

Amended Return <input type="checkbox"/> Form <h1 style="margin: 0;">65</h1>	<h2 style="margin: 0;">Oregon Partnership Return of Income</h2>	<h1 style="margin: 0;">2011</h1>
For calendar year 2011, or fiscal or short year ● Beginning: Mo Day Year ● Ending: Mo Day Year		

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
			Mo Day Year		

Check all applicable boxes: Final return Address change ● Extension due date _____
 Technical termination Initial return Name 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 **no**, enter \$0. If **yes**, enter \$150 and use Form 65-V. Send in your payment and voucher by the due date to avoid penalty and interest..... ● **Tax due** \$ _____ .00

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 no to both A and B, **STOP:** You are not required to file this return and the partnership does not owe the minimum tax.

3. Partner information.
 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

4. Prior year return.
 Was a 2010 Oregon partnership return filed? Yes No
 If **no**, give the reason: _____
 If filed using a different name, give the name it was filed under: _____

5. Changes to a prior year partnership return during this tax year.
 A. Did an IRS audit change a prior year return during the 2011 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: _____

— To ensure accurate processing, attach payments to the front of this return. —

8. Other taxing authorities.

- | | | |
|---|--------------------------|--------------------------|
| | Yes | No |
| A. Do partnership employees perform services in the TriMet Transit District? | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Do any partners have self-employment income from the partnership in the TriMet Transit 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 complete copy of your 2011 federal partnership return —

Under penalty for false swearing, I declare that the information in this return is true, correct, and complete.

Sign here	X	Your signature	Date	
		Print name		
		Street address		
		City	State	ZIP code
	X	Signature of preparer other than taxpayer	License no.	
		Print name		
		Street address		
		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. Attach payment and voucher to page 1.

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

Instructions for Form 65

Oregon Partnership Return of Income

Which partnerships must file Form 65?

- 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.

Note: Oregon follows federal filing guidelines. If you aren't required to file a federal partnership return, you don't file one for Oregon.

Example: A husband and wife partnership electing the qualified joint venture option doesn't file a federal partnership return; therefore they don't file an Oregon partnership return.

Partnership minimum tax

A partnership must pay the \$150 minimum tax if it's doing business in Oregon **and** required to file a partnership return. "Doing business" is performing a profit-seeking activity.

When a partnership is required to file two or more returns, (such as for a technical termination), the tax is owed for **each** return. It is **not** apportioned.

See Oregon Revenue Bulletin #2010-02 for more information, visit www.oregon.gov/dor/bulletins.shtml.

Filing and payment deadlines

Returns and tax payments for the 2011 calendar year are due by April 17, 2012. Fiscal year returns are due by the 15th day of the fourth month after the end of the partnership's tax year. Estimated payments are **not** required.

Extension to time to file

If you filed a federal extension, you don't need an Oregon extension. If you need to file an Oregon only extension, check the extension box on voucher Form 65-V and send it in by the due date.

An extension to file does **not** mean more time to pay. If you need to pay the \$150 minimum tax, check the extension box on voucher Form 65-V and send us the voucher and payment by the due date.

Business identification number (BIN)

This is a number we use to identify business taxpayers and employers. Some businesses have more than one BIN for different types of taxes. If you are an employer, you were assigned a BIN after you submitted your combined registration form. Otherwise, we assigned one when you filed or made a payment. We use your BIN on all notices. Using the correct BIN will result in faster and more accurate processing of your returns and payments. If you have never filed or made a payment before, leave the BIN blank.

For more partnership information, go our partnership information webpage at www.oregon.gov/dor/bus and click on "Partnership Taxes" on the left side.

What must be attached to the Oregon partnership return?

Staple this information to your return 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, fair market value, and sales price.
- Federal Schedule K-1s, if less than 11 partners during the year. If you had more than 10 partners, attach a summary of partner information. Your summary must include each partner's name, SSN or FEIN, address, profit/loss sharing percentage, and Oregon modifications and credits. **We prefer summaries and K-1s on CD.** If your CD is password protected, mail the password separately or e-mail it to files-partnership.dor@state.or.us. Include the partnership name and identification number with the password.
- Form 24, *Oregon Like-Kind Exchanges/Involuntary Conversions* if you had a 1031 exchange investing in out of state property.

Amending instructions

Complete the return as it should have been filed and check the box at the top. Attach an explanation of all corrections. There is no tax to pay or refund unless you change the answer to question 1 (doing business in Oregon).

Penalty and interest

The partnership will owe interest on any tax not paid by the due date. The 2012 interest rate is 5 percent per year and increases to 9 percent per year if not paid within 60 days of our billing notice.

The partnership will also owe a late payment penalty on any tax not paid by the due date. Other penalties may apply.

Partnership failure-to-file penalty

We may assess this if a partnership doesn't file a return or fails to provide information to us 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.

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) in 2009 or 2010, you may have an addition or subtraction. Use the *Oregon Depreciation Schedule* to see if you have an adjustment 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/dor/business and click on "Partnership Taxes."

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 (additions or subtractions) or credits on their tax return. The owner's modification or credit is based on the total for the business multiplied by their ownership percentage.

If there is a specific code for the Oregon modification or credit, the owner should use that code. Otherwise, they should use addition code 119, subtraction code 323, or credit code 736 to identify the Oregon modification or credit.

Examples: An LLC filing as a partnership has a subtraction for a difference in depreciation, so the owners use subtraction code 304, the specific code for that modification. An S corporation qualified for a lender's credit for affordable housing, so the owners use credit code 736 because there is no code for that credit.

Nonresident partners can join an *Oregon Composite Return*, Form OC, filed by the partnership or file their own return using Form 40N and instructions.

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 or files an affidavit. Use Form OR-19, *Report of Nonresident Owner Tax Withheld*, to determine withholding for nonresident partners.

2012 Short tax year

Oregon follows federal filing requirements. Use this form for a short tax year that begins and ends in 2012, if the 2012 forms are not available by the due date. Remember that an extension to file does not change the due date of the tax.

Example: ABC Properties LLC is classified as a partnership and uses a calendar tax year. The LLC has a technical termination on February 20, 2012. The federal and Oregon returns for the tax year from January 1, 2012 to February 20, 2012 are due June 15, 2012. The Oregon partnership minimum tax is also due June 15, 2012. The LLC will use 2011 forms to complete their federal and Oregon returns applying any laws for tax year 2012.

Payments

- Make your check or money order payable to "Oregon Department of Revenue."
- Write your daytime telephone number, EIN, and "2011 Partnership Tax" on your check.
- Do not send cash or a postdated check.
- Include both the EIN and BIN on the voucher for faster and more accurate processing.
- Complete voucher Form 65-V and attach it to your payment. If included with your return, attach both the payment and voucher to the front of Form 65.

Taxpayer assistance

General tax information.....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.

Visit www.oregon.gov/dor/business/forms.shtml to print more vouchers



OR Partnership Return of Income Voucher

Calendar tax year _____ **Or** **Fiscal year begins** _____ **Ends** _____

FORM
65-V

Department of Revenue Use Only

150-101-065 (Rev. 10-11)

Check if: First time Oregon filer Extension Taxpayer is: LLP LLC
 New name or address Amended return LP Partnership

Contact name		Telephone number
Name of partnership		BIN
Current mailing address		FEIN
City	State	ZIP code

Payment Amount
\$

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