### **Publication 4505**

# Modernized e-File Test Package for Forms 1065/1065-B For Tax Year 2006

**U.S. Return of Partnership Income** 

## U.S. Return of Income for Electing Large Partnerships

### And

Form 7004, Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns

(Revision 2 - 12/21/2006)

Internal Revenue Service Electronic Tax Administration

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### 1065/1065-B ASSURANCE TESTING TAX YEAR 2006 (INCLUDING 7004)

### WHO MUST TEST?

All software developers are required to perform the tests in this Test Package before they can be accepted into the electronic filing program for the 2007 (Tax Year 2006) filing season. Anyone who plans to transmit must perform a communications test and be accepted. Prior to testing, all software developers and transmitters must have obtained an Electronic Transmitter Identification Number (ETIN), Electronic Filer Identification Number (EFIN) and password through the application process. Refer to Publication 3112, IRS e-file Application Package for Form 8633 procedures. For the On-Line application procedures refer to the http://www.irs.gov/taxpros/article/0,,id=109646,00.html URL. This ETIN must be included in each message. The ETIN will be set to "Test" until the transmitter passes the required communication testing with the IRS at which time the ETIN will be moved to "Production" status. The transmitter may also request a Test ETIN, which can be used to continue testing once the original ETIN has been moved to Production status. If a transmitter has not revised their IRS e-file application to indicate they will be transmitting 1065 returns, their ETIN will not be valid and their submissions will be rejected. The transmission status (Test or Production) of the ETIN being used must match the Test/Production Indicator in the Message Header or the message will be rejected.

The transmitter must also register the system(s) that will be used to conduct business with MeF to obtain a systemID. If a transmitter and system(s) are not registered, the transmitter cannot access MeF for Fed/State processing.

### WHY TEST?

The purpose of testing prior to live processing is to ensure that:

- 1. Filers transmit in the correct format and meet the Internal Revenue Service (IRS) Modernized e-File (MeF) electronic filing specifications;
- 2. Returns have few validation or math errors;
- 3. IRS can receive and process the electronic returns:
- 4. Filers understand and are familiar with the mechanics of electronic filing.

### WHAT IS TESTED?

The test package for the 2006 Assurance Testing System (ATS) consists of eight (8) return scenarios for Forms 1065/1065-B and five (5) for Form 7004. The test returns include a limited number of forms and schedules that are accepted for electronic filing. Every conceivable condition cannot be represented in the Test; therefore, once you pass the tests, you may want to test any additional conditions you feel are appropriate as long as you use the predefined EINs and Name Controls, Tax Period and Form types as outlined in Exhibits 4 and 5.

The scenarios provide the information needed to prepare the selected forms and

schedules. You must correctly prepare and compute these returns before transmitting the tests. The IRS strongly recommends each return be run against a parser prior to being transmitted to the IRS. The IRS will run each return against a parser.

Also included are five (5) test scenarios for the Form 7004, Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns that need to be completed and submitted for approval. We have included additional EINs to accommodate all other form types listed on the 7004 for which an extension can be filed for. You may use these EINs for testing if you want to test the other form types.

Below are some XML resources regarding XML schemas and software tools and parsers (these resources are provided for information only—the IRS is not endorsing any product). You may chose any third party parser toolkit or use your own.

- W3C XML Home Page: http://www.w3.org/XML/
- W3C XML Schema Home Page: http://www.w3.org/XML/Schema
- XML Spy: http://www.xmlspy.com/
- Apache Xerces parser toolkit: http://xml.apache.org/
- Microsoft Core XML Services: Microsoft Core XML Services: http://www.microsoft.com/downloads/details.aspx?FamilyID=3144b72b-b4f2-46da-b4b6-c5d7485f2b42&DisplayLang=en

**Note:** The Modernized e-File (MeF) Assurance Testing System (ATS) is not configured exactly the same as the MeF Production system. Therefore, a tester should not expect the same response time when testing in the ATS environment versus the Production environment (especially regarding performance or load testing -- this includes testing a single extremely large return in one transmission, a lot of large returns in one transmission, or a large number of concurrent transmissions).

### FORMATTING THE ENTITIES

The business entities presented in the test scenarios are shown in common usage with commas and periods. Refer to XML efile Types for proper formatting for the business name lines and addresses. No commas or periods are allowed. Example:

### **Test Scenario**

Help For All, Inc. 31 Any Street Anytown, MD 20901

### XML Format

Help For All Inc (BusinessNameLine1Type) 31 Any St (StreetAddressType) Anytown (CityType) MD (StateType) 20901 (ZipCodeType)

### POPULATING DATA IN THE TEST CASES

We are not providing the forms in the tests in PDF format. Fields where we are indicating no entry are shaded. Do not enter zeroes in the fields where you have no entries unless the form or instructions specifically instruct you to do so.

#### **PASSWORDS**

New or revised applicants who will be transmitting to the IRS will receive an eight-digit alphanumeric password that will be used for testing and production. This password will be mailed to the applicants with instructions on how to acknowledge receipt in order to activate. You will change your password then you log in for the first time after your password has been received. It will be valid at the beginning of ATS, which will begin November 6, 2006. If testing will be done through the Internet, applicants will choose their passwords during On-Line Registration.

### WHEN TO TEST

When you are ready to test call the e-Help Desk at **1-866-255-0654**. They will assist you in all preparations necessary to begin testing that includes assigning you a Software ID to use when submitting your returns.

### **TESTING GUIDELINES FOR SOFTWARE DEVELOPERS**

Software does not have to provide for all forms or schedules, nor for all occurrences of a particular form or schedule. You must advise the e-Help Desk at **1-866-255-0654** of all limitations to your Software package at the time of first contact, before testing begins. You must test the complete form with no field limitations except for the number of occurrences.

### FEDERAL/STATE TESTING FOR FORMS 1065/1065-B

For Tax year 2006, we will not implement States ATS; however, the full ATS for both transmitters and states will be available on November 6, 2006. Any of the test returns may be used if you will be participating in the Federal/State electronic filing program for 1065/1065-B. Inform the e-Help Desk of which test you will be using. You should add the appropriate information in the generic state record and transmit the return as part of your regular transmission. Specific instructions are available from the participating states. Fed/State returns may be transmitted through Application to Application or Internet Filing Application (IFA).

### **ELECTRONIC SIGNATURES**

Tax Professionals who file 1065/1065-B have two options of filing a totally paperless return for their clients using the Practitioner PIN method or the Scanned Form 8453 method (Form 8453-PE for Form 1065 and Form 8453-B for Form 1065-B). The selected signature option must be identified in the Return Header. Tax Professionals who file 7004 have one option of filing using the Practitioner PIN method. MeF validates that a signature is present for each return. If the taxpayer uses a PIN to sign the return, all appropriate PIN information must be present in the return header. If the taxpayer elects to sign a Form 8453x, the scanned 8453x must be attached to the return. If the electronic

return does not contain the required signatures, it will be rejected.

#### Practitioner PIN

The Practitioner PIN option can only be used if the taxpayer uses an ERO. It cannot be used if a taxpayer is filing through an On-Line Provider. If the signature option of "PIN Number" is chosen, the taxpayer and ERO will be required to sign the return with a personal identification number (PIN). The Practitioner PIN option consists of two PINs – one for the taxpayer and one for the Practitioner.

- Taxpayer PIN The taxpayer chooses the PIN that they wish to use to sign their return. The Taxpayer's PIN must be 5 numeric characters and cannot contain all zeros.
- 2. Practitioner PIN The ERO selects an eleven position PIN to sign the return. The first 6 positions of the Practitioner PIN will be made up of the EFIN of the ERO and the next 5 positions will be made up of 5 numeric characters that the ERO will select.

The taxpayer must decide whether they want to enter their own PIN or whether they authorize the ERO to enter the PIN they choose as their signature. This authorization is made on Form 8879-PE or 8879-B.

The following fields are required for the Practitioner PIN method or the return will be rejected.

- Practitioner PIN
- PIN Entered By Indicator
- Name of Officer
- Title of Officer
- Taxpayer PIN
- Date Signed

#### Scanned Form 8453

The scanned Form 8453 method must be used if the taxpayer decides not to use the Practitioner PIN method for signing the return. The Form 8453-PE or 8453-B will be completed and signed by all required parties and then scanned as a PDF file. The appropriate signature option of "Binary Attachment 8453 Signature Document" must be identified in the Return Header. If this option is chosen, the taxpayer and ERO (if applicable) must sign the paper 8453. The signed Form 8453-PE/8453-B must then be scanned into a PDF document and inserted into the electronic return as a binary attachment. The binary attachment must be named "8453 Signature Document".

#### REVIEWING ACK FILES AND CORRECTING TESTS

You may transmit as many test returns as necessary until you receive no error messages. Any Business Rules violations must be corrected in order to pass ATS testing.

### FINAL TRANSMISSION

Once you receive no rejects, you will be required to transmit the returns in two separate, same-day transmissions in order to test the ability of your software to increment the transmission ID number that appears in the Transmission Header. Tests 1-4 should be in the first transmission and Tests 5-8 in the second transmission. If you have included the 7004 test scenarios in your testing, include these tests in the second transmission.

### COMMUNICATIONS TEST FOR THE e-file SYSTEM

IRS allows three means of transmission for MeF, Electronic Management system (EMS), Internet Filing Application (IFA), and Application to Application (A2A). If you are a Transmitter and will be transmitting using the Electronic Management System (EMS), you must pass the communications test with software using the asynchronous (ASC) protocol. The EMS site for communications testing is the Tennessee Computing Center (TCC). If you are a Transmitter using accepted software, you must complete an error-free communications test by transmitting five returns in two same-day transmissions (three returns in one transmission and two in the other) to TCC. Transmitters who have passed the communications test and want to continue to test, must request a test ETIN.

If you will be transmitting through the Internet, you will need to perform the communications test through the Internet.

If you will be transmitting through A2A, you will need to perform the communications test through A2A. If you will be transmitting through all portals, EMS, Internet and A2A, communications tests must be performed through all systems.

A Software Developer, who will not transmit, need not perform a communications test.

#### **USING YOUR OWN TEST**

If you are a Software Developer, when you have been notified that you have passed the ATS test, you may test with your own data using the same password and ETIN. If you are a Transmitter you will need to get a new Test ETIN to continue testing, as your original ETIN will have been moved to "production" status once you have passed the Communications Test. You will continue to use the same password. Call the e-Help Desk at **1-866-255-0654** using the Andover Service Center prompt to obtain a new Test ETIN. You must use the same taxpayer entity information (names and EINs) that is provided in the test package for your independent tests. DO NOT use any other EINs. See Exhibit 3 for the list of valid EINs and Name Controls.

### **EXHIBITS**

The following exhibits are provided at the end of this document:

- Exhibit 1 Standard Postal Service State Abbreviations and Zip Codes
- Exhibit 2 Foreign Country Codes
- Exhibit 3 List of valid EINs and Name Controls
- Exhibit 4 Tax Year 2006 1065/1065-B Test Scenarios
- Exhibit 5 Entities for 7004 Test Scenarios

### EXHIBIT 1 VALID ZIP CODES

### STANDARD POSTAL SERVICE STATE ABBREVIATIONS AND ZIP CODES

State	Abbr.	ZIP Code
Alabama	AL	350nn-369nn
Alaska	AK	995nn-999nn
Arizona	AZ	850nn-865nn
Arkansas	AR	716nn-729nn, 75502
California	CA	900nn-908nn, 910nn-961nn
Colorado	CO	800nn-816nn
Connecticut	CT	060nn-069nn
Delaware	DE	197nn-199nn
District of Columbia	DC	200nn-205nn
Florida	FL	320nn-339nn, 341nn, 342nn,
		344nn, 346nn, 347nn, 349nn
Georgia	GA	300nn-319nn, 39815, 39834, 399nn
Hawaii	HI	967nn, 968nn
Idaho	ID	832nn-838nn
Illinois	IL	600nn-629nn
Indiana	IN	460nn-479nn
lowa	IA	500nn-528nn
Kansas	KS	660nn-679nn
Kentucky	KY	400nn-427nn, 45275
Louisiana	LA	700nn-714nn, 71749
Maine	ME	03801, 039nn-049nn
Maryland	MD	20331, 206nn-219nn
Massachusetts	MA	010nn-027nn, 055nn
Michigan	MI	480nn-499nn
Minnesota	MN	550nn-567nn
Mississippi	MS	386nn-397nn
Missouri	MO	630nn-658nn
Montana	MT	590nn-599nn
Nebraska	NE	680nn-693nn
Nevada	NV	889nn-898nn
New Hampshire	NH	030nn-038nn
New Jersey	NJ	070nn-089nn
New Mexico	NM	870nn-884nn
New York	NY	004nn, 005nn, 06390, 100nn-149nn
North Carolina	NC	270nn-289nn
North Dakota	ND	580nn-588nn
Ohio	OH	430nn-459nn
Oklahoma	OK	730nn-732nn, 734nn-749nn

### **EXHIBIT1 - Valid ZIP Codes Continued**

State Abbr. ZIP Code					
Oregon	OR	970nn-979nn			
Pennsylvania	PA	150nn-196nn			
Rhode Island	RI	028nn, 029nn			
South Carolina	SC	290nn-299nn			
South Dakota	SD	570nn-577nn			
Tennessee	TN	370nn-385nn			
Texas	TX	733nn, 73949, 750nn-799nn			
Utah	UT	840nn-847nn			
Vermont	VT	050nn-054nn, 056nn-059nn			
Virginia	VA	20041,201nn, 20301,20370,			
-		220nn-246nn			
Washington	WA	980nn-986nn, 988nn-994nn			
West Virginia	WV	247nn-268nn			
Wisconsin	WI	49936, 530nn-549nn			
Wyoming	WY	820nn-831nn			

### STANDARD POSTAL SERVICE STATE ABBREVIATIONS AND ZIP CODES FOR U.S.POSSESSIONS

U.S. Possession	Abbr.	ZIP Code
American Samoa	AS	967nn
Federated States of Micronesia	FM	969nn
Guam	GU	9691n, 9692n
Marshall Islands	MH	969nn
Commonwealth of the Northern Mariana Islands	MP	9695n
Palau	PW	969nn
Puerto Rico	PR	006nn, 007nn, 009nn
U.S. Virgin Islands	VI	008nn

Form 1065 and 1065-B returns with addresses in the American Possessions are considered to have domestic addresses for processing purposes. The partnership return filer address (1065/1065-B) must contain a state abbreviation to be treated as (and processed in Philadelphia) an American Possession.

### APO/FPO CITY/STATE/ZIP CODES FOR MILITARY OVERSEAS ADDRESSES

City	State	ZIP Code
APO or FPO	AA	340nn
APO or FPO	AE	090nn-098nn
APO or FPO	AP	962nn-966nn

### EXHIBIT 2 FOREIGN COUNTRY CODES

Code	Foreign Country	Code	Foreign Country
AF	Afghanistan	BM	Burma
AL	Albania	BY	Burundi
AG	Algeria	СВ	Cambodia
AQ	American Samoa	СМ	Cameroon
AN	Andorra	CA	Canada
AO	Angola	CV	Cape Verde
AV	Anguilla	CJ	Cayman Islands
AY	Antarctica	CT	Central African Republic
AC	Antigua & Barbuda	CD	Chad
AR	Argentina	CI	Chile
AM	Armenia	СН	China
AA	Aruba	KT	Christmas Island
AT	Ashmore & Cartier Islands	IP	Clipperton Island
AS	Australia	CK	Cocos (Keeling) Islands
AU	Austria	CO	Colombia
AJ	Azerbaijan	CN	Comoros
BF	Bahamas	CF	Congo, Republic of the (Brazzaville)
BA	Bahrain	CG	Congo, Democratic Rep of the (Zaire)
FQ	Baker Islands	CW	Cook Islands
BG	Bangladesh	CR	Coral Sea Islands
BB	Barbados	VP	Corsica
BS	Bassas da India	CS	Costa Rica
ВО	Belarus	IV	Cote D'Ivoire (Ivory Coast)
BE	Belgium	HR	Croatia
ВН	Belize	CU	Cuba
BN	Benin	CY	Cyprus
BD	Bermuda	EZ	Czech Republic
ВТ	Bhutan	DA	Denmark
BL	Bolivia	DJ	Djibouti
BK	Bosnia-Herzegovina	DO	Dominica
ВС	Botswana	DR	Dominican Republic
BV	Bouvet Island	TT	East Timor
BR	Brazil	EC	Ecuador
Ю	British Indian Ocean Territory	EG	Egypt
VI	British Virgin Islands	ES	El Salvador
BX	Brunei	EK	Equatorial Guinea

BU	Bulgaria	ER	Eritrea
UV	Burkina Faso	EN	Estonia
ET	Ethiopia	IR	Iran
EU	Europe Island Territory	ΙZ	Iraq
FK	Falkland Islands (Islas Malvinas)	EI	Ireland
FO	Faroe Islands	IS	Israel
FM	Federated States of Micronesia	IT	Italy
FJ	Fiji	JM	Jamaica
FI	Finland	JN	JanMayen
FR	France	JA	Japan
FG	French Guinea	DQ	Jarvis Island
FP	French Polynesia	JE	Jersey
FS	French Southern & Antartic Lands	JQ	Johnston Atoll
GB	Gabon	JO	Jordan
GA	The Gambia	JU	Juan de Nova Island
GZ	Gaza Strip	KZ	Kazakhstan
GG	Georgia	KE	Kenya
GM	Germany	KQ	Kingman Reef
GH	Ghana	KR	Kiribati
GI	Gibraltar	KN	Korea, Democratic People's Republic of (North)
GO	Glorioso Islands	KS	Korea, Republic of (South)
GR	Greece	KU	Kuwait
GL	Greenland	KG	Kyrgyzstan
GJ	Grenada	LA	Laos
GP	Guadeloupe	LG	Latvia
GQ	Guam	LE	Lebanon
GT	Guatemala	LT	Lesotho
GK	Guernsey	LI	Liberia
GV	Guinea	LY	Libya
PU	Guinea-Bissau	LS	Liechtenstein
GY	Guyana	LH	Lithuania
НА	Haiti	LU	Luxembourg
НМ	Heard Island & McDonald Islands	MC	Macau
НО	Honduras	MK	Macedonia
HK	Hong Kong	MA	Madagascar
HQ	Howland Island	MI	Malawi
HU	Hungary	MY	Malaysia
IC	Iceland	MV	Maldives
IN	India	ML	Mali

ID	Indonesia	MT	Malta
IM	Man, Isle of	PP	Papua-New Guinea
RM	Marshall Islands	PF	Paracel Islands
MB	Martinique	PA	Paraguay
MR	Mauritania	PE	Peru
MP	Mauritius	RP	Philippines
MF	Mayotte	PC	Pitcairn Islands
MX	Mexico	PL	Poland
MQ	Midway Islands	PO	Portugal
MD	Moldova	RQ	Puerto Rico
MN	Monaco	QA	Qatar
MG	Mongolia	RE	Reunion
МН	Montserrat	RO	Romania
МО	Morocco	RS	Russia
MZ	Mozambique	RW	Rwanda
WA	Namibia	WS	Samoa (Western)
NR	Nauru	SM	San Marino
BQ	Navassa Island	TP	Sao Tome and Principe
NP	Nepal	SA	Saudi Arabia
NL	Netherlands	SG	Senegal
NT	Netherlands Antilles	SE	Seychelles
NC	New Caledonia	SL	Sierra Leone
NZ	New Zealand	SN	Singapore
NU	Nicaragua	LO	Slovakia
NG	Niger	SI	Slovenia
NI	Nigeria	BP	Solomon Islands
NE	Niue	SO	Somalia
NF	Norfolk Island	SF	South Africa
CQ	Northern Mariana Island	SX	South Georgia & The South Sandwich Islands
NO	Norway	SP	Spain
MU	Oman	PG	Spratly Islands
ОС	Other Countries	CE	Sri Lanka
PK	Pakistan	SH	St. Helena
LQ	Palmyra	SC	St. Kitts & Nevis
PS	Palau	ST	St. Lucia Island
PM	Panama	SB	St. Pierre & Miquelon
VC	St. Vincent and the Grenadines	TV	Tuvalu
SU	Sudan	UG	Uganda
NS	Suriname	UP	Ukraine
SV	Svalbard	TC	United Arab Emirates

WZ	Swaziland	UK	United Kingdom (England, Northern Ireland, Scotland, and Wales)
SW	Sweden	UC	Unknown Country
SZ	Switzerland	UY	Uruguay
SY	Syria	UZ	Uzbekistan
TW	Taiwan	NH	Vanuatu
TI	Tajikistin	VT	Vatican City
TZ	Tanzania	VE	Venezuela
TH	Thailand	VM	Vietnam
TO	Togo	VQ	Virgin Islands (US)
TL	Tokelau	WQ	Wake Island
TN	Tonga	WF	Wallis & Futuna
TD	Trinidad & Tobago	WE	West Bank
TE	Tromelin Island	WI	Western Sahara
TS	Tunisia	YM	Yemen (Aden)
TU	Turkey	YO	Yugoslavia
TX	Turkmenistan	ZA	Zambia
TK	Turks and Caicos Islands	ZI	Zimbabwe

### EXHIBIT 3 VALID EINS AND NAME CONTROLS

For 1065	Name Control	Tax Period Ending
		<u>Month</u>
69-000001	SAMS	12
69-000002	JENN	12
69-000003	CARL	12
69-0000004	EAST	12
69-000005	SHOE	12

<u>For 1065-B</u>	Name Control	Tax Period Ending Month
69-000006	ABCO	12
69-000007	ABCC	12
69-000008	BLAC	12

For 7004	Name Control	Tax Period	Type of
		<b>Ending Month</b>	Extension
11-0000030	RAMC	10	1120S
11-0000031	MODE	10	1120
11-000032	FRUI	12	1120 (subchpt T)
11-0000033	FORE	7	1120-FSC
11-000034	UNIT	12	1120-A
11-0000035	ANYB	12	1120
11-000036	HOME	12	1120-H
11-000037	ANYL	12	1120-L
11-000038	NUCL	12	1120-ND
11-000039	VOTE	12	1120-POL
11-000040	ANYR	12	1120-REIT
11-000041	ANYS	12	1120-SF
11-0000042	SECO	12	1120-F
11-000043	HOTT	12	1120 affiliate
11-000044	APPL	12	1120 affiliate
11-000045	ANYF	12	990-C
11-000046	ANYC	12	1120-PC
11-000047	ANYR	12	1120-RIC
11-0000049	FLOW	12	1065
11-000050	REDE	12	1120-C
11-000051	LAMP	12	706-GS(D)
11-000052	PUTT	12	706-GS(T)
11-000053	CAMP	12	1041
11-000054	SEAT	3	1042
11-000055	LOOP	12	1066
11-000056	BLUE	12	3520-A
11-000057	ROSE	12	8804

### Exhibit 4 Tax Year 2006 1065/1065-B Test Scenarios

### **TAX YEAR 2006 1065/1065-B TEST SCENARIOS**

### 1. 1065, 4562 (2), 4797, 8825, 8844, 8882, 1065 SCH K-1 (102), Form 8453-PE, Dependencies

#### ATTACHMENTS:

Itemized Other Deductions Statement
Other Credits and Credit Recapture Statement
Schedule L Other Assets Statement
Schedule L Other Current Liabilities Statement
Ordinary Business Income (Loss) Statement
Code U Other Credit Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

**NOTE:** Please use the same data for the additional ninety-nine (99) Schedule K-1s, but increment the entity information as follows:

SSN: 000-00-1001 Name: Taxpayer A1 Address: PO Box 0001

**SSN**: 000-00-1002 **Name**: Taxpayer A2 **Address**: PO Box 0002

**SSN:** 000-00-1003 **Name:** Taxpayer A3 **Address:** PO Box 0003

### 2. 1065, 4562, 4797, 8271, 8824, 1065 SCH K-1 (2), Form 8453-PE, Dependencies

#### ATTACHMENTS:

Self-Charged Interest Election Section 195 Election Itemized Other Deductions Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE

### 3. 1065, Schedule M-3 (Form 1065) 4562, 8865, 1065 SCH K-1 (3), 8865, 8865 SCH O, 8865 SCH P, Dependencies

### ATTACHMENTS:

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement Other Income (Loss) Statement (Form 1065, Line7, Other Income (Loss); Form 1065 Instructions, other Income (Loss) Pg 15)

Publicly Traded Partnership Statement Ownership of Any Interest in Another Partnership or Foreign Entity Statement Section 754 Election Income (Loss) From Foreign Partnerships Schedule

**BINARY ATTACHMENTS: None** 

### 4. 1065, 4562, 4797, 8308, 1065 Sch D, 1065 Sch K-1 (3), Form 8453-PE, Dependencies

#### ATTACHMENTS:

Other Income (Loss) Statement

Itemized Other Deductions Statement

Itemized Section 263A Costs Schedule

Inventoriable Costs Paid Schedule

Section 754 Election

Partnership's Charitable Contributions Statement

Other AMT Items Statement

Schedule L Other Current Assets Statement

Schedule L Other Assets Statement

Schedule L Other Current Liabilities Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

### 5. 1065, 4562 (2), 4797, 6252, 8825, 1065 SCH K-1 (4), Form 8453-PE, Dependencies

#### ATTACHMENTS:

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement Other Income (Loss) Statement (Form 1065, Line7, Other Income (Loss); Form 1065 Instructions, Other Income (Loss) Pg 15)

Itemized Other Deductions Statement

Ownership of Any Interest in Another Partnership or Foreign Entity Statement Schedule L Other Current Assets Statement

Schedule L Other Current Liabilities Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

### 6. 1065-B, 4797, 1065-B SCH K-1 (2), Form 8453-B, Dependencies

#### ATTACHMENTS:

Itemized Other Deductions Schedule Inventoriable Costs Paid Schedule Balance Sheets Discrepancy Statement Schedule L Other Current Assets Statement

BINARY ATTACHMENTS: Scanned Form 8453-B (8453 Signature Document)

### 7. 1065-B, 4562, 8825, 1065-B SCH K-1 (2), Form 8453-B, Dependencies

ATTACHMENTS: Itemized Other Deductions Schedule Schedule K-1(Form 1065-B) Miscellaneous Item Statement

**Qualified Nonrecourse Financing Statement** 

BINARY ATTACHMENTS: Scanned Form 8453-B (8453 Signature Document)

### 8. 1065-B, 8308, 1065-B SCH K-1 (101)

ATTACHMENTS:

Itemized Other Deductions Schedule

**BINARY ATTACHMENTS: None** 

**NOTE:** Please use the same data for the additional ninety-eight (98) Schedule K-1s, but increment the entity information as follows:

**SSN:** 000-70-1001 **Name:** Taxpayer B1 **Address:** PO Box 0001

**SSN:** 000-70-1002 **Name:** Taxpayer B2 **Address:** PO Box 0002

**SSN:** 000-70-1003 **Name:** Taxpayer B3 **Address:** PO Box 0003

### EXHIBIT 5 TAX YEAR 2006 7004 TEST SCENARIOS

1. **Form: 1120S** 

RAM Corporation, Inc. 101 Main Street

11-0000030

Downtown, MD 20601

Name Control: RAMC

2. **Form 1120** 

Modern Technologies, Inc. 11-0000031

301 New Street Newtown, ND 58204

Name Control: MODE

Affiliate 1: Hottest Communications 11-0000043

100 Mall Avenue Uptown, OH 45324

Name Control: HOTT

Affiliate 2: High-Tech Solutions PENDING

200 Main Street Anytown, NC 27905

Name Control: HIGH

3. **Form 1120-FSC** 

Foreign Business One 11-0000033

2 Rue Street Paris City. France

Name Control: FORE

Write-In: FILING UNDER REGULATION SECTION 1.6081-5

Affiliate 1: Overseas Imports NONE

123 Wide Street New City, NY 00422

### EXHIBIT 5 TAX YEAR 2006 7004 TEST SCENARIOS

(Continued)

4. Form 1065

Flower Store One 3 Bulb Street

Somewhere, TX 78621

Name Control: FLOW

5. **Form 1120C** 

RedesignComp, Inc

55 Any Street Anytown, MI 49261

Name Control: REDE

11-0000049

11-0000050

**TEST SCENARIO 1** 

FORMS REQUIRED: 1065, 4562 (2), 4797, 8825, 8844, 8882, 1065 SCH K-1 (102), Form 8453-PE

**DEPENDENCIES** 

**ATTACHMENTS:** 

**Itemized Other Deductions Statement** 

**Other Credits and Credit Recapture Statement** 

Schedule L Other Assets Statement

Schedule L Other Current Liabilities Statement Ordinary Business Income (Loss) Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

**HEADER INFO:** 

Tax Period: Calendar Year 2006

**Preparer Firm Electronic Tax Filers, Inc** 69-000001

> 1065 Efile Drive Anytown, NV 89501

MultipleSoftwarePackagesUsed: Yes or No

**Originator: EFIN: Self-select** 

Type: ERO

PractionerPIN: None

PIN Entered by - N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065

EIN: 69-0000001 Filer:

> Name: Sam Starling LLP Name Control: SAMS Address: 631 N McKinley Dr

Reno, NV 89510

Partner: Name: Sam Starling

> **Title: President Taxpayer PIN:** Phone: 555-555-5555

Email Address: Anymail@email.com

DateSigned: 04/01/2006

Preparer: Name: Jesse James

> SSN: 000-11-0001 Phone: 555-555

Email Address: Anymail@email.com

**Date Prepared: 04/01/2006** 

Self Employed: No

**IRS PAYMENT:** N/A

#### **Details for attachments to Form**

### Attachment 1, Form 1065, Page 1, Line 20 (Itemized Other Deductions Statement)

Travel and Entertainment	5,600,000
Other	28,750,000
Utilities	10,000,000
Fees	6,387,848

### Attachment 2, Form 1065, Page 3, Schedule K, Line 15f (Other Credits and Credit Recapture Statement)

Childcare	35,600
Empowerment	40,000

### Attachment 3, Form 1065, Page 4, Schedule L, Line 13b and 13d (Schedule L Other Assets Statement)

Туре	BOY Amount	EOY Amount
Client Receivable	7,148,515	10,916,115
Other	6,030,400	4,227,867

### Attachment 4, Form 1065, Page 4, Schedule L, Line 17b and 17d(Schedule L Other Current Liabilities Statement)

Type	BOY Amount	EOY Amount		
Other Current Liabilities	2,315,178	4,138,515		
Other Accrued Liabilities	3,162,974	2,045,400		

### Attachment 5, Schedule K-1 (Form 1065), Part III, Line 1 (Ordinary Business Income (Loss) Statement)

Sam Starling's Statement ONLY				
Education	20,000			
Flight Instructor	20,000			
Legal Services	72,573,263			

		nership Income Tax	2006
	, v 8 8		/31 , 2006
A	Principal business activity	Legal Services	
В	Principal product or service	Legal Services	
C	Business code number	541110	
Name	and Address:		
D	Employer Identification number	69-0000001	
E	Date business started	10/01/1977	
F	Total assets	108,367,069	
G	Check applicable boxes 1,2,3,4,5		
H	Check accounting method 1,2,3	Cash	
Ι	Number of Schedule K-1	102	
J	Check if Schedule M-3 Required (attach		
	Schedule M-3)		
	Line Description	Line Amount	Write-in / Literal / Attachment
1a	Gross receipts or sales	323,455,613	
1b	Less returns and allowances	***	
1c	Balance	323,455,613	
2	Cost of goods sold (Sch A, line 8)		
3	Gross profit. Subtract line 2 from 1c		
4	Ordinary income or (loss)		
5	Net farm profit (loss) F1040	40.000	
6	Net gain (loss) F4797	10,000	
7	Other income or (loss)	222 45 7 642	
8	Total income. Add lines 3 through 10	323,465,613	
9	Salaries and wages (less employment	110 525 025	
10	credits)	110,535,025	
10	Guaranteed payments to partners	22,675,031	
11	Repairs and maintenance	2,042,164	
12	Bad debts Rent	25 022 172	
14	Taxes and licenses	25,922,173	
15	Interest	12,226,452	
	Depreciation (attach Form 4562)	14,622	
16a 16b	Less depreciation claimed on Sch A	7,292,891 18,275	
16c	Total depreciation	7,274,616	
	Depletion Depletion	7,274,010	
17 18	Retirement plans, etc	4,255,918	
19	Employee benefit programs	7,100,361	
20	Other deductions	50,737,848	Attachment 1
21	Total deductions (add lines 9 – 20)	242,784,210	/ According to
22	Ordinary business income (loss) (Subtract	272,707,210	
	Line 21 from Line 8	80,681,403	
23	Credit for federal telephone excise tax	00,001,100	
	paid		
Sched			
1	Inventory at beginning of year		
2	Purchases less cost of items		
3	Cost of labor		
4	Additional section 263A costs		
5	Other costs		
6	Total. Add lines 1 - 5		
7	Inventory at the end of year		
8	Cost of goods sold. Subtract Line 7 from		
	6		
	·		

Form	1065 Test U.S. Return of Par	tnership Income Tax	2006
9a (i)	Cost in regulations 1.471-3		2000
9a	Lower of cost or market		
(ii)			
9a	Other		
(iii)			
9b	Check if write-down		
9c	Check if the LIFO was adopted		
9d	Section 263A rules apply		
9e	Change in determining quantities, cost,		
	valuations		
Schedu			
1a	Domestic general partnership		
1b	Domestic limited partnership		
1c	Domestic limited liability company		
1d	Domestic limited liability partnership	X	
1e	Foreign partnership		
1f	Other		
2	Any partners in this partnership also	Y	
	partnerships?		
3	Partnership own interest in another	N	
4	partnership or foreign entity?	TAT .	
50	Partnership files Form 8893? Partnership total receipts <\$250,000	N N	
5a 5b	Partnership total receipts <\$250,000  Partnership total assets <\$600,000	N N	
	Filed Schedule K-1 with return?	N N	
5c	Partnership have foreign partners?	Y	
7	Partnership publicly traded partnership?	N N	
8	Partnership filed F8264?	N	
9	Partnership have an interest in or a	N	
9	signature, or other authority over	1	
	financial account in foreign country?		
10	Partnership receive distribution from,	N	
	granter of, transferor to foreign trust?		
11	Distribution of property or transfer of	N	
	partnership interest?		
12	Number of Forms 8865 attached	0	
	Name of designated TMP		
	Identifying number of TMP		
	Address of designated TMP		
	Schedule K Partners' Distributive Share		
1	Ordinary business income (loss)	80,681,403	
2	Net rental real estate income (loss)	203,125	
3a	Other gross rental income (loss)		
3b	Other rental activities expenses		
3c	Other net rental income (loss) Subtract		
	Line 3b from 3a		
4	Guaranteed payments	22,675,031	
5	Interest Income	92,650	
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		

Form	1065 Test U.S. Return of Partners	hip Income Tax	2006
11	Other income (loss)		
12	Section 179 deduction		
13a	Contributions		
13b	Investment interest expenses		
13c	Section 59(e)(2) expenditures (type)		
13c	Section 59(e)(2) expenditures (amount)		
(2)			
13d	Other deductions		
14a	Net earnings (loss) self employment	41,338,573	
14b	Gross farming or fishing income		
14c	Gross nonfarm income	282,117,040	
15a	Low-income housing credit 42(j)(5)		
15b	Low-income housing credit (other)		
15c	Qualified rehabilitation expenditures		
15d	Other rental real estate credits		
15e	Other rental credits		
15f	Other credits and credit recapture	75,600	Attachment 2
16a	Name of country or U.S. possession		
16b	Gross income from all sources		
16c	Gross income sourced at		
164	partnership level Passive		
16d 16e	Listed categories		
16f	General limitation		
16g	Interest expense		
16h	Other		
16i	Passive		
16j	Listed categories		
16k	General limitation		
16l	Total foreign taxes Paid   Accrued		
16m	Reduction in taxes available for credit		
16n	Other foreign tax information		
17a	Post 1986 depreciation adjustment	199,456	
17b	Adjusted gain or loss	,	
17c	Depletion (other than oil and gas)		
17d	Oil, gas, and geothermal properties-gross		
	income		
17e	Oil, gas, and geothermal properties-		
	deductions		
17f	Other AMT items		
18a	Tax-exempt interest income		
18b	Other tax-exempt income	460	
18c	Nondeductible expenses	775,128	
19a	Distrib of cash & marketable securities	75,140,310	
19b	Distributions of other property	04 (50	
20a	Investment income	92,650	
20b	Investment expenses		
20c	Other items and amounts		

Ar	Analysis of Net Income (Loss)								
1	Net income (loss) Combine SchK line 1 – 11; Subtract sum SchK line 12 - 13d, and 16l	103,652,209							

