



# 2014 Instructions for Schedule EO (568)

## Pass-Through Entity Ownership

### General Information

In general, for taxable years beginning on or after January 1, 2010, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2009. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub.1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

### Purpose

Use Schedule EO (568), Pass-Through Entity Ownership, to report all partnership, limited liability company (LLC) taxable as partnerships, and disregarded entity ownership interests held by the taxpayer.

This schedule is completed by partnerships and LLCs taxable as partnerships that hold partial ownership interest in other partnerships, LLCs taxable as partnerships, and/or own disregarded entities, including Single Member Limited Liability Companies (SMLLC) that are disregarded.

This schedule should contain information regarding all partnerships, LLCs taxable as partnerships, and all disregarded entities (including SMLLCs) in which the taxpayer holds an interest, regardless of whether the entities are required to file a tax return in California, or are subject to California annual tax or LLC fee.

This schedule will not be completed by S corporations or to report S corporation pass-through income.

Entities to include on this schedule are those that file federal Form 1065, Partnership Return of Income, or are disregarded for federal tax purposes.

When completing this form, provide the name, California Secretary of State (SOS) file number, and federal employer identification number (FEIN) for each entity listed. The FEIN is 9 digits long, and the SOS file number is 12 digits long and must begin with "19" or "20."

Attach the completed Schedule EO (568) behind Side 7 of Form 568, Limited Liability Company Return of Income, if applicable. Attach additional Schedules EO (568) as necessary.

### Specific Instructions

#### Part I – Partial Ownership

List the entities in which the taxpayer holds partial (less than 100%) ownership interest.

For each partnership and LLC taxable as a partnership, provide the name, California SOS file number, and FEIN.

##### California Source Income

Enter a check mark in the column to indicate if the taxpayer received pass-through income derived from or attributable to California sources.

##### Profit and Loss Sharing Percentage

Enter the profit and loss sharing percentages for each partnership and LLC taxable as a partnership at the end of the year. This information is found at Item D (ii) of your California Schedule K-1(565), Partner's Share of Income, Deductions, Credits, etc., or at Item C (ii) of your California Schedule K-1(568), Member's Share of Income, Deduction, Credits, etc.

#### Part II – Full Ownership

List the disregarded entities in which the taxpayer holds full ownership interest of 100%.

For each disregarded entity provide the name, California SOS file number, and FEIN.

##### California Source Income

Enter a check mark in the column to indicate if the disregarded entity received income derived from or attributable to California sources.