

## Entity Classification Election

<b>Type or Print</b>	Name of entity	EIN ▶
	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.	

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

- a  Initial classification by a newly-formed entity.
- b  Change in current classification.

**2 Form of entity** (see instructions):

- a  A domestic eligible entity electing to be classified as an association taxable as a corporation.
- b  A domestic eligible entity electing to be classified as a partnership.
- c  A domestic eligible entity with a single owner electing to be disregarded as a separate entity.
- d  A foreign eligible entity electing to be classified as an association taxable as a corporation.
- e  A foreign eligible entity electing to be classified as a partnership.
- f  A foreign eligible entity with a single owner electing to be disregarded as a separate entity.

**3 Disregarded entity information** (see instructions):

- a Name of owner ▶ .....
- b Identifying number of owner ▶ .....
- c Country of organization of entity electing to be disregarded (if foreign) ▶ .....

**4** Election is to be effective beginning (month, day, year) (see instructions) . . . . . ▶      /      /     

<b>5</b> Name and title of person whom the IRS may call for more information	<b>6</b> That person's telephone number (    )
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### Consent Statement and Signature(s) (see instructions)

Under penalties of perjury, I (we) declare that I (we) consent to the election of the above-named entity to be classified as indicated above, and that I (we) have examined this consent statement, and to the best of my (our) knowledge and belief, it is true, correct, and complete. If I am an officer, manager, or member signing for all members of the entity, I further declare that I am authorized to execute this consent statement on their behalf.

Signature(s)	Date	Title

## General Instructions

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

### Purpose of Form

For Federal tax purposes, certain business entities automatically are classified as corporations. See items **1** and **3** through **8** under the definition of **corporation** on this page. Other business entities may choose how they are classified for Federal tax purposes. Except for a business entity automatically classified as a corporation, a business entity with at least two members can choose to be classified as either an association taxable as a corporation or a partnership, and a business entity with a single member can choose to be classified as either an association taxable as a corporation or disregarded as an entity separate from its owner.

Generally, an eligible entity that does not file this form will be classified under the default rules described below. An eligible entity that chooses not to be classified under the default rules or that wishes to change its current classification must file Form 8832 to elect a classification. The IRS will use the information entered on this form to establish the entity's filing and reporting requirements for Federal tax purposes.

**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 of the entity's prior election. See Regulations section 301.7701-3(c)(1)(iv) for more details.

**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.

### 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 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 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 that is 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. 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 5. 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.

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

**Eligible entity.** An eligible entity is a business entity that is not included in items **1** or **3** through **8** under the definition of corporation above.

**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 2.

### 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) or
- A real estate investment trust (REIT), as defined in section 856.

### 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 treatment of elective changes in classification, see Regulations section 301.7701-3(g).

### When To File

See the instructions for line 4.

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 classified election solely because Form 8832 was not timely filed,
- The due date for the entity's desired classification tax return (excluding extension) 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. 2002-1, 2002-1 I.R.B. 1 (or its successor).

### Where To File

File Form 8832 with the Internal Revenue Service Center, Philadelphia, PA 19255. Also attach a copy of Form 8832 to the entity's Federal income tax or information 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 income tax or information 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. Although failure to attach a copy will not invalidate an otherwise valid election, each member of the entity is required to file returns that are consistent with the entity's election. In addition, penalties may be assessed against persons who are required to, but who do not, attach Form 8832 to their returns. Other penalties may apply for filing Federal income tax or information returns inconsistent with the entity's election.

### Specific Instructions

**Name.** Enter the name of the eligible entity electing to be classified using Form 8832.

**Employer identification number (EIN).** Show the correct EIN of the eligible entity electing to be classified. 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 is recognized as a partnership or association for Federal tax purposes, and that entity had an EIN, then the entity must use that EIN and not the identifying number of the single owner. 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) 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 write "Form 8832" to the right of that box. If the entity has not received an EIN by the time Form 8832 is due, write "Applied for" in the space for the EIN. **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. 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.

**Line 1.** Check box 1a if the entity is choosing a classification for the first time **and** 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.

**Line 2.** 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 3.** If an eligible entity has checked box 2c or box 2f and is electing to be disregarded as an entity separate from its owner, it must enter the name of its owner on line 3a and the owner's identifying number (social security number, or individual taxpayer identification number, or EIN) on line 3b. If the owner is a foreign person or entity and does not have a U.S. identifying number, enter "none" on line 3b. If the entity making the election is foreign, enter the name of the country in which it was formed on line 3c.

**Line 4.** Generally, the election will take effect on the date you enter on line 4 of this form or on the date filed if no date is entered on line 4. However, 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 4 shows a date more than 75 days prior to the date on which the election is filed, the election will take effect 75 days before the date it is filed. If line 4 shows an effective date more than 12 months from the filing date, the election will take effect 12 months after the date the election was filed.

**Consent statement and signatures.** 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 and who 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, and who is not an owner at the time the election is filed, must also 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.

## 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 Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001.

**Do not** send the form to this address. Instead, see **Where To File** on page 3.

**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  
**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 Aktsionerlik Kogham  
**Republic of Korea**—Chusik Hoesa  
**Liberia**—Corporation  
**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 Aktsionerloy Obshchestvo

**Saudi Arabia**—Sharikat Al-Mossahamah  
**Singapore**—Public Limited Company  
**Slovak Republic**—Akciova Spolecnost  
**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**—Aktsionerne 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.

