



# Instructions for Forms 8804, 8805, and 8813

Section references are to the Internal Revenue Code unless otherwise noted.

## Paperwork Reduction Act Notice

We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times are:

Form	8804	8805	8813
<b>Recordkeeping</b>	59 min.	59 min.	26 min.
<b>Learning about the law or the form</b>	56 min.	54 min.	49 min.
<b>Preparing the form</b>	31 min.	17 min.	16 min.
<b>Copying, assembling, and sending the form to the IRS</b>	20 min.	17 min.	10 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Attention: Reports Clearance Officer, PC:FP, Washington, DC 20224; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-1119), Washington, DC 20503. **DO NOT** send the tax forms to either of these offices. Instead, see **Where To File** on page 2.

## General Instructions

### Changes To Note

The Revenue Reconciliation Act of 1993 made the following changes that affect the section 1446 withholding tax:

- The tax rate for noncorporate partners has been increased to 39.6%.
- The tax rate for corporate partners has been increased to 35%.
- For tax years beginning after 1993, the percentage of the current year's section 1446 tax required to be paid in installments during the tax year has been increased to 100%, and the rules for annualizing effectively connected taxable income have been modified. See the worksheet on page 6 for more details.

### Purpose of Forms

Forms 8804, 8805, and 8813 are used to pay and report section 1446 withholding tax based on effectively connected taxable income allocable to foreign partners.

Use **Form 8804**, Annual Return for Partnership Withholding Tax (Section 1446), to report the total liability under section 1446 for the partnership's tax

year. Form 8804 is also a transmittal form for Form(s) 8805.

Use **Form 8805**, Foreign Partner's Information Statement of Section 1446 Withholding Tax, to show the amount of effectively connected taxable income and the total tax credit allowed to the foreign partner for the partnership's tax year.

File a separate Form 8805 for each foreign partner even if no section 1446 withholding tax was paid. Attach a copy of each Form 8805 to the Form 8804 filed with the IRS.

Foreign partners must attach Form 8805 to their U.S. income tax returns to claim a credit for their shares of the section 1446 tax withheld by the partnership. A foreign partnership that receives Form 8805 should see the instructions for **Tiered Partnerships** on page 4. Any U.S. person that was erroneously made subject to the withholding tax would also receive Form 8805 from a partnership and should attach it to his or her income tax return.

Use **Form 8813**, Partnership Withholding Tax Payment (Section 1446), to pay the withholding tax under section 1446 to the IRS. Each payment of section 1446 tax made during the partnership's tax year must be accompanied by Form 8813.

## Who Must File

All partnerships with effectively connected gross income allocable to a foreign partner in any tax year must file Forms 8804 and 8805 whether or not distributions were made during the partnership's tax year. The partnership may designate a person to file for it. The partnership, or person it designates, must file these forms whether or not the partnership has a withholding tax liability under section 1446.

A publicly traded partnership must file these forms only if it is electing, or has elected, to pay section 1446 withholding tax based on effectively connected taxable income allocable to its foreign partners, instead of withholding the tax on distributions to its foreign partners. See the instructions for **Publicly Traded Partnerships** on page 4. A publicly traded partnership that does not make this election must not use Forms 8804, 8805, and 8813. Instead, under the general rule for publicly traded partnerships, it must **(a)** withhold on distributions to its foreign partners, **(b)** comply with the regulations under section 1461 and Regulations section 1.6302-2, **AND (c)** use **Forms 1042** and **1042-S**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person's U.S. Source Income Subject to Withholding.

## When To File

### Forms 8804 and 8805

Generally, file on or before the 15th day of the 4th month following the close of the partnership's tax year. However, a partnership that consists entirely of nonresident alien partners, must file on or before the 15th day of the 6th month following the close of the partnership's tax year.

File Forms 8804 and 8805 separately from Form 1065 and its attachments.

If you need more time, you may file **Form 2758**, Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns, to request an extension of time to file Form 8804. However, Form 2758 does not extend the time for payment of tax.

### Form 8813

File on or before the 15th day of the 4th, 6th, 9th, and 12th months of the

partnership's tax year for U.S. income tax purposes.

## Where To File

File Forms 8804, 8805, and 8813 with: Internal Revenue Service Center  
P.O. Box 245  
Bensalem, PA 19020.