	(i) Corporate	(ii) Individual (active)	(iii) Indiv (pass	vidual	(iv) Par	rtnership652			(vi) Nominee Other	
2a	Analysis by General partners	(active)	(pass	ive)		41,460,884				
2b	Analysis by Limited partners		62,19	01,325						
Sched		heets per Boo	ks		l.					
201100		Beginnin		x vear		End	of t	ax year	Write-in /	
		Dogimin	5 01 11	in your		Liiu	01 44	an your	Literal	
	Assets	(a)		(t	))	(c)		(d)		
1	Cash	(1)			374,582	(-)		41,036,739		
2a	Trade notes				)			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
2b	Less allowance									
3	Inventories									
4	U.S. govt oblig									
5	Tax-exempt securities									
6	Other current assets									
7	Mortgage & real estate loan									
8	Other investments									
9a	Bldgs & other deprec assets	64,93	7,028			79,134,5	516			
9b	Less accumu- lated		,							
	deprec	32,12	3,456	32.8	313,572	26,947,318		52,187,198		
10a	Depletable assts	Í			Í					
10b	Less accumu- lated depletion	d								
11	Land									
12a	Intangible assets									
12b	Less accum amortization									
13	Other assets			13,1	178,915			15,143,982	Attachment 3	
14	Total assets			61,3	367,069			108,367,919		
	Liabilities	(a)		(k	)	(c)		(d)		
15	Accounts payable									
16	Mortgages, notes bonds payable	<					_			
17	Other currer liabilitie	nt		5.4	178,152			6,183,915	Attachment 4	
18	All nonrecours	se			000,000			11,000,000		
19	Mortgages, notes bonds payable	S, >		1150	,,,,,,,,,,,			11,000,000		
20	Other liabilitie									
21	Partners' capita	al		44,8	888,917			91,184,004		
22	Total labilities an capita	d			367,069			108,367,919		

Schedul	e M-1 Reconciliation of Income (Loss) pe	r Books With Income p	er Return
	Line Description	Line Amount	Write-in / Literal
1	Net Income (loss) per books	121,435,397	
2	Income included on SchK lines 1, 2, 3c, 5,		
	6a, 7, 8, 9a, 10, 11, not recorded on the		
	books this year (itemized):		
2	Total Income Included		
3	Guaranteed payments (other than health		
	insurance)	22,675,031	
4a	Expenses recorded on books (itemize)		
	Depreciation		
4b	Travel & entertainment	5,600,000	
5	Add lines 1 – 4	149,710,428	
6a	Income recorded on books (itemize) tax-		
	exempt interest		
7	Deductions included on Sch K		
7a	Deductions not charged against book		
	(itemize) depreciation	46,058,219	
8	Add lines 6 and 7	46,058,219	
9	Income (loss) (Analysis of net income		
	(loss) line 1). Subtract line 8 from line 5	103,652,209	
Schedul	e M-2 Analysis of Partners' Capital Acco	unts	
1	Balance at beginning of year	44,888,917	
2a	Capital contributed – Cash		
2b	Capital contributed – Property		
3	Net income (loss) per books	121,435,397	
4	Other increases (itemized)		
5	Add lines 1 through 4	166,324,314	
6a	Distributions – Cash	75,140,310	
6b	Distributions – Property	, ,	
7	Other decreases (itemized)		
8	Add lines 6 and 7	75,140,310	
9	Balance at end of year. Subtract line 8	, ,	
	from line 5	91,184,004	

Form 45		Depreciation	on and Am	orti	zation	2006				
	Sam Starling									
Business	s or Activity: Legal So	ervices								
EIN: <b>69</b>	-0000001									
	Line Description			ne Amount		Wr	ite-in / Lite	eral / Attacl	nments	
Part I	<b>Election to Expense</b>	Certain Prop	erty Under	·Se	ction 179					
1	Maximum amount					108,000				
2	Total cost of section	179 prop								
3	Threshold cost of section 179 prop					430,000				
4	Reduction in limitati									
5	Dollar limitation for	TY								
6(a)	Description of Prope	rty								
6(b)	Cost									
6(c)	Elected cost									
7	Listed property									
8	Total elected cost of	sec 179 prop								
9	Tentative deduction									
10	Carryover of disallov	wed deduction	L							
11	Business income lim									
12	Section 179 expense	deduction								
13	Carryover of disallov		l							
Part II	Special Depreciation			Der	oreciation	L				
14	Special depreciation					3,258,175				
15	Property subject to se	ec 168(f)(1) el	lection			, ,				
16	Other depreciation	77.7				625,392				
Part III		ion	L							
17	MACRS deductions				2	2,743,901				
18	Sec 168(i)(4) election	n				, - ,				
Section	B – Assets Placed in S		g 2006 Tax	Υ	ear Using th	e General	Deni	reciation S	vstem	
	(a)Classification of property	(b)Month & Year	(c) Basi for deprec	sis (d)Recove (e) ry period Conve		Convei	) (f) enti Method		(g) Deprc deduct	Write-in / Literal / Attach- ments
19a	3-year property									
19b	5-year property		1,428,70		5 yrs		HY DB		285,740	
19c	7-year property		2,275,00	00	7 yrs	HY		DB	324,870	
19d	10-year property									
19e	15-year property									
19f	20-year property									
19g	25-year property							S/L		
19h	Residential rental property					MM		S/L		
19i	Nonresidential real		1,425,00	·0	39 yrs	MM		S/L	36,538	
	property				•				,	
Section	C – Assets Placed in S	Service Durin	ng 2006 Tax	χŸ	ear Using th	e Alternat	ive D	epreciatio	n System	
20a	Class life									
20b	12-year						S/I	L		
20c	40-year					MM	S/I	L		
Part IV	Summary									
21	Listed property									
22	Total					,274,616				
23	Assets for CY									
	i									

	Listed Property A – Depreciation and	Other Info	rmation				
24a	Evidence?	Other Into	mation				
24b	Evidence written?						
25	Special depreciation	allowance					
26(a)	Type of property	uno wunee					
26(b)	Date in service						
26(c)	Business investment	0/0					
26(d)	Cost or other basis	7.0					
26(e)	Basis for depreciation	1					
26(f)	Recovery period	1					
26(g)	Method/Convention						
26(h)	Depreciation deduction	on					
26(i)	Election Sec 179 cos						
27(a)	Type of property	•					
27(b)	Date in service						
27(c)	Business investment	0/0					
27(d)	Cost or other basis	70					
27(e)	Basis for depreciation	1					
27(f)	Recovery period	1					
27(g)	Method/Convention						
27(h)	Depreciation deduction	on					
27(i)	Election Sec 179 cos						
28	Add column (h), line						
29	Add column (i), line						
	B – Information on U		es				
30(a)	Total bus/invest mile						
31(a)	Total commuting mil						
32(a)	Tot other personal m						
33(a)	Total miles driven	iles diriven					
34	Vehicle available for	personal use	e?				
35	Vehicle used > 5% ?	personar as					
36	Another vehicle avail	for persona	Luse?				
	C – Questions for Em			ehicles for Us	se by Their F	Employees	
37	Maint written policy			chicles for Os	se by Then I	inployees	
38	Maint written policy						
39	Vehicles treated as po		as use				
40	Provide > 5 vehicle?	ersonar ase.					
41	Qualified auto demor	nstration use	?				
Part VI	<b>Amortization</b>	istration asc	• .		I		
1 112 1 1	(a)Depreciation of	(b)Date	(c) Amort	(d)Code	(e)Amort	(f)Amort	Write-in / Literal /
	costs	amort	amount	section	period or	for this	Attachments
		begins			percent	Yr	
					_		
42							
43	Amort of costs						
	before 2006 TY						
44	Total						

Nama.	562	Depreciati	ion and Amo	rtization	2006			
	Sam Starling LLP							
	ss or Activity: Rental							
EIN: <b>6</b> 9	9-0000001							
	Line Description			Line Amoun	t	Write-in / Li	teral / Atta	chments
Part I	<b>Election to Expense</b>	Certain Pro	perty Under	Section 179				
1	Maximum amount				108,000			
2	Total cost of section	179 prop						
3	Threshold cost of sec	tion 179 pro	р		430,000			
4	Reduction in limitation	on						
5	Dollar limitation for	ГΥ						
6(a)	Description of Proper	rty						
6(b)	Cost							
6(c)	Elected cost							
7	Listed property							
8	Total elected cost of	sec 179 prop						
9	Tentative deduction							
10	Carryover of disallow	ved deductio	n					
11	Business income limi	itation						
12	Section 179 expense	deduction						
13	Carryover of disallow	ved deductio	n					
Part II	Special Depreciatio	n Allowance	e and Other	Depreciation				
14	Special depreciation			•				
15	Property subject to se	ec 168(f)(1)	electio					
16	Other depreciation							
Part II		tion	<u> </u>		<u>'</u>			
17	MACRS deductions				10 275			
10					18,275			
18	Sec 168(i)(4) election		: ~ 2006 To	Vaan Haina	4h o Comonol	Danuasiation	C4	
Section	B – Assets Placed in (a)Classification of	(b)Mont	(c) Basis	(d)Recove	(e)Conven			Write-in /
	(a)Classification of	(D)MIOHt		\ <i>/</i>	(e)Conven		(g)Depr	vv rite-iii /
	nronarty	h &	for	ry pariod	n	ho		Literal/
	property	h & Vear	for denrec	ry period	n	od	c deduct	Literal /
	property	h & Year	for deprec	ry period	n	od	c deduct	Attach-
	property			ry period	n	od	_	
19a				ry period	n	od	_	Attach-
19a 19b	3-year property			ry period	n	od	_	Attach-
19b	3-year property 5-year property			ry period	n	od	_	Attach-
19b 19c	3-year property 5-year property 7-year property			ry period	n	od	_	Attach-
19b 19c 19d	3-year property 5-year property 7-year property 10-year property			ry period	n	od	_	Attach-
19b 19c 19d 19e	3-year property 5-year property 7-year property 10-year property 15-year property			ry period	n	od	_	Attach-
19b 19c 19d 19e 19f	3-year property 5-year property 7-year property 10-year property 15-year property 20-year property			ry period	n		_	Attach-
19b 19c 19d 19e 19f 19g	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property			ry period		S/L	_	Attach-
19b 19c 19d 19e 19f	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental			ry period	MM		_	Attach-
19b 19c 19d 19e 19f 19g	3-year property 5-year property 10-year property 15-year property 20-year property 25-year property Residential rental property	Year	deprec		MM	S/L S/L	deduct	Attach- ments
19b 19c 19d 19e 19f 19g	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of			(d)Recovery		S/L S/L	_	Attach-
19b 19c 19d 19e 19f 19g	3-year property 5-year property 10-year property 15-year property 20-year property 25-year property Residential rental property	Year (b)Month	deprec (c) Basis	(d)Recovery	MM	S/L S/L	deduct	Write-in / Literal / Attach-
19b 19c 19d 19e 19f 19g	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of	Year (b)Month	deprec (c) Basis	(d)Recovery	MM	S/L S/L	deduct	Attachments  Write-in / Literal /
19b 19c 19d 19e 19f 19g	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of	Year (b)Month	deprec (c) Basis	(d)Recovery	MM	S/L S/L	deduct	Write-in / Literal / Attach-
19b 19c 19d 19e 19f 19g 19h	3-year property 5-year property 10-year property 15-year property 20-year property 25-year property Residential rental property (a)Classification of property	Year (b)Month	deprec (c) Basis	(d)Recovery	MM (e)Conventi	S/L S/L on (f)Method	deduct	Write-in / Literal / Attach-
19b 19c 19d 19e 19f 19g	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of property	Year (b)Month	deprec (c) Basis	(d)Recovery	MM	S/L S/L	deduct	Write-in / Literal / Attach-
19b 19c 19d 19e 19f 19g 19h	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of property  Nonresidential real property	(b)Month & Year	(c) Basis for deprec	(d)Recovery period	MM (e)Convention	S/L S/L on (f)Method	(g)Deprc deduct	Write-in / Literal / Attachments
19b 19c 19d 19e 19f 19g 19h	3-year property 5-year property 10-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of property  Nonresidential real property C - Assets Placed in	(b)Month & Year	(c) Basis for deprec	(d)Recovery period	MM (e)Convention	S/L S/L on (f)Method	(g)Deprc deduct	Write-in / Literal / Attachments
19b 19c 19d 19e 19f 19g 19h	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of property  Nonresidential real property C - Assets Placed in Class life	(b)Month & Year	(c) Basis for deprec	(d)Recovery period	MM (e)Convention	S/L S/L on (f)Method  S/L  tive Depreciat	(g)Deprc deduct	Write-in / Literal / Attachments
19b 19c 19d 19e 19f 19g 19h	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of property  Nonresidential real property C - Assets Placed in Class life 12-year	(b)Month & Year	(c) Basis for deprec	(d)Recovery period	MM  (e)Conventi  MM  the Alterna	S/L S/L on (f)Method  S/L tive Depreciat	(g)Deprc deduct	Write-in / Literal / Attachments
19b 19c 19d 19e 19f 19g 19h	3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)Classification of property  Nonresidential real property C - Assets Placed in Class life	(b)Month & Year	(c) Basis for deprec	(d)Recovery period	MM (e)Convention	S/L S/L on (f)Method  S/L  tive Depreciat	(g)Deprc deduct	Write-in / Literal / Attachments

Form 4	562	Depreciati	on and Am	ortization	2006		
Part IV	Summary						
21	Listed property						
22	Total				18,275		
23	Assets for CY						
	Listed Property						
Section	A – Depreciation and	l Other Info	rmation				
24a	Evidence?						
24b	Evidence written?						
25	Special depreciation a	allowance					
26(a)	Type of property						
26(b)	Date in service						
26(c)	Business investment	%					
26(d)	Cost or other basis						
26(e)	Basis for depreciation	1					
26(f)	Recovery period						
26(g)	Method/Convention						
26(h)	Depreciation deduction						·
26(i)	Election Sec 179 cost	;					
27(a)	Type of property						
27(b)	Date in service						
27(c)	Business investment	%					
27(d)	Cost or other basis						
27(e)	Basis for depreciation	1					
27(f)	Recovery period						
27(g)	Method/Convention						
27(h)	Depreciation deduction						
27(i)	Election Sec 179 cost	t .					
28	Add column (h), lines						
29	Add column (i), line 2						
<b></b>	B – Information on U		les		•		
30(a)	Total bus/invest miles						
31(a)	Total commuting mil						
32(a)	Tot other personal mi	les driven					
33(a)	Total miles driven						
34	Vehicle available for	personal use	?				
35	Vehicle used > 5%?		-				
36	Another vehicle avail						
	C – Questions for En			Vehicles for U	se by Their	Employees	
37	Maint written policy						
38	Maint written policy		's use				
39	Vehicles treated as pe	ersonal use?					
40	Provide > 5 vehicle?		,				
41	Qualified auto demor	istration use	!				
Part VI	Amortization (a)Depreciation of	(b)Date	(c) Amort	(d)Code	(e)Amort	(f)Amort	Write-in / Literal /
	costs	amort begins	amount	section	period or percent	for this Yr	Attachments
42							
43	Amort of costs before 2006 TY						
44	Total		·				

	Form 4797 Sales of Business Property 2006				
Name:	Sam Starling LLP				
EIN: <b>69</b>	0-0000001				
	Line Description	Line Amount	Write-in / Literal / Attachments		
1	Gross receipts fm sales or exchg				
Part I	Sales or Exchanges of Property Used in	n a Trade or Business			
2(a)	Description of property				
2(b)	Date acquired				
2(c)	Date sold				
2(d)	Gross sales price				
2(e)	Depreciation allowed				
2(f)	Cost or other basis				
2(g)	Gain or (loss)				
3	Gain fm F4684				
4	Sec 1231 gain fm F6252				
5	Sec 1231 gain fm F8824				
6	Gain fm casualty or theft				
7	Combine lines 2 to 6				
8	Nonrecaptured net sec 1231 loss				
9	Subtract line 8 from line 7				
Part II			•		
10(a)	Description of property				
10(b)	Date acquired				
10(c)	Date sold				
10(d)	Gross sales price				
10(e)	Depreciation allowed				
10(f)	Cost or other basis				
10(g)	Gain or loss				
11	Loss fm line 7				
12	Gain fm line 7				
13	Gain fm line 31	10,000			
14	Net gain F4684	10,000			
15	Ordinary gain F6252				
16	Ordinary gain F8824				
17	Combine lines 10 to 16	10,000			
18a	Part of loss F4684	10,000			
18b	Redetermined gain or (loss) on line 17				
Part II	•	   ler Sections 1245   1250   125	1 2 1254 and 1255		
19(a)	Description of property	Furniture and Fixtures			
19(b)	Date acquired	01/01/2006			
19(c)	Date sold	01/01/2006			
20	Gross sales price	10,000			
21	Cost or other basis	10,000			
22	Depreciation allowed	10,000			
23	Adjusted basis	10,000			
24	Total gain	10,000			
25a	Depreciation allowed	10,000			
25b	Smaller of lines 24 and 25a	10,000			
26a	Additional depreciation after 1975	10,000			
26b	Applicable %				
26c	Subtract line 26a from line 24				
26d	Additional depreciation after 1969				
26a 26e	Smaller of lines 26c and 26c				
26f	Sec 291 amount				
	Add lines 26b,26e and 26f				
26g	Aud mies 200,200 and 201		<u> </u>		

Form 4797 Sales of Business		s Property		2006	
27a	Soil, water, land				
27b	Line 27 multiplied by	applicable %			
27c	Smaller of lines 24 ar	nd 27b			
28a	Intangible drilling				
28b	Smaller of lines 24 ar	nd 28a			
29a	Applicable % of payr	ment excluded			
29b	Smaller of lines 24 ar	nd 29a			
30	Total gain all property	y	10,0	000	
31	Add property column	sA-D	10,0	000	
32	Subtract line 31 from	line 30			
Part IV	Recapture Amount	s Under Sections	179 and 280F(b)(2)		
33(a)	Sec 179 expn ded – S	ec 179			
33(b)	Sec 179 expn ded – S	ec 280F(b)			
34(a)	Recomputed deprc – Sec 179				
34(b)	Recomputed deprc- Sec280F(b)				
35(a)	Recapture amount – S	Sec 179			
35(b)	Recapture amount – S	Sec 280F(b)			

Form 8825		Rental Re	of a	2006	
		Par	tnership or an S Corporation		
	Sam Starling LLP				
EIN: 69	-0000001				
					in / Literal /
	Line Description		Line Amount / Information	Attach	ments
1A	Kind & location of ea	ich property	Rental		
2A	Gross rents		1,234,900		
3A	Advertising				
4A	Auto and travel				
5A	Cleaning and mainter	nance			
6A	Commissions				
7A	Insurance				
8A	Legal and other profe	essional fees			
9A	Interest				
10A	Repairs				
11A	Taxes				
12A	Utilities				
13A	Wages and salaries				
14A	Depreciation		18,275		
15A	Other		1,013,500		
16A	Total expense for each	h property	1,031,775		
17	Total gross rents		1,234,900		
18	Total expenses		(1,031,775)		
19	Net gain (loss) F479	7			
	Net income (loss) fro				
20a	estate activities				
20b(1)	Name				
20b(2)	EIN				
21	Net rental real estate	income (loss)	203,125		

Form 8	8844	Empowerm	ent Zone and Renew Employment Cred	_	2006
Name: S	Sam Starling LLP				•
EIN: 69	-0000001				
	Line Description		Line Amount	Write-in / Literal	
Part I	Current Year Cred	lit			
	Total qualified wages	paid or			
	incurred during calen				
1a	qualified empowerme		200,000		
	Total qualified wages		/		
	incurred during calen				
1a	qualified empowerme		40,000		
	Total qualified wages		,		
	incurred during calen				
1b	qualified renewal con				
	Total qualified wages				
	incurred during calen				
1b	qualified renewal con				
	Add lines 1a and 1b.				
	amount fro your dedu				
2	salaries and wages		40,000		
	Form 8844 credits fro	m pass through	,		
3	entities				
4	Add lines 2 and 3		40,000		_
	Empowerment zone a	nd renewal	ŕ		
	community employm				
	included on line 4 fro				
5	activities	•			
6	Subtract line 5 from 1	ine 4	40,000		
	Passive activity credit	t allowed for	,		
7	2005				
	Carryforward of emp	owerment zone			
	and renewal commun				
8	credit to 2005				
	Carryback of empower	erment zone and			
	renewal community e	mployment			
9	credit from 2006				
	Current year credit. A	dd lines 6			
10	through 9		40,000		
11	Amount allocated to	oatrons			
	Cooperatives, estates	and trusts.			
12	Subtract 11 from line	10			
Part II	Allowable Credit				
11	Regular tax before cre	edits			
12	Alternative minimum	tax			
13	Add lines 11 and 12				
14a	Foreign tax credit				
	Credits from Form 10	140 lines 48			
14b	through 54				
	Possessions tax credit	(F5735, line 17			
14c	ort 27)				
	Nonconventional sour	rce fuel credit			
14d	(F8907, line 23				
14e	Other specified credit	S			
14f	Add lines 14a through				
	Net income tax. Subti				
	from line 13. If zero,				
15	and enter zero on line				
	i mie tiller Zero on inte		I	I	

Form 8844		Empowerm	2006	
	Net income tax. Subt			
16	from line 11. If zero	or less enter 0		
17	Tentative minimum t	ax		
18	25% of excess line 16 >\$25,000			
19	Multiply line 17 by 7	5% (.75)		
20	Greater of line 18 or	line 19		
21	Subtract line 20 from	line 15		
22	General business credit			
23	Subtract line 22 from line 21			
24	Credit allowed for the	e current year		

Form 8882 Credit for En			nployer-Provided Childc Services	2006			
Name:	Sam Starling LLP						
EIN: 69	9-0000001						
	Line Description		Line Amount	Write-in / Literal			
Part I	art I Current Year Credit						
1	Qualified childcare fa	cility expend					
2	Enter 25% of line 1						
	Qualified childcare re	source and					
3	referral expend						
4	Enter 10% of line 3						
	Form 8882 credits fro	m pass through					
5	entities		35,600				
6	Add lines 2, 4, and 5		35,600				
7	Smaller of line 6 or \$	150,000	35,600				
8	Amount allocated						
9	Estates and Trusts. So from line 7	ubtract line 8					

	K-1 (Form 1065) Partner's Share		ctions, Credi	ts, etc. 2006
Tax	year beginning <b>January 1</b> , 2006 ending <b>Decembe</b>	r 31, 2006		
	Final K-1			
	Amended K-1 □			
Part	I Information About the Corporation	T = .		
	Line Description	Line Amount		Write-in / Literal / Attachments
A	Partnership's employer identification number	69-000	0001	
В	Partnership's name, address, city, state, and Zip	Sam Starli	ing LLP	
	code	631 N McK		
		Reno, NV		
C	IRS Center where corporation filed return	Ogd	en	
D	Check if Publicly traded partnership (PTP)			
E	Tax shelter registration number, if any			
F	Check if Form 8271 is attached			
	II Information About the Partner	T		<u> </u>
G	Partner's Identification number	000-00-		
Н	Partner's name, address, city, state and ZIP code	Taxpay		
		PO Box		
т	— Con and north on a TI C	Reno, NV		
I	☐ General partner or LLC member-manager ☐ Limited partner or other LLC member	Limited partr		
J	□ Domestic partner □ Domestic partner	LLC me	mver	
J	□ Foreign partner	Domestic	nartner	
K	What type of entity is this partner?	Indivi		
L	Partner's share of profit, loss and capital	Indivi		
L	Tartier 3 share or profit, 1033 and capital	Beginning%	Ending%	
	Profit	.5	.5	
	Loss	.5	.5	
	Capital	.5	.5	
M	Partner's share of liabilities at year end:			
	Nonrecourse \$		\$55,000	
	Qualified nonrecourse financing \$		,	
	Recourse \$			
N	Partner's capital account analysis:			•
	Beginning capital account \$		\$224,445	
	Capital contributed during the year \$			_
	Current year increase (decrease) \$		\$607,177	
	Withdrawals & distributions \$		(\$375,702)	
	Ending capital account \$			_
			\$455,920	
	□ Tax basis □ GAAP □ Sect 704(b) book			
	□ Other (explain)	Sect 704(1		
Part	III Partner's Share of Current Year Income, Do	eductions, Credit	ts, and Other	
	Line Description			Write-in / Literal / Attachments
1	Ordinary business income (loss)		\$403,407	
2	Net rental real estate income (loss)		\$1,016	
3	Other net rental income (loss)			
4	Guaranteed payments			
5	Interest income		\$463	
6a	Ordinary dividends			
6b	Qualified dividends			
7	Royalties			
8	Net short-term capital gain (loss)			
9a	Net long-term capital gain (loss)			
9b	Collectibles (28%) gain (loss)			

9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)	A \$45,350	
		C \$1,410,585	
15	Credits & credit recapture	M \$200	
		P \$178	
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	A \$997	
18	Tax-exempt income & nondeductible expense	C \$3,876	
19	Distributions	A \$375,702	
20	Other Information	A \$463	

	K-1 (Form 1065) Partner's Share		ctions, Credi	ts, etc. 2006
Tax :	year beginning January 1, 2006 ending December	er 31, 2006		Г
	Final K-1			
	Amended K-1 □			
Part	I Information About the Corporation	T		XX7 */ * / X */ X /
	Line Description	Line Amount		Write-in / Literal /
<u> </u>	Dortmarshing ampleyer identification number	(0.000	0001	Attachments
<u>А</u> В	Partnership's employer identification number Partnership's name, address, city, state, and Zip	69-000		
В	code	Sam Starling LLP 631 N McKinley Dr		
	code	Reno, NV		
C	IRS Center where corporation filed return	Ogde		
<del>D</del>	Check if Publicly traded partnership (PTP)	- Su	V-11	
E	Tax shelter registration number, if any			
F	Check if Form 8271 is attached			
Part	II Information About the Partner			
G	Partner's Identification number	000-00-	1234	
Н	Partner's name, address, city, state and ZIP code	Sam Sta	rling	
	. •	PO Bo	x 99	
		7 Birch B		
		St Johns. NFI		
		AIC5		
I	☐ General partner or LLC member-manager	Limited partn	er or other	
т -	☐ Limited partner or other LLC member	LLC me	mber	
J	□ Domestic partner	Eausian n		
17	☐ Foreign partner  What type of entity is this partner?	Foreign p Individ		
K L	Partner's share of profit, loss and capital	Individ	ıuaı	
L	Partner's snare of profit, loss and capital	Beginning%	Ending%	
	Profit	10	10	
	Loss	10	10	
	Capital	10	10	
M	Partner's share of liabilities at year end:	10		
	Nonrecourse \$		\$1,100,000	
	Qualified nonrecourse financing \$		. , , ,	
	Recourse \$			
N	Partner's capital account analysis:			
	Beginning capital account \$		\$4,488,892	
	Capital contributed during the year \$			
	Current year increase (decrease) \$		\$12,143,540	
	Withdrawals & distributions \$	(	\$7,514,031)	
	Ending capital account \$			
			\$9,118,401	
	☐ Tax basis ☐ GAAP ☐ Sect 704(b) book	a . =a . =		
	☐ Other (explain)	Sect 704(t		<u> </u>
rart	III Partner's Share of Current Year Income, D	equetions, Credit	s, and Other	
	Line Description			Write-in / Literal / Attachments
1	Ordinary business income (loss)	+	\$8,068,140	Attachment 5
<u>.                                    </u>	Net rental real estate income (loss)		\$20,312	Attachment 3
<u>.</u> 3	Other net rental income (loss)		φ <b>2</b> U, <b>3</b> 12	
<u>,</u> 1	Guaranteed payments			
<u>*</u> 5	Interest income		\$9,265	
s Sa	Ordinary dividends		Ψ7,403	
6 <b>b</b>	Qualified dividends			
		+		
7	Royalties			

9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)	A \$907,001	
		C \$28,211,704	
15	Credits & credit recapture	M \$4,000	
		P \$3,560	
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	E \$19,946	
18	Tax-exempt income & nondeductible expense	C \$77,513	
19	Distributions	A \$7,514,031	
20	Other Information	A \$9,265	

Sch K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, etc. 2006					
Tax	year beginning January 1, 2006 ending December	er 31, 2006		T	
	Final K-1 □				
	Amended K-1 □				
Part	I Information About the Corporation	T		T	
	Line Description	Line Amount		Write-in / Lite Attachments	eral /
A	Partnership's employer identification number	69-000	0001		
В	Partnership's name, address, city, state, and Zip	Sam Starli			
	code	631 N McK			
		Reno, NV			
C	IRS Center where corporation filed return	Ogd	en		
D	Check if Publicly traded partnership (PTP)				
E	Tax shelter registration number, if any				
F	Check if Form 8271 is attached				
	II Information About the Partner	(0.100	0001	T	
G H	Partner's Identification number	69-1000 Barton and			
п	Partner's name, address, city, state and ZIP code	Barton and Enterp			
		RR 51			
		Anchorage,			
I	☐ General partner or LLC member-manager	General parti			
-	☐ Limited partner or other LLC member	member-n			
J	□ Domestic partner				
	□ Foreign partner	Domestic	partner		
K	What type of entity is this partner?	Partnei			
L	Partner's share of profit, loss and capital				
	1	Beginning%	Ending%		
	Profit	40	40		
	Loss	40	40		
	Capital	40	40		
M	Partner's share of liabilities at year end:			T	
	Nonrecourse \$		\$4,400,000		
	Qualified nonrecourse financing \$				
	Recourse \$				
N	Partner's capital account analysis:		*1= 0== = <0	T	
	Beginning capital account \$	,	\$17,955,568		
	Capital contributed during the year \$		0.40 == 4.460		
	Current year increase (decrease) \$		\$48,574,160		
	Withdrawals & distributions \$	(\$	30,056,124)		
	Ending capital account \$		\$36,473,604		
	□ Tax basis □ GAAP □ Sect 704(b) book	<del> </del>	p30,4/3,004		
	☐ Other (explain)	Sect 704(l	n) hook		
Part	III Partner's Share of Current Year Income, D			Items	
1 411	Line Description	Taucions, Credit	, una Other	Write-in / Lite	eral /
				Attachments	*** /
1	Ordinary business income (loss)	1	\$32,272,560		
2	Net rental real estate income (loss)		\$81,248		
3	Other net rental income (loss)		,		
4	Guaranteed payments		\$22,675,031		
5	Interest income		\$37,060		
6a	Ordinary dividends				
6b	Qualified dividends				
7	Royalties				
_	·	1		ı — — — — — — — — — — — — — — — — — — —	
8	Net short-term capital gain (loss)				

9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)	A \$16,535,429	
		C \$112,846,816	
15	Credits & credit recapture	M \$16,000	
		P \$14,240	
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	A \$79,184	
18	Tax-exempt income & nondeductible expense	C \$310,052	
19	Distributions	A \$30,056,124	
20	Other Information	A \$37,060	

#### **TEST SCENARIO 2**

FORMS REQUIRED: 1065, 4562, 4797, 8271, 8824, 1065 SCH K-1 (2), Form 8453-PE

**DEPENDENCIES** 

**ATTACHMENTS:** 

Self-Charged Interest Election

Section 195 Election

Itemized Other Deductions Statement

**BINARY ATTACHMENTS: Scanned Form 8453-PE** 

**HEADER INFO:** 

Tax Period: Calendar Year 2006

Preparer Firm Electronic Tax Filers, Inc 69-0000002

1065 Efile Drive Anytown, NV 89501

MultipleSoftwarePackagesUsed: Yes or No

Originator: EFIN: Self-select

Type: ERO

PractionerPIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453-PE Signature Document

Return Type: Form 1065

Filer: EIN: 69-0000002

Name: Jennings Boats LLC Name Control: JENN Address: Rt 1 Box 843

Bar Harbor, ME 04609

Partner: Name: Horace Jennings

**Title: Chief Executive Officer** 

Taxpayer PIN: Phone: 555-555-555

Email Address: Anymail@email.com

Date Signed: 04/15/2006

Preparer: Name: Paul Jennings

SSN: 000-10-0002 Phone: 555-555-555

Email Address: Anymail@email.com

**Date Prepared: 04/15/2006** 

Self Employed: No

IRS PAYMENT: N/A

## **Details for attachments to Form**

## Attachment 1, Form 1065 (Self-Charged Interest Election)

Name of Partnership	Address	EIN	Regulation Section 1.469- 7(g) Declaration
Jennings Boats	Rt 1 Box 843 Bar Harbor, ME 04609	69-0000002	Yes

## Attachment 2, Form 1065 (Section 195 Election)

Description of Trade or Business	Number of Months Expenditure Amortized	Description of Start-Up	Date Trade or Business Began
Boats Sales and	Sixty (60)	Expenditure Pre-	01/01/2006
Services	• ( )	organization	
		Costs	ļ

## Attachment 3, Form 1065, Page 1, Line 20 (Itemized Other Deductions Statement)

Amortization	500
Professional Fees	225,000
Insurance	84,722

		nership Income Tax	2006
Calenc	lar Year 2006 or tax year beginning 1/1	, 2006, ending 12/31	, 2006
A	Principal business activity	<b>Boat Sales</b>	
В	Principal product or service	Sales and Services	
C	Business code number	441222	
Name	and Address:		
D	Employer Identification number	69-0000002	
E	Date business started	01/01/2006	
F	Total assets	\$2,749,483	
G	Check applicable boxes 1,2,3,4,5	Initial	
H	Check accounting method 1,2,3	Accrual	
I	Number of Schedule K-1	2	
J	Check if Schedule M-3 Required (attach		
	Schedule M-3)		
	Line Description	Line Amount	Write-in / Literal / Attachment
1a	Gross receipts or sales	\$4,212,980	
1b	Less returns and allowances	\$350,000	
1c	Balance	\$3,862,980	
2	Cost of goods sold (Sch A, line 8)	\$3,508,023	
3	Gross profit. Subtract line 2 from 1c	\$354,957	
4	Ordinary income or (loss)		
5	Net farm profit (loss) F1040		
6	Net gain (loss) F4797	\$9,000	
7	Other income or (loss)		
8	Total income. Add lines 3 through 10	\$363,957	
9	Salaries and wages (less employment credits)	\$150,000	
10	Guaranteed payments to partners	\$110,000	
11	Repairs and maintenance	\$5,562	
12	Bad debts		
13	Rent	\$265,740	
14	Taxes and licenses	\$33,450	
15	Interest	\$95,362	
16a	Depreciation (attach Form 4562)	\$100,976	
16b	Less depreciation claimed on Sch A		
16c	Total depreciation	\$100,976	
17	Depletion		
18	Retirement plans, etc		
19	Employee benefit programs	\$1,250	
20	Other deductions	\$310,222	Attachment 3
21	Total deductions (add lines 9 – 20)	\$1,072,562	
22	Ordinary business income (loss) (Subtract		
	Line 21 from Line 8	(\$708,605)	
23	Credit for federal telephone excise tax paid		

Schedu	Schedule A Cost of Goods Sold				
1	Inventory at beginning of year				
2	Purchases less cost of items	\$5,602,453			
3	Cost of labor				
4	Additional section 263A costs				
5	Other costs	\$131,245			
6	Total. Add lines 1 - 5	\$5,733,698			
7	Inventory at the end of year	\$2,225,675			
8	Cost of goods sold. Subtract Line 7				
	from 6	\$3,508,023			

9a (i)	Cost in regulations 1.471-3	X	
9a (ii)	Lower of cost or market	11	
9a (iii)	Other		
9b	Check if writedown		
9c	Check if the LIFO was adopted		
9d	Section 263A rules apply	N	
9e	Change in determining quantities, cost,	N	
	valuations	14	
Schedu	lle B Other Information		
1a	Domestic general partnership		
1b	Domestic limited partnership		
1c	Domestic limited liability company	X	
1d	Domestic limited liability partnership	11	
1e	Foreign partnership		
1f	Other		
2	Any partners in this partnership also	N	
	partnerships?	11	
3	Partnership own interest in another	N	
	partnership or foreign entity?		
4	Partnership file Form 8893?	N	
5a	Partnership total receipts <\$250,000	N	
5b	Partnership total assets <\$600,000	N	
5c	Filed Schedule K-1 with return?	N	
6	Partnership have foreign partners?	N	
7	Partnership publicly traded partnership?	N	
8	Partnership filed F8264?	N	
9	Partnership have an interest in or a	N	
	signature, or other authority over		
	financial account in foreign country?		
10	Partnership receive distribution from,	N	
	granter of, transferor to foreign trust?		
11	Distribution of property or transfer of	$\mathbf{N}$	
	partnership interest?		
12	Number of Forms 8865 attached	0	
	Name of designated TMP		
	Identifying number of TMP		
	4.11 0.1 1 1 TO CD		
	Address of designated TMP		
	chedule K Partners' Distributive Share It Ordinary business income (loss)	(\$708,605)	
2	Net rental real estate income (loss)	(\$/00,005)	
3a	Other gross rental income (loss)		
3b	Other rental activities expenses		
3c	Other net rental income (loss) Subtract		
30	Line 3b from 3a		
4	Guaranteed payments	\$110,000	
5	Interest Income	\$250	1
6a	Ordinary dividends	Ψ230	
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		

13a	Contributions		
13b	Investment interest expenses		
13c	Section 59(e)(2) expenditures (type)		
13c	Section 59(e)(2) expenditures (amount)		
(2)	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		
13d	Other deductions		
14a	Net earnings (loss) self employment	(\$303,803)	
14b	Gross farming or fishing income		
14c	Gross nonfarm income	(\$303,803)	
15a	Low-income housing credit 42(j)(5)		
15b	Low-income housing credit (other)		
15c	Qualified rehabilitation expenditures		
15d	Other rental real estate credits		
15e	Other rental credits		
15f	Other credits and credit recapture		
16a	Name of country or U.S. possession		
16b	Gross income from all sources		
16c	Gross income sourced at		
	partnership level		
16d	Passive		
16e	Listed categories		
16f	General limitation		
16g	Interest expense		
16h	Other		
16i	Passive		
16j	Listed categories		
16k	General limitation		
16l	Total foreign taxes Paid □ Accrued □		
16m	Reduction in taxes available for credit		
16n	Other foreign tax information		
17a	Post 1986 depreciation adjustment		
17b 17c	Adjusted gain or loss  Depletion (other than oil and gas)		
17d	Oil, gas, and geothermal properties-gross		
1/u	income		
17e	Oil, gas, and geothermal properties-		
170	deductions		
17f	Other AMT items		
18a	Tax-exempt interest income		
18b	Other tax-exempt income		
18c	Nondeductible expenses	\$600	
19a	Distri of cash & marketable securities	φ000	
19b	Distributions of other property		
20a	Investment income	\$250	
20b	Investment expenses	4-00	
20c	Other items and amounts		
200	Other items and amounts		

