

## Entity Classification Election

<b>Type or Print</b>	Name of eligible entity making election	<b>Employer identification number</b> : :
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, postal code and country. Follow the country's practice for entering the postal code.	

▶ Check if:  Address change

**1 Type of election** (see instructions):

- a**  Initial classification by a newly-formed entity. Skip lines 2a and 2b and go to line 3.
- b**  Change in current classification. Go to line 2a.

**2a** Has the eligible entity previously filed an entity election that had an effective date within the last 60 months?

- Yes.** Go to line 2b.
- No.** Skip line 2b and go to line 3.

**2b** Was the eligible entity's prior election for initial classification by a newly formed entity effective on the date of formation?

- Yes.** Go to line 3.
- No.** Stop here. You generally are not currently eligible to make the election (see instructions).

**3** Does the eligible entity have more than one owner?

- Yes.** You can elect to be classified as a partnership or an association taxable as a corporation. Skip line 4 and go to line 5.
- No.** You can elect to be classified as an association taxable as a corporation or disregarded as a separate entity. Go to line 4.

**4** If the eligible entity has only one owner, provide the following information:

- a** Name of owner ▶ .....
- b** Identifying number of owner ▶ .....

**5** If the eligible entity is owned by one or more affiliated corporations that file a consolidated return, provide the name and employer identification number of the parent corporation:

- a** Name of parent corporation ▶ .....
- b** Employer identification number ▶ .....



## General Instructions

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

### What's New

This revision of the Form 8832 instructions reflects an update to the filing locations. Our previous revision (December 2006) stated that all entity classification elections were sent to the service center in Ogden, UT. *This is no longer the case.* Now the form is filed either in Cincinnati or Ogden depending upon your principal business location. See *Where To File* on page 4 for your filing location.

- You are not required to sign the copy of Form 8832 filed with your tax return. See *Consent statement and signature(s)* on page 6.
- New questions on lines 2a and 2b highlight the general rule which limits an eligible entity's ability to change its classification by election again during the 60 months after the effective date of making an earlier entity classification election.
- All single-owner eligible entities electing either corporate or disregarded entity status must provide the name and identifying number of their owner on lines 4a and 4b. Previously this requirement applied only to single-owner eligible entities electing disregarded entity status.
- All eligible entities owned by one or more affiliated corporations that file a consolidated return must provide the name and employer identification number (EIN) of their parent corporation on lines 5a and 5b. Previously this requirement applied only to single-owner eligible entities electing disregarded entity status.
- All foreign eligible entities making an entity classification election, including those also organized under domestic law, must provide the name of the foreign country in which they are organized on line 7. Previously this requirement applied only to single-owner foreign eligible entities electing disregarded entity status.

### Purpose of Form

An eligible entity uses Form 8832 to elect how it will be classified for federal tax purposes, as a corporation, a partnership, or an entity disregarded as separate from its owner. An eligible entity is classified for federal tax purposes under the default rules described below unless it files Form 8832 or Form 2553, Election by a Small Business Corporation, to elect a classification or change its current classification. See *Who Must File* on page 4.



*A new eligible entity should not file Form 8832 if it will be using its default classification (see Default Rules below).*

**Eligible entity.** An eligible entity is a business entity that is not included in items 1, or 3 through 9, under the definition of **corporation** provided under *Definitions*.

Eligible entities include limited liability companies (LLCs), partnerships, and any foreign entity that is not identified as a corporation under Regulations section 301.7701-2(b)(8) (see item 3 below).

Generally, corporations are not eligible entities. However, the following types of corporations are treated as eligible entities:

1. An eligible entity that previously elected to be an association taxable as a corporation by filing Form 8832. An entity that elects to be classified as a corporation by filing Form 8832 can make another election to change its classification (see the *60-month limitation rule* discussed below in the instructions for lines 2a and 2b).
2. A foreign eligible entity that became an association taxable as a corporation under the foreign default rule described below.
3. A foreign corporation that is not identified as a corporation under Regulations section 301.7701-2(b)(8). If a foreign corporation is not identified on the list included in these regulations, it qualifies as an eligible entity. See the list of *Foreign Entities Classified as Corporations for Federal Tax Purposes* under this regulation on page 6. Refer to the regulations for any changes to the list made after these instructions were printed.

The IRS will use the information entered on this form to establish the entity's filing and reporting requirements for federal tax purposes.

