

# 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. \_\_\_\_\_

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### **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)