

SEO DETAILS:

Page Title: Partnership Tax Filing Tips for 2022 | [INSERT RELATED SERVICE] | [INSERT FIRM NAME]

Meta Description: [NAME OF FIRM] provides an overview of several changes in the Internal Revenue Code and IRS procedures, as well as the deadlines for important tax filings.

Headline: Partnership Tax Filing Tips for 2022

BODY COPY:

Filing deadlines for the 2022 tax year are fast approaching. Several changes have occurred in the Internal Revenue Code (IRC) and IRS procedures that could affect many partnerships and other businesses. The following provides an overview of some of these changes, as well as the deadlines for important tax filings.

Due Dates for 2022 Tax Filings**March 15, 2023****S Corporations**

- Filing deadline for Form 1120-S
- A six-month extension is available if requested by this date

Partnerships

- Filing deadline for Form 1065, with the option of requesting a six-month extension
- Filing deadline for Form 8804, the [partnership withholding](#) tax return
- Filing deadline for Form 8805, the Foreign Partner's Information Statement of Section 1446 Withholding Tax
- Filing deadline for Forms 1042 and 1042-S, which deal with [income received by foreign persons from U.S. sources](#)
- Deadline to provide copies of Forms 1042 and 1042-S to income recipients
- Deadline to file Form 7004 to request an automatic six-month extension for filing Forms 8804, 8805 and 1042
- Deadline to file Form 8809 to request an automatic six-month extension for filing Form 1042-S
- Deadline to file Form 8809 to request an automatic six-month extension for providing copies of Form 1042-S to income recipients

April 18, 2023**Corporations**

- Filing deadline for Form 1120
- An automatic six-month extension is available if requested by this date

June 15, 2023**Corporations**

- Filing deadline for Form 1120-F for corporations with no place of business in the U.S.
- An automatic six-month extension is available if requested by this date

K-2 and K-3 Penalties

The IRS finalized new rules regarding when Schedules K-2 and K-3 are required for the following returns:

- Form 1065 for partnerships;
- Form 1120-S for S-corporations; and
- Form 8865 for U.S. persons involved in foreign partnerships.

Prior to tax year 2022, taxpayers who made good-faith errors with regard to the K-2 and K-3 filing requirements could obtain [relief from penalties](#) for those errors. This relief will not be available for 2022.

The new IRS rules create limited exceptions for the Schedule K-2 and K-3 filing requirements, as discussed in more detail below. Partnerships and other businesses that are not covered by an exception may face the following penalties if they fail to file these forms on time:

- Schedule K-2: \$220 for each month that the form is late
- Schedule K-3: \$290 for each form that is not filed in a timely manner

Exceptions to the K-2 and K-3 Filing Requirement

The new [partnership instructions for Schedules K-2 and K-3](#) establish two exceptions to the requirement to file these schedules with Form 1065.

Domestic Filing Exception

A [domestic partnership](#) does not need to complete Schedules K-2 and K-3 if it meets the following criteria:

- It has “no or limited foreign activity” during the tax year. The IRS defines “limited” activity to mean that all foreign income was passive and resulted in a foreign tax credit of no more than \$300.
- All partners during the tax year were U.S. citizens or resident aliens. This may include certain trusts, S corporations, or limited liability companies (LLCs), but not other partnerships.
- All partners received a notice informing them that the partnership will not be furnishing Schedule K-3 except upon request. This must occur no later than the date the partners receive Schedule K-1.
- No partners submit a request for a K-3 “on or before the 1-month date,” which is one month before the partnership files Form 1065. With all allowable extensions, the latest possible date for the 1-month date is August 15, 2023.

Form 1116 Exemption

The [Form 1116 exception](#) allows a partnership to skip Schedules K-2 and K-3 if it meets the following two criteria:

- All partners are exempt from filing [Form 1116](#) under [§ 904\(j\) of the IRC](#).

- No later than the 1-month date, as defined above, the partnership receives notice of eligibility for the Form 1116 exemption from every partner.

If only some of the partners notify the partnership about their exemption by the 1-month date, and the partnership does not otherwise qualify for the domestic filing exception, the partnership must complete Schedules K-2 and K-3 with regard to the non-exempt partners.

Reporting COVID-19 Payroll Credits as Income

The Families First Coronavirus Response Act (FFCRA) and the American Rescue Plan (ARP) Act of 2021 created payroll tax credits for businesses that continued to pay employees during the COVID-19 pandemic. This generally applied to the period of time from April 1, 2020 to September 30, 2021.

The FFCRA and ARP do not allow “double tax benefits.” As a result, partnerships that claimed credits for payroll taxes owed on qualified sick leave or family leave during this time period [must report those amounts as income](#) on Line 7 of Form 1065.

Business Meal Deductions

Normally, taxpayers can only deduct 50% of the cost of business-related meals. The Taxpayer Certainty and Disaster Relief Act of 2020 created a temporary exception to this rule. During tax years 2021 and 2022, businesses can deduct [100% of food and beverage expenses](#), provided that they incurred those expenses at restaurants.

CLOSE:

If you have any questions or would like additional information, please contact [NAME] in our [DEPARTMENT] at [NUMBER] or [EMAIL].

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