### Default Rules

**Existing entity default rule.** Certain domestic and foreign entities that were in existence before January 1, 1997, and have an established federal tax classification generally do not need to make an election to continue that classification. If an existing entity decides to change its classification, it may do so subject to the 60-month limitation rule. See the instructions for lines 2a and 2b. See Regulations sections 301.7701-3(b)(3) and 301.7701-3(h)(2) for more details.

**Domestic default rule.** Unless an election is made on Form 8832, a domestic eligible entity is:

1. A partnership if it has two or more members.
2. Disregarded as an entity separate from its owner if it has a single owner.

A change in the number of members of an eligible entity classified as an **association** (defined below) does not affect the entity's classification. However, an eligible entity classified as a partnership

will become a disregarded entity when the entity's membership is reduced to one member and a disregarded entity will be classified as a partnership when the entity has more than one member.

**Foreign default rule.** Unless an election is made on Form 8832, a foreign eligible entity is:

1. A partnership if it has two or more members and at least one member does not have limited liability.
2. An association taxable as a corporation if all members have limited liability.
3. Disregarded as an entity separate from its owner if it has a single owner that does not have limited liability.

### Definitions

**Association.** For purposes of this form, an association is an eligible entity taxable as a corporation by election or, for foreign eligible entities, under the default rules (see Regulations section 301.7701-3).

**Business entity.** A business entity is any entity recognized for federal tax purposes that is not properly classified as a trust under Regulations section 301.7701-4 or otherwise subject to special treatment under the Code regarding the entity's classification. See Regulations section 301.7701-2(a).

**Corporation.** For federal tax purposes, a corporation is any of the following:

1. A business entity organized under a federal or state statute, or under a statute of a federally recognized Indian tribe, if the statute describes or refers to the entity as incorporated or as a corporation, body corporate, or body politic.
2. An association (as determined under Regulations section 301.7701-3).
3. A business entity organized under a state statute, if the statute describes or refers to the entity as a joint-stock company or joint-stock association.
4. An insurance company.
5. A state-chartered business entity conducting banking activities, if any of its deposits are insured under the Federal Deposit Insurance Act, as amended, 12 U.S.C. 1811 et seq., or a similar federal statute.
6. A business entity wholly owned by a state or any political subdivision thereof, or a business entity wholly owned by a foreign government or any other entity described in Regulations section 1.892-2T.
7. A business entity that is taxable as a corporation under a provision of the Code other than section 7701(a)(3).
8. A foreign business entity listed on page 6. See Regulations section 301.7701-2(b)(8) for any exceptions and inclusions to items on this list and for any revisions made to this list since these instructions were printed.

**9.** An entity created or organized under the laws of more than one jurisdiction (business entities with multiple charters) if the entity is treated as a corporation with respect to any one of the jurisdictions. See Regulations section 301.7701-2(b)(9) for examples.

**Disregarded entity.** A disregarded entity is an eligible entity that is treated as an entity not separate from its single owner. Its separate existence will be ignored for federal tax purposes unless it elects corporate tax treatment.

**Limited liability.** A member of a foreign eligible entity has limited liability if the member has no personal liability for any debts of or claims against the entity by reason of being a member. This determination is based solely on the statute or law under which the entity is organized (and, if relevant, the entity's organizational documents). A member has personal liability if the creditors of the entity may seek satisfaction of all or any part of the debts or claims against the entity from the member as such. A member has personal liability even if the member makes an agreement under which another person (whether or not a member of the entity) assumes that liability or agrees to indemnify that member for that liability.

**Partnership.** A partnership is a business entity that has at least two members and is not a corporation as defined on page 3 under *Corporation*.

## Who Must File

File this form for an eligible entity that is one of the following:

- A domestic entity electing to be classified as an association taxable as a corporation.
- A domestic entity electing to change its current classification (even if it is currently classified under the default rule).
- A foreign entity that has more than one owner, all owners having limited liability, electing to be classified as a partnership.
- A foreign entity that has at least one owner that does not have limited liability, electing to be classified as an association taxable as a corporation.
- A foreign entity with a single owner having limited liability, electing to be an entity disregarded as an entity separate from its owner.
- A foreign entity electing to change its current classification (even if it is currently classified under the default rule).

Do not file this form for an eligible entity that is:

- Tax-exempt under section 501(a);
- A real estate investment trust (REIT), as defined in section 856; or

- Electing to be classified as an S corporation. An eligible entity that timely files Form 2553 to elect classification as an S corporation and meets all other requirements to qualify as an S corporation is deemed to have made an election under Regulations section 301.7701-3(c)(v) to be classified as an association taxable as a corporation.

