

IRM PROCEDURAL UPDATE

DATE: 05/16/2025

NUMBER: ts-03-0525-3295

SUBJECT: Number of Partners

AFFECTED IRM(s)/SUBSECTION(s): 3.12.15

CHANGE(s):

IRM 3.12.15.4.11(4) d. - Added new instruction to include IRC 501(d) in the table.

IRM 3.12.15.4.11(4) e. – Added new instruction to verify the number of partners due to programming change.

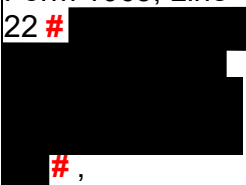
(4) Correction Procedures:

- a. Correct coding and transcription errors.
- b. If Form 1065, Line I is zero or blank, check the return and attachments for any indication of the number of partners and enter in Field 01NOP.
- c. If the number of partners is not found, follow the procedures below:

If	And	Then
Amended return ("G" Coded),		GTSEC 01 and enter "G" in Field 01CCC.
"Final" return,		1. GTSEC 01 and enter "F" in Field 01CCC. 2. Enter "2" in Field 01NOP.
IRC 736 or Treas. Reg. 1.736-1 (Payment to a retiring partner),		Enter "2" in Field 01NOP.
Reinput/Re-entry document,		Enter "2" in Field 01NOP.
Returns filed for 201412 and before Tax Periods		Enter "2" in Field 01NOP.
IRC 501(d) return (Religious and Apostolic		Enter "2" in Field 01NOP.

Organizations), IRC 6020(b),		1. GTSEC 01 and enter "4" in Field 01CCC. 2. Enter "6" in Field 01NOP.
Short Record return, See IRM 3.12.15.2.15.1 for a description of a Short Record,		Enter "2" in Field 01NOP.
Form 1065, Line 22 # [REDACTED] [REDACTED] #	Form 8825 is attached, and Line 21 on Form 8825, # [REDACTED] [REDACTED] #,	Enter "2" in Field 01NOP.
Form 1065, Line 22 # [REDACTED] [REDACTED] #,	Form 8825 is not attached,	Enter "2" in Field 01NOP.
Form 1065, # [REDACTED] [REDACTED] [REDACTED] #	Form 8825 is attached, and Line 21 on Form 8825, # [REDACTED] [REDACTED] #	1. If Schedules K-1 are attached, enter the number of Schedules K-1 to Field 01NOP and continue processing. 2. If Schedules K-1 are not attached, and there is no indication C&E issued Letter 1355C for the missing Schedules K-1, then: ▪ GTSEC 01 and enter "33" in Field 01MSC. ▪ enter "2" in Field 01NOP.
Form 1065, Line 22 # [REDACTED] [REDACTED] [REDACTED] #,	Form 8825 is not attached,	1. Review the return and attachments for Schedules K-1 or an indication C&E issued Letter 1355C for missing Schedules K-1. And/or missing Form 8825, if needed, etc. Note: C&E is instructed to notate in the lower

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		right hand corner of Form 1065 if they issue Letter 1355C - If Schedules K-1 are attached, enter the number of Schedules K-1 to Field 01NOP and continue processing. - If there is no indication Letter 1355C was sent, then: - GTSEC 01 and enter “33” in Field 01MSC. - enter “2” in Field 01NOP.
Form 1065, Line 22 #  # ,	Form 8825 is attached,	- Review the return and attachments for Schedules K-1 or, an indication C&E issued Letter 1355C, e.g., for missing Schedules K-1. And any other condition, such as missing schedule, missing signature, etc. Note: C&E is instructed to notate in the lower right hand corner of Form 1065 if they issue Letter 1355C - If there is no Schedules K-1 and no indication Letter 1355C was sent, then: - GTSEC 01 and enter 33 in Field 01MSC. - enter “2” in Field 01NOP.

- d. If the partnership shows that the number of Schedules K-1 is “1” or the attached Schedule K-1 shows 100 percent interest in the partnership, follow the procedures below:

If	Then
Schedule K-1 shows two names in the partners’ Name and Address Section,	Correspond requesting Schedules K-1 for each partner using Letter 1355C.
IRC 501(d) return (Religious and Apostolic Organizations),	Enter “2” in Field 01NOP.
Partnership entity section shows: ○ “Limited Partnership” (LP) ○ “Limited Liability Partnership” (LLP) ○ “Limited Liability Company” (LLC) ○ “Limited Liability Land Trust” (LLLT) ○ “Unincorporated Business Organization” (UBO) or ○ “2”, “3” or “4” is present in Field 06LPC,	1. GTSEC 01 and enter CCC “F” in Field 01CCC. 2. Enter “2” in Field 01NOP. 3. Advise the taxpayer that we are deleting the partnership filing requirement with a non-suspense Letter 3733C.
Partnership shows payment to a retired or deceased partner or cites IRC 736 or Treasury Regulations 1.736–1,	Enter “2” in Field 01NOP.
The partnership shows this is a “Final” Return,	1. GTSEC 01 and enter CCC “F” in Field 01CCC, if necessary. 2. Enter 2 in Field 01NOP.
The partnership does not show this is a final return or does not notate: ○ IRC 736 or Treas. Reg. 1.736-1 ○ “Limited Liability Partnership” (LLP) ○ “Limited Liability Company” (LLC) ○ “Limited Liability Land Trust” (LLLT) ○ “Unincorporated Business Organization” (UBO),	Correspond informing the partnership that the partnership cannot have one partner and ask for an explanation using Letter 1355C.
The partnership submits a response to our request for Schedules K-1,	1. Change the number of Schedules K-1 to the number given by the partnership.

