

Utah
2009

**Partnership/
Limited Liability
Partnership/
Limited Liability
Company**

Form TC-65

Tax Return and Instructions

**Utah State Tax Commission • 210 North 1950 West • Salt Lake City, UT 84134
www.tax.utah.gov**

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Online Services



Visit our website for detailed tax information and all Utah State tax forms and instructions.

tax.utah.gov

Utah accepts electronic filing for Partnerships, C Corporations, S Corporations and Homeowner's Associations.

tax.utah.gov/mef

Pay tax due and make payments online with a credit card or e-check.

taxexpress.utah.gov



References

UC: Utah Code

IRC: Internal Revenue Code

Need forms?

Print online at **tax.utah.gov/forms**, or call 801-297-6700 or 1-800-662-4335, ext. 6700

Need more information?

Telephone 801-297-2200 or 1-800-662-4335

Webpage **tax.utah.gov**

Utah Taxpayer Advocate Service

The Taxpayer Advocate Service assists taxpayers who have made multiple unsuccessful attempts to resolve concerns with the Tax Commission. This service helps resolve problems when normal departmental processes break down, identifies why the problem occurred and suggests remedies to stop the problem from reoccurring. See details at **tax.utah.gov/contact.html** or contact us to find out if you qualify for this assistance at 801-297-7562, toll free at 800-662-4335, ext. 7562, or by email at **taxpayeradvocate@utah.gov**.

The Taxpayer Advocate service should not be used to bypass normal methods for resolving disputes or issues.

E-Verify for Employers

Employers can help prevent identity theft by verifying the social security numbers of job applicants. E-Verify is a free service of the U.S. Department of Homeland Security that verifies employment eligibility through the Internet. Employers can use E-Verify at **www.dhs.gov/E-Verify**.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at 801-297-3811 or Telecommunications Device for the Deaf (TDD) 801-297-2020. Please allow three working days for a response.

General Instructions for TC-65

What's New

- **Pass-through Entity and Withholding Tax Requirements:** Partnerships are considered to be pass-through entities and, for tax years beginning on or after Jan. 1, 2009, are required to withhold Utah income tax on all nonresident individual partners, and on all resident business and nonresident business partners. These partners are referred to as pass-through entity taxpayers (see UC §59-10-1402(10)).

Utah imposes a 5% withholding tax on all Utah income distributed to pass-through entity taxpayers. The partnership may reduce this withholding for mineral production withholding tax and previous pass-through entity withholding attributable to the partner. This pass-through entity withholding tax must be paid to the Tax Commission by the original due date of the return, without regard to extensions.

The calculation of the required Utah withholding tax is done on Schedule N. See the instructions for this schedule for more details.

If this partnership has an interest in a partnership (pass-through entity), that pass-through entity is required to withhold Utah income tax on any Utah income distributed to this partnership. The pass-through entity must provide a statement (Schedule K-1 or supplemental schedule) showing the amount of Utah withholding paid on behalf of this partnership. This withholding tax must then be allocated to the partners of this partnership and "passed-through" to be claimed on their personal returns. Enter this previous pass-through entity withholding tax for each partner on Schedule P.

A pass-through entity may submit a request for waiver of withholding tax and any associated penalty and interest if all pass-through entity taxpayers of the entity have filed and paid tax on the Utah income on or before the pass-through entity's return due date, including extensions (see UC §59-10-1403.2(5)).

- **Credit Allocation:** All nonrefundable and refundable credits are to be passed through to the partners of the partnership. See Schedule P instructions on page 10.
- **Qualifying Solar Project Credit:** This new credit is 25% of the cost of a solar unit that generates electricity and is purchased from a Utah city or town, an inter-local entity, or a special service district. See page 12.
- **Clean Fuel Vehicle Credit:** This credit has changed from previous years. There are now four credits for fuel efficient vehicles and certain conversion equipment to make a vehicle more fuel efficient. See page 10.
- **Research Activities Credit:** This credit is increased to 6.3% on certain qualified research expenses. See page 12.
- **Penalty Changes:** Utah law provides for tiered penalties for late filing of returns and late payment of tax. See Publication 58, *Utah Interest and Penalties*.

Electronic Filing for Partnership Returns

Utah partnership returns may be filed electronically under a joint program between the Internal Revenue Service and the Utah State Tax Commission.

The federal and state information is submitted at the same time and the IRS extracts its federal data and forwards the state data to the Tax Commission. No papers need to be mailed to the agencies when filing electronically.

Many software vendors offer electronic partnership return filing. Check with your software provider to see if they support this program.

Learn more about filing your partnership return electronically online at tax.utah.gov/mef.

Partnership Defined

A "partnership" is any unincorporated entity that is treated as a partnership under federal income tax law, including general partnerships, limited partnerships, limited liability partnerships and limited liability companies. A "partner" includes a partner or member of one of these entities.

Partnerships Not Subject to Tax

A partnership is not subject to Utah income tax. Partners conducting business are liable for Utah income tax in their separate or individual capacities. However, a partnership must withhold Utah tax on all nonresident individual pass-through entity taxpayers and all resident or nonresident business pass-through entity taxpayers. See *What's New* and instructions for Schedule N.

Filing Requirements

A partnership, limited partnership (LP), limited liability partnership (LLP), or limited liability company (LLC), all of whose partners or members are Utah resident individuals, is **not** required to file a Utah partnership return, TC-65, if the entity maintains records that show each partner's or member's share of income, losses, credits, and other distributive items, and those records are made available to the Tax Commission upon request.

A partnership, LP, LLP or LLC whose partners or members are not all Utah resident individuals is still required to file a TC-65 if they have income derived from sources within Utah.

Due Date

A return must be filed on or before the 15th day of the fourth month following the close of the taxable year. If the due date falls on a Saturday, Sunday or legal holiday, the due date becomes the next business day.

Where to File

Send the partnership return, along with any payment, to:

Utah State Tax Commission
210 N 1950 W
SLC, UT 84134-0270

What to Attach and What to Keep

Include the following with your Utah TC-65. Also, keep copies of these with your tax records.

- **Utah Partnership Return Schedules:** Attach applicable Utah schedules A, B, G, N and/or P.

Do not send the Tax Commission a copy of your federal return, credit schedules, worksheets, or other documentation with your Utah return, unless otherwise stated in these instructions. Keep these, along with all supporting documentation, in your files. **You may be asked to furnish this information later to verify entries on your Utah return.**

Partnership Changes

Partnership changes (e.g., name change, physical and/or mailing address changes, or ceasing to do business in Utah) must be reported in writing to:

Master File Maintenance
Utah State Tax Commission
210 N 1950 W
SLC, UT 84134-3310

To close related tax accounts (sales, withholding, etc.), send a completed TC-69C, *Notice of Change for a Tax Account*, to Master File Maintenance at the address above.

Partnership Name and Address Area

Enter on the TC-65 the partnership name, address and telephone number, including area code. If the address has changed, check the physical address and/or mailing address box. To make additional changes, see *Partnership Changes* above.

ZIP Code

Enter your ZIP Code with the “plus four” at the end.

Foreign Country

If the address is in a foreign country, enter the mailing address where indicated. Enter the foreign city, state/province and postal code in the city field. Enter only the foreign country name in the field titled *Foreign country*.

Employer Identification Number

The Utah State Tax Commission uses the Federal Employer Identification Number (EIN) as the partnership’s taxpayer identification number. Enter the EIN in the field indicated. This number is used for identification of the partnership tax return and any correspondence.

