

2014 Partnership Return of Income

565

For calendar year 2014 or fiscal year beginning and ending .
(m m / d d / y y y y) (m m / d d / y y y y) RP

Partnership name (type or print) Check box if name changed

A FEIN
●

Additional Information

B California Secretary of State (SOS) file number
●

Street Address (suite, room, PO Box)

PMB no.

C Principal business activity name (same as federal)

City (If the partnership has a foreign address, see instructions.)

State

ZIP Code

D Principal product or service (same as federal)

Foreign Country Name

Foreign Province/State/County

Foreign Postal Code

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

F Date business started in CA (m m / d d / y y y y)
●

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.

Income	1	a Gross receipts or sales \$ _____ b Less returns and allowances \$ _____ c Balance ●	1c	00
	2	Cost of goods sold (Schedule A, line 8)	2	00
	3	GROSS PROFIT. Subtract line 2 from line 1c ●	3	00
	4	Total ordinary income from other partnerships and fiduciaries. Attach schedule ●	4	00
	5	Total ordinary loss from other partnerships and fiduciaries. Attach schedule ●	5	00
	6	Total farm profit. Attach federal Schedule F (Form 1040) ●	6	00
	7	Total farm loss. Attach federal Schedule F (Form 1040) ●	7	00
	8	Total gains included on Schedule D-1, Part II, line 17 (gain only) ●	8	00
	9	Total losses included on Schedule D-1, Part II, line 17 (loss only) ●	9	00
	10	Other income. Attach schedule ●	10	00
	11	Other loss. Attach schedule ●	11	00
	12	Total income (loss). Combine line 3 through line 11 ●	12	00
Deductions Enclose, but do not staple, any payment	13	Salaries and wages (other than to partners)	13	00
	14	Guaranteed payments to partners	14	00
	15	Bad debts ●	15	00
	16	Deductible interest expense not claimed elsewhere on return	16	00
	17	a Depreciation and amortization. Attach form FTB 3885P \$ _____ b Less depreciation reported on Schedule A and elsewhere on return \$ _____ c Balance ●	17c	00
	18	Depletion. Do not deduct oil and gas depletion	18	00
	19	Retirement plans, etc.	19	00
	20	Employee benefit programs	20	00
	21	Other deductions. Attach schedule ●	21	00
	22	Total deductions. Add line 13 through line 21 ●	22	00
	23	Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12 ●	23	00

Payments	24 Tax — \$800.00 (LPs, LLPs, and REMICs only). See instructions. ● 24 00
	25 Withholding (Form 592-B and/or 593). ● 25 00
	26 Amount paid with extension of time to file return (form FTB 3538) ● 26 00
	27 Total payments. Add line 25 and line 26 ● 27 00
Amount Due or Refund	28 Tax due. If line 24 is more than line 27, subtract line 27 from line 24 ● 28 00
	29 Use Tax. This is not a total line. See instructions. ● 29 00
	30 Refund. If the total of line 24 and line 29 is less than line 27, subtract the total from line 27 ● 30 00
	31 Penalties and interest. ● 31 00
	32 Total amount due. Add line 24, line 29, and line 31, then subtract line 27 from the result. Make the check or money order payable to the Franchise Tax Board ● 32 00

Schedule A Cost of Goods Sold

1 Inventory at beginning of year	1	00
2 Purchases less cost of items withdrawn for personal use	2	00
3 Cost of labor.	3	00
4 Additional IRC Section 263A costs. Attach schedule	4	00
5 Other costs. Attach schedule	5	00
6 Total. Add line 1 through line 5	6	00
7 Inventory at end of year	7	00
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Side 1, line 2.	8	00
9 a Check all methods used for valuing closing inventory:		
(1) <input type="checkbox"/> Cost (2) <input type="checkbox"/> Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) <input type="checkbox"/> Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4) <input type="checkbox"/> 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. <input type="checkbox"/>		
c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? <input type="checkbox"/> Yes <input type="checkbox"/> 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 <input type="checkbox"/> Yes <input type="checkbox"/> No		

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

- **1** General partnership ● **2** LP required to pay annual tax (is doing business in CA, is registered with SOS, or is organized in CA)
- **3** LP, LLC, or other entity NOT required to pay annual tax (is not doing business in CA, is not registered with SOS, and is not organized in CA)
- **4** REMIC ● **5** LLP ● **6** Other (See instructions)

