

1 State agency of such State with the au-
2 thority to regulate electric utilities.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall take effect as if included in section 319
5 of the American Jobs Creation Act of 2004.

6 **TITLE II—TECHNICAL CORREC-**
7 **TIONS RELATED TO PART-**
8 **nership AUDIT RULES**

9 **SEC. 201. SCOPE OF ADJUSTMENTS SUBJECT TO PARTNER-**
10 **SHIP AUDIT RULES.**

11 (a) IN GENERAL.—Section 6241(2) is amended to
12 read as follows:

13 “(2) PARTNERSHIP ADJUSTMENT.—

14 “(A) IN GENERAL.—The term ‘partnership
15 adjustment’ means any adjustment to a part-
16 nership-related item.

17 “(B) PARTNERSHIP-RELATED ITEM.—The
18 term ‘partnership-related item’ means—

19 “(i) any item or amount with respect
20 to the partnership (without regard to
21 whether or not such item or amount ap-
22 pears on the partnership’s return and in-
23 cluding any item or amount relating to any
24 transaction with, basis in, or liability of,
25 the partnership) which is relevant (deter-

1 mined without regard to this subchapter)
2 in determining the tax liability of any per-
3 son under chapter 1, and

4 “(ii) any partner’s distributive share
5 of any item or amount described in clause
6 (i).”.

7 (b) COORDINATION WITH OTHER CHAPTERS.—Sec-
8 tion 6241 is amended by adding at the end the following
9 new paragraph:

10 “(9) COORDINATION WITH OTHER CHAPTERS.—
11 This subchapter shall not apply with respect to any
12 tax imposed (or any amount required to be deducted
13 or withheld) under chapter 2, 2A, 3, or 4, except
14 that any partnership adjustment determined under
15 this subchapter for purposes of chapter 1 shall be
16 taken into account for purposes of determining any
17 such tax to the extent that such adjustment is rel-
18 evant to such determination.”.

19 (c) CONFORMING AMENDMENTS.—

20 (1) Section 6211(c) is amended to read as fol-
21 lows:

22 “(c) COORDINATION WITH SUBCHAPTER C.—In de-
23 termining the amount of any deficiency for purposes of
24 this subchapter, adjustments to partnership-related items
25 shall be made only as provided in subchapter C.”.

1 (2) Section 6221(a) is amended to read as fol-
2 lows:

3 “(a) IN GENERAL.—Any adjustment to a partner-
4 ship-related item shall be determined, and any tax attrib-
5 utable thereto shall be assessed and collected, and the ap-
6 plicability of any penalty, addition to tax, or additional
7 amount which relates to an adjustment to any such item
8 shall be determined, at the partnership level, except to the
9 extent otherwise provided in this subchapter.”.

10 (3) Section 6222(a) is amended to read as fol-
11 lows:

12 “(a) IN GENERAL.—A partner shall, on the partner’s
13 return, treat any partnership-related item in a manner
14 which is consistent with the treatment of such item on
15 the partnership return.”.

16 (4) Section 6226(a)(2) is amended by striking
17 “any adjustment to income, gain, loss, deduction, or
18 credit” and inserting “any adjustment to a partner-
19 ship-related item”.

20 (5) Section 6227(a) is amended by striking
21 “items of income, gain, loss, deduction, or credit of
22 the partnership” and inserting “partnership-related
23 items”.

24 (6) Section 6231(a)(1) is amended by striking
25 “any item of income, gain, loss, deduction, or credit

1 of a partnership for a partnership taxable year” and
2 inserting “any partnership-related item for any part-
3 nership taxable year”.

4 (7) Section 6234(c) is amended by striking “all
5 items of income, gain, loss, deduction, or credit of
6 the partnership” and inserting “all partnership-re-
7 lated items”.