## Requirement To Make Withholding Tax Payments

A foreign or domestic partnership that has effectively connected taxable income allocable to a foreign partner must pay a withholding tax equal to the applicable percentage of the effectively connected taxable income that is allocable to its foreign partners. However, this requirement does not apply to a partnership treated as a corporation under the general rule of section 7704(a). Effectively connected taxable income is defined on page 3.

## Withholding Agents

A partnership that is required to pay tax under section 1446, but fails to do so, may be held liable for the payment of the tax, any applicable penalties, and interest. See **Interest and Penalties** on page 4. The general partners are jointly and severally liable as withholding agents for the partnership. For ease of reference, these instructions refer to various requirements applicable to withholding agents as requirements applicable to partnerships themselves.

## Determining If a Partner Is a Foreign Person

A partnership must determine if any partner is a foreign person subject to section 1446. Under section 1446, a foreign person is a nonresident alien individual, foreign corporation, foreign partnership, or foreign trust or estate. A partnership may determine a partner's status by relying on a certification of nonforeign status or by any other means.

## Certification of Nonforeign Status

In general, a partnership may determine that a partner is not a foreign person by obtaining a certification of nonforeign status from the partner. A partnership that has obtained such a certification may rely on it to establish the nonforeign status of a partner. See below.

**Effect of certification.**—A partnership that has obtained a certification of nonforeign status according to the rules in these instructions may rely on the certification to determine that the partner is not subject to withholding, but only if the partnership does not have actual knowledge that the certification is false. If a partnership relies in good faith on the certification, but it is later

determined that the certification was false, the partnership will not be held liable for payment of the tax, any applicable penalties, or interest. A certification that satisfies the requirements of these instructions will also satisfy the requirements for a certificate of nonforeign status under section 1445.

If a partnership has actual knowledge that the certification is false, it will not be entitled to rely on that certification any time after obtaining that knowledge. For this purpose, the knowledge of any general partner will be imputed to the partnership to cause a withholding liability (for a limited liability company or other entity classified as a partnership for Federal income tax purposes, any member with authority to manage or bind the entity is treated as a general partner). The knowledge of one of its limited partners will not be imputed to a partnership based solely on that partner's status as a limited partner. Also, the partnership will be liable under section 1461 for any failure to pay the withholding tax under section 1446 for the tax year in which it obtained knowledge that the certification is false. However, the partnership will not be liable for penalties for failure to make timely payments of installments of section 1446 withholding tax that were due prior to the time it obtained knowledge that the certification was false.

**Duration of certification.**—A partnership may rely on a partner's certification of nonforeign status until the earliest of:

1. The end of the 3rd year after the tax year of the partnership during which the certification was obtained;
2. The date the partnership receives notice from the partner that it has become a foreign person; **OR**
3. The date the partnership has actual knowledge that the partner is, or has become, a foreign person.

**Form of certification.**—No particular form is required for certification of nonforeign status, nor is any particular language required. However, the certification must:

1. State that the partner is not a foreign person;
2. State the partner's name, U.S. taxpayer identifying number, and home address (for individuals) or office address (for entities);
3. State that the partner will notify the partnership within 60 days of a change to foreign status; **AND**
4. Be signed by or for the partner under penalties of perjury.

An individual's identifying number is the individual's social security number (or any other taxpayer identification number that may have been assigned to a foreign individual by the IRS). Any

other person's identifying number is its U.S. employer identification number. A certification of nonforeign status must be verified as true and signed under penalties of perjury by a responsible corporate officer for a corporation that is a partner, by a general partner for a partnership that is a partner, and by a trustee, executor, or equivalent fiduciary for a trust or estate that is a partner. A certification of nonforeign status may also be signed by a person authorized under a power of attorney in proper form executed by the partner, provided the power of attorney accompanies the certification.

**How long to keep the certifications.**—A partnership must keep a certification of nonforeign status until the end of the 5th tax year after the last tax year in which the partnership relied on the certification.

**Special rule for widely held partnerships.**—In addition to relying on a certification of nonforeign status, a widely held partnership (a partnership that has more than 200 partners, including a publicly traded partnership), that wants to determine whether any of its partners are foreign persons may rely on the information provided to it by partners on a **Form 1001**, Ownership, Exemption, or Reduced Rate Certificate; **Form W-8**, Certificate of Foreign Status; or **Form W-9**, Request for Taxpayer Identification Number and Certification.

