

## **Notification Pursuant to IRS Notice 2019-46 for the Tax Year Ended December 31, 2018**

On October 18, 2018, the Department of Treasury and the IRS issued proposed regulations under Section 951A, which provided that a domestic partnership that is a U.S. shareholder (“U.S. Shareholder Partnership”) of a controlled foreign corporation (“CFC”) would determine its Global Intangible Low-Taxed Income (“GILTI”) income inclusion amount, and the amount would be passed through to its partners on Line 11F, Section 951A Income. See Prop. Treas. Reg. § 1.951A-5.

Subsequent to Genesis Energy L.P. issuing the 2018 Schedule K-1, which were prepared consistent with the proposed regulations, final regulations under Section 951A (“Final Regulations”) were published, which did not adopt the same approach as the proposed regulations. Under the Final Regulations, no partnership (whether domestic or foreign) ever has an inclusion for GILTI under section 951A. In addition, no partnership (whether domestic or foreign) ever allocates any amount of section 951A inclusion to any of its partners. Instead, the Final Regulations provide that any partner that is a U.S. shareholder of a CFC owned by the partnership determines its inclusion under section 951A (if any) at the partner level. The Final Regulations apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of U.S. shareholders with which such taxable year ends.

On June 22, 2019 the IRS issued Notice 2019-46 (“Notice”) which announced that the Department of Treasury and the IRS intend to issue regulations that will permit a domestic partnership to apply the rules in Prop. Treas. Reg. § 1.951A-5 for taxable years ending before June 22, 2019. Additionally, the Notice allows a partnership to issue 2018 Schedules K-1 consistent with Prop. Treas. Reg. § 1.951A-5 and file its partnership return (for taxable years ending before June 22, 2019) consistent with the Final Regulations if certain requirements are met.

As required by the Notice, Genesis Energy L.P. is providing notification of the following:

- (1) The 2018 Schedule K-1 issued by Genesis Energy L.P. is consistent with Prop. Treas. Reg. § 1.951A-5.
- (2) Genesis Energy L.P. is filing its 2018 Form 1065, U.S. Return of Partnership Income, consistent with the Final Regulations.

All 2018 unitholders are encouraged to consult their tax advisors regarding the individual tax consequences of the 2018 GILTI inclusion.