



Tax statements for your partnership investments

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

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

Partnership Investments

Partnerships are pass-through entities that allow the profits and losses of the business to flow through to its owners without paying corporate taxes. Distribution of the profits, losses, deductions and credits is made according to the partnership agreement. Partnership owners are liable for tax on their share of the partnership income by reporting their share of the partnership's gains and/or losses via their personal returns.

What this means for you

You will receive the documents 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.

The Schedule K-1 (of IRS Form 1065) Partner's Share of Income, Deductions, Credits, etc. which reports your share of income, deductions, credits, gain, loss and other tax information is sent to you from the partnership. The information on the Schedule K-1 is also reported by the partnership to the Internal Revenue Service (IRS) on Form 1065, U.S Return of Partnership Income.

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 partnership investment.

- Nonqualified² accounts:
 - Tax reporting (Schedule K-1) is sent from the partnership directly to the partners.
 - Generally, partners are required to include Schedule K-1 information for nonqualified accounts on their individual tax returns.

- Qualified³ accounts:
 - Tax reporting (Schedule K-1) is sent from the partnership directly to the IRA custodian or retirement plan custodian (e.g. Ameriprise Trust Company).
 - Qualified account owners do not receive Schedules K-1 and do not need to include Schedule K-1 information on their individual tax returns.
 - In some cases, the IRA custodian 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 from the partnership.

Your next steps

Watch for a Schedule K-1 tax statement for each partnership investment you own in a nonqualified account.

Many partnerships do not send Schedules K-1 in time for investors to meet the tax return filing deadline (generally April 15). Your tax professional can help you determine the effect of the Schedule K-1 on your tax returns and the timing of your tax filing.

If you invest in a partnership in a nonqualified account, your tax professional may suggest that you:

- Request an extension from the IRS to file your tax returns after the deadline or
- Amend your tax returns when you receive the Schedule K-1 from the partnership;
 - File any state income tax returns in states where the partnership owns property or conducts operations, and
 - Consider making estimated tax payments during the year.

Who to call

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 Schedule K-1 tax statement(s) you are expecting.

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

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 retirement plans

Ameriprise Financial and its affiliates do not offer tax or legal advice. Consult your tax advisor or attorney regarding specific tax issues.

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