

U.S. Partnership Return of Income

For calendar year 1998, or tax year beginning _____, 1998, and ending _____, 19 _____
▶ See separate instructions.

1998

A Principal business activity	Use the IRS label. Otherwise, please print or type.	Name of partnership	D Employer identification number
B Principal product or service		Number, street, and room or suite no. If a P.O. box, see page 10 of the instructions.	E Date business started
C NEW business code no. (see pages 25-27 of instructions)		City or town, state, and ZIP code	F Total assets (see page 10 of the instructions) \$

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) 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.

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

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

▶ _____ Signature of general partner or limited liability company member	▶ _____ Date
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Paid Preparer's Use Only	Preparer's signature ▶ _____	Date _____	Check if self-employed ▶ <input type="checkbox"/>	Preparer's social security no. _____
	Firm's name (or yours if self-employed) and address ▶ _____	EIN ▶ _____	ZIP code ▶ _____	

Schedule A Cost of Goods Sold (see page 14 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 (<i>attach schedule</i>)	4		
5 Other costs (<i>attach schedule</i>)	5		
6 Total. Add lines 1 through 5	6		
7 Inventory at end of year	7		
8 Cost of goods sold. 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"/> General partnership b <input type="checkbox"/> Limited partnership c <input type="checkbox"/> Limited liability company d <input type="checkbox"/> Limited liability partnership e <input type="checkbox"/> Other ▶		
2 Are any partners in this partnership also partnerships?		
3 Is this partnership a partner in another partnership?		
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		
5 Does this partnership meet ALL THREE 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; AND 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?		
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, Form 8264 , Application for Registration of a Tax Shelter?		
9 At any time during calendar year 1998, 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 14 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 15 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 Elections Made By the Partnership on page 6 of the instructions		

Designation of Tax Matters Partner (see page 15 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):			
	a	Interest income	4a		
	b	Ordinary dividends	4b		
	c	Royalty income	4c		
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d		
	e	Net long-term capital gain (loss) (attach Schedule D (Form 1065)):			
	(1)	28% rate gain (loss) ▶	(2) Total for year ▶	4e(2)	
	f	Other portfolio income (loss) (attach schedule)	4f		
5	Guaranteed payments to partners	5			
6	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6			
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 for property placed in service before 1990	12a(1)		
	(2)	Other than on line 12a(1) for property placed in service before 1990	12a(2)		
	(3)	From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12a(3)		
	(4)	Other than on line 12a(3) for property placed in service after 1989	12a(4)		
	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, 4c, and 4f above	14b(1)		
	(2)	Investment expenses included on line 10 above	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	16d(1)		
	(2)	Deductions allocable to oil, gas, and geothermal properties	16d(2)		
	e	Other adjustments and tax preference items (attach schedule)	16e		
Foreign Taxes	17a	Type of income ▶			
	b	Name of foreign country or U.S. possession ▶			
	c	Total gross income from sources outside the United States (attach schedule)	17c		
	d	Total applicable deductions and losses (attach schedule)	17d		
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e		
	f	Reduction in taxes available for credit (attach schedule)	17f		
	g	Other foreign tax information (attach schedule)	17g		
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, 17e, and 18b						1	
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							

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
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 Total assets				
Liabilities and Capital				
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 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (Not required if Question 5 on Schedule B is answered "Yes." See page 23 of the instructions.)

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, 6, 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, 17e, 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, 17e, 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 (Not required if Question 5 on Schedule B is answered "Yes.")

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