8 **SEC. 202. DETERMINATION OF IMPUTED UNDERPAYMENTS.**

9 (a) IN GENERAL.—Section 6225(b) is amended to
10 read as follows:

11 “(b) DETERMINATION OF IMPUTED UNDERPAY-
12 MENTS.—For purposes of this subchapter—

13 “(1) IN GENERAL.—Except as otherwise pro-
14 vided in this section, any imputed underpayment
15 with respect to any reviewed year shall be deter-
16 mined by the Secretary by—

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

20 “(B) applying the highest rate of tax in ef-
21 fect for the reviewed year under section 1 or
22 11.

23 “(2) ADJUSTMENTS TO DISTRIBUTIVE SHARES
24 OF PARTNERS NOT NETTED.—In the case of any ad-
25 justment which reallocates the distributive share of

1 any item from one partner to another, such adjust-
2 ment shall be taken into account by disregarding so
3 much of such adjustment as results in a decrease in
4 the amount of the imputed underpayment.

5 “(3) ADJUSTMENTS SEPARATELY NETTED BY
6 CATEGORY.—For purposes of paragraph (1)(A),
7 partnership adjustments for any reviewed year shall
8 first be separately determined (and netted as appro-
9 priate) within each category of items that are re-
10 quired to be taken into account separately under
11 section 702(a) or other provision of this title.

12 “(4) LIMITATION ON ADJUSTMENTS THAT MAY
13 BE TAKEN INTO ACCOUNT.—If any adjustment
14 would (but for this paragraph)—

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

17 “(B) could be subject to any additional
18 limitation under the provisions of this title (or
19 not allowed, in whole or in part, against ordi-
20 nary income) if such adjustment were taken
21 into account by any person,

22 such adjustment shall not be taken into account
23 under paragraph (1)(A) except to the extent other-
24 wise provided by the Secretary.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 6225(a) is amended to read as fol-
2 lows:

3 “(a) IN GENERAL.—In the case of any adjustments
4 by the Secretary to any partnership-related items with re-
5 spect to any reviewed year of a partnership—

6 “(1) if such adjustments result in an imputed
7 underpayment, the partnership shall pay an amount
8 equal to such imputed underpayment in the adjust-
9 ment year as provided in section 6232, and

10 “(2) if such adjustments do not result in an im-
11 puted underpayment, such adjustments shall be
12 taken into account by the partnership in the adjust-
13 ment year.”.

14 (2) Section 6225(e) is amended by adding at
15 the end the following new paragraph:

16 “(9) MODIFICATION OF ADJUSTMENTS NOT RE-
17 SULTING IN AN IMPUTED UNDERPAYMENT.—The
18 Secretary shall establish procedures under which the
19 adjustments described in subsection (a)(2) may be
20 modified in such manner as the Secretary deter-
21 mines appropriate.”.

1 **SEC. 203. ALTERNATIVE PROCEDURE TO FILING AMENDED**
2 **RETURNS FOR PURPOSES OF MODIFYING IM-**
3 **PUTED UNDERPAYMENT.**

4 (a) IN GENERAL.—Section 6225(c)(2) is amended to
5 read as follows:

6 “(2) PROCEDURES FOR PARTNERS TO TAKE AD-
7 JUSTMENTS INTO ACCOUNT.—

8 “(A) AMENDED RETURNS OF PARTNERS.—

9 Such procedures shall provide that if—

10 “(i) one or more partners file returns
11 for the taxable year of the partners which
12 includes the end of the reviewed year of
13 the partnership (and for any taxable year
14 with respect to which any tax attribute is
15 affected by reason of any adjustment re-
16 ferred to in clause (ii)),

17 “(ii) such returns take into account
18 all adjustments under subsection (a) prop-
19 erly allocable to such partners (and the ef-
20 fect of such adjustments on any tax at-
21 tributes), and

22 “(iii) payment of any tax due is in-
23 cluded with such returns,

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

1 “(B) ALTERNATIVE PROCEDURE TO FIL-
2 ING AMENDED RETURNS.—Such procedures
3 shall provide that, with respect to any partner
4 referred to in subparagraph (A), the require-
5 ments of subparagraph (A) shall be treated as
6 satisfied with respect to adjustments properly
7 allocable to such partner if, in lieu of filing the
8 returns described in such subparagraph—

