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# U.S. Return of Partnership Income

OMB No. 1545-0099

For calendar year 2008, or tax year beginning \_\_\_\_\_, 2008, ending \_\_\_\_\_, 20\_\_\_\_\_.  
▶ See separate instructions.

**2008**

<b>A</b> Principal business activity	<b>Use the IRS label. Otherwise, print or type.</b>	Name of partnership	<b>D</b> Employer identification number
<b>B</b> Principal product or service		Number, street, and room or suite no. If a P.O. box, see the instructions.	<b>E</b> Date business started
<b>C</b> Business code number		City or town, state, and ZIP code	<b>F</b> Total assets (see the instructions) \$ _____

- G** Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return  
(6) ☐ Technical termination - also check (1) or (2)
- H** Check accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ \_\_\_\_\_
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ \_\_\_\_\_
- J** Check if Schedule M-3 attached. \_\_\_\_\_ ☐

**Caution.** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>			
	<b>b</b> Less returns and allowances	<b>1b</b>			<b>1c</b>
	<b>2</b> Cost of goods sold (Schedule A, line 8)				<b>2</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c.				<b>3</b>
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement).				<b>4</b>
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))				<b>5</b>
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)				<b>6</b>
	<b>7</b> Other income (loss) (attach statement)				<b>7</b>
<b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7				<b>8</b>	
<b>Deductions</b> (see the instructions for limitations)	<b>9</b> Salaries and wages (other than to partners) (less employment credits)				<b>9</b>
	<b>10</b> Guaranteed payments to partners				<b>10</b>
	<b>11</b> Repairs and maintenance				<b>11</b>
	<b>12</b> Bad debts				<b>12</b>
	<b>13</b> Rent				<b>13</b>
	<b>14</b> Taxes and licenses				<b>14</b>
	<b>15</b> Interest				<b>15</b>
	<b>16a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>			
	<b>b</b> Less depreciation reported on Schedule A and elsewhere on return	<b>16b</b>			<b>16c</b>
	<b>17</b> Depletion (Do not deduct oil and gas depletion.)				<b>17</b>
	<b>18</b> Retirement plans, etc.				<b>18</b>
	<b>19</b> Employee benefit programs				<b>19</b>
	<b>20</b> Other deductions (attach statement)				<b>20</b>
	<b>21</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20				<b>21</b>
<b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 8				<b>22</b>	

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager	Date	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
--	------	--

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ( )	

**Schedule A Cost of Goods Sold** (see the instructions)

<b>1</b>	Inventory at beginning of year . . . . .	<b>1</b>		
<b>2</b>	Purchases less cost of items withdrawn for personal use . . . . .	<b>2</b>		
<b>3</b>	Cost of labor . . . . .	<b>3</b>		
<b>4</b>	Additional section 263A costs ( <i>attach statement</i> ) . . . . .	<b>4</b>		
<b>5</b>	Other costs ( <i>attach statement</i> ) . . . . .	<b>5</b>		
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	<b>6</b>		
<b>7</b>	Inventory at end of year . . . . .	<b>7</b>		
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 . . . . .	<b>8</b>		

**9a** Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ► .....

**b** Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) . . . ► ☐

**c** Check this box if the LIFO inventory method was adopted this tax year for any goods (*if checked, attach Form 970*) ► ☐

**d** Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? . . . ☐ **Yes** ☐ **No**

**e** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ **Yes** ☐ **No**

If "Yes," attach explanation.

**Schedule B Other Information**

<b>1</b>	What type of entity is filing this return? Check the applicable box:				<b>Yes</b>	<b>No</b>
<b>a</b>	<input type="checkbox"/> Domestic general partnership	<b>b</b>	<input type="checkbox"/> Domestic limited partnership			
<b>c</b>	<input type="checkbox"/> Domestic limited liability company	<b>d</b>	<input type="checkbox"/> Domestic limited liability partnership			
<b>e</b>	<input type="checkbox"/> Foreign partnership	<b>f</b>	<input type="checkbox"/> Other ► .....			
<b>2</b>	At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? . . . . .					
<b>3</b>	At the end of the tax year:					
<b>a</b>	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .					
	(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital	
<b>b</b>	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below . . . . .					
	(i) Name of Individual or Estate	(ii) Social Security Number or Employer Identification Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital		
<b>4</b>	At the end of the tax year, did the partnership:					
<b>a</b>	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below . . . . .					
	(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock		



<b>Schedule K Partners' Distributive Share Items</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	<b>1</b> Ordinary business income (loss) (page 1, line 22) . . . . .	<b>1</b>	
	<b>2</b> Net rental real estate income (loss) ( <i>attach Form 8825</i> ) . . . . .	<b>2</b>	
	<b>3a</b> Other gross rental income (loss) . . . . . <b>3a</b>		
	<b>b</b> Expenses from other rental activities ( <i>attach statement</i> ) . . . . . <b>3b</b>		
	<b>c</b> Other net rental income (loss). Subtract line 3b from line 3a . . . . .	<b>3c</b>	
	<b>4</b> Guaranteed payments . . . . .	<b>4</b>	
	<b>5</b> Interest income . . . . .	<b>5</b>	
	<b>6</b> Dividends: <b>a</b> Ordinary dividends . . . . .	<b>6a</b>	
	<b>b</b> Qualified dividends . . . . . <b>6b</b>		
	<b>7</b> Royalties . . . . .	<b>7</b>	
	<b>8</b> Net short-term capital gain (loss) ( <i>attach Schedule D (Form 1065)</i> ) . . . . .	<b>8</b>	
<b>Income (Loss)</b>	<b>9a</b> Net long-term capital gain (loss) ( <i>attach Schedule D (Form 1065)</i> ) . . . . .	<b>9a</b>	
	<b>b</b> Collectibles (28%) gain (loss) . . . . . <b>9b</b>		
	<b>c</b> Unrecaptured section 1250 gain ( <i>attach statement</i> ) . . . . . <b>9c</b>		
	<b>10</b> Net section 1231 gain (loss) ( <i>attach Form 4797</i> ) . . . . .	<b>10</b>	
	<b>11</b> Other income (loss) ( <i>see instructions</i> ) Type ▶ . . . . .	<b>11</b>	
<b>Deductions</b>	<b>12</b> Section 179 deduction ( <i>attach Form 4562</i> ) . . . . .	<b>12</b>	
	<b>13a</b> Contributions . . . . .	<b>13a</b>	
	<b>b</b> Investment interest expense . . . . .	<b>13b</b>	
	<b>c</b> Section 59(e)(2) expenditures: <b>(1)</b> Type ▶ . . . . . <b>(2)</b> Amount ▶	<b>13c(2)</b>	
<b>d</b> Other deductions ( <i>see instructions</i> ) Type ▶ . . . . .	<b>13d</b>		
<b>Self-Employment</b>	<b>14a</b> Net earnings (loss) from self-employment . . . . .	<b>14a</b>	
	<b>b</b> Gross farming or fishing income . . . . .	<b>14b</b>	
	<b>c</b> Gross nonfarm income . . . . .	<b>14c</b>	
<b>Credits</b>	<b>15a</b> Low-income housing credit (section 42(j)(5)) . . . . .	<b>15a</b>	
	<b>b</b> Low-income housing credit (other) . . . . .	<b>15b</b>	
	<b>c</b> Qualified rehabilitation expenditures (rental real estate) ( <i>attach Form 3468</i> ) . . . . .	<b>15c</b>	
	<b>d</b> Other rental real estate credits ( <i>see instructions</i> ) Type ▶ . . . . .	<b>15d</b>	
	<b>e</b> Other rental credits ( <i>see instructions</i> ) Type ▶ . . . . .	<b>15e</b>	
	<b>f</b> Other credits ( <i>see instructions</i> ) Type ▶ . . . . .	<b>15f</b>	
<b>Foreign Transactions</b>	<b>16a</b> Name of country or U.S. possession ▶ . . . . .		
	<b>b</b> Gross income from all sources . . . . .	<b>16b</b>	
	<b>c</b> Gross income sourced at partner level . . . . .	<b>16c</b>	
	<i>Foreign gross income sourced at partnership level</i>		
	<b>d</b> Passive category ▶ . . . . . <b>e</b> General category ▶ . . . . . <b>f</b> Other ▶	<b>16f</b>	
	<i>Deductions allocated and apportioned at partner level</i>		
	<b>g</b> Interest expense ▶ . . . . . <b>h</b> Other . . . . . ▶	<b>16h</b>	
	<i>Deductions allocated and apportioned at partnership level to foreign source income</i>		
	<b>i</b> Passive category ▶ . . . . . <b>j</b> General category ▶ . . . . . <b>k</b> Other ▶	<b>16k</b>	
	<b>l</b> Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/> . . . . .	<b>16l</b>	
	<b>m</b> Reduction in taxes available for credit ( <i>attach statement</i> ) . . . . .	<b>16m</b>	
<b>n</b> Other foreign tax information ( <i>attach statement</i> ) . . . . .			
<b>Alternative Minimum Tax (AMT) Items</b>	<b>17a</b> Post-1986 depreciation adjustment . . . . .	<b>17a</b>	
	<b>b</b> Adjusted gain or loss . . . . .	<b>17b</b>	
	<b>c</b> Depletion (other than oil and gas) . . . . .	<b>17c</b>	
	<b>d</b> Oil, gas, and geothermal properties—gross income . . . . .	<b>17d</b>	
	<b>e</b> Oil, gas, and geothermal properties—deductions . . . . .	<b>17e</b>	
	<b>f</b> Other AMT items ( <i>attach statement</i> ) . . . . .	<b>17f</b>	
<b>Other Information</b>	<b>18a</b> Tax-exempt interest income . . . . .	<b>18a</b>	
	<b>b</b> Other tax-exempt income . . . . .	<b>18b</b>	
	<b>c</b> Nondeductible expenses . . . . .	<b>18c</b>	
	<b>19a</b> Distributions of cash and marketable securities . . . . .	<b>19a</b>	
	<b>b</b> Distributions of other property . . . . .	<b>19b</b>	
	<b>20a</b> Investment income . . . . .	<b>20a</b>	
<b>b</b> Investment expenses . . . . .	<b>20b</b>		
<b>c</b> Other items and amounts ( <i>attach statement</i> ) . . . . .			

