

Form  
**65**

**Oregon Partnership  
Return of Income**

**2009**

For calendar year 2009 or fiscal year beginning \_\_\_\_\_ 200\_\_ and ending \_\_\_\_\_ 201\_\_.

For office use only
Date received

Please type or print clearly and answer all the questions below.

Name of partnership				Federal employer identification number (FEIN)	
Current mailing address				Oregon business identification number (BIN)	
City	State	ZIP code	Date activities started in Oregon	<input type="checkbox"/> Check if Form 24 is attached	<input type="checkbox"/> Check if you have federal Form 8886, a REIT, or a RIC

Check all applicable boxes:  Initial return     Name change     Extension filed  
 Amended return     Address change     Partnership has corporate partners

Type of entity:  Partnership     Limited partnership     Limited liability co.     Limited liability partnership     Electing large partnership

**1. Did the partnership do business in Oregon during the year?** .....  **Yes**     **No**  
 If you answered yes, you may need to pay a minimum tax of \$150 with the filing of this return. See instructions.

**2. Requirement to file Oregon partnership return.**  
 A. Does the partnership have income derived from sources in Oregon? .....  **Yes**     **No**  
 B. Does the partnership have Oregon resident partners? .....  **Yes**     **No**

If you answered **yes** to A **or** B, you must file an Oregon partnership return. Attach a complete copy of your federal partnership return to **this** return. See question 3 to see if you need to include federal Schedule K-1s.

**3. Attaching copies of partners' federal Schedule K-1s.**  
 A. Did the partners' profit/loss sharing percentages change during the year? .....  **Yes**     **No**  
 B. Were the Oregon modifications **not** divided according to each partner's profit sharing percentage? .....  **Yes**     **No**

If the partnership had 10 or less partners, attach a copy of each partner's federal K-1.  
 If you had more than 10 partners, you **must** attach a summary of partner information.  
 Your summary must include each partner's name, Social Security or federal employer identification number, address, profit/loss sharing percentage, and Oregon modifications. **We also accept summaries and K-1s on CD.**

**4. Prior year return and final return.**  
 A. Was a 2008 Oregon partnership return filed? .....  **Yes**     **No**  
 If **no**, give the reason: \_\_\_\_\_  
 If filed using a different name, give the name it was filed under: \_\_\_\_\_

B. Is this the final return for the partnership? .....  **Yes**     **No**  
 If yes, **attach a schedule** showing disposition and distribution of all partnership assets and liabilities.  
 Show each asset's adjusted basis, fair market value, sale price, or if distributed, to which partner(s).

**5. Changes to a prior year partnership return during this tax year.**  
 A. Did an IRS audit change a prior year return during the 2009 tax year? .....  **Yes**     **No**  
 B. Was an amended federal return filed for a prior year? .....  **Yes**     **No**

If you answered **yes** to A **or** B, what tax year(s) were changed? \_\_\_\_\_. Send us a copy of the federal revenue agent's report or the amended return separately from this return if not previously sent.

**6. Business inside and outside of Oregon with out-of-state partners.**  
 A. Did the partnership have business activity both inside and outside of Oregon during the year? .....  **Yes**     **No**  
 B. Did the partnership have any partners who were not Oregon residents at any time during the year? .....  **Yes**     **No**

If you answered yes to **both A and B**, use the Oregon apportionment percentage from Oregon Schedule AP, *Apportionment of Income for Corporations and Partnerships*, to figure your Oregon source income. Attach the schedule to this return. See page 2 of the instructions to order forms.

**7. Oregon tax credits.**  
 Are any partners eligible for Oregon tax credits based on costs the partnership paid or incurred? .....  **Yes**     **No**  
 If yes, identify the tax credits: \_\_\_\_\_

**8. Other taxing authorities.**

- |  |                          |                          |
|--|--------------------------|--------------------------|
|  | <b>Yes</b>               | <b>No</b>                |
| A. Do partnership employees perform services in the TriMet Transportation District? .....                        | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Do any partners have self-employment income from the partnership in the TriMet Transportation District? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Do partnership employees perform services in the Lane Transit District? .....                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Do any partners have self-employment income from the partnership in the Lane Transit District? .....          | <input type="checkbox"/> | <input type="checkbox"/> |

If you answered **yes** to B and/or D, Form TM and/or Form LTD must be filed by the individual partners or the partnership may elect to file on the partners' behalf.

**9. Who has the partnership books?**

Name of partner who has the partnership books		Telephone number (      )	
Street address	City	State	ZIP code

**Schedule I—Oregon modifications to federal partnership income passed through to partners.** Attach schedules to explain and compute the modifications. Indicate which federal Schedule K-1 line item each modification is for.