- K** Enter the maximum number of partners in this partnership at any time during the year. Attach a CA Sch. K-1 (565) for each partner ●
- L** Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner? ● Yes No
- M** 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? ● Yes No
- N** Are any partners in this partnership also partnerships or LLCs? If "Yes," complete Schedule K-1, Table 3 for each. ● Yes No
- O** Does the partnership meet all the requirements shown in the instructions for Question O? Yes No
- P** Is this partnership a partner in another partnership or multiple member LLC? If "Yes," complete Schedule EO, Part I. ● Yes No
- Q** 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 ● Yes No
- R** Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)? Yes No
- S** Is this partnership under audit by the IRS or has it been audited in a prior year? ● Yes No



- T (1)** During this taxable year, did another person or legal entity acquire control or majority ownership (more than a 50% interest) of this partnership or any legal entity in which the partnership holds a controlling or majority interest that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term? Yes No
- (2)** During this taxable year, did this partnership acquire control or majority ownership (more than a 50% interest) in another legal entity that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term? Yes No
- (3)** During this taxable year, has more than 50% of the partnership's ownership interests cumulatively transferred in one or more transactions after an interest in California real property (i.e., land, buildings) was transferred to it that was excluded from property tax reassessment under Revenue and Taxation Code section 62(a)(2) and it was not reported on a previous year's tax return? Yes No
- (Yes requires filing of statement, penalties may apply – see instructions.)**
- U (1)** Does the partnership have any foreign (non U.S.) nonresident partners? Yes No
- (2)** Does the partnership have any domestic (non-foreign) nonresident partners? Yes No
- (3)** Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these partners? Yes No
- V** Is this an investment partnership? See General Information, Investment Partnerships, in the instructions Yes No
- W** Is the partnership apportioning or allocating income to California using Schedule R? Yes No
- X** Has the partnership included a Reportable Transaction or Listed Transaction within this return? Yes No
(See instructions for definitions.) If "Yes," complete and attach federal Form 8886 for each transaction.
- Y** Did this partnership file the Federal Schedule M-3 (Form 1065)? Yes No
- Z** Is this partnership a direct owner of an entity that filed a federal Schedule M-3? Yes No
- AA** Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN. Yes No
- BB** Does this partnership own an interest in a business entity disregarded for tax purposes? If "Yes," complete Schedule EO, Part II. Yes No
- CC (1)** Is the partnership deferring any income from the disposition of assets? (see instructions) Yes No
- (2)** If "Yes," enter the year of asset disposition
- DD** Is the partnership reporting previously deferred income from: Installment Sale IRC §1031 IRC §1033 Other
- EE (1)** Did this partnership generate a New Employment Credit? Yes No
- (2)** If "Yes," enter the generated amount .00
- FF** "Doing business as" name. See instructions: _____
- GG (1)** Has this partnership operated as another entity type such as a corporation, S corporation, General Partnership, Limited Partnership, or Sole Proprietorship in the previous five (5) years? Yes No
- (2)** If "Yes", provide prior FEIN(s) if different, business name(s), and entity type(s) for prior returns filed with the FTB and/or IRS. (see instructions): _____
- HH (1)** Has this partnership previously operated outside California? Yes No
- (2)** Is this the first year of doing business in California? Yes No

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 taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of general partner <input style="width: 90%;" type="text"/>	Date <input style="width: 80%;" type="text"/>	Telephone <input style="width: 90%;" type="text"/>
Paid Preparer's Use Only	General Partner's email address (optional) <input style="width: 90%;" type="text"/>		
	Paid Preparer's signature <input style="width: 90%;" type="text"/>	Date <input style="width: 80%;" type="text"/>	Check if self-employed <input type="checkbox"/> PTIN <input style="width: 90%;" type="text"/>
	Firm's name (or yours if self-employed) and address <input style="width: 90%;" type="text"/>	Telephone <input style="width: 90%;" type="text"/>	FEIN <input style="width: 90%;" type="text"/>
May the FTB discuss this return with the preparer shown above (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No			