Also, a widely held partnership may rely on a certification under penalties of perjury from a nominee about the nonforeign status of partners owning partnership interests through the nominee. No particular form is required for a certification from a nominee, but it should identify the partner for whom the certification is made, and indicate the basis for the certification. When making a certification, a nominee may also rely on (a) a certification of nonforeign status provided by a foreign partner, or (b) information provided to it on Form 1001, Form W-8, or Form W-9. A nominee and a partnership may not rely on any of those forms after the date that the forms must be re-executed, nor on a certification of nonforeign status based on an election under section 897(i).

A partnership that is permitted to rely on a certification of nonforeign status and the alternative forms of information (Form 1001, W-8, or W-9) in determining nonforeign status, and that relies in good faith on any of those, will not be held liable for payment of the tax, any applicable penalties, or interest. However, a partnership that has actual knowledge of the falsity of any of these forms of information may not rely on that form of information any time after obtaining that knowledge, and the partnership will be liable under section 1461 for any failure to pay the withholding tax under section 1446 for

the tax year in which it obtained that knowledge. The partnership will not be liable for penalties for failure to make timely payments of installments of the section 1446 withholding tax that were due prior to the time it obtained knowledge that the information it properly relied on was false. For a widely held partnership, the documentation used to determine the nonforeign status of a partner must be kept until the end of the 5th tax year following the last tax year in which the partnership properly relied on the documentation.

### Use of Means Other Than Certification

A partnership is not required to obtain a certification of nonforeign status. It may rely on other means to learn the nonforeign status of the partner. But if the partnership relies on other means and erroneously determines that the partner was not a foreign person, the partnership will be held liable for payment of the tax, any applicable penalties, and interest. A partnership is not required to rely on other means to determine the nonforeign status of a partner and may demand a certification of nonforeign status.

## Effectively Connected Taxable Income

### Definition

The term "effectively connected taxable income" means the excess of the gross income of the partnership that is effectively connected, under section 864(c), or treated as effectively connected with the conduct of a U.S. trade or business, over the allowable deductions that are connected to such income. This income is computed with the following adjustments:

1. Paragraph (1) of section 703(a) does not apply;
2. The partnership is allowed a deduction for depletion of oil and gas wells, determined without regard to sections 613 and 613A;
3. The partnership may not take into account items of income, gain, loss, or deduction allocable to any partner that is not a foreign partner; **AND**
4. The partnership may not deduct any net operating loss carryovers or charitable contributions.

A partnership's effectively connected taxable income includes partnership income subject to a partner's election under section 871(d) or 882(d) (election to treat real property income as income connected with a U.S. business). It also includes any partnership income treated as effectively connected with the conduct of a U.S. trade or business under section 897 (disposition of investment in U.S. real property), and other items of partnership income

treated as effectively connected under other provisions of the Internal Revenue Code, regardless of whether those amounts are taxable to the partner.

### Amount Allocable to Foreign Partners

The amount of a partnership's effectively connected taxable income for the partnership's tax year allocable to a foreign partner under section 704 equals **(a)** the foreign partner's distributive share of effectively connected gross income of the partnership for the partnership's tax year that is properly allocable to the partner under section 704, minus **(b)** the foreign partner's distributive share of deductions of the partnership for that year that are connected with that income under section 873 or section 882(c)(1). This income will be computed to take into account any adjustments to the basis of the partnership property described in section 743 according to the partnership's election under section 754. Also, a partnership's effectively connected taxable income will not be allocable to a foreign partner to the extent the amounts are exempt from U.S. tax for that partner by a treaty or reciprocal agreement, or a provision of the Code.

## Amount of Withholding Tax

### Figuring the Tax Payments

Under section 1446, a partnership must make four installment payments of withholding tax during the tax year.

**Amount of each installment payment of withholding tax.**—In general, the amount of a partnership's installment payment is equal to the sum of the installment payments for each of the partnership's foreign partners. For a foreign partner, the amount of an installment of the section 1446 withholding tax is correct if figured by applying the principles of section 6655(e)(2). To figure installment payments of section 1446 tax for a foreign partner under this method, use the worksheet on page 6.

