

TaxNewsFlash

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IRS requests comments on draft Form 7217, *Partners Report of Property Distributed by a Partnership*

The IRS today requested public comments on [draft Form 7217](#) and its [instructions](#).

Comments can be submitted to the IRS about drafts, instructions, or publications on the [IRS draft tax forms page](#).

The purpose of Form 7217 is to report all distribution of property that a partner receives from a partnership. A partner receiving a distribution of property from a partnership in a nonliquidating or liquidating distribution will use the form to report the basis of the distributed property.

Read today's IRS release—[IR-2024-249](#)

Background

The IRS in July 2024 posted an early release draft of Form 7217, *Distributions from a Partnership of Property with Partner Basis Adjustments*.

The IRS in August 2024 posted a revised draft Form 7217, with a new title—*Partner's Report of Property Distributed by a Partnership*. This is a new tax form for tax year 2024 applicable to distributions to partners made during tax year 2024.

The IRS also in September 2024 posted draft instructions, which state that any partner receiving a property distribution from a partnership must file Form 7217, regardless of whether there is a basis adjustment in the hands of the partner as a result of the distribution. Form 7217 is not filed for distributions that consist of only money or marketable securities treated as money.

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