



Shippen, Pope & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

February 7, 2019

Dear Client,

New for 2018, each partnership must designate its Partnership Representative (PR) on the income tax return and that designation must be made separately for each tax year. The PR does not have to be a partner. Any person who has a substantial presence in the partnership is eligible to serve as the PR.

The PR has the sole authority to bind the partnership and all partners in any dealings with the IRS. It is strongly recommended that the partnership amend their partnership agreement to establish procedures for choosing, removing and replacing the PR. The agreement should also outline the duties of the PR which would include informing all partners of IRS audit or tax proceedings, seeking consent of a majority of partners before any settlements, and limit of PR's fiduciary risk through indemnity protection.

The partners will want to discuss this and you may want to include the partnership's attorney. We will not be able to complete your 2018 income tax return without this information. Please let us know in writing who the PR will be. Thank you.

Sincerely,

Shippen, Pope & Associates, PLLC

"Planning Makes a Difference"

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