

Utah
2008

**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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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.

Online Services



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

tax.utah.gov

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

PAYMENT EXPRESS

paymentexpress.utah.gov

References

UC: Utah Code

Need forms?

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

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

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 may file a composite income tax return and pay tax on behalf of individual nonresident partners that meet certain conditions. See *Composite Filing* on page 3.

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.

Filing Extension

Partnerships are automatically allowed an extension of up to six months to file a return without filing an extension form. **This is an extension of time to file the return – NOT an extension of time to pay taxes.** To avoid penalty and interest, the prepayment requirements must be met on or before the original return due date and the return must be filed within the six-month extension period.

Extension Prepayments

The required extension prepayment must equal 90 percent of the current year’s tax liability, or 100 percent of the previous year’s tax liability. Partnerships may make estimated prepayments using form TC-559, *Corporate Tax Payment Coupon*.

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 Utah schedules A, B, G, and/or N, if applicable.

Do not send a copy of your federal return, credit schedules, worksheets, or other documentation with your Utah return. Keep these, along with any 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

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.

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 provided. This number is used for proper 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, 2008, enter the beginning and ending tax period dates at the top, where indicated. Enter both the beginning and ending tax period dates in the mm/dd/yyyy format.

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 2009 calendar year is **5 percent**.

Pub 58, which contains applicable interest rates, is available on the Internet at tax.utah.gov/forms or by calling or writing the Tax Commission.

Amended Returns

To amend a previously filed return, use the tax form 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 8 (exclude refund interest) as a negative amount. 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 8 of the 2008 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, as 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 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 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 the federal form 1065, Schedule K-1.

Nonresident Partner's Income

Complete Schedule A to determine the Utah income amount for non-resident partners. If the partnership does business both within and outside of Utah, the portion of the nonresident 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*.

Composite Filing

Partnerships may file a composite income tax return on behalf of nonresident partners that meet the following conditions:

1. Only nonresident partners with no other income from Utah sources may be included on the composite return. Nonresident partners included on the composite return may not file a separate Utah tax return. Resident partners may not be included on lines 5 through 16 of the return.
2. Schedule N must be included with the return. The schedule shall list the information indicated for all nonresident partners included in the composite filing.
3. If nonresident partners have other sources of Utah income or are entitled to any Utah credits, they cannot be included in the composite filing. Those partners must file a separate Utah tax return.

A composite partnership return **should not** be filed if there is a loss or negative income. Separate Utah returns should be filed by the partners in this case.

If filing a composite return, check the box on line 1b and complete lines 1 through 16. If the return is not a composite return, stop after completing line 4.

Tax on a Composite Return

The tax on a composite return shall be computed using the 5 percent tax rate applied to Utah taxable income attributable to Utah sources.

1. No deductions shall be allowed for standard or itemized deductions, personal exemptions, or any other deductions; and
2. Nonrefundable credits cannot be claimed on the TC-65. Partners must file their own Utah tax returns to claim any credits. Nonresident partners who are eligible to claim Utah credits may not be included on a composite return.

Schedules for Partner Information

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

Additional copies of these schedules 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

Enter one of the following codes to identify the type of entity for which the return is being filed:

- P - General partnership
- L - Limited partnership
- R - Limited liability partnership
- B - Limited liability company

Line 1a – Partners/Members who are not Utah Residents

Enter the number of partners or members who are not Utah residents at the end of the tax year.

Line 1b – Composite Return

Enter an "X" if this return is a composite return filed on behalf of nonresident partners/members.

Line 2a – Date Registered in Utah

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

Line 2b – 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 – Amount of Utah Income

Enter the Utah income shown on form TC-65, Schedule A, line 27 (if applicable).

Line 4 – Percentage of Utah Income Attributable to Nonresident Partners/Members

Enter the total percentage of Utah income attributable to nonresident partners/members.

Line 5 – Utah Composite Return Taxable Income Attributable to Nonresident Partners/Members

Enter the total Utah income attributable to nonresident partners/members as shown on form TC-65, Schedule N.

Line 6 – Utah Tax

Multiply the Utah composite return taxable income on line 5 by .05 (5%).

Line 7 – 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 8 – Amended Returns Only

This line is only 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.

Line 9 – Reserved for G. O. E. D.

This line is reserved for a special credit issued by the Governor's Office of Economic Development (G.O.E.D.) GOED will issue a certificate identifying the amount of the credit and the code to enter on line 9. Only those who are issued a certificate by GOED may claim the credit.

Line 10 – Total Payments

Enter the total of line 7 through 9.

Line 11 – Tax Due

If the tax amount shown on line 6 is greater than the total payments amount shown on line 10, subtract line 10 from line 6.

Line 12 – Penalties and Interest

Enter the total penalties and interest.

Line 13 – Pay This Amount

Add line 11 and line 12. 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 9 and send with your payment.

Line 14 – Overpayment

If the total payments amount shown on line 10 is greater than the tax amount shown on line 6, subtract line 6 from line 10.

Line 15 – Amount of Overpayment to be Applied to Next Year's Tax

All or part of any overpayment shown on line 14 may be applied as an advance payment for the next tax year. Enter the amount to be applied, if any (may not exceed the overpayment on line 14).