	A I CDI ( )	(T )							
	Analysis of Net l	Income (Loss)	1 77 1		1	(0.500.0.55)			
1	Net income (lo					(\$598,355)			
	11; Subtract su	m SchK line 1:	2 - 13c	l, and					
	161		1						
	(i) Corporate	(ii)	(iii)		(iv) Pa	rtnership652		Exempt	(vi) Nominee
		Individual		vidual			org	ganization	Other
		(active)	(pass	sive)					
2a	Analysis	(\$299,178)							
	by								
	General								
	partners								
2b	Analysis	(\$299,177)							
	by								
	Limited								
	partners								
Sched	ule L Balanco	Sheets per B							
		Beginnin	g of ta	ax year		End	of t	ax year	Write-in /
									Literal
	Assets	(a)	_	(ł	<u> </u>	(c)		(d)	
1	Cash							\$75,500	
2a	Trade notes					\$42,5	555	, , , ,	
2b	Less allowance	;						\$42,555	
3	Inventories							\$2,225,675	
4	U.S. govt oblig							,,	
5	Tax-exempt								
	securities								
6	Other current								
	assets								
7	Mortgage & re	al							†
'	estate loan								
8	Other								
	investments								
9a	Bldgs & other								
) a	deprec assets					\$501,2	229		
9b	Less accumu-					, , , , , , , , , , , , , , , , , , ,			
7.0	lated deprec					\$100,9	76	\$400,253	
10a	Depletable asst					ψ±00,2		Ψ 100,233	<u> </u>
10a	Less accumu-								
100	lated depletion								
11	Land								
12a	Intangible asse	ts				\$6,0	100		<u> </u>
12b	Less accum					,	,00		
120	amortization					<b>Q</b> 5	500	\$5,500	
13	Other assets					<b></b>	,00	\$3,300	+
14	Total assets							\$2,749,483	+
14	Liabilities	(a)		(lt	,,	(a)		\$2,749,483 (d)	+
15	Accoun	(a)		(1	')	(c)		(u)	+
13									
	payab	ie						0405 050	
17	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							\$495,252	+
16	Mortgage								
	notes, bon								
15	payable < 1								
17	Other curre							0245 (22	
10	liabiliti							\$345,622	
18	All nonrecour								
	loa	ns							

10	M				
19	Mortgages,				
	notes, bonds				
20	payable > 1yr Other liabilities			\$2.275.960	
21	Partners' capital			\$2,375,869	
21	-			(\$467.250)	
22	accounts Total labilities			(\$467,250)	
22				\$2.740.492	
Cahada	and capital ule M-1 Reconciliation of Income (Loss)	non Dool	a With Income	\$2,749,483	
Scheut	Line Description	Line A		Write-in / Literal	
1	Net Income (loss) per books	Line A	(\$518,450)	write-iii / Literai	
2	Income included on SchK lines 1, 2, 3c, 5,		(\$310,430)		
2	6a, 7, 8, 9a, 10, 11, not recorded on the				
	books this year (itemized):				
2	Total Income Included				
3	Guaranteed payments (other than health	1			
	insurance)				
4a	Expenses recorded on books (itemize)				
	Depreciation				
4b	Travel & entertainment		\$600		
4	Total Income Expenses				
5	Add lines 1 – 4		(\$517,850)		
6a	Income recorded on books (itemize) tax-				
	exempt interest				
6	Total Income Recorded				
7a	Deductions not charged against book				
	(itemize) depreciation		\$80,505		
7	Total Itemized Deductions				
8	Total Income/Deductions		200 505		
8	Add lines 6 and 7		\$80,505		
9	Income (loss) (Analysis of net income		(0500 255)		
C-11-	(loss) line 1). Subtract line 8 from line 5	4	(\$598,355)		
	ule M-2 Analysis of Partners' Capital Ac	counts			
1 2a	Balance at beginning of year		\$50,000		
2a 2b	Capital contributed - Cash Capital contributed - Property	-	\$50,000		
3	Net income (loss) per books		(\$518,450)		
4	Other increases (itemized)		(\$310,730)		
5	Add lines 1 through 4	1	(\$467,250)		
6a	Distributions – Cash	1	(ψ107,230)		
6b	Distributions – Property				
7	Other decreases (itemized)				
8	Add lines 6 and 7				
9	Balance at end of year. Subtract line 8				
	from line 5		(\$467,250)		
1			(+ , )		

Form 45	562	Depreciati	ion and Amo	rtization		2006			
Name: J	Jennings Boats LLC	-							
Business	or Activity: Boat Sal	les							
EIN: <b>69</b>	-0000002								
	Line Description		-	Line Amoun	ıt		Write-in / Lit	teral / Attacl	ments
Part I	Election to Expense (	Certain Pro	perty Under S	Section 179					
1	Maximum amount				10	8,000			
2	Total cost of section								
3	Threshold cost of sec	ction 179 pro	p		43	0,000			
4	Reduction in limitation	on							
5	Dollar limitation for	TY							
6(a)	Description of Prope	rty							
6(b)	Cost								
6(c)	Elected cost								
7	Listed property								
8	Total elected cost of	sec 179 prop	)						
9	Tentative deduction								
10	Carryover of disallov		n						
11	Business income lim								
12	Section 179 expense								
13	Carryover of disallov								
Part II	Special Depreciation		and Other D	epreciation					
14	Special depreciation				\$7	3,490			
15	Property subject to se	ec 168(f)(1)	election						
16	Other depreciation								
Part III	MACRS Depreciat	ion							
17	MACRS deductions								
18	Sec 168(i)(4) election	n							
Section	B – Assets Placed in S	Service Duri	ng 2006 Tax	Year Using	the G	eneral 1	Depreciation S	System	
	(a)Classification	(b)Mont	(c) Basis	(d)Recove	ry	(e)	(f)Meth	(g)Deprc	Write-in
	of property	h &	for deprec	period		Conven	ıti od	deduct	/ Literal
		Year				on			/ Attach-
									ments
10-	2		622 444	2		1137	200DD	67 401	
19a	3-year property		\$22,444	3 yrs		HY	200DB	\$7,481	
19b	5-year property		\$1,500 \$26,555	5 yrs		HY	200DB 200DB	\$300	
19c 19d	7-year property 10-year property		\$26,555	7 yrs	-+	HY	200018	\$3,792	
	15-year property								
19e 19f	20-year property								
191 19g	25-year property						S/L		
19g 19h	Residential rental					MM	S/L S/L		
1711	property					141141	3/L		
19i	Nonresidential real			_					
171	property		\$425,600	39 yrs		MM	S/L	\$10,913	
Section	C – Assets Placed in S	Service Duri	ing 2006 Tax	Year Using	the A	lternati	ve Depreciati	on System	
20a	Class life		<i>g</i>	8	<del>-</del>			J	
20b	12-year						S/L		
20c	40-year				MM	1	S/L		
Part IV	Summary	•			•			l	
21	Listed property				\$	5,000			
22	Total					0,976			
23	Assets for CY								

Form 4	562	Depreciation a	and Am	ortiza	ation	2006			
Part V	Listed Property								
Section	A - Depreciation and	d Other Informat	tion						
24a	Evidence?								
24b	Evidence written?								
25	Special depreciation	allowance							
26(a)	Type of property				2006 Pil	ot			
26(b)	Date in service				07/21/20	06			
26(c)	Business investment	t %			100%				
26(d)	Cost or other basis				\$25,000	)			
26(e)	Basis for depreciation	on			\$25,000	)			
26(f)	Recovery period				5 Yrs				
26(g)	Method/Convention	1			200DB-H	ΙΥ			
26(h)	Depreciation deduct	tion			\$5,000				
26(i)	Election Sec 179 co	st							
27(a)	Type of property								
27(b)	Date in service								
27(c)	Business investment	t %							
27(d)	Cost or other basis								
27(e)	Basis for depreciation	on							
27(f)	Recovery period								
27(g)	Method/Convention	1							
27(h)	Depreciation deduct	tion							
27(i)	Election Sec 179 co	st							
28	Add column (h), lin				\$5,000				
29	Add column (i), line	26							
Section	B – Information on I	Use of Vehicles							
30(a)	Total bus/invest mil	es driven							
31(a)	Total commuting m	iles driven							
32(a)	Tot other personal n	niles driven							
33(a)	Total miles driven								
34	Vehicle available fo	r personal use?							
35	Vehicle used > 5%	?							
36	Another vehicle ava	il for personal use	?						
Section	C – Questions for Er	nployers Who Pr	ovide <b>V</b>	Vehicl	es for Use	by Their	Emp	oloyees	
37	Maint written policy	prohibits commu	ι?						
38	Maint written policy	prohibits pers us	e						
39	Vehicles treated as p		_						
40	Provide > 5 vehicle's								
41	Qualified auto demo	onstration use?							
Part VI		<u> </u>	1		T				
	(a)	(b)	(c		(d)	(e)		<b>(f)</b>	Write-in / Literal /
	Depreciation of	Date amort	Am		Code	Amor		Amort	Attachments
	costs	begins	amo	unt	section	period		for this	
						percei	nt	Yr	
42	Start up	01/01/2006	\$6,0	000	195	5 Yr		\$500	
43	Amort of costs before 2006 TY								
44	Total					\$5	500		
		I.				40	~ ~		

Form 4	<u>.                                    </u>	ss Property	2006
	Jennings Boats LLC		
EIN: <b>6</b> 9	9-0000002		
	Line Description	Line Amount	Write-in / Literal / Attachments
1	Gross receipts fm sales or exchg		
Part I	Sales or Exchanges of Property Used i	in a Trade or Business	
2(a)	Description of property		
<b>2(b)</b>	Date acquired		
2(c)	Date sold		
2(d)	Gross sales price		
2(e)	Depreciation allowed		
2(f)	Cost or other basis		
2(g)	Gain or (loss)		
3	Gain fm F4684		
4	Sec 1231 gain fm F6252		
5	Sec 1231 gain fm F8824		
6	Gain fm casualty or theft		
7	Combine lines 2 to 6		
8	Nonrecaptured net sec 1231 loss		
9	Subtract line 8 from line 7		
Part II	. ,	<del> </del>	
10(a)	Description of property		
10(b)	Date acquired		
10(c)	Date sold		
10(d)	Gross sales price		
10(e)	Depreciation allowed		
10(f)	Cost or other basis		
10(g)	Gain or loss		
11	Loss fm line 7		
12	Gain fm line 7		
13	Gain fm line 31		
14	Net gain F4684		
15	Ordinary gain F6252	Φ0.000	
16	Ordinary gain F8824	\$9,000	
17	Combine lines 10 to16	\$9,000	
18a	Part of loss F4684		
18b	Redetermined gain or (loss) on line 17	1 S	22 1254 1 1255
Part II		uer sections 1245, 1250, 125	04, 1454 and 1455
19(a)	Description of property  Date acquired		
19(b) 19(c)	Date acquired  Date sold		
20	Gross sales price		+
21	Cost or other basis		
22	Depreciation allowed		+
23	Adjusted basis		
24	Total gain		+
25a	Depreciation allowed		
25a 25b	Smaller of lines 24 and 25a		
26a	Additional depreciation after 1975		
26b	Applicable %		
26c	Subtract line 26a from line 24		
26d	Additional depreciation after 1969		
20u	Line Description	Line Amount	Write-in / Literal / Attachments
26e	Smaller of lines 26c and 26c	Line Amount	Witte-in / Literal / Attachments
200	Smaller of fines 200 and 200	<del> </del>	ļ

Form 4	797	Sales of Busines	s Property	2006
26f	Sec 291 amount			
26g	Add lines 26b,26e and	d 26f		
27a	Soil, water, land			
27b	Line 27 multiplied by	applicable %		
27c	Smaller of lines 24 ar	nd 27b		
28a	Intangible drilling			
28b	Smaller of lines 24 ar	nd 28a		
29a	Applicable % of payr	nent excluded		
29b	Smaller of lines 24 ar	nd 29a		
30	Total gain all property	y		
31	Add property column	s A – D		
32	Subtract line 31 from	line 30		
Part IV	Recapture Amount	s Under Sections	179 and 280F(b)(2)	
33(a)	Sec 179 expn ded – S	ec 179		
33(b)	Sec 179 expn ded – S	ec 280F(b)		
34(a)	Recomputed deprc –	Sec 179		
34(b)	Recomputed deprc- S	Sec280F(b)		
35(a)	Recapture amount – S	Sec 179		
35(b)	Recapture amount – S	Sec 280F(b)		

Form	n 8271		r Reporting of Tax Shelter ation Number	2006	
Inves	tor's name shown on retu	rn: <b>Jenn</b>	ings Boats LLC		
Inves	tor's Identifying number:	69-0000	0002		
Inves	tor's tax year ended 12/3	1/2006			
	(a) Tax shelter Name		(b) Tax shelter Registration #		(c) Tax shelter identifying number
1	XYZ Shelter		1111111111		69-2222222
2					
3					
4					
5					
6					
7					
8					
9					
10					

Form	8824	Like-Kind Exchanges	2006	
Name	e: Jennings Boats LLC			
Ident	ifying number: 69-000	0002		
1	Description of like-k	ind property given up	1998 Honda Accord	
2	Description of like-k	ind property received	2006 Pilot	
3			09/06/1999	
4	Date you actually tra	ansferred your property to day, year)	07/21/2006	
5		erty you received was notice to another party	07/21/2006	
6	Date you actually re from other party (m	ceived the like-kind property onth, day, year)	07/21/2006	
7	made with a related	operty given up or received party, either directly or nplete Part II. If no, go to Part □No	NO	

Jennings Boats LLC

Part I	I Related Party Exchange Information	on					
8		Relationship to you	Related party's identifying number				
-	F	r - y - y - y	r,				
	Address						
9	During this tax year (and before the date that is 2 years after the last transfer of property that was part of the						
	exchange), did the related party directly or indirectly (such as through and intermediary) sell or dispose of any						
	part of the like-kind property received		□Yes □No				
10	During this tax year (and before the da						
	exchange), did you sell or dispose of a	ny part of the like-kind property yo	u received? □Yes				
	□No		11.1				
11	If one of the exceptions below applies		able box:				
	a   The disposition was after the death		carsian assurmed after the avalence				
	b □ The disposition was an involuntary c □ You can establish to the satisfaction						
	avoidance as its principal purpose. If		ige not the disposition had tax				
	Name shown on tax return:	box checked, attach ali explanation					
	Your social security number"						
Part I	II Realized Gain or (Loss), Recognized	I Cain, and Rasis of Like-Kind Re	eceived				
1 41 ( 1	Line Description	Line Amount	Write-in / Literal / Attachments				
12	Fair market Value (FMV) of other pro		Write-in / Eneral / Attachments				
12	given up	perty					
13	Adjusted basis of other property given	up					
14	Gain or (loss) recognized on other pro						
	given up. Subtract line 13 from line 12						
15	Cash received, FMV of other property						
	received, plus liabilities assumed by or						
	party, reduced (but below zero) by						
	exchange expenses you incurred	\$9,000					
16	FMV of like-kind property your receiv	yed <b>\$30,000</b>					
17	Add lines 15 and 16	\$39,000					
18	Adjusted basis of like-kind property ye						
	gave up, net amounts paid to other par						
	plus any exchange expenses not used of						
10	line 15	\$25,000					
19	Realized gain or (loss). Subtract line 1						
20	from line 17 Enter smaller of line 15 or line 19	\$14,000 \$9,000					
20 21	Ordinary income under recapture rules						
41	Enter her on F4797 line 16	). 					
22	Subtract line 21 from lien 20. Enter he	ere .					
22	and on Sch D or F4797, unless installr						
	method applies	\$9,000					
23	Recognized gain. Add lines 21 and 22						
24	Deferred gain or (loss). Subtract line 2	/					
	from line 19.	\$5,000					
25	Basis of like-kind property received.	\$2,000					
	Subtract line 15 from the sum of lines	18					
	and 23	\$25,000					

	1 (Form 1065) Partner's Share		ctions, Credi	ts, etc. 2006
Tax yea	r beginning January 1, 2006 ending December 3	1, 2006		
	Final K-1	_		
	Amended K-1 □			
Part I	Information About the Corporation	T = .		T
	Line Description	Line Amount		Write-in / Literal / Attachments
A	Partnership's employer identification number	69-000	0002	
В	Partnership's name, address, city, state, and Zip	Jennings B		
	code	RT 1 Bo		
		Bar Harbor,		
C	IRS Center where corporation filed return	Ogd	en	
D	Check if Publicly traded partnership (PTP)			
E	Tax shelter registration number, if any			
F	Check if Form 8271 is attached	X		
	Information About the Partner	000.10	0001	T
G	Partner's Identification number	000-10-		
Н	Partner's name, address, city, state and ZIP code	Horace Jo PO Box		
I	☐ General partner or LLC member-manager	Bar Harbor, General part		
1	☐ Limited partner or other LLC member	member-r		
J	□ Domestic partner	member-f	nanager	
J	□ Foreign partner	Domestic	nartner	
K	What type of entity is this partner?	Indivi		
L	Partner's share of profit, loss and capital	Indivi		
	Turther 5 share of profit, 1055 and capital	Beginning%	Ending%	
	Profit	0	50	
	Loss	0	50	
	Capital	0	50	
M	Partner's share of liabilities at year end:		•	•
	Nonrecourse \$			
	Qualified nonrecourse financing \$			
	Recourse \$		\$2,375,869	
N	Partner's capital account analysis:			
	Beginning capital account \$			
	Capital contributed during the year \$		\$25,000	
	Current year increase (decrease) \$		(\$258,625)	
	Withdrawals & distributions \$			
	Ending capital account \$			
			(\$233,625)	
	☐ Tax basis ☐ GAAP ☐ Sect 704(b) book			
n	☐ Other (explain)	Tax B		
Part II	Partner's Share of Current Year Income, Dedu	ictions, Credits,	and Other Ite	
	Line Description			Write-in / Literal / Attachments
1	Ordinary business income (loss)		(\$354,303)	
2	Net rental real estate income (loss)			
3	Other net rental income (loss)			
4	Guaranteed payments		\$110,000	
5	Interest income		\$125	
6a	Ordinary dividends			
6b	Qualified dividends			
7	Royalties			
8	Net short-term capital gain (loss)			
9a	Net long-term capital gain (loss)			
9b	Collectibles (28%) gain (loss)			

9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)	A (\$151,902)	
		C \$2,258,392	
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items		
18	Tax-exempt income & nondeductible expense	C \$300	
19	Distributions		
20	Other Information	A \$125	

Sch K	K-1 (Form 1065)	Partner's Share	of Income, Dedu	ctions, Credi	ts, etc.	2006
Tax y	ear beginning <b>January 1</b> , 20	006 ending December 3	1, 2006	-		•
	Final K-1 □	-				
	Amended K □					
Part I	Information About the C	Corporation				
	Line Description		Line Amount		Write-in / Literal / Attachments	
A	Partnership's employer i		69-000	0002		
В	Partnership's name, address, city, state, and Zip code		Jennings Bo RT 1 Bo			
			Bar Harbor,	ME 04609		
C	IRS Center where corpo		Ogd	en		
D	Check if Publicly traded					
E	Tax shelter registration					
F	Check if Form 8271 is a	ttached	X			
Part I	II Information About the I	Partner				
G	Partner's Identification r		000-10-	3332		
Н	Partner's name, address,	city, state and ZIP code	4640 Mad	Lionel Colbert 4640 Madison Ln Boston, MA 02109		
I	☐ General partner or LL☐ Limited partner or oth		Limited partr	Limited partner or other LLC member		
J	□ Domestic partner					
•	□ Foreign partner		Domestic	partner		
K	What type of entity is th	is partner?	Indivi			
L	Partner's share of profit,		Beginning%	Ending%		
	Profit		0	50		
	Loss		0	50		
	Capital		0	50		
M	Partner's share of liabili	ties at year end:		-		
	Nonrecourse \$					
	Qualified nonrecourse fi	nancing \$				
	Recourse \$			\$2,375,869		
N	Partner's capital account	t analysis:			•	
	Beginning capital accou					
	Capital contributed duri			\$25,000		
	Current year increase (d			(\$258,625)		
	Withdrawals & distribut			, , ,		
	Ending capital account			(\$233,625)		
	☐ Tax basis ☐ GAAP ☐ ☐ Other (explain)	Sect 704(b) book	Tax B			

Part II	Partner's Share of Current Year Income, Deducti	ons, Credits, and Other Ite	ems
	Line Description		Write-in / Literal / Attachments
1	Ordinary business income (loss)	(\$354,302)	
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Guaranteed payments		
5	Interest income	\$125	
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)		
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items		
18	Tax-exempt income & nondeductible expense	C \$300	
19	Distributions		
20	Other Information	A \$125	

#### **TEST SCENARIO 3**

FORMS REQUIRED: 1065, Schedule M-3 (Form 1065) 4562, 8865, 1065 SCH K-1 (3), 8865, 8865 SCH O, 8865 SCH P

### **ATTACHMENTS:**

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement

Other Income (Loss) Statement (Form 1065, Line7, Other Income (Loss); Form 1065 Instructions,

other Income (Loss) Pg 15)

Ownership of Any Interest in Another Partnership or Foreign Entity Statement

**Section 754 Election** 

**BINARY ATTACHMENTS: None** 

**HEADER INFO:** 

Tax Period: Calendar Year 2006

Preparer Firm: Electronic Tax Filers, Inc 69-0000003

123 Any Street Anytown, NY 11717

MultipleSoftwarePackagesUsed: Yes or No

Originator: EFIN: Self-select

Type: ERO PractionerPIN:

EFIN: Self-select PIN: Self-select PIN Entered by – ERO

**Signature Option: PIN Number** 

**Return Type:** 

Filer: EIN: 69-0000003

Name: Carlton Asset Management L P

Name Control: CARL

Address: 1678 South Hoover Blvd San Francisco, CA 94101

Partner: Name: Tony Carlton

Title: President Taxpayer PIN: Phone: 555-555-5555

Email Address: Anymail@email.com

**DateSigned: 03/15/2006** 

Preparer: Name: John Smith

SSN: 000-20-0001 Phone: 631-555-1212

Email Address: Anymail@email.com

**Date Prepared: 03/14/2006** 

Self Employed: No

IRS PAYMENT: N/A

### **Details for attachments to Form**

## Attachment 1, Form 1065, Line 4 (Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement)

Partnership, Estate or	Address	EIN	Trade or	Amount
Trusts Name			Business	
			Activity	
Mai Tai Investments	1-2-3 Ginsu Chuo-Ku	69-0000099	Security	\$10,229,525
	Tokyo, 190-2182		Dealing	

## Attachment 2, Form 1065, Page 1, Line 7 (Other Income (Loss) Statement)

Cancellation of Debt	\$540,000
Services Fees	\$399,880,252

### Attachment 3, Form 1065, Page 1, Line 20 (Itemized Other Deductions Statement)

Legal and Accounting	\$216,572
Bank Fees	\$142,080
Travel and Entertainment	\$40,000

## **Attachment 4, Form 1065 (Publicly Traded Partnership)**

3.5% Publicly Traded Partnership Tax	Overpayment	Balance Due	Zero Liability	Data Stream for Computation
\$14,372,742	0	0	0	Total Income multiplied by
				3.5%

## Attachment 5, Form 1065, Schedule B, Question 3 (Ownership of Any Interest in Another Partnership or Foreign Entity Statement)

Type of Er	tity	<b>Entity Name</b>	EIN	Country
Partnersl	nip M	ai Tai Partnership	69-0000099	Japan

## Attachment 6, Form 1065, Page 2, Schedule B, Line 11 (Section 754 Election)

Name of Partnership	Carlton Asset Management L P
Partnership Address	1678 South Hoover Blvd
1 at thei ship Addi ess	San Francisco, CA 94101
Section 754 Declaration	Made a section 754 declaration

# Attachment 7, Form 1065, Schedule M-3, Part II, Line 8 (Income (loss) From Foreign Partnerships Schedule)

Name	EIN	EOY Profit Sharing Percentage	EOY Loss Sharing Percentage	Income per Income Statement	Amount
Mai Tai Investments	69-0000099	25%	25%	\$10,229,525	\$10,229,525

		nership Income Tax	2006
Calend	ar Year 2006 or tax year beginning 1/1	, 2006, ending 12/31	, 2006
A	Principal business activity	Management	
В	Principal product or service	Financial Investment	
C	Business code number	523900	
Name a	and Address:		
D	Employer Identification number	69-0000003	
E	Date business started	10/23/1998	
F	Total assets	\$6,317,811	
G	Check applicable boxes 1,2,3,4,5		
Н	Check accounting method 1,2,3	Cash	
I	Number of Schedule K-1	3	
J	Check if Schedule M-3 Required (attach	X	
	Schedule M-3)		
	Line Description	Line Amount	Write-in / Literal / Attachment
1a	Gross receipts or sales		
1b	Less returns and allowances		
1c	Balance		
2	Cost of goods sold (Sch A, line 8)		
3	Gross profit. Subtract line 2 from 1c		
4	Ordinary income or (loss)	\$10,229,525	Attachment 1
5	Net farm profit (loss) F1040		
6	Net gain (loss) F4797		
7	Other income or (loss)	\$400,420,252	Attachment 2
8	Total income. Add lines 3 through 10	\$410,649,777	
9	Salaries and wages (less employment		
	credits)	\$1,222,990	
10	Guaranteed payments to partners	\$561,900	
11	Repairs and maintenance	\$8,610	
12	Bad debts		
13	Rent	\$729,654	
14	Taxes and licenses	\$871,972	
15	Interest		
16a	Depreciation (attach Form 4562)	\$19,433	
16b	Less depreciation claimed on Sch A		
16c	Total depreciation	\$19,433	
17	Depletion		
18	Retirement plans, etc	\$345,678	
19	Employee benefit programs	****	
20	Other deductions	\$398,652	Attachment 3
21	Total deductions (add lines 9 – 20)	\$4,158,889	
22	Ordinary business income (loss) (Subtract	0407 400 000	
22	Line 21 from Line 8	\$406,490,888	
23	Credit for federal telephone excise tax paid		
Schedi			
1	Inventory at beginning of year		
2	Purchases less cost of items		
3	Cost of labor		
4	Additional section 263A costs		
5	Other costs		
6	Total. Add lines 1 - 5		
7	Inventory at the end of year		
8	Cost of goods sold. Subtract Line 7		
	from 6		
9a (i)	Cost in regulations 1.471-3		

Form 1	Form 1065 Test U.S. Return of Partnership Income Tax 2006								
9a (ii)	Lower of cost or market								
9a (iii)	Other								
9b	Check if writedown								
9c	Check if the LIFO was adopted								
9d	Section 263A rules apply								
9e	Change in determining quantities, cost,								
	valuations								
	lle B Other Information								
1a	Domestic general partnership								
1b	Domestic limited partnership	X							
1c	Domestic limited liability company								
1d	Domestic limited liability partnership  Foreign partnership								
1e 1f	Other								
2	Any partners in this partnership also	Y							
2	partnerships?	I							
3	Partnership own interest in another	Y	Attachment 5						
	partnership or foreign entity?								
4	Partnership file Form 8893?	N							
5a	Partnership total receipts <\$250,000	N							
5b	Partnership total assets <\$600,000	N							
5c	Filed Schedule K-1 with return?	N							
6	Partnership have foreign partners?	N							
7	Partnership publicly traded partnership?	Y							
8	Partnership filed F8264?	N N							
9	Partnership have an interest in or a signature, or other authority over	IN .							
	financial account in foreign country?								
10	Partnership receive distribution from,	N							
	granter of, transferor to foreign trust?								
11	Distribution of property or transfer of	Y	Attachment 6						
12	partnership interest?	1							
12	Number of Forms 8865 attached	1							
	Name of designated TMP  Identifying number of TMP								
	identifying number of TWI								
	Address of designated TMP								
S	chedule K Partners' Distributive Share I	tems							
1	Ordinary business income (loss)	\$406,490,888							
2	Net rental real estate income (loss)								
3a	Other gross rental income (loss)								
3b	Other rental activities expenses								
3c	Other net rental income (loss) Subtract								
	Line 3b from 3a								
4	Guaranteed payments	\$561,900							
5	Interest Income	\$36,525							
6a	Ordinary dividends								
6b 7	Qualified dividends Royalties								
8	Net short-term capital gain (loss)								
9a	Net long-term capital gain (loss)								
9a 9b	Collectibles (28%) gain (loss)								
9c	Unrecaptured section 1250 gain								
10	Net section 1231 gain (loss)								
11	Other income (loss)								
12	Section 179 deduction	\$43,332							

Form	1065 Test	U.S. Return of Parti	nership Income Tax	2006
13a	Contributions			
13b	Investment interest e			
13c	Section 59(e)(2) expe			
13c	Section 59(e)(2) exp	enditures (amount)		
(2)				
13d	Other deductions			
14a	Net earnings (loss) so		\$41,210,989	
14b	Gross farming or fish			
14c	Gross nonfarm incon		\$365,279,899	
15a	Low-income housing			
15b	Low-income housing			
15c	Qualified rehabilitati			
15d	Other rental real esta	te credits		
15e	Other rental credits	dit		
15f	Other credits and cre		TA	
16a 16b	Name of country or U		JA \$10,229,525	
16c	Gross income from a		\$10,229,525	
100	partnership level	u ai		
16d	Passive		\$10,229,530	
16e	Listed categories		\$10,227,550	
16f	General limitation			
16g	Interest expense			
16h	Other			
16i	Passive			
16j	Listed categories			
16k	General limitation			
16l	Total foreign taxes P	aid   □ Accrued   □	\$632,510	
16m	Reduction in taxes av			
16n	Other foreign tax info			
17a	Post 1986 depreciation			
17b	Adjusted gain or loss			
17c	Depletion (other than			
17d	Oil, gas, and geother	mal properties-gross		
17.	income	mal manartica		
17e	Oil, gas, and geother deductions	mai properties-		
17f	Other AMT items			
18a	Tax-exempt interest	income		
18b	Other tax-exempt inc			
18c	Nondeductible exper		\$1,111	
19a	Distri of cash & mar		\$408,202,737	
19b	Distributions of other		, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
20a	Investment income		\$36,525	
20b	Investment expenses		,	
20c	Other items and amo			

	Analysis of N.	Income (I a	)						
1	Analysis of Net			no 1			T		
1	Net income (lo				Ø 40	06,413,471			
	161	ini schk iille	ı <b>-</b> 130	ı, ailu	540	10,413,4/1			
	(i) Corporate	(ii)	(iii)		(iv) Do	rtnership652	(17)	Exempt	(vi) Nominee
	(1) Corporate	Individual		vidual	(iv) i a	i incisinpus2		anization	Other
		(active)	(pass				l org	MIIIZUUUII	Cilci
2a	Analysis	(uctive)	Pus	J. 1 0 )			+		
24	by								
	General				\$4	0,641,347			
	partners								
2b	Analysis								
	by		0.4.6	064.124	024	1 707 000			
	Limited		\$4,0	064,134	\$36	51,707,990			
	partners								
Sched	ule L Balanc	e Sheets per I	Books						
		Beginnir		ax year		End	d of ta	x year	Write-in /
									Literal
	Assets	(a)		(b		(c)		(d)	
1	Cash			\$5,2	232,390			\$6,027,450	
2a	Trade notes								
2b	Less allowanc	e							
3	Inventories								
4	U.S. govt obli	g							
5	Tax-exempt								
	securities								
6	Other current								
	assets								
7	Mortgage & re	eal							
	estate loan			ļ					
8	Other								
	investments								_
9a	Bldgs & other		1 740			01 (02)	050		
9b	deprec assets Less accumu-	\$1,62	21,740			\$1,682,	73U		
90	lated deprec	Q1 25	2,379	Φ1	249,361	\$1,435,	144	\$247,806	
10a	Depletable ass		4,317	<b>D</b>	47,501	<b>Ф1,433,</b>	177	φ <b>4</b> 47,000	
10a 10b	Less accumu-								
100	lated depletion	1							
11	Land								
12a	Intangible asse	ets							
12b	Less accum								
	amortization								
13	Other assets								
14	Total assets			\$5,4	81,751			\$6,317,811	
	Liabilities	(a)		(t		(c)		(d)	
15	Accour							` '	
	payal								
	1 0			\$4	143,823			\$3,049,605	
16	Mortgag								
	notes, bor								
	payable < 1								
17	Other curre								
L	liabilit								
18	All nonrecou								
4.5	loa			ļ				\$540,000	
19	Mortgag	es,							

	notes, bonds					
	payable > 1yr					
20	Other liabilities					
21	Partners' capital					
	accounts	\$5,0	037,928		\$2,685,651	
22	Total liabilities					
	and capital		481,751		\$6,275,256	
Schedu	ule M-1 Reconciliation of Inc	ome (Loss) j				
	Line Description		Line A	mount	Write-in / Literal	
1	Net Income (loss) per books					
2	Income included on SchK lines					
	6a, 7, 8, 9a, 10, 11, not recorded	on the				
	books this year (itemized):					
2	Total Income Included					
3	Guaranteed payments (other that	n health				
	insurance)					
4a	Expenses recorded on books (ite	emize)				
	Depreciation					
4b	Travel & entertainment					
4	Total Income Expenses					
5	Add lines 1 – 4					
6a	Income recorded on books (item	ize) tax-				
	exempt interest					
6	Total Income Recorded					
7a	Deductions not charged against	book				
	(itemize) depreciation					
7	Total Itemized Deductions					
8	Total Income/Deductions					
8	Add lines 6 and 7					
9	Income (loss) (Analysis of net in	ncome				
	(loss) line 1). Subtract line 8 from	m line 5				
Schedu	ule M-2 Analysis of Partners'	Capital Ac	counts			
1	Balance at beginning of year			\$5,037,928		
2a	Capital contributed - Cash					
2b	Capital contributed - Property					
3	Net income (loss) per books			\$405,850,460		
4	Other increases (itemized)					
5	Add lines 1 through 4			\$410,888,388		
6a	Distributions – Cash			\$408,202,737		
6b	Distributions – Property					
7	Other decreases (itemized)					
8	Add lines 6 and 7			\$408,202,737		
9	Balance at end of year. Subtract	line 8				
	from line 5			\$2,685,651		_

Form Scho	edule M-3 (1065) Net	Income (Loss) Reconciliation fo	or Certain Partnerships
Name: Car	rlton Asset Management L P		
EIN: 69-0	000003		
	Line Description	Line Amount / Information	Write-in / Literal
A	Total Assets End Of Tax Year is	Zine rimount / mornium	Write III / Electur
	Equal to \$10 million or more		
	Adjusted Total Assets For Year is		
В	Equal to \$10 million or more		
	Total Receipts For Taxable Year is		
$\mathbf{C}$	Equal to \$35 million or more	X	
	An Entity that is a Reportable Entity		
	Partnerdeemed to own interest 50		
D	percent or more		
E	Voluntary Filer		
Part I Fi	nancial Information and Net Income	(Loss) Reconciliation	
	Did Partnership File SEC Form 10-		
1a	K	Yes	
	Did Partnership Prepare Certified		
1b	Audited Income Statement		
	Did Partnership Prepare Income		
1c	Statement		
2	Beginning Income Statement Period	01/01/2006	
2	Ending Income Statement Period	12/31/2006	
	Has Partnership's Income Statement		
3a	Been Restated	No	
	Has Partnership's Income Statement		
	Been Restated For Any Of Five		
3b	Statement Periods	No	
	Worldwide Consolidated Net		
4	Income (Loss)	\$405,850,460	
	Net Income From Nonincludible		
5a	Foreign Entities		
	Nonincludible Foreign Entity		
5b	Schedule		
	Net Income Nonincludible Foreign		
6a	Entities		
	Net Loss from Nonincludible		
6b	Foreign Entities		
_	Net Income From other includible		
7a	Entities		
<b>7</b> 1	Net loss From other includible		
7b	Entities		
8	Adjustments to eliminations		
0	Adjustment to reconcile income		
9	statement period		
10	Other adjustments to reconcile	0407.070.440	
11	Net income (Loss)	\$405,850,460	

