

Strong
collaboration,
built on trust.

US Tax Partnerships Representative

Effective for tax years beginning on or after 1 January 2018, the US Internal Revenue Service (IRS) is enforcing new partnership audit rules whereby all partnerships must appoint a Partnership Representative to be named on the partnership tax return (Form 1065) by March 15, 2019.* If the partnership fails to do so, the IRS will assign a Partnership Representative on its behalf.

What you need to know:

- Under the new rules, a partnership must appoint a Partnership Representative for each tax year. This replaces the requirement for a Tax Matters Partner.
- This ruling affects any US partnership and any other US or non-US entity that is required to file a US partnership tax return on Form 1065.
- The Partnership Representative must have a “substantial presence” in the US. A substantive presence has been defined as:
 - A US taxpayer identification number.
 - A US telephone number and a US street address.
 - Availability to meet in person with the IRS at a reasonable time and place.
 - If the Partnership Representative is an entity, the partnership must appoint an individual who meets the substantial presence requirements to act as a “designated individual” of the entity serving as a Partnership Representative.

What is the role of the Partnership Representative?

The role of the Partnership Representative is to:

- Submit their name to the form.
- Respond to any audit requests should they arise.

Should an audit situation arise, the Partnership Representative works with the IRS to coordinate matters on behalf of the partnership. This includes satisfying audit requirements by coordinating the information requested, as well as handling extensions of the statute of limitations and settling matters on behalf of the partnership. This will require working with and coordinating all third parties (e.g. partners and others) on behalf of the partnership.

How can Vistra Help?

Vistra is a leading global administration and tax services provider with a network of more than 70 offices across the globe.

Vistra is uniquely positioned to offer clients a fully integrated tax and fund administration service proposition.

We combine a wealth of expertise and knowledge across fund governance, risk, compliance and tax, framed by our depth of knowledge and experience working in the Alternative Investments sector in the US over the last 20 years. We have a team comprised of dozens of compliance and tax specialists strategically located across eight locations around the world, including five locations in the US. Utilizing Vistra as your Partnership Representative ensures you stay up-to-date on partnership audit risks, and have a partner ready to assist with any specific IRS examinations, including a team of top-notch tax specialists with experience working with the IRS to limit tax risks and resolve audit issues.

About Vistra:



4,000 employees globally covering 46 jurisdictions



Over US\$282 billion of alternative investment fund assets under administration



We serve over 100 Fortune 500 companies

For more information on how Vistra can support your requirements, please contact:

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