

§ 1.6031(b)-2T

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(A) Such nominee has not furnished (or is not required to furnish under § 1.6031(c)-1T(a)(2)), a statement to the partnership under § 1.6031(c)-1T(a)(1)(i) with respect to such partner; and

(B) Such partner has not furnished (or is not required to furnish) a statement to the partnership under § 1.6031(c)-1T(a)(3), with respect to such interest in the partnership.

(3) *Contents of statement.* The statement required under paragraph (a)(1) of this section shall include the following information:

(i) The partner's distributive share of partnership income, gain, loss, deduction, or credit required to be shown on the partnership return (or, for taxable years beginning before January 1, 1987, the partner's distributive share of partnership income, gain, loss, deduction, or credit shown on the partnership return); and

(ii) To the extent provided by form or the accompanying instructions, any additional information that may be required to apply particular provisions of subtitle A of the Code to the partner with respect to items related to the partnership.

(b) *Time for furnishing statement.* The statement required to be furnished by the partnership under paragraph (a)(1) of this section shall be furnished on or before the day on which the partnership return for that taxable year is required to be filed (determined with regard to extensions). For partnership returns the due date for which (determined without regard to extensions) is before January 1, 1987, the statement required to be furnished by the partnership under paragraph (a)(1) of this section shall be furnished on or before the day on which the partnership return is filed.

(c) *Statement may be provided to agent.* If a partner designates another person, such as an attorney or an investment advisor, as the partner's (or nominee's) agent in dealing with the partnership, the partnership may provide the statement required under paragraph (a)(1) of this section with respect to such partner to such other person instead of the partner.

(d) *Penalties.* For penalties for failure to comply with the requirements of

section 6031(b) and paragraph (a) of this section, see section 6722(a).

(e) *Effective date.* Except as otherwise provided in this section, the provisions of this section apply to partnership taxable years beginning after September 3, 1982.

[T.D. 8225, 53 FR 34490, Sept. 7, 1988]

§ 1.6031(b)-2T REMIC reporting requirements (temporary). [Reserved]

§ 1.6031(c)-1T Nominee reporting of partnership information (temporary).

(a) *Statements required to be furnished to partnership—(1) Statement from nominee—(i) In general.* Except as otherwise provided in this section, any person who holds, directly or indirectly, an interest in a partnership (required under section 6031(a) and the regulations thereunder to file a partnership return for a taxable year) as a nominee on behalf of another person at any time during the partnership taxable year shall furnish to the partnership a written statement (or statements) for that taxable year with respect to such other person containing the information described in paragraph(a)(1)(ii) of this section.

(ii) *Contents of statement.* The statement required under paragraph (a)(1)(i) of this section shall, except as otherwise provided in paragraph (a)(4) of this section, include the following information:

(A) The name, address, and taxpayer identification number of the nominee;

(B) The name, address, and taxpayer identification number of such other person;

(C) Whether such other person is—

(1) A person that is not a United States person;

(2) A foreign government, an international organization, or any wholly-owned agency or instrumentality of either of the foregoing; or

(3) A tax-exempt entity (within the meaning of section 168(h)(2));

(D) A description of any interest in the partnership held by the nominee on behalf of such other person at the beginning of the partnership taxable year;

(E) A description of any interest in the partnership that the nominee acquires (within the meaning of paragraph (g)(1) of this section) on behalf of such other person during the partnership taxable year, the method of acquisition (e.g., purchase, exchange, acquisition at death, gift, or commencement of nominee relationship) and acquisition cost (within the meaning of paragraph (g)(2) of this section) of such interest, and the date of the acquisition of such interest; and

(F) A description of any interest in the partnership that the nominee transfers (within the meaning of paragraph (g)(5) of this section) on behalf of such other person during the partnership taxable year, the net proceeds from the transfer (within the meaning of paragraph (g)(6) of this section) of such interest, and the date of the transfer of such interest.

A description of a partnership interest must include sufficient detail to enable the partnership to furnish to such other person the statement required under § 1.6031(b)-1T (a).

(2) *Special rule for clearing agencies.* A clearing agency registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934 (or its nominee) that holds an interest in a partnership as a nominee on behalf of another person shall not be required to furnish any statement described in paragraph (a)(1)(i) of this section with respect to such interest.

