

Master Limited Partnerships - Waiting for Godot (that blasted Schedule K-1)

MLPs Generate Schedule K-1s (Partner's Share of Income, Deductions, Credits etc)

Great returns and high yields have made Master Limited Partnerships (MLPs) all the rage in the last couple of years. However, since MLPs are usually structured as partnerships for tax purposes, investors will not receive a Form 1099 at the end of January, but instead will receive an often complex Schedule K-1 (Partner's Share of Income, Deductions, Credits, etc) that may not arrive until the end of February or even later, delaying the completion of the investor's Form 1040. Although many investors specifically invest in MLPs for the yields, often investors do not realize that their investment adviser has purchased an MLP which will generate a Schedule K-1, since they are publicly-traded like stocks, bonds and mutual funds. Investors should check their brokerage accounts to see if a MLP is on the list of investments, and if so be prepared to wait a bit longer for their tax return to be completed. If an investor has invested in multiple MLPs extra time is often required to prepare a Form 1040, but we are well-versed in the complexities of MLP Schedule K-1 input, and look forward to preparing your return with efficiency and attention to detail.

Here is a handy link to a website listing contact information for obtaining Schedule K-1's for common MLPs: <https://www.taxpackagesupport.com/>

Here is an informative article from Kiplingers on MLPs which are all the rage: <http://www.kiplinger.com/columns/balance/archive/master-limited-partnerships-victims-of-success.html>