**Analysis of Net Income (Loss)**

<b>1</b> Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l . . . . .						<b>1</b>
<b>2</b> Analysis by partner type:	<b>(i)</b> Corporate	<b>(ii)</b> Individual (active)	<b>(iii)</b> Individual (passive)	<b>(iv)</b> Partnership	<b>(v)</b> Exempt organization	<b>(vi)</b> Nominee/Other
<b>a</b> General partners						
<b>b</b> Limited partners						

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>1</b> Cash . . . . .				
<b>2a</b> Trade notes and accounts receivable . . . . .				
<b>b</b> Less allowance for bad debts . . . . .				
<b>3</b> Inventories . . . . .				
<b>4</b> U.S. government obligations . . . . .				
<b>5</b> Tax-exempt securities . . . . .				
<b>6</b> Other current assets ( <i>attach statement</i> ) . . . . .				
<b>7</b> Mortgage and real estate loans . . . . .				
<b>8</b> Other investments ( <i>attach statement</i> ) . . . . .				
<b>9a</b> Buildings and other depreciable assets . . . . .				
<b>b</b> Less accumulated depreciation . . . . .				
<b>10a</b> Depletable assets . . . . .				
<b>b</b> Less accumulated depletion . . . . .				
<b>11</b> Land (net of any amortization) . . . . .				
<b>12a</b> Intangible assets (amortizable only) . . . . .				
<b>b</b> Less accumulated amortization . . . . .				
<b>13</b> Other assets ( <i>attach statement</i> ) . . . . .				
<b>14</b> Total assets . . . . .				
<b>Liabilities and Capital</b>				
<b>15</b> Accounts payable . . . . .				
<b>16</b> Mortgages, notes, bonds payable in less than 1 year . . . . .				
<b>17</b> Other current liabilities ( <i>attach statement</i> ) . . . . .				
<b>18</b> All nonrecourse loans . . . . .				
<b>19</b> Mortgages, notes, bonds payable in 1 year or more . . . . .				
<b>20</b> Other liabilities ( <i>attach statement</i> ) . . . . .				
<b>21</b> Partners' capital accounts . . . . .				
<b>22</b> Total liabilities and capital . . . . .				

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return****Note.** Schedule M-3 may be required instead of Schedule M-1 (see instructions).

<b>1</b> Net income (loss) per books . . . . .		<b>6</b> Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
<b>2</b> Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize): . . . . .		<b>a</b> Tax-exempt interest \$ . . . . .	
<b>3</b> Guaranteed payments (other than health insurance) . . . . .		<b>7</b> Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
<b>4</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		<b>a</b> Depreciation \$ . . . . .	
<b>a</b> Depreciation \$ . . . . .			
<b>b</b> Travel and entertainment \$ . . . . .		<b>8</b> Add lines 6 and 7 . . . . .	
<b>5</b> Add lines 1 through 4 . . . . .		<b>9</b> Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5 . . . . .	

**Schedule M-2 Analysis of Partners' Capital Accounts**

<b>1</b> Balance at beginning of year . . . . .		<b>6</b> Distributions: <b>a</b> Cash . . . . .	
<b>2</b> Capital contributed: <b>a</b> Cash . . . . .		<b>b</b> Property . . . . .	
<b>b</b> Property . . . . .		<b>7</b> Other decreases (itemize): . . . . .	
<b>3</b> Net income (loss) per books . . . . .			
<b>4</b> Other increases (itemize): . . . . .		<b>8</b> Add lines 6 and 7 . . . . .	
<b>5</b> Add lines 1 through 4 . . . . .		<b>9</b> Balance at end of year. Subtract line 8 from line 5 . . . . .	

**SCHEDULE D  
(Form 1065)**Department of the Treasury  
Internal Revenue Service**Capital Gains and Losses**

▶ Attach to Form 1065.

▶ See separate instructions.

OMB No. 1545-0099

**2008**

Name of partnership

Employer identification number

**Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less**

(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
<b>1</b>					
<b>2</b> Short-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .					<b>2</b>
<b>3</b> Short-term capital gain (loss) from like-kind exchanges from Form 8824 . . . . .					<b>3</b>
<b>4</b> Partnership's share of net short-term capital gain (loss), including specially allocated short-term capital gains (losses), from other partnerships, estates, and trusts . . . . .					<b>4</b>
<b>5 Net short-term capital gain or (loss).</b> Combine lines 1 through 4 in column (f). Enter here and on Form 1065, Schedule K, line 8 or 11 . . . . .					<b>5</b>

**Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year**

(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
<b>6</b>					
<b>7</b> Long-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .					<b>7</b>
<b>8</b> Long-term capital gain (loss) from like-kind exchanges from Form 8824 . . . . .					<b>8</b>
<b>9</b> Partnership's share of net long-term capital gain (loss), including specially allocated long-term capital gains (losses), from other partnerships, estates, and trusts . . . . .					<b>9</b>
<b>10</b> Capital gain distributions . . . . .					<b>10</b>
<b>11 Net long-term capital gain or (loss).</b> Combine lines 6 through 10 in column (f). Enter here and on Form 1065, Schedule K, line 9a or 11 . . . . .					<b>11</b>

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 11393G

Schedule D (Form 1065) 2008



# Depreciation and Amortization (Including Information on Listed Property)

OMB No. 1545-0172

**2008**

Attachment  
Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return	Business or activity to which this form relates	Identifying number
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## Part I Election To Expense Certain Property Under Section 179

**Note:** If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses . . . . .	1	\$250,000
2 Total cost of section 179 property placed in service (see instructions) . . . . .	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions) . . . . .	3	\$800,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions . . . . .	5	
<b>(a) Description of property (b) Cost (business use only) (c) Elected cost</b>		
6		
7 Listed property. Enter the amount from line 29 . . . . .	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .	8	
9 Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8. . . . .	9	
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562 . . . . .	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. . . . .	12	
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ . . . . .	13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

## Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) . . . . .	14	14
15 Property subject to section 168(f)(1) election . . . . .	15	
16 Other depreciation (including ACRS) . . . . .	16	

## Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

### Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008 . . . . .	17	17
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . . <input type="checkbox"/>		

### Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

### Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life	20a	20a	20a	20a	20a	20a
b 12-year	b	b	b	b	b	b
c 40-year	c	c	c	c	c	c

## Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28 . . . . .	21	21
22 <b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. . . . .	22	
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .	23	



**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A—Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

**24a** Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . . . . .							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:		%				S/L –		
		%				S/L –		
		%				S/L –		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. . . . .							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1. . . . .								<b>29</b>

**Section B—Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
<b>30</b> Total business/investment miles driven during the year ( <b>do not</b> include commuting miles) . . . . .						
<b>31</b> Total commuting miles driven during the year . . . . .						
<b>32</b> Total other personal (noncommuting) miles driven . . . . .						
<b>33</b> Total miles driven during the year. Add lines 30 through 32 . . . . .						
<b>34</b> Was the vehicle available for personal use during off-duty hours? . . . . .	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . . .						
<b>36</b> Is another vehicle available for personal use? . . . . .						

**Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .		
<b>39</b> Do you treat all use of vehicles by employees as personal use? . . . . .		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . . . .		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2008 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2008 tax year. . . . .				<b>43</b>	
<b>44</b> <b>Total.</b> Add amounts in column (f). See the instructions for where to report. . . . .				<b>44</b>	

**Sales of Business Property**  
**(Also Involuntary Conversions and Recapture Amounts**  
**Under Sections 179 and 280F(b)(2))**  
▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

**2008**  
Attachment  
Sequence No. **27**

Name(s) shown on return

Identifying number

- 1** Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . . . **1**

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year** (see instructions)

<b>2</b>	<b>(a)</b> Description of property	<b>(b)</b> Date acquired (mo., day, yr.)	<b>(c)</b> Date sold (mo., day, yr.)	<b>(d)</b> Gross sales price	<b>(e)</b> Depreciation allowed or allowable since acquisition	<b>(f)</b> Cost or other basis, plus improvements and expense of sale	<b>(g)</b> Gain or (loss) Subtract (f) from the sum of (d) and (e)
<b>3</b>	Gain, if any, from Form 4684, line 45 . . . . .						<b>3</b>
<b>4</b>	Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .						<b>4</b>
<b>5</b>	Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .						<b>5</b>
<b>6</b>	Gain, if any, from line 32, from other than casualty or theft. . . . .						<b>6</b>
<b>7</b>	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . . . . .						<b>7</b>
	<b>Partnerships (except electing large partnerships) and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.						
	<b>Individuals, partners, S corporation shareholders, and all others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						
<b>8</b>	Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .						<b>8</b>
<b>9</b>	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) . . . . .						<b>9</b>

**Part II Ordinary Gains and Losses** (see instructions)

**10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

<b>11</b>	Loss, if any, from line 7 . . . . .					<b>11</b> ( )
<b>12</b>	Gain, if any, from line 7 or amount from line 8, if applicable . . . . .					<b>12</b>
<b>13</b>	Gain, if any, from line 31 . . . . .					<b>13</b>
<b>14</b>	Net gain or (loss) from Form 4684, lines 36 and 44a . . . . .					<b>14</b>
<b>15</b>	Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .					<b>15</b>
<b>16</b>	Ordinary gain or (loss) from like-kind exchanges from Form 8824. . . . .					<b>16</b>
<b>17</b>	Combine lines 10 through 16 . . . . .					<b>17</b>
<b>18</b>	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:					
<b>a</b>	If the loss on line 11 includes a loss from Form 4684, line 41, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . . . .					<b>18a</b>
<b>b</b>	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 . . . . .					<b>18b</b>

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
 (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
<b>A</b>					
<b>B</b>					
<b>C</b>					
<b>D</b>					
These columns relate to the properties on lines 19A through 19D. ►		Property A	Property B	Property C	Property D
20	Gross sales price ( <b>Note:</b> See line 1 before completing. ) . . . . .	20			
21	Cost or other basis plus expense of sale . . . . .	21			
22	Depreciation (or depletion) allowed or allowable . . . . .	22			
23	Adjusted basis. Subtract line 22 from line 21. . . . .	23			
24	Total gain. Subtract line 23 from line 20 . . . . .	24			
<b>25 If section 1245 property:</b>					
a	Depreciation allowed or allowable from line 22 . . . . .	25a			
b	Enter the <b>smaller</b> of line 24 or 25a . . . . .	25b			
<b>26 If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions) . . . . .	26a			
b	Applicable percentage multiplied by the <b>smaller</b> of line 24 or line 26a (see instructions) . . . . .	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e . . . . .	26c			
d	Additional depreciation after 1969 and before 1976. . . . .	26d			
e	Enter the <b>smaller</b> of line 26c or 26d . . . . .	26e			
f	Section 291 amount (corporations only) . . . . .	26f			
g	Add lines 26b, 26e, and 26f. . . . .	26g			
<b>27 If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses . . . . .	27a			
b	Line 27a multiplied by applicable percentage (see instructions) . . . . .	27b			
c	Enter the <b>smaller</b> of line 24 or 27b . . . . .	27c			
<b>28 If section 1254 property:</b>					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) . . . . .	28a			
b	Enter the <b>smaller</b> of line 24 or 28a . . . . .	28b			
<b>29 If section 1255 property:</b>					
a	Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .	29a			
b	Enter the <b>smaller</b> of line 24 or 29a (see instructions) . . . . .	29b			

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24 . . . . .	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 39. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
 (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years. . . . .	33	
34	Recomputed depreciation (see instructions) . . . . .	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	

**Rental Real Estate Income and Expenses of a  
Partnership or an S Corporation**

OMB No. 1545-1186

► See instructions on back.  
► Attach to Form 1065, Form 1065-B, or Form 1120S.

