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

The U.S. Treasury Department and IRS today issued **final regulations** (T.D. 10048) modifying 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 revisions to Form 8308, *Report of a Sale or Exchange of Certain Partnership Interests*.

The final regulations adopt the proposed regulations issued in August 2025 without change, and provide the following:

- Treas. Reg. § 1.6050K-1(c)(2) is removed to eliminate the requirement that partnerships furnish the information required in Part IV (information on section 751 property gain or loss) of the Form 8308 by January 31 of the year following the calendar year in which the section 751(a) exchange occurred.

- Treas. Reg. § 1.6050K-1(c)(1) is modified to remove the reference to a "completed copy of Form 8308" and replace 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 updated the Instructions for Form 8308 in November 2025 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 regulations are effective on May 20, 2026, and apply to tax years beginning on or after that date.

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