Filing Period

If the return is being filed for a period other than the calendar year ending Dec. 31, 2009, enter the beginning and ending tax period dates at the top, where indicated. Enter both the beginning and ending tax period dates in the following format: mm/dd/yyyy.

Federal Taxable Income

Utah law defines federal taxable income as “taxable income as currently defined in Section 63, Internal Revenue Code of 1986.” Since Utah’s taxable income is based on federal taxable income, a partner’s ability to carry forward and carry back partnership losses is determined on the federal level. The loss taken by a partner in a given year must match the loss taken on the federal return. Losses cannot be independently carried back and carried forward in any given year on the partner’s Utah return.

Rounding Off to Whole Dollar Amounts

Round off cents to the nearest whole dollar. Round down if cents are under 50 cents; round up if cents are 50 cents and above. **Do not enter cents anywhere on the return.**

Penalties

Utah law (UC §59-1-401) provides penalties for failure to file tax returns by the due date, failure to pay tax due on time, failure to make sufficient prepayment on extension returns, and failure to file information returns or supporting schedules. Details of these penalties, along with a list of additional penalties, can be found at tax.utah.gov/billing/penaltyinterest.html and in Pub 58, *Utah Interest and Penalty*, online at tax.utah.gov/forms.

Interest (in addition to penalties due)

Interest will be assessed on any underpayment from the original due date until any outstanding liability is paid in full. The interest rate for most taxes and fees administered by the Tax Commission for the 2010 calendar year is **3 percent**.

Pub 58, *Utah Interest and Penalties*, contains applicable interest rates and is available online at tax.utah.gov/forms or by calling or writing the Tax Commission.

Amended Returns

To amend a previously filed return, use the tax forms and instructions for the year you are amending. You can obtain prior year forms and instructions at tax.utah.gov/forms.

An amended return should be filed promptly if:

- An error is discovered on your Utah or federal return after it has been filed; or
- Your federal return is audited or adjusted by the IRS and the audit or adjustment affects your Utah return. You must report such changes or corrected income within 90 days of the IRS's final determination.

To amend a previously filed return, enter on page 1 of the Utah return on the line titled "IF AMENDED RETURN" a code number that best corresponds to the REASON FOR AMENDING. See codes below.

Reason-for-Amending Codes

- 1 You filed an amended return with the IRS (attach a copy of your amended federal return).
- 2 You made an error on your Utah return (attach an explanation of the adjustment made).
- 3 Federal audit adjustments, that resulted in changes in federal taxable income, were issued and became final (attach a copy of the IRS adjustment).
- 4 Other (attach explanation to return).

Complete the return, entering the figures as corrected. Enter all other amounts as shown on the original return. If you received a refund on your original Utah return, enter the amount of the refund on line 5 (exclude refund interest) as a negative amount (preceded by a minus sign). If you paid tax with the original return or made subsequent payments of the tax prior to filing the amended return, include the total previous payments on line 5 of the 2009 amended return.

Do not submit a copy of your original return with the amended return.

Federal Form 8886

If you filed federal Form 8886, *Reportable Transaction Disclosure Statement*, with the Internal Revenue Service, enter an "X" at the top of your TC-65, where indicated.

Character of Partnership Items

1. Each item of partnership income, gain, loss or deduction has the same character for a partner as it has for federal income tax purposes. When an item is not characterized for federal income tax purposes, it has the same character for a partner as if realized directly from the source realized by the partnership, or incurred in the same manner as incurred by the partnership.

2. In determining Utah taxable income of a partner, any modification (such as U.S. government bond interest) that relates to an item of the partnership income, gain, loss or deduction shall be made in accordance with the partner's distributive share for federal income tax purposes of the items to which the modification relates. Where a partner's share of any such item is not required to be taken into account separately for federal income tax purposes, the partner's distributive share of such item shall be determined in accordance with his distributive share for federal income tax purposes of partnership income or loss generally.
3. Where a partner's distributive share of an item of partnership income, gain, loss or deduction is determined for federal income tax purposes by a special provision in the partnership agreement with respect to such item, and where the principal purpose of such provision is the avoidance or evasion of tax, the partner's distributive share of such item and any modification with respect thereto shall be determined as if the partnership agreement made no special provision with respect to that item.

Nonresident or Part-year Resident Share of Partnership Items

1. In determining the adjusted gross income of a nonresident partner of any partnership, there shall be included only that part derived from or connected with sources in Utah of the partner's distributive share of items of partnership income, gain, loss or deduction entering into the partner's federal adjusted gross income. (The Utah portion may be shown alongside the total for each item amount as an attachment to the return.)
2. In determining the sources of a nonresident partner's income, the following conditions apply.
 - a. No consideration will be given to a provision in the partnership agreement that characterizes payments to the partner as being for services or for the use of capital, or allocates to the partner, as income or gain from sources outside Utah, a greater portion of his distributive share of partnership income or gain than the ratio of partnership income or gain from sources outside Utah to partnership income or gain from all sources, except as provided in 5 below;
 - b. No consideration will be given to a provision in the partnership agreement that allocates to the partner a greater portion of a partnership item, loss or deduction connected with sources in Utah than his proportionate share, for federal income tax purposes, of partnership loss or deduction generally, except as provided in 5 below;

3. Any modification (such as for U.S. government bond interest) that relates to an item of partnership income, gain, loss or deduction, shall be made in accordance with the partner's distributive share for federal income tax purposes of the item to which the modification relates, but limited to the portion of such item derived from or connected with sources in Utah;
4. A nonresident partner's distributive share of items of income, gain, loss or deduction shall be determined as provided in *Character of Partnership Items*, paragraphs 1 and 2. The effect of a special provision in a partnership agreement, other than a provision referred to in 3 above, having as a principal purpose the avoidance or evasion of tax, shall be determined as provided in *Character of Partnership Items*, paragraph 3; and
5. The Utah State Tax Commission may, on application, authorize the use of other methods of determining a nonresident partner's portion of a partnership item derived from or connected with sources in Utah, and the modification related thereto, as may be appropriate and equitable, on such terms and conditions as it may require.

Mineral Producers or Payers

If the partnership is a producer or other person paying proceeds in connection with mineral properties located within Utah, the partnership must report to each partner the partner's share of mineral production withholding tax withheld and remitted to the Utah State Tax Commission. The producer must furnish a copy of form TC-675R to the recipients. The recipient will take credit against the tax for the amount withheld on their Utah individual income tax return, fiduciary tax return or corporation tax return.

If the partnership is the recipient of proceeds in connection with mineral properties located within Utah, the partnership should attach a copy of form TC-675R to the partnership return. The amounts withheld are allocated to each partner in proportion to each partner's share of income and should be shown on Schedules N and P and on the federal form 1065, Schedule K-1.

Utah Taxable Income

Complete Schedule A to determine the Utah income or loss. If the partnership does business both within and outside of Utah, the portion of the partnership income attributable to Utah is determined by first completing Schedule B, and then Schedule A.

Modifications

Modifications may be needed to determine the Utah taxable income of a partner. See *Character of Partnership Items and Nonresident or Part-year Resident Share of Partnership Items*.

Schedule for Partner Information

List all partner/member information on form TC-65, Schedule G.

Additional copies of this schedule may be photocopied or printed from our web site at tax.utah.gov/forms.

Additional Information

Additional information concerning Utah income tax requirements as they affect partnerships and partnership returns are contained in the Utah Code and the rules of the Utah State Tax Commission.

