



# TaxNewsFlash

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## Proposed regulations: Information reporting for sales or exchanges to which section 751(a) applies

The U.S. Treasury Department and IRS today issued [proposed regulations](#) (REG-108822-25) that would modify information reporting obligations with respect to sales or exchanges of certain interests in partnerships owning inventory or unrealized receivables to which section 751(a) applies. The changes are intended to address administrative challenges raised by partnerships and practitioners following recent revisions to Form 8308, *Report of a Sale or Exchange of Certain Partnership Interests*.

- The proposed regulations would remove Treas. Reg. § 1.6050K-1(c)(2) to eliminate the requirement that partnerships furnish the information required in Part IV of the Form 8308 by January 31 of the year following the calendar year in which the section 751(a) exchange occurred.
- The proposed regulations would also modify Treas. Reg. § 1.6050K-1(c)(1) by removing the reference to a “completed copy of Form 8308” and replacing it with a reference to “a copy of Form 8308 filled out in accordance with the instructions to the form.” Practically, this means that by the section 6050K due date, partnerships will only be required to furnish Parts I, II, and III of Form 8308 (i.e., names, addresses, taxpayer IDs, and certain transaction details).
- The Treasury Department and IRS would update the Instructions for Form 8308 to (1) provide that only the information in Parts I, II, and III is required by the statutory deadline under section 6050K, and (2) make clear that a partnership must file a completed Form 8308, including Part IV (information on section 751 property gain or loss), as an attachment to its Form 1065.

The proposed regulations are generally proposed to apply to tax years beginning on or after the date final rules are published in the Federal Register. However, a partnership may rely on the proposed regulations and the description of the anticipated changes to the instructions to Form 8308, with respect to section 751(a) exchanges occurring on or after January 1, 2025, and before the date these regulations are published as final regulations.

Comments on the proposed regulations and requests for a public hearing are due by September 18, 2025.

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