



## Fortress Transportation and Infrastructure LLC Notice to Investors Regarding 2018 Schedule K-1s

August 29, 2019

NEW YORK, Aug. 29, 2019 (GLOBE NEWSWIRE) -- The purpose of this notice is to update the holders of shares of Fortress Transportation and Infrastructure Investors LLC ("FTAI") on the tax compliance developments detailed in IRS Notice 2019-46 (the "Notice"), which was published on August 22, 2019.

Under the Tax Cut and Jobs Act of 2017, a number of changes were made to the taxation of non-U.S. income, including the introduction of the "global low-taxed intangible income," or GILTI, regime. Under preexisting tax regulations, a U.S. partnership that held a 10% or greater interest in the vote or value of a "controlled foreign corporation," or CFC, was generally required to include in income its pro rata share of the net income of that non-U.S. corporation and allocate that income to its partners. These rules were incorporated into the new GILTI regime and your Schedule K-1 from FTAI for tax year 2018 was prepared on that basis.

In June 2019, the IRS modified these preexisting tax regulations (including with respect to the GILTI regime) such that the 10% ownership test is applied at the partner level rather than the partnership level (i.e., the income inclusion described above now only applies to U.S. partners that own 10% or more of the vote or value of the stock of a CFC). For this purpose, a partner's ownership of stock of a CFC includes his or her proportionate share of the stock owned by the partnership in addition to stock of the CFC otherwise considered owned under these rules by such partner without regard to the partnership.

In response to taxpayer comments highlighting administrative difficulties, the IRS issued the Notice, which permits FTAI to file a 2018 U.S. tax return and Schedule K-1s consistent with the preexisting tax regulations. Significantly, the Notice provides that a partnership that meets the notification and reporting requirements of the Notice will not be subject to certain penalties to the extent such failures arise from acting prior to June 22, 2019 in a manner consistent with the preexisting regulations.

In order to qualify for this relief, FTAI is required to notify its investors of the following:

- FTAI prepared your 2018 Schedule K-1 based on the preexisting tax regulations (i.e., proposed Treas. Reg. section 1.951A-5) and does not intend to amend such Schedule K-1.
- FTAI prepared its 2018 U.S. tax return (IRS Form 1065) based on the preexisting tax regulations (i.e., proposed Treas. Reg. section 1.951A-5).
- This notification is provided to you in accordance with IRS Notice 2019-46.

FTAI cannot, and does not, provide tax advice on tax matters to its investors. This notice was prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax advice. Accordingly, you are urged to consult your own tax advisor regarding the matters discussed herein.

### About Fortress Transportation and Infrastructure Investors LLC

Fortress Transportation and Infrastructure Investors LLC owns and acquires high quality infrastructure and equipment that is essential for the transportation of goods and people globally. FTAI targets assets that, on a combined basis, generate strong and stable cash flows with the potential for earnings growth and asset appreciation. FTAI is externally managed by an affiliate of Fortress Investment Group LLC, a leading, diversified global investment firm.

### For further information, please contact:

Alan Andreini  
Investor Relations  
Fortress Transportation and Infrastructure Investors LLC  
(212) 798-6128  
[aandreini@fortress.com](mailto:aandreini@fortress.com)



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