Name	Employer identification number
------	--------------------------------

1 Show the kind and location of each property. See page 2 to list additional properties.

A -----

B -----

C -----

D -----

		Properties							
		A		B		C		D	
<b>Rental Real Estate Income</b>									
2 Gross rents . . . . .	2								
<b>Rental Real Estate Expenses</b>									
3 Advertising . . . . .	3								
4 Auto and travel . . . . .	4								
5 Cleaning and maintenance . . . . .	5								
6 Commissions . . . . .	6								
7 Insurance . . . . .	7								
8 Legal and other professional fees . . . . .	8								
9 Interest . . . . .	9								
10 Repairs . . . . .	10								
11 Taxes . . . . .	11								
12 Utilities . . . . .	12								
13 Wages and salaries . . . . .	13								
14 Depreciation (see instructions)	14								
15 Other (list) ► -----	15								
-----									
-----									
16 Total expenses for each property. Add lines 3 through 15 . . . . .	16								
17 Total gross rents. Add gross rents from line 2, columns A through H . . . . .	17								
18 Total expenses. Add total expenses from line 16, columns A through H . . . . .	18								
19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities . . . . .	19								
20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) . . . . .	20a								
b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:									
(1) Name	(2) Employer identification number								
-----	-----								
-----	-----								
-----	-----								
21 Net rental real estate income (loss). Combine lines 17 through 20a. Enter the result here and on:	21								
• Form 1065 or 1120S: Schedule K, line 2, or									
• Form 1065-B: Part I, line 4									

<b>1</b>	Show the kind and location of each property.
<b>E</b>	-----
<b>F</b>	-----
<b>G</b>	-----
<b>H</b>	-----

		Properties							
		E		F		G		H	
<b>2</b>	<b>Rental Real Estate Income</b>	<b>2</b>							
	Gross rents . . . . .								
	<b>Rental Real Estate Expenses</b>	<b>3</b>							
<b>3</b>	Advertising . . . . .	<b>4</b>							
<b>4</b>	Auto and travel . . . . .	<b>5</b>							
<b>5</b>	Cleaning and maintenance . . . . .	<b>6</b>							
<b>6</b>	Commissions . . . . .	<b>7</b>							
<b>7</b>	Insurance . . . . .	<b>8</b>							
<b>8</b>	Legal and other professional fees . . . . .	<b>9</b>							
<b>9</b>	Interest . . . . .	<b>10</b>							
<b>10</b>	Repairs . . . . .	<b>11</b>							
<b>11</b>	Taxes . . . . .	<b>12</b>							
<b>12</b>	Utilities . . . . .	<b>13</b>							
<b>13</b>	Wages and salaries . . . . .	<b>14</b>							
<b>14</b>	Depreciation (see instructions)								
<b>15</b>	Other (list) ►								
	-----	<b>15</b>							
	-----								
<b>16</b>	Total expenses for each property. Add lines 3 through 15 . . . . .	<b>16</b>							

## Instructions

Section references are to the Internal Revenue Code.

### What's New

The IRS will revise this December 2006 version of Form 8825 only when necessary. Continue to use this version of the form for tax years beginning after 2006 until a new revision is issued.

**Purpose of form.** Partnerships and S corporations use Form 8825 to report income and deductible expenses from rental real estate activities, including net income (loss) from rental real estate activities that flow through from partnerships, estates, or trusts.

Before completing this form, be sure to read:

- *Passive Activity Limitations* in the instructions for Form 1065 or Form 1120S, or *Passive Loss Limitation Activities* in the instructions for Form 1065-B, especially for the definition of "rental activity."
- *Extraterritorial Income Exclusion* in the instructions for Form 1065, 1065-B, or 1120S.

**Specific Instructions.** Form 8825 provides space for up to eight properties. If there are more than eight properties, attach additional Forms 8825.

The number of columns to be used for reporting income and expenses on this form may differ from the number of rental real estate activities the partnership or S corporation has for purposes of the passive activity limitations. For example, a partnership owns two apartment buildings, each located in a different city. For purposes of the passive activity limitations, the partnership grouped both buildings into a single activity. Although the partnership has only one rental real estate activity for purposes of the

passive activity limitations, it must report the income and deductions for each building in separate columns.

However, if the partnership or S corporation has more than one rental real estate activity for purposes of the passive activity limitations, attach a statement to Schedule K that reports the net income (loss) for each separate activity. Also, attach a statement to each Schedule K-1 that reports each partner's or shareholder's share of the net income (loss) by separate activity (except for limited partners in an electing large partnership). See *Passive Activity Reporting Requirements* in the instructions for Form 1065, Form 1065-B, or Form 1120S for additional information that must be provided for each activity.

Complete lines 1 through 16 for each property. But complete lines 17 through 21 on only one Form 8825. The figures on lines 17 and 18 should be the combined totals for all forms.

**Do not** report on Form 8825 any:

- Income or deductions from a trade or business activity or a rental activity other than rental real estate. These items are reported elsewhere.
- Portfolio income or deductions.
- Section 179 expense deduction.
- Other items that must be reported separately to the partners or shareholders.
- Commercial revitalization deductions.

**Line 1.** Show the kind of property rented out (for example, "apartment building"). Give the street address, city or town, and state.

**Line 14.** The partnership or S corporation may claim a depreciation deduction each year for

rental property (except for land, which is not depreciable). If the partnership or S corporation placed property in service during the current tax year or claimed depreciation on any vehicle or other listed property, complete and attach Form 4562, Depreciation and Amortization. See Form 4562 and its instructions to figure the depreciation deduction.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 6 hr., 27 min.; Learning about the law or the form, 34 min.; Preparing the form, 1 hr., 37 min.; Copying, assembling, and sending the form to the IRS, 16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Form 1065, Schedule K, Line 11, Other Income (Loss)

Form 1065, Line 20, Other Deductions



Form 1065 Additional Information

IRS Service Center where partnership filed return  
Form 1065 – K-1 Allocation Worksheet

Partner 1			Beginning	Ending	Beginning Cap Account			
Name		Profit %			Capital	Contributed		
Address		Loss %			Current year incre/decre			
City, State, Zip		Capital %			Withdrawals & dist			
Partner ID					Ending Cap Acct			
	Total	Allocation %	% Amt Allocated	OR	Tax Basis	GAAP	Sec 704	Other
1. Ordinary income (loss)					Dollar Amt Allocated			General Partnr or LLC
2. Net rental real estate income (loss)								Limited or Oth LLC
3. Other net rental income (loss)								Domestic Partner
4. Guaranteed payments								Foreign Patner
5. Interest income								Type of Entity
6a. Ordinary dividends								
6b. Qualified dividends								Nonrecourse
7. Royalties								
8. Net short-term capital gain (loss)								Qualfd Nonrecourse
9a. Net long-term capital gain (loss)								
9b. Collectibles (28%) gain (loss)								Recourse
9c. Unrecaptured section 1250 gain								
10. Net section 1231 gain (loss)								
11. Other income (loss)								
12. Section 179 deduction								

Partner 2			Beginning	Ending	Beginning Cap Account			
Name		Profit %			Capital	Contributed		
Address		Loss %			Current year incre/decre			
City, State, Zip		Capital %			Withdrawals & dist			
Partner ID					Ending Cap Acct			
	Total	Allocation %	% Amt Allocated	OR	Tax Basis	GAAP	Sec 704	Other
1. Ordinary income (loss)					Dollar Amt Allocated			General Partnr or LLC
2. Net rental real estate income (loss)								Limited or Oth LLC
3. Other net rental income (loss)								Domestic Partner
4. Guaranteed payments								Foreign Patner
5. Interest income								Type of Entity
6a. Ordinary dividends								
6b. Qualified dividends								Nonrecourse
7. Royalties								
8. Net short-term capital gain (loss)								Qualfd Nonrecourse
9a. Net long-term capital gain (loss)								
9b. Collectibles (28%) gain (loss)								Recourse
9c. Unrecaptured section 1250 gain								
10. Net section 1231 gain (loss)								
11. Other income (loss)								
12. Section 179 deduction								

Partner 3			Beginning	Ending	Beginning Cap Account			
Name		Profit %			Capital	Contributed		
Address		Loss %			Current year incre/decre			
City, State, Zip		Capital %			Withdrawals & dist			
Partner ID					Ending Cap Acct			
	Total	Allocation %	% Amt Allocated	OR	Tax Basis	GAAP	Sec 704	Other
1. Ordinary income (loss)					Dollar Amt Allocated			General Partnr or LLC
2. Net rental real estate income (loss)								Limited or Oth LLC
3. Other net rental income (loss)								Domestic Partner
4. Guaranteed payments								Foreign Patner
5. Interest income								Type of Entity
6a. Ordinary dividends								
6b. Qualified dividends								Nonrecourse
7. Royalties								
8. Net short-term capital gain (loss)								Qualfd Nonrecourse
9a. Net long-term capital gain (loss)								
9b. Collectibles (28%) gain (loss)								Recourse
9c. Unrecaptured section 1250 gain								
10. Net section 1231 gain (loss)								
11. Other income (loss)								
12. Section 179 deduction								

**Schedule K-1  
(Form 1065)****2008**Department of the Treasury  
Internal Revenue ServiceFor calendar year 2008, or tax  
year beginning \_\_\_\_\_, 2008  
ending \_\_\_\_\_, 20\_\_\_\_☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Partner's Share of Income, Deductions,  
Credits, etc.**

► See back of form and separate instructions.

