IRS	20 min.	16 min.	10 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. **Do not** send the tax forms to this address. Instead, see *Where To File* on page 2.

**Country Codes**

Enter on line 4, Form 8805, the code, from the list below, for the country of which the partner is a resident for tax purposes. These codes are used by the IRS to provide information to all tax treaty countries for purposes of their tax administration.

<b>Country</b>	<b>Code</b>	<b>Country</b>	<b>Code</b>	<b>Country</b>	<b>Code</b>
Abu Dhabi	TC	Congo (Brazzaville)	CF	Israel	IS
Afghanistan	AF	Congo, Democratic Republic of (Zaire)	CG	Italy	IT
Albania	AL	Cook Islands	CW	Jamaica	JM
Algeria	AG	Coral Sea Islands Territory	CR	Jan Mayen	JN
American Samoa	AQ	Corsica	VP	Japan	JA
Andorra	AN	Costa Rica	CS	Jarvis Island	DQ
Angola	AO	Cote D'Ivoire (Ivory Coast)	IV	Jersey	JE
Anguilla	AV	Croatia	HR	Johnston Atoll	JQ
Antarctica	AY	Cuba	CU	Jordan	JO
Antigua and Barbuda	AC	Curacao	NT	Juan de Nova Island	JU
Argentina	AR	Cyprus	CY	Kazakhstan	KZ
Armenia	AM	Czech Republic	EZ	Kenya	KE
Aruba	AA	Denmark	DA	Kingman Reef	KQ
Ashmore and Cartier Islands	AT	Djibouti	DJ	Kiribati (Gilbert Islands)	KR
Australia	AS	Dominica	DO	Korea, Democratic People's Republic of (North)	KN
Austria	AU	Dominican Republic	DR	Korea, Republic of (South)	KS
Azerbaijan	AJ	Dubai	TC	Kosovo	YO
Azores	PO	East Timor	TT	Kurile Islands	RS
Bahamas, The	BF	Ecuador	EC	Kuwait	KU
Bahrain	BA	Egypt	EG	Kyrgyzstan	KG
Baker Island	FQ	Eleuthera Island	BF	Laos	LA
Balearic Islands (Mallorca, etc.)	SP	El Salvador	ES	Latvia	LG
Bangladesh	BG	Equatorial Guinea	EK	Lebanon	LE
Barbados	BB	Eritrea	ER	Lesotho	LT
Bassas da India	BS	Estonia	EN	Liberia	LI
Belarus	BO	Ethiopia	ET	Libya	LY
Belgium	BE	Europa Island	EU	Liechtenstein	LS
Belize	BH	Falkland Islands (Islas Malvinas)	FK	Lithuania	LH
Benin (Dahomey)	BN	Faroe Islands	FO	Luxembourg	LU
Bermuda	BD	Fiji	FJ	Macau	MC
Bhutan	BT	Finland	FI	Macedonia (former Yugoslav Republic of)	MK
Bolivia	BL	France	FR	Madagascar (Malagasy Republic)	MA
Bonaire	NT	French Guiana	FG	Malawi	MI
Bosnia-Herzegovina	BK	French Polynesia (Tahiti)	FP	Malaysia	MY
Botswana	BC	French Southern and Antarctic Lands	FS	Maldives	MV
Bouvet Island	BV	Gabon	GB	Mali	ML
Brazil	BR	Gambia, The	GA	Malta	MT
British Indian Ocean Territory	IO	Gaza Strip	GZ	Marshall Islands	RM
Brunei	BX	Georgia	GG	Martinique	MB
Bulgaria	BU	Germany	GM	Mauritania	MR
Burkina Faso (Upper Volta)	UV	Ghana	GH	Mauritius	MP
Burma	BM	Gibraltar	GI	Mayotte	MF
Burundi	BY	Glorioso Islands	GO	Mexico	MX
Cambodia (Kampuchea)	CB	Great Britain (United Kingdom)	UK	Micronesia, Federated States of	FM
Cameroon	CM	Greece	GR	Midway Islands	MQ
Canada	CA	Greenland	GL	Moldova	MD
Canary Islands	SP	Grenada (Southern Grenadines)	GJ	Monaco	MN
Cape Verde	CV	Guadeloupe	GP	Mongolia	MG
Cayman Islands	CJ	Guam	GQ	Montenegro	YO
Central African Republic	CT	Guatemala	GT	Montserrat	MH
Chad	CD	Guernsey	GK	Morocco	MO
Chile	CI	Guinea	GV	Mozambique	MZ
China, People's Republic of (including Inner Mongolia, Tibet, and Manchuria)	CH	Guinea-Bissau	PU	Namibia	WA
Christmas Island (Indian Ocean)	KT	Guyana	GY	Nauru	NR
Clipperton Island	IP	Haiti	HA	Navassa Island	BQ
Cocos (Keeling) Islands	CK	Heard Island and McDonald Islands	HM	Nepal	NP
Colombia	CO	Honduras	HO	Netherlands	NL
Comoros	CN	Hong Kong	HK	Netherlands Antilles	NT
		Howland Island	HQ	New Caledonia	NC
		Hungary	HU	New Zealand	NZ
		Iceland	IC	Nicaragua	NU
		India	IN	Niger	NG
		Indonesia (including Bali, Belitung, Flores, Java, Moluccas, Sumatra, Timor, etc.)	ID	Nigeria	NI
		Iran	IR	Niue	NE
		Iraq	IZ	Norfolk Island	NF
		Ireland, Republic of (Eire)	EI	Northern Ireland	UK
		Isle of Man	IM	Northern Mariana Islands	CQ
				Norway	NO

