

§ 6241. Definitions and special rules

For purposes of this subchapter—

(1) Partnership

The term “partnership” means any partnership required to file a return under section 6031(a).

(2) Partnership adjustment**(A) In general**

The term “partnership adjustment” means any adjustment to a partnership-related item.

(B) Partnership-related item

The term “partnership-related item” means—

- (i) any item or amount with respect to the partnership (without regard to whether or not such item or amount appears on the partnership’s return and including an imputed underpayment and any item or amount relating to any transaction with, basis in, or liability of, the partnership) which is relevant (determined without regard to this subchapter) in determining the tax liability of any person under chapter 1, and
- (ii) any partner’s distributive share of any item or amount described in clause (i).

(3) Return due date

The term “return due date” means, with respect to the taxable year, the date prescribed for filing the partnership return for such taxable year (determined without regard to extensions).

(4) Payments nondeductible

No deduction shall be allowed under subtitle A for any payment required to be made by a partnership under this subchapter.

(5) Partnerships having principal place of business outside United States

For purposes of section 6234, a principal place of business located outside the United States shall be treated as located in the District of Columbia.

(6) Partnerships in cases under title 11 of United States Code**(A) Suspension of period of limitations on making adjustment, assessment, or collection**

The running of any period of limitations provided in this subchapter on making a partnership adjustment (or provided by section 6501 or 6502 on the assessment or collection of any imputed underpayment determined under this subchapter) shall, in a case under title 11 of the United States Code, be suspended during the period during which the Secretary is prohibited by reason of such case from making the adjustment (or assessment or collection) and—

- (i) for adjustment or assessment, 60 days thereafter, and
- (ii) for collection, 6 months thereafter.

A rule similar to the rule of section 6213(f)(2) shall apply for purposes of section 6232(b).

(B) Suspension of period of limitation for filing for judicial review

The running of the period specified in section 6234 shall, in a case under title 11 of the United States Code, be suspended during the period during which the partnership is prohibited by reason of such case from filing a petition under section 6234 and for 60 days thereafter.

(7) Treatment where partnership ceases to exist

If a partnership ceases to exist before a partnership adjustment under this subchapter takes effect, such adjustment shall be taken into account by the former partners of such partnership under regulations prescribed by the Secretary.

(8) Extension to entities filing partnership return

If a partnership return is filed by an entity for a taxable year but it is determined that the entity is not a partnership (or that there is no entity) for such year, then, to the extent provided in regulations, the provisions of this subchapter are hereby extended in respect of such year to such entity and its items and to persons holding an interest in such entity.

(9) Coordination with other chapters**(A) In general**

This subchapter shall not apply with respect to any tax imposed (including any amount required to be deducted or withheld) under chapter 2, 2A, 3, or 4, except that any partnership adjustment determined under this subchapter for purposes of chapter 1 shall be taken into account for purposes of determining any such tax to the extent that such adjustment is relevant to such determination.

(B) Timing of withholding

In the case of any tax imposed (including any amount required to be deducted or withheld) under chapter 3 or 4, which is determined with respect to an adjustment described in subparagraph (A), such tax—

- (i) shall be so determined with respect to the reviewed year, and
- (ii) shall be so imposed (or so required to be deducted or withheld) with respect to the adjustment year.

(C) Statute of limitation on assessment

For special rule with respect to limitation on assessment of taxes under chapter 2 or 2A which are attributable to any partnership adjustment, see section 6501(c)(12).

(10) Authority to require electronic filing

Notwithstanding section 6011(e), the Secretary may require that anything required to be filed or submitted under section 6225(c), or to be furnished to or filed with the Secretary under section 6226, be so filed, submitted, or furnished by magnetic media or in other machine-readable form.

(11) Treatment of special enforcement matters**(A) In general**

In the case of partnership-related items which involve special enforcement matters,

the Secretary may prescribe regulations pursuant to which—

- (i) this subchapter (or any portion thereof) does not apply to such items, and
- (ii) such items are subject to such special rules (including rules related to assessment and collection) as the Secretary determines to be necessary for the effective and efficient enforcement of this title.

(B) Special enforcement matters

For purposes of subparagraph (A), the term “special enforcement matters” means—

- (i) failure to comply with the requirements of section 6226(b)(4)(A)(ii),
- (ii) assessments under section 6851 (relating to termination assessments of income tax) or section 6861 (relating to jeopardy assessments of income, estate, gift, and certain excise taxes),
- (iii) criminal investigations,
- (iv) indirect methods of proof of income,
- (v) foreign partners or partnerships, and
- (vi) other matters that the Secretary determines by regulation present special enforcement considerations.

(12) United States shareholders and certain other persons treated as partners

(A) In general

Except as otherwise provided by the Secretary, in the case of any controlled foreign corporation (as defined in section 957 or 953(c)(1)) which is a partner of a partnership, each United States shareholder (as defined in section 951(b) or 953(c)(1)) with respect to such controlled foreign corporation shall be treated for purposes of this subchapter as a partner of such partnership. For purposes of the preceding sentence, any distributive share of any such United States shareholder with respect to such partnership shall, except as otherwise provided by the Secretary, be equal to such United States shareholder's pro rata share with respect to such controlled foreign corporation (determined under rules similar to the rules of section 951(a)(2)).

