

# U.S. Return of Partnership Income

OMB No. 1545-0099

For calendar year 2003, or tax year beginning \_\_\_\_\_, 2003, and ending \_\_\_\_\_, 20\_\_\_\_  
▶ See separate instructions.

**2003**

<b>A</b> Principal business activity	<b>Use the IRS label. Other- wise, print or type.</b>	Name of partnership	<b>D</b> Employer identification number .....
<b>B</b> Principal product or service		Number, street, and room or suite no. If a P.O. box, see page 14 of the instructions.	<b>E</b> Date business started
<b>C</b> Business code number		City or town, state, and ZIP code	<b>F</b> Total assets (see page 14 of the instructions) \$ .....

- G** Check applicable boxes: (1)  Initial return    (2)  Final return    (3)  Name change    (4)  Address change    (5)  Amended return
- H** Check accounting method: (1)  Cash    (2)  Accrual    (3)  Other (specify) ▶ .....
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ .....

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>			
	<b>b</b> Less returns and allowances	<b>1b</b>		<b>1c</b>	
	<b>2</b> Cost of goods sold (Schedule A, line 8)			<b>2</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b>	
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			<b>4</b>	
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))			<b>5</b>	
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 18			<b>6</b>	
	<b>7</b> Other income (loss) (attach schedule)			<b>7</b>	
<b>8 Total income (loss).</b> Combine lines 3 through 7			<b>8</b>		
<b>Deductions</b> <small>(see page 15 of the instructions for limitations)</small>	<b>9</b> Salaries and wages (other than to partners) (less employment credits)			<b>9</b>	
	<b>10</b> Guaranteed payments to partners			<b>10</b>	
	<b>11</b> Repairs and maintenance			<b>11</b>	
	<b>12</b> Bad debts			<b>12</b>	
	<b>13</b> Rent			<b>13</b>	
	<b>14</b> Taxes and licenses			<b>14</b>	
	<b>15</b> Interest			<b>15</b>	
	<b>16a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>		<b>16c</b>	
	<b>b</b> Less depreciation reported on Schedule A and elsewhere on return	<b>16b</b>		<b>16c</b>	
	<b>17</b> Depletion (Do not deduct oil and gas depletion.)			<b>17</b>	
	<b>18</b> Retirement plans, etc.			<b>18</b>	
	<b>19</b> Employee benefit programs			<b>19</b>	
	<b>20</b> Other deductions (attach schedule)			<b>20</b>	
<b>21 Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20			<b>21</b>		
<b>22 Ordinary income (loss)</b> from trade or business activities. Subtract line 21 from line 8			<b>22</b>		

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 general partner or limited liability company member) is based on all information of which preparer has any knowledge.

**Sign Here**

▶ \_\_\_\_\_ ▶ \_\_\_\_\_  
Signature of general partner or limited liability company member      Date

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer's Use Only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ( )	

**Schedule A Cost of Goods Sold** (see page 18 of the instructions)

1	Inventory at beginning of year . . . . .	1		
2	Purchases less cost of items withdrawn for personal use . . . . .	2		
3	Cost of labor . . . . .	3		
4	Additional section 263A costs (attach schedule) . . . . .	4		
5	Other costs (attach schedule) . . . . .	5		
6	<b>Total.</b> Add lines 1 through 5 . . . . .	6		
7	Inventory at end of year . . . . .	7		
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 . . . . .	8		

- 9a Check all methods used for valuing closing inventory:
- (i)  Cost as described in Regulations section 1.471-3
  - (ii)  Lower of cost or market as described in Regulations section 1.471-4
  - (iii)  Other (specify method used and attach explanation) ▶ .....
- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c). . . . ▶
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . ▶
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? . .  Yes  No
- e Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No  
If "Yes," attach explanation.

**Schedule B Other Information**

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> Domestic general partnership		
b <input type="checkbox"/> Domestic limited partnership		
c <input type="checkbox"/> Domestic limited liability company		
d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership		
f <input type="checkbox"/> Other ▶ .....		
2 Are any partners in this partnership also partnerships? . . . . .		
3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment . . . . .		
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see <b>Designation of Tax Matters Partner</b> below . . . . .		
5 Does this partnership meet <b>all three</b> of the following requirements?		
a The partnership's total receipts for the tax year were less than \$250,000;		
b The partnership's total assets at the end of the tax year were less than \$600,000; <b>and</b>		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1 . . . . .		
6 Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See page 20 of the instructions . . . . .		
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)? . . . . .		
8 Has this partnership filed, or is it required to file, <b>Form 8264</b> , Application for Registration of a Tax Shelter? . . . . .		
9 At any time during calendar year 2003, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶ .....		
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 20 of the instructions . . . . .		
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under <b>Elections Made By the Partnership</b> on page 9 of the instructions . . . . .		
12 Enter the number of <b>Forms 8865</b> , Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return . . . . . ▶		

**Designation of Tax Matters Partner** (see page 20 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Identifying number of TMP ▶
Address of designated TMP ▶	