Alternatively, each installment payment during the tax year may be made in an amount equal to 25% of the withholding tax that would be payable on the amount of its effectively connected taxable income allocable to foreign partners for the prior year if the following three conditions are met:

1. The prior tax year consisted of 12 months,
2. The partnership filed Form 1065 for the prior year, **AND**
3. The amount of effectively connected taxable income for the prior year was not less than 50% of the effectively connected taxable income as shown on the Form 8804 that must be filed for the current year.

**Applicable percentage.**—For partners taxed as corporations, the section 1446 applicable percentage is 35%. For partners not taxable as corporations (e.g., partnerships, individuals, estates), the applicable percentage is 39.6%.

### When to make the payments.

—Payments of the withholding tax under section 1446 must be made with Form 8813 by its due date during the tax year of the partnership in which the income is earned. Any additional amounts due generally must be paid when filing Form 8804. However, if the partnership files Form 2758 to request an extension of time to file Form 8804, the balance of section 1446 withholding tax estimated to be due must be paid with Form 2758.

### Coordination With Other Withholding Rules

**Interest, dividends, etc.**—Fixed or determinable, annual or periodical income subject to tax under section 871(a) or 881 is not included in the partnership's effectively connected taxable income under section 1446. However, these amounts are independently subject to withholding under the requirements of sections 1441 and 1442 and their regulations.

### Real property gains.

—**Domestic partnerships.** Domestic partnerships subject to the withholding requirements of section 1446 are not also subject to the payment and reporting requirements of section 1445(e)(1) and its regulations for income from the disposition of a U.S. real property interest. A domestic partnership's compliance with the requirement to pay a withholding tax under section 1446 satisfies the requirements under section 1445(e)(1) for dispositions of U.S. real property interests. However, a domestic partnership that would otherwise be exempt from section 1445 withholding by operation of a nonrecognition provision must continue to comply with the requirement of Regulations section 1.1445-5(b)(2).

—**Foreign partnerships.** A foreign partnership subject to withholding under section 1445(a) during a tax year will be allowed to credit the amount withheld under section 1445(a) against its liability to pay the section 1446 withholding tax for that year.

## Reporting to Partners

When making a payment of withholding tax to the IRS under section 1446, a partnership must notify all foreign partners of their allocable shares of any section 1446 tax paid to the IRS by the partnership. The partners use this information to adjust the amount of estimated tax that they must otherwise pay to the IRS.

A partnership must annually provide foreign partners with a copy of Form 8805 even if no section 1446 withholding tax is paid. Send Form 8805 to the foreign partner by the due date of the partnership return (including extensions).

## Interest and Penalties

Interest and penalties are described below. If the partnership files Form 8804 or Forms 8805 late, fails to furnish correct Forms 8805, or fails to pay the tax when due, it may be liable for penalties and interest unless it can show that failure to file or pay was due to reasonable cause and not willful neglect.

### Interest

Interest is charged on taxes not paid by the due date, even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

### Late Filing of Form 8804

A partnership that fails to file Form 8804 when due (including extensions of time to file) generally may be subject to a penalty of 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The penalty will not apply if the partnership can show reasonable cause for filing late. If the failure to timely file is due to reasonable cause, attach an explanation to Form 8804.

### Late Filing of Correct Form 8805

A penalty may be imposed for failure to file each Form 8805 when due (including extensions). The penalty may also be imposed for failure to include all required information on Form 8805 or if the partnership furnishes incorrect information. The penalty is based on when a correct Form 8805 is filed. The penalty is:

- \$15 per Form 8805 if the partnership correctly files within 30 days; maximum penalty of \$75,000 per year (\$25,000 for a small business). A "small business" has average annual gross receipts of \$5 million or less for the most recent 3 tax years (or for the period of time the business has existed, if shorter) ending before the calendar year in which the Forms 8805 were due.
- \$50 per Form 8805 if the partnership files more than 30 days after the due date or does not file a correct Form 8805; maximum penalty of \$250,000 per year (\$100,000 for a small business).

If the partnership intentionally disregards the requirement to report correct information, the penalty per Form 8805 is increased to \$100 or, if

greater, 10% of the aggregate amount of items required to be reported, with no maximum penalty. For more information, see sections 6721 and 6724.

### Failure To Furnish Correct Forms 8805 to Recipient

A penalty of \$50 may be imposed for each failure to furnish Form 8805 to the recipient when due. The penalty may also be imposed for each failure to give the recipient all required information on each Form 8805 or if the partnership furnishes incorrect information. The maximum penalty is \$100,000 for all failures to furnish correct Forms 8805 during a calendar year.