(3) *Special rule for brokers and financial institutions—(i) Additional statement required.* Any broker (within the meaning of paragraph (g)(3) of this section) or financial institution (within the meaning of paragraph (g)(4) of this section) that holds an interest in a partnership indirectly through a nominee described in paragraph (a)(2) of this section at any time during a partnership taxable year shall furnish (in addition to any statement (or statements) required under paragraph (a)(1)(i) of this section) to the partnership a written statement (or statements) containing the information described in paragraph (a)(3)(ii) of this section with respect to any interest in such partnership that it holds (directly or indirectly) for its own account at any time during such partnership taxable year.

(ii) *Contents of statement.* The statement required under paragraph (a)(3)(i) of this section shall, except as otherwise provided in paragraph (a)(4) of this section, include the following information:

(A) The name, address, and taxpayer identification number of the broker or financial institution;

(B) Whether such broker of financial institution is a person that is not a United States person;

(C) A description of any interest in the partnership held by the broker or financial institution for its own account at the beginning of the partnership taxable year;

(D) A description of any interest in the partnership that the broker or financial institution acquires for its own account during the partnership taxable year, the method of acquisition and acquisition cost of such interest, and the date of the acquisition of such interest; and

(E) A description of any interest in the partnership that the broker or financial institution transfers for its own account during the partnership taxable year, the net proceeds from the transfer of such interest, and the date of the transfer of such interest.

A description of a partnership interest held by a broker or financial institution for its own account must include sufficient detail to enable the partnership to furnish to the broker or financial institution the statement required under § 1.6031(b)-1T (a).

(4) *Exception—(i) In general.* Except as otherwise provided in this paragraph (a)(4), any statement required under paragraph (a) (1)(i) or (3)(i) of this section for a taxable year is not required to include—

(A) That part of the information described in paragraph (a) (1)(ii)(E) and (3)(ii)(D) of this section regarding the method of acquisition and acquisition cost; or

(B) That part of the information described in paragraph (a)(1)(ii)(F) and (3)(ii)(E) of this section regarding the net proceeds from the transfer;

to the extent that, prior to the beginning of the partnership taxable year, the partnership has provided the nominee with a written statement that the

nominee need not provide such information to the partnership, and the partnership has not modified or revoked such statement. For purposes of the preceding sentence, the modification or revocation of a statement furnished to a nominee is effective for a partnership taxable year if and only if the partnership notifies the nominee of such modification or revocation by a written statement more than 60 days before the beginning of the partnership taxable year. The nominee shall retain a copy of any statement that is furnished to it by the partnership under this paragraph (a)(4) in the nominee's records so long as the contents thereof may become material in the administration of any internal revenue law.

(ii) *Effect of election under section 754.* Paragraph (a)(4)(i)(A) of this section shall not apply to a partnership taxable year if—

(A) The partnership has an election in effect under section 754 (relating to optional adjustment to basis of partnership property) for such taxable year; and

(B) The nominee knows or has reason to know of such election more than 60 days before the beginning of such taxable year.

(5) *Examples.* The following examples illustrate the application of this paragraph (a):

Example (1). B, a broker, holds 50 units of interest in Partnership P, a calendar year partnership, in street name for customer A, the beneficial owner. B holds the units on behalf of A at all times during 1989. B must furnish a statement to P for calendar year 1989 under paragraph (a)(1)(i) of this section that includes the information required under paragraph (a)(1)(ii) (A) through (D) of this section. The description of the partnership interest held by B on A's behalf on January 1, 1989, must identify the number of units of P held by B on A's behalf at that time (50), and the class of the partnership interest (including the Committee on Uniform Security Identification Procedures (CUSIP) number of the partnership interest, if known).

Example (2). The facts are the same as in example (1), except that pursuant to A's instructions, B sells 25 of A's units of interest in P on August 1, 1989, receiving net proceeds from the transfer of \$500. In addition to the information described in example (1), the statement that B must furnish to P must include the class of the partnership interest transferred (including the CUSIP number of the partnership interest, if known), the num-

ber of units transferred (25), the net proceeds from the transfer (\$500), and the date of the transfer (August 1, 1989.)