All three of these entities are deemed to have made an election to be classified as an association.

## Effect of Election

The federal tax treatment of elective changes in classification as described in Regulations section 301.7701-3(g)(1) is summarized as follows:

- If an eligible entity classified as a partnership elects to be classified as an association, it is deemed that the partnership contributes all of its assets and liabilities to the association in exchange for stock in the association, and immediately thereafter, the partnership liquidates by distributing the stock of the association to its partners.
- If an eligible entity classified as an association elects to be classified as a partnership, it is deemed that the association distributes all of its assets and liabilities to its shareholders in liquidation of the association, and immediately thereafter, the shareholders contribute all of the distributed assets and liabilities to a newly formed partnership.
- If an eligible entity classified as an association elects to be disregarded as an entity separate from its owner, it is deemed that the association distributes all of its assets and liabilities to its single owner in liquidation of the association.
- If an eligible entity that is disregarded as an entity separate from its owner elects to be classified as an association, the owner of the eligible entity is deemed to have contributed all of the assets and liabilities of the entity to the association in exchange for the stock of the association.

**Note.** For information on the federal tax consequences of elective changes in classification, see Regulations section 301.7701-3(g).

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## When To File

An election specifying an eligible entity's classification cannot take effect more than 75 days prior to the date the election is filed, nor can it take effect later than 12 months after the date the election is filed.

**Late election relief.** A newly formed entity may be eligible for late election relief under Rev. Proc. 2002-59, 2002-39 I.R.B. 615 if:

- The entity failed to obtain its desired classification solely because Form 8832 was not timely filed,

- The due date for the entity's desired classification tax return (excluding extensions) for the tax year beginning with the entity's formation date has not passed, and

- The entity has reasonable cause for its failure to make a timely election.

To obtain relief, a newly formed entity must file Form 8832 on or before the due date of the first federal tax return (excluding extensions) of the entity's desired classification. The entity must also write "FILED PURSUANT TO REV. PROC. 2002-59" at the top of the form. The entity must attach a statement to the form explaining why it failed to file a timely election. If Rev. Proc. 2002-59 does not apply, an entity may seek relief for a late entity election by requesting a private letter ruling and paying a user fee in accordance with Rev. Proc. 2006-1, 2006-1 I.R.B. 1 (or its successor).

## Where To File

File Form 8832 with the Internal Revenue Service Center for your state listed below.

Attach a copy of Form 8832 to the entity's federal tax return for the tax year of the election. If the entity is not required to file a return for that year, a copy of its Form 8832 must be attached to the federal tax returns of all direct or indirect owners of the entity for the tax year of the owner that includes the date on which the election took effect. Failure to attach a copy of Form 8832 will not invalidate an otherwise valid election, but penalties may be assessed against persons who are required to, but do not, attach Form 8832.

Each member of the entity is required to file their return consistent with the entity election. Penalties apply to returns filed inconsistent with the entity's election.

If the entity's principal business, office, or agency is located in:	Use the following Internal Revenue Service Center address:
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Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Cincinnati, OH 45999
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**If the entity's principal business, office, or agency is located in:** Use the following Internal Revenue Service Center address:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming

Ogden, UT 84201

A foreign country or U.S. possession Ogden, UT 84201-0023

**Note.** Also attach a copy to the entity's federal income tax return for the tax year of the election.

## Acceptance or Nonacceptance of Election

The service center will notify the eligible entity at the address listed on Form 8832 if its election is accepted or not accepted. The entity should generally receive a determination on its election within 60 days after it has filed Form 8832.

Care should be exercised to ensure that the IRS receives the election. If the entity is not notified of acceptance or nonacceptance of its election within 60 days of the date of filing, take follow-up action by calling 1-800-829-0115, or by sending a letter to the service center to inquire about its status. Send any such letter by certified or registered mail via the U.S. Postal Service, or equivalent type of delivery by a designated private delivery service (see Notice 2004-83, 2004-52 I.R.B. 1030 (or its successor)).

If the IRS questions whether Form 8832 was filed, an acceptable proof of filing is:

- A certified or registered mail receipt (timely postmarked) from the U.S. Postal Service, or its equivalent from a designated private delivery service;
- Form 8832 with an accepted stamp;
- Form 8832 with a stamped IRS received date; or
- An IRS letter stating that Form 8832 has been accepted.

