

Partnership Tax Preparation Checklist

The thought of filing can feel overwhelming for many business partners, but with preparation, you can put your mind at ease. We've created a comprehensive business partnership tax checklist of questions that analyzes your business' financial activities and uncovers potential deductions and write-offs.

Whether you're a seasoned business operator or a first-time filer, this partnership tax checklist will empower you with the knowledge and tools needed to succeed.

YES / NO

- Did the partnership have a change of address during the tax year?
- Did the partnership have a change of name during the tax year?
- Did the partnership have a change of responsible party during the tax year?
- Did any foreign or domestic corporation, partnership, trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership at the end of the tax year?
- Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership at the end of the tax year?
- Did the partnership own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporations?
- Is the partnership a publicly traded partnership?
- Did the partnership have any debt that was cancelled, forgiven, or had terms modified so as to reduce the principal amount of debt?
- Has the partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transactions?
- Is the partnership making, or has it previously elected to step-up the basis of any assets in connection with the death of a partner or a change in ownership?
- Did the partnership elect an optional basis adjustment?
- Is the partnership required to adjust the basis of assets because of substantial built-in loss or substantial basis reduction?



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- Did the partnership distribute any property received in a like-kind exchange or contributed to another entity during the current or prior tax year?
- Did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?
- Does the partnership have any foreign partners?
- Did the partnership make any payments during the tax year that would require it to file Forms 1099?
If 'Yes,' did or will the partnership file all required Forms 1099? _____
- Did the partnership make any payments to any foreign persons that would require the partnership to file Forms 1042 and 1042-S (Annual Withholding Tax Returns)?
- Is the partnership a specified domestic entity required to file Form 8938?
- Is the partnership a section 721(c) partnership?
- Did the partnership pay or accrue any interest or royalty for which the deduction is not allowed during the tax year?
If 'Yes,' enter the total amount of the disallowed deductions. _____
- Did the partnership have an election in effect for any real property trade or business or any farming business during the year?
- Does the partnership satisfy one or more of the following?
- (a) The partnership owns a pass-through entity with current, or prior-year carryover, excess business interest expense.
 - (b) The partnership's aggregate average annual gross receipts exceed \$30 million, and the partnership has business interest.
 - (c) The partnership is a tax shelter and has business interest expense.
- Does the partnership certify as a Qualified Opportunity Fund (QOF)?
- Were there any transfers, at any time during the tax year, between the partnership and its partners subject to disclosure requirements?
- Was the partnership owned more than 50%, directly or indirectly, by a foreign corporation?
- Did the partnership pay excise tax on the repurchase of corporate stock?
- Did the partnership receive a Paycheck Protection Program (PPP) loan related to COVID-19?
If 'Yes,' was any portion of the loan forgiven during the current tax year? _____
- Did the partnership receive a cash payment or digital asset of more than \$10,000 in one transaction or two or more related transactions during the tax year?
If 'Yes,' was Form 8300, Report of Cash Payments over \$10,000 Received in Trade or Business, filed?

- Did the partnership pay any elective passthrough entity tax during the year?
- Did the partnership have any qualifying activities that would necessitate a state nexus filing?
- Has there been a change in the designated partnership representative?
- Is the partnership electing out of the centralized partnership audit regime?

If 'Yes,' were any of the partnership's partners an S corporation? _____

If 'Yes,' provide the shareholder's name, ID number, and type of shareholder. _____

Tax Deductions That Are Often Overlooked

- The Augusta Rule, also known as Section 280A(g)
- Compensating your children under the age of 17
- Retirement Plans (i.e. 401(K), SEP IRA, Simple IRA)
- Defined Benefit Plans
- Home Office Expense
- Health Insurance Premiums
- Section 199a Deduction
- Section 179 Deduction
- Health Savings Account (HSA)
- Charitable Donations

Need assistance? We're here to help!

Whether you're filing your taxes for the first time or just need a little extra support, we're here to make the process easy and stress-free. Our team at Fully Accountable is ready to assist you with accurate and efficient tax preparation.

Contact us today: 1-877-330-9401 [fullyaccountable.com](https://www.fullyaccountable.com)