(B) Passive foreign investment companies

For purposes of subparagraph (A), in the case of a passive foreign investment company (as defined in section 1297), each taxpayer that makes an election under section 1295 with respect to such company shall be treated in the same manner as United States shareholders under subparagraph (A), except that such taxpayer's pro rata share with respect to the passive foreign investment company shall be determined under rules similar to the rules of section 1293(b).

(C) Regulations or other guidance

The Secretary shall issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this paragraph, including regulations which apply the rules of subparagraph (A) in similar circumstances or with respect to similarly situated persons.

(Added Pub. L. 114-74, title XI, §1101(c)(1), Nov. 2, 2015, 129 Stat. 636; amended Pub. L. 115-141,

div. U, title II, §§201(a), (b)(1), 206(c), (l), (m), (p)(7), Mar. 23, 2018, 132 Stat. 1171, 1172, 1178, 1180-1182.)

PRIOR PROVISIONS

A prior section 6241, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 100, related to consistency of a partner's return with the partnership return, prior to repeal by Pub. L. 114-74, title XI, §1101(b)(2), (g), Nov. 2, 2015, 129 Stat. 625, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

Another prior section 6241, added Pub. L. 97-354, §4(a), Oct. 19, 1982, 96 Stat. 1691, directed that tax treatment be determined at the corporate level, prior to repeal by Pub. L. 104-188, title I, §§1307(c)(1), 1317(a), Aug. 20, 1996, 110 Stat. 1781, 1787, applicable to taxable years beginning after Dec. 31, 1996.

A prior section 6242, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 1010, related to procedures for taking partnership adjustments into account, prior to repeal by Pub. L. 114-74, title XI, §1101(b)(2), (g), Nov. 2, 2015, 129 Stat. 625, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

Another prior section 6242, added Pub. L. 97-354, §4(a), Oct. 19, 1982, 96 Stat. 1691, directed that shareholder's return be consistent with corporate return, prior to repeal by Pub. L. 104-188, title I, §§1307(c)(1), 1317(a), Aug. 20, 1996, 110 Stat. 1781, 1787, applicable to taxable years beginning after Dec. 31, 1996.

A prior section 6243, added Pub. L. 97-354, §4(a), Oct. 19, 1982, 96 Stat. 1691, directed that shareholders be notified of proceedings and given opportunity to participate, prior to repeal by Pub. L. 104-188, title I, §§1307(c)(1), 1317(a), Aug. 20, 1996, 110 Stat. 1781, 1787, applicable to taxable years beginning after Dec. 31, 1996.

A prior section 6244, added Pub. L. 97-354, §4(a), Oct. 19, 1982, 96 Stat. 1691, directed that certain provisions of subchapter C apply to subchapter S items, prior to repeal by Pub. L. 104-188, title I, §§1307(c)(1), 1317(a), Aug. 20, 1996, 110 Stat. 1781, 1787, applicable to taxable years beginning after Dec. 31, 1996.

A prior section 6245, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 1013, authorized and directed Secretary to make necessary partnership adjustment, prior to repeal by Pub. L. 114-74, title XI, §1101(b)(2), (g), Nov. 2, 2015, 129 Stat. 625, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

Another prior section 6245, added Pub. L. 97-354, §4(a), Oct. 19, 1982, 96 Stat. 1692, defined “subchapter S item” for purposes of subchapter, prior to repeal by Pub. L. 104-188, title I, §§1307(c)(1), 1317(a), Aug. 20, 1996, 110 Stat. 1781, 1787, applicable to taxable years beginning after Dec. 31, 1996.

Prior sections 6246 to 6255 were repealed by Pub. L. 114-74, title XI, §1101(b)(2), (g), Nov. 2, 2015, 129 Stat. 625, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

Section 6246, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 1013, related to restrictions on partnership adjustments.

Section 6247, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 1014, related to judicial review of partnership adjustment.

Section 6248, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 1015, related to period of limitations for making adjustments under this subpart.

Section 6251, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 1016, related to administrative adjustment requests.

Section 6252, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 1016, related to judicial review where administrative adjustment request is not allowed in full.

Section 6255, added Pub. L. 105-34, title XII, §1222(a), Aug. 5, 1997, 111 Stat. 1017, defined terms for former subchapter D and listed special rules.

AMENDMENTS

2018—Par. (2). Pub. L. 115–141, §201(a), amended par. (2) generally. Prior to amendment, text read as follows: “The term ‘partnership adjustment’ means any adjustment in the amount of any item of income, gain, loss, deduction, or credit of a partnership, or any partner’s distributive share thereof.”

Par. (5). Pub. L. 115–141, §206(p)(7), substituted “section 6234” for “sections 6234”.

Par. (9). Pub. L. 115–141, §201(b)(1), added par. (9).