9 “(i) the amounts described in sub-
10 paragraph (A)(iii) are paid by the partner,

11 “(ii) the adjustments to the tax at-
12 tributes of such partner referred to in sub-
13 paragraph (A)(ii) are binding with respect
14 to all subsequent taxable years of the part-
15 ner, and

16 “(iii) such partner provides, in the
17 form and manner specified by the Sec-
18 retary (including, if the Secretary so speci-
19 fies, in the same form as on an amended
20 return), such information as the Secretary
21 may require to carry out this subpara-
22 graph.

23 “(C) REALLOCATION OF DISTRIBUTIVE
24 SHARE.—In the case of any adjustment which
25 reallocates the distributive share of any item

1 from one partner to another, this paragraph
2 shall apply with respect to any such partner
3 only if the requirements of subparagraph (A) or
4 (B) are satisfied with respect to all partners af-
5 fected by such adjustment.

6 “(D) APPLICATION OF STATUTE OF LIM-
7 TATIONS.—Sections 6501 and 6511 shall not
8 apply with respect to any return filed for pur-
9 poses of subparagraph (A)(i) or any amount
10 paid under subparagraph (A)(iii) or (B)(i), but
11 only with respect to adjustments referred to in
12 subparagraph (A)(ii).

13 “(E) APPLICATION TO TIERED PARTNER-
14 SHIPS.—In the case of any partnership any
15 partner of which is a partnership, except as
16 otherwise provided by the Secretary, subpara-
17 graph (B) shall apply with respect to any part-
18 ner in the chain of ownership of such partner-
19 ships. For purposes of applying the preceding
20 sentence, an S corporation and its shareholders
21 shall be treated in the same manner as a part-
22 nership and its partners.”.

23 (b) CONFORMING AMENDMENT.—Section 6201(a)(1)
24 is amended by inserting “(or payments under section
25 6225(c)(2)(B)(i))” after “returns or lists”.

1 **SEC. 204. TREATMENT OF PASSTHROUGH PARTNERS IN**
2 **TIERED STRUCTURES.**

3 (a) IN GENERAL.—Section 6226(b) is amended by
4 adding at the end the following new paragraph:

5 “(4) TREATMENT OF PARTNERSHIPS IN TIERED
6 STRUCTURES.—

7 “(A) IN GENERAL.—If a partner which re-
8 ceives a statement under subsection (a)(2) is a
9 partnership or an S corporation, such partner
10 shall, with respect to the partner’s share of the
11 adjustment—

12 “(i) file with the Secretary a partner-
13 ship adjustment tracking report which in-
14 cludes such information as the Secretary
15 may require, and

16 “(ii) either—

17 “(I) pay the imputed under-
18 payment under rules similar to the
19 rules of section 6225 (other than
20 paragraphs (2)(A), (6), (7), and (9) of
21 subsection (c) thereof), or

22 “(II) furnish statements under
23 rules similar to the rules of subsection
24 (a)(2).

25 “(B) DUE DATE.—For purposes of sub-
26 paragraph (A), with respect to a partner’s

1 share of the adjustment, the partnership adjust-
2 ment tracking report shall be filed, and the im-
3 puted underpayment shall be paid or state-
4 ments shall be furnished, not later than the due
5 date for the return for the taxable year of the
6 audited partnership which includes the date the
7 final determination was made with respect to
8 such partnership.

9 “(C) PARTNERSHIP PAYMENT OF TAX NOT
10 PERMITTED IF ELECTED OUT OF SUB-
11 CHAPTER.—In the case of a partnership which
12 has elected the application of section 6221(b)
13 with respect to the taxable year of the partner-
14 ship which includes the end of the reviewed year
15 of the audited partnership, this paragraph shall
16 apply notwithstanding such election, except that
17 subparagraph (A) shall be applied without re-
18 gard to clause (ii)(I) thereof.

