

Announcement 2012-19: Reporting Information Regarding Joint Ventures and Other Partnerships on Forms 990 and 990-EZ for Tax Year 2011

This announcement notifies filers of [Form 990](#), *Return of Organization Exempt from Income Tax* and [Form 990-EZ](#), *Short Form Return of Organization Exempt from Income Tax*, of a change in the 2011 Form 990-EZ and Form 990 [Instructions](#). Except as noted below, it is now *optional* for tax year 2011 for filers to report their interests in the income, expenses, and assets of joint ventures and other partnerships in which they have an ownership interest using information from [Form 1065](#), *U.S. Return of Partnership Income*, [Schedule K-1](#).

The [2010 Form 990 Instructions](#) state, in [Appendix F](#), that the filing organization should report in Parts VIII, IX, and X its proportionate interests in a joint venture's or other partnership's revenue, expenses, and assets in accordance with the organization's books and records. To promote greater consistency, accuracy, and transparency in reporting this information, including unrelated business income from partnerships, the IRS revised the [2011 Form 990 and Form 990-EZ Instructions](#) to require the filing organization to report such interests using information from the Form 1065, Schedule K-1 provided by the partnership.

Since publishing the 2011 Form 990 and Form 990-EZ Instructions in January 2012, the IRS has received comments from the public arguing that reporting organizations' interests in partnership assets using the organization's books and records provides a more accurate value of those assets than does reporting using Schedule K-1 information. Other commenters noted that using Schedule K-1 information can be burdensome and that organizations cannot report information from all Forms 1065, Schedules K-1 they receive because some partnerships do not submit those Forms until after the Form 990 filing due date. To more fully consider these comments, and to determine how best to promote compliance and transparency while minimizing burden in reporting of partnership interests, the IRS has decided to make the new Schedule K-1 reporting instructions for Forms 990 and 990-EZ optional for tax year 2011.

In reporting on the 2011 Form 990 or Form 990-EZ its proportionate interests in the income, expenses, and assets of partnerships in which it has an ownership interest, an organization generally may continue to report these interests 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 IRS welcomes further comments on whether and how the use of Form 1065, Schedule K-1 in reporting certain information on partnerships, as is currently required on Schedules H and R, should be extended to Parts VIII-X of the core Form 990, Form 990-EZ, and/or to other schedules. Comments may be submitted to Form990Revision@irs.gov or to:

Internal Revenue Service
Attn: Stephen Clarke (Announcement 2012-19)
SE:T:EO

1111 Constitution Avenue, N.W. – NCA 570-14
Washington, D.C. 20224

The principal author of this announcement is Stephen Clarke of the Tax Exempt and Government Entities Division. For further information regarding this announcement, please contact Mr. Clarke at (202) 283-9474 (not a toll-free number).