

Arizona Form  
**165 Schedule K-1**

**Resident and Part-Year Resident Partner's  
Share of Adjustment to Partnership Income**

**2025**

**Corporate partners and partners that are partnerships must use Form 165 Schedule K-1(NR).**

For the ☐ calendar year 2025 or ☐ fiscal year beginning MM, DD, 2025 and ending MM, DD, 20YY.

**CHECK ONE:** ☐ Original ☐ Amended

Partner's Tax Identification Number			Partnership's Employer Identification Number (EIN)		
Partner's Name			Partnership's Name		
Partner's Address – number and street or rural route			Partnership's Address – number and street or rural route		
Partner's City, Town or Post Office	State	Zip Code	Partnership's City, Town or Post Office	State	Zip Code

**Pass-Through Entity Election** See Instructions:

**A.** Did the partnership make the Pass-Through Entity (PTE) Election? ☐ Yes ☐ No

**B.** If the partnership made the PTE Election, did this partner consent to that election? ☐ Yes ☐ No

**C.** If the answer to the question on line B is "Yes, is this partner a grantor trust or an SMLLC disregarded to an individual? ☐ Yes ☐ No If "Yes" enter the Beneficial Owner's name: \_\_\_\_\_; and TIN: \_\_\_\_\_

Partner's Percentage of:	Beginning of Year	End of Year
Profit sharing .....	%	%
Loss sharing .....	%	%
Ownership of capital .....	%	%
Type of partner (individual, trust, or estate).		

**Part 1 Arizona Partnership Adjustment**

1 Adjustment of partnership income from federal to Arizona basis from Form 165, page 1, line 6 ...	1		00
2 Partner's percentage of profit or loss (expressed as a decimal).....	2	.	
3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis. Multiply line 1 by line 2 .....	3		00

**Part 2 Net Capital Gain (Loss) From Investment in a Qualified Small Business – Information Schedule**

If the partner's federal Schedule K-1 (Form 1065) does not include any net capital gain (loss) from investment in a qualified small business as determined by the Arizona Commerce Authority, the partnership is not required to complete Part 2.

	Pro Rata Share Items	Distributive Share Amount
4 Net capital gain (loss) from investment in a qualified small business .....	4	

**Part 3 Gain or Loss on Sale of Virtual Currency and Non-Fungible Tokens - Information Schedule**

To the extent not already excluded from Arizona gross revenue under the Internal Revenue Code, enter the value of virtual currency and non-fungible tokens received at the time of the airdrop.

	Pro Rata Share Items	Distributive Share Amount
5 The value of Virtual Currency and Non-Fungible Tokens received at the time of the airdrop. ....	5	

Name of Partnership (as shown on page 1)	EIN
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## Part 4

### Gain or Loss on Sale of Virtual Currency and NFT's - Gas Fees or Non-Fungible Tokens Basis – Information Schedule

The amount allowed as a subtraction for gas fees not already included in the partnership's virtual currency or non-fungible tokens basis.

Pro Rata Share Items	Distributive Share Amount
<b>6</b> Gas fees not included in virtual currency or non-fungible tokens basis. .... <b>6</b>	

## Part 5

### Net Capital Gain (Loss) From the Exchange of Legal Tender – Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net capital gain (loss) from the exchange of legal tender, the partnership is not required to complete Part 5.

Pro Rata Share Items	Distributive Share Amount
<b>7</b> Net capital gain (loss) from the exchange of legal tender ..... <b>7</b>	

## Part 6

### Net Long-Term Capital Gain Subtraction – Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net long-term capital gain (loss), the partnership is not required to complete Part 6.

Pro Rata Share Items From federal Form 1065, Schedule K-1	(a) Distributive Share Amount	(b) Net <u>long-term</u> capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net <u>long-term</u> capital gain (loss) included in column (a) from assets acquired after December 31, 2011
<b>8</b> Total Net long-term capital gain (loss) ..... <b>8</b>			

#### ADDITIONAL INFORMATION:

<b>9</b> Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 8, column (c))..... <b>9</b>			
<b>10</b> Net long-term capital gain (loss) from the exchange of legal tender (amount already included in line 8, column (c))..... <b>10</b>			

Name of Partnership (as shown on page 1)	EIN
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## Part 7 Partner's Share of the Partnership's Pass-Through Entity Election

Complete Part 7 if the partner consented to the partnership's election to be a Pass-Through Entity (PTE) for this year or for a prior year. (See Instructions.) Otherwise, leave blank.

	Partner's Pro Rata Share of PTE Election	Partner's Distributive Share
<b>11</b>	Partner's pro-rata share of the PTE Tax Credit. <ul style="list-style-type: none"> <li>Individuals, enter this amount on Form 355, Part 1, line 1.</li> <li>Estates and trusts, see the instructions for Form 141AZ, line 19, to claim this credit..... <b>11</b></li> </ul>	
<b>12</b>	Partner's pro-rata share of the Arizona PTE Taxes paid in 2025 for taxable years prior to 2025. <ul style="list-style-type: none"> <li>Individuals that <b><i>did not make the Small Business Income election</i></b>, add this amount back on Form 140, page 5, line P, or Form 140PY, page 5, line N.</li> <li>Individuals <b><u>that made the Small Business Income election</u></b>, add this amount back on Form 140-SBI, line 25, or Form 140PY-SBI, line 25.</li> <li>Estates and trusts, add this amount back on Form 141AZ, Schedule B, line B3..... <b>12</b></li> </ul>	
<b>13</b>	Partner's pro-rata share of the Arizona PTE Taxes paid in 2025 for taxable year 2025. <ul style="list-style-type: none"> <li>Individuals that <b><i>did not make the Small Business Income election</i></b>, add this amount back on Form 140, page 5, line P, or Form 140PY, page 5, line N.</li> <li>Individuals <b><u>that made the Small Business Income election</u></b>, add this amount back on Form 140-SBI, line 25, or Form 140PY-SBI, line 25.</li> <li>Estates and trusts, add this amount back on Form 141AZ, Schedule B, line B3..... <b>13</b></li> </ul>	
<b>14</b>	Partner's pro-rata share of comparable PTE Taxes from other states paid in 2025 for taxable years prior to 2025. <ul style="list-style-type: none"> <li>Individuals that <b><i>did not make the Small Business Income election</i></b>, add this amount back on Form 140, page 5, line P, or Form 140PY, page 5, line N.</li> <li>Individuals <b><u>that made the Small Business Income election</u></b>, add this amount back on Form 140-SBI, line 25, or Form 140PY-SBI, line 25.</li> <li>Estates and trusts, add this amount back on Form 141AZ, Schedule B, line B3..... <b>14</b></li> </ul>	
<b>15</b>	Partner's pro-rata share of comparable PTE Taxes from other states paid in 2025 for taxable year 2025. <ul style="list-style-type: none"> <li>Individuals that <b><i>did not make the Small Business Income election</i></b>, add this amount back on Form 140, page 5, line P, or Form 140PY, page 5, line N.</li> <li>Individuals <b><u>that made the Small Business Income election</u></b>, add this amount back on Form 140-SBI, line 25, or Form 140PY-SBI, line 25.</li> <li>Estates and trusts, add this amount back on Form 141AZ, Schedule B, line B3..... <b>15</b></li> </ul>	