19 “(D) AUDITED PARTNERSHIP.—For pur-
20 poses of this paragraph, the term ‘audited part-
21 nership’ means, with respect to any partner de-
22 scribed in subparagraph (A), the partnership in
23 the chain of ownership originally electing the
24 application of this section.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 6226(b)(1) is amended by striking
2 “Each partner’s” and inserting “Except as provided
3 in paragraph (4), each partner’s”.

4 (2) Section 6226(c)(2) is amended by inserting
5 “or which is described in subsection
6 (b)(4)(A)(ii)(I),” after “is elected,”.

7 **SEC. 205. TREATMENT OF FAILURE OF PARTNERSHIP TO**
8 **PAY IMPUTED UNDERPAYMENT.**

9 Section 6232 is amended by adding at the end the
10 following new subsection:

11 “(f) FAILURE TO PAY IMPUTED UNDERPAYMENT.—

12 “(1) IN GENERAL.—If any amount of any im-
13 puted underpayment to which section 6225 applies
14 or which is described in section 6226(b)(4)(A)(ii)(I)
15 (or any interest or penalties with respect to any such
16 amount) has not been paid by the date which is 10
17 days after the date on which the Secretary provides
18 notice and demand for such payment—

19 “(A) section 6621(a)(2)(B) shall be ap-
20 plied by substituting ‘5 percentage points’ for ‘3
21 percentage points’ with respect to such amount,
22 and

23 “(B) the Secretary may assess upon each
24 partner of the partnership (determined as of
25 the close of the adjustment year) a tax equal to

1 such partner’s proportionate share of such
2 amount (including any such interest or pen-
3 alties, determined after application of subpara-
4 graph (A)).

5 “(2) PROPORTIONATE SHARE.—For purposes of
6 paragraph (1), a partner’s proportionate share is
7 such percentage as the Secretary may determine on
8 the basis of such partner’s distributive share of
9 items under section 702. The Secretary shall make
10 determinations under the preceding sentence such
11 that the aggregate proportionate shares so deter-
12 mined total 100 percent.

13 “(3) COORDINATION WITH PARTNERSHIP LI-
14 ABILITY.—The liability of the partnership for any
15 amount with respect to which a partner is made lia-
16 ble under paragraph (1) shall be reduced upon pay-
17 ment by the partner of such amount. Paragraph
18 (1)(B) shall not apply with respect to any amount
19 after the date on which such amount is paid by the
20 partnership.

21 “(4) S CORPORATIONS.—For purposes of this
22 subsection, an S corporation and its shareholders
23 shall be treated in the same manner as a partner-
24 ship and its partners.

1 “(5) RULES RELATED TO ASSESSMENT AND
2 COLLECTION.—

3 “(A) DEFICIENCY PROCEDURES NOT AP-
4 PLICABLE.—Subchapter B shall not apply to
5 any assessment or collection under this para-
6 graph.

7 “(B) LIMITATION ON ASSESSMENT.—Ex-
8 cept as otherwise provided in this chapter, no
9 assessment may be made with respect to any
10 partner with respect to an amount under para-
11 graph (1) (and no levy or proceeding in any
12 court for the collection of such amount may
13 begin) after the date which is 2 years after the
14 date on which the Secretary provides notice and
15 demand to the partnership with respect to such
16 amount.”.

17 **SEC. 206. OTHER TECHNICAL CORRECTIONS RELATED TO**
18 **PARTNERSHIP AUDIT RULES.**

19 (a) LIMITATION ON AMENDMENT OF STATEMENTS
20 FURNISHED TO PARTNERS NOT APPLICABLE TO PART-
21 NERSHIPS ELECTING OUT OF PARTNERSHIP AUDIT
22 RULES.—Section 6031(b) is amended by striking the last
23 sentence and inserting the following: “Information re-
24 quired to be furnished by the partnership under this sub-
25 section may not be amended after the due date of the re-

1 turn under subsection (a) to which such information re-
2 lates, except—

3 “(1) in the case of a partnership which has
4 elected the application of section 6221(b) for the
5 taxable year,

6 “(2) as provided in the procedures under sec-
7 tion 6225(c),

8 “(3) with respect to statements under section
9 6226, or

10 “(4) as otherwise provided by the Secretary.”.