	2. Write the DLN of the parent return in the upper left corner of the first Schedule K-1. 3. Place Schedules K-1 in a gusset folder. 4. Forward the folder with the Schedules K-1 to Batchring & Numbering to process the Schedules K-1.
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- e. If Field 01NOP displays as a field error and "P" is present in Field 01RP1 or Field 01RP2, then do the following:

If	Then
The entry in Field 01NOP differs from Line I, Form 1065, Page 1,	1. Enter the Number of Partners from Line I, Form 1065, Page 1 into Field 01NOP. 2. Enter "Q" into Field 01RP1 or Field 01RP2.
The entry in Field 01NOP is the same as Line I, Form 1065, Page 1,	Enter "Q" into Field 01RP1 or Field 01RP2.

Text Only Link

Number of Partners Designation

DRAFT		Form 1065		U.S. Return of Partnership Income		OMB No. 1545-0123	
Department of the Treasury Internal Revenue Service		For calendar year 2024, or tax year beginning _____, 2024, ending _____, 20____.				2024	
Go to www.irs.gov/Form1065 for instructions and the latest information.							
A Principal business activity		Name of partnership		D Employer identification number			
B Principal product or service	Type or Print	Number, street, and room or suite no. If a P.O. box, see instructions.		E Date business started			
C Business code number		City or town, state or province, country, and ZIP or foreign postal code		F Total assets (see instructions)			
G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return							
H Check accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify):							
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year:		01NOP ←					
J Check if Schedules C and M-3 are attached ☐							
K Check if partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes							

Number of Partners

DRAFT		Form 1065		U.S. Return of Partnership Income		OMB No. 1545-0123	
Department of the Treasury Internal Revenue Service		For calendar year 2024, or tax year beginning 1-01 , 2024, ending 12-31 , 20 24 .				2024	
Go to www.irs.gov/Form1065 for instructions and the latest information.							
A Principal business activity Sports		Name of partnership Taipan Associates		D Employer identification number 00-2345678			
B Principal product or service Baseball	Type or Print	Number, street, and room or suite no. If a P.O. box, see instructions. 777 Salamander Ave		E Date business started 08-01-2007			
C Business code number 711210		City or town, state or province, country, and ZIP or foreign postal code Honolulu, HI 99820		F Total assets (see instructions) \$ 9,910			
G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return							
H Check accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify):							
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year:		22 ←					
J Check if Schedules C and M-3 are attached ☐							
K Check if partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes							

Figure 3.12.15-6
Number of Partners (01NOP)

IRM 3.12.15.4.30(4) - Added RPC "P" and RPC "Q" to the table for NUM-PARTNERS field due to programming change.

(4) Correction Procedures:

- a. Correct misplaced entries and transcription errors.
- b. When the code(s) entered on the return are illegible or invalid, examine the return and enter the correct code from the table below:

Note: RPCs do not need to be entered in any specific order.

RPC	Explanation
A	Form 5471, Schedule E, Income, War Profits, and Excess Profits Taxes Paid or Accrued, is attached.

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B	Form 5471, Schedule H, Current Earnings and Profits, is attached.
C	Form 5471, Schedule I-1, Information for Global Intangible Low-Taxed Income, is attached.
D	Form 5471, Schedule P, Previously Taxed Earnings and Profits of U.S. Shareholder in Certain Foreign Corporations, is attached.
E	Form 8865, Schedule G, Statement of Application of the Gain Deferred Method Under Section 721(c), is attached.
F	Form 8865, Schedule H, Acceleration Events and Exceptions Reporting Relating to Gain Deferral Method Under Section 721(c), is attached.
G	Form 5471, Schedule G-1, Cost Sharing Arrangement.
J	Taxpayer writes IRA22DPE on Form 1065, or on an attachment.
K	Taxpayer writes IRA22TRE on Form 1065, or on an attachment.
L	Form 7204, Consent to Extend the Time to Assess Tax related to Contested Foreign Income Taxes - Provisional Foreign Tax Credit Agreement, is attached.
M	Form 7205, Energy Efficient Commercial Buildings Deduction, is attached.
P	Review required for NUM-PARTNERS>999
Q	Review completed for NUM-PARTNERS>999
2	Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), is attached.
4	Form 8994, Employer Credit for Paid Family and Medical Leave, is attached.
6	Form 8996, Qualified Opportunity Fund, is attached.
7	Form 8990, Limitation on Business Interest Expense IRC 163(j), is attached.
9	Form 8997, Initial and Annual Statement of Qualified Opportunity Fund "QOF" Investments, is attached.