

## 2021 PTE Owner Statement: K-2 and K-3 Schedules

The IRS has instituted 2 new form requirements (K-2 and K-3) comprising 39 pages of disclosures regarding foreign activities for all Partnership and S-Corporation income tax returns. On January 18th, the IRS released final guidance regarding these forms that expands the situations in which these forms are required to be filed. These forms are not required if your partnership or S-Corporation has no foreign activities **and if the individual partners or shareholders are exempt from filing IRS Form 1116 (Foreign Tax Credit) with their individual Form 1040.**

**If you do not acknowledge that you are exempt from filing Form 1116 with your 2021 Form 1040, we are required to complete these new forms and your tax preparation fee will increase significantly.** IRS Notice 2021-39 allows us to rely on a good faith safe harbor of your statement that you do not personally have to file IRS Form 1116 with your 2021 individual Federal income tax form. If you are not required to file form 1116 with your 2021 individual income tax return, please sign below.

**This form must be completed by all partners/shareholders.** A lack of response from an owner will default to "yes" on the requirement to file Form 1116. Please forward a paper copy or the form link (both available on our website) and have all other owners individually sign as well to avoid a required filing of Schedule K-2 and K-3.

### Owner Statement

Partnership or S-Corporation name:

Owner Name:

Are you personally subject to filing Form 1116 (Foreign Tax Credit) with your 2021 individual federal income tax return form 1040?  Yes  No *Please check with your personal tax advisor if you are unsure of your filing requirements.*

Sign below:

Signature:

Date:

Please promptly return this form to:

JK Associates LLC  
9250 Berger Road Suite 310  
Columbia, MD 21046  
info@jkassociatetestax.com