

2004 Partnership Income Tax Return

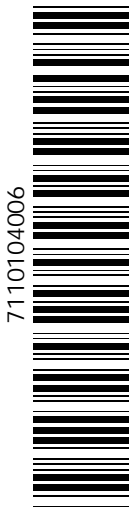
North Carolina Department of Revenue

For calendar year **2004**, or other tax year beginning (MM-DD-YY) _____ and ending (MM-DD-YY) _____

Legal Name (USE CAPITAL LETTERS FOR NAME AND ADDRESS) Legal Name Continued	Federal Employer ID Number If LLC, Enter N.C. Secretary of State ID No.	Fill in all applicable circles: <input type="radio"/> Initial Return <input type="radio"/> Amended Return <input type="radio"/> Final Return <input type="radio"/> Entity is Partnership <input type="radio"/> Entity is LLC <input type="radio"/> Entity has Nonresident Owners <input type="radio"/> Entity has Escheatable Property
Address _____ County (Enter first five letters) _____ City _____ State _____ Zip Code _____		
Important: If partnership operated only in North Carolina and all partners were North Carolina residents, complete only Lines 4 and 6, Part 1 (and Lines 11 or 12 if any payments were made), Part 3A, and Part 4.		

Part 1. Computation of Income Tax Due or Refund (See Form D-403A, Instructions for Partnership Income Tax Return.)

Enter Whole U.S. Dollars Only



- | | | |
|--|---|--------|
| 1. Enter the total income or loss (Add Lines 1 through 11 of Schedule K, Federal Form 1065) | ▶ | 1. |
| 2. Guaranteed payments to partners (See instructions) | ▶ | 2. |
| 3. Line 1 minus Line 2 | | 3. |
| 4. Additions to federal taxable income (From Part 4, Line 5) | ▶ | 4. |
| 5. Add Lines 3 and 4 | | 5. |
| 6. Deductions from federal taxable income (From Part 4, Line 9). The total additions and deductions on Lines 4 and 6 should be allocated to the individual partners in Part 3 of this form | ▶ | 6. |
| 7. Line 5 minus Line 6 | | 7. |
| 8. Net distributive partnership income to be apportioned to North Carolina (See instructions) | ▶ | 8. |
| 9. Net distributive partnership income solely from business activities in North Carolina (See instructions) | ▶ | 9. |
| 10. Total tax due for nonresident partners (Add the amounts on Part 3, Line 20 for each partner) | ▶ | 10. |
| 11. Tax paid with extension | ▶ | 11. |
| 12. Other prepayments of tax (If filing an amended return, see instructions) | ▶ | 12. |
| 13. Tax paid by other partnerships or by S Corporations and tax withheld from personal services income (See instructions) | ▶ | 13. |
| 14. Add Lines 11 through 13 | | 14. |
| 15. Net tax due for nonresident partners (If Line 10 is more than Line 14, subtract and enter the result) | ▶ | 15. |
| 16. Penalties and interest (See instructions) | | 16. |
| 17. Total Due for nonresident partners (Add Lines 15 and 16 and enter the result. The manager of the partnership must pay this amount with the return) | ▶ | 17. \$ |
| 18. Amount to be Refunded (If Line 10 is less than Line 14, subtract and enter the result) | ▶ | 18. |

Part 2. Apportionment Percentage for Partnerships That Have One or More Nonresident Partners and Operate in North Carolina and in One or More Other States

See Form D-403A, Instructions for Partnership Income Tax Return

1. Within North Carolina		2. Total Everywhere	
(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period

1. Land

2. Buildings

3. Inventories

4. Other property

5. Total (Add Lines 1-4)

6. Average value of property
Add amounts on Line 5 for (a) and (b); divide by 2

7. Rented property
(Multiply annual rents by 8)

Factor

8. **Property Factor**
Add Lines 6 and 7; divide Column 1 by Column 2 and enter factor

%

9. Gross payroll

10. Compensation of general executive officers

11. **Payroll Factor**
Line 9 minus Line 10; divide Column 1 by Column 2 and enter factor

%

12. **Sales Factor (Attach schedule)**
Divide Column 1 by Column 2 and enter factor

%

13. **Sales Factor**
Enter the same factor as on Line 12

%

14. **Total of Factors**
Add Lines 8, 11, 12, and 13

%

15. **N.C. Apportionment Percentage**
Divide Line 14 by the number of factors present; enter result here and on Part 3, Line 12 for each nonresident partner

%

Part 3. A. Partners' Shares of Income, Adjustments, Tax Credits, and Other Items

Complete Lines 1 through 8 for all partners.

