5 MONTH EXTENSIONS FOR PASS-THROUGH ENTITIES MADE PERMANENT

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In 2008, proposed and temporary Treasury Regulations reduced the six-month automatic extension of time to file income tax returns for most partnerships, estates, and certain trusts to five months. The IRS has now finalized the Regulations, retaining the shortened five month period. Such extension period will include extensions for the filing of Forms 1065, 8804 and 1041.

The purpose of the shortened period is to allow persons reporting income from such pass-through entities, which persons may be on a six month extension, a month to prepare their own returns. That is, the pass-through entity will have to get them the reporting information a month before their own extended return is due.

The final Regulations also provide rules as to some specific filing situations, such as:

--Even though individual bankruptcy estates file a Form 1041, they still will use the six month period (unless it is a pass-through entity that is in bankruptcy).

--Electing large partnerships also use the six month period.

T.D. 9531, 06/23/2011 ; Reg. §1.6081-2 , Reg. §1.6081-6 , Reg. §54.6081-1

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