

U.S. Partnership Return of Income

For calendar year 1996, or tax year beginning _____, 1996, and ending _____, 19 _____
▶ See separate instructions.

1996

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

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return
H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ _____

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

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

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

▶ _____ Date

Signature of general partner or limited liability company member

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed Preparer's social security no. _____

Firm's name (or yours if self-employed) and address ▶ _____ EIN ▶ _____

ZIP code ▶ _____

Schedule A Cost of Goods Sold (see page 13 of the instructions)

1 Inventory at beginning of year	1		
2 Purchases less cost of items withdrawn for personal use	2		
3 Cost of labor	3		
4 Additional section 263A costs (<i>attach schedule</i>)	4		
5 Other costs (<i>attach schedule</i>)	5		
6 Total. Add lines 1 through 5	6		
7 Inventory at end of year	7		
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c). . . . ▶

c Check this box if the LIFO inventory method was adopted this tax year for any goods (*if checked, attach Form 970*). . ▶

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? . . **Yes** **No**

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? **Yes** **No**
If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the applicable box: a <input type="checkbox"/> General partnership b <input type="checkbox"/> Limited partnership c <input type="checkbox"/> Limited liability company d <input type="checkbox"/> Other (see page 14 of the instructions) ▶		
2 Are any partners in this partnership also partnerships?		
3 Is this partnership a partner in another partnership?		
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		
5 Does this partnership meet ALL THREE of the following requirements? a The partnership's total receipts for the tax year were less than \$250,000; b The partnership's total assets at the end of the tax year were less than \$600,000; AND c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1		
6 Does this partnership have any foreign partners?		
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		
8 Has this partnership filed, or is it required to file, Form 8264 , Application for Registration of a Tax Shelter?		
9 At any time during calendar year 1996, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 14 of the instructions for other forms the partnership may have to file		
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 5 of the instructions		

Designation of Tax Matters Partner (see page 15 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Identifying number of TMP ▶
Address of designated TMP ▶	

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

		(a) Distributive share items		(b) Total amount			
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)		1			
	2	Net income (loss) from rental real estate activities (attach Form 8825)		2			
	3a	Gross income from other rental activities		3a			
		3b	Expenses from other rental activities (attach schedule)		3b		
	3c		Net income (loss) from other rental activities. Subtract line 3b from line 3a		3c		
	4	Portfolio income (loss): a Interest income		4a			
		b Dividend income		4b			
c Royalty income		4c					
d Net short-term capital gain (loss) (attach Schedule D (Form 1065))		4d					
e Net long-term capital gain (loss) (attach Schedule D (Form 1065))		4e					
f Other portfolio income (loss) (attach schedule)		4f					
	5	Guaranteed payments to partners		5			
	6	Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)		6			
	7	Other income (loss) (attach schedule)		7			
Deductions	8	Charitable contributions (attach schedule)		8			
	9	Section 179 expense deduction (attach Form 4562)		9			
	10	Deductions related to portfolio income (itemize)		10			
Investment Interest	11	Other deductions (attach schedule)		11			
	12a	Interest expense on investment debts		12a			
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above		12b(1)			
(2) Investment expenses included on line 10 above		12b(2)					
Credits	13a	Low-income housing credit:					
	b	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990		13a(1)			
		(2) Other than on line 13a(1) for property placed in service before 1990		13a(2)			
		(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989		13a(3)			
		(4) Other than on line 13a(3) for property placed in service after 1989		13a(4)			
	13b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)		13b			
	13c	Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities		13c			
13d	Credits related to other rental activities		13d				
14	Other credits		14				
Self-Employment	15a	Net earnings (loss) from self-employment		15a			
	15b	Gross farming or fishing income		15b			
	15c	Gross nonfarm income		15c			
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986		16a			
	16b	Adjusted gain or loss		16b			
	16c	Depletion (other than oil and gas)		16c			
	16d	(1) Gross income from oil, gas, and geothermal properties		16d(1)			
		(2) Deductions allocable to oil, gas, and geothermal properties		16d(2)			
16e	Other adjustments and tax preference items (attach schedule)		16e				
Foreign Taxes	17a	Type of income ▶	b Foreign country or U.S. possession ▶				
	17c	Total gross income from sources outside the United States (attach schedule)		17c			
	17d	Total applicable deductions and losses (attach schedule)		17d			
	17e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		17e			
	17f	Reduction in taxes available for credit (attach schedule)		17f			
	17g	Other foreign tax information (attach schedule)		17g			
		18b	Section 59(e)(2) expenditures: a Type ▶		b Amount ▶		
Other	19	Tax-exempt interest income		19			
	20	Other tax-exempt income		20			
	21	Nondeductible expenses		21			
	22	Distributions of money (cash and marketable securities)		22			
	23	Distributions of property other than money		23			
	24	Other items and amounts required to be reported separately to partners (attach schedule)					
Analysis	25a	Income (loss). Combine lines 1 through 7 in column (b). From the result, subtract the sum of lines 8 through 12a, 17e, and 18b		25a			
	b	(a) Corporate	(b) Individual		(c) Partnership	(d) Exempt organization	(e) Nominee/Other
			i. Active	ii. Passive			
		(1) General partners					
		(2) Limited partners					

Note: If Question 5 of Schedule B is answered "Yes," the partnership is not required to complete Schedules L, M-1, and M-2.

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (<i>attach schedule</i>)				
7 Mortgage and real estate loans				
8 Other investments (<i>attach schedule</i>)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only).				
b Less accumulated amortization				
13 Other assets (<i>attach schedule</i>)				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (<i>attach schedule</i>)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (<i>attach schedule</i>)				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
(see page 23 of the instructions)

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 12a, 17e, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 12a, 17e, and 18b (itemize):		a Depreciation \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Schedule K, line 25a). Subtract line 8 from line 5	
5 Add lines 1 through 4			

Schedule M-2 Analysis of Partners' Capital Accounts

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