If the partnership intentionally disregards the requirement to report correct information, the penalty is increased to \$100 or, if greater, 10% of the aggregate amount of items required to be reported and the \$100,000 maximum penalty does not apply. For more information, see sections 6722 and 6724.

### Late Payment of Tax

The penalty for not paying tax when due is usually  $\frac{1}{2}$  of 1% of the unpaid tax for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the unpaid tax.

### Failure To Withhold and Pay Over Tax

Any person required to withhold, account for, and pay over the withholding tax under section 1446, but who fails to do so, may be subject to a civil penalty under section 6672 equal to the amount that should have been withheld and paid over.

### Other Penalties

Penalties can also be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

## Treatment of Partners

A partnership's payment of section 1446 withholding tax on effectively connected taxable income allocable to a foreign partner relates to the partner's U.S. income tax liability for the partner's tax year in which the partner is subject to U.S. tax on that income.

Amounts paid by the partnership under section 1446 on effectively connected taxable income allocable to a partner may be claimed as a credit under section 33. The partner may not claim an early refund of withholding tax paid under section 1446.

Amounts paid by a partnership under section 1446 for a partner are to be treated as distributions made to that partner on the earliest of:

1. The day on which this tax was paid by the partnership,
2. The last day of the partnership's tax year for which the amount was paid, **OR**
3. The last day on which the partner owned an interest in the partnership during that year.

A partner that wishes to claim a credit against its U.S. income tax liability for amounts withheld and paid over under section 1446 must attach Copy C of Form 8805 to its U.S. income tax return for the tax year in which it claims the credit.

## Publicly Traded Partnerships

The term "publicly traded partnership" means any partnership, interests in which are regularly traded on an established securities market (regardless of the number of its partners). However, it does not include a publicly traded partnership treated as a corporation under the general rule of section 7704(a).

A publicly traded partnership that has effectively connected income, gain, or loss, generally must withhold tax at a rate of 39.6% on distributions made to foreign partners. In this situation, the partnership uses Forms 1042 and 1042-S to report withholding from distributions instead of following these instructions.

However, such a partnership may elect instead to pay a withholding tax based on effectively connected taxable income allocable to its foreign partners.

To do this, the partnership must comply with the payment and reporting requirements of these instructions by the date on which Form 8804 is due for the partnership's first tax year. Also, the partnership must attach a statement to its first Form 8804 indicating that the partnership is a publicly traded partnership that is electing not to withhold on distributions. Once made, the election may be revoked only with IRS consent.

## Tiered Partnerships

The term "tiered partnership" describes the situation in which a partnership owns an interest in another partnership. The latter is a "subsidiary partnership." A partnership that directly or indirectly owns a partnership interest in a subsidiary partnership is allowed a credit against its own section 1446 liability for any section 1446 tax paid by the subsidiary partnership for that partnership interest.

A partnership that is a direct or indirect partner in a subsidiary partnership and that has had section 1446 tax payments made on its behalf, will receive a copy of Form 1042-S or Form 8805. The partnership that is the direct or indirect partner must in turn file

these forms with its Form 8804 and treat the amount withheld by the subsidiary partnership as a credit against its own liability to withhold under section 1446. The partnership that is a direct or indirect partner must also provide a copy of the forms it receives to its partners, along with the information described in **Reporting to Partners** on page 3. These statements and forms will enable those partners to obtain appropriate credit for tax withheld under section 1446.

## Specific Instructions

### Address

Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the partnership has a P.O. box, show the box number instead of the street address.

If the partnership has a foreign address, enter the number and street, city, province or state, postal code, and country. **Do not** abbreviate the country name.

### Form 8804

#### Lines 4a and 4b

Figure the partnership's effectively connected taxable income based on the definition on page 3. Enter the effectively connected taxable income allocable to noncorporate foreign partners in the designated space on line 4a. Enter the effectively connected taxable income allocable to corporate foreign partners in the designated space on line 4b.

Partnership effectively connected taxable income on which a foreign

partner is exempt from U.S. tax by a treaty or other reciprocal agreement is not allocable to that partner and is exempt from withholding under section 1446. However, this exemption from section 1446 withholding must be reported on Form 8805.