Oman	MU	Serbia	YO	Turkey	TU
Pakistan	PK	Seychelles	SE	Turkmenistan	TX
Palau	PS	Sierra Leone	SL	Turks and Caicos Islands	TK
Palmyra Atoll	LQ	Singapore	SN	Tuvalu	TV
Panama	PM	Slovak Republic (Slovakia)	LO	Uganda	UG
Papua New Guinea	PP	Slovenia	SI	Ukraine	UP
Paracel Islands	PF	Solomon Islands	BP	United Arab Emirates	TC
Paraguay	PA	Somalia	SO	United Kingdom (England, Wales, Scotland, No. Ireland)	UK
Peru	PE	South Africa	SF	Uruguay	UY
Philippines	RP	South Georgia and the South Sandwich Islands	SX	Uzbekistan	UZ
Pitcairn Island	PC	Spain	SP	Vanuatu	NH
Poland	PL	Spratly Islands	PG	Vatican City	VT
Portugal	PO	Sri Lanka	CE	Venezuela	VE
Puerto Rico	RQ	Sudan	SU	Vietnam	VM
Qatar (Katar)	QA	Suriname	NS	Virgin Islands (British)	VI
Redonda	VI	Svalbard (Spitsbergen)	SV	Virgin Islands (U.S.)	VQ
Reunion	RE	Swaziland	WZ	Wake Island	WQ
Romania	RO	Sweden	SW	Wallis and Futuna	WF
Russia	RS	Switzerland	SZ	West Bank	WE
Rwanda	RW	Syria	SY	Western Sahara	WI
Ryukyu Islands	JA	Taiwan	TW	Western Samoa	WS
St. Helena (Ascension Island and Tristan de Cunha Island Group)	SH	Tajikistan	TI	Windward Islands	VC
St. Kitts (St. Christopher and Nevis)	SC	Tanzania	TZ	Yemen (Aden)	YM
St. Lucia	ST	Thailand	TH	Yugoslavia (Kosovo, Montenegro, Serbia)	YO
St. Pierre and Miquelon	SB	Togo	TO	Zaire (Democratic Republic of Congo)	CG
St. Vincent and the Grenadines (Northern Grenadines)	VC	Tokelau	TL	Zambia	ZA
San Marino	SM	Tonga	TN	Zimbabwe	ZI
Sao Tome and Principe	TP	Tortola	VI	Other Countries	OC
Sarawak	MY	Trinidad and Tobago	TD		
Saudi Arabia	SA	Tromelin Island	TE		
Senegal	SG	Tunisia	TS		