Line-by-Line Instructions

Entity Type

Mark "X" by the type of entity for which the return is being filed:

- General partnership
- Limited partnership
- Limited liability partnership
- Limited liability company
- Other (enter brief description)

Line 1 – Date Registered in Utah

Enter the date (in mm/dd/yyyy format) the partnership was registered in Utah.

Line 2 – Date Dissolved

If the partnership was dissolved during the tax year, enter the date of dissolution (in mm/dd/yyyy format) of the partnership.

Line 3 – Total Pass-through Withholding Tax

Enter the total pass-through withholding tax from Schedule N, column H.

This pass-through withholding tax amount **must** be paid to the Tax Commission by the original due date of the return, without regard to extensions. If the partnership return will be filed after the original due date, a prepayment of this amount must be made by the original due date.

Line 4 – Prepayments Made for the Year

A refundable credit is allowed for advance payments made as quarterly estimated tax payments, prepayments and extension payments (form TC-559). Include any overpayments from a prior year that were applied to this year.

Line 5 – Amended Returns Only

This line is only used for amended returns. Enter the amount of tax paid with the original return and/or subsequent payments made prior to filing this amended return less any previous refunds (exclude refund interest). A net refund should be entered as a negative amount (preceded by a minus sign).

Line 6 – Total Payments

Enter the sum of lines 4 and 5.

Line 7 – Tax Due

If line 3 is larger than line 6, subtract line 6 from line 3.

Line 8 – Penalties and Interest

Enter the total penalties and interest.

Line 9 – Pay This Amount

Add lines 7 and 8. Make check or money order payable to the Utah State Tax Commission. Do not mail cash. The Tax Commission assumes no liability for loss of cash placed in the mail. Complete the TC-544 coupon on page 14 and send with your payment.

Line 10 – Overpayment

If line 6 is larger than line 3, subtract line 3 from line 6.

Line 11 – Amount of Overpayment to be Applied to Next Taxable Year

All or part of any overpayment shown on line 10 may be applied as an advance payment for the next tax year. Enter the amount you want applied (may not exceed the overpayment on line 10).

Line 12 – Refund

Subtract line 11 from line 10. This is the amount to be refunded to you.

Signature and Date Line

In the case of a partnership, LP or LLP, a general partner must sign the return. In the case of an LLC, a member must sign the return, or if the LLC has vested management in a manager or managers, a manager must sign the return. If receivers, trustees in bankruptcy or assignees are operating the property or business of the partnership/LP/LLP/LLC, then the receiver, trustee or assignee must sign the return.

Paid Preparer Authorization

If the partnership wants to allow the Tax Commission to discuss their 2009 return with the paid preparer who signed it, enter an "X" in the box to the right of the signature area of the return where indicated. This authorization applies only to the individual whose signature appears in the Paid Preparer Section of the return. It does not apply to the firm, if any, shown in that section. If you enter an "X" in the box, the partnership is authorizing the Tax Commission to call the paid preparer to answer any questions that may arise during the processing of the return. The paid preparer is also authorized to:

- Give the Tax Commission any information that is missing from the return,
- Call the Tax Commission for information about the processing of the return or the status of any refund or payment, and
- Respond to certain Tax Commission notices about math errors, offsets, and return preparation.

The partnership is not authorizing the preparer to receive any refund, bind the entity to anything (including any additional tax liability), or otherwise represent the entity before the Tax Commission. If the entity wants to expand the preparer's authorization, complete and submit to the Tax Commission form TC-737, *Power of Attorney and Declaration of Representative*. Form TC-737 is available online at tax.utah.gov/forms.

The authorization will automatically end no later than the due date (without regard to extensions) for filing the entity's 2010 tax return. If you wish to revoke the authorization before it ends, submit your request in writing to the Utah State Tax Commission, attention Taxpayer Services, 210 N 1950 W, SLC, UT 84134.

Paid Preparer

The paid preparer must enter his or her name, address, and social security number or PTIN in the section below the authorized representative's signature on the return.

Preparer Penalties

The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty (\$500 per document) and criminal penalties (second degree felony with a fine from \$1,500 to \$25,000). See Utah Code §59-1-401(9) and (10).

Payment Options

You may pay any tax online with a credit card or an electronic check (ACH debit) from your checking account. You may pay in full or make partial payments throughout the year. Each online payment may be subject to a service fee.

To pay online, go to taxexpress.utah.gov and follow the step-by-step instructions.

You may also mail your check or money order payable to the Utah State Tax Commission with your return. Be sure to write the partnership employer identification number, daytime telephone number and "2009 TC-65" on your check. **DO NOT STAPLE check to return.** Remove the check stub before sending. **DO NOT MAIL CASH with your return.** The Tax Commission assumes no liability for loss of cash placed in the mail. Include the TC-544 coupon on page 14 with your payment.

Mail your return, and payment if applicable, to the Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0270. If mailing your payment separate from your return include form TC-544, *Partnership Tax Payment Coupon*, but do **NOT** send another copy of your tax return with your payment. Doing so may delay posting of your payment.

Allow at least 90 days for your return to be processed.

Penalty and Interest

Penalty and interest, if applicable, will be billed. Penalty and interest charges are explained in the *Penalties and Interest* instructions on pages 2 and 3.

Payment Agreement Request

If you owe tax and are unable to pay all of the amount owed, you may request a payment agreement by completing form TC-804B, *Business Tax Payment Agreement Request*. The form can be obtained at tax.utah.gov/forms. If approved, you will receive a letter confirming the acceptance of your request.

A payment agreement does not stop the accrual of penalty and interest. If you do not pay in full by the return due date, whether or not you request a payment agreement, any balance due will be subject to penalty and interest.

If you do not submit a payment agreement request form, a billing notice for the full amount due, including penalty and interest, will be mailed to you. Upon receiving this notice, you must pay the total amount due, or request a formal payment agreement by completing and mailing form TC-804B or calling 801-297-7703 or 1-800-662-4335 ext. 7703.

Payments may be submitted prior to approval of the payment agreement request or billing notice, per the instructions above.

Instructions for Schedule A — Utah Taxable Income

Line 1 – Net Income (Loss)

Enter the net income (loss) from the federal form 1065, Schedule K, Analysis of Net Income (Loss), line 1.

Line 2 – Contributions

Enter the charitable contributions shown on the federal form 1065, Schedule K, line 13a.

Line 3 – Add Lines 1 and 2

Add the amounts on line 1 and line 2.

Line 4 – Interest from U.S. Government Obligations

Enter the amount of all interest from U.S. government obligations included in the amount on line 1 above. This amount is not taxable in Utah. See Pub 33, *U.S. Government Obligations*, online at tax.utah.gov/forms for further information.

Line 5 – Utah Nonbusiness Income

Enter the Utah nonbusiness income net of expenses. To calculate this amount, use the TC-20, Schedule H, online at tax.utah.gov/forms. Enter the amount from line 13 of Schedule H. Attach a copy of the Schedule H to your partnership return.

Line 6 – Non-Utah Nonbusiness Income

Enter the non-Utah nonbusiness income net of expenses. To calculate this amount, use the TC-20, Schedule H, online at tax.utah.gov/forms. Enter the amount from line 26 of Schedule H. Attach a copy of the Schedule H to your partnership return.

Line 7 – Add Lines 4 through 6

Add the amounts on line 4, line 5 and line 6.

Line 8 – Net Income Subject to Apportionment

Subtract line 7 from line 3.

Line 9 – Apportionment Factor

Enter 1.000000, or the factor (decimal) from Schedule B, line 8 or line 12, whichever is applicable.

Line 10 – Utah Business Income

Multiply line 8 by line 9.