11 (b) ADMINISTRATIVE ADJUSTMENT REQUEST AND
12 PARTNERSHIP ADJUSTMENT TRACKING REPORT NOT
13 TREATED AS AMENDED RETURN FOR PURPOSES OF
14 MODIFICATION OF IMPUTED UNDERPAYMENTS.—Section
15 6225(c)(2), as amended by the preceding provisions of this
16 Act, is amended by adding at the end the following new
17 subparagraph:

18 “(F) ADJUSTMENTS NOT TREATED AS
19 AMENDED RETURN.—An administrative adjust-
20 ment request under section 6227 and a partner-
21 ship adjustment tracking report under section
22 6226(b)(4)(A) shall not be treated as a return
23 for purposes of this paragraph.”.

24 (c) CLARIFICATION OF FINAL DETERMINATION
25 WITH RESPECT TO PARTNERSHIP ADJUSTMENT.—

1 (1) IN GENERAL.—Section 6226(a)(2) is
2 amended by striking “in the notice of final partner-
3 ship adjustment” and inserting “by reference to the
4 final determination with respect to such adjust-
5 ment”.

6 (2) FINAL DETERMINATION.—Section 6225(d)
7 is amended by adding at the end the following new
8 paragraph:

9 “(3) FINAL DETERMINATION.—The final deter-
10 mination is made with respect to an adjustment on
11 the date on which—

12 “(A) in the case of an adjustment pursu-
13 ant to the decision of a court in a proceeding
14 brought under section 6234, such decision be-
15 comes final,

16 “(B) in the case of an administrative ad-
17 justment request under section 6227, such ad-
18 ministrative adjustment request is filed, or

19 “(C) in any other case, 90 days after the
20 date on which the notice of the final partner-
21 ship adjustment is mailed under section 6231.”.

22 (3) CONFORMING AMENDMENTS.—

23 (A) Section 6225(d)(2) is amended by
24 striking “in which—” and all that follows and

1 inserting “in which the final determination is
2 made with respect to the adjustment.”.

3 (B) Section 6227(b) is amended by strik-
4 ing “is made” both places it appears and in-
5 serting “is filed”.

6 (d) CLARIFICATION OF ASSESSMENT AUTHORITY.—
7 Section 6226(a) is amended by inserting “(and no assess-
8 ment of tax, levy, or proceeding in any court for the collec-
9 tion of such underpayment shall be made against such
10 partnership)” after “section 6225 shall not apply with re-
11 spect to such underpayment”.

12 (e) TREATMENT OF PARTNERSHIP ADJUSTMENTS
13 THAT RESULT IN DECREASE IN TAX IN CASE OF ELEC-
14 TION TO PUSH OUT ADJUSTMENTS.—Section 6226(b) is
15 amended—

16 (1) by striking “increased” in paragraph (1)
17 and inserting “adjusted”,

18 (2) by striking “adjustment amounts” each
19 place it appears in paragraphs (1) and (2) and in-
20 serting “correction amounts”,

21 (3) by striking “increase” each place it appears
22 in subparagraphs (A) and (B) of paragraph (2) and
23 inserting “increase or decrease”,

24 (4) by striking “plus” at the end of paragraph
25 (2)(A) and inserting “and”, and

1 (5) by striking “ADJUSTMENT AMOUNTS” in
2 the heading of paragraph (2) and inserting “COR-
3 RECTION AMOUNTS”.