#### Line 6b

A foreign partnership must enter the amount of section 1446 tax withheld shown on Form 8805 or under Income Code 27 on Form 1042-S received from another partnership in which it owns an interest during its tax year. The partnership may credit this amount against its section 1446 liability for that tax year.

#### Line 6c

Line 6c applies only to partnerships treated as foreign persons and subject to withholding under section 1445(a) or 1445(e)(1) upon the disposition of a U.S. real property interest. Enter on line 6c the amount of tax withheld under section 1445(a) and shown on Form 8288-A for the tax year in which the partnership disposed of the U.S. real property tax interest and the amount of section 1445(e)(1) tax shown under Income Code 25 or 26 on Form 1042-S for the tax year in which the trust made the distribution to the partnership from which tax was withheld because of the disposition of a U.S. real property interest. Do not enter more than the amount allocable to foreign partners (as defined in section 1446(e)). Enter amounts allocable to U.S. partners on line 13a of Schedules K and K-1 (Form 1065).

## Form 8805

### Line 2a

To ensure proper crediting of the withholding tax when reporting to the IRS, a partnership must provide a U.S. taxpayer identifying number for each foreign partner. The partnership should notify any of its foreign partners without such a number of the necessity of obtaining a U.S. identifying number. A partnership must pay the withholding tax for a foreign partner even if the partnership does not have a taxpayer identifying number for that partner.

### Line 8b

Check the box on this line if any of the partnership's effectively connected taxable income is treated as not allocable to the foreign partner identified on line 1 and therefore exempt from section 1446 withholding, because the income is exempt from U.S. tax for that foreign partner by a treaty, reciprocal exemption, or a provision of the Internal Revenue Code.

## Form 8813

### Line 2

A partnership without a U.S. identifying number (an employer identification number (EIN)) must obtain one and must pay any section 1446 withholding tax due. If the partnership has not received an EIN by the time it files Form 8813, indicate on line 2 of Form 8813 the date the partnership applied for its EIN. On receipt of its EIN the partnership must immediately send that number to the IRS using the address on page 2 of these instructions.

**WORKSHEET TO FIGURE 1994 INSTALLMENT PAYMENTS OF SECTION 1446 TAX FOR A FOREIGN PARTNER**  
 (Keep for your records—Do not send to the Internal Revenue Service)

Caution: Complete lines 1 through 10 of one column before going to the next column.		(a) 1st Installment	(b) 2nd Installment	(c) 3rd Installment	(d) 4th Installment	
		Period				
1	Annualization periods (see instructions)	1	First ____ months	First ____ months	First ____ months	First ____ months
2	Enter the partnership's effectively connected taxable income for each period	2				
3	Annualization amounts (see instructions)	3				
4	Annualized effectively connected taxable income. Multiply line 2 by line 3	4				
5	Foreign partner's annualized effectively connected taxable income. Enter the foreign partner's share of line 4	5				
6	Multiply line 5 by 39.6% (35% if the foreign partner is a corporation)	6				
7	Applicable percentage	7	25%	50%	75%	100%
8	Multiply line 6 by line 7	8				
9	Add the amounts in all preceding columns of line 10	9				
10	Installment payments of section 1446 tax due for foreign partner. Subtract line 9 from line 8. If less than zero, enter -0-	10				

**Worksheet Instructions**

**Line 1—Annualization Periods**

For purposes of annualizing a foreign partner's effectively connected taxable income during the tax year, partnerships must choose one of the following three sets of annualization periods, which are designated as the Standard Option, Option 1, and Option 2:

	<b>1st Installment</b>	<b>2nd Installment</b>	<b>3rd Installment</b>	<b>4th Installment</b>
<b>Standard Option</b>	First 3 months	First 3 months	First 6 months	First 9 months
<b>Option 1</b>	First 2 months	First 4 months	First 7 months	First 10 months
<b>Option 2</b>	First 3 months	First 5 months	First 8 months	First 11 months

If the partnership chooses either Option 1 or 2, it must annually elect to use the option by filing **Form 8842**, Election To Use Different Annualization Periods for Corporate Estimated Tax. Form 8842 must be filed by the 15th day of the 4th month of the tax year for which the election is to apply. The Standard Option can be used without filing Form 8842.

Enter in each column on line 1 the number of months in the annualization periods for the option chosen by the partnership.