Schedule	e M-3 (Form 1065) 2006 Pag	ge 2							
PART I	PART II RECONCILIATION OF NET INCOME (LOSS) PER INCOME STATEMENT OF PARTNERSHIP WITH INCOME (LOSS) PER RETURN								
		(a) Income (loss) per Income Stmt	(b) Temp Difference	(c) Perm Difference	(d) Income (loss) per Tax Return	Write-in / Literal			
	Income (Loss) From								
	Equity Method Foreign								
1	Corporations								
	Gross Foreign Dividends Not Previously Taxed								
2	Temporary Difference								
	Subpart F, QEF, And								
	Similar Income								
3	Inclusions								
	Gross Foreign								
	Distributions Previously								
4	Taxed								
	Income (Loss) From								
	Equity Method U.S.								
5	Corporations								
6	U.S. Dividends								
	Income (Loss) From								
7	U.S. Partnerships								
	Income (Loss) From								
8	Foreign Partnerships	\$10,229,525			\$10,229,525	Attachment 7			
	Income (Loss) From								
0	Other Pass-Through Entities								
9	Items Relating To								
10	Reportable Transactions								
11	Interest Income								
11	Total Accrual To Cash								
12	Adjustment								
13	Hedging Transactions								
10	Mark-To-Market Income								
14	(Loss)								
15	Cost Of Goods Sold								
16	Sale Versus Lease								
	Section 481(a)								
17	Adjustments								
	Unearned/Deferred								
18	Revenue			1					
	Income Recognition								
10	From Long-Term								
19	Contracts OID Discount And Other								
20	Imputed Interest								
20	Income Statement		1						
	gain/lossother than					l			
	Inventory and Pass-					l			
21a	Through Entities								
	Gross Capital Gains			1					
21b	From Schedule D								
	Gross Capital Losses								
21c	From Schedule D								
	Net Gain/Loss Reported								
21d	on Form 4797								

21e	Abandonment Losses				
21f	Worthless Stock Losses				
	Other Gain/Loss On				
21g	Disposition Of Assets				
	Other Income (Loss)				
22	Items With Differences				
	Total Income (Loss)				
23	Items	\$10,229,525		\$10,229,525	
	Total Expense/Deduction				
24	Items	\$2,222	\$563,011	\$563,011	
	Other Items with				
25	differences	\$395,618,713		\$395,620,935	
26	Reconciliation Totals	\$405,850,460	\$563,011	\$406,413,471	

Sched	ule M-3 (Form 1065) 2006 Pa	ge 3			
	DADTHI DECONCHIAT		ME (LOSS) DED INCOMI		OF
	PART III RECONCILIAT PARTNERSHIP WITH IN				
	Equity-based	(2022) 1 211 2		2001101,1121,	
1	compensation				
	Meals and				
2	Entertainment	\$2,222	\$1,111	\$1,111	
3	Fines and Penalties				
4	Judgments, damages				
5	Guaranteed Payments		\$561,900	\$561,900	
	Pension And Profit-				
6	Sharing				
_	Other Post-Retirement				
7	Benefits				
0	Deferred				
8	Compensation				
	Charitable Contribution Of Cash				
9	And Tangible Property				
,	Charitable				
	Contribution Of Cash				
	And Intangible				
10	Property				
	Organizational				
	Expenses as per 1.709-				
11	2(a)				
	Organizational				
	Expenses as per 1.709-				
12	2(b)				
	Current Year				
	Acquisition/Reorganiz ation Investment				
13	Banking Fees				
13	Current Year				
	Acquisition/Reorganiz				
	ation Investment				
14	Accounting Fees				
	Amortization/Impairm				
15	ent Of Goodwill				
	Amortization Of				
	Acquisition,				
16	Reorganization, And				

	T = =		I	1	1
	Start-Up Costs				
	Other Amortization Or				
17	Impairment Write-Offs				
	Section 198				
	Environmental				
18	Remediation Costs				
19	Depletion				
	•				
20	Depreciation				
20	Depreciation				
21	Bad Debt Expenses				
22	Interest Expense				
23	Purchase Versus Lease				
	Domestic Production				
24	Activities Deduction				
	Other				
	Expenses/Deduction				
	Items With				
25	Differences				
23	Total				
26	Expenses/Deduction	ga 222	05(2.011	05/2 011	
26	Items	\$2,222	\$563,011	\$563,011	

Form 45	562	Depreciati	ion and Am	ortization	20	06				
Name:	Carlton Asset Manag	ement LP								
Business	s or Activity: Carlton	Asset Mana	gement LP							
EIN: <b>69</b>	0-0000003									
	Line Description			Line Amoun	ıt	V	Vrite-i	n / Lite	ral / Attacl	ıments
Part I	<b>Election to Expense</b>	Certain Proj	perty Under	Section 179						
1	Maximum amount				108,00	00				
2	Total cost of section	179 prop			\$43,33	32				
3	Threshold cost of sec	ction 179 pro	p		430,00	00				
4	Reduction in limitati	on								
5	Dollar limitation for	TY			\$108,00	00				
6(a)	Description of Prope	rty		Office Equip	ment					
6(b)	Cost				\$23,45					
6(c)	Elected cost				\$23,45	56				
6(a)	Description of Prope	rty		Furniture/fi						
6(b)	Cost				\$19,87					
6(c)	Elected cost				\$19,87	6				
7	Listed property	1=^								
8	Total elected cost of	sec 179 prop	)		\$43,33					
9	Tentative deduction	1.1.1.2			\$43,33	52				
10	Carryover of disallov		n		0100.00	<u> </u>				
11	Business income lim				\$108,00	_				
12	Section 179 expense				\$43,33	0.2				
13	Carryover of disallov			Dammaiatian						
Part II 14	Special Depreciation  Special depreciation		and Otner	Depreciation						
15	* *		alaction							
16	Property subject to sec 168(f)(1) election  Other depreciation				\$\$43	34				
Part III		ion			φφτο	· <del>-</del>				
17	•	1011								
	MACRS deductions				\$18,99	9				
18	Sec 168(i)(4) election		2006 TE	** *** *** *** *** *** *** *** *** ***		1.0	•			
Section	B – Assets Placed in S						eprecia			*** **
	(a) Classification of	(b) Month	(c) Basis for	(d) Recovery		(e) ventio	ո Խ	(f) Iethod	(g) Deprc	Write-in / Literal
	property	& Year	deprec	period	, con	· CIIIIO		icinou	deduct	/ Attach-
	property	& Tear	исргсс	periou					deduct	ments
										11101100
19a	3-year property									
19b	5-year property									
19c	7-year property									
19d	10-year property									
19e	15-year property									
19f	20-year property									
19g	25-year property									
19h	Residential rental									
101	property									
19i	Nonresidential real									
Ca-4.	property	Committee D	2007 T	- Vag- II •	4la a A 14	4.		a a i = 1 *	- C4	
	C-Assets Placed in S	Service Duri	ing 2006 Ta	x year Using	tne Alter	nativ	Depr	eciatioi	n System	
20a	Class life						C/T			
20b	12-year				MM		S/L S/L	-		
20c Part IV	40-year				MM		S/L			
21	Summary Listed property			1		<u> </u>				
41	Listed property									

Form 45	562	Depreciation	and Amo	rtization	2006			
22	Total	-			\$19,433			
23	Assets for CY							
Part V	Listed Property		L					
	A – Depreciation and	d Other Inform	ation					
24a	Evidence?							
24b	Evidence written?							
25	Special depreciation	allowance						
26(a)	Type of property							
26(b)	Date in service	-						
26(c)	Business investment	t %						
26(d)	Cost or other basis	-						
26(e)	Basis for depreciation	on						
26(f)	Recovery period							
26(g)	Method/Convention							
26(h)	Depreciation deduct							
26(i)	Election Sec 179 co							
27(a)	Type of property							
27(b)	Date in service							
27(c)	Business investment	t %						
27(d)	Cost or other basis	, , , <u>, , , , , , , , , , , , , , , , </u>						
27(e)	Basis for depreciation	on						
27(f)	Recovery period							
27(g)	Method/Convention							
27(h)	Depreciation deduct							
27(i)	Election Sec 179 co							
28	Add column (h), lin							
29	Add column (i), line							
	B – Information on l							
30(a)	Total bus/invest mil							
31(a)	Total commuting m							
32(a)	Tot other personal n							
33(a)	Total miles driven							
34	Vehicle available fo	r personal use?						
35	Vehicle used > 5%							
36	Another vehicle ava		se?					
	C – Questions for Er			hicles for Use	by Their	Employees		
37	Maint written policy					1		
38	Maint written policy							
39	Vehicles treated as p							
40	Provide > 5 vehicle							
41	Qualified auto demo							
Part VI	Amortization		<u></u>					
	(a)Depreciation	(b) Date	(c) Amor		(e)Amoi	rt (f)Amo	ort	Write-in / Literal /
	of costs	amort begins	amount	section	period o percent		S	Attachments
42								
43	Amort of costs before 2006 TY			1	I			<u> </u>
44	Total							

Form	8865 Return of U.S Partnerships	. Persons with Respect to Certai	n Foreign 2006
Tax ye	ear beginning 1/1, 2006 ending	12/31 , 2006	<u> </u>
	Carlton Asset Management LP		
EIN: 6	69-000003		
Addres	ss: 1678 S Hoover Blvd San Francisco,	CA 94101	
	Line Description	Line Amount / Information	Write-in / Literal / Attachments
A	Category of filer	3	
В	Filer's TY beginning and ending	01/01/2006	
	Filer's share of liabilities –		
C	Nonrecourse	12/31/2006	
	Filer's share of liabilities –		
C	Qualified nonrecourse	\$4,800,000	
C	Filer's share of liabilities - Other		
D	Name, Address, EIN		
E(1)	Name		
E(2)	Address		
E(3)	Identifying number		
E(4)	Check applicable box		
		Mai Tai Investments	
	Name and address of foreign	1-2-3 Ginsu, Chuo-Ku	
F1	partnership	Tokyo, 190-2182	
F2	EIN if any	69-0000099	
F3	Country under laws organized	Japan	
F4	Date of organization	09/30/1992	
F5	Principal place of business	Japan	
F6	Principal business activity code	523110	
F7	Principal business activity	Security Dealing	
F8a	Functional currency	Yen	
F8b	Exchange rate	.8739	
G1	Name, Address, EIN		
G2	Foreign partnership must file	Form 8804	
G3	Name, address of foreign agent		
	Name, address of person w/ custody		
G4	of books and location		
G5	Special allocation made	No	
G6	Number of F8858		
G7	How is partnership classified	Partnership	
G8	Owned separate units	No	
G9	Meet both requirements	No	
Prepai	rer's SSN or PTIN: 000-20-0001		
Prepar	rer Firm's name/address: Electroni	c Tax Filers, Inc	
	rer's EIN: N/A		
Prepar	rer's Phone no.: 631-555-1212		
	ule A Constructive Ownership of Par	tnership Interest	
	Check boxes that apply (a, b)	A	
		Carlton Asset Management	
	Name	LP	
		1678 S Hoover Blvd	
	Address	San Francisco, CA 94101	
	Identifying number	69-0000003	
	Foreign person		
	Direct partner	No	
Sched	ule A-1 Certain Partners of Foreign	Partnership	
	Name		
	Address		
	Identifying number		
<u> </u>	raciurying number		

Form 8	8865	Return of U.S	Persons with Respect to Certain 1	Foreign	2006
		Partnerships			
	Foreign person				
Schedu	ıle A-2 Affiliation Sc	hedule			
	Name				
	Address				
	EIN				
	Total ordinary incom	e			
	Foreign partnership				
Schedu	ile B Income Statem	ent – Trade or l	Business Income		
1a	Gross receipts				
1b	Less return and allow	rances			
1c	Net gross receipts or	sales			
2	Cost of good sold				
3	Gross profit				
4	Ordinary income				
5	Net farm profit				
6	Net gain (loss)				
7	Other income				
8	Total income				
9	Salaries and wages				
10	Guaranteed payments	s to prtnrs			
11	Repairs and maintena	nnce			
12	Bad debts				
13	Rent				
14	Taxes and licenses				
15	Interest				
16a	Depreciation				
16b	Less depreciation				
16c	Net depreciation				
17	Depletion				
18	Retirement plans				
19	Employee benefits pr	ograms			
20	Other deductions				
21	Total deductions				
22	Ordinary business inc	come			
	lle D Capital Gains		1		
			es - Assets Held One Year or Less		
1(a)	Description of proper				
1(b)	Date acquired	<i></i>			
1(c)	Date sold				
1(d)	Sales price				
1(e)	Cost or other basis				
1(f)	Gain or loss				
2	Short-term capital ga	in fm F6252			
3	Short-term capital ga				
4	Prntshp share of shor				
5	Net short-term gain				
		Gains and Lass	es - Assets Held More Than One Y	ear	
6(a)	Description of proper			·-	
6(b)	Date acquired	<u> </u>			
6(c)	Date sold				
6(d)	Sales price				
6(e)	Cost or other basis				
6(f)	Gain or loss				
7	Long-term capital gai	in fm F6252			
	ع ال		t		

8 Long-term capital gain fm F8824 9 Printshp share of long-term gain 10 Capital gain distribution 11 Net long-term gain  Schedule K Partners Distributive Share Items  Line Description Line Amount / Information Write-in / Literal  1 Ordinary business income (loss) 2 Net rental real estate income 3a Other gross rental income (loss) 3b Expenses fm other rent activities 3c Other net rental income (loss) 4 Guaranteed payments 5 Interest income 6a Ordinary dividends 6b Qualified dividends 7 Royalties 8 Net short-term capital gain 9a Net long-term capital gain 9b Collectibles 9c Unrecaptured section 1250 gain 11 Other income 12 Sec 179 deduction 13a Contributions 13b Investment income exp 13c1 Sec 59(e) type 13c2 Sec 59(e) amount 13d Other deductibles 14a Net earnings 14b Gross farm income 15a Low-income other	
10   Capital gain distribution	
Net long-term gain   Schedule K   Partners Distributive Share Items   Line Description   Line Amount / Information   Write-in / Literal	
Schedule K Partners Distributive Share Items   Line Description   Line Amount / Information   Verte-in / Literal	
Line Description 1 Ordinary business income (loss) 2 Net rental real estate income 3a Other gross rental income (loss) 3b Expenses fin other rent activities 3c Other net rental income (loss) 4 Guaranteed payments 5 Interest income 6a Ordinary dividends 6b Qualified dividends 7 Royalties 8 Net short-term capital gain 9a Net long-term capital gain 9b Collectibles 9c Unrecaptured section 1250 gain 10 Net section 1231 gain 11 Other income 12 Sec 179 deduction 13a Contributions 13b Investment income exp 13c1 Sec 59(e) type 13c2 Sec 59(e) amount 13d Other deductibles 14a Net earnings 14b Gross farm income 15a Low-income housing credit	
1 Ordinary business income (loss) 2 Net rental real estate income 3a Other gross rental income (loss) 3b Expenses fin other rent activities 3c Other net rental income (loss) 4 Guaranteed payments 5 Interest income 6a Ordinary dividends 6b Qualified dividends 7 Royalties 8 Net short-term capital gain 9a Net long-term capital gain 9b Collectibles 9c Unrecaptured section 1250 gain 10 Net section 1231 gain 11 Other income 12 Sec 179 deduction 13a Contributions 13b Investment income exp 13c1 Sec 59(e) type 13c2 Sec 59(e) amount 13d Other deductibles 14a Net earnings 14b Gross farm income 15a Low-income housing credit	
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3a     Other gross rental income (loss)       3b     Expenses fm other rent activities       3c     Other net rental income (loss)       4     Guaranteed payments       5     Interest income       6a     Ordinary dividends       6b     Qualified dividends       7     Royalties       8     Net short-term capital gain       9a     Net long-term capital gain       9b     Collectibles       9c     Unrecaptured section 1250 gain       10     Net section 1231 gain       11     Other income       12     Sec 179 deduction       13a     Contributions       13b     Investment income exp       13c1     Sec 59(e) type       13c2     Sec 59(e) amount       13d     Other deductibles       14a     Net earnings       14b     Gross farm income       15c     Low-income housing credit	
3b Expenses fm other rent activities 3c Other net rental income (loss) 4 Guaranteed payments 5 Interest income 6a Ordinary dividends 6b Qualified dividends 7 Royalties 8 Net short-term capital gain 9a Net long-term capital gain 9b Collectibles 9c Unrecaptured section 1250 gain 10 Net section 1231 gain 11 Other income 12 Sec 179 deduction 13a Contributions 13b Investment income exp 13c1 Sec 59(e) type 13c2 Sec 59(e) amount 13d Other deductibles 14a Net earnings 14b Gross farm income 15a Low-income housing credit	
3c     Other net rental income (loss)       4     Guaranteed payments       5     Interest income       6a     Ordinary dividends       6b     Qualified dividends       7     Royalties       8     Net short-term capital gain       9a     Net long-term capital gain       9b     Collectibles       9c     Unrecaptured section 1250 gain       10     Net section 1231 gain       11     Other income       12     Sec 179 deduction       13a     Contributions       13b     Investment income exp       13c1     Sec 59(e) type       13c2     Sec 59(e) amount       13d     Other deductibles       14a     Net earnings       14b     Gross farm income       14c     Gross non farm income       15a     Low-income housing credit	
4 Guaranteed payments 5 Interest income 6a Ordinary dividends 6b Qualified dividends 7 Royalties 8 Net short-term capital gain 9a Net long-term capital gain 9b Collectibles 9c Unrecaptured section 1250 gain 10 Net section 1231 gain 11 Other income 12 Sec 179 deduction 13a Contributions 13b Investment income exp 13c1 Sec 59(e) type 13c2 Sec 59(e) amount 13d Other deductibles 14a Net earnings 14b Gross farm income 15a Low-income housing credit	
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8Net short-term capital gain9aNet long-term capital gain9bCollectibles9cUnrecaptured section 1250 gain10Net section 1231 gain11Other income12Sec 179 deduction13aContributions13bInvestment income exp13c1Sec 59(e) type13c2Sec 59(e) amount13dOther deductibles14aNet earnings14bGross farm income14cGross non farm income15aLow-income housing credit	
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9c Unrecaptured section 1250 gain 10 Net section 1231 gain 11 Other income 12 Sec 179 deduction 13a Contributions 13b Investment income exp 13c1 Sec 59(e) type 13c2 Sec 59(e) amount 13d Other deductibles 14a Net earnings 14b Gross farm income 14c Gross non farm income 15a Low-income housing credit	
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12 Sec 179 deduction 13a Contributions 13b Investment income exp 13c1 Sec 59(e) type 13c2 Sec 59(e) amount 13d Other deductibles 14a Net earnings 14b Gross farm income 14c Gross non farm income 15a Low-income housing credit	
13a     Contributions       13b     Investment income exp       13c1     Sec 59(e) type       13c2     Sec 59(e) amount       13d     Other deductibles       14a     Net earnings       14b     Gross farm income       14c     Gross non farm income       15a     Low-income housing credit	
13bInvestment income exp13c1Sec 59(e) type13c2Sec 59(e) amount13dOther deductibles14aNet earnings14bGross farm income14cGross non farm income15aLow-income housing credit	
13c1Sec 59(e) type13c2Sec 59(e) amount13dOther deductibles14aNet earnings14bGross farm income14cGross non farm income15aLow-income housing credit	
13c2     Sec 59(e) amount       13d     Other deductibles       14a     Net earnings       14b     Gross farm income       14c     Gross non farm income       15a     Low-income housing credit	
13d Other deductibles 14a Net earnings 14b Gross farm income 14c Gross non farm income 15a Low-income housing credit	
14aNet earnings14bGross farm income14cGross non farm income15aLow-income housing credit	
14bGross farm income14cGross non farm income15aLow-income housing credit	
14c     Gross non farm income       15a     Low-income housing credit	
15a Low-income housing credit	
15d Other rental real estate credit  15e Other rental credits	
15f Other credits and recapture	
16a Name of country	
16b Gross income all sources	
16c Gross income sources	
16d Passive	
16e Listed categories	
16f General limitation	
16g Interest expense	
16h Other	
16i Passive	
16j Listed categories	
16k General limitation	
16l Total foreign tax	
16m Reduction in taxes	
16n Other foreign tax	
17a Post-1986 depreciation	
17b Adjusted gain/loss	
17c Depletion	

Form 8	8865		Return of U.S. Persons with Respect to Certain Foreign Partnerships 2006				
17d	Oil, gas and geother		<u> </u>				
17u	Oil, gas and geother						
17f	Other AMT items	mar ded					
18a	Tax-exempt income						
18b	Other tax-exempt inc						
18c	Nondeductible exper						
19a	Distribution of cash						
19b	Distribution of other	property					
20a	Investment income	1 1 2					
20b	Investment expenses	S					
20c	Other items and amo						
Schedu	ule L Balance Sheets						
	E	Beginning of ta	x year	End of t	ax year	Write-in /	
					1 (2)	Literal	
_	0.1	(a)	(b)	(c)	(d)		
1	Cash						
2a	Trade notes						
2b 3	Less allowance Inventories						
4	U.S. govt oblig						
5	Tax-exempt						
3	securities						
6	Other current						
	assets						
7	Mortgage & real						
	estate loan						
8	Other						
	investments						
9a	Bldgs & other						
01-	deprec assets						
9b	Less accumu- lated deprec						
10a	Depletable assts						
10a 10b	Less accumu-						
100	lated depletion						
11	Land						
12a	Intangible assets						
12b	Less accum						
	amortization						
13	Other assets						
14	Total assets						
15	Accounts						
16	payable						
16	Mortgages,						
	notes, bonds payable < 1yr						
17	Other current						
1,	liabilities						
18	All nonrecourse						
-	loans						
19	Mortgages,						
	notes, bonds						
	payable > 1yr						
20	Other liabilities						
21	Prnt Cap stock					1	

Form 8865 Return of U.S. I Partnerships			S. Persons with Respect to Certai	n Foreign	2006
22	Total liabil/cap	T til			
Sched	1	eets for Interest	Allocation		
	Line Description		Line Amount / Information	tion Write-in / Literal / Attachments	
1(a)	Total U.S. assets –				
1(b)	Total U.S. assets –				
2(a)	Passive income cat				
<b>2(b)</b>	Listed categories –				
2(c)	Gen limitation inco				
2(c)	Gen limitation inco				
Sched		iation of Income	(Loss) per Books With Income (I	Loss) per Ret	urn
1	Net Income				
2	Income included on				
3	Guaranteed paymer	nts			
4a	Depreciation				
4b	Travel & entertainn				
4	Expenses recorded	on books			
5	Add lines 1 – 4				
6a	Tax-exempt interest	t			
6	Income recorded or	n books			
7a	Depreciation				
7	Deductions include	d on Sch K			
8	Add lines 6 & 7				
9	Income (loss) Subtr	act ln 8 from 5			
Sched	ule M-2 Analysis	of Partners Cap	ital Accounts		
1	Balance at beg of ye				
2a	Capital contrib. – C				
2b	Capital contrib. – P				
3	Net Income (loss) p	er book			
4	Other increases – it	emized			
5	Add lines 1 – 4				
6a	Distributions – Casl	h			
6b	Distributions – Prop	perty			
7	Other decreases – it				
8	Add lines 6 – 7				
9	Balance at end of ye	ear. Subtract line			
	8 from line 5				

Sch	K-1 (Form 1065)	Partner's Share of	of Income, Dedu	ctions. Credi	ts, etc. 2006
		, 2006 ending <b>December</b>			2000
ıu/ı	Final K-1	, - vvo champ Detember			
	Amended K-1		1		
Part	I Information About th	e Corporation	1		<u> </u>
1 411	Line Description	o corporation	Line Amount		Write-in / Literal / Attachments
A	Partnership's employer i	dentification number	69-000	0003	
В	Partnership's name, add	Carlton	Asset		
	code		Managem		
			1678 S Hoo		
	TDG G	C1 1	San Francisco		
C	IRS Center where corpo		Ogd		
D E	Check if Publicly traded Tax shelter registration		X		
F	Check if Form 8271 is a		-		
	II Information About th				
G	Partner's Identification r		69-300	0001	
Н	Partner's name, address,		XYZ Man		
		, , , , , , , , , , , , , , , , , ,	7272 W Tru		
			Sacramento,		
I	☐ General partner or LL		General parti	ner or LLC	
	☐ Limited partner or oth	er LLC member	member-n	nanager	
J	□ Domestic partner				
	□ Foreign partner		Domestic		
K	What type of entity is th		Partnership		
L	Partner's share of profit	loss and capital	Danima: - 0/	Em dies - 0/	
	Profit		Beginning%	Ending%	
	Loss		10	10 10	
	Capital		10	10	
M	Partner's share of liabili	ties at year end:	10	10	<u> </u>
111	Nonrecourse \$	at jour one.	\$54,000		
	Qualified nonrecourse fi	nancing \$	\$34,000		
	Recourse \$	<u> </u>			
N	Partner's capital accoun	t analysis:			•
	Beginning capital accou			\$503,793	
	Capital contributed duri	<del>-</del>			
	Current year increase (d			\$40,585,046	
	Withdrawals & distribut		(\$40,820,274)		
	Ending capital account	\$		0000 = 0=	
	☐ Tax basis ☐ GAAP ☐	Saat 704(h) haal-		\$268,565	
	☐ Other (explain)	1 SCCL / 04(0) 000K	Sect 704(1	n) hook	
Part		Current Year Income, De			Items
1 ait	Line Description	Carrent I car Income, De	auctions, ci cuit	o, and Other	Write-in / Literal /
					Attachments
1	Ordinary business incom	ne (loss)		\$40,649,089	
2	Net rental real estate inc	ome (loss)			
3	Other net rental income	(loss)			
4	Guaranteed payments			\$561,900	
5	Interest income			\$3,653	
6a	Ordinary dividends				
6b	Qualified dividends				
7	Royalties	-:- (1)			
8	Net short-term capital ga				
9a	Net long-term capital ga				
9b	Collectibles (28%) gain	(IOSS)	1		

9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction	\$4,332	
13	Other deductions		
14	Self-employment earnings (loss)	A \$4,121,099	
		C \$36,527,990	
15	Credits & credit recapture		
16	Foreign transactions	A Japan	
		B \$1,022,953	
		D \$1,022,953	
		L \$63,251	
17	Alternative minimum tax (AMT) items		
18	Tax-exempt income & nondeductible expense	C \$111	
19	Distributions	A \$40,820,274	
20	Other Information	A \$3,653	•

	K-1 (Form 1065) Partner's Share		ctions, Credi	ts, etc. 2006
Tax	year beginning <b>January 1</b> , 2006 ending <b>December</b>	· 31, 2006		
	Final K-1 □	_		
	Amended K □			
Part	I Information About the Corporation			
	Line Description	Line Amount		Write-in / Literal / Attachments
A	Partnership's employer identification number	69-000	0003	
В	Partnership's name, address, city, state, and Zip	Carlton	Asset	
	code	Managem		
		1678 S Hoo		
	77.0	San Francisco		
C	IRS Center where corporation filed return	Ogd	en	
D	Check if Publicly traded partnership (PTP)	X		
E F	Tax shelter registration number, if any Check if Form 8271 is attached	4		
G Part	II Information About the Partner  Partner's Identification number	69-300	0002	
H H	Partner's name, address, city, state and ZIP code	ABC Inve		
11	i armer s name, address, erry, state and zir code	93 E Oa		
		Los Angeles,		
I	☐ General partner or LLC member-manager	Limited partr		
	☐ Limited partner or other LLC member	LLC me		
J	□ Domestic partner			
	□ Foreign partner	Domestic	partner	
K	What type of entity is this partner?	Partne	rship	
L	Partner's share of profit, loss and capital			
		Beginning%	Ending%	
	Profit	89	89	
	Loss	89	89	
1.7	Capital	89	89	
M	Partner's share of liabilities at year end:		0.400 <00	
	Nonrecourse \$	1	\$480,600	
	Qualified nonrecourse financing \$  Recourse \$			
N	·			
11	Partner's capital account analysis:  Beginning capital account \$		\$4,483,756	
	Capital contributed during the year \$		φ <del>1,103,</del> /30	
	Current year increase (decrease) \$	•	361,206,909	
	Withdrawals & distributions \$		63,300,436)	
	Ending capital account \$	(45)	22,200, 100)	
			\$2,390,229	
	□ Tax basis □ GAAP □ Sect 704(b) book		. , , ,	
	□ Other (explain)	Sect 704(1	o) book	
Part	III Partner's Share of Current Year Income, De	eductions, Credit	s, and Other	Items
	Line Description			Write-in / Literal /
				Attachments
1	Ordinary business income (loss)	\$	361,776,890	
2	Net rental real estate income (loss)			
3	Other net rental income (loss)			
4	Guaranteed payments		033 -0-	
5	Interest income		\$32,507	
6a	Ordinary dividends			
6b	Qualified dividends			
7 8	Royalties  Not short term capital gain (loss)	1		
8 9a	Net short-term capital gain (loss)  Net long-term capital gain (loss)			
9a 9b	Collectibles (28%) gain (loss)			
<b>フ</b> ル	Concendies (20/0) gain (1088)			

9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction	\$38,565	
13	Other deductions		
14	Self-employment earnings (loss)		
15	Credits & credit recapture		
16	Foreign transactions	A Japan B \$9,104,277 D \$9,104,277	
		L \$562,934	
17	Alternative minimum tax (AMT) items		
18	Tax-exempt income & nondeductible expense	C \$989	
19	Distributions	A \$363,300,436	
20	Other Information	A \$32,507	

	K-1 (Form 1065) Partner's Share		ctions, Credi	ts, etc. 2006
	year beginning January 1, 2006 ending December		•	•
•	Final K-1 □			
	Amended K □	7		
Part	I Information About the Corporation	•		•
	Line Description	Line Amount		Write-in / Literal / Attachments
A	Partnership's employer identification number	69-000	0003	
В	Partnership's name, address, city, state, and Zip	Carlton	Asset	
	code	Managen	ient Lp	
		1678 S Hoo	ver Blvd	
		San Francisco	, CA 94101	
C	IRS Center where corporation filed return	Ogd	en	
D	Check if Publicly traded partnership (PTP)	X		
E	Tax shelter registration number, if any			
F	Check if Form 8271 is attached			
	II Information About the Partner	1		T
G	Partner's Identification number	000-20-		
H	Partner's name, address, city, state and ZIP code	Tony Ca	arlton	
		4819 S 1		
		San Francisco		
I	☐ General partner or LLC member-manager	Limited partr		
	☐ Limited partner or other LLC member	LLC me	ember	
J	□ Domestic partner	<b>.</b>		
T.7	□ Foreign partner	Domestic partner		
K	What type of entity is this partner?	Indivi	dual	
L	Partner's share of profit, loss and capital	D : : 0/	E 1: 0/	
	D. C.	Beginning%	Ending%	
	Profit	1	1	
	Loss	1	1	
3.4	Capital	1	1	
M	Partner's share of liabilities at year end:		Ø <b>5</b> 400	T
	Nonrecourse \$		\$5,400	
	Qualified nonrecourse financing \$			
<b>N</b> T	Recourse \$			
N	Partner's capital account analysis:		050.250	T
	Beginning capital account \$		\$50,379	
	Capital contributed during the year \$		04050505	
	Current year increase (decrease) \$	<u> </u>	\$4,058,505	
	Withdrawals & distributions \$	+	\$4,082,027)	
	Ending capital account \$	₽1∠ 0 <i>5</i> 7		
	□ Tax basis □ GAAP □ Sect 704(b) book		\$26,857	
	□ Other (explain)	Sect 704(1	a) book	
Part	III Partner's Share of Current Year Income, Do			· Items
- u1 t	Line Description		,, unu Juici	Write-in / Literal /
				Attachments
1	Ordinary business income (loss)		\$4,064,909	
2	Net rental real estate income (loss)			
3	Other net rental income (loss)			
4	Guaranteed payments			
5	Interest income		\$365	
6a	Ordinary dividends		400	
6b	Qualified dividends			
7	Royalties			
8				
	Net short-term capital gain (loss)			
9a	Net long-term capital gain (loss)			

9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction	\$433	
13	Other deductions		
14	Self-employment earnings (loss)	A \$412,110	
		C \$3,652,799	
15	Credits & credit recapture		
16	Foreign transactions	A Japan	
		B \$102,295	
		D \$102,295	
		L \$6,325	
17	Alternative minimum tax (AMT) items		
18	Tax-exempt income & nondeductible expense	C \$11	
19	Distributions	A \$4,082,027	
20	Other Information	A \$365	

20	Other Information						A \$365			
	Sch O (8				fer of Property	y to a Foreig	n Partnership	)	2006	
		feror: Carlton	ı Asset	Mana	gement L P					
	69-00000									
Name	of Foreig	gn Partnership	: Mai	Tai In	vestments					
		r Reportable U	J <mark>nder S</mark>	Section	1 6038B					
Type of		(a) Date of	(b)		(c) Fair	(d) Cost	(e)	(f) Gain	1	(g)
Proper	rty	transfer	Numl		market value	or other	Section	recogni		Percentage
			of ite		on date of	basis	704(c)	on trans	sfer	interest in
			transf	erre	transfer		allocation			partnership
			d				method			after transfer
Cash										
Marke										
securit										
Invent	-									
Tangil		08/08/2006	4	1	\$12,345	\$16,000				25
proper										
Intang										
proper	rty									
Other										
proper										
	emental									
Inform										
Requi										
Be Re				. ~						
Part I		itions Reportal	ble Uno				****	•. •. •		
		Description		Line Amount			Write-in /L	literal / A	ttach	ments
(a)		of property	,							
(b)		f original transf	er							
(c)		f disposition								
(d)		Manner of disposition								
(e)	Gain recognized by									
(0)		partnership								
<b>(f)</b>	Depreciation recapture									
( )		recognized by partnership								
(g)		llocated to parti								
(h)		ciation recapture	e							
		ed to partner					(2 (5) (5) 2			
Part I			ed und	er sect	ion 904(f)(3) or	r section 904	(f)(5)(F)?			
	Yes or	No Checkbox			No					

#### **TEST SCENARIO 4**

#### FORMS REQUIRED:

1065, 4562, 4797, 8308,1065 Sch D, 1065 Sch K-1 (3), Form 8453-PE, DEPENDENCIES

#### **ATTACHMENTS:**

Other Income (Loss) Statement

Itemized Other Deductions Statement Itemized Section 263A Costs Schedule Inventoriable Costs Paid Schedule

Section 754 Election

Partnership's Charitable Contributions Statement

Other AMT Items Statement

Schedule L Other Current Assets Statement

Schedule L Other Assets Statement

Schedule L Other Current Liabilities Statement

# BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

#### **HEADER INFO:**

Tax Period: Calendar Year 2006

Preparer Firm Electronic Tax Filers, Inc 69-0000004

1065 Efile Drive Anytown, OR 97201

MultipleSoftwarePackagesUsed: Yes or No

Originator: EFIN: Self-select

Type: ERO

PractionerPIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065

Filer: EIN: 69-0000004

Name: Eastlands Quarries Name Control: EAST Address: 2313 Jackson Ave Portland, OR 97208

Partner: Name: Jonathan Teak

Title: President Taxpayer PIN: Phone: 555-555-5555

Email Address: Anymail@email.com

**DateSigned: 04/11/2006** 

Preparer: Name: John Smith

SSN: 000-20-1212 Phone: 555-555-555

Email Address: Anymail@email.com

**Date Prepared: 04/11/2006** 

Self Employed: No

IRS PAYMENT: N/A

### **Details for attachments to Form**

# Attachment 1, Form 1065, Page 1, Line 7 (Other Income (Loss) Statement)

Miscellaneous	36,522
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# Attachment 2, Form 1065, Page 1 Line 20 (Itemized Other Deductions Statement)

Amortization	441,924
Insurance	75,606
<b>Professional Fees</b>	583,204
Miscellaneous	213,470

# Attachment 3, Form 1065, Page 2, Schedule A, Line 4 (Itemized Section 263A Costs Schedule)

Rent	50,000
Utilities	24,212

# Attachment 4, Form 1065, Page 2, Schedule A, Line 5 (Inventoriable Costs Paid Schedule)

Professional Fees	19,360
Utilities	1,321,610
Miscellaneous	225,142
Cost of Goods Sold	1,552,601

# Attachment 5, Form 1065, Page 2, Schedule B, Line 11 (Section 754 Election)

Name of Partnership	Eastlands Quarries
Partnership Address	2313 Jackson Ave Portland, OR 97208
Section 754 Declaration	Made a section 754 declaration

# Attachment 6, Form 1065, Page 3, Schedule K, Line 13a (Partnership's Charitable Contributions Statement)

Type of Contribution	50% Cash Contribution	
Amount	3,000	

# Attachment 7, Form 1065, Page 3, Schedule K, Line 17f (Other AMT Items Statement)

Stream (Length: 100,000 Characters)	This is where you place your
Stream (Length. 100,000 Characters)	other AMT items information.