4 (f) TIME LIMITATION FOR NOTICE OF PROPOSED
5 ADJUSTMENT.—

6 (1) IN GENERAL.—Section 6231 is amended by
7 redesignating subsections (b) and (c) as subsections
8 (c) and (d), respectively, and by inserting after sub-
9 section (a) the following new subsection:

10 “(b) TIMING OF NOTICES.—

11 “(1) NOTICE OF PROPOSED PARTNERSHIP AD-
12 JUSTMENT.—Any notice of a proposed partnership
13 adjustment shall not be mailed later than the date
14 determined under section 6235 (determined without
15 regard to paragraphs (2) and (3) of subsection (a)
16 thereof).

17 “(2) NOTICE OF FINAL PARTNERSHIP ADJUST-
18 MENT.—

19 “(A) IN GENERAL.—Except to the extent
20 that the partnership elects to waive the applica-
21 tion of this subparagraph, any notice of a final
22 partnership adjustment shall not be mailed ear-
23 lier than 270 days after the date on which the
24 notice of the proposed partnership adjustment
25 is mailed.

1 “(B) STATUTE OF LIMITATIONS ON AD-
2 JUSTMENT.—For the period of limitations on
3 making adjustments, see section 6235.”.

4 (2) CONFORMING AMENDMENT.—Section
5 6231(a) is amended by striking “Any notice of a
6 final partnership adjustment” and all that follows
7 through “Such notices” and inserting “Any notice of
8 a final partnership adjustment”.

9 (g) DEPOSIT TO SUSPEND INTEREST ON IMPUTED
10 UNDERPAYMENT.—Section 6233 is amended by adding at
11 the end the following new subsection:

12 “(c) DEPOSIT TO SUSPEND INTEREST.—For rules al-
13 lowing deposits to suspend running of interest on potential
14 underpayments, see section 6603.”.

15 (h) TREATMENT OF SPECIAL ENFORCEMENT MAT-
16 TERS.—Section 6241, as amended by the preceding provi-
17 sions of this Act, is amended by adding at the end the
18 following new paragraph:

19 “(10) TREATMENT OF SPECIAL ENFORCEMENT
20 MATTERS.—

21 “(A) IN GENERAL.—In the case of part-
22 nership-related items which involve special en-
23 forcement matters, the Secretary may prescribe
24 regulations pursuant to which—

1 “(i) this subchapter (or any portion
2 thereof) does not apply to such items, and

3 “(ii) such items are subject to such
4 special rules (including rules related to as-
5 sessment and collection) as the Secretary
6 determines to be necessary for the effective
7 and efficient enforcement of this title.

8 “(B) SPECIAL ENFORCEMENT MATTERS.—
9 For purposes of subparagraph (A), the term
10 ‘special enforcement matters’ means—

11 “(i) failures to comply with the re-
12 quirements of section 6226(b)(4)(A)(ii),

13 “(ii) assessments under section 6851
14 (relating to termination assessments of in-
15 come tax) or section 6861 (relating to
16 jeopardy assessments of income, estate,
17 gift, and certain excise taxes),

18 “(iii) criminal investigations,

19 “(iv) indirect methods of proof of in-
20 come,

21 “(v) foreign partnerships, and

22 “(vi) other matters that the Secretary
23 determines by regulation present special
24 enforcement considerations.”.

1 (i) PENALTIES RELATED TO ADMINISTRATIVE AD-
2 JUSTMENT REQUESTS AND PARTNERSHIP ADJUSTMENT
3 TRACKING REPORTS.—

4 (1) FAILURE TO PAY.—Section 6651 is amend-
5 ed by redesignating subsection (i) as subsection (j)
6 and by inserting after subsection (h) the following
7 new subsection:

8 “(i) APPLICATION TO IMPUTED UNDERPAYMENT.—
9 For purposes of this section, any failure to comply with
10 section 6226(b)(4)(A)(ii) shall be treated as a failure to
11 pay the amount described in subclause (I) thereof and
12 such amount shall be treated for purposes of this section
13 as an amount shown as tax on a return specified in sub-
14 section (a)(1).”.