**Line 3—Annualization Amounts**

If the partnership chose the Standard Option, enter 4 in column (a), 4 in column (b), 2 in column (c), and 1.33333 in column (d). If the partnership chose Option 1, enter 6 in column (a), 3 in column (b), 1.71429 in column (c), and 1.2 in column (d). If the partnership chose Option 2, enter 4 in column (a), 2.4 in column (b), 1.5 in column (c), and 1.09091 in column (d).

## Country Codes

Enter on line 4, Form 8805, the code, from the list below, for the country of which the partner is a resident for tax purposes. These codes are used by the IRS to provide information to all tax treaty countries for purposes of their tax administration. Generally, the partner's country for both tax and mailing purposes will be the same. In some cases, however, two different countries are involved.

Country	Code		Code
Afghanistan	AF	Chile	CI
Albania	AL	China, People's Republic of	CH
Algeria	AG	Christmas Island (Indian Ocean)	KT
American Samoa	AQ	Christmas Island (Pacific Ocean)	KR
Andorra	AN	Clipperton Island	IP
Angola	AO	Cocos (Keeling) Islands	CK
Anguilla	AV	Colombia	CO
Antarctica	AY	Comoros	CN
Antigua and Barbuda	AC	Congo	CF
Argentina	AR	Cook Islands	CW
Armenia	AM	Coral Sea Islands Territory	CR
Aruba	AA	Costa Rica	CS
Ashmore and Cartier Islands	AT	Cote D'Ivoire (Ivory Coast)	IV
Australia	AS	Croatia	HR
Austria	AU	Cuba	CU
Azerbaijan	AJ	Cyprus	CY
Azores	PO	Czech Republic	EZ
Bahamas, The	BF	Denmark	DA
Bahrain	BA	Djibouti	DJ
Baker Island	FQ	Dominica	DO
Bangladesh	BG	Dominican Republic	DR
Barbados	BB	Ecuador	EC
Bassas da India	BS	Egypt	EG
Belarus	BO	El Salvador	ES
Belgium	BE	Equatorial Guinea	EK
Belize	BH	Eritrea	ER
Benin	BN	Estonia	EN
Bermuda	BD	Ethiopia	ET
Bhutan	BT	Europa Island	EU
Bolivia	BL	Falkland Islands (Islas Malvinas)	FA
Bosnia and Herzegovina	BK	Faroe Islands	FO
Botswana	BC	Fiji	FJ
Bouvet Island	BV	Finland	FI
Brazil	BR	France	FR
British Indian Ocean Territory	IO	French Guiana	FG
Brunei	BX	French Polynesia	FP
Bulgaria	BU	French Southern and Antarctic Lands	FS
Burkina Faso	UV	Gabon	GB
Burma	BM	Gambia, The	GA
Burundi	BY	Gaza Strip	GZ
Cambodia	CB	Georgia	GG
Cameroon	CM	Germany	GM
Canada	CA	Ghana	GH
Canary Islands	SP	Gibraltar	GI
Cape Verde	CV	Glorioso Islands	GO
Cayman Islands	CJ	Greece	GR
Central African Republic	CT	Greenland	GL
Chad	CD	Grenada	GJ
		Guadeloupe	GP
		Guam	GQ
		Guatemala	GT
		Guernsey	GK
		Guinea	GV
		Guinea-Bissau	PU
		Guyana	GY
		Haiti	HA
		Heard Island and McDonald Islands	HM
		Honduras	HO
		Hong Kong	HK
		Howland Island	HQ
		Hungary	HU
		Iceland	IC
		India	IN
		Indonesia	ID
		Iran	IR
		Iraq	IZ
		Iraq-Saudi Arabia Neutral Zone	IY
		Ireland	EI
		Isle of Man	IM
		Israel	IS
		Italy	IT
		Jamaica	JM
		Jan Mayen	JN
		Japan	JA
		Jersey	JE
		Johnston Atoll	JQ
		Jordan	JO
		Juan de Nova Island	JU
		Kazakhstan	KZ
		Kenya	KE
		Kingman Reef	KQ
		Kiribati	KR
		Korea, Democratic People's Republic of (North)	KN
		Korea, Republic of (South)	KS
		Kuwait	KU
		Kyrgyzstan	KG
		Laos	LA
		Latvia	LG
		Lebanon	LE
		Lesotho	LT
		Liberia	LI
		Libya	LY
		Liechtenstein	LS
		Lithuania	LH
		Luxembourg	LU
		Macau	MC
		Macedonia	MK
		Madagascar	MA
		Malawi	MI
		Malaysia	MY
		Maldives	MV
		Mali	ML
		Malta	MT
		Marshall Islands	RM
		Martinique	MB
		Mauritania	MR
		Mauritius	MP
		Mayotte	MF
		Mexico	MX
		Micronesia, Federated States of	FM
		Midway Islands	MQ
		Moldova	MD
		Monaco	MN
		Mongolia	MG
		Montenegro	MW
		Montserrat	MH
		Morocco	MO
		Mozambique	MZ

