

2010 Partnership Return of Income**565**

For calendar year 2010 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

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

DBA _____

Address (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.

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 _____	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 _____	32	00
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 _____ Date _____ Telephone _____ General Partner's email address (optional) _____		
Paid Preparer's Use Only	Paid Preparer's signature _____ Date _____ Check if self-employed ☐ Paid Preparer's PTIN/SSN _____ 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

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) ☐ 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** ☐ 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. (Be sure to attach a California Schedule 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? ● ☐ 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 LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity ● ☐ 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? ● ☐ Yes ☐ No

If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754

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) 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 (under certain circumstances) leased real property in California? ● ☐ Yes ☐ No

(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 (under certain circumstances) leased real property in California? ● ☐ Yes ☐ No

(3) If this partnership (or any legal entity in which it holds a controlling or majority interest) owned or (under certain circumstances) 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? ● ☐ Yes ☐ No

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 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? Attach schedule of disregarded entity names and identification numbers. ● ☐ 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: (see instructions) ● ☐ Installment Sale ● ☐ IRC §1031 ● ☐ IRC §1033 ● ☐ Other

EE (1) Did this partnership generate a New Jobs Credit? ● ☐ Yes ☐ No

(2) If "Yes," enter the generated amount ● _____

FF (1) Did this partnership or an entity in which this partnership has an ownership interest elect to defer income from the discharge of indebtedness as described in IRC 108(i) for Federal purposes? ● ☐ Yes ☐ No

(2) If "Yes," enter the portion of the discharge of indebtedness attributable to the partnership ● _____

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		
	13 a	Charitable contributions. See instructions. Attach schedule.	13a		
Credits	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		
	e	Other deductions. Attach schedule	13e		
	15 a	Withholding on partnership allocated to all partners.	15a		
	b	Low-income housing credit	15b		
Alternative Minimum Tax (AMT) Items	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		
	f	Other credits	15f		●
	g	New Jobs Credit	15g		
	17 a	Depreciation adjustment on property placed in service after 1986	17a		
	b	Adjusted gain or loss	17b		
Other Information	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		
Analysis	19 a	Distributions of money (cash and marketable securities)	19a		
	b	Distribution of property other than money	19b		
	20 a	Investment income	20a		
Analysis	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:			

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.	