Line 16 – Refund

Subtract line 15 from line 14. This is the amount to be refunded to you.

Signature

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 2008 return with the paid preparer who signed it, enter an "X" in the box on the right side 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(s), 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*. Find form TC-737 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 2009 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 Sections 59-1-401(9) and (10) for specific details.

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 is subject to a service fee.

To pay online, access paymentexpress.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 "2008 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 9 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 page 2.

Payment Agreement Request

If you owe tax and are unable to pay all or a portion of the amount owed, you may request a payment agreement by completing form TC-804B, *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 TC-65, Schedule A

Use Schedule A to determine the Utah amounts for non-resident partners. If the partnership does business both within and outside of Utah, the portion of the nonresident partnership income attributable to Utah is determined by completing Schedule B prior to Schedule A.

Lines 1-11

Enter income and losses directly passed through to the partners as shown on federal Schedule K. Lines 1 through 11 of this form reference the line from federal Schedule K where the pass-through income can be found.

Line 12 – Total Income

Add lines 1 through 11. Enter the total on line 12.

Lines 13-17

Enter deductions directly passed through to the partners as shown on federal Schedule K. Line 13 through 17 of this form reference the line from federal Schedule K where the pass-through deductions can be found.

Line 18 – Total Deductions

Add lines 13 through 17. Enter the total on line 18.

Line 19 – Net Partnership Income

Subtract line 18 from line 12. Enter the amount on line 19.

Line 20 – Interest from U.S. Government Obligations

See Pub 33, *U.S. Government Obligations*, available at tax.utah.gov/forms. Enter the total U.S. government interest on line 20, if included in line 5 above.

Line 21 – Utah Nonbusiness Income Net of Expenses

Enter the amount of Utah nonbusiness income net of any expenses. Attach a copy of your supporting documentation to the TC-65.

You may calculate this amount by using the corporation TC-20, Schedule H. If you use the TC-20, Schedule H, enter the amount from line 13 of that schedule on line 21 of TC-65, Schedule A. (TC-20, Schedule H may be downloaded from our website at tax.utah.gov/forms.)

Line 22 – Non-Utah Nonbusiness Income Net of Expenses

Enter the amount of non-Utah nonbusiness income net of any expenses. Attach a copy of your supporting documentation to the TC-65.

You may calculate this amount by using the corporation TC-20, Schedule H. If you use the TC-20, Schedule H, enter the amount from line 26 of that schedule on line 22 of TC-65, Schedule A. (TC-20, Schedule H may be downloaded from our website at tax.utah.gov/forms.)

Line 23 – Add Lines 20 through 22

Enter the sum of the amounts shown on lines 20, 21 and 22.

Line 24 – Net Income Subject to Apportionment

Subtract line 23 from line 19. Enter the amount on line 24.

Line 25 – Apportionment Fraction

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

Line 26 – Utah Business Income

Multiply line 24 by the decimal on line 25. Enter the total on line 26.

Line 27 – Total Utah Income

Add line 21 and line 26. Enter the total on line 27. Enter this amount on line 3 of the partnership form, TC-65.

Instructions for TC-65, Schedule B

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

Determine the apportionment fraction (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 fraction calculated to **six decimals**. This fraction 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.

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.

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 Fraction

Calculate the apportionment fraction 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 fraction (decimal) here and on Schedule A, line 25, 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 fraction (decimal) here and on Schedule A, line 25.

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)
- Airlines (UC §59-7-312 thru 319)

Instructions for TC-65, Schedule G

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 of 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, or
- T** - if the entity is a trust.

In the last column, enter the percent of Utah income to which this partner/member is entitled.

Instructions for TC-65, Schedule N

Use Schedule N to report the specific nonresident partner/member income that is being reported on a composite return. Use additional pages, if needed.

Total this income on the last line of the first schedule, and carry this total over to the TC-65, page 1, line 5.

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 paymentexpress.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. 12/08

Federal EIN

Taxable Year Ending (mmddyyyy)

Amount Paid:

00

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

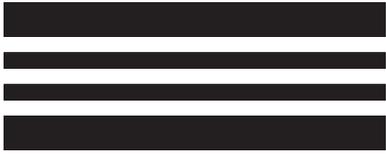
Name of partnership		
Address		
City	State	ZIP Code

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

Partnership Return Payment Coupon, TC-544

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Utah Partnership/Limited Liability Partnership/
Limited Liability Company Return of Income

2008
TC-65

For the 2008 calendar year, or fiscal year _____ to _____
mm/dd/yyyy mm/dd/yyyy

9999

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

Mark "X" if this is a new address: <input type="checkbox"/> Physical address <input type="checkbox"/> Mailing address	Partnership name			Employer Identification Number: _____ Entity type - ENTER CODE: _____ (see instructions, page 4)
	Address			
	City	State	ZIP Code	
	Foreign country (if not U.S.)		Telephone number	

