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Tracking Tax News, You Need to Know



IRS Issues Rules Governing Partnership Audit Regime

The IRS released final [rules](#) governing examinations under the centralized audit process for partnerships. The rules exempt certain partnership-related items from an audit and propose an alternative for examining those items. Under the centralized partnership audit regime, created under the Bipartisan Budget Act of 2015, partnerships subject to the audit process designate a representative to act on its behalf. The final rules outline special enforcement matters when the centralized audit process does not apply.

IRS Gives More Time for Foreign Income Reporting Exception for Partnerships

The IRS updated [instructions](#) on schedules K-2 and K-3 to offer more time for partnerships to notify their partners of the exemption from the new requirements on the reporting of foreign income. The IRS had initially planned to require partnerships to file the new schedules even if they did not have any foreign income or foreign taxes. However, the IRS updated the instructions to allow entities without any foreign activity or foreign partners to be exempt from filing the new schedules for the current tax year.

Pennsylvania Issues Realty Transfer Tax Payment and Refund Procedures

The Pennsylvania Department of Revenue (DOR) [issued](#) a bulletin regarding state and local realty transfer tax payments and refund procedures. According to the bulletin, when the realty transfer tax is paid to the county recorder of deeds, the taxpayer must seek a refund of the local tax from the municipality and/or school district. When the tax is paid because of a DOR assessment, the taxpayer must seek a refund of the assessed state and local tax from the DOR. This bulletin replaces and rescinds Pennsylvania Realty Transfer Tax Bulletin 2010-01.



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