Namibia . . . . .	WA	Rwanda . . . . .	RW	Togo . . . . .	TO
Nauru . . . . .	NR	St. Kitts and Nevis . . . . .	SC	Tokelau . . . . .	TL
Navassa Island . . . . .	BQ	St. Helena . . . . .	SH	Tonga . . . . .	TN
Nepal . . . . .	NP	St. Lucia . . . . .	ST	Trinidad and Tobago . . . . .	TD
Netherlands, The . . . . .	NL	St. Pierre and Miquelon . . . . .	SB	Tromelin Island . . . . .	TE
Netherlands Antilles . . . . .	NA	St. Vincent and the Grenadines . . . . .	VC	Trust Territory of the Pacific Islands . . . . .	PS
New Caledonia . . . . .	NC	San Marino . . . . .	SM	Tunisia . . . . .	TS
New Zealand . . . . .	NZ	Sao Tome and Principe . . . . .	TP	Turkey . . . . .	TU
Nicaragua . . . . .	NU	Saudi Arabia . . . . .	SA	Turkmenistan . . . . .	TX
Niger . . . . .	NG	Senegal . . . . .	SG	Turks and Caicos Islands . . . . .	TK
Nigeria . . . . .	NI	Serbia . . . . .	SR	Tuvalu . . . . .	TV
Niue . . . . .	NE	Seychelles . . . . .	SE	Uganda . . . . .	UG
Norfolk Island . . . . .	NF	Sierra Leone . . . . .	SL	Ukraine . . . . .	UP
Northern Ireland . . . . .	UK	Singapore . . . . .	SN	United Arab Emirates . . . . .	TC
Northern Mariana Islands . . . . .	CQ	Slovakia . . . . .	LO	United Kingdom . . . . .	UK
Norway . . . . .	NO	Slovenia . . . . .	SI	Uruguay . . . . .	UY
Oman . . . . .	MU	Solomon Islands . . . . .	BP	Uzbekistan . . . . .	UZ
Pakistan . . . . .	PK	Somalia . . . . .	SO	Vanuatu . . . . .	NH
Palmyra Atoll . . . . .	LQ	South Africa . . . . .	SF	Vatican City . . . . .	VT
Panama . . . . .	PM	Spain . . . . .	SP	Venezuela . . . . .	VE
Papua New Guinea . . . . .	PP	Spratly Islands . . . . .	PG	Vietnam . . . . .	VM
Paracel Islands . . . . .	PF	Sri Lanka . . . . .	CE	Virgin Islands (British) . . . . .	VI
Paraguay . . . . .	PA	Sudan . . . . .	SU	Virgin Islands (U.S.) . . . . .	VQ
Peru . . . . .	PE	Suriname . . . . .	NS	Wake Island . . . . .	WQ
Philippines . . . . .	RP	Svalbard . . . . .	SV	Wallis and Futuna . . . . .	WF
Pitcairn Islands . . . . .	PC	Swaziland . . . . .	WZ	West Bank . . . . .	WE
Poland . . . . .	PL	Sweden . . . . .	SW	Western Sahara . . . . .	WI
Portugal . . . . .	PO	Switzerland . . . . .	SZ	Western Samoa . . . . .	WS
Puerto Rico . . . . .	RQ	Syria . . . . .	SY	Yemen . . . . .	YM
Qatar . . . . .	QA	Taiwan . . . . .	TW	Zaire . . . . .	CG
Reunion . . . . .	RE	Tajikistan . . . . .	TI	Zambia . . . . .	ZA
Romania . . . . .	RO	Tanzania, United Republic of . . . . .	TZ	Zimbabwe . . . . .	ZI
Russia . . . . .	RS	Thailand . . . . .	TH	Other Countries . . . . .	OC