B. Computation of North Carolina Taxable Income for Nonresident Partners

Complete Lines 9 through 17 for all nonresident partners.

C. Computation of Tax Due for Nonresident Partners on Whose Behalf the Partnership Pays the Tax

Complete Lines 17 through 20.

A	Attach other pages if needed.	Partner 1	Partner 2	Partner 3
	1. Identifying Number			
	2. Name			
	3. Address			
	4. Partner's share percentage	%	%	%
	5. Type of partner <i>(Ex: Ind., Corp., Part.)</i>			
	6. Additions to income (loss) <i>(To Form NCK-1, Line 2)</i>			
	7. Deductions from income (loss) <i>(To Form NCK-1, Line 3)</i>			
	8. Share of tax credits <i>(To Form NCK-1, Line 4)</i>			
B	9. Guaranteed payments to nonresident partners applicable to income on Part 1, Line 8			
	10. Percentage from Line 4 times amount on Part 1, Line 8			
	11. Add Lines 9 and 10			
	12. Apportionment percentage from Part 2, Line 15	%	%	%
	13. Multiply Line 11 by Line 12			
	14. Guaranteed payments to nonresident partners applicable to income on Part 1, Line 9			
	15. Percentage from Line 4 times amount on Part 1, Line 9			
	16. Separately stated items of income attributable to nonresidents partners			
	17. North Carolina taxable income <i>(Add Lines 13, 14, 15 and 16)</i>			
C	18. Tax Due <i>(See Tax Rate Schedule on Page 4)</i>			
	19. Tax credits allocated to nonresident partners from Line 8 above			
	20. Net Tax Due <i>(Line 18 minus Line 19)</i>			

Important: The Partnership must provide each Partner an NC K-1 for Form D-403 or other information necessary for the Partner to prepare the appropriate North Carolina Tax Return.

Part 4. North Carolina Adjustments to Federal Taxable Income (See instructions.)

Additions to Federal Taxable Income

- 1. Interest income from obligations of states other than North Carolina 1.
- 2. State, local, or foreign income taxes deducted on the federal return 2.
- 3. Adjustment for additional first-year depreciation 3.
- 4. Other additions to federal taxable income (See instructions) 4.
- 5. Total additions to federal taxable income (Add lines 1 through 4 and enter total here and on Part 1, Line 4) 5.

Deductions from Federal Taxable Income

- 6. Interest income from obligations of the United States or United States' possessions 6.
- 7. State, local, or foreign income tax refunds reported as income on federal return 7.
- 8. Other deductions from federal taxable income (See instructions) 8.
- 9. Total deductions from federal taxable income (Add Lines 6, 7, and 8 and enter total here and on Part 1, Line 6) 9.

Tax Rate Schedule

<u>If the amount of each nonresident partner's share of N.C. taxable income (from Part 3, Line 17) is more than</u>	<u>But not over</u>	<u>The tax is</u>
\$0	\$12,750	6% of the taxable income
\$12,750	\$60,000	\$765 + 7% of taxable income over \$12,750
\$60,000	\$120,000	\$4,072.50 + 7.75% of taxable income over \$60,000
\$120,000	- - -	\$8,722.50 + 8.25% of taxable income over \$120,000

I certify that, to the best of my knowledge, this return is accurate and complete.

If prepared by a person other than the managing partner, this certification is based on all information of which preparer has any knowledge.

Signature of Managing Partner

Date

Signature of Preparer Other than Managing Partner

Date

Address

Daytime Telephone Number (Include area code.)

Preparer's Daytime Telephone Number (Include area code.)

If entity is an LLC and it converted to an LLC during the tax year, enter entity name prior to conversion:

MAIL TO: North Carolina Department of Revenue, P.O. Box 25000, Raleigh, North Carolina 27640-0645