15 (2) FAILURE TO FILE PARTNERSHIP ADJUST-
16 MENT TRACKING REPORT.—Section 6698(a) is
17 amended—

18 (A) in the matter preceding paragraph (1)
19 by inserting “, or a partnership adjustment
20 tracking report under section 6226(b)(4)(A),”
21 after “under section 6031”, and

22 (B) in paragraph (1) by inserting “, or
23 such report,” after “such return”, and

24 (C) in paragraph (2)—

1 (i) by inserting “or a report” after “a
2 return”, and

3 (ii) by inserting “or 6226(b)(4)(A),
4 respectively” before the comma at the end.

5 (3) TAX RETURN PREPARER RELATED PEN-
6 ALTIES.—Section 6696(e)(1) is amended by insert-
7 ing “, any administrative adjustment request under
8 section 6227, and any partnership adjustment track-
9 ing report under section 6226(b)(4)(A)” before the
10 period at the end.

11 (4) FRIVOLOUS TAX SUBMISSIONS.—Section
12 6702 is amended by adding at the end the following
13 new subsection:

14 “(f) PARTNERSHIP ADJUSTMENTS.—An administra-
15 tive adjustment request under section 6227 and a partner-
16 ship adjustment tracking report under section
17 6226(b)(4)(A) shall be treated as a return for purposes
18 of this section.”.

19 (j) ADJUSTED SCHEDULE K-1 TREATED AS PAYEE
20 STATEMENT.—Section 6724(d)(2) is amended by striking
21 “or” at the end of subparagraph (HH), by striking the
22 period at the end of subparagraph (II) and inserting “,
23 or”, and by inserting after subparagraph (II) the following
24 new subparagraph:

1 “(JJ) section 6226(a)(2) (relating to state-
2 ments relating to alternative to payment of im-
3 puted underpayment by partnership) or under
4 any other provision of this title which provides
5 for the application of rules similar to such sec-
6 tion.”.

7 (k) CLERICAL CORRECTIONS.—

8 (1) Section 6232(d)(1)(A) is amended by strik-
9 ing “a item” and inserting “an item”.

10 (2) Section 6232(e) is amended by striking
11 “thereof”.

12 (3) Section 6235(a) is amended by striking
13 “subpart” and inserting “subchapter”.

14 (4) Section 6235(a)(3) is amended by striking
15 “section 6225(c)(7)” and inserting “section
16 6225(c)(7)”.

17 (5) Section 6241(5) is amended by striking
18 “sections 6234” and inserting “section 6234”.

19 (6) The heading of the first part of subchapter
20 C of chapter 63 is amended to read as follows:

21 **“PART I—IN GENERAL”.**

22 (7) The heading of the second part of sub-
23 chapter C of chapter 63 is amended to read as fol-
24 lows:

1 **“PART II—PARTNERSHIP ADJUSTMENTS”.**

2 (8) The heading of the third part of subchapter
3 C of chapter 63 is amended to read as follows:

4 **“PART III—PROCEDURE”.**

5 (9) The heading of the fourth part of sub-
6 chapter C of chapter 63 is amended to read as fol-
7 lows:

8 **“PART IV—DEFINITIONS AND SPECIAL RULES”.**

9 **SEC. 207. EFFECTIVE DATE.**

10 The amendments made by this title shall take effect
11 as if included in section 1101 of the Bipartisan Budget
12 Act of 2015.

13 **TITLE III—OTHER CORRECTIONS**

14 **SEC. 301. AMENDMENTS RELATING TO THE BIPARTISAN**
15 **BUDGET ACT OF 2015.**

16 (a) AMENDMENTS RELATING TO SECTION 1101.—

17 (1) Section 6011(e) is amended by adding at
18 the end the following new paragraph:

19 “(5) SPECIAL RULES FOR PARTNERSHIPS.—

20 “(A) PARTNERSHIPS PERMITTED TO BE
21 REQUIRED TO FILE ON MAGNETIC MEDIA.—In
22 the case of a partnership, paragraph (2)(A)
23 shall be applied by substituting for ‘250’ the
24 following amount: