

Form
65

**OREGON PARTNERSHIP
RETURN OF INCOME**

2004

For calendar year 2004 or fiscal year ending: _____

For Office Use Only	
Date Received	

• Please type or print clearly and answer all the questions below. **No payment is due with this return.**

Name of Partnership				Federal Employer Identification Number	
Street Address				Oregon Business Identification Number	
City	State	ZIP Code	Date Activities Started In Oregon	<input type="checkbox"/> Check if Form 24 is attached	

- Type of entity: Partnership Limited Liability Company
 Limited Partnership Limited Liability Partnership
 Electing Large Partnership

1. Requirement to file Oregon partnership return.

- | | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| A. Does the partnership have income derived from sources in Oregon?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Does the partnership have Oregon resident partners?..... | <input type="checkbox"/> | <input type="checkbox"/> |

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 2 to see if you need to include federal Schedule K-1s.

2. Attaching copies of partners' federal Schedule K-1s.

Attach a copy of each partner's federal K-1 if the partnership has 10 or less partners. If the partnership had more than 10 partners, you **must** attach a summary of partner information. The summary must include each partner's name, Social Security or federal employer identification number, address, and profit/loss sharing percentage. Also, answer the following:

- | | | |
|---|--------------------------|--------------------------|
| A. Did the partners' profit/loss sharing percentages change during the year?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Were the Oregon modifications not divided according to each partner's profit sharing percentage?..... | <input type="checkbox"/> | <input type="checkbox"/> |

If you answered yes to A or B and had 10 or less partners, you must attach a summary of partner information.

3. Prior year return and final return.

- | | | |
|--|--------------------------|--------------------------|
| A. Was a 2003 Oregon partnership return filed?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 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?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, attach a schedule showing disposition and distribution of all partnership assets and liabilities. Show each asset's adjusted basis and fair market value. | | |

4. Changes to a prior year partnership return during this tax year.

- | | | |
|---|--------------------------|--------------------------|
| A. Did an IRS audit change a prior year return during the 2004 tax year?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Was an amended federal return filed for a prior year?..... | <input type="checkbox"/> | <input type="checkbox"/> |

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.

5. 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?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Did the partnership have any partners who were not Oregon residents during the year?..... | <input type="checkbox"/> | <input type="checkbox"/> |

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

6. Oregon tax credits.

- | | | |
|--|--------------------------|--------------------------|
| Are any partners eligible for Oregon tax credits based on costs the partnership paid or incurred?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, identify the tax credits: _____ | | |

7. Other taxing authorities.

- | | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| 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 A, B, C, or D, Form TM or Form LTD must be filed by the individual partners or the partnership may elect to file on the partners' behalf.

8. 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		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 2004 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. I **authorize** the Department of Revenue to contact this preparer about the processing of this return.

SIGN HERE	X	Your signature _____	Date _____		X	Signature of preparer other than taxpayer _____	License No. _____		
		Street Address _____				Street Address _____			
		City _____	State _____	ZIP Code _____			City _____	State _____	ZIP Code _____

Detach instructions before mailing

Tear off the instructions 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

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.

What must be attached to the Oregon partnership return?

Attach information in the following order:

- A summary of partner information, if more than 10 partners at any time during the year, or if you answered yes to questions 2A or 2B on Form 65 and had 10 or less partners.
- Schedule AP, Apportionment of Income, if you answered yes to questions 5A and 5B on Form 65. To order this schedule, see page 2.
- 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.
- A copy of federal Form 1065, U.S. Partnership Return of Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships. Include all pages and supporting schedules.
- Federal Schedule K-1s, if the partnership has less than 11 partners during the year.
- Form 24, Oregon Like-Kind Exchanges/Involuntary Conversions.

Filing deadlines

Returns for the 2004 calendar year are due by April 15, 2005. Fiscal year returns are due by the 15th day of the fourth month after the end of the partnership's tax year.

Connection to federal law

Oregon is tied to the December 31, 2002 federal definition of taxable income. Oregon will not automatically adopt federal changes after this date. Oregon remains permanently tied to federal law for depreciation of assets, pension plans, and tax-exempt or tax-deferred savings programs. The partnership's tax year for Oregon must be the same as for federal. Oregon doesn't have a required payment for partnerships choosing an alternative tax year.