Par. (10). Pub. L. 115–141, §206(c), added par. (10).

Par. (11). Pub. L. 115–141, §206(l), added par. (11).

Par. (12). Pub. L. 115–141, §206(m), added par. (12).

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115–141 effective as if included in section 1101 of Pub. L. 114–74, see section 207 of Pub. L. 115–141, set out as a note under section 6031 of this title.

EFFECTIVE DATE

Section applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, with certain exceptions, see section 1101(g) of Pub. L. 114–74, set out as a note under section 6221 of this title.

CHAPTER 64—COLLECTION

Subchapter	Sec. ¹
A. General provisions	6301
B. Receipt of payment	6311
C. Lien for taxes	6321
D. Seizure of property for collection of taxes	6331
[E. Repealed.]	

AMENDMENTS

1990—Pub. L. 101–508, title XI, §11801(b)(14), Nov. 5, 1990, 104 Stat. 1388–522, struck out item for subchapter E “Collection of State individual income taxes”.

1972—Pub. L. 92–512, title II, §202(b), Oct. 20, 1972, 86 Stat. 944, added item for subchapter E.

Subchapter A—General Provisions

6301.	Collection authority
6302.	Mode or time of collection.
6303.	Notice and demand for tax.
6304.	Fair tax collection practices.
6305.	Collection of certain liability.
6306.	Qualified tax collection contracts.
6307.	Special compliance personnel program account.

AMENDMENTS

2015—Pub. L. 114–94, div. C, title XXXII, §32103(c), Dec. 4, 2015, 129 Stat. 1737, added item 6307.

2004—Pub. L. 108–357, title VIII, §881(a)(2)(B), Oct. 22, 2004, 118 Stat. 1626, added item 6306.

1998—Pub. L. 105–206, title III, §3466(b), July 22, 1998, 112 Stat. 769, added item 6304.

1976—Pub. L. 94–455, title XIX, §1906(b)(5), Oct. 4, 1976, 90 Stat. 1833, struck out item “6304. Collection under the Tariff Act”.

1975—Pub. L. 93–647, §101(b)(2), Jan. 4, 1975, 88 Stat. 2358, added item 6305.

§ 6301. Collection authority

The Secretary shall collect the taxes imposed by the internal revenue laws.

(Aug. 16, 1954, ch. 736, 68A Stat. 775; Pub. L. 94–455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

AMENDMENTS

1976—Pub. L. 94–455 struck out “or his delegate” after “Secretary”.

¹ Section numbers editorially supplied.

APPROVAL PROCESS FOR LIENS, LEVIES, AND SEIZURES

Pub. L. 105–206, title III, §3421, July 22, 1998, 112 Stat. 758, provided that:

“(a) IN GENERAL.—The Commissioner of Internal Revenue shall develop and implement procedures under which—

“(1) a determination by an employee to file a notice of lien or levy with respect to, or to levy or seize, any property or right to property would, where appropriate, be required to be reviewed by a supervisor of the employee before the action was taken; and

“(2) appropriate disciplinary action would be taken against the employee or supervisor where the procedures under paragraph (1) were not followed.

“(b) REVIEW PROCESS.—The review process under subsection (a)(1) may include a certification that the employee has—

“(1) reviewed the taxpayer’s information;

“(2) verified that a balance is due; and

“(3) affirmed that the action proposed to be taken is appropriate given the taxpayer’s circumstances, considering the amount due and the value of the property or right to property.

“(c) EFFECTIVE DATES.—

“(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date of the enactment of this Act [July 22, 1998].

“(2) AUTOMATED COLLECTION SYSTEM ACTIONS.—In the case of any action under an automated collection system, this section shall apply to actions initiated after December 31, 2000.”

§ 6302. Mode or time of collection

(a) Establishment by regulations

If the mode or time for collecting any tax is not provided for by this title, the Secretary may establish the same by regulations.

(b) Discretionary method

Whether or not the method of collecting any tax imposed by chapter 21, 31, 32, or 33, or by section 4481 is specifically provided for by this title, any such tax may, under regulations prescribed by the Secretary, be collected by means of returns, stamps, coupons, tickets, books, or such other reasonable devices or methods as may be necessary or helpful in securing a complete and proper collection of the tax.

(c) Use of Government depositaries

The Secretary may authorize Federal Reserve banks, and incorporated banks, trust companies, domestic building and loan associations, or credit unions which are depositaries or financial agents of the United States, to receive any tax imposed under the internal revenue laws, in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such tax by such banks, trust companies, domestic building and loan associations, and credit unions is to be treated as payment of such tax to the Secretary.

(d) Time for payment of manufacturers’ excise tax on recreational equipment

The taxes imposed by subchapter D of chapter 32 of this title (relating to taxes on recreational equipment) shall be due and payable on the date for filing the return for such taxes.

(e) Time for deposit of taxes on communications services and airline tickets

(1) In general

Except as provided in paragraph (2), if, under regulations prescribed by the Secretary, a per-