## Specific Instructions

**Name.** Enter the name of the eligible entity electing to be classified.

**Employer identification number (EIN).** Show the EIN of the eligible entity electing to be classified.

**Caution.** Do not put "Applied For" on this line.

**Note.** Any entity that has an EIN will retain that EIN even if its federal tax classification changes under Regulations section 301.7701-3.

If a disregarded entity's classification changes so that it becomes recognized as a partnership or association for federal tax purposes, and that entity had an EIN, then the entity must continue to use that EIN. If the entity did not already have its own EIN, then the entity must apply for an EIN and not use the identifying number of the single owner.

A foreign person that makes an election under Regulations section 301.7701-3(c) and (d) must also use its own taxpayer identifying number. See sections 6721 through 6724 for penalties that may apply for failure to supply taxpayer identifying numbers.

If the entity electing to be classified using Form 8832 does not have an EIN, it must apply for one on Form SS-4, Application for Employer Identification Number. If the filing of Form 8832 is the only reason the entity is applying for an EIN, check the "Other" box on line 9 of Form SS-4 and enter "Form 8832" to the right of that box. The entity must have received an EIN by the time Form 8832 is filed in order for the form to be processed. An election will not be accepted if the eligible entity does not provide an EIN. **Caution.** Do not apply for a new EIN for an existing entity that is changing its classification if the entity already has an EIN.

**Address.** Enter the address of the entity electing a classification. All correspondence regarding the acceptance or nonacceptance of the election will be sent to this 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 entity has a P.O. box, show the box number instead of the street address. If the electing entity receives its mail in care of a third party (such as an accountant or an attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box.

**Address change.** If the eligible entity has changed its address since filing Form SS-4 or the entity's most recently-filed return (including a change to an "in care of" address), check the box for an address change.

**Note.** If a change of address occurs after the later of the filing of Form SS-4 or the most recently-filed return, use Form 8822, Change of Address, to notify the IRS of the new address. A new address shown on Form 8832 will not update the entity's address of record with the IRS.

**Line 1.** Check box 1a if the entity is choosing a classification for the first time (i.e., the entity does not want to be classified under the applicable default classification). Do not file this form if the

entity wants to be classified under the default rules.

Check box 1b if the entity is changing its current classification.

**Lines 2a and 2b. 60-month limitation rule.** Once an eligible entity makes an election to *change* its classification, the entity generally cannot change its classification by election again during the 60 months after the effective date of the election. However, the IRS may (by private letter ruling) permit the entity to change its classification by election within the 60-month period if more than 50% of the ownership interests in the entity, as of the effective date of the election, are owned by persons that did not own any interests in the entity on the effective date or the filing date of the entity's prior election.

**Note.** The 60-month limitation does not apply if the previous election was made by a *newly formed* eligible entity and was effective on the date of formation.

**Line 4.** If an eligible entity has only one owner, provide the name of its owner on line 4a and the owner's identifying number (social security number, or individual taxpayer identification number, or EIN) on line 4b. Enter "DE" if the owner is a disregarded entity that does not have an identifying number. If the owner is a foreign person or entity and does not have a U.S. identifying number, enter "none" on line 4b.

**Line 5.** If the eligible entity is owned by one or more members of an affiliated group of corporations that file a consolidated return, provide the name and EIN of the parent corporation.

**Line 6.** Check the appropriate box if you are changing a current classification (no matter how achieved), or are electing out of a default classification. Do not file this form if you fall within a default classification that is the desired classification for the new entity.

**Line 7.** If the entity making the election is created or organized in a foreign jurisdiction, enter the name of the foreign country in which it is organized. This information must be provided even if the entity is also organized under domestic law.

**Line 8.** Generally, the election will take effect on the date you enter on line 8 of this form, or on the date filed if no date is entered on line 8. An election specifying an entity's classification for federal tax purposes can take effect no more than 75 days prior to the date the election is filed, nor can it take effect later than 12 months after the date on which the election is filed. If line 8 shows a date more than 75 days prior to the date on which the election is filed, the election will default to 75 days before the date it is filed. If line 8 shows an effective date more than 12 months from the filing date, the election will take effect 12 months after the date the election is filed.

**Consent statement and signature(s).**

Form 8832 must be signed by:

1. Each member of the electing entity who is an owner at the time the election is filed; or
2. Any officer, manager, or member of the electing entity who is authorized (under local law or the organizational documents) to make the election. The elector represents to having such authorization under penalties of perjury.

If an election is to be effective for any period prior to the time it is filed, each person who was an owner between the date the election is to be effective and the date the election is filed, must sign.

If you need a continuation sheet or use a separate consent statement, attach it to Form 8832. The separate consent statement must contain the same information as shown on Form 8832.

