

PA SCHEDULE RK-1

2207210051

Resident Schedule of Shareholder/ Partner/Beneficiary Pass Through Income, Loss and Credits PA-20S/PA-65 RK-1 (DR) MOD 05-22 (FI) PA Department of Revenue

2022

Form fields for personal information: SSN, Spouse's SSN, FEIN, Last Name, First Name, Address, and ownership details.

SECTION I

SECTION II

SECTION III

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Table with 20 rows listing income and loss categories (e.g., PA-Taxable Business Income, Interest Income, Dividend Income) and their corresponding amounts.



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Instructions for PA-20S/PA-65 Schedule RK-1

Resident Schedule of Shareholder/Partner/Beneficiary
Pass Through Income, Loss and Credits

PA-20S/PA-65 RK-1 IN (DR) MOD 05-22

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Partnerships and S corporations use PA Schedule RK-1 to report income and losses by class of income to each of its resident owners. A PA Schedule RK-1 is prepared for each individual partner or shareholder showing the share of income (losses) by class and other items required to be reported.

Pennsylvania partners/members/shareholders (owners) who are individuals are subject to Pennsylvania personal income tax on their share of the entity's income, whether or not the income is actually distributed.

Owners who are individuals who reside in Pennsylvania are taxed on their share of the entity's income, regardless of the income source.

The PA-20S/PA-65 Schedule RK-1 provides each partner/member/shareholder (owner) and entity owner their share of income, losses and credits from the partnership, PA S corporation, estate, trust and/or entity formed as a limited liability company classified as a partnership or S corporation for federal income tax purposes.

WHO SHOULD RECEIVE PA SCHEDULE RK-1

A PA-20S/PA-65 Schedule RK-1 must be completed for every Pennsylvania resident owner that has an ownership interest in a partnership, S corporation, estate, trust and/or entity formed as a limited liability company classified as a partnership or S corporation for federal income tax purposes.

A copy of the PA-20S/PA-65 Schedules RK-1 for each partner/member/shareholder (owner) must accompany the entity's PA-20S/PA-65 Information Return. Owners must receive a copy or copies to prepare Pennsylvania tax or information returns. The PA S corporation or partnership must also retain a copy of all PA-20S/PA-65 Schedules RK-1 as part of the entity's records.

In addition, a PA-20S/PA-65 Schedule RK-1 must be completed for all resident owners that are estates, trusts, other PA S corporations, other partnerships, and other pass through entities. The Pennsylvania taxable income passes through to the final taxpayer. Therefore, the immediate partners and shareholders must know the total Pennsylvania taxable income in the event the final owner is a Pennsylvania resident. In the event that the final owner is a nonresident of Pennsylvania, the owner must know Pennsylvania source taxable income.

A partnership, S corporation or limited liability company classified as a partnership or S corporation for federal tax purposes (entity) that fails to file a PA-20S/PA-65, S

Corporation/Partnership Information Return may be subject to a \$250 non-filer penalty. The \$250 penalty also applies to each missing Schedule RK-1 or NRK-1.



NOTE: An entity that is the owner of another entity receives both the PA-20S/PA-65 Schedules RK-1 and NRK-1.

PA SCHEDULE RK-1 FOR C CORPORATION PARTNERS

PAPER RETURNS AND ELECTRONIC FILED RETURNS

The PA-20S/PA-65 Schedule RK-1 submitted with the PA-20S/PA-65 Information Return does not need to be issued to C corporation taxpayers unless a credit from the PA-20S/PA-65 Schedule OC has been allocated. Partnerships, PA S corporations, estates, trusts and/or limited liability companies must submit PA-20S/PA-65 Schedule RK-1 with the applicable Pennsylvania tax returns.

If a C corporation taxpayer receives a PA-20S/PA-65 Schedule RK-1, the amount from Line 9, Total Other Credits, must be reported on the appropriate Pennsylvania tax return.

PART-YEAR RESIDENT OWNERS

The requirements are different for PA S corporations and partnerships to issue PA-20S/PA-65 Schedules RK-1 and/or NRK-1 to its owners as described below.