Line 11 – Total Utah Income

Add line 5 and line 10.

Instructions for Schedule B — Apportionment Schedule

Use Schedule B to calculate the portion of the partnership income attributable to Utah, if the partnership does business both within and outside of Utah.

Determine the apportionment factor (decimal) by completing this schedule. The factors express a ratio for tangible property in Utah, for wages and salaries in Utah, and for sales in Utah. These factors are added together and divided by the number of factors present (typically 3) to arrive at the Utah apportionment factor calculated to **six decimals**. This factor is to be applied to the apportionable income (or loss) on Schedule A to arrive at the amount of income (or loss) apportioned to Utah. In cases where one or more of the factors is omitted due to peculiar aspects of the business operations, divide by the number of factors present.

An election may be made to double weight the sales factor in the apportionment calculation. The election, once made, is irrevocable and must be used for five taxable years. To make the election, enter an "X" in the box on line 9 and complete lines 10 through 12 on Schedule B.

Income or loss from partnership or joint venture interests must be included in income and apportioned to Utah through application of the three-factor formula consisting of property, payroll and sales.

For apportionment purposes, the portion of partnership or joint venture property, payroll and sales to be included in this partnership's property, payroll and sales factors must be computed on the basis of the partnership's ownership interest in the other partnership or joint venture.

Briefly describe the nature and location(s) of your Utah business activities in the space provided at the top of this schedule.

Lines 1a - 1f – Property Factor

Show the average cost value during the taxable year of real and tangible personal property used in the business within Utah (including leased property) in column A and overall (including Utah) in column B.

Property owned by the partnership is valued at its original cost. Property rented by the partnership is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the partnership less the annual rental rate received by the partnership from subrentals.

The average value of property must be determined by averaging the cost values at the beginning and end of the tax period. However, monthly values may be used or required if monthly averaging more clearly reflects the average value of the partnership's property.

A supporting schedule should be attached whenever monthly averaging is used.

Enter totals of lines 1a through 1e in the respective columns of line 1f.

Line 2 – Property Factor Calculation

Determine the property factor (decimal) by dividing line 1f column A by line 1f column B.

Line 3 – Payroll Factor

Wages, salaries, commissions, and other includable compensation paid to employees for personal services must be included in the Utah factor to the extent the services, for which the compensation was paid, were rendered in Utah.

Compensation is paid in Utah if:

1. The individual's service is performed entirely within Utah;
2. The individual's service is performed both within and outside Utah, but the service performed outside Utah is incidental to the individual's service within Utah; or
3. Some of the service is performed in Utah and
 - a. the base of operations (or, if there is no base of operations, the place where the service is directed or controlled) is within Utah, or

- b. the base of operations or the place where the service is directed or controlled is not in any state where some part of the service is performed, but the individual's residence is in Utah.

Amounts reportable for employment security purposes may ordinarily be used to determine the wage factor.

Overall wages, including Utah, are listed in column B of line 3a.

Line 4 – Payroll Factor Calculation

Determine the payroll factor (decimal) by dividing line 3a column A by line 3a column B.

Lines 5a - 5h – Sales Factor

The sales factor is the fraction the sales or charges for services within Utah for the taxable year bear to the overall sales for the taxable year. Gross receipts from the performance of services are in Utah to the extent the services are performed in Utah.

Partnerships that perform a service both in and outside Utah must include on line 5g in column A (Inside Utah) any amount of service income if the service buyer receives a greater benefit of the service in Utah than in any other state. The former "cost of performance" method no longer applies.

Sales of tangible personal property are in Utah if the property is delivered or shipped to a purchaser within Utah regardless of the F.O.B. point or other conditions of the sale, or if the property is shipped from an office, store, warehouse, factory, or other place of storage in Utah and (1) the purchaser is the United States government, or (2) the partnership is not taxable in the state of the purchaser.

Overall sales, including Utah, are listed in column B.

Nexus definition: The jurisdictional link that must be present before a state may tax a partnership upon its activities within a state's borders.

Enter totals of lines 5a through 5g in their respective columns on line 5h.

Line 6 – Sales Factor Calculation

Determine the sales factor (decimal) by dividing line 5h column A by line 5h column B.

Equally-Weighted Three Factor Formula

If you *are not* electing the double-weighted sales factor (see lines 9 through 12 below), complete lines 7 and 8. If you are electing the double-weighted sales factor, leave lines 7 and 8 blank.

Line 7 – Total Factors

Enter the sum of the factors from lines 2, 4 and 6.

Line 8 – Apportionment Factor

Calculate the apportionment factor to six decimals by dividing line 7 by the number of factors used (typically 3 - property, payroll and sales).

- If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 1f, 3a or 5h in column B), divide by the number of factors present.

- If the numerator is zero but a denominator is present, include that factor in the number of factors present.

Enter the apportionment factor (decimal) here and on Schedule A, line 9, if not electing the double-weighted sales factor below.

Double-Weighted Sales Factor Election

You may elect to give double-weight to the sales factor in the apportionment calculation. The double-weighted sales factor election is irrevocable and must be used for five years. If you elect this calculation, enter an "X" in the box on line 9 and complete lines 10 through 12.

Line 9 – Making the Election

Enter an "X" in the box on line 9 if you elect the double-weighted sales factor.

Line 10 – Doubled Sales Factor

Multiply the sales factor (decimal) from line 6 above by 2. This will result in the sales factor being considered twice in the calculation.

Line 11 – Total Factors

Enter the sum of the factors from lines 2, 4 and 10.

Line 12 – Elected Apportionment Fraction

Calculate the elected, double-weighted sales factor apportionment fraction to six decimals by dividing line 11 by the number of factors used (typically 4 – property, payroll and two times the sales factor).

- If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 1f or 3a in column B), divide by the number of factors present (allowing two factors for sales).
- If the numerator is zero, but a denominator is present, include that factor in the number of factors present.

Enter the apportionment factor (decimal) here and on Schedule A, line 9.

Specialized Apportionment Law and Rules

Specialized apportionment procedures apply for:

- Trucking Companies (R865-6F-19)
- Railroads (R865-6F-29)
- Publishing Companies (R865-6F-31)
- Financial Institutions (R865-6F-32)
- Telecommunication (R865-6F-33)
- Registered Securities or Commodities or Broker or Dealer (R865-6F-36)
- Airlines (UC §§59-7-312 thru 319)
- Sale of Management, Distribution or Administration Services to or on behalf of a Regulated Investment Company (UC §59-7-319(5))

Instructions for Schedule G — Partner/Member Listing

Use Schedule G to list all partners/members.

Indicate in the first column one of the following codes for each partner/member:

- G** - if the entry is for a general partner or a managing member, and
- L** - if the entry is for a limited partner or a non-managing member.

Enter in the second column one of the following codes to identify the type of entity that is the partner/member:

- I** - if the entity is an individual,
- C** - if the entity is a C corporation,

- S** - if the entity is an S corporation,
- N** - if the entity is a nonprofit corporation,
- B** - if the entity is a limited liability company,
- P** - if the entity is a partnership,
- L** - if the entity is a limited partnership,
- R** - if the entity is a limited liability partnership,
- T** - if the entity is a trust, or
- O** - if other entity not listed above.

In the last column, enter the partner's percent of ownership in this partnership.

Instructions for Schedule N — Pass-through Entity Withholding Tax Calculation

The partnership (pass-through entity) must pay or withhold tax on behalf of each nonresident individual partner and each resident or nonresident business partner (referred to as pass-through entity taxpayers), except partners who are exempt from the tax under UC §59-7-102(1)(a). A publicly traded partnership meeting the requirements of UC §59-10-1403.2(1)(b) does not have to withhold Utah tax on its partners.