# Attachment 8, Form 1065, Page 4, Schedule L, Line 6b and 6d (Schedule L Other Current Assets Statement)

Type	BOY Amount	EOY Amount
Prepaid Insurance	105,000	105,000
Deposit	45,000	20,000

# Attachment 9, Form 1065, Page 4, Schedule L, Line 13b and 13d (Schedule L Other Assets Statement)

Type	BOY Amount	EOY Amount
Other Assets	387,000	411,000

# Attachment 12, Form 1065, Page 4, Schedule L, Line 17 (Schedule L Other Current Liabilities Statement)

Type	BOY Amount	EOY Amount
Accrued Payroll	793,542	801,250
Accrued Profit Sharing	377,622	486,135

	Form 1065 Test U.S. Return of Partnership Income Tax 2006				
Calend	ar Year 2006 or tax year beginning	<u>.                                      </u>	2006		
A	Principal business activity	Quarries			
В	Principal product or service	Crushed Stone			
C	Business code number	212310			
	and Address: Eastlands Quarries 2313 Ja		208		
D	Employer Identification number:	69-0000004			
E	Date business started	03/29/2002			
F	Total assets	28,234,548			
G	Check applicable boxes 1,2,3,4,5				
H	Check accounting method 1,2,3	Accrual			
J	Check if Schedule M-3 Required (attach				
T	Schedule M-3) Number of Schedule K-1	3			
I	Line Description	Line Amount	Write-in / Literal / Attachment		
1a	Gross receipts or sales	\$15,200,800	Write-in / Literal / Attachment		
1b	Less returns and allowances	\$13,200,800			
1c	Balance	\$15,085,330			
2	Cost of goods sold (Sch A, line 8)	\$7,000,000			
3	Gross profit. Subtract line 2 from 1c	\$8,085,330			
4	Ordinary income or (loss)	ψυ,υυυ,υυ			
5	Net farm profit (loss) F1040				
6	Net gain (loss) F4797	\$37,400			
7	Other income or (loss)	\$36,522	Attachment 1		
8	Total income. Add lines 3 through 10	\$8,159,252			
9	Salaries and wages (less employment	. , ,			
	credits)	\$550,000			
10	Guaranteed payments to partners				
11	Repairs and maintenance	\$3,120,512			
12	Bad debts	\$11,411			
13	Rent	\$486,634			
14	Taxes and licenses	\$262,140			
15	Interest	\$38,106			
16a	Depreciation (attach Form 4562)	\$1,552,601			
16b	Less depreciation claimed on Sch A	\$1,552,601			
16c	Total depreciation	0			
17	Depletion	\$653,121			
18	Retirement plans, etc	\$53,721			
19	Employee benefit programs	\$287,416	A44 - Ibaar 4 2		
20	Other deductions	\$1,314,204	Attachment 2		
21	Total deductions (add lines 9 – 20) Ordinary business income (loss) (Subtract	\$6,777,265			
22	Line 21 from Line 8	\$1,381,987			
23	Credit for federal telephone excise tax	\$1,301,307			
23	paid				
Schedi	Schedule A Cost of Goods Sold				
1	Inventory at beginning of year	\$1,372,320			
2	Purchases less cost of items	\$1,512,263			
3	Cost of labor	\$2,130,412			
4	Additional section 263A costs	\$74,212	Attachment 3		
5	Other costs	\$3,118,713	Attachment 4		
6	Total. Add lines 1 - 5	\$8,207,920			
7	Inventory at the end of year	\$1,207,920			
8	Cost of goods sold. Subtract Line 7 from	\$7,000,000			
0 0	6				
9a (i)	Cost in regulations 1.471-3				

Form	1065 Test U.S. Return of Part	nership Income Tax	2006
9a	Lower of cost or market		
(ii)		X	
9a	Other		
(iii)			
9b	Check if writedown		
9c	Check if the LIFO was adopted		
9d	Section 263A rules apply	Yes	
9e	Change in determining quantities, cost,	No	
	valuations Schedule 1	B Other Information	
1a	Domestic general partnership	otner information	
1b	Domestic limited partnership		
1c	Domestic limited liability company	X	
1d	Domestic limited liability partnership	11	
1e	Foreign partnership		
1f	Other		
2	Any partners in this partnership also	No	
	partnerships?		
3	Partnership own interest in another	No	
	partnership or foreign entity?		
4	Partnership file Form 8893?	No	
5a	Partnership total receipts <\$250,000	No	
5b	Partnership total assets <\$600,000	No	
5c	Filed Schedule K-1 with return?	No	
7	Partnership have foreign partners?  Partnership publicly traded partnership?	No No	
8	Partnership filed F8264?	No No	
9	Partnership have an interest in or a	No	
	signature, or other authority over	110	
	financial account in foreign country?		
10	Partnership receive distribution from,	No	
	granter of, transferor to foreign trust?		
11	Distribution of property or transfer of	Yes	Attachment 5
	partnership interest?		
12	Number of Forms 8865 attached		
	Name of designated TMP		
	Identifying number of TMP		
	Address of designated TMP		
	Schedule K Partners' Distributive Share It Ordinary business income (loss)		
2	Net rental real estate income (loss)	\$1,381,987	
3a	Other gross rental income (loss)		
3b	Other rental activities expenses		
3c	Other net rental income (loss) Subtract		
	Line 3b from 3a		
4	Guaranteed payments		
5	Interest Income	\$14,225	
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)	\$2,300	
9a	Net long-term capital gain (loss)	\$ (2500)	
9b	Collectibles (28%) gain (loss)		
9c 10	Unrecaptured section 1250 gain Net section 1231 gain (loss)	© (E( ENA)	
11	Other income (loss)	\$ (56,500)	
12	Section 179 deduction		
14	Section 1/2 deduction		L

Form	1065 Test U.S. Return of Partnership Income Tax 2006			
13a	Contributions	\$3,000	Attachment 6	
13b	Investment interest expenses	,		
13c	Section 59(e)(2) expenditures (type)			
13c	Section 59(e)(2) expenditures (amount)			
(2)	(3,12,12,13,13,13,13,13,13,13,13,13,13,13,13,13,			
13d	Other deductions			
14a	Net earnings (loss) self employment	\$1,344,587		
14b	Gross farming or fishing income	ψ <b>1,0</b> 1 1,007		
14c	Gross nonfarm income	\$13,856,213		
15a	Low-income housing credit 42(j)(5)	\$15,050,215		
15b	Low-income housing credit (other)			
15c	Qualified rehabilitation expenditures			
15d	Other rental real estate credits			
15e	Other rental credits			
15f	Other credits and credit recapture			
16a	Name of country or U.S. possession			
16b	Gross income from all sources			
16c	Gross income sourced at			
100	partnership level			
16d	Passive			
16e	Listed categories			
16f	General limitation			
16g	Interest expense			
16h	Other			
16i	Passive			
16j	Listed categories			
16k	General limitation			
16l	Total foreign taxes Paid   Accrued			
16m	Reduction in taxes available for credit			
16n	Other foreign tax information			
17a	Post 1986 depreciation adjustment	\$ (199,426)		
17b	Adjusted gain or loss	\$ (15,622)		
17c	Depletion (other than oil and gas)	\$619,783		
17d	Oil, gas, and geothermal properties-gross	\$017,705		
174	income			
17e	Oil, gas, and geothermal properties-			
1.0	deductions			
17f	Other AMT items	\$ (22,101)	Attachment 7	
18a	Tax-exempt interest income	+ (,)		
18b	Other tax-exempt income			
18c	Nondeductible expenses			
19a	Distri of cash & marketable securities	\$1,900,000		
19b	Distributions of other property	<del>+-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</del>		
20a	Investment income	\$14,225		
20b	Investment expenses	ψ1 1,220		
20c	Other items and amounts			
	Analysis of Net Income (Loss)			
1	Net income (loss) Combine SchK line 1 –	\$1,336,512		
1	11; Subtract sum SchK line 12 - 13d, and	\$1,000,012		
	161			
	(i) Corporate (ii) (iii)	(iv) Partnership	(v) Exempt (vi) Nomin	ee
	Individual Individual	T T	organization Other	
	(active) (passive)			
2a	Analysis \$735,082			
	by			
	General			
	partners			
_				

Form	1065 Test	U.S. Retur	n of Partnership	Income Tax	200	)6
2b	Analysis		01,430			-
	by					
	Limited					
	partners					
Sched	ule L Balance	Sheets per Book				
		Beginning of	tax year	End of	tax year	Write-in /
	A	(-)	(1.)	(-)	(1)	Literal
1	Assets Cash	(a)	(b)	(c)	(d) \$1,530,820	
1 2a	Trade notes	©1 140 16	\$375,120		\$1,530,820	
2a 2b	Less allowance	\$1,140,16	\$1,140,165	\$1,353,242	\$1,353,242	
3	Inventories		\$1,372,320		\$1,333,242	
4	U.S. govt oblig		\$1,372,320		\$1,207,920	
5	Tax-exempt				+	
3	securities					
6	Other current					
"	assets		\$150,000		\$125,000	Attachment 8
7	Mortgage & real		\$220,000		Ţ120,000	
	estate loan					
8	Other					
	investments					
9a	Bldgs & other					
	deprec assets	\$9,327,81	1	\$9,526,741		
9b	Less accumu-					
	lated deprec	\$1,426,31			\$8,006,441	
10a	Depletable assts	\$7,246,18	7	\$7,312,547		
10b	Less accumu-					
	lated depletion	\$246,18			\$6,936,909	
11	Land	07.00 ( 04	\$747,000		\$737,000	
12a	Intangible assets	\$7,926,21	6	\$7,926,216		
12b	Less accum		67.02(.21/		67.02(.21(	
13	amortization Other agests		\$7,926,216 \$387,000		\$7,926,216 \$411,000	Attachment 9
14	Other assets Total assets	_	\$26,999,318		\$28,234,548	Attachment 9
14	Total assets	_	\$20,999,310	<u>'</u>	\$20,234,340	
	Liabilities	(a)	(b)	(c)	(d)	
15	Accounts		(0)	(0)	(u)	
10	payable		\$1,000,000		\$1,200,000	
16	Mortgages		4-,500,000		2-,-30,000	
	notes, bonds					
	payable < 1 yr					
17	Other current					
	liabilities		\$1,171,164		\$1,287,385	Attachment 10
18	All nonrecourse					
	loans					
19	Mortgages					
	notes, bonds		03.000.000		02 700 000	
20	payable > 1yı		\$3,000,000		\$2,500,000	
20	Other liabilities					
21	Partners' capital		©21 020 15A		\$22 247 162	
22	accounts Total labilities		\$21,828,154		\$23,247,163	
22	Total labilities and capital		\$26,999,318		\$28,234,548	
	and capita		\$20,339,318		\$20,234,348	

Sched	Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return				
	Line Description	Line Amount	Write-in / Literal		
1	Net Income (loss) per books	\$3,319,009			
2	Income included on SchK lines 1, 2, 3c, 5,				
	6a, 7, 8, 9a, 10, 11, not recorded on the				
	books this year (itemized):				
2	Total Income Included				
3	Guaranteed payments (other than health				
	insurance)				
4a	Expenses recorded on books (itemize)				
	Depreciation				
4b	Travel & entertainment	\$12,000			
4	Total Income Expenses				
5	Add lines 1 – 4	\$3,331,009			
6a	Income recorded on books (itemize) tax-				
	exempt interest-depreciation				
6a	Income recorded on books (itemize) tax-				
	exempt interest-depreciation				
7a	Deductions not charged against book				
_	(itemize) depreciation	\$1,487,612			
7a	Deductions not charged against book	****			
_	(itemize)-depletion	\$506,885			
7	Deductions not charged against book	\$1,994,497			
8	Add lines 6 and 7	\$1,994,497			
9	Income (loss) (Analysis of net income	04.004.540			
~	(loss) line 1). Subtract line 8 from line 5	\$1,336,512			
	ule M-2 Analysis of Partners' Capital Ac				
1	Balance at beginning of year	\$21,828,154			
2a	Capital contributed - Cash				
2b	Capital contributed - Property	*****			
3	Net income (loss) per books	\$3,319,009			
4	Other increases (itemized)	00544545			
5	Add lines 1 through 4	\$25,147,163			
6a	Distributions – Cash	\$1,900,000			
6b	Distributions – Property				
7	Other decreases (itemized)	01.000.000			
8	Add lines 6 and 7	\$1,900,000			
9	Balance at end of year. Subtract line 8	000 045 150			
	from line 5	\$23,247,163			

Form 4	1562	Depreciati	ion and Amo	rtization	2006				
Name:	Eastland Quarry								
Busines	Business or Activity: Quarries								
EIN: <b>6</b> 9	9-0000004								
	Line Description			Line Amoun	t	Write-in / Lit	teral / Attac	chments	
Part I	<b>Election to Expense</b>	Certain Pro	perty Under	Section 179					
1	Maximum amount				108,000				
2	Total cost of section								
3	Threshold cost of sec	tion 179 pro	р		430,000				
4	Reduction in limitation								
5	Dollar limitation for								
6(a)	Description of Proper	rty							
6(b)	Cost								
6(c)	Elected cost								
7	Listed property								
8	Total elected cost of	sec 179 prop							
9	Tentative deduction								
10	Carryover of disallow		n						
11	Business income limi								
12	Section 179 expense								
13	Carryover of disallow								
Part II	Special Depreciatio		e and Other	Depreciation					
14	Special depreciation a				182,157				
15	Property subject to se	ec 168(f)(1)	election						
16	Other depreciation								
Part III	I MACRS Deprecia	tion							
17	MACRS deductions				1,370,000				
18	Sec 168(i)(4) election	1			., 0,000				
	B – Assets Placed in		ing 2006 Tax	Year Using	the General	Depreciation	System		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Write-in /	
	Classification of	Month	Basis for	()	Con-	Method	Deprc	Literal /	
	property	& Year	deprec	Recovery	vention		deduct	Attach-	
			_	period				ments	
19a	3-year property								
19b	5-year property		55,260	5 Yrs	HY	200DB	11,052		
19c	7-year property		322,560	7 Yrs	HY	200DB	46,062		
19d	10-year property								
19e	15-year property								
19f	20-year property								
19g	25-year property					S/L			
19h	Residential rental				MM	S/L			
	property								
	(a)	(b)	(c)	_ (d)	(e)	(f)	(g)	Write-in /	
	Classification of	Month	Basis for	Recov-	Con-	Method	Deprc	Literal /	
	property	& Year	deprec	ery	vention		deduct	Attach-	
				period				ments	
10:	Nonrosidontial1				MM	C/I			
19i	Nonresidential real				MM	S/L			
Seat!	property  C Assets Pleased in	Comica D.	ing 2007 T-	Voes II-i	the A14e	tivo Donnasis	ion Creater		
	C-Assets Placed in	Service Dui	ing 2006 1 az	x Year Using	uie Aiternai	uve Depreciat	ion System		
20a 20b	Class life 12-year					S/L			
200	i iz-veai			I		S/L			
20c	40-year				MM	S/L			

Form 4	4562	Deprecia	tion and A	mortizatio	n	2006			
Part IV	V Summary								
21	Listed property			12,630					
22	Total				1,5	52,601			
23	Assets for CY								
Part V									
Section	n A – Depreciatio	n and Other In	formation						
24a	Evidence?			Yes					
24b	Evidence writter			Yes					
25	Special deprecia								
26	Property used m	ore than 50% in	a qualified	business u	ise:	_			
	(a)	(b)	(c)	(d)	(e)	<b>(f)</b>	(g)	(h)	(i)
		Date placed	Busines	Cost or	Basis	Reco	Method	Depreci	Elected
	Type of	in service	s/invest	other	for	very	convention	ation	section
	Property		ment	basis	deprici	Perio		deducti	179 cost
	2006 F	00/1/2007	use %	40.600	ation	d	400 DD/HH/	0n	
	2006 Envoy	02/16/2006	100	42,600	42,600	5 Yrs	200 DB/HY	8,520	
	2006 Honda	01/01/2006	100	20.550	20.550	<b>5 3</b> 7	200 DD/II37	4 1 1 0	
27	Civic SI	01/01/2006	100	20,550	20,550	5 Yrs	200 DB/HY	4,110	
27	Property used 50	J% or less in a q	uannea bus	siness use:	1	1	1	1	
20	Add column (h)	lines 25 27						12 (20	
28 29	Add column (i),							12,630	
	n B – Information		lalaa						
30	Total bus/invest		icies						
31	Total commuting								
32	Tot other person								
33	Total miles drive								
34	Vehicle available		202						
35	Vehicle used > 3		5C!						
36	Another vehicle		al use?						
	n C – Questions for			le Vehicles	for Use b	y Their I	Employees		
37	Maint written po			Yes	101 030 1	y I iicii I	imployees		
38	Maint written po			Yes					
39	Vehicles treated	• • • •		Yes					
40	Provide > 5 veh		•	Yes					
41	Qualified auto d		e?	No					
Part V				1,0					
	(a)	(b)	(c)	(d	)	(e)	(f)	Write-in /	Literal /
	Depreciation	Date amort	Amor	,	*	Amort	Amort	Attachr	
	of costs	begins	amoun			riod or	for this		
						ercent	Yr		
42 amo	ortization of costs								
	Development	06/30/2006	104,100	5 291	5 Y	rs	10,411		
	Cost								
43	Amort of costs						431,513		
	before 2006								
4.4	TY						445.007		
44	Total	]					441,924		

Form 4	797	Sales of	Business P	rope	rty			2006	
	Eastland Quarry								
EIN: <b>69</b>	2-0000004								
	Line Description				Line Amou	nt	Write-in / I	Literal / Atta	chments
1	Gross receipts fm sales	or exch	3						
Part I	Sales or Exchanges of	Property	y Used in a	Tra	_	_			
	Line Description		1		Line Amou		Write-in / Lit		
	Description of	Date			Gross sal	e	Depreciation		Gain or
	property	acquir			price		allowed	other	loss
	(a)	<b>(b)</b>	(6	<b>:</b> )	(d)		(e)	basis	(g)
2	Stone Crusher	01/01/0	06/3	0/05	162,372		37,128	(f) 260,000	(60,500)
	Stone Crusher	01/01/0	74 00/3	0/03	102,572		37,120	200,000	(00,500)
	Line Description				Line Amou	nt	Write-in / Lit	eral / Attach	ments
3(g)	Gain fm F4684				Eine mou		vviite in / Eit	erar / Attach	ments
4(g)	Sec 1231 gain fm F625	52							
5(g)	Sec 1231 gain fm F882								
6(g)	Gain fm casualty or the				4.0	000			
7(g)	Combine lines 2 to 6	-			(56,5)				
8(g)	Nonrecaptured net sec	1231 los	S		(23,0	-7			
9(g)	Subtract line 8 from lin								
Part II	Ordinary Gains and				•				
	Line Description				Line Amou	nt	Write-in / Lit	eral / Attach	ments
	Description of	Date	Da	ite	Gross sal	e	Depreciation		Gain or
	property	acquir	ed so	ld	price		allowed	other	loss
	(a)	<b>(b)</b>	(0	:)	(d)		(e)	basis	<b>(g)</b>
								(f)	
10	Ordinary gains and los	es not inc	cluded on li	ines 1	1 through 16			1	<b>†</b>
	T ' D ' ('				T · A	4	*** · / T · /	1/4//	
11	Line Description				Line Amou	nt	Write-in / Lit	eral / Attach	ments
11 12	Loss fm line 7 Gain fm line 7								
13	Gain fm line 31				37,4	100			
14	Net gain F4684				37,2	tuu			
15	Ordinary gain F6252								
16	Ordinary gain F8824								
17	Combine lines 10 to 16				37,4	100			
18a	Part of loss F4684				57,-	.00			
18b	Redetermined gain or (	loss) on	line 17						
Part III				· Sect	ions 1245, 125	0, 12	252, 1254 and 1	255	
	Description of prop		Date		Date sold	. ,			
	(a)	,	acquire	d	(c)				
			(b)						
19a	Machinery & Equipm		01/01/20	06	06/01/2006			-	
19b	Machinery & Equipm	nent	01/30/20	06	06/30/2006				
19c									
19d		T							
		Propo	erty A	Pro	perty B	Pro	perty C I	Property D	
20	Gross Sale price		70,000		13,000				
21	Cost or other basis		82,000		9,000				
22	Depreciation allowed		44,000		5,400				
23	Adjusted basis		38,000		3,600				
24	Total gain		32,000		9,400				
25a	Depreciation allowed		44,000		5,400				

Form	4797	Sales of Business F	roperty				2006
25b	Smaller of lines 24 an 25a	d 32,000		5,400			
26a	Additional depreciation after 197	5					
26b	Applicable %						
26c	Subtract line 26a from line 24	1					
26d	Additional depreciation after 196	9					
26e	Smaller of lines 26c and 26c						
26f	Sec 291 amount						
26g	Add lines 26b,26e and 26f	I					
27a	Soil, water, land						
27b	Line 27 multiplied by applicable %						
27c	Smaller of lines 24 an 27b	d					
28a	Intangible drilling						
28b	Smaller of lines 24 an 28a	d					
29a	Applicable % of payment excluded						
29b	Smaller of lines 24 an 29a	d					
	Line Description		Line A			Write-i	n / Literal / Attachments
30	Total gain all property				1,400		
31	Add property columns				7,400		
32	Subtract line 31 from				4,000		
Part I	V Recapture Amounts	<b>Under Sections 17</b>	9 and 28				
	0 1=0			(a) Sectio	n 179	(b)	Section 280F(b)(2)
33	Sec 179 expense dedu		1				
34	Recomputed deprecian	ion					
35	Recapture amount						

Form 8308	Report of a Sale or Exchange of Certain Partnership	2006			
	Interests				
Name of Partnership: Eastland (	Quarry				
Telephone number: 555-555-555	5				
Employer identification number:	69-0000004				
Number, street, and room or suite	2313 Jackson Portland, OR 97208				
Part I - Transferor Information	1				
Name: Peter Teak					
Identifying number: 000-30-0001					
Number and street: 34 West Was	shington Ave				
City or town: Salt Lake City UT	84100				
Part II - Transferor Information	n				
Name: Joseph Spruce					
Identifying number: 000-00-0002					
Number and street: 5421 North 2100 South					
City or town: San Jose, CA 95101					
Part III - Date of Sale or Exchange	nge of Partnership Interest: 07/01/2006				

Sch D (1	1065) Test 1	Capita	l Gains and Lo	sses			2006
Name: 1	Eastland Quarry						
EIN:	69-0000004						
Part I	Short-Term Capital Gain	ıs & Losses					
	Description of property	Date	Date	Sale		Cost or	Gain or
		acquired	sold	price		other basis	loss
	(a)	(b)	(c)	(d)		(e)	(f)
1	100 Shares ABC	04/01/2006	09/30/2006	5,	,000	2,700	2,300
	Line Description			Line Amount		Write-in/Lit	eral
2	Short-term capital gain fr	om installment	sales (F6252)				
3	Short-term capital gain fr						
4	Partnership share of net s						
5	Net short-term capital gai			2.	,300		
Part II	Long-Term Capital Gai			· · · · · · · · · · · · · · · · · · ·			
	Description of property	Date	Date	Sale	Co	ost or other	Gain or
		Acquired	sold	price		basis	loss
	(a)	(b)	(c)	(d)		(e)	(f)
6	1 Acre of Land	08/01/2003	01/21/2006	7,500		10,000	(2,500)
_	Line Description			Line Amount	Wri	ite-in/Literal	
7	Long-term capital gain (lo F6252, line 26 or 37	oss) from install	ment sales				
8	Long-term capital gain (lo from F8824	oss) from like-k	ind exchanges				
9	Partnership share of net lo	ong-term capital	gain (loss)				
10	Capital gain distributions	•					
11	Net long-term capital gair	n or loss. Comb	ine lines 6-10	(2500)			

	K-1 (Form 1065) Partner's Share of	f Income, Dec	luctions, Cred	lits, etc. 2006
Tax	year beginning <b>January 1</b> , 2006 ending <b>Decer</b>	mber 31, 2000	5	
	Final K-1			
	Amended K-1			
Part	I Information About the Corporation			
	Line Description	Line Amou	nt	Write-in / Literal / Attachments
A	Partnership's employer identification number	69-00	00004	
В	Partnership's name, address, city, state, and		l Quarry	
	Zip code		kson Ave	
		Portland,	OR 97208	
C	IRS Center where corporation filed return	Og	den	
D	Check if Publicly traded partnership (PTP)			
E	Tax shelter registration number, if any			
F	Check if Form 8271 is attached			
	II Information About the Partner			
G	Partner's Identification number		0-0003	
H	Partner's name, address, city, state and ZIP		an Teak	
	code		s Avenue	
			OR 97208	
I	☐ General partner or LLC member-manager		l partner or	
_	☐ Limited partner or other LLC member	LLC memb	er-manager	
J	□ Domestic partner	Б	-4*	
17	□ Foreign partner	Dome	estic partner	
K	What type of entity is this partner?		Individual	
L	Partner's share of profit, loss and capital	Beginning %		
	Profit	55	55	
	Loss	55	55	
	Capital	55	55	
M	Partner's share of liabilities at year end:			
	Nonrecourse \$			
	Qualified nonrecourse financing \$			
	Recourse \$		2,500,000	
N	Partner's capital account analysis:			
	Beginning capital account \$		12,005,484	
	Capital contributed during the year \$			
	Current year increase (decrease) \$		1,825,455	
	Withdrawals & distributions \$		(1,045,000)	
	Ending capital account \$		12,785,939	
	☐ Tax basis ☐ GAAP ☐ Sect 704(b) book		5040	
<b>D</b> 4	☐ Other (explain)		704(b) book	Others Items
Part	III Partner's Share of Current Year Income	e, Deductions	, Credits, and	
	Line Description			Write-in / Literal / Attachments
1	Ordinary business income (loss)		760,093	Attachments
2	Net rental real estate income (loss)		/00,093	
3	Other net rental income (loss)			
4	Guaranteed payments			
5	Interest income		7,824	
6a	Ordinary dividends		7,044	
6b	Qualified dividends			
7	Royalties			
8	Net short-term capital gain (loss)		1,265	
9a	Net long-term capital gain (loss)		(1,375)	
9b	Collectibles (28%) gain (loss)		(1,573)	
9c	Unrecaptured section 1250 gain			
10	Net section 1231 gain (loss)		(3,175)	
10	TYOU SOUTION 1231 gain (1088)	l	(3,1/3)	

11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions	(a) 1,650	
14	Self-employment earnings (loss)	(a) 406,738 (c) 762,917	
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	(a) (109,684) (b) (8,592) (c) 340,881 (f) (12,156)	
18	Tax-exempt income & nondeductible expense		
19	Distributions	(a) 1,045,000	
20	Other Information	(a) 7,824	

		of Income, Deductions, Credi	ts, etc. 2006
Tax y	year beginning <b>January 1</b> , 2006 ending <b>Decembe</b>	er 31, 2006	I
	Final K-1	_	
	Amended K-1		
Part	I Information About the Corporation		
	Line Description	Line Amount	Write-in / Literal / Attachments
A	Partnership's employer identification number	69-000004	
В	Partnership's name, address, city, state, and Zip	Eastland Quarry	
	code	2313 Jackson Ave	
		Portland, OR 97208	
C	IRS Center where corporation filed return	Ogden	
D	Check if Publicly traded partnership (PTP)		
E	Tax shelter registration number, if any	_	
F	Check if Form 8271 is attached		
	II Information About the Partner		
G	Partner's Identification number	000-30-0001	
H	Partner's name, address, city, state and ZIP code	Peter Teak	
		34 West Wash. Ave.	
		Salt Lake City, UT 84100	
I	☐ General partner or LLC member-manager ☐ Limited partner or other LLC member	Limited partner or other LLC member	
J	□ Domestic partner	LLC member	
•	□ Foreign partner	Domestic partner	
K	What type of entity is this partner?	Individual	
L	Partner's share of profit, loss and capital	- Inui (Iddiii	I
_	Turner of prome, rood und cuprum	Beginning % Ending%	
	Profit	45 0	
	Loss	45 0	
	Capital	45 0	
M	Partner's share of liabilities at year end:		<u> </u>
	Nonrecourse \$		
	Qualified nonrecourse financing \$		
	Recourse \$		
N	Partner's capital account analysis:		ı
	Beginning capital account \$	9,822,670	
	Capital contributed during the year \$		
	Current year increase (decrease) \$	746,777	
	Withdrawals & distributions \$	-,	
	Ending capital account \$	10,569,447	
	□ Tax basis □ GAAP □ Sect 704(b) book	, ,	
	□ Other (explain)	Section 704(b) book	
Part	III Partner's Share of Current Year Income, Do		Items
	Line Description		Write-in / Literal /
1	Ordinary business income (loss)	310,947	Attachments
2	Net rental real estate income (loss)	220,217	
3	Other net rental income (loss)		
4	Guaranteed payments		
5	Interest income	3,201	
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)	518	
9a	Net long-term capital gain (loss)	(563)	
9b	Collectibles (28%) gain (loss)	, ,	
	Unrecaptured section 1250 gain	1	İ

10	Net section 1231 gain (loss)	(12,713)	
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions	(a) 675	
14	Self-employment earnings (loss)	(a) 0	
		(c) 3,117,648	
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	(a) (44,871)	
		(b) (3,515)	
		(c) 139,451	
		(f) (4,973)	
18	Tax-exempt income & nondeductible expense		
19	Distributions		
20	Other Information	(a) 3,201	

	K-1 (Form 1065) Partner's Share	of Income, Deduction	ıs, Credi	ts, etc. 2006
1 ax y	year beginning <b>January 1</b> , 2006 ending <b>Decembe</b>	r 31, 2006		
	Final K-1	4		
Dant	Amended K-1			
Part	I Information About the Corporation Line Description	Line Amount		Write-in / Literal /
	Elife Description	Zine mount		Attachments
A	Partnership's employer identification number	69-0000004	ļ	
В	Partnership's name, address, city, state, and Zip	Eastland Qua		
	code	2313 Jackson		
	The G	Portland, OR 9	7208	
<u>C</u>	IRS Center where corporation filed return	Ogden		
<u>D</u>	Check if Publicly traded partnership (PTP)			
E F	Tax shelter registration number, if any Check if Form 8271 is attached	-		
rari G	II Information About the Partner  Partner's Identification number	000-00-0002	,	
G H	Partner's name, address, city, state and ZIP code	Joseph Spru		
LI	1 artifer's fiame, address, etty, state and Zir code	5421 North 2100		
		San Jose, CA 9		
I	☐ General partner or LLC member-manager	Limited partner		
	☐ Limited partner or other LLC member		nember	
J	□ Domestic partner			
	□ Foreign partner	Domestic		
K	What type of entity is this partner?		lividual	
L	Partner's share of profit, loss and capital		1: 6:	
	D. C.		ding%	T
	Profit	0	45	
	Loss	0	45	
М	Capital Partner's share of liabilities at year end:	U	45	
VI	Nonrecourse \$			
	Qualified nonrecourse financing \$			
	Recourse \$			
N	Partner's capital account analysis:			
,	Beginning capital account \$	10.	569,447	
	Capital contributed during the year \$	10,		
	Current year increase (decrease) \$		746,777	
	Withdrawals & distributions \$		355,000)	
	Ending capital account \$		461,224	
	□ Tax basis □ GAAP □ Sect 704(b) book	,		
	□ Other (explain)	Section 704(		
Part	III Partner's Share of Current Year Income, Do	eductions, Credits, ar	nd Other	
	Line Description			Write-in / Literal /
			240.61=	Attachments
1	Ordinary business income (loss)		310,947	
2	Net rental real estate income (loss)			
3	Other net rental income (loss)			
<b>1</b> 5	Guaranteed payments Interest income		2 200	
o oa	Ordinary dividends		3,200	
oa 6b	Qualified dividends			
7	Royalties			
3	Net short-term capital gain (loss)		517	
U			(562)	
Qa	I Net long-term canital gain closes			
9a 9b	Net long-term capital gain (loss)  Collectibles (28%) gain (loss)		(302)	

10	Net section 1231 gain (loss)	(12,712)	
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions	(a) 675	
14	Self-employment earnings (loss)	(a) 0	
		(c) 3,117,648	
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	(a) (44,871)	
		(b) (3,515)	
		(c) 139,451	
		(f) (4,972)	
18	Tax-exempt income & nondeductible expense		
19	Distributions	(a) 855,000	
20	Other Information	(a) 3,200	

Shoebill LTD 69-0000005

#### **TEST SCENARIO 5**

FORMS REQUIRED: 1065, 4562 (2), 4797, 6252, 8825, 1065 SCH K-1 (4), Form 8453-PE,

**DEPENDENCIES** 

#### **ATTACHMENTS:**

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement

Other Income (Loss) Statement (Form 1065, Line7, Other Income (Loss); Form 1065 Instructions, Other Income (Loss)

Pg 15)

Itemized Other Deductions Statement

Ownership of Any Interest in Another Partnership or Foreign Entity Statement

Schedule L Other Current Assets Statement Schedule L Other Current Liabilities Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

**HEADER INFO:** 

Tax Period: 200612

Preparer Firm Electronic Tax Filers, Inc 69-0000005

1065 Efile Drive Anytown, NV 89501

MultipleSoftwarePackagesUsed: Yes or No

Originator: EFIN: Self-select

Type: Self-select PractionerPIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065

Filer: EIN: 69-000005

Name: Shoebill LTD Name Control: SHOE Address: 5551 Elliot Rd

Salt Lake City, UT 84101

Partner: Name: David Boxwood

**Title: Chief Executive Officer** 

**Taxpayer PIN: N/A Phone: 555-555** 

Email Address: Anymail@email.com

Date Signed: 04/01/2006

Preparer: Name: John Doe

SSN: 000-40-0011 Phone: 555-555-555

Email Address: Anymail@email.com

**Date Prepared: 04/15/2006** 

Self Employed: No

IRS PAYMENT: N/A

Shoebill LTD 69-0000005

### **Details for attachments to Form**

Attachment 1, Form 1065, Page 1, Line 4 (Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement)

Partnership, Estate or Trust Name	Address	EIN	Trade or Business Activity	Amount
Hummingbird	275 W Coolidge Ave	69-5000005	Legal Services	\$23,712
Flies	<b>Boise, ID 83708</b>			

Attachment 2, Form 1065, Page 1, Line 7 (Other Income (Loss) Statement (Form 1065, Line7, Other Income (Loss);

Туре	Amount
Cancellation of Debt Income	\$478,206

Attachment 3, Form 1065, Page 1, Line 20 (Itemized Other Deductions Statement)

Type	Amount
Insurance	\$5,000,000
Permits	\$961,480
Professional Fees	\$1,500,000
Bank Fees	\$1,500,000

Attachment 4, Form 1065, Page 2, Schedule B, Question 3 (Ownership of Any Interest in Another Partnership or Foreign Entity Statement)

Type of Entity	Entity Name	EIN	Country
Partnership	Thrush Company	69-4000044	US

Attachment 5, Form 1065, Page 4, Schedule L, Line 6b and 6d (Schedule L Other Current Assets Statement)

Type	BOY Amount	EOY Amount
Prepaid	\$22,700	\$24,300
Investment	\$0	\$5,077,578

Attachment 6, Form 1065, Page 4, Schedule L, Line 17b and 17d (Schedule L Other Current Liabilities Statement)

Type	BOY Amount	EOY Amount
Accrued Bonus	\$1,500,000	\$2,818,150
Accrued Payroll	\$500,000	\$640,000
Deferred Revenue	\$5,530,250	\$8,742,300

			nership Income Tax	2006
	lar Year 2006 or tax year beginning	; 01/	, , , ,	1, 2006
A	Principal business activity		Aircraft Leasing & Sales	
В	Principal product or service		Aircraft	
C	Business code number		532400	
	and Address: Shoebill LTD 5551	Elliot R		101
D	Employer Identification number:	21110111	69-0000005	
E	Date business started		10/01/1968	
F	Total assets		71,419,054	
G	Check applicable boxes 1,2,3,4,5		71,115,001	
Н	Check accounting method 1,2,3		Accrual	
I	Number of Schedule K-1		4	
J	Check if Schedule M-3 Required (	attach	T	
9	Schedule M-3)	attacii		
	Line Description		Line Amount	Write-in / Literal / Attachment
1a	Gross receipts or sales		43,785,214	Write-in/ Elicial/ Attachment
1b	Less returns and allowances		75,765,214	
1c	Balance		43,785,214	
2	Cost of goods sold (Sch A, line 8)		21,882,071	
3	Gross profit. Subtract line 2 from 1	C	21,903,143	
4	Ordinary income or (loss)	ı C		Attachment 1
			23,712	Auachment 1
5 6	Net farm profit (loss) F1040		2 505 054	
	Net gain (loss) F4797		3,505,874	A44
7	Other income or (loss)	1.0	478,206	Attachment 2
8	Total income. Add lines 3 through		25,910,935	
9	Salaries and wages (less employments)	ent	004.533	
10	credits)		804,722	
10	Guaranteed payments to partners		47.000	
11	Repairs and maintenance		17,239	
12	Bad debts		2,571,330	
13	Rent		900,022	
14	Taxes and licenses		44,444	
15	Interest		912,647	
16a	Depreciation (attach Form 4562)		162,240	
16b	Less depreciation claimed on Sch	A		
16c	Total depreciation		162,240	
17	Depletion			
18	Retirement plans, etc			
19	Employee benefit programs			
20	Other deductions		8,961,480	Attachment 3
21	Total deductions (add lines 9 – 20)		14,374,124	
22	Ordinary business income (loss) (S	Subtract		
	Line 21 from Line 8		11,536,811	
23	Credit for federal telephone exci	se tax		
	paid		328	
Sched				
1	Inventory at beginning of year		27,126,200	
2	Purchases less cost of items		12,960,400	
3	Cost of labor			
4	Additional section 263A costs			
5	Other costs			
6	Total. Add lines 1 - 5		40,086,600	
7	Inventory at the end of year		18,204,529	
8	Cost of goods sold. Subtract Line 7	7 from	21,882,071	
9a (i)	Cost in regulations 1.471-3		X	
			•	

