

# ***EOTS NewsFlash***

Exempt Organizations Tax Services

April 13, 2012

## *IRS confirms Form 990 Schedule K-1 reporting of joint ventures and partnership investments optional for 2011 tax year*

The Internal Revenue Service has issued guidance confirming that the new Form 990 requirement for Schedule K-1 reporting of information on joint ventures and other partnerships will be optional for 2011 filers.

Announcement 2012-19 explains that the IRS decided to make the reporting requirement optional for the 2011 tax year so that it may continue to consider the comments it received and determine how best to promote compliance and transparency while minimizing the burdens associated with the reporting of partnership interests.

The announcement confirms that a filing organization generally may continue to report interests in joint ventures and other partnerships based on its books and records. However, as in prior years, organizations that complete Form 990, Schedule H and Form 990, Schedule R must continue to use information from Form 1065, Schedule K-1 in reporting certain partnership information on those schedules, as explained in the instructions for 2011 Form 990, Schedule H and 2011 Form 990, Schedule R.

The announcement also states that the IRS welcomes further comments on whether and how the use of Schedule K-1 reporting, as currently required on Schedules H and R, should be extended to the Statement of Revenue, Statement of Functional Expenses, and the Balance Sheet of the core Form 990; Form 990-EZ; and/or other schedules.

As explained in a March 23 NewsFlash, PwC intends to submit formal comments to the IRS regarding these reporting changes for 2012 and later years.

Click [here](#) to access Announcement 2012-19.

Click [here](#) to access PwC's March 23 NewsFlash.

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