**Additions—Items not included** in federal partnership income which are taxable to Oregon.

1. Interest on government bonds of other states.....(K-1 line ____)	1		
2. Gain on property transactions not deferred for Oregon.....(K-1 line ____)	2		
3. Depreciation, see instructions on page 2 for more information .....(K-1 line ____)	3		
4. Recognition of previously deferred capital gain .....	4		
5. Depletion in excess of property basis.....	5		
6. Gain or loss on sale of assets when Oregon basis is different from federal basis .....	6		
7. Other additions. Identify _____ .....	7		

**Subtractions—Items included** in federal partnership income which are **not taxable** to Oregon.

8. U.S. government interest.....(K-1 line ____)	8		
9. Gain on property transactions already taxed by Oregon .....	9		
10. Depreciation, see instructions on page 2 for more information .....(K-1 line ____)	10		
11. Work opportunity credit.....(K-1 line ____)	11		
12. Gain or loss on sale of assets when Oregon basis is different from federal basis .....	12		
13. Other subtractions. Identify _____ .....	13		

**Note:** Generally, a partner's share of each Oregon modification is figured by using the partner's profit/loss sharing percentage. A partner's share of each modification must be reported to the partner on federal Schedule K-1 or an equivalent form.

**— Attach a copy of your 2009 federal partnership return —**

Under penalties for false swearing, I declare that I have examined this return, including accompanying schedules and statements. To the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has any knowledge.

➡ Sign here	<b>X</b>		<b>X</b>	
	_____	Date	_____	License no.
	_____		_____	
	_____	City      State      ZIP code	_____	City      State      ZIP code

Detach instructions before mailing

**Tear off the instructions,** attach federal Form 1065 or Form 1065-B and required schedules, and file the return on or before the 15th day of the fourth month after the close of the partnership's tax year.

Mail to:  
**Oregon Department of Revenue**  
**PO Box 14260**  
**Salem OR 97309-5060**

# Instructions for Form 65

## Oregon Partnership Return of Income

### Partnership minimum tax

The January 26, 2010 Oregon special election may affect your 2009 return. **Please wait to file your return until after February 1, 2010.**

A partnership minimum tax of \$150 for doing business in Oregon has been referred to voters for a vote on January 26, 2010. Because this special election affects tax year 2009, we will start processing returns after February 1, 2010. Filing before then will delay the processing of your return.

If the partnership did business in Oregon during 2009, check yes on line 1, Form 65. "Doing business" means being engaged in any profit-seeking activity in Oregon. If the partnership didn't do business in Oregon, check no and go to line 2.

- **If the minimum tax passes**, you must pay a \$150 minimum tax if you answered yes on line 1 **and** you answered yes to question A or B on line 2. You must make payment when you file Form 65. For payment instructions, see page 2.
- **If the minimum tax fails**, you won't need to make a payment, but you may still be required to file Form 65.

### Which partnerships must file an Oregon partnership return?

- Every partnership having income derived from or connected with sources in Oregon.
- Every partnership having one or more Oregon resident partners.

**Exception:** Publicly traded partnerships taxed as corporations.

### Filing deadlines

Returns for the 2009 calendar year are due by April 15, 2010. Fiscal year returns are due by the 15th day of the fourth month after the end of the partnership's tax year.

▼ Detach Here

### PARTNERSHIP PAYMENT VOUCHER

For tax year  OR Fiscal Year Ending \_\_\_\_\_

FORM  
**65-V**  
150-101-065 (Rev. 10-09)

Detach Here ▼

✂

Department of Revenue Use Only
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Check if:  First time Oregon filer  
 New name or address  
 Amended return

Daytime Telephone Number ( ) \_\_\_\_\_

**Mail your payment, voucher, and tax return to:** Oregon Dept. of Revenue, PO Box 14260, Salem OR 97309-5060

Name of partnership		Federal employer identification number (FEIN)		<b>Payment Amount</b> \$ <span style="border: 1px solid black; padding: 2px;">1 5 0 . 0 0</span>
Current mailing address		Oregon business identification number (BIN)		
City			State	ZIP code

### What must be attached to the Oregon partnership return?

Attach information in the following order:

- A copy of federal Form 1065, *U.S. Return of Partnership Income*, or Form 1065-B, *U.S. Return of Income for Electing Large Partnerships*. Include all pages and supporting schedules (for example, Schedule M-3).
- Schedule AP, *Apportionment of Income for Corporations and Partnerships* (form 150-102-171), if you answered yes to questions 6A and 6B on Form 65.
- An *Oregon Depreciation Schedule* (form 150-101-025), if Oregon depreciation differs from federal depreciation.
- If this is the final partnership return, a schedule showing to whom all assets and liabilities were distributed, and each asset's adjusted basis and fair market value, sales price, or if distributed, to which partners.
- Federal Schedule K-1s, if less than 11 partners during the year. If you had more than 10 partners at any time during the year, attach a summary of partner information. **We also accept summaries and K-1s on CD.**
- Form 24, *Oregon Like-Kind Exchanges/Involuntary Conversions* if you had a 1031 exchange investing in out of state property.