Part I Information About the Partnership																					
<b>A</b>	Partnership's employer identification number																				
<b>B</b>	Partnership's name, address, city, state, and ZIP code																				
<b>C</b>	IRS Center where partnership filed return																				
<b>D</b>	<input type="checkbox"/> Check if this is a publicly traded partnership (PTP)																				
Part II Information About the Partner																					
<b>E</b>	Partner's identifying number																				
<b>F</b>	Partner's name, address, city, state, and ZIP code																				
<b>G</b>	<input type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member																				
<b>H</b>	<input type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner																				
<b>I</b>	What type of entity is this partner? _____																				
<b>J</b>	Partner's share of profit, loss, and capital (see instructions): <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 10%; text-align: center;">Beginning</th> <th style="width: 10%; text-align: center;">%</th> <th style="width: 10%; text-align: center;">Ending</th> <th style="width: 10%; text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Loss</td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Capital</td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> </tr> </tbody> </table>		Beginning	%	Ending	%	Profit					Loss					Capital				
	Beginning	%	Ending	%																	
Profit																					
Loss																					
Capital																					
<b>K</b>	Partner's share of liabilities at year end: Nonrecourse . . . . . \$ _____ Qualified nonrecourse financing . . . \$ _____ Recourse . . . . . \$ _____																				
<b>L</b>	Partner's capital account analysis: Beginning capital account . . . \$ _____ Capital contributed during the year . \$ _____ Current year increase (decrease) . \$ _____ Withdrawals & distributions . . . \$ ( _____ ) Ending capital account . . . \$ _____  <input type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book <input type="checkbox"/> Other (explain)																				

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)		
		19	Distributions
		20	Other information

\*See attached statement for additional information.

For IRS Use Only

**Schedule K-1  
(Form 1065)****2008**Department of the Treasury  
Internal Revenue ServiceFor calendar year 2008, or tax  
year beginning \_\_\_\_\_, 2008  
ending \_\_\_\_\_, 20\_\_\_\_☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Partner's Share of Income, Deductions,  
Credits, etc.**

► See back of form and separate instructions.

Part I Information About the Partnership																					
<b>A</b>	Partnership's employer identification number																				
<b>B</b>	Partnership's name, address, city, state, and ZIP code																				
<b>C</b>	IRS Center where partnership filed return																				
<b>D</b>	<input type="checkbox"/> Check if this is a publicly traded partnership (PTP)																				
Part II Information About the Partner																					
<b>E</b>	Partner's identifying number																				
<b>F</b>	Partner's name, address, city, state, and ZIP code																				
<b>G</b>	<input type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member																				
<b>H</b>	<input type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner																				
<b>I</b>	What type of entity is this partner? _____																				
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year beginning \_\_\_\_\_, 2008  
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OMB No. 1545-0099

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► See back of form and separate instructions.

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\*See attached statement for additional information.

For IRS Use Only

**2008 Partnership Return of Income****565**

For calendar year 2008 or fiscal year beginning month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

Partnership name (place label within block or type or print) \_\_\_\_\_ Check box if name changed ☐

DBA \_\_\_\_\_

Address (including suite, room, PO Box, and PMB no.) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

**E** Check accounting method  
☐ (1) Cash ☐ (2) Accrual  
☐ (3) Other (attach explanation) ☐

**F** Date business started in CA ☐

**G** Enter total assets at end of year. See instructions. ☐ \$ \_\_\_\_\_

**H** Check the applicable box  
☐ (1) Initial return ☐ (2) **FINAL RETURN**  
☐ (3) Amended return

**I** Principal business activity code (same as federal) ☐

**Caution:** Include **only** trade or business income and expenses on line 1a through line 22 below. See the instructions for more information.

<b>Income</b>	<b>1 a</b> Gross receipts or sales \$ _____ <b>b</b> Less returns and allowances \$ _____ <b>c</b> Balance <input type="radio"/>	<b>1c</b>	00
	<b>2</b> Cost of goods sold (Schedule A, line 8) _____	<b>2</b>	00
	<b>3</b> GROSS PROFIT. Subtract line 2 from line 1c _____	<b>3</b>	00
	<b>4</b> Total ordinary income from other partnerships and fiduciaries. Attach schedule _____	<b>4</b>	00
	<b>5</b> Total ordinary loss from other partnerships and fiduciaries. Attach schedule _____	<b>5</b>	00
	<b>6</b> Total farm profit. Attach federal Schedule F (Form 1040). _____	<b>6</b>	00
	<b>7</b> Total farm loss. Attach federal Schedule F (Form 1040). _____	<b>7</b>	00
	<b>8</b> Total gains included on Schedule D-1, Part II, line 17 ( <b>gain only</b> ) _____	<b>8</b>	00
	<b>9</b> Total losses included on Schedule D-1, Part II, line 17 ( <b>loss only</b> ) _____	<b>9</b>	00
	<b>10</b> Other income. Attach schedule. _____	<b>10</b>	00
	<b>11</b> Other loss. Attach schedule. _____	<b>11</b>	00
	<b>12</b> <b>Total income (loss).</b> Combine line 3 through line 11. _____	<b>12</b>	00
<b>Deductions</b>	<b>13</b> Salaries and wages (other than to partners). _____	<b>13</b>	00
	<b>14</b> Guaranteed payments to partners _____	<b>14</b>	00
	<b>15</b> Bad debts. _____	<b>15</b>	00
	<b>16</b> Deductible interest expense not claimed elsewhere on return _____	<b>16</b>	00
	<b>17 a</b> Depreciation and amortization. Attach form FTB 3885P \$ _____		
	<b>b</b> Less depreciation reported on Schedule A and elsewhere on return \$ _____ <b>c</b> Balance <input type="radio"/>	<b>17c</b>	00
	<b>18</b> Depletion. Do not deduct oil and gas depletion _____	<b>18</b>	00
	<b>19</b> Retirement plans, etc. _____	<b>19</b>	00
	<b>20</b> Employee benefit programs _____	<b>20</b>	00
	<b>21</b> Other deductions. Attach schedule. _____	<b>21</b>	00
<b>22</b> <b>Total deductions.</b> Add line 13 through line 21. _____	<b>22</b>	00	
<b>Pay-ments</b>	<b>23</b> Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12 _____	<b>23</b>	00
	<b>24</b> <b>Tax — \$800.00 (LPs, LLPs, and REMICs only).</b> See instructions. _____	<b>24</b>	00
	<b>25</b> Nonresident withholding credit (\$800 maximum). <b>See instructions</b> _____ <b>25</b> _____ 00		
	<b>26</b> Amount paid with extension of time to file return (form FTB 3538) _____ <b>26</b> _____ 00		
<b>Amount Due or Refund</b>	<b>27</b> <b>Total payments.</b> Add line 25 and line 26 _____	<b>27</b>	00
	<b>28</b> Tax due. If line 24 is more than line 27, subtract line 27 from line 24 _____	<b>28</b>	00
	<b>29</b> <b>Use Tax. This is not a total line.</b> See instructions. <input type="radio"/> <b>29</b> _____ 00		
	<b>30</b> <b>Refund.</b> If the total of line 24 and line 29 is less than line 27, subtract the total from line 27. <b>30</b> _____ 00		
	<b>31</b> Penalties and interest. _____ <b>31</b> _____ 00		
<b>32</b> <b>Total amount due.</b> Add line 24, line 29, and line 31, then subtract line 27 from the result. _____		<b>32</b>	00

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here** \_\_\_\_\_ Telephone \_\_\_\_\_  
 Signature of general partner \_\_\_\_\_ Date \_\_\_\_\_

**Paid Preparer's Use Only** \_\_\_\_\_  
 Paid Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed ☐  
 Firm's name (or yours if self-employed) and address \_\_\_\_\_ Telephone \_\_\_\_\_  
 FEIN \_\_\_\_\_  
 May the FTB discuss this return with the preparer shown above (see instructions)? ☐ Yes ☐ No

**Schedule A Cost of Goods Sold**

<b>1</b>	Inventory at beginning of year .....	<b>1</b>		00
<b>2</b>	Purchases less cost of items withdrawn for personal use .....	<b>2</b>		00
<b>3</b>	Cost of labor .....	<b>3</b>		00
<b>4</b>	Additional IRC Section 263A costs. Attach schedule .....	<b>4</b>		00
<b>5</b>	Other costs. Attach schedule .....	<b>5</b>		00
<b>6</b>	<b>Total.</b> Add line 1 through line 5 .....	<b>6</b>		00
<b>7</b>	Inventory at end of year .....	<b>7</b>		00
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Side 1, line 2 .....	<b>8</b>		00

- 9 a** Check all methods used for valuing closing inventory:  
(1) ☐ Cost    (2) ☐ Lower of cost or market as described in Treas. Reg. Section 1.471-4    (3) ☐ Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c)    (4) ☐ Other. Specify method used and attach explanation \_\_\_\_\_
- b** Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970 ..... ☐
- c** Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? ..... ☐ Yes ☐ No
- d** Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ..... ☐ Yes ☐ No

**J** What type of entity is filing this return? Check one only:

- **1** ☐ General partnership
- **2** ☐ Limited partnership required to pay annual tax (is doing business in California, is registered with SOS, or is organized in California)
- **3** ☐ Limited partnership, limited liability company (LLC), or other entity NOT required to pay annual tax (is not doing business in California, is not registered with SOS, and is not organized in California)
- **4** ☐ REMIC
- **5** ☐ Limited liability partnership
- **6** ☐ Other (See instructions) \_\_\_\_\_

