

Tax statements for your partnership investments

The following are partnership investments you may own in an *Ameriprise*[®] brokerage account or *Ameriprise*[®] advisory (managed) account:

- Master Limited Partnership¹
- Managed Futures Fund
- Real Estate Private Placement
- Hedge Fund (Private Placement Offerings only)
- Exchange Fund
- Private Equity
- Qualified Opportunity Zone Funds

Partnership Investments

Partnerships are pass-through entities for tax purposes. The profits and losses (and related tax consequences) of the partnership flow through to its owners. Partnership owners report their share of the partnership's income, deductions, gains and/or losses via their personal returns.

What this means for you

If the partnership is held in a non-qualified account², you will receive the tax information you need to file your tax returns directly from the partnership. Unlike other investments you may own at Ameriprise Financial, we do not provide you with tax statements for partnership investments.

Generally, you are liable for the tax on your share of the partnership income, whether or not it is distributed, and distributions often differ significantly from taxable income.

The Schedule K-1 (of IRS Form 1065) reports your share of the partnership's income, deductions, credits, gain, loss and other tax information. The partnership will send the Schedule K-1 directly to the investor and to the Internal Revenue Service (IRS). Schedules K-2 and K-3 may also be provided if applicable if the partnership has investments or business activities outside the United States.

Your tax professional can help you understand the impact of the Schedule K-1 which may vary based on the type of account where you hold the investment.

Where your partnership investment is held determines who receives tax documents

- **Nonqualified² accounts:**
 - Tax reporting (Schedule K-1, and Schedules K-2 and K-3 if applicable) is sent from the partnership directly to the partners.
 - Generally, partners are required to include information from these schedules on their individual tax returns.
- **Qualified³ accounts:**
 - Tax reporting (Schedule K-1, and Schedules K-2 and K-3 if applicable) is sent from the partnership directly to the IRA or retirement plan custodian (e.g., Ameriprise Trust Company).
 - Qualified account owners do not receive Schedules K-1, K-2 or K-3 and do not need to include any information from these schedules on their individual tax returns.
 - In some cases, the IRA or retirement plan custodian may be required to file Form 990-T (Exempt Organization Business Income Tax Return) and pay tax from the qualified account if the IRA had unrelated business taxable income (UBTI) from the partnership. UBTI tax liability is calculated by combining UBTI amounts for all partnership investments held in an account or accounts in the same retirement plan for a given tax year. Generally, filing is required if the account has UBTI in excess of \$1,000. A fee is also assessed to the account for preparing and filing Form 990-T.

Your next steps

- **Nonqualified² accounts:**
 - Watch for tax statements (Schedule K-1, and Schedules K-2 and K-3 if applicable) for each partnership investment you own in a nonqualified account. Many partnerships do not send this information in time for investors to meet individual tax return filing deadline. Some partnerships make this information available on their websites.
 - Your tax professional can help you determine the effect of the Schedule K-1, K-2 and K-3 on your tax returns and the timing of your filing. They may suggest that you:
 - Request an extension from the IRS to file your tax returns or amend your tax returns when you receive these schedules from the partnership.
 - File any state income tax returns in states where the partnerships own property or conduct operations.
 - Consider making estimated tax payments during the year.
- **Qualified³ accounts:**
 - Your IRA or retirement plan custodian will receive the tax statements (Schedule K-1, and Schedules K-2 and K-3 if applicable) for each partnership you own in your IRA or retirement plan. The custodian will determine whether to file a Form 990-T.

If you have questions

Contact the partnership directly (or visit their website) if you have questions about tax reporting for your partnership investment or if you haven't received the tax statement(s) (Schedule K-1, and Schedules K-2 and K-3 if applicable) you are expecting.

Call your tax professional with questions on how your partnership investment will impact filing your personal return.

Additional resources

Visit the [irs.gov](https://www.irs.gov) website for more information:

[About Schedule K-1 \(Form 1065\), Partner's Share of Income, Deductions, Credits, etc.](#)

[About Publication 541, Partnerships](#)

Contact

For questions about your *Ameriprise*[®] brokerage account or *Ameriprise*[®] advisory (managed) accounts contact:

- Your Ameriprise financial advisor
- Ameriprise Financial client service center at 800.862.7919, choose option 3 at the prompt

¹ Master Limited Partnerships may be held in discretionary managed accounts (e.g. *Active Portfolios*[®], Select Separate Account and Vista Separate Account).

² Nonqualified accounts are those that are not part of an IRA or other retirement plan

³ Qualified accounts are IRAs or other qualified retirement plans

Ameriprise Financial, Ameriprise Certificate Company and their affiliates do not offer tax or legal advice. Consult your tax advisor or attorney regarding your specific tax situation.

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