**Form 8886/REIT/RIC.** If you filed a Form 8886 with the IRS or participated in a REIT or RIC, you must check the "Form 8886/REIT/RIC" box.

### Partnership failure-to-file penalty

A penalty may be assessed if a partnership doesn't file a return or fails to provide information to the Department of Revenue as required by law. The penalty is \$50 per month per partner for each month the return is late or incomplete,

up to a maximum of five months. Each partner is personally liable for a portion of the penalty.

## Individual income tax returns

Each partner's distributive share of net income (or loss) and separately stated items must be reported on that partner's individual income tax return.

Partners report their share of Oregon modifications on their Oregon tax returns. Increases to income go on the "Other additions" line of the Oregon individual return; use code 119. Decreases to income go on the "Other subtractions" line; use code 323.

Nonresident partners can choose to file an *Oregon Individual Income Tax Return for Nonresidents*, Form 40N, or elect to join in the filing of an *Oregon Composite Return*, Form OC, by the partnership.

## Guaranteed payments

Guaranteed payments are treated as distributive shares of partnership income. For nonresident partners income attributable to Oregon sources is determined by applying the allocation and apportionment provisions to each nonresident's entire distributive share including guaranteed payments.

## Oregon modifications to federal partnership income

Complete Schedule I (on page 2 of Form 65) to figure Oregon modifications to federal partnership income. Attach schedules if necessary to explain and compute the modifications.

**Important!** If you expensed business property under IRC section 179 or claimed the 50-percent bonus depreciation or the \$8,000 additional depreciation allowed under IRC section 168(k), you may have an addition. Use the *Oregon Depreciation Schedule* to see if you have an addition due to Oregon differences.

**Gain on voluntary and involuntary conversions.** Oregon allows partnerships to elect for their partners to defer the gain on voluntary and involuntary conversions. Partnerships

must make the election for all consenting partners. Attach Form 24, *Oregon Like-kind Exchanges/Involuntary Conversion*, 150-800-734, to your *Oregon Partnership Return of Income*, Form 65, and check the box on the front of Form 65.

## Credits

Partners may qualify for certain tax credits on their individual income tax returns even though the costs were paid by the partnership. For a complete list of credits, visit [www.oregon.gov/sites/DOR/PERTAX/pit\\_partnership.page](http://www.oregon.gov/sites/DOR/PERTAX/pit_partnership.page).

## Extension to time to file

If you filed a federal extension, you don't need to file an Oregon extension because Oregon allows the same extension. If you need to file an Oregon-only extension, you must file the extension by the due date of the return.

## TriMet and Lane Transit District self-employment taxes

Self-employment earnings of taxpayers doing business or providing services within the TriMet and/or Lane Transit Districts are subject to these taxes. A partnership may elect to file and pay the transit district self-employment tax on behalf of any or all the individual partners.

## Withholding requirement for partnerships

A partnership with one or more nonresident partners and Oregon-source income is usually required to withhold tax unless the partner makes an election to join in the filing of a composite return. Use Form OR-19, *Report of Nonresident Owner Tax Withheld*, to determine withholding for nonresident partners.

## Payments

- Make your check or money order payable to "Oregon Department of Revenue."
- Write your daytime telephone number and "2009 Partnership Tax" on your check.
- Do not send cash or a postdated check.
- Complete Form 65-V payment voucher and include it with your payment and return.

## Taxpayer assistance

**General tax information**..... [www.oregon.gov/DOR](http://www.oregon.gov/DOR)  
Salem ..... 503-378-4988  
Toll-free from an Oregon prefix ..... 1-800-356-4222

### Asistencia en español:

En Salem o fuera de Oregon ..... 503-378-4988  
Gratis de prefijo de Oregon ..... 1-800-356-4222

### TTY (hearing or speech impaired; machine only):

Salem area or outside Oregon ..... 503-945-8617  
Toll-free from an Oregon prefix ..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers for information in alternative formats.