Example (3). The facts are the same as in example (1), except that A is not the beneficial owner, but rather holds the units as a nominee on behalf of C, the beneficial owner, at all times during 1989. In addition to the statement that B must furnish to P (as described in Example (1) of this paragraph (a)(5)), A must furnish a statement to P for calendar year 1989 under paragraph (a)(1)(i) of this section that includes the information required under paragraph (a)(1)(ii) (A) through (D) of this section. If both A and B provide P with the statement required under paragraph (a)(1)(i) of this section, P must provide C with the statement required under § 1.6031(b)-1T (a)(1).

(b) *Time for furnishing statements.* A nominee may furnish to the partnership any statement required under paragraph (a) of this section annually, quarterly, monthly, or on any other basis, provided that all statements required to be furnished under paragraph (a) of this section for a partnership taxable year shall be furnished on or before the last day of the first month following the close of such partnership taxable year.

(c) *Use of magnetic media.* A nominee required to furnish a written statement under paragraph (a) of this section, may, in lieu of furnishing such written statement, furnish the required information on magnetic tape or by other media if the partnership and the nominee so agree.

(d) *Use of single document.* Any person who holds interests in a partnership as a nominee on behalf of more than one other person during the partnership taxable year, may, in lieu of furnishing to the partnership a separate statement for each such other person, furnish to the partnership a single document which includes, for each such other person, the information described in paragraph (a)(1)(ii) of this section. To the extent that a single document is used, references in this section to the statement required under paragraph (a)(1)(i) of this section shall be deemed to refer also to the information included in a single document under this paragraph (d).

(e) *Retention of information.* The nominee shall retain a copy of any statement that is furnished to the partnership under this section in the

nominee's records so long as the contents thereof may become material in the administration of any internal revenue law.

(f) *Use of agent.* If a partnership has designated another person, such as a clearing organization, as the partnership's agent for purposes of receiving the statements required under paragraph (a) of this section, such statements may be furnished to that other person instead of the partnership. If a nominee has designated another person as its agent for purposes of furnishing to the partnership (or its agent) the statements required under paragraph (a) of this section, that other person may furnish such statements to the partnership (or its agent) on behalf of the nominee.

(g) *Meaning of terms.* For purposes of this section, the following terms have the meanings set forth below:

(1) The term *acquires* means—

- (i) A purchase or other acquisition of a partnership interest; or
- (ii) The commencement of a nominee relationship, including the substitution of one nominee for another.

(2) The term *acquisition cost* means the sum of any money paid and the fair market value of any property (other than money) transferred to acquire a partnership interest increased by any expenses paid or incurred with respect to the acquisition (such as broker's fees or commissions).

(3) The term *broker* shall have the meaning set forth in paragraph (a)(1) of §1.6045ca-1.

(4) The term *financial institution* means a financial institution such as a bank, mutual savings bank, savings and loan association, building and loan association, cooperative bank, homestead association, credit union, industrial loan association or bank or other similar organization.

(5) The term *transfer* means—

- (i) A sale, exchange, or other disposition of a partnership interest; or
- (ii) The termination of a nominee relationship, including the substitution of one nominee for another.

(6) The term *net proceeds from the transfer* means the sum of any money and the fair market value of any property (other than money) received in connection with a transfer of a part-

nership interest reduced by any expenses paid or incurred with respect to the transfer (such as broker's fees or commissions).

(7) The term *person* includes the United States, a State, the District of Columbia, a foreign government, a political subdivision of a State or foreign government, or an international organization.

(h) *Statement required by nominees that do not comply with § 1.6031(c)-1T (a)-(1) In general.* Any person that—

(i) Holds an interest in a partnership as a nominee (other than a nominee described in paragraph (a)(3) of this section) on behalf of another person at any time during the partnership taxable year;

(ii) Does not furnish to such partnership the statement required under paragraph (a)(1)(i) of this section for such other person with respect to such interest in the partnership; and

(iii) Receives from such partnership the statement described in paragraph (a)(1) of §1.6031(b)-1T with respect to such interest in the partnership;

shall furnish to such other person a written statement containing the information described in paragraph (h)(2) of this section with respect to such interest in the partnership.