PA S CORPORATIONS ONLY SHAREHOLDER RESIDENCY PERIOD

A PA S corporation must submit a separate PA-20S/PA-65 Schedule RK-1 for that portion of the tax year during which a part-year resident shareholder was a resident of Pennsylvania. Part-year shareholders have business income and losses prorated based upon the number of days in the tax year these individuals are located within and outside the state. Each shareholder's pro rata distributive share of total income, losses and credits reported on the PA-20S/PA-65 Information Return determines the income amounts for the lines that are included on the PA-20S/PA-65 Schedule RK-1. Income is allocated based on days residing or not residing in Pennsylvania. Pennsylvania considers any day or partial day an owner has a residence or domicile within the commonwealth to be a Pennsylvania residency day. The owner will receive a PA-20S/PA-65 Schedule RK-1 and NRK-1 reflecting the proportionate share of income earned while a resident and a nonresident.

In order to calculate the PA Schedule RK-1 income and losses by class for the residency period, first determine the proportional number of days a shareholder resided in the state. Using the number of days a shareholder was located in the state as the numerator, divide this figure by the total number

COMPLETING PA SCHEDULE RK-1

of days in the tax year representing the denominator. The resulting ratio should be multiplied by the PA and non-PA income and losses by class shown on page one of the PA-20S/PA-65 Information Return. This figure is then multiplied by the shareholder's stock ownership percentage to determine the PA Schedule RK-1 income and losses by class.

PARTNERSHIPS ONLY RESIDENCY PERIOD

A resident partner reports income based upon residency status at year-end and does not prorate the income. The partnership must submit a separate PA-20S/PA-65 Schedule RK-1 for each individual partner if during the partnership's taxable year the partner was:

- A Pennsylvania resident at the close of the taxable year;
- Deceased and a Pennsylvania resident at the time of death during the taxable year; and/or
- A Pennsylvania resident at the close of business on the day during the taxable year that the partner sold, exchanged, disposed of, liquidated, or redeemed their entire interest in the partnership.



NOTE: Income is considered earned on the final day of the tax year. If the partner is a resident on the last day of the year, they will receive a PA-20S/PA-65 Schedule RK-1. The Partner can claim out-of-state credit on income taxed elsewhere.

ENTITIES WITH A SIGNIFICANT NUMBER OF OWNERS

The department will not accept PA Schedules RK-1 and NRK-1 in CD rom format. Please reference Informational Notice PIT 2013-02. Schedules RK-1 and NRK-1 submitted in this format will not be processed and the entity may be subject to the \$250 non-filer penalty that applies for each missing PA Schedule RK-1 and NRK-1.

HOW TO AMEND PA SCHEDULE RK-1

An amended PA-20S/PA-65 Information Return and an amended PA-20S/PA-65 Schedule RK-1 for each owner must be filed to correct any error on or reflect any change to the original PA-20S/PA-65 Information Return, whether or not an amended federal Form 1120S or federal Form 1065 was filed for that year.

To amend an original PA-20S/PA-65 Schedule RK-1, use a blank schedule for the tax year to be amended and fill in the "Amended Schedule" oval at the top of the schedule. Do not send a copy of the original schedule. Complete the schedule by entering the corrected information and submit it with the amended PA-20S/PA-65 Information Return. See Where To File in the PA-20S/PA-65 Information Return instructions.



IMPORTANT: When submitting an amended RK-1, the amended PA-20S/PA-65 Information Return **must** accompany it.

FOREIGN ADDRESS STANDARDS

If the PA S corporation, partnership or entity formed as a limited liability company that is classified as a partnership or PA S corporation for federal income tax purposes is located outside the U.S., it is important to write the foreign address on the PA-20S/PA-65 Schedule RK-1 according to U.S. Postal Service standards.

Failure to use these standards may delay processing or correspondence necessary to complete the processing of the return.

To comply with foreign address standards, use the following rules when completing the address portion of the PA-20S/PA-65 Schedule RK-1.

- Eliminate apostrophes, commas, periods and hyphens. Write the address in all uppercase letters. Addresses should have no more than four lines and must be written in black ink or typewritten. Pencil is unacceptable.
- Write the name of the entity in the space provided. Mail may not be addressed to a person in one country "in care of" a person in another country. The address of items sent to general delivery must indicate the addressee's full legal name.
- Write the address in the space provided, including street and building name and number, apartment or suite numbers, city name and city or provincial codes. All lines of the delivery address should appear in all capital letters. The house number and street address or box number must appear when mail is addressed to towns or cities.
- Write only the name of the country in the space provided for the city or post office.
- **Do not** include any entries in the ZIP code space on the PA-20S/PA-65 Schedule RK-1.

