D-403
Web-Fill
11-06

2006 Partnership
Income Tax Return
North Carolina Department of Revenue

For calendar year **2006,** 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

Address

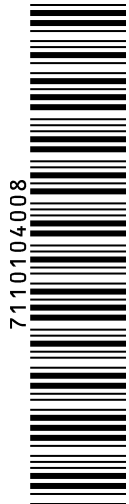County *(Enter first five letters)*

City   State   Zip Code

Fill in all applicable circles:
- ○ **Initial Return**
- ○ **Amended Return**
- ○ **Final Return**
- ○ **Entity is Partnership**
- ○ **Entity is LLC**
- ○ **Entity has Nonresident Owners**
- ○ **Entity has Escheatable Property**
- ○ **NC-478 is attached**

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

7110104008

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 4) ▶ 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.

Legal Name *(First 10 Characters)*	Federal Employer ID Number

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   %

Legal Name *(First 10 Characters)*	**Important** If more than three partners, include separate schedule for additional partners.	Federal Employer ID Number

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 18 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 *(Ex: Ind., Corp., Part.)*			
6. Additions to income (loss) *(To Form NC K-1, Line 2)*			
7. Deductions from income (loss) *(To Form NC K-1, Line 3)*			
8. Share of tax credits *(To Form NC K-1, Line 4)*			

B

	Partner 1	Partner 2	Partner 3
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 nonresident partners			
17. North Carolina taxable income *(Add Lines 13, 14, 15, and 16)*			

C

	Partner 1	Partner 2	Partner 3
18. Tax Due *(See Tax Rate Schedule on Page 4)*			
19. Tax credits allocated to nonresident partners from Line 8 above			
20. Net Tax Due *(Line 18 minus Line 19)*			

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.

Legal Name *(First 10 Characters)*	Federal Employer ID Number

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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. Other additions to federal taxable income *(See Form D-401, Individual Income Tax Instructions, for other additions   3. ___*
    that may be applicable to partnerships)

4. Total additions to federal taxable income *(Add Lines 1 through 3 and enter total here and on Part 1, Line 4)*   4. ___

Deductions from Federal Taxable Income

5. Interest income from obligations of the United States or United States' possessions   5. ___

6. State, local, or foreign income tax refunds reported as income on federal return   6. ___

7. Adjustment for additional first-year depreciation added back in 2002, 2003, and 2004   7. ___
    (See Line instructions)

8. Other deductions from federal taxable income *(See Form D-401, Individual Income Tax Instructions, for other   8. ___*
    deductions that may be applicable to partnerships)

9. Total deductions from federal taxable income *(Add Lines 5, 6, 7, and 8 and enter total here and on Part 1, Line 6)*   9. ___

Tax Rate Schedule

If the amount of each nonresident partner's share of N.C. taxable income (from Part 3, Line 17) is more than	But not over	The tax is
$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