

**Reg. 1.6038A-2(b)(9),
Example 1**

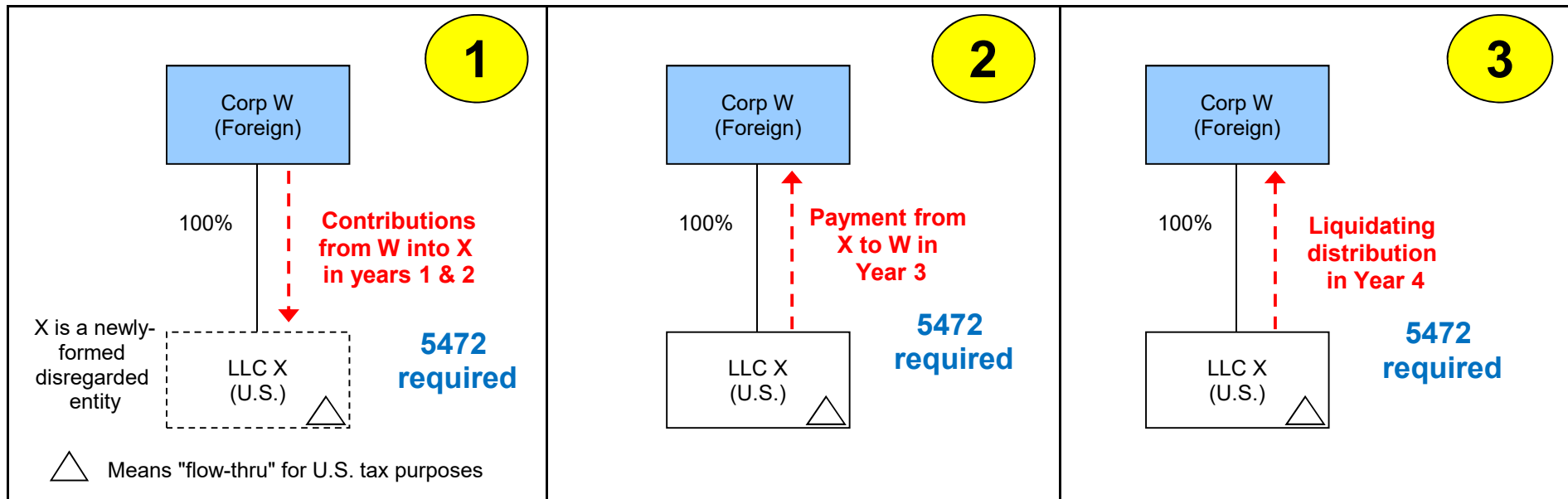
**5472 Reporting for
U.S. Disregarded Entity**

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Years 1 & 2 (Contributions)

Year 3 (Payment)

Year 4 (Liquidation)



In year 1, W, a foreign corporation, forms and contributes assets to X, a domestic limited liability company that does not elect to be treated as a corporation under Treas. Reg. §301.7701-3(c). In year 2, W contributes funds to X. In year 3, X makes a payment to W. In year 4, X, in liquidation, distributes its assets to W.

In accordance with Treas. Reg. §301.7701-3(b)(1)(ii), X is disregarded as an entity separate from W. In accordance with Treas. Reg. §301.7701-2(c)(2)(vi), X is treated as an entity separate from W and classified as a domestic corporation for purposes of section 6038A. In accordance with Treas. Reg. §1.6038A-2(a)(2) and (b)(3), each of the transactions in years 1 through 4 is a reportable transaction with respect to X. Therefore, X has a section 6038A reporting and record maintenance requirement for each of those years.

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