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

1. a. Number of partners/members who are not Utah residents ... • 1a _____ b. Mark "X" if this is a composite return... • 1b _____
If you entered "X" on line 1b, complete lines 2 through 16; otherwise stop at line 4.
2. a. Date registered in Utah... • 2a _____ mm/dd/yyyy b. If dissolved, date of dissolution • 2b _____ mm/dd/yyyy
3. Amount of Utah income (from Schedule A line 27, if applicable)..... • 3 _____ .00
4. Percentage of Utah income attributable to nonresident partners/members..... • 4 _____ %
5. Utah composite return taxable income attributable to nonresident partners/members • 5 _____ .00
Attach TC-65N
6. Utah Tax (multiply line 5 by .05 (5%)) • 6 _____ .00
7. Prepayments made for tax year • 7 _____ .00
8. Amended returns only (see instructions) • 8 _____ .00
9. Reserved for G.O.E.D. (requires certificate - see instructions)..... • Code _____ • 9 _____ .00
10. Total payments (add lines 7 through 9) 10 _____ .00
11. **Tax Due** – If line 6 is greater than line 10, subtract line 10 from line 6 • 11 _____ .00
12. Penalties and interest (see instructions) 12 _____ .00
13. **Pay this amount** – Add lines 11 and 12. Make check to: Utah State Tax Commission.. • 13 _____ .00
14. **Overpayment** – If line 10 is greater than line 6, subtract line 6 from line 10..... • 14 _____ .00
15. Amount of overpayment on line 14 • 15 _____ .00
to be applied to next taxable year.
16. **Refund** – Subtract line 15 from line 14..... 16 _____ .00

USTC USE ONLY <input type="checkbox"/> _____
--

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

Paid Preparer's Section	SIGN HERE Signature of officer	Title	Date	<input type="checkbox"/> Check here if the Tax Commission may discuss this return with the preparer shown below (see page 5)
	Preparer's signature		Date	
	Name of preparer's firm (or yourself, if self-employed)		Preparer's phone no.	Preparer's EIN
	Preparer's complete address (street, city, state, ZIP)			

TC-65 Schedule A Utah Income for Nonresident Partners

Employer Identification Number: _____

- 1. Ordinary business income (loss) from line 1 of federal form 1065, Schedule K ● 1 _____ .00
- 2. Net rental real estate income (loss) from line 2 of federal form 1065, Schedule K..... ● 2 _____ .00
- 3. Other net rental income (loss) from line 3c of federal form 1065, Schedule K ● 3 _____ .00
- 4. Guaranteed payments from line 4 of federal form 1065, Schedule K ● 4 _____ .00
- 5. Interest income from line 5 of federal form 1065, Schedule K..... ● 5 _____ .00
- 6. Ordinary dividends from line 6a of federal form 1065, Schedule K..... ● 6 _____ .00
- 7. Royalties from line 7 of federal form 1065, Schedule K..... ● 7 _____ .00
- 8. Net short-term capital gain (loss) from line 8 of federal form 1065, Schedule K ● 8 _____ .00
- 9. Net long-term capital gain (loss) from line 9a of federal form 1065, Schedule K..... ● 9 _____ .00
- 10. Net section 1231 gain (loss) from line 10 of federal form 1065, Schedule K..... ● 10 _____ .00
- 11. Other income (loss) from line 11 of federal form 1065, Schedule K ● 11 _____ .00
- 12. **TOTAL income** (add lines 1 through 11)..... ● 12 _____ .00
- 13. Section 179 deduction from line 12 of federal form 1065, Schedule K..... 13 _____ .00
- 14. Investment interest expense form line 13b of federal form 1065, Schedule K..... 14 _____ .00
- 15. Section 59(e)(2) expenditures from line 13c(2) of federal form 1065, Schedule K 15 _____ .00
- 16. Other deductions from line 13d of federal form 1065, Schedule K 16 _____ .00
- 17. Foreign taxes from line 16l of federal form 1065, Schedule K 17 _____ .00
- 18. **TOTAL deductions** (add lines 13 through 17) ● 18 _____ .00
- 19. **NET partnership income** (subtract line 18 from line 12)..... 19 _____ .00
- 20. Interest from U.S. Government obligations included in line 5 above..... ● 20 _____ .00
- 21. Utah nonbusiness income net of expenses (see instructions)..... ● 21 _____ .00
- 22. Non-Utah nonbusiness income net of expenses (see instructions) ● 22 _____ .00
- 23. Add lines 20 through 22..... ● 23 _____ .00
- 24. **NET income subject to apportionment** (subtract line 23 from line 19) ● 24 _____ .00
- 25. Apportionment fraction (enter 1.000000, or TC-65, Schedule B, line 8 or line 12, if applicable) ● 25 _____ .00
- 26. UTAH business income (multiply line 24 by line 25) 26 _____ .00
- 27. **TOTAL Utah income** (add line 21 and line 26) ● 27 _____ .00
Enter here and on TC-65, line 3

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

Inside Utah
Column A

Inside and Outside Utah
Column B

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 Fraction** 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 Fraction** 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 25

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
S = S Corp

N = Nonprofit Corp
B = LLC

P = Gen'l Partnership
L = Limited Partnership

R = LLP
T = Trust

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

Duplicate this form if you need more space.