**K** Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner) .....

--

	Yes	No
<b>L</b> Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner? .....		
<b>M</b> Is any partner of the partnership a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other partner? ..		
<b>N</b> Are any partners in this partnership also partnerships or LLCs? .....		
<b>O</b> Does the partnership meet all the requirements shown in the instructions for Question O? .....		
<b>P</b> Is this partnership a partner in another partnership or LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity ..		
<b>Q</b> Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754 ....		
<b>R</b> Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)? .....		
<b>S</b> Is this partnership under audit by the IRS or has it been audited in a prior year? .....		
<b>T</b> (1) For this taxable year, was there a change in control or majority ownership for this partnership (or any legal entity in which it holds a controlling or majority interest) that owned or leased real property in California? .....		
(2) For this taxable year, did this partnership (or any legal entity in which it holds a controlling or majority interest) acquire control or majority ownership of any other legal entity that owned or leased real property in California? .....		
(3) If this partnership (or any legal entity in which it holds a controlling or majority interest) owned or leased real property in California, has more than 50 percent of the partnerships interest cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return? .....		
<b>(Penalties May Apply – See Instructions.)</b>		
<b>U</b> (1) Does the partnership have any foreign (non U.S.) nonresident partners? .....		
(2) Does the partnership have any domestic (non-foreign) nonresident partners? .....		
(3) Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these partners? .....		
<b>V</b> Is this an investment partnership? See General Information, Investment Partnerships, in the instructions .....		
<b>W</b> Is the partnership apportioning income to California using Schedule R? .....		
<b>X</b> Has the partnership included a Reportable Transaction or Listed Transaction within this return? (See instructions for definitions.) If "Yes," complete and attach Form 8886 for each transaction .....		
<b>Y</b> Did this partnership file the Federal Schedule M-3 (Form 1065)? .....		
<b>Z</b> Is this partnership a direct owner of an entity that filed a federal Schedule M-3? .....		
<b>AA</b> Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN. ....		
<b>AB</b> Does this partnership own an interest in a business entity disregarded for tax purposes? Attach schedule of disregarded entity names and identification numbers. ....		
<b>AC</b> During the year did this partnership defer any gains from the disposition of assets? .....		



**Schedule K Partners' Shares of Income, Deductions, Credits, etc.**

		(a) Distributive share items	(b) Amounts from federal K (1065)	(c) California adjustments	(d) Total amounts using California law			
Income (Loss)	1	Ordinary income (loss) from trade or business activities . . . . .	1 ●					
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825. . . .	2					
	3 a	Gross income (loss) from other rental activities. . . . .	3a					
	b	Less expenses. Attach schedule. . . . .	3b					
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a.	3c		●			
	4	Guaranteed payments to partners . . . . .	4		●			
	5	Interest income . . . . .	5		●			
	6	Dividends. . . . .	6		●			
	7	Royalties . . . . .	7		●			
	8	Net short-term capital gain (loss). Attach Schedule D (565) . . . . .	8		●			
	9	Net long-term capital gain (loss). Attach Schedule D (565). . . . .	9		●			
Deductions	10 a	Total Gain under IRC Section 1231 (other than due to casualty or theft) . .	10a		●			
	b	Total Loss under IRC Section 1231 (other than due to casualty or theft) . .	10b		●			
	11 a	Other portfolio income (loss). Attach schedule . . . . .	11a					
	b	Total other income. Attach schedule. . . . .	11b					
	c	Total other loss. Attach schedule . . . . .	11c					
	12	Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6, and 17268). Attach schedule . . . . .	12					
Credits	13 a	Charitable contributions. See instructions. Attach schedule. . . . .	13a					
	b	Investment interest expense . . . . .	13b		●			
	c 1	Total expenditures to which IRC Section 59(e) election may apply. Attach schedule. . . . .	13c1					
	2	Type of expenditures _____	13c2					
	d	Deductions related to portfolio income. . . . .	13d					
Alternative Minimum Tax (AMT) Items	e	Other deductions. Attach schedule . . . . .	13e					
	15 a	Withholding on partnership allocated to all partners. . . . .	15a					
	b	Low-income housing credit . . . . .	15b					
	c	Credits other than the credit shown on line 15b related to rental real estate activities . . . . .	15c					
	d	Credits related to other rental activities. . . . .	15d					
	e	Nonconsenting nonresident members' tax allocated to all partners . . . . .	15e					
Other Information	f	Other credits . . . . .	15f		●			
	17 a	Depreciation adjustment on property placed in service after 1986 . . . . .	17a					
	b	Adjusted gain or loss . . . . .	17b					
Analysis	c	Depletion (other than oil and gas). . . . .	17c					
	d	Gross income from oil, gas, and geothermal properties . . . . .	17d					
	e	Deductions allocable to oil, gas, and geothermal properties . . . . .	17e					
	f	Other alternative minimum tax items . . . . .	17f					
	18 a	Tax-exempt interest income . . . . .	18a					
	b	Other tax-exempt income . . . . .	18b		●			
	c	Nondeductible expenses . . . . .	18c					
	19 a	Distributions of money (cash and marketable securities) . . . . .	19a					
	b	Distribution of property other than money . . . . .	19b					
	20 a	Investment income . . . . .	20a					
	b	Investment expenses . . . . .	20b					
	c	Other information. See instructions . . . . .	20c					
	21 a	Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e. . . . .	21a		●			
	b	Analysis by type of partner:	(a)	(b) Individual		(c)	(d)	(e)
			Corporate	i. Active	ii. Passive	Partnership	Exempt Organization	Nominee/Other
			(1) General partners					
	(2) Limited partners							

**Schedule L Balance Sheets.** See the instructions for Question O before completing Schedules L, M-1, and M-2.

Assets	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
1 Cash . . . . .				
2 a Trade notes and accounts receivable . . . . .				
b Less allowance for bad debts . . . . .	( )		( )	
3 Inventories . . . . .				●
4 U.S. government obligations . . . . .				
5 Tax-exempt securities . . . . .				
6 Other current assets. Attach schedule . . . . .				●
7 Mortgage and real estate loans . . . . .				
8 Other investments. Attach schedule . . . . .				●
9 a Buildings and other depreciable assets . . . . .				
b Less accumulated depreciation . . . . .	( )		( )	●
10 a Depletable assets . . . . .				
b Less accumulated depletion . . . . .	( )		( )	
11 Land (net of any amortization) . . . . .				●
12 a Intangible assets (amortizable only) . . . . .				
b Less accumulated amortization . . . . .	( )		( )	
13 Other assets. Attach schedule . . . . .				●
14 Total assets . . . . .				
Liabilities and Capital				
15 Accounts payable . . . . .				●
16 Mortgages, notes, bonds payable in less than 1 year . . . . .				●
17 Other current liabilities. Attach schedule . . . . .				
18 All nonrecourse loans . . . . .				●
19 Mortgages, notes, bonds payable in 1 year or more . . . . .				●
20 Other liabilities. Attach schedule . . . . .				●
21 Partners' capital accounts . . . . .				●
22 Total liabilities and capital . . . . .				

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return.** Use total amount under California law.  
If the partnership completed federal Schedule M-3 (Form 1065), see instructions.

1 Net income (loss) per books . . . . .		6 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:	
2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize. . . . . ●		a Tax-exempt interest . . . . . \$	
3 Guaranteed payments (other than health insurance) . . . . .		b Other . . . . . \$	
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:		c Total. Add line 6a and line 6b. . . . . ●	
a Depreciation . . . . . \$		7 Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:	
b Travel and entertainment . . . . . \$		a Depreciation . . . . . \$	
c Limited partnership tax . . . . . \$		b Other . . . . . \$	
d Other . . . . . \$		c Total. Add line 7a and line 7b . . . . . ●	
e Total. Add line 4a through 4d . . . . . ●		8 Total. Add line 6c and line 7c. . . . .	
5 Total of line 1 through line 4e . . . . .		9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5. . . . .	

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year . . . . .		5 Total of line 1 through line 4 . . . . .	
2 Capital contributed during year:		6 Distributions: a Cash . . . . . ●	
a Cash . . . . . ●		b Property . . . . . ●	
b Property . . . . . ●		7 Other decreases. Itemize . . . . .	
3 Net income (loss) per books . . . . .			
4 Other increases. Itemize . . . . . ●			
		8 Total of line 6 and line 7 . . . . .	
		9 Balance at end of year. Subtract line 8 from line 5. . . . .	

**2008 Capital Gain or Loss****D (565)**

Name as shown on return	FEIN
-------------------------	------

Secretary of State (SOS) file no.

(a) Description of property, Example, 100 shares 7% preferred of "Z" Co.	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price See instructions.	(e) Cost or other basis See instructions.	(f) Gain (loss) (d) minus (e)
1					

- 1 Enter line 1, column (f) totals here ..... **1**
- 2 Capital gain from installment sales, from form FTB 3805E, line 26 or line 37 ..... **2**
- 3 Partnership's share of net capital gain (loss), including gains (losses) from LLCs, partnerships, fiduciaries, and S corporations ..... **3**
- 4 Capital gain distributions ..... **4**
- 5 Net capital gain (loss). Add line 1, line 2, line 3, and line 4. Enter total here and on Schedule K, line 8 and line 9, separately, as applicable..... **5**

**2008 Depreciation and Amortization****3885P**

Name as shown on return.	FEIN
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Secretary of State (SOS) file no.

Assets placed in service after 12/31/07 (depreciation): Intangibles placed in service after 12/31/07 (amortization):			Depreciation of Assets			Amortization of Property		
(a) Description of property	(b) Date placed in service	(c) Cost or other basis	(d) Method of figuring depreciation	(e) Life or rate	(f) Depreciation for this year	(g) Code section	(h) Period or percentage	(i) Amortization to this year
1								

- 1 Enter line 1, column (f) and column (i) totals here ..... **1**

**Depreciation**

Be sure to make adjustments for any basis differences when calculating Depreciation.

- 2 California depreciation for assets placed in service before January 1, 2008 ..... **2**
- 3 Total California depreciation. Add line 1(f) and line 2 ..... **3**

**Amortization**

Be sure to make adjustments for any basis differences when calculating Amortization.