Providing the address in this format will better ensure that the department is able to contact the entity if additional information is required.

Below are examples of properly completed foreign addresses.

FOREIGN ADDRESS EXAMPLES

Name: DIETRICH ENTERPRISES
Address 1: HARTMANNSTRASSE 7
Address 2: 5300 BONN 1
City: GERMANY
State: OC
ZIP Code: Leave Blank

OR


Name: DIETRICH ENTERPRISES
Address 1: 117 RUSSELL DR
Address 2: LONDON W1PGHQ
City: ENGLAND
State: OC
ZIP Code: Leave Blank

CANADA (ONLY) ADDRESS EXAMPLE

The following address format may be used when the postal address delivery zone number is included in the address:

Name: NORTH BY NORTHWEST CO
Address 1: 1010 CLEAR ST
Address 2: OTTAWA ONT K1A 0B1
City: CANADA
State: OC
ZIP Code: Leave Blank

If the entity's address does not fit in the available spaces on the PA-20S/PA-65 Schedule RK-1 using this format, please submit a separate statement that includes the entity's name, entity's federal employer identification number, tax year and complete address.

 **NOTE:** For a Canadian address, two spaces must exist between the province abbreviation and the postal code. Please review previous example where "ONT" (province abbreviation) and "K1A 0B1" (postal code) are shown with the proper address format, separated by two spaces.

SECTION I

GENERAL INFORMATION

SSN

Enter the nine-digit Social Security number (SSN) of the individual receiving the PA-20S/PA-65 Schedule RK-1.

LAST NAME, SUFFIX, FIRST NAME, MIDDLE INITIAL

Enter the last name; suffix such as Jr., Sr., etc.; first name and middle initial of the individual receiving the PA-20S/PA-65 Schedule RK-1.

SPOUSE'S SSN

Enter the nine-digit SSN of the spouse (if jointly held) receiving the PA-20S/PA-65 Schedule RK-1.

FEIN

Enter the nine-digit federal employer identification number (FEIN) of the owner (if other than an individual) receiving the PA-20S/PA-65 Schedule RK-1.


NAME OF OWNER RECEIVING RK-1 (IF OTHER THAN AN INDIVIDUAL)

If the owner of the entity is a partnership, PA S corporation, estate, trust or entity formed as a limited liability company classified as a partnership or PA S corporation for federal income tax purposes, enter the name of the entity owner receiving the PA-20S/PA-65 Schedule RK-1.

If the PA Schedule RK-1 is being issued to an individual, leave this field blank.

FIRST LINE OF ADDRESS

Enter the street address of the owner receiving the PA-20S/PA-65 Schedule RK-1. If the address has an apartment number, suite or RR number, enter it after the street address.


 **NOTE:** If the street address along with the apartment number, suite or RR number does not fit on the first line of address, then enter the street address on the second line of address and the apartment number, suite or RR number on the first line of address.

SECOND LINE OF ADDRESS

Enter the post office box, if appropriate, of the owner receiving the PA-20S/PA-65 Schedule RK-1. If there is no post office box, leave the second line of the address blank.

For a foreign address enter the city or municipal designation. See Foreign Address Examples.

For a Canadian address, enter the city and postal delivery zone number. See Canada Address Example.

 **IMPORTANT:** If the address has only a post office box, enter on the first line of address.

CITY, STATE AND ZIP CODE

Enter the appropriate information in each box. Eliminate all punctuation such as apostrophes, commas, periods and hyphens.

NAME OF ENTITY ISSUING RK-1

Enter the name of the entity issuing the PA-20S/PA-65 Schedule RK-1.

CITY, STATE AND ZIP CODE

Enter the appropriate information of the entity issuing the PA Schedule RK-1 in each box. Eliminate all punctuation such as apostrophes, commas, periods and hyphens.

FEIN

Enter the nine-digit FEIN of the entity issuing the PA-20S/PA-65 Schedule RK-1.

REVENUE ID

Enter the 10-digit Revenue ID, if applicable.

AMENDED SCHEDULE

Fill in the oval if the PA-20S/PA-65 Schedule RK-1 is an amended schedule.