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 <input checked="" type="radio"/>		<input type="radio"/>		
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825.	2		<input type="radio"/>		
	3	a	Gross income (loss) from other rental activities.	3a		<input type="radio"/>	
		b	Less expenses. Attach schedule.	3b		<input type="radio"/>	
		c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c		<input checked="" type="radio"/>	
	4	Guaranteed payments to partners	4		<input checked="" type="radio"/>		
	5	Interest income	5		<input checked="" type="radio"/>		
	6	Dividends	6		<input checked="" type="radio"/>		
	7	Royalties	7		<input checked="" type="radio"/>		
	8	Net short-term capital gain (loss). Attach Schedule D (565)	8		<input checked="" type="radio"/>		
	9	Net long-term capital gain (loss). Attach Schedule D (565)	9		<input checked="" type="radio"/>		
10	a	Total Gain under IRC Section 1231 (other than due to casualty or theft)	10a		<input checked="" type="radio"/>		
	b	Total Loss under IRC Section 1231 (other than due to casualty or theft)	10b		<input checked="" type="radio"/>		
11	a	Other portfolio income (loss). Attach schedule	11a		<input type="radio"/>		
	b	Total other income. Attach schedule.	11b		<input type="radio"/>		
	c	Total other loss. Attach schedule	11c		<input type="radio"/>		
Deductions	12	Expense deduction for recovery property (IRC Section 179). Attach schedule	12		<input type="radio"/>		
	13	a	Charitable contributions. See instructions. Attach schedule.	13a	<input type="radio"/>		
		b	Investment interest expense	13b		<input checked="" type="radio"/>	
	c	1	Total expenditures to which IRC Section 59(e) election may apply.	13c1		<input type="radio"/>	
		2	Type of expenditures <input checked="" type="radio"/> _____	13c2			
	d	Deductions related to portfolio income	13d		<input type="radio"/>		
e	Other deductions. Attach schedule	13e		<input type="radio"/>			
Credits	15	a	Withholding on partnership allocated to all partners.	15a	<input type="radio"/>		
		b	Low-income housing credit	15b	<input type="radio"/>		
		c	Credits other than the credit shown on line 15b related to rental real estate activities	15c	<input type="radio"/>		
			Credits related to other rental activities.	15d	<input type="radio"/>		
		e	Nonconsenting nonresident members' tax allocated to all partners	15e	<input type="radio"/>		
		f	Other credits	15f	<input checked="" type="radio"/>		
		g	New Employment Credit	15g	<input type="radio"/>		
Alternative Minimum Tax (AMT) Items	17	a	Depreciation adjustment on property placed in service after 1986	17a	<input type="radio"/>		
		b	Adjusted gain or loss	17b	<input type="radio"/>		
		c	Depletion (other than oil and gas)	17c	<input type="radio"/>		
		d	Gross income from oil, gas, and geothermal properties	17d	<input type="radio"/>		
		e	Deductions allocable to oil, gas, and geothermal properties	17e	<input type="radio"/>		
		f	Other alternative minimum tax items	17f	<input type="radio"/>		
Other Information	18	a	Tax-exempt interest income	18a	<input type="radio"/>		
		b	Other tax-exempt income	18b	<input checked="" type="radio"/>		
		c	Nondeductible expenses	18c	<input type="radio"/>		
19	a	Distributions of money (cash and marketable securities)	19a	<input type="radio"/>			
	b	Distribution of property other than money	19b	<input type="radio"/>			
20	a	Investment income	20a	<input type="radio"/>			
	b	Investment expenses	20b	<input type="radio"/>			
	c	Other information. See instructions	20c	<input type="radio"/>			
Analysis	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	<input checked="" type="radio"/>		
		b	Analysis by type of partner:				
		(a)	(b) Individual		(c)	(d)	(e)
		Corporate	i. Active	ii. Passive	Partnership	Exempt Organization	Nominee/Other
	(1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	(2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
Assets				
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 <input checked="" type="radio"/>		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: <input type="radio"/>		a Tax-exempt interest <input checked="" type="radio"/> \$	
3 Guaranteed payments (other than health insurance) <input checked="" type="radio"/>		b Other <input checked="" type="radio"/> \$	
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. <input type="radio"/>	
a Depreciation <input checked="" type="radio"/> \$		7 Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:	
b Travel and entertainment <input checked="" type="radio"/> \$		a Depreciation <input checked="" type="radio"/> \$	
c Limited partnership tax <input checked="" type="radio"/> \$		b Other <input checked="" type="radio"/> \$	
d Other <input checked="" type="radio"/> \$		c Total. Add line 7a and line 7b <input type="radio"/>	
e Total. Add line 4a through 4d <input type="radio"/>		8 Total. Add line 6c and line 7c. <input type="radio"/>	
5 Total of line 1 through line 4e <input type="radio"/>		9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5. <input checked="" type="radio"/>	

Schedule M-2 Analysis of Partners' Capital Accounts. Use California amounts.

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