

638, applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017.

Section 6223, added Pub. L. 97-248, title IV, §402(a), Sept. 3, 1982, 96 Stat. 649, related to notice to partners of proceedings.

Section 6224, added Pub. L. 97-248, title IV, §402(a), Sept. 3, 1982, 96 Stat. 651; amended Pub. L. 107-147, title IV, §416(d)(1)(A), Mar. 9, 2002, 116 Stat. 55, related to partner participation in administrative proceedings, waiver of partner's rights, and settlement agreements.

#### 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.

### PART II—PARTNERSHIP ADJUSTMENTS

Sec.	
6225.	Partnership adjustment by Secretary.
6226.	Alternative to payment of imputed underpayment by partnership.
6227.	Administrative adjustment request by partnership.

#### AMENDMENTS

2018—Pub. L. 115-141, div. U, title II, §206(p)(10), Mar. 23, 2018, 132 Stat. 1183, amended part II heading generally, reenacting heading without change.

### § 6225. Partnership adjustment by Secretary

#### (a) In general

In the case of any adjustments by the Secretary to any partnership-related items with respect to any reviewed year of a partnership—

(1) if such adjustments result in an imputed underpayment, the partnership shall pay an amount equal to such imputed underpayment in the adjustment year as provided in section 6232, and

(2) if such adjustments do not result in an imputed underpayment, such adjustments shall be taken into account by the partnership in the adjustment year.

#### (b) Determination of imputed underpayments

For purposes of this subchapter—

##### (1) In general

Except as otherwise provided in this section, any imputed underpayment with respect to any reviewed year shall be determined by the Secretary by—

(A) appropriately netting all partnership adjustments with respect to such reviewed year, and

(B) applying the highest rate of tax in effect for the reviewed year under section 1 or 11.

##### (2) Adjustments to distributive shares of partners not netted

In the case of any adjustment which reallocates the distributive share of any item from one partner to another, such adjustment shall be taken into account by disregarding so much of such adjustment as results in a decrease in the amount of the imputed underpayment.

##### (3) Adjustments separately netted by category

For purposes of paragraph (1)(A), partnership adjustments for any reviewed year shall first be separately determined (and netted as appropriate) within each category of items that are

required to be taken into account separately under section 702(a) or other provision of this title.

#### (4) Limitation on adjustments that may be taken into account

If any adjustment would (but for this paragraph)—

(A) result in a decrease in the amount of the imputed underpayment, and

(B) could be subject to any additional limitation under the provisions of this title (or not allowed, in whole or in part, against ordinary income) if such adjustment were taken into account by any person,

such adjustment shall not be taken into account under paragraph (1)(A) except to the extent otherwise provided by the Secretary.

#### (c) Modification of imputed underpayments

##### (1) In general

The Secretary shall establish procedures under which the imputed underpayment amount may be modified consistent with the requirements of this subsection.

##### (2) Procedures for partners to take adjustments into account

###### (A) Amended returns of partners

Such procedures shall provide that if—

(i) one or more partners file returns for the taxable year of the partners which includes the end of the reviewed year of the partnership (and for any taxable year with respect to which any tax attribute is affected by reason of any adjustment referred to in clause (ii)),

(ii) such returns take into account all adjustments under subsection (a) properly allocable to such partners (and the effect of such adjustments on any tax attributes), and

(iii) payment of any tax due is included with such returns,

then the imputed underpayment amount shall be determined without regard to the portion of the adjustments so taken into account.

###### (B) Alternative procedure to filing amended returns

Such procedures shall provide that, with respect to any partner referred to in subparagraph (A), the requirements of subparagraph (A) shall be treated as satisfied with respect to adjustments properly allocable to such partner if, in lieu of filing the returns described in such subparagraph—

(i) the amounts described in subparagraph (A)(iii) are paid by the partner,

(ii) the partner agrees to take into account, in the form and manner prescribed by the Secretary, the adjustments to the tax attributes of such partner referred to in subparagraph (A)(ii), and

(iii) such partner provides, in the form and manner specified by the Secretary (including, if the Secretary so specifies, in the same form as on an amended return), such information as the Secretary may require to carry out this subparagraph.