- 4 California amortization for intangibles placed in service before January 1, 2008 ..... **4**
- 5 Total California amortization. Add line 1(i) and line 4 ..... **5**
- 6 Total depreciation and amortization. Add line 3 and line 5. Enter the total here and on Form 565, Side 1, line 17a, if from a trade or business, or on federal Form 8825, line 14, if from rental real estate activities ..... **6**
- 7 IRC Section 179 expense election from worksheet, in the instructions, line 12 ..... **7**
- 8 Carryover of disallowed deduction to 2009. Enter line 13 from worksheet, in the instructions, here ..... **8**

Additional differences may occur for the following:

- **Luxury Automobile Depreciation:** California generally conforms to the federal 2003 increase (IRC Section 280F) for the limitation on luxury automobile depreciation. However, California does not conform to IRC Section 168(k) provisions (30% and 50% additional first year depreciation). In addition, SUVs and minivans built on a truck chassis are included in the definition of trucks and vans when applying the 6,000 pound gross weight limit.
- **Amortization of Certain Intangibles** (IRC Section 197): Property classified as Section 197 property under federal law is also Section 197 property for California purposes. There is no separate California election required or allowed. However, for Section 197 property acquired before January 1, 1994, the California adjusted basis as of January 1, 1994, must be amortized over the remaining federal amortization period.
- **Qualified Indian reservation property:** California has not conformed to the accelerated recovery periods available under the Alternative Depreciation System (ADS) for such property.
- **Grapevines subject to Phylloxera or Pierce's Disease:** For California purposes, replacement grapevines may be depreciated using a recovery period of five years instead of ten years.

This list is not intended to be all-inclusive of the federal and state differences. For additional information, please refer to California's R&TC.

## Specific Line Instructions

### Line 1 – California depreciation for assets placed in service after December 31, 2007, and amortization for intangibles placed in service after December 31, 2007

Complete column (a) through column (i) for each asset or group of assets or property placed in service after December 31, 2007. Enter the column (f) totals on line 1(f). Enter the column (i) totals on line 1(i).

### Line 2 – California depreciation for assets placed in service before January 1, 2008

Enter total California depreciation for assets placed in service prior to January 1, 2008, taking into account any differences in asset basis or differences in California and federal tax law.

### Election to Expense Certain Tangible Property (IRC Section 179) Worksheet

Follow the instructions on federal Form 4562, Depreciation and Amortization, for listed property.

1	Maximum dollar limitation . . . . .	1	\$ 25,000
2	Total cost of IRC Section 179 property placed in service during the taxable year . . . . .	2	
3	Threshold cost of IRC Section 179 property placed in service during the taxable year . . . . .	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- . . . . .	5	

(a) Description of property	(b) Cost	(c) Elected cost
6		

7	Listed property. Use federal Form 4562, Part V, line 29. Make any adjustments for California law and basis differences. . . . .	7	
8	Total elected cost of IRC Section 179 property. Add amounts in column (c), line 6 and line 7 . . . . .	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8. . . . .	9	
10	Carryover of disallowed deduction from 2007. See instructions for line 10 through line 13 on federal Form 4562 . . . . .	10	
11	Income limitation. Enter the smaller of line 5 or the aggregate of the partnership's items of income and expense described in IRC Section 702(a) from any business actively conducted by the partnership, other than credits, tax-exempt IRC Section 179 expense deduction, and guaranteed payments under IRC Section 707(c) . . . . .	11	
12	IRC Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11. Enter on Schedule K (565), line 12 and on form FTB 3885P, line 7 . . . . .	12	
13	Carryover of disallowed deduction to 2009. Add line 9 and line 10 and subtract line 12. Enter here and on line 8 of form FTB 3885P . . . . .	13	

### Line 4 – California amortization for intangibles placed in service before January 1, 2008

Enter total California amortization for intangibles placed in service prior to January 1, 2008, taking into account any differences in asset basis or differences in California and federal tax law.

### Assets with a Federal Basis Different from California Basis

Some assets placed in service on or after January 1, 1987, will have a different adjusted basis for California purposes due to the credits claimed or accelerated write-offs of the assets. Review the list of depreciation and amortization items in the instructions for Schedule CA (540), California Adjustments — Residents, and Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents. If the partnership has any other adjustments to make, get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, for more information.

### Line 6 – Total Depreciation and Amortization

Add line 3 and line 5. Enter the total on line 6 and on Form 565, Side 1, line 17a.

If depreciation or amortization is from more than one trade or business activity, or from more than one rental real estate activity, the partnership should separately compute depreciation for each activity. Use the depreciation computed on this form to identify the net income for each activity. Report the net income from each activity on an attachment to Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc., for purposes of passive activity reporting requirements. Use California amounts to determine the depreciation amount to enter on line 14 of federal Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation.

### Line 7

Enter the Internal Revenue Code (IRC) Section 179 expense election amount from line 12 of the following worksheet.

These limitations apply to the partnership and each partner.

**2008****Sales of Business Property**

(Also, involuntary conversions and recapture amounts under IRC Sections 179 and 280F and R&amp;TC Sections 17267.2, 17267.6, 17268, 24356.5, 24356.6, 24356.7, and 24356.8.)

**D-1****Complete and attach this schedule to your tax return only if your California gains or losses are different from your federal gains or losses.**

Name(s) as shown on return

SSN, ITIN, SOS file no., California Corp. no., or FEIN

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty and Theft – Property Held More Than 1 Year**

Use federal Form 4684, Casualties and Thefts, to report involuntary conversions from casualty and theft.

1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on federal Form(s) 1099-S, Proceeds From Real Estate Transactions (or a substitute statement), that you will be including on line 2 or line 10, (column (d)), or on line 23 . . . . .						<b>1</b>	
<b>2</b>	<b>(a)</b> Description of property	<b>(b)</b> Date acquired (mo., day, yr.)	<b>(c)</b> Date sold (mo., day, yr.)	<b>(d)</b> Gross sales price	<b>(e)</b> Depreciation allowed or allowable since acquisition	<b>(f)</b> Cost or other basis, plus improvements and expense of sale	<b>(g)</b> Gain or (Loss) Subtract (f) from the sum of (d) and (e)
<b>3</b>	Gain, if any, from federal Form 4684, Section B, Part II, line 45. . . . .						<b>3</b>
<b>4</b>	IRC Section 1231 gain from installment sales from form FTB 3805E, line 26 or line 37 . . . . .						<b>4</b>
<b>5</b>	IRC Section 1231 gain or (loss) from like-kind exchanges from federal Form 8824 (completed using California amounts) . . . . .						<b>5</b>
<b>6</b>	Gain, if any, from Part III, line 35, from other than casualty and theft . . . . .						<b>6</b>
<b>7</b>	Combine line 2 through line 6. Enter gain or (loss) here and on the appropriate line as follows: . . . . .						<b>7</b>
<b>IRC Section 179 Assets:</b> For reporting the sale or disposition of assets for which an IRC Section 179 expense deduction was claimed in a prior year, see instructions. <b>Partnerships or Limited Liability Companies (classified as partnerships):</b> Enter the gain or (loss) on Schedule K (565 or 568), line 10. Skip lines 8, 9, 11, and 12 below. <b>S corporations:</b> If line 7 is zero or a loss, enter the amount on line 11 below and skip line 8 and line 9. If line 7 is a gain, continue to line 8. <b>All others:</b> If line 7 is zero or a loss, enter the amount on line 11 below and skip line 8 and line 9. If line 7 is a gain and you did not have any prior year IRC Section 1231 losses, or they were recaptured in an earlier year, enter the gain as follows: <b>Form 540 and Long Form 540NR filers,</b> enter the gain on Schedule D, (540 or 540NR) line 1, and skip lines 8, 9, and 12 below; <b>Form 100 and Form 100W filers,</b> enter the gain on Schedule D, Side 5, Part II, line 6, and skip lines 8, 9, and 12 below.							
<b>8</b>	Nonrecaptured net IRC Section 1231 losses from prior years. Enter as a positive number. See instructions . . . . .						<b>8</b>
<b>9</b>	Subtract line 8 from line 7. If zero or less, enter -0-. . . . .						<b>9</b>
<b>S corporations:</b> If line 9 is more than zero, enter this amount on Schedule D (100S), Side 2, Section B, Part II, line 5 and enter the amount, if any, from line 8 on line 12 below. If line 9 is zero, enter the amount from line 7 on line 12 below. <b>All others:</b> If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the amount from line 9 as follows: <b>Form 540 and Long Form 540NR filers,</b> enter as a capital gain on Schedule D, (540 or 540NR) line 1; <b>Form 100 and Form 100W filers,</b> enter the gain on Schedule D, Side 5, Part II, line 6. If line 9 is zero, enter the amount from line 7 on line 12 below. See instructions.							

**Part II Section A – Ordinary Gains and Losses**

10 Ordinary gains and losses not included on line 11 through line 17 (include property held 1 year or less): . . . . .						
<b>11</b>	Loss, if any, from line 7 . . . . .					<b>11</b> (            )
<b>12</b>	Gain, if any, from line 7, or amount from line 8, if applicable. See instructions . . . . .					<b>12</b>
<b>13</b>	Gain, if any, from Part III, line 34 . . . . .					<b>13</b>
<b>14</b>	Net gain or (loss) from federal Form 4684, Section B, Part II, line 37 and line 44a (completed using California amounts) . . . . .					<b>14</b>
<b>15</b>	Ordinary gain from installment sales from form FTB 3805E, line 25 or line 36. See instructions. . . . .					<b>15</b>
<b>16</b>	Ordinary gain or (loss) from like-kind exchanges from federal Form 8824 (completed using California amounts) . . . . .					<b>16</b>
<b>17</b>	Combine line 10 through line 16 . . . . .					<b>17</b>
<b>18</b>	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip line a and line b below. For individual returns, complete line a and line b below: see instructions.					
<b>a</b>	If the loss on line 11 includes a loss from federal Form 4684, Section B, Part II, column (b)(ii), enter that part of the loss here. See instructions . . . . .					<b>18a</b>
<b>b</b>	Redetermine the gain or (loss) on line 17, excluding the loss, if any, on line 18a. Enter here and on line 20 . . . . .					<b>18b</b>

**Part II Section B – Adjusting California Ordinary Gain or Loss** For individual returns (Form 540 and Long Form 540NR ) only.