**Schedule K Partners' Shares of Income, Credits, Deductions, etc.**

		(a) Distributive share items	(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1	
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a	Gross income from other rental activities	3a	
	b	Expenses from other rental activities (attach schedule)	3b	
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4	Portfolio income (loss) (attach Schedule D (Form 1065) for lines 4d and 4e):		
	a	Interest income	4a	
	b	Dividends: (1) Qualified dividends (2) Total ordinary dividends	4b(2)	
	c	Royalty income	4c	
	d	Net short-term capital gain (loss): (1) post-May 5, 2003 (2) Entire year	4d(2)	
	e	Net long-term capital gain (loss): (1) post-May 5, 2003 (2) Entire year	4e(2)	
	f	Other portfolio income (loss) (attach schedule)	4f	
	5	Guaranteed payments to partners	5	
6a	Net section 1231 gain (loss) (post-May 5, 2003) (attach Form 4797)	6a		
b	Net section 1231 gain (loss) (entire year) (attach Form 4797)	6b		
7	Other income (loss) (attach schedule)	7		
Deductions	8	Charitable contributions (attach schedule)	8	
	9	Section 179 expense deduction (attach Form 4562)	9	
	10	Deductions related to portfolio income (itemize)	10	
	11	Other deductions (attach schedule)	11	
Credits	12a	Low-income housing credit: (1) From partnerships to which section 42(j)(5) applies	12a(1)	
		(2) Other than on line 12a(1)	12a(2)	
	b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d	Credits related to other rental activities	12d	
13	Other credits	13		
Investment Interest	14a	Interest expense on investment debts	14a	
	b	(1) Investment income included on lines 4a, 4b(2), 4c, and 4f above (2) Investment expenses included on line 10 above	14b(1) 14b(2)	
Self-Employment	15a	Net earnings (loss) from self-employment	15a	
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d	(1) Gross income from oil, gas, and geothermal properties (2) Deductions allocable to oil, gas, and geothermal properties	16d(1) 16d(2)	
	e	Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17a	Name of foreign country or U.S. possession		
	b	Gross income from all sources	17b	
	c	Gross income sourced at partner level	17c	
	d	Foreign gross income sourced at partnership level:		
		(1) Passive (2) Listed categories (attach schedule) (3) General limitation	17d(3)	
	e	Deductions allocated and apportioned at partner level:		
		(1) Interest expense (2) Other	17e(2)	
	f	Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive (2) Listed categories (attach schedule) (3) General limitation	17f(3)		
g	Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	17g		
h	Reduction in taxes available for credit (attach schedule)	17h		
Other	18	Section 59(e)(2) expenditures: a Type b Amount	18b	
	19	Tax-exempt interest income	19	
	20	Other tax-exempt income	20	
	21	Nondeductible expenses	21	
	22	Distributions of money (cash and marketable securities)	22	
	23	Distributions of property other than money	23	
	24	Other items and amounts required to be reported separately to partners (attach schedule)		

**Analysis of Net Income (Loss)**

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17g, and 18b . . . . .						<b>1</b>	
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners							

**Note:** Schedules L, M-1 and M-2 are not required if Question 5 of Schedule B is answered "Yes."

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash . . . . .				
2a	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 ( <i>attach schedule</i> ) . . . . .				
7	Mortgage and real estate loans . . . . .				
8	Other investments ( <i>attach schedule</i> ) . . . . .				
9a	Buildings and other depreciable assets . . . . .				
b	Less accumulated depreciation . . . . .				
10a	Depletable assets . . . . .				
b	Less accumulated depletion . . . . .				
11	Land (net of any amortization) . . . . .				
12a	Intangible assets (amortizable only). . . . .				
b	Less accumulated amortization . . . . .				
13	Other assets ( <i>attach schedule</i> ) . . . . .				
14	<b>Total assets</b> . . . . .				
<b>Liabilities and Capital</b>					
15	Accounts payable . . . . .				
16	Mortgages, notes, bonds payable in less than 1 year . . . . .				
17	Other current liabilities ( <i>attach schedule</i> ) . . . . .				
18	All nonrecourse loans . . . . .				
19	Mortgages, notes, bonds payable in 1 year or more . . . . .				
20	Other liabilities ( <i>attach schedule</i> ) . . . . .				
21	Partners' capital accounts . . . . .				
22	<b>Total liabilities and capital</b> . . . . .				

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

1	Net income (loss) per books . . . . .		6	Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2	Income included on Schedule K, lines 1 through 4, 6b, and 7, not recorded on books this year (itemize): . . . . .		a	Tax-exempt interest \$ . . . . .	
3	Guaranteed payments (other than health insurance) . . . . .		7	Deductions included on Schedule K, lines 1 through 11, 14a, 17g, and 18b, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17g, and 18b (itemize):		a	Depreciation \$ . . . . .	
a	Depreciation \$ . . . . .		8	Add lines 6 and 7 . . . . .	
b	Travel and entertainment \$ . . . . .		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5 . . . . .	
5	Add lines 1 through 4 . . . . .				

**Schedule M-2 Analysis of Partners' Capital Accounts**

1	Balance at beginning of year . . . . .		6	Distributions: a Cash . . . . .	
2	Capital contributed: a Cash . . . . .		b	Property . . . . .	
	b Property . . . . .		7	Other decreases (itemize): . . . . .	
3	Net income (loss) per books . . . . .		8	Add lines 6 and 7 . . . . .	
4	Other increases (itemize): . . . . .		9	Balance at end of year. Subtract line 8 from line 5	
5	Add lines 1 through 4 . . . . .				