FINAL

Fill in the oval if the PA-20S/PA-65 Schedule RK-1 is a final schedule.

SHAREHOLDER'S STOCK OWNERSHIP

Enter the shareholder's percentage of stock ownership in the PA S corporation.

Valid values are: "00000" to "10000", where 10000 = 100%

Decimal point is implied after 3rd character from the left

e.g. to indicate 33.33%, the value should be "03333"

e.g. to indicate 25%, the values should be "02500"

BENEFICIARY'S YEAR-END DISTRIBUTION

This line is for the PA-41 Schedule RK-1 and is not applicable for the PA-20S/PA-65 Information Return. The estate or trust submits this information on the PA-41 Schedule RK-1 with its PA-41 Fiduciary Income Tax Return.

PARTNERSHIP PERCENTAGE

Enter the partner's percentage of each of the following at the close of the taxable year:

- Profit sharing
- Loss sharing
- Ownership of capital

Valid values are: "00000" to "10000", where 10000 = 100%
Decimal point is implied after 3rd character from the left
e.g. to indicate 33.33%, the value should be "03333"
e.g. to indicate 25%, the values should be "02500"

OWNER

Fill in the oval that designates what type of owner received the PA-20S/PA-65 Schedule RK-1. Fill in one oval only.

PARTNER

Fill in the oval that designates what type of partner received the PA-20S/PA-65 Schedule RK-1. Fill in one oval only.

ENTITY

Fill in the oval that designates what type of entity issued the PA-20S/PA-65 Schedule RK-1. Fill in one oval only.

FISCAL YEAR

If the PA S corporation, partnership or limited liability company filing as a partnership or PA S corporation for federal income tax purposes does not file on a calendar-year basis, fill in fiscal-year oval. Enter the month, day and year (MMDDYY) when the fiscal year begins and ends.

SHORT YEAR

A short year is an accounting period shorter than one year and not a 52/53 week taxable year.

A short-year return is required for the following reasons:

- Changes in the annual accounting period. For example, the entity changes from a fiscal-year filer to a calendar-year filer; or
- An entity is in existence during only part of the tax year. For example, if the year is the initial year.

See the PA-20S/PA-65 Information Return instructions on how to file a short-year return.

LINE INSTRUCTIONS

SECTION II

OWNER'S DISTRIBUTIVE SHARE OF PENNSYLVANIA SOURCE INCOME (LOSS)

LINE 1

PENNSYLVANIA TAXABLE BUSINESS INCOME (LOSS) FROM OPERATIONS

Enter the owner's pro rata distributive share from the PA-20S/PA-65 Information Return, Line 1e. The entity must report the owner's share of income (loss) whether distributed or not. If reporting a loss, fill in the oval.



Guaranteed payments should not be included on Line 1 of the PA-20S/PA-65 Schedule RK-1.

LINES 2 THROUGH 7

Enter the owner's pro rata distributive share of the separately stated items of other Pennsylvania taxable income (loss) from the PA-20S/PA-65 Information Return. Pennsylvania taxable income includes total of Pennsylvania source and outside Pennsylvania income (loss). If reporting a loss on Lines 4, 5 and/or 7, fill in the oval.

SECTION III

OWNER'S SHARE OF PENNSYLVANIA CREDITS

Enter the owner's pro rata distributive share of the separately stated credits that the PA S corporation or partnership passes through to the owners from the PA-20S/PA-65 Information Return.

LINE 8

RESIDENT CREDIT - SUBMIT STATEMENT

Do not use Line 8 to report a resident credit for an Entity Level Tax. Certain states have imposed an entity level tax (ELT) on pass-through entities resulting from the Federal Tax Cut and Jobs Act (P.L. No: 115-97). Please see Answer ID 3618 (https://revenue-pa.custhelp.com/app/answers/detail/a_id/3618/kw/3618) on the Department's website for additional information and clarification.

Enter the Pennsylvania resident owner's pro rata distributive share of credit calculated from composite returns filed by the PA S corporation or partnership on behalf of resident owners. Submit a statement with the PA-20S/PA-65 Schedule RK-1 to notify the owner of the breakdown of states, breakdown by Pennsylvania income class, taxes paid to those states and the resident credit claimed, which is the lesser of the actual tax paid or 3.07 percent of the total income taxed in the other state.