<b>19</b> Enter ordinary federal gains and losses from federal Form 1040, line 14. ....	<b>19</b>	
<b>20</b> Enter ordinary California gains and losses from Side 1, line 18b .....	<b>20</b>	
<b>21</b> Ordinary gain or loss adjustment: Compare line 19 and line 20. See instructions.		
<b>a</b> If line 19 is more than line 20, enter the difference here and on Schedule CA (540 or 540NR), line 14, column B. ....	<b>21a</b>	
<b>b</b> If line 20 is more than line 19, enter the difference here and on Schedule CA (540 or 540NR), line 14, column C. ....	<b>21b</b>	

**Part III Gain from Disposition of Property Under IRC Sections 1245, 1250, 1252, 1254, and 1255**

<b>22</b> Description of IRC Sections, 1245, 1250, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)		
<b>A</b>				
<b>B</b>				
<b>C</b>				
<b>D</b>				
Relate lines 22A through 22D to these columns ▶ ▶ ▶	Property A	Property B	Property C	Property D
<b>23</b> Gross sales price .....	<b>23</b>			
<b>24</b> Cost or other basis plus expense of sale .....	<b>24</b>			
<b>25</b> Depreciation (or depletion) allowed or allowable .....	<b>25</b>			
<b>26</b> Adjusted basis. Subtract line 25 from line 24. ....	<b>26</b>			
<b>27</b> Total gain. Subtract line 26 from line 23. ....	<b>27</b>			
<b>28 If IRC Section 1245 property:</b>				
<b>a</b> Depreciation allowed or allowable. ....	<b>28a</b>			
<b>b</b> Enter the <b>smaller</b> of line 27 or line 28a .....	<b>28b</b>			
<b>29 If IRC Section 1250 property:</b> If straight-line depreciation was used, enter -0- on line 29g, except for a corporation subject to IRC Sec. 291:				
<b>a</b> Additional depreciation after 12/31/76. See instructions .....	<b>29a</b>			
<b>b</b> Applicable percentage multiplied by the <b>smaller</b> of line 27 or line 29a. See instructions .....	<b>29b</b>			
<b>c</b> Subtract line 29a from line 27. If line 27 is not more than line 29a, skip line 29d and line 29e. ....	<b>29c</b>			
<b>d</b> Additional depreciation after 12/31/70 and before 1/1/77. See instructions .....	<b>29d</b>			
<b>e</b> Enter the <b>smaller</b> of line 29c or line 29d .....	<b>29e</b>			
<b>f</b> IRC Section 291 amount (for corporations only). See instructions .....	<b>29f</b>			
<b>g</b> Add line 29b, line 29e, and line 29f. ....	<b>29g</b>			
<b>30 If IRC Section 1252 property:</b> Skip this section if you did not dispose of farm land or if this form is being completed for a partnership.				
<b>a</b> Soil, water, and land clearing expenses .....	<b>30a</b>			
<b>b</b> Applicable percentage multiplied by line 30a. See instructions ..	<b>30b</b>			
<b>c</b> Enter the <b>smaller</b> of line 27 or line 30b .....	<b>30c</b>			
<b>31 If IRC Section 1254 property:</b>				
<b>a</b> Intangible drilling and development costs deducted after 12/31/76 .....	<b>31a</b>			
<b>b</b> Enter the <b>smaller</b> of line 27 or line 31a .....	<b>31b</b>			
<b>32 If IRC Section 1255 property:</b>				
<b>a</b> Applicable percentage of payments excluded from income under IRC Section 126 .....	<b>32a</b>			
<b>b</b> Enter the <b>smaller</b> of line 27 or line 32a .....	<b>32b</b>			

**Summary of Part III Gains.** Complete property column A through column D for line 23 through line 32b before going to line 33.

<b>33</b> Total gains for all properties. Add column A through column D of line 27 .....	<b>33</b>	
<b>34</b> Add column A through column D of lines 28b, 29g, 30c, 31b, and 32b. Enter here and in Part II, line 13. ....	<b>34</b>	
<b>35</b> Subtract line 34 from line 33. Enter the portion from other than casualty and theft here and on Part I, line 6. Enter the portion from casualty and theft on federal Form 4684, Section B, line 33. ....	<b>35</b>	

**Part IV Recapture Amounts Under IRC Sections 179 and 280F When Business Use Drops to 50% or Less, or Under R&TC Sections 17267.2, 17267.6, 17268, 24356.5, 24356.6, 24356.7, and 24356.8 for Property Which Ceases to be Qualified Property**

	(a) Expense deductions	(b) Recovery deductions
<b>36</b> Expense deductions or recovery deductions. See instructions. ....	<b>36</b>	
<b>37</b> Depreciation or recovery deductions. See instructions .....	<b>37</b>	
<b>38</b> Recapture amount. Subtract line 37 from line 36. See instructions .....	<b>38</b>	

# 2008 Partner's Share of Income, Deductions, Credits, etc.

## K-1 (565)

For calendar year 2008 or fiscal year beginning month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

**Partner's identifying number**

Partner's name, address, city, state, and ZIP Code

**Partnership's FEIN**
**Secretary of State file number**

Partnership's name, address, city, state, and ZIP Code

**A** Is this partner a: • **(1)** ☐ general partner; or **(2)** ☐ limited partner?

**B** What type of entity is this partner? •

- (1)** ☐ Individual      **(5)** ☐ General Partnership      **(9)** ☐ IRA/Keogh/SEP  
**(2)** ☐ S Corporation      **(6)** ☐ Limited Partnership      **(10)** ☐ Exempt Organization  
**(3)** ☐ Estate/Trust      **(7)** ☐ LLP      **(11)** ☐ Disregarded Entity  
**(4)** ☐ C Corporation      **(8)** ☐ LLC

**C** Is this partner a foreign partner? ..... • ☐ Yes ☐ No

**D** Enter partner's percentage (without regard to special allocations) of:

(i) Before decrease or termination      (ii) End of year  
 Profit sharing .....% • .....%  
 Loss sharing .....% • .....%  
 Ownership of capital .....% • .....%

**E** Partner's share of liabilities:

Nonrecourse ..... • \$ .....  
 Qualified nonrecourse financing ..... • \$ .....  
 Other ..... • \$ .....

**F** Reportable transaction or tax shelter registration number(s)

**G (1)** Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2) ..... ☐  
**(2)** Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1) ..... ☐

**H** Check here if this is: •

**(1)** ☐ A final Schedule K-1 (565)      **(2)** ☐ An amended Schedule K-1 (565)

**I** Is this partner a nonresident of California? ..... ☐ Yes • ☐ No

**J** Analysis of partner's capital account: Check the box • **(1)** ☐ Tax Basis **(2)** ☐ GAAP **(3)** ☐ Section 704(b) Book **(4)** ☐ Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)
•	•	•	• ( )	•

**Caution:** Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	<b>1</b> Ordinary income (loss) from trade or business activities .....			•	▶
	<b>2</b> Net income (loss) from rental real estate activities .....			•	▶
	<b>3</b> Net income (loss) from other rental activities .....				
	<b>4</b> Guaranteed payments to partners .....			•	▶
	<b>5</b> Interest income .....			•	▶
	<b>6</b> Dividends .....			•	▶
	<b>7</b> Royalties .....			•	▶
	<b>8</b> Net short-term capital gain (loss) .....			•	▶
	<b>9</b> Net long-term capital gain (loss) .....			•	▶
	<b>10 a</b> Total Gain under IRC Section 1231 (other than due to casualty or theft) .....			•	▶
	<b>b</b> Total Loss under IRC Section 1231 (other than due to casualty or theft) .....			•	▶
	<b>11 a</b> Other portfolio income (loss). Attach schedule .....			•	▶
	<b>b</b> Total other income. Attach schedule .....			•	▶
	<b>c</b> Total other loss. Attach schedule .....			•	▶



	(a) Distributive share items	(b ) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268) . . . . .				
	13 a Charitable contributions . . . . .				
	b Investment interest expense . . . . .				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures . . . . .				
	d Deductions related to portfolio income . . . . .				
	e Other deductions. Attach schedule . . . . .				
	Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership) . . . . .			●
b Low-income housing credit . . . . .					
c Credits other than line 15b related to rental real estate activities. . . . .					
d Credits related to other rental activities. . . . .					
e Nonconsenting nonresident partner's tax paid by partnership . . . . .					
f Other credits – Attach required schedules or statements . . . . .					
Alternative Minimum Tax (AMT) Items		17 a Depreciation adjustment on property placed in service after 1986 . . . . .			
	b Adjusted gain or loss . . . . .				
	c Depletion (other than oil & gas) . . . . .				
	d Gross income from oil, gas, and geothermal properties. . . . .				
	e Deductions allocable to oil, gas, and geothermal properties. . . . .				
	f Other alternative minimum tax items . . . . .				
	Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income . . . . .			
b Other tax-exempt income . . . . .					
c Nondeductible expenses . . . . .					
Distributions	19 a Distributions of money (cash and marketable securities). . . . .				
	b Distributions of property other than money . . . . .				
Other Information	20 a Investment income . . . . .				
	b Investment expenses . . . . .				
	c Other information. See instructions . . . . .				

Other Partner Information

Table 1 — Partner’s share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest     \$ \_\_\_\_\_     Sec. 1231 Gains/Losses     \$ \_\_\_\_\_     Capital Gains/Losses     \$ \_\_\_\_\_

Dividends     \$ \_\_\_\_\_     Royalties     \$ \_\_\_\_\_     Other     \$ \_\_\_\_\_

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY – See instructions.

Table 2 — Partner’s share of distributive items.

