TAXABLE YEAR | CALIFORNIA FORM

2008 Partnership Return of Income 565

For calendar year 2008 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

Partnership name (place label within block or type or print) Check box if name changed ☐

A FEIN ●

DBA

B Secretary of State (SOS) file number ●

Address (including suite, room, PO Box, and PMB no.)

C Principal business activity name (same as federal)

City | State | ZIP Code

D Principal product or service (same as federal)

E Check accounting method ● (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (attach explanation)

F Date business started in CA ●

G Enter total assets at end of year. See instructions. ● $ _____

H Check the applicable box ● (1) ☐ Initial return (2) ☐ **FINAL RETURN** (3) ☐ Amended return

I Principal business activity code (same as federal) ●

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

Income	1	**a** Gross receipts or sales $ _____ **b** Less returns and allowances $ _____ . . . . . **c** Balance ●	1c	00
	2	Cost of goods sold (Schedule A, line 8)	2	00
	3	GROSS PROFIT. Subtract line 2 from line 1c ●	3	00
	4	Total ordinary income from other partnerships and fiduciaries. Attach schedule ●	4	00
	5	Total ordinary loss from other partnerships and fiduciaries. Attach schedule ●	5	00
	6	Total farm profit. Attach federal Schedule F (Form 1040) ●	6	00
	7	Total farm loss. Attach federal Schedule F (Form 1040) ●	7	00
	8	Total gains included on Schedule D-1, Part II, line 17 (**gain only**) ●	8	00
	9	Total losses included on Schedule D-1, Part II, line 17 (**loss only**) ●	9	00
	10	Other income. Attach schedule ●	10	00
	11	Other loss. Attach schedule ●	11	00
	12	**Total income (loss)**. Combine line 3 through line 11 ●	12	00
Deductions	13	Salaries and wages (other than to partners)	13	00
	14	Guaranteed payments to partners	14	00
	15	Bad debts ●	15	00
	16	Deductible interest expense not claimed elsewhere on return	16	00
Enclose, but do not staple, any payment	17	**a** Depreciation and amortization. Attach form FTB 3885P $ _____ **b** Less depreciation reported on Schedule A and elsewhere on return $ _____ . . . . . **c** Balance ●	17c	00
	18	Depletion. Do not deduct oil and gas depletion	18	00
	19	Retirement plans, etc.	19	00
	20	Employee benefit programs	20	00
	21	Other deductions. Attach schedule ●	21	00
	22	**Total deductions**. Add line 13 through line 21 ●	22	00
	23	Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12 ●	23	00
Payments	24	**Tax — $800.00 (LPs, LLPs, and REMICs only).** See instructions. ●	24	00
	25	Nonresident withholding credit ($800 maximum). **See instructions** . . . . . 25 _____ 00		
	26	Amount paid with extension of time to file return (form FTB 3538) . . . . . 26 _____ 00		
	27	**Total payments**. Add line 25 and line 26	27	00
Amount Due or Refund	28	Tax due. If line 24 is more than line 27, subtract line 27 from line 24	28	00
	29	**Use Tax. This is not a total line.** See instructions. ● 29 _____ 00		
	30	**Refund**. If the total of line 24 and line 29 is less than line 27, subtract the total from line 27 . . . . **30** _____ 00		
	31	Penalties and interest	31	00
	32	**Total amount due**. Add line 24, line 29, and line 31, then subtract line 27 from the result. Make the check or money order payable to the Franchise Tax Board . . . . . **32** _____ 00		

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 taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of general partner | Date | Telephone ● ( )

Paid Preparer's Use Only

Paid Preparer's signature ▶ | Date | Check if self-employed ☐ | Paid Preparer's SSN/PTIN ●

Firm's name (or yours if self-employed) and address ▶ | Telephone ● ( ) | FEIN ●

May the FTB discuss this return with the preparer shown above (see instructions)? ● ☐ Yes ☐ No

For Privacy Notice, get form FTB 1131.

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Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1	00
2	Purchases less cost of items withdrawn for personal use	2	00
3	Cost of labor	3	00
4	Additional IRC Section 263A costs. Attach schedule	4	00
5	Other costs. Attach schedule	5	00
6	**Total**. Add line 1 through line 5	6	00
7	Inventory at end of year	7	00
8	**Cost of goods sold**. Subtract line 7 from line 6. Enter here and on Side 1, line 2	8	00

9 a Check all methods used for valuing closing inventory:
(1) ☐ Cost **(2)** ☐ Lower of cost or market as described in Treas. Reg. Section 1.471-4 **(3)** ☐ Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) **(4)** ☐ Other. Specify method used and attach explanation _____

b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970 ☐

c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No

d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

J What type of entity is filing this return? Check one only:

- ● **1** ☐ General partnership
- ● **2** ☐ Limited partnership required to pay annual tax (is doing business in California, is registered with SOS, or is organized in California)
- ● **3** ☐ Limited partnership, limited liability company (LLC), or other entity NOT required to pay annual tax (is not doing business in California, is not registered with SOS, and is not organized in California)
- ● **4** ☐ REMIC
- ● **5** ☐ Limited liability partnership
- ● **6** ☐ Other (See instructions)_____

K Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner) ●

		Yes	No
L	Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner? ●		
M	Is any partner of the partnership a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other partner? ●		
N	Are any partners in this partnership also partnerships or LLCs? ●		
O	Does the partnership meet all the requirements shown in the instructions for Question O?		
P	Is this partnership a partner in another partnership or LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity ●		
Q	Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754 ●		
R	Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)?		
S	Is this partnership under audit by the IRS or has it been audited in a prior year? ●		
T (1)	For this taxable year, was there a change in control or majority ownership for this partnership (or any legal entity in which it holds a controlling or majority interest) that owned or leased real property in California? ●		
(2)	For this taxable year, did this partnership (or any legal entity in which it holds a controlling or majority interest) acquire control or majority ownership of any other legal entity that owned or leased real property in California? ●		
(3)	If this partnership (or any legal entity in which it holds a controlling or majority interest) owned or leased real property in California, has more than 50 percent of the partnerships interest cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return? ●		
	(Penalties May Apply – See Instructions.)		
U (1)	Does the partnership have any foreign (non U.S.) nonresident partners? ●		
(2)	Does the partnership have any domestic (non-foreign) nonresident partners? ●		
(3)	Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these partners? ●		
V	Is this an investment partnership? See General Information, Investment Partnerships, in the instructions ●		
W	Is the partnership apportioning income to California using Schedule R? ●		
X	Has the partnership included a Reportable Transaction or Listed Transaction within this return? (See instructions for definitions.) If "Yes," complete and attach Form 8886 for each transaction ●		
Y	Did this partnership file the Federal Schedule M-3 (Form 1065)? ●		
Z	Is this partnership a direct owner of an entity that filed a federal Schedule M-3? ●		
AA	Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN. ●		
AB	Does this partnership own an interest in a business entity disregarded for tax purposes? Attach schedule of disregarded entity names and identification numbers ●		
AC	During the year did this partnership defer any gains from the disposition of assets? ●		

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

		(a) Distributive share items		(b) Amounts from federal K (1065)	(c) California adjustments	(d) Total amounts using California law
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	●		
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825	2			
	3 a	Gross income (loss) from other rental activities	3a			
	b	Less expenses. Attach schedule	3b			
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c			●
	4	Guaranteed payments to partners	4			●
	5	Interest income	5			●
	6	Dividends	6			●
	7	Royalties	7			●
	8	Net short-term capital gain (loss). Attach Schedule D (565)	8			●
	9	Net long-term capital gain (loss). Attach Schedule D (565)	9			●
	10 a	Total Gain under IRC Section 1231 (other than due to casualty or theft)	10a			●
	b	Total Loss under IRC Section 1231 (other than due to casualty or theft)	10b			●
	11 a	Other portfolio income (loss). Attach schedule	11a			
	b	Total other income. Attach schedule	11b			
	c	Total other loss. Attach schedule	11c			
Deductions	12	Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6, and 17268). Attach schedule	12			
	13 a	Charitable contributions. See instructions. Attach schedule	13a			
	b	Investment interest expense	13b			●
	c 1	Total expenditures to which IRC Section 59(e) election may apply. Attach schedule	13c1			
	2	Type of expenditures _____	13c2			
	d	Deductions related to portfolio income	13d			
	e	Other deductions. Attach schedule	13e			
Credits	15 a	Withholding on partnership allocated to all partners	15a			
	b	Low-income housing credit	15b			
	c	Credits other than the credit shown on line 15b related to rental real estate activities	15c			
	d	Credits related to other rental activities	15d			
	e	Nonconsenting nonresident members' tax allocated to all partners	15e			
	f	Other credits	15f			●
Alternative Minimum Tax (AMT) Items	17 a	Depreciation adjustment on property placed in service after 1986	17a			
	b	Adjusted gain or loss	17b			
	c	Depletion (other than oil and gas)	17c			
	d	Gross income from oil, gas, and geothermal properties	17d			
	e	Deductions allocable to oil, gas, and geothermal properties	17e			
	f	Other alternative minimum tax items	17f			
Other Information	18 a	Tax-exempt interest income	18a			
	b	Other tax-exempt income	18b			●
	c	Nondeductible expenses	18c			
	19 a	Distributions of money (cash and marketable securities)	19a			
	b	Distribution of property other than money	19b			
	20 a	Investment income	20a			
	b	Investment expenses	20b			
	c	Other information. See instructions	20c			
Analysis	21 a	Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e.	21a			●

b Analysis by type of partner:	(a) Corporate	(b) Individual i. Active	(b) Individual ii. Passive	(c) Partnership	(d) Exempt Organization	(e) Nominee/Other
(1) General partners						
(2) Limited partners						

Schedule L **Balance Sheets.** See the instructions for Question O before completing Schedules L, M-1, and M-2.

Assets	Beginning of income year (a)	Beginning of income year (b)	End of income year (c)	End of income year (d)
1 Cash				
2 a 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. Attach schedule				●
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				●
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	●
10 a Depletable assets				
b Less accumulated depletion	( )		( )	
11 Land (net of any amortization)				●
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
13 Other assets. Attach schedule				●
14 **Total** assets				
Liabilities and Capital				
15 Accounts payable				●
16 Mortgages, notes, bonds payable in less than 1 year				●
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				●
19 Mortgages, notes, bonds payable in 1 year or more				●
20 Other liabilities. Attach schedule				●
21 Partners' capital accounts				●
22 **Total** liabilities and capital				

Schedule M-1 **Reconciliation of Income (Loss) per Books With Income (Loss) per Return.** Use total amount under California law. If the partnership completed federal Schedule M-3 (Form 1065), see instructions.

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:	
2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize ●		a Tax-exempt interest $	
3 Guaranteed payments (other than health insurance)		b Other $	
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:		c Total. Add line 6a and line 6b ●	
a Depreciation $		7 Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:	
b Travel and entertainment $		a Depreciation $	
c Limited partnership tax $		b Other $	
d Other $		c Total. Add line 7a and line 7b ●	
e Total. Add line 4a through 4d ●		8 Total. Add line 6c and line 7c	
5 Total of line 1 through line 4e		9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5	

Schedule M-2 **Analysis of Partners' Capital Accounts**

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