



# TaxNewsFlash

United States

No. 2024-471  
December 13, 2024

## Notice 2025-2: Penalty relief for partnerships to provide complete Forms 8308 for section 751(a) exchanges

The IRS today released [Notice 2025-2](#) providing relief from penalties under section 6722 for certain partnerships that fail to furnish Part IV of Form 8308, *Report of a Sale or Exchange of Certain Partnership Interests*, for section 751(a) exchanges occurring in calendar year 2024 by the specified due date.

### Background

Under section 6050K and related regulations, partnerships with section 751 property must report exchanges involving unrealized receivables or inventory items on Form 8308. This form must be attached to the partnership's Form 1065 and provided to transferors and transferees by the later of January 31 of the following year or 30 days after the partnership receives notice of the exchange. Penalties under section 6722 apply for failures to furnish correct payee statements, but exceptions exist for reasonable cause.

### Relief granted

The U.S. Treasury Department and IRS are aware that many partnerships may lack the necessary information to meet the reporting requirements by the due date. Therefore, for section 751(a) exchanges in 2024, the IRS will not impose penalties for failing to furnish a completed Part IV of Form 8308 by the due date, provided that the partnership meets specific conditions:

- Timely furnishing Parts I, II, and III of Form 8308 by January 31, 2025, or 30 days after notification of the exchange
- Providing the complete Form 8308 by the due date of Form 1065 or 30 days after notification

This relief does not extend to other filing requirements or penalties under section 6721.

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