Form	1065 Test U.S. Return of Partn	ership Income Tax	2006
9a	Lower of cost or market		
(ii)			
9a	Other		
(iii)			
9b	Check if writedown		
9c	Check if the LIFO was adopted		
9d	Section 263A rules apply	Yes	
9e	Change in determining quantities, cost,	No	
	valuations		
	ule B Other Information		
1a	Domestic general partnership		
1b	Domestic limited partnership	X	
1c	Domestic limited liability company		
1d	Domestic limited liability partnership		
1e	Foreign partnership		
1f	Other		
2	Any partners in this partnership also partnerships?	Yes	
3	Partnership own interest in another	Yes	Attachment 4
	partnership or foreign entity?		
4	Partnership file Form 8893?	No	
5a	Partnership total receipts <\$250,000		
5b	Partnership total assets <\$600,000		
5c	Filed Schedule K-1 with return?		
6	Partnership have foreign partners?	No	
7	Partnership publicly traded partnership?	No	
8	Partnership filed F8264?	No	
9	Partnership have an interest in or a signature, or other authority over financial account in foreign country?	No	
10	Partnership receive distribution from, granter of, transferor to foreign trust?	No	
11	Distribution of property or transfer of partnership interest?	No	
12	Number of Forms 8865 attached		
	Name of designated TMP		
	Identifying number of TMP		
	Address of designated TMP		
	Schedule K Partners' Distributive Share Ite		
1	Ordinary business income (loss)	11,536,811	
2	Net rental real estate income (loss)	3,579,503	
3a	Other gross rental income (loss)		
3b	Other rental activities expenses		
3c	Other net rental income (loss) Subtract Line 3b from 3a		
4	Guaranteed payments		
5	Interest Income	1,771,604	
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain	227.070	
10 11	Net section 1231 gain (loss) Other income (loss)	237,979	
12	Section 179 deduction		
14	Section 1/3 deduction		

Form	1065 Test	U.S. Return of Partne	ership Income Tax	2006
13a	Contributions			
13b	Investment interest			
13c	Section 59(e)(2) ex			
13c	Section 59(e)(2) ex	penditures (amount)		
(2)				
13d	Other deductions			
14a	Net earnings (loss)		2,007,034	
14b	Gross farming or fi	<u> </u>		
14c	Gross nonfarm inco	I I	41,777,480	
15a	Low-income housi			
15b	Low-income housi			
15c	Qualified rehabilita			
15d	Other rental real es			
15e	Other rental credits			
15f	Other credits and c			
16a	Name of country of			
16b	Gross income from	I I		
16c	Gross income sour	ced at		
	partnership level			
16d	Passive			
16e	Listed categories			
16f	General limitation			
16g	Interest expense			
16h	Other			
16i	Passive			
16j	Listed categories			
16k	General limitation			
16l	Total foreign taxes			
16m		available for credit		
16n	Other foreign tax in		000 000	
17a	Post 1986 deprecia		800,000	
17b	Adjusted gain or lo			
17c	Depletion (other th			
17d	, 0 ,	ermal properties-gross		
17.	income	1		
17e	Oil, gas, and geoth	ermai properties-		
176	deductions Other AMT items			
17f	Other AMT items	ut in come		
18a	Tax-exempt interes		2 500 000	
18b	Other tax-exempt i		2,500,000	
18c	Nondeductible exp	enses arketable securities	56,403	
19a	Distributions of oth			
19b		1 1 7	1 881 704	
20a	Investment income		1,771,604	
20b	Investment expense			
20c	Other items and an	nounts		

	Analysis of Net	Income (Loss	5)						
1	Net income (los	ss) Combine Se	chK lin		17,125,897				
	11; Subtract sur								
	161		1						
	(i) Corporate	(ii)	(iii)		(iv) Pa	rtnership		Exempt	(vi) Nominee
		Individual	Indivi				org	ganization	Other
		(active)	(passi						
2a	Analysis		4,2	281,474					
	by								
	General								
	partners								
2b	Analysis	8,562,949				4,281,474			
	by								
	Limited								
~ .	partners	~ -							
Sched	lule L Balance	Sheets per B							T A. A /
		Beginning	g of tax	x year		End	of t	ax year	Write-in /
	<b>A</b> .		1		`			( I)	Literal
1	Assets	(a)		<u>(b</u>	/	(c)		(d)	
1	Cash	4.00	222	7	00,440	16 400 0	000	25,330	<u> </u>
2a	Trade notes		9,222	1.1	00.111	16,488,9		15 200 555	
2b	Less allowance	809	9,111		90,111	1,288,2	.22	15,200,777	
3	Inventories			25,8	00,428			17,616,409	'
4	U.S. govt oblig								
5	Tax-exempt								
	securities								
6	Other current				22 500			# 400 AE0	
	assets	1			22,700			5,100,278	Attachment 5
7	Mortgage & rea	al Control							
	estate loan								
8	Other								
0-	investments								
9a	Bldgs & other	22 500	020			24 795 9	27		
Ob	deprec assets	22,500	,030			24,785,8	21		
9b	Less accumu-	22.00	0,030	20.2	ሰብ ሰብ	2,435,217		22 250 £10	
100	lated deprec		,,030	20,3	00,000	2,435,2	11/	22,350,610	<u> </u>
10a 10b	Depletable asst	5	$\rightarrow$						
100	lated depletion								
11	Land			10 1	00,000			11,125,650	1
12a	Intangible asset	S		10,1	00,000			11,123,030	
12a 12b	Less accum	ی	-						
120	amortization								
13	Other assets								
14	Total assets			61 1	13,679			71,419,054	
	10:41 455015			01,1				/ 1, 117,007	
	Liabilities	(a)		(b	<u>)</u>	(c)		(d)	
15	Accoun			(0)	,	(0)		(u)	
	payab			3.1	00,377			3,987,240	
16	Mortgage		-					2,207,210	
	notes, bond								
	payable < 1							20,317,292	
17	Other curren								
	liabilitie			75.	30,250			12,200,450	Attachment 6
18	All nonrecours			,	, - ,====			,- 50, 100	,
	loar								
	loar	1S							

10	3.6					
19	Mortgages,					
	notes, bonds	22.	351 505			
20	payable > 1yr	32,	271,505			
20	Other liabilities					
21	Partners' capital	10	211 - 15		24014052	
	accounts	18,	211,547		34,914,072	
22	Total labilities	(1)	112 (50		71 410 054	
C-11	and capital	01,	113,679	. 337'4L T	71,419,054	
Sched	ule M-1 Reconciliation of Incon Line Description	me (Loss)	Line A		Write-in / Literal	
1	Net Income (loss) per books		Line A	16,202,525	write-iii / Literai	
2	Income included on SchK lines 1,	2 30 5		10,202,323		
	6a, 7, 8, 9a, 10, 11, not recorded of					
	books this year (itemized):	ii tiic				
2	Total Income Included					
3	Guaranteed payments (other than	health				
	insurance)	nounn				
4a	Expenses recorded on books (item	nize)				
"	Depreciation (1991)			923,372		
4b	Travel & entertainment					
4	Total Income Expenses					
5	Add lines 1 – 4			17,125,897		
6a	Income recorded on books (itemiz	ze) tax-				
	exempt interest-depreciation	,				
6	Total Income Recorded					
7a	Deductions not charged against be	ook				
	(itemize) depreciation					
7a	Deductions not charged against be	ook				
	(itemize)-depletion					
7	Total Itemized Deductions					
8	Total Income/Deductions					
8	Add lines 6 and 7					
9	Income (loss) (Analysis of net inc					
~ -	(loss) line 1). Subtract line 8 from			17,125,897		
	ule M-2 Analysis of Partners' (	Capital Ac	counts	40.441-		
1	Balance at beginning of year			18,211,547		
2a	Capital contributed - Cash			500,000		
2b	Capital contributed - Property			16 202 525		
3	Net income (loss) per books			16,202,525		
4	Other increases (itemized)			24044055		
5	Add lines 1 through 4			34,914,072		
6a	Distributions – Cash					
6b	Distributions – Property					
7	Other decreases (itemized)					
8	Add lines 6 and 7	· 0				
9	Balance at end of year. Subtract li	ine 8		24.014.072		
	from line 5			34,914,072		

Form 4		Deprecia	tion and Amo	rtization	2006			
	Shoebill Unlimited							
	s or Activity: Aircraf	t Leasing						
EIN: <b>6</b> 9	9-0000005		<u> </u>					
-	Line Description	C		Line Amoun	ıt	Write-in / Li	teral / Attac	chments
Part I	<b>Election to Expense</b>	Certain Pr	operty Under	Section 179	100.000			
1	Maximum amount	170			108,000			
2	Total cost of section				420,000			
3	Threshold cost of sec		op		430,000			
5	Reduction in limitation Dollar limitation for							
6(a)	Description of Proper							
6(b)	Cost							
6(c)	Elected cost							
7	Listed property							
8	Total elected cost of	sec 170 pro	n					
9	Tentative deduction	scc 1/9 pro	P					
10	Carryover of disallov	ved deducti	on					
11	Business income lim		011					
12	Section 179 expense							
13	Carryover of disallov		on					
Part II				Depreciation				
14	I Special Depreciation Allowance and Othe Special depreciation allowed				22,361			
15	Property subject to se		electio		)			
16	Other depreciation							
Part III	MACRS Deprecia	tion						
17	MACRS deductions				101,033			
18	Sec 168(i)(4) election	1			101,000			
	( / ( /							
	D – Assets Placeu III	d in Service During 2006 T		x Year Using	the General	<b>Depreciation</b>	System	
	(a)	Service Du (b)	ring 2006 Tax (c)	X Year Using (d)	the General (e)	Depreciation (f)		Write-in /
			(c) Basis for	(d) Recovery			System (g) Deprc	Literal /
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Literal / Attach-
	(a) Classification of	(b) Month	(c) Basis for	(d) Recovery	(e) Con-	(f)	(g) Deprc	Literal /
19a	(a) Classification of	(b) Month	(c) Basis for	(d) Recovery	(e) Con-	(f)	(g) Deprc	Literal / Attach-
	(a) Classification of property  3-year property	(b) Month	(c) Basis for deprec	(d) Recovery period	(e) Con- vention	(f) Method	(g) Deprc deduct	Literal / Attach-
19a	(a) Classification of property	(b) Month	(c) Basis for deprec	(d) Recovery period	(e) Con- vention	(f) Method	(g) Deprc deduct	Literal / Attach-
19a 19b	(a) Classification of property  3-year property 5-year property	(b) Month	(c) Basis for deprec 6,120 29,304	(d) Recovery period	(e) Con- vention HY HY	(f) Method S/L 200 DB	(g) Deprc deduct 1,020 5,861	Literal / Attach-
19a 19b 19c 19d 19e	(a) Classification of property  3-year property 5-year property 7-year property 10-year property 15-year property	(b) Month	(c) Basis for deprec 6,120 29,304	(d) Recovery period	(e) Con- vention HY HY	(f) Method S/L 200 DB	(g) Deprc deduct 1,020 5,861	Literal / Attach-
19a 19b 19c 19d 19e 19f	(a) Classification of property  3-year property 5-year property 7-year property 10-year property 15-year property 20-year property	(b) Month	(c) Basis for deprec 6,120 29,304	(d) Recovery period	(e) Con- vention HY HY	(f) Method S/L 200 DB 200 DB	(g) Deprc deduct 1,020 5,861	Literal / Attach-
19a 19b 19c 19d 19e 19f 19g	(a) Classification of property  3-year property 5-year property 7-year property 10-year property 20-year property 25-year property	(b) Month	(c) Basis for deprec 6,120 29,304	(d) Recovery period	(e) Convention	(f) Method S/L 200 DB 200 DB	(g) Deprc deduct 1,020 5,861	Literal / Attach-
19a 19b 19c 19d 19e 19f	(a) Classification of property  3-year property 5-year property 7-year property 10-year property 15-year property 20-year property 25-year property Residential rental	(b) Month	(c) Basis for deprec 6,120 29,304	(d) Recovery period	(e) Con- vention HY HY	(f) Method S/L 200 DB 200 DB	(g) Deprc deduct 1,020 5,861	Literal / Attach-
19a 19b 19c 19d 19e 19f 19g	(a) Classification of property  3-year property  5-year property  7-year property  10-year property  20-year property  25-year property  Residential rental property	(b) Month & Year	(c) Basis for deprec 6,120 29,304 10,885	(d) Recovery period  3 5 7	(e) Convention  HY HY HY MY MM	S/L 200 DB 200 DB S/L S/L S/L	(g) Deprc deduct 1,020 5,861 1,555	Literal / Attach- ments
19a 19b 19c 19d 19e 19f 19g	(a) Classification of property  3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)	(b) Month & Year	(c) Basis for deprec 6,120 29,304 10,885	(d) Recovery period  3 5 7	(e) Convention  HY HY HY MY (e)	(f) Method  S/L 200 DB 200 DB  S/L S/L (f)	(g) Deprc deduct 1,020 5,861 1,555	Literal / Attach- ments  Write-in /
19a 19b 19c 19d 19e 19f 19g	(a) Classification of property  3-year property 5-year property 10-year property 15-year property 20-year property 25-year property Residential rental property (a) Classification of	(b) Month & Year  (b) Month	(c) Basis for deprec  6,120 29,304 10,885	(d) Recovery period  3 5 7	(e) Convention  HY HY HY  MM  (e) Con-	S/L 200 DB 200 DB S/L S/L S/L	(g) Deprc deduct 1,020 5,861 1,555	Literal / Attach- ments  Write-in / Literal /
19a 19b 19c 19d 19e 19f 19g	(a) Classification of property  3-year property 5-year property 7-year property 10-year property 20-year property 25-year property Residential rental property (a)	(b) Month & Year	(c) Basis for deprec 6,120 29,304 10,885	(d) Recovery period  3 5 7	(e) Convention  HY HY HY MY (e)	(f) Method  S/L 200 DB 200 DB  S/L S/L (f)	(g) Deprc deduct 1,020 5,861 1,555	Literal / Attachments  Write-in / Literal / Attach-
19a 19b 19c 19d 19e 19f 19g	(a) Classification of property  3-year property 5-year property 10-year property 15-year property 20-year property 25-year property Residential rental property (a) Classification of	(b) Month & Year  (b) Month	(c) Basis for deprec  6,120 29,304 10,885	(d) Recovery period  3 5 7	(e) Convention  HY HY HY  MM  (e) Con-	(f) Method  S/L 200 DB 200 DB  S/L S/L (f)	(g) Deprc deduct 1,020 5,861 1,555	Literal / Attach- ments  Write-in / Literal /
19a 19b 19c 19d 19e 19f 19g	(a) Classification of property  3-year property 5-year property 10-year property 15-year property 20-year property 25-year property Residential rental property (a) Classification of	(b) Month & Year  (b) Month	(c) Basis for deprec  6,120 29,304 10,885	(d) Recovery period  3 5 7	(e) Convention  HY HY HY  MM  (e) Con-	(f) Method  S/L 200 DB 200 DB  S/L S/L (f)	(g) Deprc deduct 1,020 5,861 1,555	Literal / Attachments  Write-in / Literal / Attach-
19a 19b 19c 19d 19e 19f 19g	(a) Classification of property  3-year property 5-year property 10-year property 20-year property 25-year property Residential rental property  (a) Classification of property  Nonresidential real	(b) Month & Year  (b) Month	(c) Basis for deprec  6,120 29,304 10,885	(d) Recovery period  3 5 7	(e) Convention  HY HY HY  MM  (e) Con-	(f) Method  S/L 200 DB 200 DB  S/L S/L (f)	(g) Deprc deduct 1,020 5,861 1,555	Literal / Attachments  Write-in / Literal / Attach-
19a 19b 19c 19d 19e 19f 19g 19h	(a) Classification of property  3-year property 5-year property 10-year property 20-year property 25-year property Residential rental property  (a) Classification of property  Nonresidential real property	(b) Month & Year  (b) Month & Year	(c) Basis for deprec  6,120 29,304 10,885  (c) Basis for deprec	(d) Recovery period  3 5 7  (d) Recovery period	(e) Convention  HY HY HY  MM  (e) Convention	S/L 200 DB 200 DB  S/L S/L S/L S/L S/L	(g) Deprc deduct  1,020 5,861 1,555  (g) Deprc deduct	Write-in / Literal / Attach- ments
19a 19b 19c 19d 19e 19f 19g 19h	(a) Classification of property  3-year property 5-year property 10-year property 20-year property 25-year property Residential rental property (a) Classification of property  Nonresidential real property  C - Assets Placed in	(b) Month & Year  (b) Month & Year	(c) Basis for deprec  6,120 29,304 10,885  (c) Basis for deprec	(d) Recovery period  3 5 7  (d) Recovery period	(e) Convention  HY HY HY  MM  (e) Convention	S/L 200 DB 200 DB  S/L S/L S/L S/L S/L	(g) Deprc deduct  1,020 5,861 1,555  (g) Deprc deduct	Write-in / Literal / Attach- ments
19a 19b 19c 19d 19e 19f 19g 19h	(a) Classification of property  3-year property 5-year property 10-year property 15-year property 20-year property 25-year property Residential rental property  (a) Classification of property  Nonresidential real property  C - Assets Placed in Class life	(b) Month & Year  (b) Month & Year	(c) Basis for deprec  6,120 29,304 10,885  (c) Basis for deprec	(d) Recovery period  3 5 7  (d) Recovery period	(e) Convention  HY HY HY  MM  (e) Convention	S/L 200 DB 200 DB S/L S/L S/L S/L S/L S/L S/L ive Depreciat	(g) Deprc deduct  1,020 5,861 1,555  (g) Deprc deduct	Write-in / Literal / Attach- ments
19a 19b 19c 19d 19e 19f 19g 19h	(a) Classification of property  3-year property 5-year property 10-year property 20-year property 25-year property Residential rental property (a) Classification of property  Nonresidential real property  C - Assets Placed in	(b) Month & Year  (b) Month & Year	(c) Basis for deprec  6,120 29,304 10,885  (c) Basis for deprec	(d) Recovery period  3 5 7  (d) Recovery period	(e) Convention  HY HY HY  MM  (e) Convention	S/L 200 DB 200 DB  S/L S/L S/L S/L S/L	(g) Deprc deduct  1,020 5,861 1,555  (g) Deprc deduct	Write-in / Literal / Attach- ments

Form 4562			Deprecia	tion and A	mortizatio	ortization			2006				
Part IV	Part IV Summary												
21	Listed property												
22	Total		132,083										
23	Assets for CY												
Part V	1 V												
Section	Section A – Depreciation and Other Information												
24a	Evidence?	Yes											
24b	Evidence writter	Yes	Yes										
25	Special deprecia												
26	Property used m	ore th	nan 50% in	a qualified	business u	ise:							
	(a)					(d) (e) (1				<b>(g)</b>	(h)	(i)	
	_		e placed	Busines	Cost or	Bas		Reco	•	Method	Depreci	Elected	
	Type of	in	service	s/invest	other	for		Per	iod	convent	ation	section	
	Property			ment	basis	depi				ion	deducti	179 cost	
				use %		atio	on				on		
		-						-					
27	Dron cut 1 70	<u> </u>	1000 in -	nolifical L	in aga					<u> </u>	1		
27	Property used 50	J% or	less in a q	uannea bus	iness use:	1		1	1		1		
28	Add column (h).	linos	25 27										
29													
	29 Add column (i), line 26 Section B – Information on Use of Vehicles												
30(a)													
31(a)	Total commuting												
32(a)	Tot other person				1								
33(a)	Total miles drive												
34	Vehicle availabl												
35	Vehicle used > 5												
36	Another vehicle												
	C – Questions fo				e Vehicles	for Us	se by	Their	Empl	ovees			
37	Maint written po												
38	Maint written po												
39	Vehicles treated												
40	Provide > 5 vehi												
41	Qualified auto demonstration use?												
Part VI	VI Amortization												
	(a)		(b)	(c)	(d		(e)		(f)		Write-in / Literal /		
			ate amort	Amort				mort		mort	Attachments		
	of costs		begins	amount	sect	ion	-	riod or	fo	r this			
							pe	rcent		Yr			
42 amortization of costs that begin during your 2006 tax year													
42 aiii0	Development	ınat	begin dur	ing your 20	oo tax yea	11			1	1			
	Cost												
43	Amort of costs												
	before 2006												
	TY												
44	Total												

Form 4		Deprecia	tion and Amo	ortization	2006			
	Shoebill Unlimited							
	ss or Activity: Aircraf	t Leasing						
EIN: <b>6</b> 9	9-0000005		+					
	Line Description			Line Amoun	t	Write-in / Li	iteral / Atta	chments
Part I	<b>Election to Expense</b>	Certain P	roperty Under	r Section 179				
1	Maximum amount				108,000			
2	Total cost of section							
3	Threshold cost of sec		ор		430,000			
4	Reduction in limitation							
5	Dollar limitation for							
6(a)	Description of Proper	rty						
6(b)	Cost							
6(c)	Elected cost							
7	Listed property	150						
8	Total elected cost of	sec 179 pro	pp					
9	Tentative deduction	1 1 1						
10	Carryover of disallov		on					
11	Business income limi							
12	Section 179 expense							
_	Carryover of disallov			D '.'				
Part II	Special Depreciation Special depreciation		ce and Other	Depreciation				
14 15			\ a1aatian					
16	Property subject to se	£ 108(1)(1)	election					
Part III	Other depreciation	4						
17	MACRS Deprecia	tion						
17	MACRS deductions				4,983,216			
18	Sec 168(i)(4) election							
Section	B – Assets Placed in	Service Du			the General		System	_
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Write-in /
	Classification of	Month	Basis for	Recovery	Con-	Method	Deprc	Literal /
	property	& Year	deprec	period	vention		deduct	Attach-
								ments
19a	3-year property							
19a 19b	5-year property		2,642,388	5	HY	200DB	528,478	
19c	7-year property		2,042,366	3	111	20001	320,470	
19d	10-year property							
19e	15-year property							
19f	20-year property							
19g	25-year property					S/L		
19h	Residential rental				MM	S/L		
1711	property				IVIIVI	5/L		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Write-in /
	Classification of	Month	Basis for	Recov-	Con-	Method	Deprc	Literal /
	property	& Year	deprec	ery	vention		deduct	Attach-
			_	period				ments
				_				
19i	Nonresidential real				MM	S/L		
	property							
	C – Assets Placed in	Service Du						1
20a	Class life		2,935,176	4/01/2006	HY	S/L	244,500	
20b	12-year					S/L		
20c	40-year	1	ı	1	MM	S/L	I	1

Form 4	562	Deprecia	tion and An	nortizatio	n	2006			
Part IV	Summary			•					
21	Listed property								
22	Total				5,7	56,194			
23	Assets for CY								
	Listed Property	V							
	A – Depreciation	/	formation						
24a	Evidence?				Yes				
24b	Evidence writter	1?			Yes				
25	Special deprecia	tion allowance							
26	Property used m	ore than 50% in	a qualified b	ousiness u	se:	-			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Type of	Date placed	Busines	Cost or	Basis	Reco	Method	Depreci	Elected
	Property	in service	s/invest	other	for	very	convention		section
			ment	basis	deprici	Perio		deducti	179 cost
			use %		ation	d		on	
			41.00						
27	Property used 50	% or less in a q	ualified busi	ness use:	1	+	1	<del>_</del>	1
•		1: 05 05							
28	Add column (h),							_	
29	Add column (i),		<u> </u>						
	B – Information		icles	1					
30(a)	Total bus/invest								
31(a)	Total commuting								
32(a)	Tot other person								
33(a) 34	Total miles drive		~ ~?						
35	Vehicle available Vehicle used > 5		se!						
36	Another vehicle		al 112a9	-					
	C – Questions for	-		Vahialaa	for Has b	Their I	Employees		
37	Maint written po			venicies	ior Use b	y i neir i	impioyees		
38	Maint written po								
39	Vehicles treated	<u>, , , , , , , , , , , , , , , , , , , </u>							
40	Provide > 5 vehi		1						
41	Qualified auto de		e?						
Part VI		emonstration as	<u>.                                    </u>						
1 41 0 7 1	1 mortization		Т	Т			(f)Amort	Write-in / L	iteral /
	(a)Depreciati		(c) Amor	t (d)Co	de (e)	Amort	for this	Attachment	
	on of costs	(b)Date	amount	sectio		riod or	Yr		
		amort begins			pe	rcent			
42 amo	rtization of costs	that begin dur	ing your 200	06 tax yea	ır		1		
	Development								
42	Cost								
43	Amort of costs						1		
	before 2006 TY								
44	Total								
44	LOTAL								

Form 4		Sales o	f Busines	s Prop	pert	<b>y</b>			2006	
Name:	<b>Shoebill Unlimited</b>									
EIN: <b>6</b> 9	9-0000005									
	Line Description					Line Amou	nt	Write-in / I	Literal / Atta	chments
1	Gross receipts fm sales	s or exc	hg							
Part I	Sales or Exchanges of	Proper	ty Used i	n a Tr	rade	e or Business				
	Line Description					Line Amou	nt	Write-in / Lit	teral / Attach	ments
	Description of	Da		Date		Gross sal	e	Depreciation		Gain or
	property	acqui		sold		price		allowed	other	loss
	(a)	(b	)	(c)		<b>(d)</b>		(e)	basis	(g)
2									(f)	
2										
	Line Description					Line Amou	nt	Write-in / Lit	toral / Attack	monts
3	Gain fm F4684					Line Amou	ш	write-iii / Lit	terai / Attacii	iments
4	Sec 1231 gain fm F625	52				237,9	079			
5	Sec 1231 gain fm F882					2019	, , ,			
6	Gain fm casualty or the					2,550,0	000			
7	Combine lines 2 to 6	-10				2,787,9				
8	Nonrecaptured net sec	1231 la	oss			-,,,,,,	.,			
9	Subtract line 8 from lin					2,787,9	979			
Part II	Ordinary Gains and	Losses								
	Line Description					Line Amou	nt	Write-in / Lit	teral / Attach	ments
	Description of	Da	te	Date		Gross sal	e	Depreciation	Cost or	Gain or
	property	acqui	ired	sold		price		allowed	other	loss
	(a)	(b	)	(c)		(d)		(e)	basis (f)	(g)
10	Ordinary gains and los	es not i	ncluded o	n lines	s 11	through 16				
	Installment Sale									
	from F6252									567,895
	Line Description					Line Amou	nt	Write-in / Lit	teral / Attach	ments
11	Loss fm line 7					2 505 (	250			
12	Gain fm line 7					2,787,9				
13	Gain fm line 31					150,0	JUU			
14 15	Net gain F4684 Ordinary gain F6252									
16	Ordinary gain F8232									
17	Combine lines 10 to 16				-	3,505,8	874			
18a	Part of loss F4684					3,303,0	., T			
18b	Redetermined gain or (	(loss) o	n line 17							
	I Gain for Disposition			der Se	ectio	ons 1245, 125	<b>50,</b> 12	252, 1254 and 1	1255	
	Description of prope		Date			Date sold		,		
	(a)		acquire (b)			(c)				
19a	See F6252		04/30/0	)4		06/30/05				
19b										
19c										
19d										
		Pro	perty A	Pı	rope	erty B	Pro	operty C 1	Property D	· · · · · · · · · · · · · · · · · · ·
20	Gross Sale price		3,150,00			· · · · · · · · · · · · · · · · · · ·			· · · · · · · · · · · · · · · · · · ·	
21	Cost or other basis		600,00							
22	Depreciation allowed		150,00							
23	Adjusted basis		450,00	0						

Form	4797	Sales of Business P	roperty				2006	
24	Total gain	2,700,000						
25a	Depreciation allowed	150,000						
25b	Smaller of lines 24 an 25a	d 150,000						
26a	Additional depreciation after 197	5						
26b	Applicable %							
26c	Subtract line 26a from line 24	1						
26d	Additional depreciation after 196	9						
26e	Smaller of lines 26c and 26c							
26f	Sec 291 amount							
26g	Add lines 26b,26e and 26f	1						
27a	Soil, water, land							
27b	Line 27 multiplied by applicable %							
27c	Smaller of lines 24 an 27b	d						
28a	Intangible drilling							
28b	Smaller of lines 24 an 28a	d						
29a	Applicable % of payment excluded							
29b	Smaller of lines 24 an 29a	d						
	Line Description		Line A	mount		Write-in	/ Literal / Attachmer	nts
30	Total gain all property			2,700	0,000			
31	Add property columns				0,000			
32	Subtract line 31 from				0,000			
Part I	V Recapture Amounts	<b>Under Sections 17</b>	9 and 28					
				(a) Sectio	n 179	(b) S	ection 280F(b)(2)	
33	Sec 179 expense dedu		l					
34	Recomputed depreciat	tion						
35	Recapture amount							

Form 6	5252	Installment Sale Inco	me	2006				
Name:								
Identify	Identifying number:							
1	Description of property							
2a	Date acquired (month	, day, year)						
2b	Date sold							
3	Was property sold to	a related party	No					
4	Was the property sold	to a related party a mar	ketable security	□Yes	□No			
	Line Description		Line Amount		Write-in / Literal / Attachments			
Part I	<b>Election to Expense</b>	Certain Property Unde	er Section 179					
5	Selling price includin	g mortgages and other						
	debts.							
6	Mortgages, debts, and	d other liabilities buyer						
	assumed							
7	Subtract line 6 from l	ine 5						
8	Cost of other basis of	property sold						

Form 6	5252 Installment Sale Income	2006
9	Depreciation allowed or allowable	
10	Adjusted basis. Subtract line 9 from line 8.	
11	Commissions and other expenses of sale	
12	Income recapture from Form 4797, Part III	
13	Add lines 10, 11, and 12	
14	Subtract line 13 from line 5. If zero or less,	
14	do not complete rest of form	
15	If property described on line 1you're your	
13	main home, enter amount of your excluded	
	gain	
16	Gross profit. Subtract line 15 from line 14	
17	Subtract line 13 from line 6. If zero or less	
17	enter 0	
18	Contract price. Add line 7 and line 17	
	II Installment Sale Income	
19	Gross profit percentage. Divide line 16 by	
19	line 18.	
20	If this is the year of sale, enter the amount	
20	from line 17. Otherwise 0	
21	Payments received during year	
22	Add lines 20 and 21	
23	Payments received in prior years	
24	Installment Sale income. Multiply line 22	
24	by line 19	
25	Enter the part of line 24 that is ordinary	
23	income under the recapture rules	
26	Subtract lien 25 fro line 24. Enter here and	
20	on Sch D or Form 4797	
Part II	I Related Party Installment Sale Income	
27	Name, address and taxpayer identifying	
	number of related party	
28	Did related party resell or dispose of	
20	property during this tax year	
29	If answer to 28 is 'yes', complete lines 30	
	through 37 unless one of the following	
	conditions is met. Check box that applies	
A	The second disposition was more than 2	
	years after the first disposition. If box is	
	checked enter date of disposition	
В	The first disposition was a sale or exchange	
	of stock to the issuing corporation	
C	The second disposition was an involuntary	
	conversion and the threat of conversion	
	occurred after the first disposition	
D	The second disposition occurred after the	
	death of the original seller or buyer	
E	It can be established to the satisfaction of	
	the IRS that tax avoidance was not a	
	principal purpose for either dispositions	
30	Selling price of property sold by related	
1		1
	party	
31	Enter contract price from line 18 for year of	
	Enter contract price from line 18 for year of first sale	
32	Enter contract price from line 18 for year of first sale Enter the smaller of line 30 or line 31	
	Enter contract price from line 18 for year of first sale Enter the smaller of line 30 or line 31 Total payments received by the end of your	
32	Enter contract price from line 18 for year of first sale Enter the smaller of line 30 or line 31	

Form	6252	Installment Sale Income	2006	
	less, enter 0			
35	Multiply line 34 by g on line 19 for year of	ross profit percentage first sale		
36	Enter the part of line income under the rec			
37	Subtract line 36 from Schedule D or Form	line 35. Enter here on 4797		

Form 88	325		eal Estate Income	of a	2006	
		Pai	rtnership or an S	Corporation		
	Shoebill Unlimited					
EIN: 69	-0000005		+			
						n / Literal /
	Line Description		Line Amount /		Attachn	nents
1A	Kind & location of eac	h property		Aircraft		
1B						
1C						
1D						
	1		-1	Properties		
			A	В	C	D
2	Gross rents		6,575,640			
3	Advertising		4,230			
4	Auto and travel		7,135			
5	Cleaning and maintena	nce				
6	Commissions		21,300			
7	Insurance		155,940			
8	Legal and other profess	sional fees	38,342			
9	Interest		406,581			
10	Repairs		3,220			
11	Taxes		5,704			
12	Utilities		7,311			
13	Wages and salaries		126,211			
14	Depreciation		5,726,037			
15	Other					
16	Total expense for each	property	6,502,011			
					Write-ii	n / Literal /
	Line Description		Line Amount /		Attachn	nents
17	Total gross rents			6,575,640		
18	Total expenses			(6,502,011)		
19	Net gain (loss) F4797			3,505,874		
	Net income (loss) from	rental real				
20a	estate activities					
20b(1)	Name					
20b(2)	EIN					
21	Net rental real estate in	come (loss)		3,579,503		

Form 8913	Credit for Fed	eral Telephone Exc	ise Tax Paid	2006
(a) Bills dated during	(b) Long distance service	(c) Bundled Service	(d) Tax credit or refund (add columns (b) and (c))	(e) Interest on tax refund
1. March, April and May 2003	15		15	4
2. June, July and August 2003	15		15	4
3. September, October and November 2003	15		15	4
4. December 2003, January and February 2004	20		20	4
5. March, April and May 2004	20		20	4
6. June, July and August 2004	20		20	4
7. September, October and November 2004	20		20	4
8. December 2004, January and February 2005	22		22	4
9. March, April and May 2005	22		22	3
10. June, July and August 2005	22		22	3
11. September, October and November 2005	22		22	2
12. December 2005, January and February 2006	30		30	3
13. March, April and May 2006	30		30	2
14. June and July 2006	10		10	0
15. Add lines 1-14			283	45
16. Total credit or refund requested				328

Sch	K-1 (Form 1065) Partner's Share o	f Income, Ded	uctions, Cred	its, etc. 2006
Tax	year beginning <b>January 1</b> , 2006 ending <b>Dece</b>	mber 31, 2006	<u> </u>	
	Final K-1			
	Amended K-1			
Part	I Information About the Corporation			
	Line Description	Line Amoun	t	Write-in / Literal / Attachments
4	Partnership's employer identification number	69-00	00005	
3	Partnership's name, address, city, state, and		Unlimited	
	Zip code	5551 EI	liot Road	
		Salt Lake C	ity, UT 84101	
С	IRS Center where corporation filed return	Og	den	
)	Check if Publicly traded partnership (PTP)			
$\mathbb{E}$	Tax shelter registration number, if any			
₹	Check if Form 8271 is attached			
Part	II Information About the Partner			
G	Partner's Identification number		0-0001	
H	Partner's name, address, city, state and ZIP		Boxwood	
	code		on Circle	
		,	D 83708	
	General partner or LLC member-manager		rtner or LLC	
	☐ Limited partner or other LLC member	member	-manager	
J	☐ Domestic partner☐ Foreign partner	Damast	c partner	
K	What type of entity is this partner?		<u>c parmer</u> vidual	
	Partner's share of profit, loss and capital	Illul	luuai	
_	1 artifer's share of profit, loss and capital	Beginning %	Ending%	
	Profit	25	25	
	Loss	25	25	
	Capital	25	25	
И	Partner's share of liabilities at year end:	23	20	
•	Nonrecourse \$			
	Qualified nonrecourse financing \$			
	Recourse \$		20,317,292	
1	Partner's capital account analysis:		- /- / -	
	Beginning capital account \$		4,552,886	
	Capital contributed during the year \$		125,000	
	Current year increase (decrease) \$		4,050,631	
	Withdrawals & distributions \$			
	Ending capital account \$		8,728,518	
	□ Tax basis □ GAAP □ Sect 704(b) book			
	□ Other (explain)		704(b) book	
art	III Partner's Share of Current Year Incom	e, Deductions,	Credits, and	
	Line Description			Write-in / Literal /
				Attachments
	Ordinary business income (loss)		2,884,203	
2	Net rental real estate income (loss)		894,876	
<u> </u>	Other net rental income (loss)			
,	Guaranteed payments		443.004	
· _	Interest income		442,901	
a	Ordinary dividends			
<u>b</u>	Qualified dividends			
	Royalties			
3	Net short-term capital gain (loss)			
<u>a</u>	Net long-term capital gain (loss)			
<u>)b</u>	Collectibles (28%) gain (loss)			_
9c	Unrecaptured section 1250 gain			

10	Net section 1231 gain (loss)	59,495	
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)	(a) 5,001,934 (c)10,444,370	
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	(a) 200,000	
18	Tax-exempt income & nondeductible	(b) 625,000	
	expense	(c) 14,101	
19	Distributions		
20	Other Information	(a) 442,901	

	K-1 (Form 1065) Partner's Share of			its, etc. 2006
Tax	year beginning <b>January 1</b> , 2006 ending <b>Deco</b>	mber 31, 2006	) 	
	Final K-1		<u> </u>	
D (	Amended K-1			
Part	I Information About the Corporation			XX7 **
	Line Description	Line Amoun	t	Write-in / Literal / Attachments
A	Partnership's employer identification number	69-00	00005	
В	Partnership's name, address, city, state, and Zip code	5551 Ell	Unlimited liot Road ity, UT 84101	
C	IRS Center where corporation filed return		den	
D	Check if Publicly traded partnership (PTP)			
E	Tax shelter registration number, if any			
F	Check if Form 8271 is attached			
Part	II Information About the Partner			
G	Partner's Identification number		0-0002	
Н	Partner's name, address, city, state and ZIP code	2894 N. 6	a Plum 352 South IV 89510	
I	☐ General partner or LLC member-manager ☐ Limited partner or other LLC member	Limited par	tner or other nember	
J	☐ Domestic partner ☐ Foreign partner	Domesti	c partner	
K	What type of entity is this partner?		vidual	
L	Partner's share of profit, loss and capital	Beginning %	Ending%	
	Profit	25	25	
	Loss	25	25	
	Capital	25	25	
M	Partner's share of liabilities at year end:			
	Nonrecourse \$			
	Qualified nonrecourse financing \$			
	Recourse \$			
N	Partner's capital account analysis:			
	Beginning capital account \$		4,552,887	
	Capital contributed during the year \$			
	Current year increase (decrease) \$			
	Withdrawals & distributions \$			
	Ending capital account \$ □ Tax basis □ GAAP □ Sect 704(b) book			
	☐ Tax basis ☐ GAAP ☐ Sect 704(b) book ☐ Other (explain)	Section	704(b) book	
Part	III Partner's Share of Current Year Incom			Other Items
1 art	Line Description	Deductions,	Cicuits, and	Write-in / Literal /
	-			Attachments
1	Ordinary business income (loss)			
2	Net rental real estate income (loss)			
3	Other net rental income (loss)			
4	Guaranteed payments			
5	Interest income			
6a	Ordinary dividends			
6b	Qualified dividends Royalties			
7	ž			
8	Net long term capital gain (loss)			
9a 9b	Net long-term capital gain (loss)  Collectibles (28%) gain (loss)			
90	Concendres (2070) gaill (1088)			