The statement must include the entity's name, entity's federal employer identification number, tax year, owner name(s), and owner tax identification number(s).



NOTE: If a composite return is filed in other states, the entity must submit a copy of the out-of-state returns for all resident credits claimed.


LINE 9

TOTAL OTHER CREDITS - SUBMIT STATEMENT

Enter the owner's pro rata share from the PA-20S/PA-65 Information Return, Section V, Line 13a. The entity must

provide the owner with a statement listing which credit(s) have been passed through to them. When applicable, Line 9 includes credits for PA S corporations treated as C corporations in other states.

The statement must include the entity's name, entity's federal employer identification number, tax year, owner name(s), and owner tax identification number(s).

 **IMPORTANT:** See PA-20S/PA-65 Schedule OC instructions for which credits must be applied to corporate tax liability prior to being passed through to the entity's owners. C corporation owners cannot claim credit for taxes paid to other states.

SECTION IV

DISTRIBUTIONS FROM PARTNERSHIPS

Noncorporate shareholders and partners should use amounts from PA-20S/PA-65 Schedule RK-1, Section IV through Section VII to determine or calculate owner's basis. Partners include Line 12 in net classified income on their Pennsylvania tax returns.

LINE 10

DISTRIBUTION OF CASH, MARKETABLE SECURITIES AND PROPERTY NOT INCLUDING GUARANTEED PAYMENTS

Enter the partner's share of distribution of cash, marketable securities and property, other than guaranteed payments.

With respect to liquidating property distributions, this line will include the total of cash and the fair market value of marketable securities and property distributed to the Pennsylvania resident partner.

The partner reduces his basis in the partnership by amount of distributions. If the distribution amount is in excess of basis, it must be reported on the resident partner's return as taxable gain on PA-20S/PA-65 Schedule D.

LINE 11

GUARANTEED PAYMENTS FOR CAPITAL OR OTHER SERVICES

Enter the partner's share of guaranteed payments for capital or other services.

Pennsylvania does not follow federal treatment for guaranteed payments for services. Under Pennsylvania tax law, to the extent paid for other services or for the use of capital, a guaranteed payment is:


- A withdrawal proportionately from the capital of all partners;
- A gain from the disposition of the recipient's partnership interest and a loss from the disposition of the other partners' partnership interests, to the extent derived from the capital of the other partners; and
- A return of capital by the recipients to the extent derived from their own capital.


Pennsylvania allows the deduction.

LINE 12

ALL OTHER GUARANTEED PAYMENTS FOR SERVICES RENDERED

Enter the partner's share of such payments. Typically, guaranteed payments to partners are paid to the extent the services are rendered directly in the production of income from a business, profession or farm, and/or from rental or royalty income.

 **NOTE:** The partner must know the class of income from which the partnership made the guaranteed payments. The partner must then properly classify the payments on their PA-40 Individual Income Tax Return.

 **IMPORTANT:** If the total guaranteed payment includes more than one of the income classes described below, the partnership must provide a statement to the partners showing the amounts for each line.

For Pennsylvania personal income tax purposes, guaranteed payments are classified as follows:

- If services are rendered directly in the production of income from a business, profession, or farm, the guaranteed payments are gross income from that income class.
- If services are rendered directly in the production of rental or royalty income, the guaranteed payments are gross income from that income class.

HEALTH SAVINGS ACCOUNTS (HSA)

Contributions by a partnership to a bona fide partner's HSA are not contributions by an employer. The contributions are treated as a distribution of money and are not included in the partner's income.

Contributions by a partnership to a partner's HSA for services rendered, however, are treated as guaranteed payments that are deducted by the partnership and included in the partner's income. In both situations, the partnership can deduct the contribution made to the partner's HSA.

Contributions to a nonresident partner's HSA for services must be apportioned.

Contributions by an S corporation to a 2 percent shareholder-employee's HSA for services rendered are deducted by the S corporation as wage or salary expense and included in the shareholder-employee's gross compensation. The shareholder-employee can deduct the contribution made to the shareholder-employee's HSA.

LINE 13

GUARANTEED PAYMENTS TO RETIRED PARTNER

Guaranteed payments to a retired partner must meet the exception described in IRC §1402(a)(10).

