



TaxNewsFlash

United States



No. 2020-548
September 1, 2020

IRS launches BBA centralized partnership audit regime webpage

The IRS today announced the launch of a “Bipartisan Budget Act” (BBA) centralized partnership audit regime webpage.

According to the IRS release—[IR-2020-199](#)—the new BBA centralized partnership audit regime webpage is intended to be a “one-stop location for anything BBA-related.” The webpage includes regulations and other guidance and instructions:

- For partnership representatives
- How to elect out of the centralized audit regime
- About administrative adjustment requests (AARs)
- What to expect during a BBA administrative proceeding

Read more on the centralized partnership audit regime [webpage](#).

Background

The BBA centralized partnership audit regime replaced the Tax Equity and Fiscal Responsibility Act (TEFRA) audit procedures and the electing large partnership rules. Under the BBA centralized partnership audit regime, the IRS generally assesses and collects any understatement of tax (imputed underpayment) at the partnership level.

A partnership is subject to BBA centralized partnership audit regime unless it (1) is an eligible partnership and (2) makes an annual election out of the centralized partnership audit regime on a timely filed Form 1065. An eligible partnership is one with 100 or fewer partners, all of whom are either individuals, C corporations, foreign entities that would be treated as a C corporation if domestic, S corporations or estates of deceased partners.

The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to be applied to any specific reader’s particular set of facts. Although we endeavor to provide

accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)