9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)	(c)10,444,370	
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	(a) 200,000	
18	Tax-exempt income & nondeductible		
	expense		
19	Distributions		
20	Other Information		

	K-1 (Form 1065) Partner's Share		ctions, Credits	, etc. 2006
Tax	year beginning <b>January 1</b> , 2006 ending <b>Decembe</b>	er 31, 2006		
	Final K-1	_		
Dant	Amended K-1			
Part	I Information About the Corporation	I : a A a 4		Write-in / Literal /
	Line Description	Line Amount		Attachments
A	Partnership's employer identification number	69-00	00005	
В	Partnership's name, address, city, state, and Zip	Shoebill Unlimited		
	code	5551 Ell		
		Salt Lake Ci		
C	IRS Center where corporation filed return	Oge	den	
D	Check if Publicly traded partnership (PTP)			
E	Tax shelter registration number, if any			
F	Check if Form 8271 is attached			
	II Information About the Partner			
G	Partner's Identification number		0-0003	
H	Partner's name, address, city, state and ZIP code		Cypress	
			th19 West	
			co, CA 94104	
I	☐ General partner or LLC member-manager		tner or other	
_	☐ Limited partner or other LLC member	LLC r	nember	
J	□ Domestic partner			
T 7	□ Foreign partner		c partner	
K	What type of entity is this partner?	Indi	vidual	
L	Partner's share of profit, loss and capital	Beginning %	Ending%	
	Profit	25	25	
	Loss	25	25	
	Capital	25	25	
M	Partner's share of liabilities at year end:			
	Nonrecourse \$			
	Qualified nonrecourse financing \$			
	Recourse \$			
N	Partner's capital account analysis:			
	Beginning capital account \$		4,552,887	
	Capital contributed during the year \$		1,002,007	
	Current year increase (decrease) \$			
	Withdrawals & distributions \$			
	Ending capital account \$			
	☐ Tax basis ☐ GAAP ☐ Sect 704(b) book			
	□ Other (explain)	Section	704(b) book	
Part	III Partner's Share of Current Year Income, D			tems
	Line Description			Write-in / Literal /
		<u> </u>		Attachments
1	Ordinary business income (loss)			
2	Net rental real estate income (loss)			
3	Other net rental income (loss)			
1	Guaranteed payments			
5	Interest income			
ба	Ordinary dividends			
бb	Qualified dividends			
7	Royalties			
3	Net short-term capital gain (loss)			
	Net long-term capital gain (loss)			
9a				
9a 9b	Collectibles (28%) gain (loss)			

10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)	(c)10,444,370	
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items	(a) 200,000	
18	Tax-exempt income & nondeductible expense	(b) 625,000	
19	Distributions		
20	Other Information		

	Sch K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, etc. 2006				
Tax	year beginning January 1, 2006 ending Decembe	r 31, 2006			
	Final K-1	_			
	Amended K-1				
Part	I Information About the Corporation				
	Line Description	Line Amount	Write-in / Literal / Attachments		
A	Partnership's employer identification number	69-0000005			
В	Partnership's name, address, city, state, and Zip	Shoebill Unlimited			
	code	5551 Elliot Road			
	TDG G	Salt Lake City, UT 84101			
C	IRS Center where corporation filed return	Ogden			
D E	Check if Publicly traded partnership (PTP)				
F	Tax shelter registration number, if any Check if Form 8271 is attached	_			
	II Information About the Partner				
G	Partner's Identification number	694000004			
H	Partner's name, address, city, state and ZIP code	Redbird Trees			
11	1 artifer 5 marie, address, city, state and 211 code	7272 West Turman Ave			
		Sacramento, CA 95813			
I	☐ General partner or LLC member-manager	Limited partner or other			
	☐ Limited partner or other LLC member	LLC member-manager			
J	□ Domestic partner				
	□ Foreign partner	Domestic partner			
K	What type of entity is this partner?	Partnership			
L	Partner's share of profit, loss and capital				
		Beginning % Ending%			
	Profit	25 25			
	Loss	25 25			
N.F	Capital	25 25			
M	Partner's share of liabilities at year end:  Nonrecourse \$				
	Qualified nonrecourse financing \$				
	Recourse \$				
N	Partner's capital account analysis:	1			
11	Beginning capital account \$				
	Capital contributed during the year \$				
	Current year increase (decrease) \$				
	Withdrawals & distributions \$				
	Ending capital account \$				
	□ Tax basis □ GAAP □ Sect 704(b) book				
	□ Other (explain)	Section 704(b) book			
Part	III Partner's Share of Current Year Income, De	eductions, Credits, and Other			
	Line Description		Write-in / Literal /		
1	Continuos territores (d. )		Attachments		
1	Ordinary business income (loss)				
3	Net rental real estate income (loss)  Other net rental income (loss)				
4	Guaranteed payments				
5	Interest income				
6a	Ordinary dividends				
6b	Qualified dividends				
7	Royalties				
8	Net short-term capital gain (loss)				
9a	Net long-term capital gain (loss)				
9b	Collectibles (28%) gain (loss)				
9c	Unrecaptured section 1250 gain				

10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)	(c)10,444,370	
15	Credits & credit recapture		
16	Foreign transactions		
17	Alternative minimum tax (AMT) items		
18	Tax-exempt income & nondeductible expense		
19	Distributions		
20	Other Information		

**TEST SCENARIO 6** 

FORMS REQUIRED: 1065-B, 4797, 1065-B SCH K-1 (2), Form 8453-B, DEPENDENCIES

**ATTACHMENTS:** 

Itemized Other Deductions Schedule Inventoriable Costs Paid Schedule Balance Sheets Discrepancy Statement Schedule L Other Current Assets Statement

BINARY ATTACHMENTS: Scanned Form 8453-B (8453 Signature Document)

**HEADER INFO:** 

Tax Period: Calendar Year 2006

Preparer Firm Electronic Tax Filers, Inc 69-0000006

1065 Efile Drive Anytown, TX 79001

MultipleSoftwarePackagesUsed: Yes or No

Originator: EFIN: Self-select

Type: Self-select PractionerPIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065-B

Filer: EIN: 69-000006

Name: ABC Oil and Gas L P Name Control: ABCO Address: 28 Oil Rig Rd

Anytown, TX 79001

Partner: Name: Jonathan Walker

**Title: Chief Executive Officer** 

Taxpayer PIN: N/A Phone: 555-55-555

Email Address: Anymail@email.com

Date Signed: 04/01/2006

Preparer: Name: Jane Doe

SSN: 000-50-5555 Phone: 555-555-5555

Email Address: Anymail@email.com

Date Prepared: 04/10/2006

Self Employed: No

IRS PAYMENT: N/A

### **Details for attachments to Form**

Attachment 1, Form 1065-B, Page 1, Line 23 (Itemized Other Deductions Schedule)

Type	Amount
Survey Costs	\$150,750
Permits	\$27,250
Professional Fees	\$46,140
Bank Fees	\$2,600

Attachment 2, Form 1065-B, Page 2, Schedule A, Line 5 (Inventoriable Costs Paid Schedule)

Type	Amount
Other Costs	\$576,000

Attachment 3, Form 1065-B, Page 5, Schedule L (Balance Sheets Discrepancy Statement)

cribe Allocation of Depletion Expense
---------------------------------------

Attachment 4, Form 1065-B, Page 5, Schedule L, Line 6 (Schedule L Other Current Assets Statement)

Type	BOY Amount	EOY Amount
Prepaid Insurance	\$260,000	\$280,001
Other	\$1,600,720	\$1,630,110

Form	1065-B Test U.S. Return of Inco	me for Electing Large P	artnerships 2006
Calend	dar Year 2006 or tax year beginning		2006
A	Principal business activity	Mining	
В	Principal product or service	Oil and Gas	
C	Business code number	211110	
Name	and Address:		
D	Employer Identification number	69-0000006	
E	Date business started	11/08/1999	
F	Total assets	\$5,617,088	
G	Check applicable boxes 1,2,3,4	, ,	
Н	Check accounting method 1,2,3	Accrual	
I	Number of Schedule K-1	2	
J	Schedule M-3 Required (attached	_	
	Schedule M-3)		
	Line Description	Line Amount	Write-in / Literal / Attachment
1a	Gross receipts or sales	\$2,512,000	The man Enterural retainment
1b	Less returns and allowances	Ψ±,512,000	
1c	Balance	\$2,512,000	
2	Cost of goods sold (Sch A, line 8)	\$576,000	
3	Gross profit. Subtract line 2 from 1c	\$1,936,000	
4	Net rental real estate income (loss)	\$1,730,000	
5	Net income(loss) other rental act		
6	Ordinary income (loss) other partner		
7	Net farm profit (loss)		
8	Excess of net short-term gain over net		
ð	long-term capital loss (SchD, line 14)		
0			
9	Net gain (loss) Form 4797, Part II, line 17		
10	Other income (loss)	61.027.000	
11	Total income (loss) Combine lines 3 -10	\$1,936,000	
12	Salaries and wages		
13	Guaranteed payments to partners	000416	
14	Repairs and maintenance	\$224,165	
15	Bad debts		
16	Rent		
17	Taxes and licenses		
18	Interest		
19a	Depreciation & section 179 expense		
19b	Less depreciation claimed on Sch A		
19c	Total depreciation		
20	Depletion	\$148,180	
21	Retirement plans, etc		
22	Employee benefit programs		
23	Other deductions	\$226,740	Attachment 1
24	Total deductions. Add lines 12 – 23	\$599,085	
25	Taxable income (loss) from passive loss		
	(Subtract Line 24 from Line 11	\$1,336,915	
26a	Tax check if from Form 4255		
26b	Tax check if from Form 8611		
27a	Other payments check if Form 2439		
27b	Other payments check if Form 4136		
28	Tax due. Excess line 26 over line 27		
29	Overpayment. Excess line 27 over 26		
	<b>Taxable Income or Loss From Other Acti</b>	vities	
1	Interest	\$550	
2a	Total ordinary dividends		
2b	Qualified dividends		
	· ·	•	

Form		me for Electing Large Pa	artnerships 2006
2c	Nonqualified dividends. Subtract Line 2b		
	from 2a		
3	Gross royalties		
4	Excess of net short-term capital gain over		
	net long-term capital loss Schedule D line		
	17		
5	Other income (loss)		
6	Total income (loss) Add lines 1, 2c, 3, 4,		
	and 5	\$550	
7	Interest expenses investments debts		
8	State and local income taxes		
9	Charitable contributions		
10a	Total misc itemized deductions		
10b	Deductible amount Multiply line 10a by		
11	30%		
11	Other deductions		
12	Total deductions. Add lines 7, 8, 9, 10b, and 11		
13	Taxable income (loss) from other		
	activities. Subtract line 12 from line 6	\$550	
Schedu			
1	Inventory at beginning of year		
2	Purchases less cost of items		
3	Cost of labor		
4	Additional section 263A costs		
5	Other costs	\$576,000	Attachment 2
6	Total. Add lines 1 – 5	\$576,000	
7	Inventory at the end of year		
8	Cost of goods sold. Subtract Line 7 from 6	\$576,000	
9a (i)	Cost in regulations section 1.471-3		
9a (ii)	Lower of cost or market 1.471-4		
9a	Other		
(iii)			
9b	Check if writedown subnormal goods		
9c	Check if the LIFO was adopted		
9d	Section 263A rules apply		
9e	Change in determining quantities, cost,		
	valuations		
Schedu			
1a	Domestic general partnership		
1b	Domestic limited partnership		
1c	Domestic limited liability company		
1d	Domestic limited liability partnership	X	
1e	Foreign partnership		
1f	Other		
2	Any partners in this partnership also partnerships?	N	
3	Partnership own interest in another partnership or foreign entity?	N	
4	Partnership have foreign partners?	N	
5	Partnership publicly traded partnership?	N	
6	Partnership file Form 8264?	N	
7	Partnership have an interest in or a	N	
	signature, or other authority over	-,	
	financial account in foreign country?		

Form	1065-B Test	U.S. I	Return of Inco	me for Electing	g Large Pa	artnerships	2006
8	Partnership rec			N	, ,	•	
	granter of, transferor to foreign trust?						
9	Number of Forms 8865 attached		0				
S	Schedule D Capital Gains and Losses						
	Part 1	I – Short-Tern	n Capital Gains	and Losses —-	Assets Hele	d 1Year or Less	
	Description	Date	Date Sold	Sales Price		Cost or other	Gain or Loss
	of Property	acquired				basis	(Subtract (e)
	(a)	(b)	(c)	(d)		(e)	from (d))
			. ,	, ,		, ,	(f)
1							
2	Short-term cap						
	from Form 625						
3	Short-term cap						
4	Net short-term						
	Combine lines						4 17
					- Assets ]	Held More Than	
	Description	Date	Date Sold	Sales Price		Cost or other	Gain or Loss
	of Property	acquired	(-)	(4)		basis	(Subtract (e)
	(a)	(b)	(c)	(d)		(e)	from (d))
_							(f)
5							
6	Gain from For	m 4797 Part I			\$2,500		
7	Lone-term cap	ital gain instal	lment sales				
	from Form 625	52 Line 26 or 3	37				
8	Long-term cap						
9	Net long-term				\$2,500		
	Combine lines						
			ary of Parts I a	and II			
10	Net gain (loss)				\$2,500		
11	Excess net sho						
10	over net long-t				00 700		
12	Net capital gai	n or (loss). Su	btract line 11		\$2,500		
	from line 10	IV Not Co	tal Cain (I	fuore Descri	Locali	itation A ativiti	
13	Redetermine a			s) irom Passive	LOSS LIM	itation Activities	
13	into account or						
	passive loss lin						
14	Excess of net s						
	net long-term						
	of amount on l						
15	Redetermine a		by taking				
	into account or						
	passive loss lin						
16	Net capital gai						
	loss limitation						
	are both + or b		naller of line				
	12 or 15, other	wise enter 0					

	Part V – Net Capital Gain (Loss) from	Other Activities						
17	Excess of net short-term capital gain over							
	net long-term capital loss. Subtract line							
	14 from line 11							
18	Net capital gain or (loss) from other	\$2,500						
	activities. Subtract line 16 from line 12							
Schedule K Partners' Share of Income, Credits, Deductions, ect.								
	\	o) Total amount						
1a	Taxable income(loss) from passive limitation activities (Part I line 25)	\$1,336,915						
1b(1)	Taxable income (loss) from trade or business activities	\$66,458						
1b(2)	Taxable income (loss) from rental real estate activities							
1b(3)	Taxable income (loss) from other rental activities							
1c	Total amount line 1a allocated to	\$668,458						
	general partners. Combine lines 1b(1) – 1b(3)							
1d	Taxable income (loss) from passive loss	\$668,457						
	limitation activities allocated to limited part. Subtract line 1c from 1a							
2	Taxable income (loss) from other activities (Part II, line 13)	\$550						
3	Qualified dividends from other activities (Part II, line 2b)							
4a	Net capital gain (loss) from passive loss limitation activities (SchD, ln 16)							
4b	Net capital gain (loss) from other	\$2,500						
40	activities (Schedule D, line 18)	\$2,500						
5	Net passive alternative minimum tax							
6	Net other alternative minimum tax adj							
7	Guaranteed payments							
8	Income discharge of indebtedness							
9	Tax-exempt interest income							
10	General credits							
11	Low-income housing credit							
12	Rehabilitation credit from real estate activities							
13a	Net earnings (loss) self employment	\$668,458						
13b	Gross nonfarm income							
14a	Name of foreign country or U.S. possession							
14a	Name of foreign country or U.S. possession							
14b	Gross income from all sources							
140 14c	Gross income sourced at							
14d(1)	partnership level Foreign gross income at partnership level – Passive							
14d(2)	Foreign gross income at partnership level - Listed categories							
14d(3)	Foreign gross income at partnership level - General limitation							
14e(1)	Deduction allocated and apportioned at							
14e(2)	partner level - Interest expense  Deduction allocated and apportioned at							
140(2)	partner level –Other							
-	• •							

14f(	1)	Doducti	one	21100	cated and a	nnortio	ned at					
141(	1)				l to foreign							
		income				Source	,					
14f(	2)				cated and a	nportio	ned at					
1 .1(					l to foreign							
					categories							
14f(	3)				cated and a		ned at					
`					l to foreign							
		income	- Ge	enera	ıl limitatio	n						
14g					kes Paid 🗆							
14h		Reducti	on iı	n tax	es availab	le for cr	edit					
15					amounts r		to be					
					ely to parti							
					ome (Loss							
1					olumn (b),							
				om 1	esult, subt	ract line	es	\$1,	339,965			
		g(1) and $g(1)$		(		(:)		(:) P	1	7.5	F	(-:) NI :
	(1)	Corporate	e	(ii)	ividual	(iii) Indivi	duo1	(iv) Partr	iersnip		Exempt	(vi) Nominee Other
					tive)	(passi				OLE	ganization	Ouici
2a	Δη	alysis by		_	69,982	(Passi	vc)					
2a		arysis by		φυί	17,704							
		tners										
2b	-	alysis				\$669,9	983					
-~		Limited				400292						
	-	tners										
Scho	edule	e L Ba	land	ce SI	heets per l							
					Beginnii	ng of ta	x year		End	of ta	ıx year	Write-in /
						,	•					Literal
		Asse	ets		(a)			(b)	(c)		(d)	
1		Cash						\$565,010			\$855,185	
2a		rade not										
2b		Less allow		e								
3		nventorie										
4												
	Ţ	J.S. govt	obli	g								
5	J L	J.S. govt Tax-exem	obli ipt	g								
5	J T s	J.S. govt Tax-exem securities	obli pt	g								
	J S	J.S. govt Tax-exem securities Other cur	obli pt	g			<b>Q1</b>	860 720			\$1 910 111	Attachment 4
5 6	U S C a	J.S. govt Tax-exem securities Other curr assets	obli npt rent				\$1	,860,720			\$1,910,111	Attachment 4
5	U S C a	J.S. govt  Fax-exem securities  Other curus  assets  Mortgage	oblinpt rent				\$1	,860,720			\$1,910,111	Attachment 4
5 6 7	U S C a M e	J.S. govt Fax-exem securities Other cur- sssets Mortgage estate loan	oblinpt rent				\$1	,860,720			\$1,910,111	Attachment 4
5 6	S C a N e	J.S. govt Fax-exem securities Other cur- sssets Mortgage estate loan	oblinpt rent & ro				\$1	,860,720			\$1,910,111	Attachment 4
5 6 7 8	U T s C a A M e e	J.S. govt Fax-exem securities Other cur- assets Mortgage estate loan Other nvestmer	oblinpt rent & ren	eal			\$1	,860,720			\$1,910,111	Attachment 4
5 6 7	I S S S S S S S S S S S S S S S S S S S	J.S. govt Fax-exem securities Other curr assets Mortgage estate load Other nvestmer Bldgs & C	oblinpt rent & ren n nts other	eal			\$1	,860,720			\$1,910,111	Attachment 4
5 6 7 8 9a	I S S S S S S S S S S S S S S S S S S S	J.S. govt Fax-exem securities Other curs ssets Mortgage estate load Other nvestmer Bldgs & c deprec ass	oblinpt rent & rent n nts other sets	eal			\$1	.,860,720			\$1,910,111	Attachment 4
5 6 7 8	I I S S C C A A A A A A A A A A A A A A A A	J.S. govt Fax-exem securities Other curs ssets Mortgage estate loan Other nvestmer Bldgs & c deprec ass Less accu	oblinpt rent & rent ts other sets mu-	eal			\$1	,860,720			\$1,910,111	Attachment 4
5 6 7 8 9a 9b	I S S C S S S S S S S S S S S S S S S S	J.S. govt Fax-exem securities Other curs ssets Mortgage estate loan Other nivestmer Bldgs & collepted ass Less accu ated depres	oblinpt  rent & rent  & rent  other sets  mu- rec	eal			\$1	,860,720			\$1,910,111	Attachment 4
5 6 7 8 9a 9b	T S C aa M ee C C iii F dd	J.S. govt Fax-exem securities Other cur- ssets Mortgage estate load Other nivestmer Bldgs & collepted assets accurated depropeletable	which is a second or control of the	eal	\$3,14	10,260	\$1	,860,720	\$3,375,1	12	\$1,910,111	Attachment 4
5 6 7 8 9a 9b	I I I I I I I	J.S. govt Fax-exem securities Other cur- assets Mortgage estate load Other nvestmer Bldgs & c leprec ass Less accu ated depr Depletabl Less accu	which will be a second or which will be a se	eal								Attachment 4
5 6 7 8 9a 9b 10a 10b	U	J.S. govt Fax-exem securities Other cur- assets Mortgage estate load Other nvestmer Bldgs & c deprec ass Less accu ated depr Depletabl Less accu ated depl	which will be a second or which will be a se	eal		10,260		2,765,120	\$3,375,1 \$523,3		\$2,851,792	Attachment 4
5 6 7 8 9a 9b 10a 10b	U	J.S. govt Fax-exem securities Other cur- ssets Mortgage estate loan Other nvestmer Bldgs & c deprec ass Less accu ated depr Depletabl Less accu ated depl	which is a second or control of the	eal								Attachment 4
5 6 7 8 9a 9b 10a 10b 11 12a	U	J.S. govt Fax-exem securities Other cur- ussets Mortgage estate loan Other nivestmer Bldgs & cleprec ass Less accu ated depropertable Less accu ated depl and ntangible	when the control of t	eal				2,765,120			\$2,851,792	Attachment 4
5 6 7 8 9a 9b 10a 10b	U	J.S. govt Fax-exem securities Other cur- ussets Mortgage estate loan Other nvestmer Bldgs & coleprec ass Less accu ated depr Depletabl Less accu ated depl Land ntangible Less accu	& ron  & ron  & ron  whits  wh	eal				2,765,120			\$2,851,792	Attachment 4
5 6 7 8 9a 9b 10a 10b 11 12a 12b	U	J.S. govt Fax-exem securities Other cur- ussets Mortgage estate loan Other nivestmer Bldgs & collepted ass Less accu ated depr Depletabl Less accu ated depl Land ntangible Less accu umortizati	oblinpt rent & ron  at section	eal				2,765,120			\$2,851,792	Attachment 4
5 6 7 8 9a 9b 10a 10b 11 12a 12b	U	J.S. govt Fax-exem securities Other cur- ussets Mortgage estate loan Other nivestmer Bldgs & collepted ass Less accu ated depr Depletabl Less accu ated depl Land ntangible Less accu umortizati Other asse	oblinpt rent  & ron  nts  other  sets  mu- etion  muits  assumation  ets	eal			\$2	2,765,120 \$10,000			\$2,851,792	Attachment 4
5 6 7 8 9a 9b 10a 10b 11 12a 12b	U	J.S. govt Fax-exem securities Other cur- ussets Mortgage estate loan Other nivestmer Bldgs & collepted ass Less accu ated depr Depletabl Less accu ated depl Land ntangible Less accu umortizati	oblinpt rent & ron  nts other seets mu- eetion  ets ets	eal		75,140	\$2	2,765,120			\$2,851,792	Attachment 4

							1
15	Accounts						
	payable		\$ <sup>4</sup>	470,588		\$\$205,366	
16	Mortgages,						
	notes, bonds						
17	payable < 1yr Other current						
17	liabilities						
18	All nonrecourse						
10	loans		\$2.7	254,137		\$1,205,380	
19	Mortgages,		Ψ=92	-0 1,10 /		\$1,200,000	
	notes, bonds						
	payable > 1yr						
20	Other liabilities						
21	Partners' capital						
	accounts		\$2,	476,125		\$4,206,342	
22	Total labilities						
	and capital			200,850		\$5,617,088	
Sched		n of Income	(Loss)		s With Income		
	Line Description			Line A		Write-in / Literal	
1	Net Income (loss) per bo		41		\$1,357,037		
2	Income included on Sch						
	and 8, not recorded on the	ne books this	year				
2	(itemized): Guarenteed payments						
3 4a	Expenses recorded on bo	ooks not incl	udad				
4a	SchK line 1c – 4b, and 1						
	Depreciation	og (itellize)					
4b	Expenses recorded on bo	ooks not incl	uded				
	SchK line 1c – 4b, and 1						
	Travel & entertainment				\$57,140		
4	Total Expenses						
5	Add lines 1 – 4				\$1,414,177		
6a	Income recorded on boo						
	SchK, lines $1c - 4$ , and $8$	3 (itemize) -	Tax-				
	exempt interest						
6 7a	Total Income	Cab V linea 1					
/a	Deductions included on 4b, and 15g not charged						
	(itemize) – Depreciation		`		\$74,212		
8	Add lines 6 and 7				\$74,212		
9	Income (loss) (Analysis	of net incom	ne		Ψ, 1,212		
	(loss) line 1). Subtract lin				\$1,339,965		
Sched	ule M-2 Analysis of Pa			counts			
1	Balance at beginning of				\$2,476,125		
2a	Capital contributed - Cas						
2b	Capital contributed - Pro						
3	Net income (loss) per bo				\$1,357,037		
4	Other increases (itemize	d)			\$373,180		
5	Add lines 1 through 4				\$4,206,342		
6a	Distributions – Cash						
6b	Distributions - Property	1\					
7	Other decreases (itemize	ed)					
8	Add lines 6 and 7	71.4 4.1.	0				
9	Balance at end of year. S	Subtract line	δ		¢4 207 242		
	from line 5				\$4,206,342		

Form 4	Form 4797 Sales of Business Property 2006							
Name:	ABC Oil and Gas LP		•					
EIN: <b>69</b>	2-0000006							
	Line Description	Line Amount	Write-in / Literal / Attachments					
1	Gross receipts fm sales or exchg							
Part I	Sales or Exchanges of Property Used in		ess					
2(a)	Description of property	Land						
2(b)	Date acquired	07/01/2000						
2(c)	Date sold	06/30/2006						
2(d)	Gross sales price	\$12,500						
2(e)	Depreciation allowed	010.000						
2(f)	Cost or other basis	\$10,000						
2(g)	Gain or (loss)	\$2,500						
3	Gain fm F4684							
5	Sec 1231 gain fm F6252 Sec 1231 gain fm F8824							
6	Gain fm casualty or theft							
7	Combine lines 2 to 6	\$2,500						
8	Nonrecaptured net sec 1231 loss	\$2,500						
9	Subtract line 8 from line 7							
-	Ordinary Gains and Losses	<u> </u>	1					
10(a)	Description of property							
10(b)	Date acquired							
10(c)	Date sold							
10(d)	Gross sales price							
10(e)	Depreciation allowed							
10(f)	Cost or other basis							
10(g)	Gain or loss							
11	Loss fm line 7							
12	Gain fm line 7							
13	Gain fm line 31							
14	Net gain F4684							
15	Ordinary gain F6252							
16	Ordinary gain F8824							
17	Combine lines 10 to16							
18a	Part of loss F4684							
18b	Redetermined gain or (loss) on line 17							
Part II		ter Sections 1245, 1	1250, 1252, 1254 and 1255					
19(a)	Description of property							
19(b)	Date acquired							
19(c)	Date sold							
20	Gross sales price Cost or other basis							
22	Depreciation allowed							
23	Adjusted basis							
24	Total gain							
25a	Depreciation allowed							
25b	Smaller of lines 24 and 25a							
26a	Additional depreciation after 1975							
26b	Applicable %							
26c	Subtract line 26a from line 24							
26d	Additional depreciation after 1969							
	Line Description	Line Amount	Write-in / Literal / Attachments					
26e	Smaller of lines 26c and 26c							
26f	Sec 291 amount							
26g	Add lines 26b,26e and 26f							
	•	-	<del>-</del>					

Form 4	797	Sales of Business	s Property	2006
27a	Soil, water, land			
27b	Line 27 multiplied by	applicable %		
27c	Smaller of lines 24 ar	nd 27b		
28a	Intangible drilling			
28b	Smaller of lines 24 an	nd 28a		
29a	Applicable % of payr	nent excluded		
29b	Smaller of lines 24 an	ıd 29a		
30	Total gain all property	y		
31	Add property column	s A – D		
32	Subtract line 31 from	line 30		
Part IV	Recapture Amount	s Under Sections	179 and 280F(b)(2)	
33(a)	Sec 179 expn ded – S	ec 179		
33(b)	Sec 179 expn ded – S	ec 280F(b)		
34(a)	Recomputed deprc –	Sec 179		
34(b)	Recomputed deprc- S	ec280F(b)		
35(a)	Recapture amount – S	Sec 179		
35(b)	Recapture amount – S	Sec 280F(b)		<u>-</u>

Sch (For	K-1 m 1065-B)	Partner's Share of In	come, (Loss) From an Ele Partnership	cting Large 2006
	Corrected			
	Publicly Traded Partn	ership 🗆		
	Line Description		Line Amount	Write-in / Literal / Attachments
	Partnership's name, ad	dress, city, state, and	ABC Oil and Gas LP	
	Zip code		28 Oil Rig Rd	
	Partnershin's employe	r identification number	Anytown, TX 79001 69-000006	
	Partner's Identifying r		000-50-0001	
	Partner's Name		Jonathan Walker	
	Street address		1657 E Forks Rd	
	City, state and zip cod	e	Bay Shore, NY 11706	
a	Partner's share of liab		\$602,690	
b	Partner's share of liab	ilities – qualified	1	
c	Partner's share of liab	ilities – other	1	
	Tax shelter registrat	ion number	APPLIED FOR	
1	Taxable income (loss)	from passive activities	\$668,457	
2	Taxable income (loss)	from other activities	\$275	
3	Qualified dividends			
4a	Net capital gain (loss)	from passive activities		
4b	Net capital gain (loss)	from other activities	\$1,250	
5	Net passive AMT adju	stments		
6	Net other AMT adjust	ments		
7	General Credits			
8	Low-income housing	credit		
9	Other			

Sch (For	K-1 m 1065-B)	Partner's Share of In	come, (Loss) From an Ele Partnership	cting Large 2006
	Corrected			
	Publicly Traded Partn	ership 🗆		
	Line Description		Line Amount	Write-in / Literal / Attachments
	Partnership's name, ad Zip code	dress, city, state, and	ABC Oil and Gas LP 28 Oil Rig Rd Anytown, TX 79001	
		r identification number	69-0000006	
	Partner's Identifying r Partner's Name	number	000-50-0002 Julius Caesar Walker	
	Street address City, state and zip cod	e	1657 E Forks Rd Bay Shore, NY 11706	
a	Partner's share of liab		\$602,690	
b	Partner's share of liab		1	
c	Partner's share of liab	ilities – other	1	
	Tax shelter registrat	ion number	APPLIED FOR	
1	Taxable income (loss)	from passive activities	\$668,458	
2	Taxable income (loss)	from other activities	\$275	
3	Qualified dividends			
4a	Net capital gain (loss)	from passive activities		
4b	Net capital gain (loss)		\$1,250	
5	Net passive AMT adju	istments		
6	Net other AMT adjust	ments		
7	General Credits			
8	Low-income housing	credit		
9	Other			

**TEST SCENARIO 7** 

FORMS REQUIRED: 1065-B, 4562, 8825, 1065-B SCH K-1 (2), Form 8453-B, DEPENDENCIES

**ATTACHMENTS:** 

Itemized Other Deductions Schedule

Schedule K-1(Form 1065-B) Miscellaneous Item Statement

Qualified Nonrecourse Financing Statement

BINARY ATTACHMENTS: Scanned Form 8453-B (8453 Signature Document)

**HEADER INFO:** 

Tax Period: Calendar Year 2006

Preparer Firm Electronic Tax Filers, Inc 69-0000007

1065 Efile Drive Anytown, WV 25001

MultipleSoftwarePackagesUsed: Yes or No

Originator: EFIN: Self-select

Type: ERO

PractionerPIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065-B

Filer: EIN: 69-0000007

**Name: ABC Cement Manufacturing** 

Name Control: ABCC Address: 100 Concrete Ln Anytown, MN 55001

Partner: Name: John Macbeth

Title: President Taxpayer PIN: N/A Phone: 555-555-5555

Email Address: Anymail@email.com

Date Signed: 04/06/2006

Preparer: Name: Jane Jones

SSN: 000-60-6666 Phone: 555-555-555

Email Address: Anymail@email.com

Date Prepared: 04/12/2006

Self Employed: No

IRS PAYMENT: N/A

### **Details for attachments to Form**

# Attachment 1, Form 1065-B, Page 1, Line 23(Itemized Other Deductions Schedule)

Туре	Amount
Professional Fees	\$558,000
Permits	\$125,000
Insurance	\$325,000
Other	\$544,700

# Attachment 2, Schedule K-1 (Form 1065-B), (Miscellaneous Item Statement)

Code Number	Code Name	Amount
A1	General Partners	\$34,770,193
B1	N/A	\$242,500

# Attachment 3, Schedule K-1 (Form 1065-B), (Qualified Nonrecourse Financing Statement)

Form 10	65-B Test U.S. Return of Inco	me for Electing Large P	artnerships 2006
		006, ending , 200	
A	Principal business activity	Cement	
		Manufacturer	
В	Principal product or service	Cement	
C	Business code number	327300	
	d Address:	1	
D	Employer Identification number	69-0000007	
E	Date business started	01//19/1998	
F	Total assets	\$17,565,232	
G	Check applicable boxes 1,2,3,4		
H	Check accounting method 1,2,3	Accrual	
I	Number of Schedule K-1	2	
J	Schedule M-3 Required (attach Schedule		
	M-3) Line Description	Line Amount	Write-in / Literal / Attachment
4	-		Write-in / Literai / Attachment
1a	Gross receipts or sales	\$41,175,200	
1b	Less returns and allowances Balance	0.41 155 000	
1c		\$41,175,200	
2	Cost of goods sold (Sch A, line 8) Gross profit. Subtract line 2 from 1c	\$26,954,578 \$14,220,622	
3	Net rental real estate income (loss)	\$14,220,622 \$485,000	
5	Net income(loss) other rental act	\$405,000	
6	Ordinary income (loss) other partner		
7	Net farm profit (loss)		
8	Excess of net short-term gain over net		
o o	long-term capital loss (SchD, line 14)		
9	Net gain (loss) Form 4797, Part II, line 17		
10	Other income (loss)		
11	Total income (loss) Combine lines 3 -10	\$14,705,622	
12	Salaries and wages	\$1,937,201	
13	Guaranteed payments to partners	, ,	
14	Repairs and maintenance	\$1,036,752	
15	Bad debts		
16	Rent		
17	Taxes and licenses	\$1,414,186	
18	Interest		
19a	Depreciation & section 179 expense	\$421,217	
19b	Less depreciation claimed on Sch A		
19c	Total depreciation	\$421,217	
20	Depletion	\$148,180	
21	Retirement plans, etc	*-**	
22	Employee benefit programs	\$786,000	Au I d
23	Other deductions	\$1,522,700	Attachment 1
24	Total deductions. Add lines 12 – 23	\$7,266,236	
25	Taxable income (loss) from passive loss	Ø# 420 20 <i>C</i>	
26a	(Subtract Line 24 from Line 11	\$7,439,386	
26a 26b	Tax check if from Form 4255 Tax check if from Form 8611		
200 27a	Other payments check if Form 2439		
27a 27b	Other payments check if Form 4136		
28	Tax due. Excess line 26 over line 27		
29	Overpayment. Excess line 27 over 26		
	Caxable Income or Loss From Other Activit	ies	
1	Interest	\$37,412	
2a	Total ordinary dividends	ψο 1,9112	
2b	Qualified dividends		
		1	1