A pass-through entity taxpayer's share of taxable income is based on the percent determined in the partnership agreement for the pass-through entity taxpayer on the last day of the partnership filing period, unless there was a change in ownership during the filing period. If there was a change in pass-through entity taxpayers during the year, each partner's percentage of income is prorated by the number of days the stock was owned during the filing period.

Pass-through entity taxpayers may take a credit for the amount of tax paid by the partnership on their behalf. To claim the credit, the partner must file a Utah income tax return for the taxable year. A pass-through entity taxpayer subject to withholding by the pass-through entity and who has no other Utah source income may elect to forego the credit and not file a Utah income tax return. However, pass-through entity taxpayers with income or loss from other Utah sources must file a Utah income tax return. A pass-through entity taxpayer who is eligible for Utah tax credits, in addition to the pass-through tax withheld, must file a Utah income tax return to claim those credits.

Note to Tax Preparer: It is recommended that the amount of Utah income tax paid on behalf of each pass-through entity taxpayer, along with any nonrefundable and refundable credits, be included on their federal Schedule K-1 or supplemental schedule.

Partnerships having pass-through entity taxpayers who are partners must complete Schedule N showing the amount of Utah income attributable to the pass-through entity taxpayer, the amount of Utah tax on such income (5%), any mineral production withholding tax and previous pass-through entity withholding tax credited to the partner, and the net amount of pass-through entity withholding this partnership must pay on behalf of such pass-through entity taxpayers. Use additional forms TC-65, Schedule N, if needed,

Line A – Name of Pass-through Entity Taxpayer (Partner)

Enter the name of each nonresident individual partner, or resident or nonresident business partner (referred to as a pass-through entity taxpayer).

Line B – SSN/EIN

Enter the social security number (SSN) of each nonresident individual partner, or the federal employer identification number (EIN) of each resident or nonresident business partner.

Line C – Percent of Income per Partnership Agreement

Enter the percent of income for each partner, based on the partnership agreement, to four decimal places.

Line D – Income (Loss) Attributable to Utah

Enter the income (loss) attributable to Utah and taxable to the pass-through entity taxpayer. Calculate this income by multiplying the amount on Schedule A, line 11 by each pass-through entity taxpayer’s percentage shown on line C (or in accordance with the partnership agreement, if different).

Line E – 5% of Income

Multiply the amount of income attributable to Utah for each pass-through entity taxpayer (line D) by 5%. If the amount on line D is a loss, enter “0”.

Line F – Mineral Production Withholding Credit

Enter the amount of any mineral production withholding tax attributable to this partnership and allocated to each pass-through entity taxpayer.

The total mineral production withholding tax shown on the TC-675R received by the partnership is distributed to all partners on Schedule P.

Line G – Previous Pass-through Entity Withholding Tax

Enter the amount of any previous pass-through entity withholding tax paid by a previous pass-through entity, attributable to this partnership, and allocated to each pass-through entity taxpayer.

The total previous pass-through entity withholding tax should be shown on the federal Schedule K-1 (or supplemental schedule) received by this partnership from another pass-through entity in which this partnership is a shareholder or partner.

The total previous pass-through entity withholding tax is distributed to all partners on Schedule P.

Line H – Pass-through Entity Withholding

Subtract the total of lines F and G from line E for each pass-through entity taxpayer. Do not enter an amount less than zero.

The pass-through entity withholding shown in column H is the withholding tax this partnership must withhold or pay on behalf of the pass-through entity taxpayer. This withholding tax is to be reported on federal Schedule K-1 or supplemental schedule given to the partner.

Enter the total of the pass-through entity withholding tax from column H on TC-65, line 3.

Instructions for Schedule P — Tax Credits Allocated to Partners

Partnerships that have earned nonrefundable or refundable credits are required to complete Schedule P showing each partner, the partner’s social security (SSN) or employer identification number (EIN), and the allocable amount of each credit the partner receives. Use additional forms TC-65, Schedule P, if needed.

- 12 Credit for Research Activities in Utah
- 13 Credit for Machinery and Equipment Used to Conduct Research
- 21 Renewable Residential Energy Systems Credit (TC-40E)
- 24 Qualifying Solar Project Credit

Codes for Nonrefundable Credits

- 02 Qualified Sheltered Workshop Cash Contribution Credit
- 04 Capital Gain Transactions Credit
- 05 Clean Fuel Vehicle Credit (TC-40V)
- 06 Historic Preservation Tax Credit
- 07 Enterprise Zone Tax Credit
- 08 Low Income Housing Tax Credit
- 10 Recycling Market Development Zone Credit (TC-40R)

(02) Qualified Sheltered Workshop Cash Contribution Credit (UC §59-10-1004)

Note: This credit may only be claimed on Utah individual income tax returns.

Cash contributions made in the taxable year to a qualified Utah nonprofit rehabilitation sheltered workshop facility for persons with disabilities are eligible for the credit. Check with the workshop to make sure they have a current Day Training Provider License or Day Support Provider Certificate issued by the Department of Human Services. The credit is the lesser of \$200 or 50% of the total cash contributions.

There is no form for this credit. Keep all related documents with your records. The partner must list the qualified workshop name on their return to claim the credit.

Contact the Contract Administrator, Division of Services for People with Disabilities, 120 N 200 W #411, SLC, UT 84103, 801-538-4200; or go to www.hsdspd.utah.gov for more information.

(04) Capital Gain Transactions Credit (UC §59-10-1022)

Note: This credit may only be claimed on Utah individual income tax returns.

You may claim a credit for the short-term and long-term capital gain on a transaction if:

- a. The gain occurs on or after January 1, 2008;
- b. At least 70% of the gross proceeds of the transaction are used to buy stock in a qualified Utah small business corporation within 12 months from when the capital gain transaction occurred; and
- c. You did not have an ownership interest in the qualified Utah small business corporation at the time of investment.

See incometax.utah.gov/credits_capitalgains.php or refer to UC §59-10-1022 for more information.

There is no form for this credit. Keep all related documents with your records.

Use the following calculation to determine your credit.

Calculation of Capital Gain Transactions Tax Credit

1. Eligible short-term or long-term capital gain \$ _____
2. Multiply line 1 by 5% (.05). This is your credit. \$ _____

Distribute this amount on Schedule P.

Note: Any credit that is more than the tax liability may not be carried back or forward.

(05) Clean Fuel Vehicle Credit (UC §59-10-1009)

Four different credits are available. The credit may only be claimed once per vehicle.

You receive a credit of:

- \$750 if you bought a new vehicle with less than 7,500 miles, and registered and titled for the first time in Utah. The vehicle must meet the following fuel economy standards:
 - At least 31 miles per gallon for gasoline-fueled vehicles;
 - At least 36 miles per gallon for diesel-fueled vehicles;
 - At least 19 miles per gallon for vehicles fueled by a blend of 85% ethanol and 15% gasoline;

- At least 19 miles per gallon for liquefied petroleum gas-fueled vehicles; or
- Meet standards consistent with 40 C.F.R. 600.209-95(d) adopted by the Air Quality Board by rule.
- The lesser of \$2,500 or 35% of the purchase price for a qualified vehicle fueled by compressed natural gas and registered in Utah.
- The lesser of \$2,500 or 50% of the cost of conversion equipment (less any clean fuel grant received) for a vehicle registered in Utah. The equipment must convert the engine to:
 - Be fueled by propane, compressed natural gas, or electricity;
 - Be fueled by another fuel as effective as the above listed fuels, as determined by the Air Quality Board, or
 - Meet the clean fuel vehicle standards in the federal Clean Air Act.
- The lesser of \$1,000 or 50% of the cost of conversion equipment not designed or used primarily for the transportation of persons or property, including maintenance equipment, less any clean fuel grant received, if the equipment converts the engine to be:
 - Fueled by propane, compressed natural gas, or electricity;
 - Fueled by another fuel as effective as the above listed fuels, as determined by the Air Quality Board; or
 - Substantially more effective in reducing air pollution than the fuel for which the engine was originally designed.