**Note.** Do not sign the copy that is attached to your tax return.

**Paperwork Reduction Act Notice**

We ask for the information on this form 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.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** . . . . 1 hr., 49 min.
- Learning about the law or the form** . . . . 2 hr., 7 min.
- Preparing and sending the form to the IRS** . . . . 23 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File* on page 4.

*Foreign Entities Classified as Corporations for Federal Tax Purposes:*

- American Samoa**—Corporation
- Argentina**—Sociedad Anonima
- Australia**—Public Limited Company
- Austria**—Aktiengesellschaft
- Barbados**—Limited Company
- Belgium**—Societe Anonyme
- Belize**—Public Limited Company
- Bolivia**—Sociedad Anonima
- Brazil**—Sociedade Anonima
- Canada**—Corporation and Company
- Chile**—Sociedad Anonima
- People’s Republic of China**—Gufen Youxian Gongsi
- Republic of China (Taiwan)**—Ku-fen Yu-hsien Kung-szu
- Colombia**—Sociedad Anonima
- Costa Rica**—Sociedad Anonima
- Cyprus**—Public Limited Company
- Czech Republic**—Akciova Spolecnost
- Denmark**—Aktieselskab
- Ecuador**—Sociedad Anonima or Compania Anonima
- Egypt**—Sharikat Al-Mossahamah
- El Salvador**—Sociedad Anonima
- Estonia**—Aktiaselts
- European Economic Area/European Union**—Societas Europaea
- Finland**—Julkinen Osakeyhtio/ Publikt Aktiebolag
- France**—Societe Anonyme
- Germany**—Aktiengesellschaft
- Greece**—Anonymos Etairia
- Guam**—Corporation
- Guatemala**—Sociedad Anonima
- Guyana**—Public Limited Company
- Honduras**—Sociedad Anonima
- Hong Kong**—Public Limited Company
- Hungary**—Reszvenytarsasag
- Iceland**—Hlutafelag
- India**—Public Limited Company
- Indonesia**—Perseroan Terbuka
- Ireland**—Public Limited Company
- Israel**—Public Limited Company
- Italy**—Societa per Azioni
- Jamaica**—Public Limited Company
- Japan**—Kabushiki Kaisha
- Kazakstan**—Ashyk Aktционерlik Kogham
- Republic of Korea**—Chusik Hoesa
- Latvia**—Akciju Sabiedriba
- Liberia**—Corporation
- Liechtenstein**—Aktiengesellschaft
- Lithuania**—Akcine Bendroves
- Luxembourg**—Societe Anonyme

- Malaysia**—Berhad
- Malta**—Public Limited Company
- Mexico**—Sociedad Anonima
- Morocco**—Societe Anonyme
- Netherlands**—Naamloze Vennootschap
- New Zealand**—Limited Company
- Nicaragua**—Compania Anonima
- Nigeria**—Public Limited Company
- Northern Mariana Islands**—Corporation
- Norway**—Allment Aksjeselskap
- Pakistan**—Public Limited Company
- Panama**—Sociedad Anonima
- Paraguay**—Sociedad Anonima
- Peru**—Sociedad Anonima
- Philippines**—Stock Corporation
- Poland**—Spolka Akcyjna
- Portugal**—Sociedade Anonima
- Puerto Rico**—Corporation
- Romania**—Societe pe Actiuni
- Russia**—Otkrytoye Aktsionernoy Obshchestvo
- Saudi Arabia**—Sharikat Al-Mossahamah
- Singapore**—Public Limited Company
- Slovak Republic**—Akciova Spolocnost
- Slovenia**—Delniska Druzba
- South Africa**—Public Limited Company
- Spain**—Sociedad Anonima
- Surinam**—Naamloze Vennootschap
- Sweden**—Publika Aktiebolag
- Switzerland**—Aktiengesellschaft
- Thailand**—Borisat Chamkad (Mahachon)
- Trinidad and Tobago**—Limited Company
- Tunisia**—Societe Anonyme
- Turkey**—Anonim Sirket
- Ukraine**—Aktционерne Tovaristvo Vidkritogo Tipu
- United Kingdom**—Public Limited Company
- United States Virgin Islands**—Corporation
- Uruguay**—Sociedad Anonima
- Venezuela**—Sociedad Anonima or Compania Anonima



See *Regulations* section 301.7701-2(b)(8) for any exceptions and inclusions to items on this list and for any revisions made to this list since these instructions were printed.