Form 10	65-B Test U.S. Return of Incom	e for Electing Large Pa	ırtnerships	2006
2c	Nonqualified dividends. Subtract Line 2b	3 3	•	
	from 2a			
3	Gross royalties			
4	Excess of net short-term capital gain over			
	net long-term capital loss Schedule D line			
	17			
5	Other income (loss)			
6	Total income (loss) Add lines 1, 2c, 3, 4,			
	and 5	\$37,412		
7	Interest expenses investments debts	. ,		
8	State and local income taxes			
9	Charitable contributions			
10a	Total misc itemized deductions			
10b	Deductible amount Multiply line 10a by			
	30%			
11	Other deductions			
12	Total deductions. Add lines 7, 8, 9, 10b,			
	and 11			
13	Taxable income (loss) from other			
	activities. Subtract line 12 from line 6	\$37,412		
Schedule		, _		
1	Inventory at beginning of year	\$3,211,146		
2	Purchases less cost of items	\$22,247,630		
3	Cost of labor	\$4,312,216		
4	Additional section 263A costs	<del>+ 1)=    </del>		
5	Other costs			
6	Total. Add lines 1 – 5	\$29,770,992		
7	Inventory at the end of year	\$2,816,414		
8	Cost of goods sold. Subtract Line 7 from	\$26,954,578		
	6	4-0,500,000		
9a (i)	Cost in regulations section 1.471-3			
9a (ii)	Lower of cost or market 1.471-4			
9a (iii)	Other			
9b	Check if writedown subnormal goods			
9c	Check if the LIFO was adopted			
9d	Section 263A rules apply			
9e	Change in determining quantities, cost,			
	valuations			
Schedule	B Other Information			
1a	Domestic general partnership			
1b	Domestic limited partnership			
1c	Domestic limited liability company	X		
1d	Domestic limited liability partnership			
1e	Foreign partnership			
1f	Other			
2	Any partners in this partnership also	N		
	partnerships?			
3	Partnership own interest in another	N		
	partnership or foreign entity?			
4	Partnership have foreign partners?	N		
5	Partnership publicly traded partnership?	N		
6	Partnership file Form 8264?	N		
7	Partnership have an interest in or a	N		
	signature, or other authority over			
	financial account in foreign country?			
8	Partnership receive distribution from,	N		
	granter of, transferor to foreign trust?	•		

9 Sch	Number of For	0065			rge Partnerships	2006
Sch				0		
501	nedule D Capital					
				nd Losses Assets H		
	Description of Property (a)	Date acquired (b)	Date Sold (c)	Sales Price (d)	Cost or other basis (e)	Gain or Loss (Subtract (e) from (d))
						(f)
1						
2	Short-term cap from Form 625					
3	Short-term cap					
4	Net short-term					
	Combine lines					_
					ts Held More Than 1 Y	
	Description of Property (a)	Date acquired (b)	Date Sold (c)	Sales Price (d)	Cost or other basis (e)	Gain or Loss (Subtract (e) from (d))
5						(f)
3						
6	Gain from For					
7	Lone-term capital gain installment sales					
0	from Form 6252 Line 26 or 37					
9		Long-term capital (loss) Form 8824  Net long-term capital gain (loss).				
	Combine lines					
	Part II	I – Summary	of Parts I and	d II		
10	Net gain (loss)					
11	Excess net sho					
-10	over net long-t					
12	Net capital gai from line 10	n or (loss). Si	ibtract line 11			
		- Net Canita	l Gain (Loss) f	rom Passive Loss I	Limitation Activities	
13	Redetermine a			I dill I assive Loss L	Amitation Activities	
-	into account or					
	passive loss lir	nitations activ	vities			
14	Excess of net s					
	net long-term		nter smaller			
15	of amount on l Redetermine a		hy taking			
13	into account or					
	passive loss lir					
16	Net capital gai loss limitation	n or (loss) fro	m passive			
	are both + or b		naller of line			
	12 or 15, other					
15				ther Activities		
17	Excess of net s net long-term of 14 from line 1	capital loss. Ŝ				

Form 1065	-B Test U.S. Return of Incom	me for Electing Large Pa	artnerships 2006							
18	Net capital gain or (loss) from other									
	activities. Subtract line 16 from line 12									
	dule K Partners' Share of Income, Credi									
(a)		Total amount	<u></u>							
1a	Taxable income(loss) from passive	\$7,439,386								
41 (4)	limitation activities (Part I line 25)	02 455 102								
1b(1)	Taxable income (loss) from trade or business activities	\$3,477,193								
1b(2)	Taxable income (loss) from rental real	\$242,500								
11. (2)	estate activities									
1b(3)	Taxable income (loss) from other rental activities									
1c	Total amount line 1a allocated to	\$3,719,693								
	general partners. Combine lines 1b(1) – 1b(3)									
1d	Taxable income (loss) from passive loss	\$3,719,693								
	limitation activities allocated to limited									
	part. Subtract line 1c from 1a									
2	Taxable income (loss) from other activities (Part II, line 13)	\$37,412								
3	Qualified dividends from other									
	activities (Part II, line 2b)									
4a	Net capital gain (loss) from passive loss									
	limitation activities (SchD, ln 16)									
4b	Net capital gain (loss) from other activities (Schedule D, line 18)									
5	Net passive alternative minimum tax									
6	Net other alternative minimum tax adj									
7	Guaranteed payments									
8	Income discharge of indebtedness									
9	Tax-exempt interest income									
10	General credits									
11	Low-income housing credit									
12	Rehabilitation credit from real estate activities									
13	Credit for producing fuel from									
	nonconventional source									
13a	Net earnings (loss) self employment									
13b	Gross nonfarm income									
14a	Name of foreign country or U.S.									
4.45	possession									
14b	Gross income from all sources									
14c	Gross income sourced at partnership level									
14d(1)	Foreign gross income at partnership									
(-)	level – Passive									
14d(2)	Foreign gross income at partnership									
143(2)	level - Listed categories									
14d(3)	Foreign gross income at partnership level - General limitation									
14e(1)	Deduction allocated and apportioned at									
	partner level - Interest expense									
14e(2)	Deduction allocated and apportioned at									
1.40(1)	partner level -Other									
14f(1)	Deductions allocated and apportioned at partnership level to foreign source									
	income – Passive									
	meome – 1 assive		<u> </u>							

Form 10	65-B Test	U.S.	Return of Incom	e for Electing Large	Partnerships	2006
14f(2)	partnersh	ons allocated and hip level to foreign Listed categorie	gn source			
14f(3)	partnersh	ons allocated and hip level to foreig General limitati	gn source			
14g	Total for	eign taxes Paid	□ Accrued □			
14h	Reduction	n in taxes availa	ble for credit			
15		ms and amounts separately to particular to the second contract of th				
Aı		Income (Loss)				
1	Net income (loss). Column (b), add lines 1c – 4, 7, and 8. From result, subtract lines 15g(1) and (2)			\$7,476,798		
	(i) (ii) (iii) (iii) Corporate Individual Individual		` /	(iv) Partnership	(v) Exempt organization	(vi) Nominee Other
2a	Analysis by General partners	\$3,738,399				
2b	Analysis by Limited partners		\$3,738,399			

Form 4	Depreciation and An	nortization 2000	6
Name:	ABC Cement Manufacturing		
Busines	s or Activity: Cement Manufacturing		
EIN: <b>6</b> 9	0-000007		
	Line Description	Line Amount	Write-in / Literal / Attachments
Part I	<b>Election to Expense Certain Property Unde</b>	er Section 179	
1	Maximum amount	108,000	
2	Total cost of section 179 prop	\$80,500	
3	Threshold cost of section 179 prop	430,000	
4	Reduction in limitation		
5	Dollar limitation for TY	\$105,000	
6(a)	Description of Property	Dump Truck	
6(b)	Cost	\$80,500	
6(c)	Elected cost	\$80,500	
7	Listed property		
8	Total elected cost of sec 179 prop	\$80,500	
9	Tentative deduction	\$80,500	
10	Carryover of disallowed deduction		
11	Business income limitation	\$105,000	
12	Section 179 expense deduction	\$80,500	
13	Carryover of disallowed deduction		
Part II	Special Depreciation Allowance and Other	<u>Depreciation</u>	
14	Special depreciation allowed		
15	Property subject to sec 168(f)(1) election		
16	Other depreciation		
Part III	MACRS Depreciation		
17	MACRS deductions	\$280,063	
18	Sec 168(i)(4) election		

Section	B – Assets Placed in S	Service Durin	g 2006 Tax	Year Using t	he Genera	l Der	reciation S	System	
	(a)Classification	(b)Month	(c) Basis	(d)Recover			(f)Meth	(g)Deprc	Write-in
	of property	& Year	for	period	Conv		od	deduct	/ Literal
	1 1 3		deprec	•	on				/ Attach-
			1						ments
19a	3-year property								
19b	5-year property		\$120,000	5 yrs	HZ	7	200DB	\$24,000	
19c	7-year property		\$256,500	7 yrs	H7	7	200DB	\$36,654	
19d	10-year property								
19e	15-year property								
19f	20-year property								
19g	25-year property						S/L		
19h	Residential rental				MN	1	S/L		
	property								
19i	Nonresidential real			39 yrs	MN	Л	S/L		
	property								
	C – Assets Placed in S	Service Durin	g 2006 Tax	Year Using t	he Alterna	tive	Depreciati	on System	
20a	Class life								
20b	12-year						/L		
20c	40-year				MM	S	/L		
Part IV	Summary		1						
21	Listed property								
22	Total				\$421,217				
23	Assets for CY								
Part V	<b>Listed Property</b>								
	A – Depreciation and	Other Infori	mation			1			
24a	Evidence?								
24b	Evidence written?								
25	Special depreciation								
26(a)	Type of property					-			
26(b)	Date in service	0/				+			
26(c)	Business investment	<del>%</del> 0				+			
26(d)	Cost or other basis								
26(e)	Basis for depreciation	n				+			
26(f)	Recovery period								
26(g)	Method/Convention	on				+-			
26(h) 26(i)	Depreciation deduction Sec 179 cos					1			
20(1) 27(a)	Type of property	ı				+			
27(a) 27(b)	Date in service					+			
27(b) 27(c)	Business investment	0/0				+			
27(d)	Cost or other basis	/ 0				+			
27(u) 27(e)	Basis for depreciation	n				+			
27(f)	Recovery period					+			
27(I) 27(g)	Method/Convention					+			
27(g) 27(h)	Depreciation deduction	on				+			
27(i)	Election Sec 179 cos			+					
28	Add column (h), line					1			
29	Add column (i), line			+					
	B – Information on U		2			1			
30(a)	Total bus/invest mile								
31(a)	Total commuting mil				1				
31(a) 32(a)	Tot other personal m					+			
32(a) 33(a)	Total miles driven	1103 (1111011				+			
33(a)	Total lilles urivell					1			

34	Vehicle available for	or personal use?						
35	Vehicle used > 5%	?						
36	Another vehicle ava	il for personal use	e?					
Section	C – Questions for E	mployers Who Pi	rovide V	ehicl	es for Use	by Their En	ployees	
37	Maint written policy	y prohibits commu	ı?					
38	Maint written policy	y prohibits pers us	e					
39	Vehicles treated as	personal use?						
40	Provide > 5 vehicle	?						
41	Qualified auto demo	onstration use?						
Part VI	Amortization		_			_		
	(a)Depreciation of costs	(b) Date amort begins	(c) An		(d)Cod e section	(e)Amort period or percent	(f)Amort for this Yr	Write-in / Literal / Attachments
42								
43	Amort of costs							
	before 2006 TY							

Form 882	5		eal Estate Income and Expenses or rtnership or an S Corporation	2006	
Name: Al	BC Cement Manufacturi	ng			
EIN: 69-0	000007				
	Line Description		<b>Line Amount / Information</b>	Write-i	n / Literal / Attachments
1A	Kind & location of ea	ach property	Warehouse 200 Metamorphic Rd Anytown, MN 55001		
2A	Gross rents		\$615,000		
3A	Advertising		\$24,000		
4A	Auto and travel				
5A	Cleaning and mainter	nance	94		
6A	Commissions				
7A	Insurance		\$26,500		
8A	Legal and other profe	essional fees			
9A	Interest		\$42,312		
10A	Repairs				
11A	Taxes		\$10,750		
12A	Utilities				
13A	Wages and salaries				
14A	Depreciation		\$26,438		
15A	Other				
16A	Total expense for each	ch property	\$130,000		
17	Total gross rents		\$615,000		
18	Total expenses		(\$130,000)		
19	Net gain (loss) F479				
	Net income (loss) fro	m rental real			_
20a	estate activities				
20b(1)	Name				
20b(2)	EIN				
21	Net rental real estate	income (loss)	\$485,000		

Sch K-1	1	Partner's Share of In	come, (Loss) From an Elec	cting Large	2006
(Form	1065-B)		Partnership		
	Corrected		-		
	Publicly Traded Partn	ership $\square$			
	Line Description		Line Amount	Write-in / L	iteral / Attachments
	Partnership's name, ac	ldress, city, state, and	ABC Cement		
	Zip code		Manufacturing		
			100Concrete Ln		
			Anytown, MN 55001		
		r identification number	69-0000007		
	Partner's Identifying r	number	000-60-0001		
	Partner's Name		John Macbeth		
	Street address		1168 Beech St		
	City, state and zip cod	e	Central Islip, NY 11722		
a	Partner's share of liab	ilities – nonrecourse	1		
b	Partner's share of liab		\$3,000,000		
c	Partner's share of liab	ilities – other	1		
	Tax shelter registratio	n number	APPLIED FOR		
1	Taxable income (loss)	from passive activities	\$3,719,693		
2	Taxable income (loss)	from other activities	\$18,706		
3	Qualified dividends				
4a	Net capital gain (loss)	from passive activities			
4b	Net capital gain (loss)	from other activities			
5	Net passive AMT adju	ıstments			
6	Net other AMT adjust	ments			
7	General Credits				
8	Low-income housing	credit			
9	Other		D1-\$35,353,410		

Sch K-1	1 1065-B)	Partner's Share of I	ncome, (Loss) From an Elect Partnership	ting Large 2006
(1 01111	Corrected			T
	Publicly Traded Partner	ship □		
	Line Description	•	Line Amount	Write-in / Literal / Attachments
	Partnership's name, add code	ress, city, state, and Zip	ABC Cement Manufacturing 100Concrete Ln Anytown, MN 55001	
	Partnership's employer	dentification number	69-000007	
	Partner's Identifying nu	mber	000-60-0002	
	Partner's Name		John Capulet	
	Street address		1175 Beech St	
	City, state and zip code		Central Islip, NY 11722	
a	Partner's share of liabili	ties – nonrecourse	1	
b	Partner's share of liabili		\$3,000,000	
c	Partner's share of liabili	ties – other	1	
	Tax shelter registration		APPLIED FOR	
1	Taxable income (loss) f	rom passive activities	\$3,719,693	
2	Taxable income (loss) f	rom other activities	\$18,706	
3	Qualified dividends			
4a	Net capital gain (loss) fi	om passive activities		
4b	Net capital gain (loss) fi			
5	Net passive AMT adjus	tments		
6	Net other AMT adjustm	ents		
7	General Credits			
8	Low-income housing cr	edit		
9	Other			

**TEST SCENARIO 8** 

**FORMS REQUIRED:** 1065-B, 8308, 1065-B SCH K-1 (101)

**ATTACHMENTS:** 

**Itemized Other Deductions Schedule** 

**BINARY ATTACHMENTS: None** 

**HEADER INFO:** 

Tax Period: Calendar Year 2006

Preparer Firm Electronic Tax Filers, Inc 69-0000008

1065 Efile Drive Anytown, WV 25001

MultipleSoftwarePackagesUsed: Yes or No

Originator: EFIN: Self-select

Type: ERO PractionerPIN:

EFIN: Self-select PIN: Self-select PIN Entered by – ERO

Signature Option: PIN Number

Return Type: 1065-B

Filer: EIN: 69-000008

Name: Black Coal Industries LLC

Name Control: BLAC Address: 100 Main St

Anytown, WV 25001

Partner: Name: Bubba Christmas

**Title: Chief Executive Officer** 

**Taxpayer PIN: N/A Phone: 555-555** 

Email Address: Anymail@email.com

Date Signed: 03/15/2006

Preparer: Name: John Dark

SSN: 000-70-7777

Phone:

Email Address: Anymail@email.com

**Date Prepared: 04/01/2006** 

Self Employed: No

IRS PAYMENT: N/A

## **Details for attachments to Form**

## Attachment 1, Form 1065-B, Page 1, Line 23 (Itemized Other Deductions Schedule)

Туре	Amount
Engineering	\$2,168,140
Permits	\$1,400,000
Legal and Accounting	\$1,600,320
Consulting	\$385,914

		me for Electing Large P	artnerships 2006
Calend	dar Year 2006 or tax year beginning		2006
A	Principal business activity	Mining	
В	Principal product or service	Coal	
C	Business code number	212110	
Name	and Address:		
D	Employer Identification number	69-0000008	
E	Date business started	08/03/1998	
F	Total assets	\$20,440,320	
G	Check applicable boxes 1,2,3,4	, ,	
Н	Check accounting method 1,2,3	Accrual	
I	Number of Schedule K-1	102	
J	Schedule M-3 Required (attach Schedule	102	
•	M-3)		
	Line Description	Line Amount	Write-in / Literal / Attachment
1a	Gross receipts or sales	\$101,256,342	The state of the s
1b	Less returns and allowances	\$101,230,342	
10 1c	Balance	\$101,256,342	
2	Cost of goods sold (Sch A, line 8)	\$58,332,511	
3	Gross profit. Subtract line 2 from 1c	\$42,923,831	
4	Net rental real estate income (loss)	\$42,723,831	
	\ /		
6	Net income(loss) other rental act	01 007 221	
	Ordinary income (loss) other partner	\$1,927,331	
7	Net farm profit (loss)		
8	Excess of net short-term gain over net		
	long-term capital loss (SchD, line 14)		
9	Net gain (loss) Form 4797, Part II, line 17		
10	Other income (loss)		
11	Total income (loss) Combine lines 3 -10	\$42,923,831	
12	Salaries and wages	\$12,487,136	
13	Guaranteed payments to partners	\$1,927,331	
14	Repairs and maintenance	\$2,612,540	
15	Bad debts		
16	Rent	\$1,720,000	
17	Taxes and licenses	\$4,106,315	
18	Interest		
19a	Depreciation & section 179 expense		
19b	Less depreciation claimed on Sch A		
19c	Total depreciation		
20	Depletion	\$3,750,225	
21	Retirement plans, etc		
22	Employee benefit programs	\$1,218,412	
23	Other deductions	\$5,554,374	Attachment 1
24	Total deductions. Add lines 12 – 23	\$31,449,002	
25	Taxable income (loss) from passive loss		
	(Subtract Line 24 from Line 11	\$11,474,829	
26a	Tax check if from Form 4255		
26b	Tax check if from Form 8611		
27a	Other payments check if Form 2439		
27b	Other payments check if Form 4136		
28	Tax due. Excess line 26 over line 27		
29	Overpayment. Excess line 27 over 26		
	Taxable Income or Loss From Other Acti	vities	
1	Interest	\$357,610	
2a	Total ordinary dividends	φυση,στο	
2b	Qualified dividends		
20	Zumilion dividolido	<u> </u>	ļ

Form	1065-B Test U.S. Return of Income 1	for Electing Large Pa	artnerships 2006
2c	Nonqualified dividends. Subtract Line 2b		•
	from 2a		
3	Gross royalties	\$1,569,721	
4	Excess of net short-term capital gain over		
	net long-term capital loss Schedule D line		
	17		
5	Other income (loss)		
6	Total income (loss) Add lines 1, 2c, 3, 4,	02= 442	
	and 5	\$37,412	
7	Interest expenses investments debts		
8	State and local income taxes		
9	Charitable contributions		
10a	Total misc itemized deductions		
10b	Deductible amount Multiply line 10a by 30%		
11	Other deductions		
12	Total deductions. Add lines 7, 8, 9, 10b,		
12	and 11		
13	Taxable income (loss) from other		
"	activities. Subtract line 12 from line 6	\$1,569,721	
Schedi	·	4-)	
1	Inventory at beginning of year	\$5,650,225	
2	Purchases less cost of items	\$57,478,827	
3	Cost of labor	\$1,425,622	
4	Additional section 263A costs		
5	Other costs		
6	Total. Add lines 1 – 5	\$64,554,674	
7	Inventory at the end of year	\$6,222,163	
8	Cost of goods sold. Subtract Line 7 from	\$58,332,511	
	6		
9a (i)	Cost in regulations section 1.471-3		
9a	Lower of cost or market 1.471-4		
(ii)		X	
9a	Other		
(iii)	Charle if comits decree submanuel acade		
9b 9c	Check if writedown subnormal goods Check if the LIFO was adopted		
9d	Section 263A rules apply	No	
9 <b>u</b> 9e	Change in determining quantities, cost,	No	
	valuations	110	
Sched	<u> </u>		
1a	Domestic general partnership		
1b	Domestic limited partnership		
1c	Domestic limited liability company	X	
1d	Domestic limited liability partnership		
1e	Foreign partnership		
1f	Other		
2	Any partners in this partnership also	N	
	partnerships?		
3	Partnership own interest in another	N	
	partnership or foreign entity?		
4	Partnership have foreign partners?	N	
5	Partnership publicly traded partnership?	N	
6	Partnership file Form 8264?	N	
7	Partnership have an interest in or a	N	
	signature, or other authority over		
	financial account in foreign country?		

Form	1065-B Test	U.S. I	Return of Inco	me for Electing Lai	rge Partnerships	2006
8	Partnership rec			N	<u>g </u>	
	granter of, tran	sferor to forei	gn trust?			
9	Number of For	rms 8865 attac	hed	0		
S	chedule D Capi					
		1			s Held 1Year or Less	T
	Description	Date	Date Sold	Sales Price	Cost or other	Gain or Loss
	of Property (a)	acquired (b)	(0)	(d)	basis (e)	(Subtract (e) from (d))
	(a)	(0)	(c)	(u)	(6)	(f)
1						(1)
2	Short-term cap					
	from Form 625					
3	Short-term cap					
4	Net short-term Combine lines					
				ins and Losses – As	ssets Held More Than 1	Vear
	Description	Date	Date Sold	Sales Price	Cost or other	Gain or Loss
	of Property	acquired			basis	(Subtract (e)
	(a)	(b)	(c)	(d)	(e)	from (d))
						(f)
5						
6	Gain from For	m 4797 Part I				
7	Lone-term cap		lment sales			
	from Form 625					
8	Long-term cap					
9	Net long-term					
	Combine lines			1.77		
10			ary of Parts I	and II		
10 11	Net gain (loss) Excess net sho					
1.1	over net long-t		• •			
12	Net capital gai					
	from line 10					
				s) from Passive Los	s Limitation Activities	
13	Redetermine a					
	into account or					
14	passive loss lin Excess of net s					
17	net long-term					
	of amount on l	1				
15	Redetermine a		by taking			
	into account or	nly gains and l	osses from			
	passive loss lin					
16	Net capital gai					
	loss limitation					
	are both + or b 12 or 15, other		ianer of line			
			in (Loss) from	Other Activities		
	1 a1 t v - 1 v	et Capital Ga	(LU33) II UII	One Activities		

Form	1065-B Test U.S. Return of Inco	me for Electing Large Partner	rships 2006
17	Excess of net short-term capital gain over		
	net long-term capital loss. Subtract line		
	14 from line 11		
18	Net capital gain or (loss) from other		
	activities. Subtract line 16 from line 12		
5	Schedule K Partners' Share of Income, Cr	edits, Deductions, ect.	
	(a) Distributive share items (1	o) Total amount	
1a	Taxable income(loss) from passive	\$11,474,829	
	limitation activities (Part I line 25)		
1b(1)	Taxable income (loss) from trade or		
. ,	business activities		
1b(2)	Taxable income (loss) from rental real		
	estate activities		
1b(3)	Taxable income (loss) from other rental		
. ,	activities		
1c	Total amount line 1a allocated to general		
	partners. Combine lines 1b(1) – 1b(3)		
1d	Taxable income (loss) from passive loss	\$11,474,829	
	limitation activities allocated to limited		
	part. Subtract line 1c from 1a		
2	Taxable income (loss) from other	\$1,927,331	
	activities (Part II, line 13)		
3	Qualified dividends from other activities		
	(Part II, line 2b)		
4a	Net capital gain (loss) from passive loss		
	limitation activities (SchD, ln 16)		
4b	Net capital gain (loss) from other		
	activities (Schedule D, line 18)		
5	Net passive alternative minimum tax		
6	Net other alternative minimum tax adj		
7	Guaranteed payments		
8	Income discharge of indebtedness		
9	Tax-exempt interest income		
10	General credits		
11	Low-income housing credit		
12	Rehabilitation credit from real estate		
	activities		
13	Credit for producing fuel from		
	nonconventional source		
13a	Net earnings (loss) self employment		
14b	Gross nonfarm income		
15a	Name of foreign country or U.S.		
	possession		
15b	Gross income from all sources		
15c	Gross income sourced at		
	partnership level		
15d(	Foreign gross income at partnership level		
1)	- Passive		
15d(	Foreign gross income at partnership level		
2)	- Listed categories		
15d(	Foreign gross income at partnership level		
3)	- General limitation		
15e(	Deduction allocated and apportioned at		
1)	partner level - Interest expense		
15e(	Deduction allocated and apportioned at		
2)	partner level -Other		
<u> </u>	partiter level -Other		

Form 1065-B Test U.S. Return of Incom			Return of Income	for Electing Large	Partnerships	2006
15f(1		allocated and ap				
)	partnership	level to foreign s	source income			
	- Passive					
15f(2	Deductions allocated and apportioned at					
)		level to foreign s	source income			
	- Listed cate					
15f(3		allocated and ap				
)		level to foreign s	source income			
	- General lii					
15g		n taxes Paid □ A				
15h	Reduction is	n taxes available	for credit			
16	Other items and amounts required to be					
	reported seg	parately to partne	rs			
		et Income (Loss				
1			b), add lines 1c –			
	4, 7, and 8.	From result, sub	tract lines 15g(1)	\$13,402,160		
	and (2)					
	(i)	(ii)	(iii)	(iv) Partnership	(v) Exempt	(vi) Nominee
	Corporate	Individual	Individual		organization	Other
		(active)	(passive)			
2a	Analysis					
	by					
	General					
2b	partners Analysis		\$13,402,160			
20	by		\$15,402,100			
	Limited					
	partners					

	Report of a Sale or Exchange of Certain Partnership Interests 2006
Name of Partnership:	Black Coal Industries
Telephone number:	(555)555-5555
Employer identification number:	69-0000003
Number, street, and room or suite:	100 Main St
City or Town, State and Zip Code	Anytown, WV 25001
Part I Transferor Information	
Name	Bronco Juno
Identifying number	000-70-0002
Number and street	300 Main St
City or Town, State and Zip Code	Anytown, WV 25001
Part II Transferee Information	
Name	<b>Bubba Christmas</b>
Identifying number	000-70-0001
Number and street	200 Main St
City or Town, State and Zip Code	Anytown, WV 25001
Part III Date of Sale or Exchange	of Partnership 06/30/2006
Interest	

Sch : (For	K-1 m 1065-B)	Partner's Share of In	come, (Loss) From an Elec Partnership	cting Large 2006
	Corrected			
	Publicly Traded Partn	ership 🗆		
	Line Description		Line Amount	Write-in / Literal / Attachments
	Partnership's name, ad Zip code	Idress, city, state, and	Black Coal Industries, LLC 100 Main St Anytown, WV 25001	
	Partnership's employe	r identification number	69-0000008	
	Partner's Identifying r	number	000-70-1001	
	Partner's Name		Taxpayer B1	
	Street address		1001 Main St	
	City, state and zip code		Anytown, WV 25001 \$52,635	
A		Partner's share of liabilities – nonrecourse		
В	Partner's share of liab		1	
C	Partner's share of liab		1	
	Tax shelter registration		APPLIED FOR	
1	` /	from passive activities	\$114,748	
2	Taxable income (loss)	from other activities	\$15,697	
3	Qualified dividends			
4a		from passive activities		
4b	Net capital gain (loss)			
5	Net passive AMT adju			
6	Net other AMT adjust	ments		
7	General Credits			
8	Low-income housing	credit		
9	Other			

Sch   (For	K-1 m 1065-B)	Partner's Share of In	come, (Loss) From an Elec Partnership	cting Large 2006
	Corrected			
	Publicly Traded Partn	ership 🗆		
	Line Description		Line Amount	Write-in / Literal / Attachments
	Partnership's name, ad Zip code	dress, city, state, and	Black Coal Industries, LLC 100 Main St Anytown, WV 25001	
		r identification number	69-0000008	
	Partner's Identifying r	number	000-70-0001	
	Partner's Name		<b>Bubba Christmas</b>	
	Street address		200 Main St	
	City, state and zip cod	e	Anytown, WV 25001	
A	Partner's share of liab		\$26,318	
В	Partner's share of liab		1	
C	Partner's share of liab		1	
	Tax shelter registration		APPLIED FOR	
1		from passive activities	\$57,374	
2	Taxable income (loss)	from other activities	\$7,849	
3	Qualified dividends			
4a		from passive activities		
4b	Net capital gain (loss)			
5	Net passive AMT adju			
6	Net other AMT adjust	ments		
7	General Credits			
8	Low-income housing	credit		
9	Other			

Sch :		Partner's Share of In	come, (Loss) From an Elec	cting Large	2006
(For	m 1065-B)		Partnership	ı	
	Corrected				
	Publicly Traded Partn	ership 🗆			
	Line Description		Line Amount	Write-in / L Attachment	
	Partnership's name, ad	ldress, city, state, and	Black Coal Industries,		
	Zip code		LLC		
	2.5 0000		100 Main St		
			Anytown, WV 25001		
	Partnership's employe	r identification number	69-0000008		
	Partner's Identifying r	number	000-70-0002		
	Partner's Name		Bronco Juno		
	Street address		300 Main St		
	City, state and zip code		Anytown, WV 25001		
A	Partner's share of liab	ilities – nonrecourse			
В	Partner's share of liab	ilities – qualified	1		
C	Partner's share of liab	ilities – other	1		
	Tax shelter registration	n number	APPLIED FOR		
1	Taxable income (loss)	from passive activities	\$57,374		
2	Taxable income (loss)		\$7,848		
3	Qualified dividends				
4a	Net capital gain (loss)	from passive activities			
4b	Net capital gain (loss)	from other activities			
5	Net passive AMT adju	ıstments			
6	Net other AMT adjust	ments			
7	General Credits				
8	Low-income housing	credit			
9	Other	-			-

RamcFile, Inc. 11-0000030

## **TEST SCENARIO 1**

FORMS REQUIRED: 7004

**HEADER INFO:** 

**Tax Period:** 11/01/2005 – 10/31/2006

Preparer Firm Electronic Tax Filers, Inc. 11-0000011

100 Efile Drive Anytown, TX 78621

PIN Entered by N/A

Return Type: 7004

Filer: EIN: 11-0000030

Name: RamcFile, Inc.
Name Control: RAMC
Address: 100 Main Street

Downtown, MD 20601

Officer: Name: Roger Rabbit

Title: Chief Executive Officer

Taxpayer PIN: N/A Phone: 703-555-1212 Email Address:

**DateSigned**: 01/25/06

Tax Year: 200610

**Binary Attachment Count: 0** 

RamcFile, Inc. 11-0000030

Form 7004 Test #1 (Code 25 = Form 1120S)		Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns		TY 2005	
Name	e: Ramc	File, Inc			
Taxpa	ayer iden	tification number: 11-000030			
		et, and room: 101 Main Street			
City c	r town, S	State, Zip code: <b>Downtown, M</b>	D 20601		
	Line Description		Line Amount / Information		Write-in / Literal
1	Code for	or type of return for 6-mos ext		25	
2	Org do	es not have office in US ox			
3	Qualify checkb	under Sec 1.6081-5 ox			
4a	Calendar yr or other year beginning and ending		November 1, 2005 October 31, 2006		
4b	Short TY < 12 months check reason				
5	Corp and com parent of consolidated grp				
6	Tentative total tax			1,000	
7	Total payments and credits			1,000	
8	Balance due. Subtract line 7 from line 6			0	

ModeNTech, Inc. 11-0000031

**TEST SCENARIO 2** 

FORMS REQUIRED: 7004

**ATTACHMENTS**: ConsolidatedGroupMembersSch

**HEADER INFO:** 

**Tax Period:** 11/01/2006 – 10/31/2007

**Preparer Firm** Electronic Tax Filers, Inc. 11-0000011

100 Efile Drive Anytown, TX 78621

PIN Entered by N/A

Return Type: 7004

Filer: EIN: 11-0000031

Name: ModeNTech, Inc Name Control: MODE Address: 301 New Street

Newtown, ND 58204

Tax Year: 200710

**Binary Attachment Count: 0** 

**IRS PAYMENT:** 

**RTN**: 012345672 **ACCT #**: 1234000000

TYPE OF ACCOUNT: Checking AMOUNT OF PAYMENT: 4,400

**REQUESTED PAYMENT DATE**: January 15, 2008 **TAXPAYER DAYTIME PHONE NUMBER**: 512-555-1111

## **Details for Form 7004**

Attachment 1, Form 7004, Line 5, (ConsolidatedGroupMembersSch):

a. Name: Hottest Communications

Address: 100 Mail Avenue, Uptown, OH 45324

**EIN:** 11-0000043

b. Name: High-Tech Solutions

Address: 200 Main Street, Anytown, NC 27905

**EIN:** APPLIED FOR

ModeNTech, Inc. 11-0000031

	Form 7004 Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax,		TY 2006	
(Code 12 = Informat		Information, and	•	
	1120)	MTash las		
		NTech, Inc		
	•	tification number: 11-000031		
		t, and room: 301 New Street		
City c		, , , , , , , , , , , , , , , , , , , ,	58204	
	Line Description		Line Amount / Information	Write-in / Literal
1	Code fo	or type of return for 6-mos ext	12	
2	Org do	es not have office in US		
3	Qualify under Sec 1.6081-5 checkbox			
4a	Calendar yr or other year beginning and ending		November 1, 2006 October 31, 2007	
4b	Short TY < 12 months check reason			
5	Corp and com parent of		Checkbox checked	Attachment 1
	consolidated grp			
6	Tentative total tax		5,000	
7	Total payments and credits		600	
8	Balance due. Subtract line 7 from		4,400	
	line 6			

**TEST SCENARIO 3** 

FORMS REQUIRED: 7004

**HEADER INFO:** 

Tax Period: 08/01/2006- 07/31/2007

Return Type: 7004

Filer: EIN: 11-0000033

> Name: FOREIGNCO Group Name Control: FORE Address: 2 Rue Street

Paris City, France

Tax Year: 200707

**Binary Attachment Count: 0** 

IRS PAYMENT: None

Form 7004		Application for Automatic 6-Month Extension of		TY 2006
Test #3		Time to File Certain Business Income Tax,		
(Code 15 =		Information, and Other Returns		
	1120-F)			
Name	e:FOREI	GNCO Group		
		tification number: 11-000033		
Numb	oer, stree	et, and room: 2 Rue Street		
City c	or town, S	State, Zip code: Paris City, Fra	ince	
	Line Description		Line Amount / Information	Write-in / Literal
1	Code fo	or type of return for 6-mos ext	16	
2	Org does not have office in US checkbox			
3	Qualify under Sec 1.6081-5 checkbox		Checkbox checked	
4a	Calendar yr or other year beginning and ending		August 1, 2006 July 31, 2007	
4b	Short TY < 12 months check reason			
5	Corp and com parent of consolidated grp			
6	Tentative total tax		10,000	
7	Total payments and credits		9,000	
8	Balance due. Subtract line 7 from line 6		1,000	

Flower Store One 11-0000049

**TEST SCENARIO 4** 

FORMS REQUIRED: 7004

**HEADER INFO:** 

**Tax Period:** 08/01/2006– 07/31/2007

Return Type: 7004

Filer: EIN: 11-0000049

Name: Flower Store One Name Control: FLOW Address: 3 Bulb Street

Somewhere, TX 78621

Tax Year: 200707

**Binary Attachment Count: 0** 

IRS PAYMENT: None

Flower Store One 11-0000049

Form 7004 Test #4 (Code 09 = Form 1065)		Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns		TY 2006
		r Store One		
	•	tification number: 11-000049		
	-	et, and room: 3 Bulb Street		
City c	or town, S	State, Zip code: Somewhere, T	X 78621	
	Line Description		Line Amount / Information	Write-in / Literal
1	Code for	or type of return for 6-mos ext	09	
2	Org does not have office in US checkbox			
3	Qualify under Sec 1.6081-5 checkbox			
4a	Calendar yr or other year beginning and ending		August 1, 2006 July 31, 2007	
4b	Short TY < 12 months check reason			
5	Corp and com parent of consolidated grp			
6	Tentative total tax		10,000	
7	Total payments and credits		9,000	
8	Balance due. Subtract line 7 from line 6		1,000	

**TEST SCENARIO 5** 

FORMS REQUIRED: 7004

**HEADER INFO:** 

**Tax Period:** 08/01/2006– 07/31/2007

Return Type: 7004

Filer: EIN: 11-0000050

Name: RedesignComp, Inc Name Control: REDE Address: 55 Any Street

Anytown, MI 49261

Tax Year: 200707

**Binary Attachment Count: 0** 

**IRS PAYMENT:** None

Form 7004 Application for Automa		• •		TY 2006
Test #5 of Time to File Certain			•	
(Code 34 = Information, and Form 1120-C)		information, and	d Other Returns	
		gnComp, Inc.		
		ication number: 11-000050		
		and room: 55 Any Street		
		ite, Zip code: Anytown, MI	49261	
2.,5	Line Description		Line Amount / Information	Write-in / Literal
1	Code for	type of return for 6-mos ext	34	
2	Org does not have office in US			
	checkbox			
3	Qualify under Sec 1.6081-5			
	checkbox			
4a		yr or other year beginning	August 1, 2006	
	and endir	<u> </u>	July 31, 2007	
4b	Short TY < 12 months check reason			
5		com parent of consolidated		
	grp			
6	Tentative total tax		10,000	
7	Total payments and credits		9,000	
8	Balance due. Subtract line 7 from line 6		1,000	