Note: Any credit that is more than the tax liability may be carried forward as a credit for the next five years.

Complete form TC-40V, *Clean Fuel Vehicle Tax Credit*, with the Division of Air Quality approval stamp, verifying the credit is approved. Do not send form TC-40V with your return. Keep the form and all related documents with your records.

To obtain form TC-40V, approval, and for more information, contact:

Division of Air Quality
150 N 1950 W
SLC, UT 84116
801-536-4000
www.airquality.utah.gov/Planning/Mobile/Clean_Fuel_Tax_Credit.htm

(06) Historic Preservation Tax Credit (UC §59-10-1006)

The credit is for costs to restore any residential certified historic building.

Complete form TC-40H, *Historic Preservation Tax Credit*, with the State Historic Preservation Office certification, verifying the credit is approved. Do not send

form TC-40H with your return. Keep the form and all related documents with your records.

Contact the State Historic Preservation Office, 300 S Rio Grande St, SLC, UT 84101, 801-533-3500, or go to history.utah.gov/historic_buildings/financial_assistance/index.html.

**(07) Enterprise Zone Credit
(UC §63M-1-413)**

An individual or business may not claim the enterprise zone credit or carry it forward into a year the individual or business has claimed either the recycling market development zone credit (nonrefundable credit, code 10) or the targeted business tax credit (refundable credit, code 40).

The Enterprise Zone Credit is available for certain businesses that hire new full-time employees, restore buildings, or meet certain other requirements in a designated zone. Indian tribes may apply for enterprise zone designation within an Indian reservation.

Any credit amount that is more than the tax liability may be carried forward as a credit for three years.

If enterprise zone credits are being taken based on your ownership in a partnership or S corporation, you must allocate the credits as determined under IRC §704.

There is no form for this credit. Keep all related documents with your records.

For more information, contact:

Governor's Office of Economic Development
324 S State St, Suite 500
SLC, UT 84111
801-538-8804
goed.utah.gov/incentives/enterprise_zones

**(08) Low-Income Housing Credit
(UC §59-10-1010)**

This credit is an amount, determined by the Utah Housing Corporation, for owners of a low-income housing project who have received an allocation of the federal low-income housing tax credit.

When this credit is applicable, the project owner will provide form TC-40TCAC (issued by the Utah Housing Corporation) to the taxpayer.

Unused credits may be carried back three years or carried forward five years.

Individuals sharing in the credit must obtain form TC-40TCAC, *Utah Low-Income Housing Tax Credit Allocation Certification* and complete form TC-40LI, *Summary of Utah Low-Income Housing Tax Credit*. If you are carrying this credit forward or backward, you must also complete form TC-40LIC, *Utah Low-Income Housing Tax Credit Carryback and/or Carryforward*. Do not send these forms with your return. Keep the forms and all related documents with your records.

The building project owner must complete and attach

form TC-40LIS, *Credit Share Summary of Low-Income Housing Project* to the return.

For more information, contact:

Utah Housing Corporation
2479 S Lake Park Blvd
West Valley City, UT 84120
801-902-8200
www.utahhousingcorp.org

**(10) Recycling Market Development Zone Credit
(UC §59-10-1007)**

An individual or business may not claim the recycling market development zone credit or carry it forward into a year the individual or business has claimed either the enterprise zone tax credit (nonrefundable credit, code 07) or the targeted business tax credit (refundable credit, code 40).

The credit is available to individuals and businesses operating in a designated recycling market development zone.

Complete form TC-40R, *Recycling Market Development Zone Tax Credit* with the Governor's Office of Economic Development certification verifying the credit is approved. Do not send form TC-40R with your return. Keep the form and all related documents with your records.

To obtain form TC-40R, certification, and for more information, contact:

Governor's Office of Economic Development
324 S State St, Suite 500
SLC, UT 84111
801-538-8804
goed.utah.gov/relocate/incentives/incentives-recycling_zones
email: lprrall@utah.gov

**(12) Credit for Research Activities in Utah
(UC §59-10-1012)**

The credit is:

1. 5% of your qualified expenses for increasing research activities in Utah above a base amount,
2. 5% of certain payments made to a qualified organization increasing basic research in Utah above a base amount, and
3. 6.3% of your qualified research expenses for a taxable year beginning in 2009.

Note: Any credit for 1 or 2 above that is more than the tax liability may be carried forward as a credit for the next 14 taxable years. Any credit for 3 above may not be carried forward.

There is no form for this credit. Keep all related documents with your records.

(13) Credit for Machinery and Equipment Used to Conduct Research (UC §59-10-1013)

The credit is:

1. 6% of the cost of machinery or equipment used primarily to conduct qualified research in Utah for 12 or more consecutive months, and
2. 6% of the cost of machinery or equipment donated to a qualified organization and used primarily to conduct basic research in Utah for 12 or more consecutive months.

Note: Any credit that is more than the tax liability may be carried forward as a credit for the next 14 years.

If machinery or equipment for which this credit was claimed is used for less than 12 consecutive months for qualified research, an amended return must be filed for the year the credit was claimed, the credit deleted from the return, and any increase in tax paid. See amended return instructions on page 3.

There is no form for this credit. Keep all related documents with your records.

(21) Renewable Residential Energy Systems Credit (UC §59-10-1014)

This credit is for reasonable costs, including installation, of a residential energy system that supplies energy required for a residential unit in Utah. If the residence is sold to another, who is not a business entity, before the claim for the tax credit is made, the taxpayer may irrevocably transfer to the new owner the right to the tax credit. Additional residential energy systems or parts may be claimed in subsequent years as long as the total amount claimed does not exceed \$2,000 per residential unit. The principal portion of lease payments for a residential energy system may qualify for the credit, if the lessor irrevocably elects not to claim the credit.

Credit in excess of the taxpayer's liability may be carried forward to the four succeeding years.

Form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, must be obtained from the Utah Geological Survey with their certification stamp, verifying the credit has been approved and showing the amount of the approved credit. Do not send form TC-40E with your return. Keep the form and all related documents with your records.

For more information, contact:

Utah Geological Survey (UGS)
1594 W North Temple
Suite 3110, Box 146100
SLC, UT 84114-6100
801-538-5428
geology.utah.gov/sep/incentives/index.htm

(24) Qualifying Solar Project Credit (UC §59-10-1024)

You may claim a credit of 25% of the amount paid to buy one or more solar units from a qualifying political subdivision (as defined in UC §59-10-1024), up to a maximum credit of \$2,000. This credit is in addition to any other energy credit you claim.

A qualifying solar unit is portion of the electrical output of an active solar project constructed, controlled or owned by a qualifying political subdivision, which generates electricity furnished to and for the benefit of one or more residential units, and is sold to the taxpayer in exchange for a credit on the taxpayer's electrical bill.

There is no form for this credit. Keep all related documents with your records.

Use the following calculation to determine your credit.

