

March 1, 2022

The Honorable Charles P. Rettig  
Commissioner of Internal Revenue  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, D.C. 20224

The Honorable Lily Batchelder  
Assistant Secretary (Tax Policy)  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

RE: Additional Relief Sought on Schedules K-2 and K-3 Requirements

Dear Commissioner Rettig and Assistant Secretary Batchelder:

The Texas Society of Certified Public Accountants (TXCPA) is a nonprofit, voluntary professional organization representing more than 28,000 members. One of the expressed goals of the TXCPA is to speak on behalf of its members when such action is in the best interest of its constituency and serves the cause of the CPAs of Texas, as well as the public interest. TXCPA has established a Federal Tax Policy Committee to represent those interests on tax-related matters. The committee has been authorized by the TXCPA Board of Directors to submit comments on such matters of interest to the committee membership. The views expressed herein have not been approved by the Board of Directors or Executive Board and, therefore, should not be construed as representing the view or policies of the TXCPA.

We are writing to urge the IRS to fully delay implementation of Schedules K-2 and K-3 filing requirements to 2023 (the 2022 tax year filing season). We believe this extension of the implementation date is appropriate at least in part because the IRS should carefully consider whether a simplified set of procedures for completing these schedules should be available, particularly for situations where a partnership or S corporation has no foreign activity. While we offer no specific recommendations at this time, one possibility might be for taxpayers to report gross income from all sources on Form K-1, which in prior years was reported in Box 16 under Code B. This possibility along with any others that taxpayers and practitioners may provide should be fully vetted and considered following a reasonable comment period before implementing the K-2 and K-3 filing requirements. Extending the implementation date until next year would hopefully allow time to complete this process.

Thank you for considering our comments. We would be pleased to discuss them further if you or your staff members believe it would be helpful. Please feel free to contact me at 214-749-2462 or at [dcolmenero@meadowscollier.com](mailto:dcolmenero@meadowscollier.com) or TXCPA Staff Liaison Patty Wyatt at 817-656-5100 or [pw Wyatt@tx.cpa](mailto:pw Wyatt@tx.cpa).

Sincerely,



David E. Colmenero, J.D., LL.M., CPA  
Chair, Federal Tax Policy Committee  
Texas Society of Certified Public Accountants

cc: National Taxpayer Advocate Erin M. Collins