- A. Partner’s share of the partnership’s business income. See instructions. \$ \_\_\_\_\_
- B. Partner’s share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses     \$ \_\_\_\_\_     Rents/Royalties     \$ \_\_\_\_\_

Sec. 1231 Gains/Losses     \$ \_\_\_\_\_     Other     \$ \_\_\_\_\_

- C. Partner’s distributive share of the partnership’s property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$	\$
Ending	\$	\$
Annual Rent Expense	\$	\$
Payroll	\$	\$
Sales	\$	\$

# 2008 Partner's Share of Income, Deductions, Credits, etc.

## K-1 (565)

For calendar year 2008 or fiscal year beginning month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

**Partner's identifying number**

Partner's name, address, city, state, and ZIP Code

**Partnership's FEIN**
**Secretary of State file number**

Partnership's name, address, city, state, and ZIP Code

**A** Is this partner a: • **(1)** ☐ general partner; or **(2)** ☐ limited partner?

**B** What type of entity is this partner? •

- (1)** ☐ Individual      **(5)** ☐ General Partnership      **(9)** ☐ IRA/Keogh/SEP  
**(2)** ☐ S Corporation      **(6)** ☐ Limited Partnership      **(10)** ☐ Exempt Organization  
**(3)** ☐ Estate/Trust      **(7)** ☐ LLP      **(11)** ☐ Disregarded Entity  
**(4)** ☐ C Corporation      **(8)** ☐ LLC

**C** Is this partner a foreign partner? ..... • ☐ Yes ☐ No

**D** Enter partner's percentage (without regard to special allocations) of:

(i) Before decrease or termination      (ii) End of year  
 Profit sharing .....% • .....%  
 Loss sharing .....% • .....%  
 Ownership of capital .....% • .....%

**E** Partner's share of liabilities:

Nonrecourse ..... • \$ .....  
 Qualified nonrecourse financing ..... • \$ .....  
 Other ..... • \$ .....

**F** Reportable transaction or tax shelter registration number(s)

**G (1)** Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2) ..... ☐  
**(2)** Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1) ..... ☐

**H** Check here if this is: •

**(1)** ☐ A final Schedule K-1 (565)      **(2)** ☐ An amended Schedule K-1 (565)

**I** Is this partner a nonresident of California? ..... ☐ Yes • ☐ No

**J** Analysis of partner's capital account: Check the box • **(1)** ☐ Tax Basis **(2)** ☐ GAAP **(3)** ☐ Section 704(b) Book **(4)** ☐ Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)
•	•	•	• ( )	•

**Caution:** Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	<b>1</b> Ordinary income (loss) from trade or business activities .....			•	▶
	<b>2</b> Net income (loss) from rental real estate activities .....			•	▶
	<b>3</b> Net income (loss) from other rental activities .....				
	<b>4</b> Guaranteed payments to partners .....			•	▶
	<b>5</b> Interest income .....			•	▶
	<b>6</b> Dividends .....			•	▶
	<b>7</b> Royalties .....			•	▶
	<b>8</b> Net short-term capital gain (loss) .....			•	▶
	<b>9</b> Net long-term capital gain (loss) .....			•	▶
	<b>10 a</b> Total Gain under IRC Section 1231 (other than due to casualty or theft) .....			•	▶
	<b>b</b> Total Loss under IRC Section 1231 (other than due to casualty or theft) .....			•	▶
	<b>11 a</b> Other portfolio income (loss). Attach schedule .....			•	▶
	<b>b</b> Total other income. Attach schedule .....			•	▶
	<b>c</b> Total other loss. Attach schedule .....			•	▶

	(a) Distributive share items	(b ) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268) . . . . .				
	13 a Charitable contributions . . . . .				
	b Investment interest expense . . . . .				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures . . . . .				
	d Deductions related to portfolio income . . . . .				
	e Other deductions. Attach schedule . . . . .				
	Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership) . . . . .			●
b Low-income housing credit . . . . .					
c Credits other than line 15b related to rental real estate activities. . . . .					
d Credits related to other rental activities. . . . .					
e Nonconsenting nonresident partner's tax paid by partnership . . . . .					
f Other credits – Attach required schedules or statements . . . . .					
Alternative Minimum Tax (AMT) Items		17 a Depreciation adjustment on property placed in service after 1986 . . . . .			
	b Adjusted gain or loss . . . . .				
	c Depletion (other than oil & gas) . . . . .				
	d Gross income from oil, gas, and geothermal properties. . . . .				
	e Deductions allocable to oil, gas, and geothermal properties. . . . .				
	f Other alternative minimum tax items . . . . .				
	Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income . . . . .			
b Other tax-exempt income . . . . .					
c Nondeductible expenses . . . . .					
Distributions	19 a Distributions of money (cash and marketable securities). . . . .				
	b Distributions of property other than money . . . . .				
Other Information	20 a Investment income . . . . .				
	b Investment expenses . . . . .				
	c Other information. See instructions . . . . .				

Other Partner Information

Table 1 — Partner’s share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest     \$ \_\_\_\_\_     Sec. 1231 Gains/Losses     \$ \_\_\_\_\_     Capital Gains/Losses     \$ \_\_\_\_\_

Dividends     \$ \_\_\_\_\_     Royalties                     \$ \_\_\_\_\_     Other                     \$ \_\_\_\_\_

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY – See instructions.

Table 2 — Partner’s share of distributive items.

- A. Partner’s share of the partnership’s business income. See instructions. \$ \_\_\_\_\_
- B. Partner’s share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses     \$ \_\_\_\_\_     Rents/Royalties     \$ \_\_\_\_\_

Sec. 1231 Gains/Losses     \$ \_\_\_\_\_     Other                     \$ \_\_\_\_\_

- C. Partner’s distributive share of the partnership’s property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$	\$
Ending	\$	\$
Annual Rent Expense	\$	\$
Payroll	\$	\$
Sales	\$	\$

# 2008 Partner's Share of Income, Deductions, Credits, etc.

## K-1 (565)

For calendar year 2008 or fiscal year beginning month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

**Partner's identifying number**

Partner's name, address, city, state, and ZIP Code

**Partnership's FEIN**
**Secretary of State file number**

Partnership's name, address, city, state, and ZIP Code

**A** Is this partner a: • **(1)** ☐ general partner; or **(2)** ☐ limited partner?

**B** What type of entity is this partner? •

- (1)** ☐ Individual      **(5)** ☐ General Partnership      **(9)** ☐ IRA/Keogh/SEP  
**(2)** ☐ S Corporation      **(6)** ☐ Limited Partnership      **(10)** ☐ Exempt Organization  
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**(4)** ☐ C Corporation      **(8)** ☐ LLC

**C** Is this partner a foreign partner? ..... • ☐ Yes ☐ No

**D** Enter partner's percentage (without regard to special allocations) of:

(i) Before decrease or termination      (ii) End of year  
 Profit sharing .....% • .....%  
 Loss sharing .....% • .....%  
 Ownership of capital .....% • .....%

**E** Partner's share of liabilities:

Nonrecourse ..... • \$ .....  
 Qualified nonrecourse financing ..... • \$ .....  
 Other ..... • \$ .....

**F** Reportable transaction or tax shelter registration number(s)

**G (1)** Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2) ..... ☐  
**(2)** Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1) ..... ☐

**H** Check here if this is: •

**(1)** ☐ A final Schedule K-1 (565)      **(2)** ☐ An amended Schedule K-1 (565)

**I** Is this partner a nonresident of California? ..... ☐ Yes • ☐ No

**J** Analysis of partner's capital account: Check the box • **(1)** ☐ Tax Basis **(2)** ☐ GAAP **(3)** ☐ Section 704(b) Book **(4)** ☐ Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)
•	•	•	• ( )	•

**Caution:** Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	<b>1</b> Ordinary income (loss) from trade or business activities .....			•	▶
	<b>2</b> Net income (loss) from rental real estate activities .....			•	▶
	<b>3</b> Net income (loss) from other rental activities .....				
	<b>4</b> Guaranteed payments to partners .....			•	▶
	<b>5</b> Interest income .....			•	▶
	<b>6</b> Dividends .....			•	▶
	<b>7</b> Royalties .....			•	▶
	<b>8</b> Net short-term capital gain (loss) .....			•	▶
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	<b>10 a</b> Total Gain under IRC Section 1231 (other than due to casualty or theft) .....			•	▶
	<b>b</b> Total Loss under IRC Section 1231 (other than due to casualty or theft) .....			•	▶
	<b>11 a</b> Other portfolio income (loss). Attach schedule .....			•	▶
	<b>b</b> Total other income. Attach schedule .....			•	▶
	<b>c</b> Total other loss. Attach schedule .....			•	▶

	(a) Distributive share items	(b ) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
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	13 a Charitable contributions . . . . .				
	b Investment interest expense . . . . .				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures . . . . .				
	d Deductions related to portfolio income . . . . .				
	e Other deductions. Attach schedule . . . . .				
	Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership) . . . . .			●
b Low-income housing credit . . . . .					
c Credits other than line 15b related to rental real estate activities. . . . .					
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e Nonconsenting nonresident partner's tax paid by partnership . . . . .					
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Alternative Minimum Tax (AMT) Items		17 a Depreciation adjustment on property placed in service after 1986 . . . . .			
	b Adjusted gain or loss . . . . .				
	c Depletion (other than oil & gas) . . . . .				
	d Gross income from oil, gas, and geothermal properties. . . . .				
	e Deductions allocable to oil, gas, and geothermal properties. . . . .				
	f Other alternative minimum tax items . . . . .				
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b Other tax-exempt income . . . . .					
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Distributions	19 a Distributions of money (cash and marketable securities). . . . .				
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Other Information	20 a Investment income . . . . .				
	b Investment expenses . . . . .				
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Other Partner Information

Table 1 — Partner’s share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest     \$ \_\_\_\_\_     Sec. 1231 Gains/Losses     \$ \_\_\_\_\_     Capital Gains/Losses     \$ \_\_\_\_\_

Dividends     \$ \_\_\_\_\_     Royalties                     \$ \_\_\_\_\_     Other                     \$ \_\_\_\_\_

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Table 2 — Partner’s share of distributive items.

- A. Partner’s share of the partnership’s business income. See instructions. \$ \_\_\_\_\_
- B. Partner’s share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses     \$ \_\_\_\_\_     Rents/Royalties     \$ \_\_\_\_\_

Sec. 1231 Gains/Losses     \$ \_\_\_\_\_     Other                     \$ \_\_\_\_\_

- C. Partner’s distributive share of the partnership’s property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$	\$
Ending	\$	\$
Annual Rent Expense	\$	\$
Payroll	\$	\$
Sales	\$	\$

Form CA 565, Schedule K, Line 11, Other Income (Loss)

CA Form 565, Line 21, Other Deductions

## CA Form 565 Additional Information

## Overrides Worksheet

(enter data below to override the calculated data on the tax forms)