Calculation of Qualifying Solar Project Credit

1. Amount paid for solar unit(s) \$ _____
2. Multiply line 1 by 25% (.25) \$ _____
3. Maximum allowable credit \$ 2,000
4. Enter lesser of line 2 or line 3. \$ _____
This is your credit.

Distribute this amount on Schedule P.

Contact your city or electrical utility provider or see UC §59-10-1024 for more information.

Codes for Refundable Credits

- 36 Previous Pass-through Entity Withholding Tax
- 39 Renewable Commercial Energy Systems Credit (TC-40E)
- 40 Targeted Business Tax Credit (TC-40TB)
- 46 Mineral Production Withholding Tax Credit (TC-675R)
- 47 Agricultural Off-highway Gas/Undyed Diesel Fuel Credit
- 48 Farm Operation Hand Tools Credit

(36) Previous Pass-through Entity Withholding Tax (UC §59-10-1103)

If this partnership has an interest in a partnership (pass-through entity), the other partnership is required to withhold Utah income tax on any income attributable to this partnership. The pass-through entity must provide a statement (Schedule K-1 or supplemental schedule) showing the amount of Utah withholding paid on behalf of this partnership.

This pass-through entity withholding tax is then re-allocated to the partners of this partnership. Enter and allocate the total previous pass-through entity withholding tax using code 36.

Attach copies of federal Schedule K-1(s) (or supplemental schedule) to the return to receive proper credit.

goed.utah.gov/incentives/enterprise_zones
email: lprall@utah.gov

(39) Renewable Commercial Energy Systems Credit
(UC §59-10-1106)

This credit is for reasonable costs, including installation, of a commercial energy system that is an active solar system, a direct-use geothermal system, a geothermal heat-pump system, a hydro-energy system, or a passive solar system. Credit is also allowed for a commercial system that uses wind, geothermal electricity, or biomass equipment.

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, from the Utah Geological Survey with their certification stamp, verifying the credit is approved and showing the amount of the approved credit. Do not send this form with your return. Keep the form and all related documents with your records.

For more information, contact:

Utah Geological Survey (UGS)
1594 W North Temple
Box 146100
Salt Lake City, UT 84114-6100
801-537-3300
geology.utah.gov/sep/incentives/index.htm

(40) Targeted Business Tax Credit
(UC §63M-1-504)

A business may not claim the targeted business tax credit in a year the business has claimed either the enterprise zone credit (nonrefundable credit, code 07) or recycling market development zone credit (nonrefundable credit, code 10).

A refundable credit is available to businesses providing a community investment project as defined in UC §§63-38f-501 through 63-38f-503. Obtain a certified copy of form TC-40TB, *Targeted Business Tax Credit*. Keep this form and all related documents with your records.

To obtain form TC-40TB, certification, and for more information, contact:

Governor's Office of Economic Development
324 S State St., Suite 500
Salt Lake City, UT 84111
801-538-8804

(46) Mineral Production Withholding Tax Credit
(UC §59-6-102)

Enter the total of the mineral production tax withheld as shown on forms TC-675R or Federal Schedule K-1(s) (or supplemental schedule) for the tax year. For a fiscal year partnership, the credit is claimed on the partnership return required to be filed during the year following the December closing period of the form TC-675R.

Attach copies of form TC-675R or federal Schedule(s) K-1 (or supplemental schedule) to the return to receive proper credit.

(47) Agricultural Off-Highway Gas/Undyed Diesel Fuel Credit
(UC §59-13-202)

You may claim a credit of 24.5 cents per gallon for motor fuel and undyed diesel fuel bought in Utah to operate stationary farm engines and self-propelled farm machinery used solely for commercial nonhighway agricultural use if the fuel was taxed at the time it was bought.

Activities that do not qualify for this credit include (but are not limited to) the following: golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, and personal farming.

Credit calculation:

Gallons _____ x .245 = Credit _____

There is no form for this credit. Keep all related documents with your records.

(48) Farm Operation Hand Tools Credit
(UC §59-7-614.1)

This credit is for sales and use tax paid on hand tools purchased and used or consumed primarily and directly in a farming operation in Utah. The credit only applies if the purchase price of a tool is more than \$250.

There is no form for this credit. Keep all related documents with your records.

Partnership Return Payment Coupon

TC-544

Use of Payment Coupon

Send this payment coupon with your check or money order if:

1. you are filing a paper partnership return and you are paying a balance due, or
2. you are paying a Utah partnership tax balance and you already filed a return (either paper or electronically).

Your account may not be credited properly if you send your payment without this payment coupon.

DO NOT mail another copy of your partnership return with this payment.

Do not use this return payment coupon to prepay future taxes. Use form TC-559 (Corporate Tax Payment Coupon) for partnerships.

Paying Online

You may pay your tax online at taxexpress.utah.gov.

Automatic Extension

Utah partnerships automatically have a six-month extension to file their Utah partnership return – **NOT** to pay your taxes. **No extension form is required.** Use this form only to make a payment.

Underpayment and other Penalties

We may assess a penalty if you do not make the required partnership tax payment by the return due date (15th day of the fourth month after the end of the tax year). The payment must be at least 90 percent of the current year tax liability or 100 percent of the previous year tax liability. The penalty is 2 percent of the unpaid tax for each month of the extension period. We will also impose a late payment penalty if you do not pay the entire balance (tax, interest and penalty) when you file the return. We will also impose a late filing penalty if you file your return after the extension due date.

For more information, see Pub 58, *Utah Interest and Penalties*, online at tax.utah.gov/forms.

Interest

Interest will be assessed from the original due date of the return until the tax is paid in full. For more information, see Pub 58, *Utah Interest and Penalties*, online at tax.utah.gov/forms.

Where to File

Mail or deliver the coupon below with your payment to:

**Partnership Tax Return Payment
Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-0270**

For More Information

- 801-297-2200
- 1-800-662-4335 (if outside the Salt Lake area)
- tax.utah.gov

Payment Worksheet

Use this worksheet to calculate your required payment. You must pay the amount on line 7 on or before the return due date.

1. Tax you expect to owe this year 1 _____
2. Minimum payment rate 2 **x .90**
3. Multiply line 1 by the rate on line 2 3 _____
4. Utah tax liability for the previous year
(as filed, amended or audited) 4 _____
5. Minimum tax due by original due date
Enter the lesser of line 3 or line 4 5 _____
6. Tax prepayments already made for this year 6 _____
7. Payment due – subtract line 6 from line 5..... 7 _____
If less than zero, enter "0". Do not file coupon.
If greater than zero, enter amount from line 7 on coupon below and send coupon with payment.

Do not file this coupon if your tax liability on line 7 is zero or if you are getting a refund.

If you need an accommodation under the Americans with Disabilities Act, call the Tax Commission at 801-297-3811 or Telecommunication Device for the Deaf 801-297-2020. Please allow three working days for a response.

 Separate and return only the bottom portion.

TC-544 Rev. 12/09

Federal EIN

Taxable Year Ending (mmddyyyy)

Name of partnership		
Address		
City	State	ZIP Code

Mail to: Utah State Tax Commission, 210 N 1950 W, SLC UT 84134-0270

Partnership Return Payment Coupon, TC-544

Amount Paid:

Make check or money order payable to the Utah State Tax Commission. **Do not send cash. Do not staple check to coupon. Do not send check stub.**

USTC use only

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Utah Partnership/Limited Liability Partnership/
Limited Liability Company Return

2009
TC-65

For the 2009 calendar year, or fiscal year mm/dd/yyyy to mm/dd/yyyy

IF AMENDED RETURN - ENTER CODE (1-4) from page 2 Mark "X" if you filed federal Form 8886

Form section for Partnership name, Address, City, State, ZIP Code, Telephone number, and Employer Identification Number.