Oregon recognizes the federal "check the box" regulations for unincorporated organizations. Also, Oregon treats the electing large partnership the same as federal.

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

A partnership generally is not subject to tax, but 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 Forms 40, 40N, or 40P. Increases to income go on the "Other additions" line of the Oregon individual return. Decreases to income go on the "Other subtractions" line of the Oregon individual return. Label the line "OPM" (Oregon Partnership Modifications).

Nonresident partners can choose to file an individual nonresident return or join together to file a multiple nonresident tax return using Form 40N and Schedule MNR. The Oregon individual income tax booklet lists filing requirements for partners' individual income tax returns. Visit our Web site to download tax forms and instructions, or to order forms and instructions, see page 2.

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 the back of Form 65) to figure Oregon modifications to federal partnership income. Attach schedules if necessary to explain and compute the modifications.

Generally, each partner's share of modifications is figured by using the profit sharing percentage shown on that partner's federal Schedule K-1. Each partner's share of the Oregon modifications must be reported on the partner's Schedule K-1 or equivalent. Show separately any Oregon modification that could have a special tax effect on a partner's individual return. The modifications may be added to the federal Schedule K-1s and labeled "Oregon modifications."

Gain on voluntary and involuntary conversions. Oregon allows partnerships the election for their partners to defer the gain on voluntary and involuntary conversions the same as for federal purposes.

Partnerships must make the election for all consenting partners. Attach Form 24 to your Oregon Partnership Return, Form 65.

Depreciation differences (1981–1985 ACRS assets). If you did not make the election in 1996 to align your Oregon basis to your federal basis for assets placed into service between 1981–1985, you will need to report a depreciation difference each year on Form 65, Schedule I, line 3 or 10.

Credits

Partners may qualify for the following tax credits on their individual income tax returns even though the costs were paid by the partnership.

- Advanced telecommunications facilities
- Business energy
- Child care division contribution
- Crop donation
- Dependent care assistance
- Electronic commerce zone investment
- Employer scholarship
- Farm processing machinery and equipment
- Farmworker housing
- First Break Program
- Fish screening devices
- Individual Development Accounts
- Long-term care insurance premiums
- Oregon Cultural Trust
- Political contributions
- Pollution control facilities
- Reforestation
- Reservation enterprise zone

TriMet and Lane Transit District self-employment taxes

Self-employment earnings of taxpayers doing business or providing services within the TriMet and Lane Transit districts are subject to this tax. A partnership may elect to file and pay the transit district self-employment tax on behalf of all the individual partners. Use the partnership’s net self-employment earnings (including partners’ guaranteed payments) to figure the tax.

Any 2004 TriMet or Lane Transit District self-employment tax return (Form TM or Form LTD) filed by a calendar year partnership is due by April 15, 2005. Fiscal year partnerships must file Form TM or Form LTD by April 15 of the year following the calendar year in which the fiscal year ends.

District boundary information

TriMet boundaries 503-962-6466
 Lane Transit District boundaries 541-682-6100

Federal Privacy Act information

The request for Social Security numbers is made by authority of Section 405, Title 42, of the United States Code. You are required to give us this information. It is used to establish the identity of the partners. Except as specifically allowed by law, all information contained in your tax return is confidential and cannot be disclosed by the department. Any violation is a class C felony.

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

Taxpayer assistance

Internet

www.oregon.gov/DOR



The Department of Revenue Web site is a quick and easy way to download forms and information circulars, get up-to-the-minute tax information, and learn about electronic filing.

Correspondence



Write us at 955 Center St NE, Salem OR 97301-2555. Include your Employer Identification Number (EIN) or Business Identification Number (BIN) and a daytime telephone number for faster service.

To get forms

Write to: Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990. Or visit our Web site to download forms and schedules.

Telephone

Salem 503-378-4988

Toll-free within Oregon 1-800-356-4222

If you have a touch-tone telephone, call our 24-hour voice response system to hear recorded tax information, order tax forms, or check on the status of your 2004 personal income tax refund (beginning February 1).



For help from Tax Services, call one of the numbers above.

Monday, Tuesday, Thursday, Friday 7:30 A.M.–5:10 P.M.
 Wednesday 10:00 A.M.–5:10 P.M.
Closed on holidays.

April 1–April 15, Monday–Friday 7:00 A.M.–9:00 P.M.
Wait times may vary.

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA). This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.