(2) *Contents of statement.* The statement required under paragraph (h)(1) of this section shall contain the following information:

(i) The distributive share of partnership income, gain, loss, deduction or credit required to be shown on the partnership return that is allocable to such interest in the partnership; and

(ii) Any additional information that may be required to apply particular provisions of subtitle A of the Code to the beneficial owner of such interest in the partnership in connection with items related to the partnership.

(3) *Time for furnishing statements.* A nominee shall furnish the statement required under paragraph (h)(1) of this section within 30 days after receiving the statement described in paragraph (a) of §1.6031(b)-1T.

(i) *REMICs.* This section shall not apply with respect to any interest in a real estate mortgage investment conduit (REMIC) treated as a partnership under subtitle F of the Code by reason

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of section 860F(e). For the nominee reporting requirements with respect to REMICs see § 1.6031(c)-2T.

(j) *Penalties.* [Reserved]

(k) *Effective date*—(1) *In general.* Except as otherwise provided in paragraph (k)(2) of this section, the provisions of this section shall apply to partnership taxable years beginning after October 22, 1986.

(2) *Transitional rule for taxable years beginning before January 1, 1989.* For partnership taxable years beginning before January 1, 1989, —

(i) Any statement that a nominee is required to furnish to a partnership under paragraph (a)(1) of this section shall not be required to include the following information:

(A) The information described in paragraph (a)(1)(ii)(C) of this section;

(B) That part of the information described in paragraph (a)(1)(ii)(E) of this section regarding the method of acquisition and acquisition cost of a partnership interest; or

(C) That part of the information described in paragraph (a)(1)(ii)(F) of this section regarding the net proceeds from the transfer of a partnership interest.

(ii) A broker or financial institution shall not be required to furnish the additional statement described in paragraph (a)(3)(i) of this section.

[T.D. 8225, 53 FR 34491, Sept. 7, 1988]

§ 1.6031(c)-2T Nominee reporting of REMIC information (temporary). [Reserved]

§ 1.6032-1 Returns of banks with respect to common trust funds.

Every bank (as defined in section 581) maintaining a common trust fund shall make a return of income of the common trust fund, regardless of the amount of its taxable income. Member banks of an affiliated group that serve as co-trustees with respect to a common trust fund must act jointly in making a return for the fund. If a bank maintains more than one common trust fund, a separate return shall be made for each. No particular fund is prescribed for making the return under this section, but form 1065 may be used if it is designated by the bank as the return of a common trust fund. The re-

turn shall be made for the taxable year of the common trust fund and shall be filed on or before the 15th day of the fourth month following the close of such taxable year with the district director for the district in which the income tax return of the bank is filed. Such return shall state specifically with respect to the fund the items of gross income and the deductions allowed by subtitle A of the Code, shall include each participant's name and address, the participant's proportionate share of taxable income or net loss (exclusive of gains and losses from sales or exchanges of capital assets), the participant's proportionate share of gains and losses from sales or exchanges of capital assets, and the participant's share of items which enter into the determination of the tax imposed by section 56. See § 1.584-2 and § 1.58-5. If the common trust fund is maintained by two or more banks that are members of the same affiliated group, the return must also identify the member bank in the group that has contributed each participant's property or money to the fund. A copy of the plan of the common trust fund must be filed with the return. If, however, a copy of such plan has once been filed with a return, it need not again be filed if the return contains a statement showing when and where it was filed. If the plan is amended in any way after such copy has been filed, a copy of the amendment must be filed with the return for the taxable year in which the amendment was made. For the signing of a return of a bank with respect to common trust funds, see § 1.6062-1, relating to the manner prescribed for the signing of a return of a corporation.

[T.D. 7564, 43 FR 40497, Sept. 12, 1978, as amended by T.D. 7935, 49 FR 1695, Jan. 13, 1984]

§ 1.6033-1 Returns by exempt organizations; taxable years beginning before January 1, 1970.

(a) *In general.* (1) Except as provided in section 6033(a) and paragraph (g) of this section, every organization exempt from taxation under section 501(a) shall file an annual return of information specifically stating its items of gross income, receipts and disbursements, and such other information as may be