ENTITY TYPE (check one): General partnership, Limited partnership, Other (describe below), Limited liability partnership, Limited liability company

Do not file this return if all partners/members are Utah resident individuals (see Instructions, page 1)

- 1. Date registered in Utah (mm/dd/yyyy)
2. If dissolved, date of dissolution (mm/dd/yyyy)
3. Total pass-through withholding tax
4. Prepayments made for the year
5. Amended returns only (see instructions)
6. Total payments - Add lines 4 and 5
7. Total due - Subtract line 6 from line 3 - not less than zero
8. Penalties and interest (see instructions)
9. Pay this amount - Add lines 7 and 8. Make check to Utah State Tax Commission
10. Overpayment - Subtract line 3 from line 6 - not less than zero
11. Amount of overpayment on line 10 to be applied to next year
12. Refund - Subtract line 11 from line 10

USTC USE ONLY section with a small form area.

Under penalties of perjury, I declare to the best of my knowledge and belief, this return and accompanying schedules are true, correct and complete.

Signature and Preparer's Section forms including fields for Signature of officer, Title, Date, Preparer's signature, Date, Preparer's phone no., Preparer's SSN or PTIN, Preparer's EIN, and Preparer's complete address.

TC-65, Schedule A Utah Taxable Income

Employer Identification Number: _____

- 1. Net income (loss) from form 1065, Schedule K, *Analysis of Net Income (Loss)*, line 1 • 1 _____ .00
- 2. Contributions from form 1065, Schedule K, line 13a • 2 _____ .00
- 3. Add lines 1 and 2 3 _____ .00
- 4. Interest from U.S. Government obligations included in line 1 above..... • 4 _____ .00
- 5. Utah nonbusiness income net of expenses (see instructions)..... • 5 _____ .00
- 6. Non-Utah nonbusiness income net of expenses (see instructions) • 6 _____ .00
- 7. Add line 4 through line 6 7 _____ .00
- 8. Net income subject to apportionment (subtract line 7 from line 3)..... • 8 _____ .00
- 9. Apportionment factor (enter 1.000000, or TC-65, Schedule B, line 8 or line 12, if applicable) • 9 ____ . ____
- 10. Utah business income (multiply line 8 by line 9) • 10 _____ .00
- 11. **Total Utah income** (add line 5 and line 10) • 11 _____ .00



Employer Identification Number: _____

Note: Use this schedule only if the partnership does business in Utah and one or more other states and income must be apportioned to Utah.

Briefly describe the nature and location(s) of your Utah business activities:

Apportionable Income Factors

Column A
Inside Utah

Column B
Inside and Outside Utah

1. Property Factor

- a. Land 1a00
b. Depreciable assets..... 1b00
c. Inventory and supplies 1c00
d. Rented property 1d00
e. Other tangible property 1e00
f. Total tangible property 1f00
2. Property factor (decimal) - line 1f, Column A divided by line 1f, Column B..... 2

3. Payroll factor

- a. Total wages, salaries, commissions 3a00
4. Payroll factor (decimal) - line 3a, Column A divided by line 3a, Column B..... 4

5. Sales Factor

- a. Total sales (gross receipts less returns and allowances) 5a00
b. Sales delivered or shipped to Utah 5b00
c. Sales delivered or shipped to Utah 5c00
d. Sales shipped from Utah to the..... 5d00
e. Sales shipped from Utah to buyers in a 5e00
f. Rent and royalty income..... 5f00
g. Service income (attach schedule) 5g00
h. Total sales and services 5h00
6. Sales factor (decimal) - line 5h, Column A divided by line 5h, Column B 6

Continue on page 2

TC-65, Schedule B — continued

Equally-weighted Three Factor Formula

Entities that do not elect to double-weight the sales factor must complete lines 7 and 8.

- 7. Add lines 2, 4 and 6 7 ____.
- 8. Calculate the **Apportionment Factor** to **SIX DECIMALS**..... • 8 ____.
(divide line 7 by 3 or the number of factors present)

Double-weighted Sales Factor Election — If elected, this option is effective and irrevocable for five years

Entities that elect to double-weight the sales factor must complete lines 9 through 12.

- 9. Enter "X" if electing to double-weight the sales factor..... • 9 ____
- 10. Double sales factor (multiply line 6 by 2) 10 ____.
- 11. Add lines 2, 4 and 10 11 ____.
- 12. Calculate the **Elected Apportionment Factor** to **SIX DECIMALS**..... • 12 ____.
(divide line 11 by 4 or the number of factors present, counting the sales factor twice)

Enter the amount from line 8 (or line 12 if the Double-weighted Sales Factor is elected) on Schedule A, line 9

TC-65, Schedule G Partner/Member Listing

Employer Identification Number: _____

Complete all information for each partner/member.

Enter "G" if general partner or managing member. Enter "L" if limited partner or non-managing member.

Enter entity code:

I = Individual C = Corporation N = Nonprofit Corp P = Gen'l Partnership R = LLP O = Other
S = S Corporation B = LLC L = Limited Partnership T = Trust

▶	_____ G/L	_____ Code	_____ SSN or EIN	_____ Partner/member name	_____ Date affiliated	_____ Telephone number
				_____ Partner/member street address	_____ Date withdrawn	_____ Percent ownership
				_____ City, state, ZIP		
▶	_____ G/L	_____ Code	_____ SSN or EIN	_____ Partner/member name	_____ Date affiliated	_____ Telephone number
				_____ Partner/member street address	_____ Date withdrawn	_____ Percent ownership
				_____ City, state, ZIP		
▶	_____ G/L	_____ Code	_____ SSN or EIN	_____ Partner/member name	_____ Date affiliated	_____ Telephone number
				_____ Partner/member street address	_____ Date withdrawn	_____ Percent ownership
				_____ City, state, ZIP		
▶	_____ G/L	_____ Code	_____ SSN or EIN	_____ Partner/member name	_____ Date affiliated	_____ Telephone number
				_____ Partner/member street address	_____ Date withdrawn	_____ Percent ownership
				_____ City, state, ZIP		
▶	_____ G/L	_____ Code	_____ SSN or EIN	_____ Partner/member name	_____ Date affiliated	_____ Telephone number
				_____ Partner/member street address	_____ Date withdrawn	_____ Percent ownership
				_____ City, state, ZIP		

Duplicate this form if you need more space.

TC-65, Schedule N Pass-through Entity Withholding Tax Calculation

Employer Identification Number: _____

A pass-through entity with nonresident individual partners or resident or nonresident business partners must complete the information below to report the Utah income and to calculate the Utah withholding tax for these partners.

A. Name of partner B. SSN/EIN of partner C. % of income for partner	D. Income (loss) attributable to Utah	E. 5% of income (D times .05 – not less than 0)	F. Mineral production withholding credit G. Previous pass-through withholding tax	H. Pass-through withholding (E less F and G – not less than 0)
1) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
2) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
3) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
4) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
5) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
6) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
7) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
8) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
9) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00
10) A. _____ B. _____ C. _____	D. _____ .00	E. _____ .00	F. _____ .00 G. _____ .00	H. _____ .00

Total pass-through withholding tax: H. _____ .00
Enter here and on TC-65, line 3

Note: On the partner's K-1, report the amount from column H as Utah pass-through entity withholding tax.