Generally, retirement payments received by a retired partner from a partnership (of which he or she is a member or former member) are counted as net earnings from self-employment. Certain periodic payments by a partnership to a retired partner made on account of retirement under a written plan of partnership are excluded from the tax. To be effective, the

plan must meet such requirements as are prescribed by Reg §1.1402(a)-17. It must apply to partners generally or to a class or classes of partners, and provide such payments at least until the retired partner's death.

The exclusion applies to retirement payments received by a retired partner only if he or she renders no services in any business conducted by the partnership during the taxable year of such partnership, ending within or with his or her taxable year in which amounts were received. At the end of such partnership's taxable year: (1) there must be no obligation from other partners to the retired partner, other than to make retirement payments under the plan; and (2) the retired partner's share in the capital of the partnership had been paid to him or her in full. Code Sec. 1402(a)(10) Reg §1.1402(a)-17.

SECTION V

DISTRIBUTIONS FROM PA S CORPORATIONS

LINE 14

DISTRIBUTIONS FROM PA ACCUMULATED ADJUSTMENTS ACCOUNT

Enter the shareholder's share of such distributions. If a liquidating distribution, fill in the oval. If the amount is in excess of basis, it must be reported on the shareholder's return as taxable gain on PA-20S/PA-65 Schedule D-I, Line 15.

LINE 15

DISTRIBUTIONS OF CASH, MARKETABLE SECURITIES AND PROPERTY

Enter the shareholder's share of such distributions. This line will include the total of cash and the fair market value of all marketable securities and property distributed to the shareholder.

SECTION VI

NONTAXABLE INCOME (LOSS) IN OWNER'S BASIS

LINE 16

NONTAXABLE INCOME (LOSS) OR NONDEDUCTIBLE EXPENSES REQUIRED TO CALCULATE OWNER'S BASIS

The difference between federal and Pennsylvania depreciation should not be included on this line. Line 16 is based on permanent nontaxable income or nondeductible expenses in calculating Pennsylvania taxable income. This amount is generally not the same amount reported on the PA-20S/ PA-65 Information Return, Section IV, Line 12 because Line 12 should include non-permanent items.

Submit a statement that includes the entity's name, entity's federal employer identification number and tax year. Provide a breakdown of all nontaxable income earned and all nondeductible expenses not taken. This amount should only include permanent differences needed to calculate the owner's basis in the entity. If reporting a loss, fill in the oval.

The entity provides the owners with this information so the owners can calculate their basis. Examples of nontaxable income are tax-exempt interest, gifts, inheritance, loan proceeds, insurance proceeds and federal tax refunds. Examples of non-deductible expenses are partner's retirement contributions, partner's life and health insurance premiums.

These items may be listed on federal Form 1120S Schedule K as "Items Affecting Shareholder Basis" and on federal Form 1065 Schedule K as "Other Information."

SECTION VII

SUPPLEMENTAL INFORMATION

The owners will need certain information to determine their outside Pennsylvania basis in the entity, taking into consideration distributions that may exceed their ownership interests.

LINE 17

OWNER'S SHARE OF IRC §179 ALLOWED ACCORDING TO PENNSYLVANIA RULES

Enter the owner's share of IRC §179 depreciation expense. Each entity and individual taxpayer is limited to \$25,000 of IRC §179 depreciation expense. **Do not deduct this amount from any income class.** This amount is used to verify the owner has not exceeded the Pennsylvania limit.

LINE 18

OWNER'S SHARE OF STRAIGHT-LINE DEPRECIATION

Enter the owner's share of the entity's total expense.

Assets for which accelerated depreciation has been calculated must be recalculated using straight-line depreciation in order to calculate outside Pennsylvania basis in the entity. The life of the asset must be the same life that was used to calculate depreciation expense deducted in determining Business Income (Loss) from Operations and/or Rental Income (Loss).

LINE 19

PARTNER'S SHARE OF NONRECOURSE LIABILITIES AT YEAR-END

Enter the partner's share of nonrecourse liabilities at year-end.

A nonrecourse liability is a secured liability, identified by the partnership, for which the partners are not personally liable. Nonrecourse liabilities apportion such debts to each partner's outside basis and validate deductions based on such liabilities.

LINE 20

PARTNER'S SHARE OF RECOURSE LIABILITIES AT YEAR-END

Enter the partner's share of recourse liabilities at year-end. A recourse liability is one for which a partner is personally liable.