

# STAR 2024

TC-65 Forms and  
Instructions

Partnership/Limited  
Liability Partnership/  
Limited Liability  
Company



Utah State Tax Commission • 210 North 1950 West • Salt Lake City, Utah 84134 • [tax.utah.gov](http://tax.utah.gov)

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Cover art by Randolph Prawitt

## E-Filing is Easier!

E-filing is the easiest and most accurate way to file. Ask your tax preparer about e-filing your individual, fiduciary, partnership, C corporation and S corporation returns, or use commercial tax software.

## Utah is Online

Utah offers many online services for individual and business filers, including:

### → [tap.utah.gov](http://tap.utah.gov)

- Pay by e-check or credit card.
- Manage your Utah tax account.
- Request payment plans.



### → [tax.utah.gov](http://tax.utah.gov)

- Download forms and instructions for all Utah tax types.
- Link to free business resources and other services.

## 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 [everify.uscis.gov](http://everify.uscis.gov).

## Utah Taxpayer Advocate Service

The Taxpayer Advocate Service helps taxpayers who have made multiple, unsuccessful attempts to resolve concerns with the Tax Commission. This service helps resolve problems when normal agency processes break down, identifies why problems occurred, and suggests solutions. See [tax.utah.gov/contact](http://tax.utah.gov/contact), or contact us to find out if you qualify for this service at 801-297-7562 or 1-800-662-4335, ext. 7562, or by email at [taxpayeradvocate@utah.gov](mailto:taxpayeradvocate@utah.gov).

Do not use the Taxpayer Advocate Service to bypass normal methods for resolving issues or disputes.

## Need more information?

Questions	801-297-2200 or 1-800-662-4335 (outside the Salt Lake area)
Research	Utah rules, bulletins and Commission decisions: <a href="http://tax.utah.gov">tax.utah.gov</a> Utah Code (UC): <a href="http://le.utah.gov">le.utah.gov</a> Internal Revenue Code (IRC): <a href="http://law.cornell.edu/uscode/26">law.cornell.edu/uscode/26</a>

*If you need an accommodation under the Americans with Disabilities Act, email [taxada@utah.gov](mailto:taxada@utah.gov), or call 801-297-3811 or TDD 801-297-2020. Please allow three working days for a response.*

# General Instructions and Information

## What's New

- **Payroll Protection Program Grant or Loan Addback:** In certain situations you must add to your income the amount of PPP grants or loans forgiven in 2024. See page 8.
- **Utah Tax Rate:** The 2024 Utah Legislature passed SB 69, lowering the income tax rate from 4.65 percent to 4.55 percent.
- **Annual Report:** The 2024 Utah Legislature passed SB 14, requiring a corporation or a pass-through entity to report its commerce entity number and whether it has filed a current annual report with the Division of Corporations. See page 5.

## Reminder

- **TC-250:** List all nonrefundable and refundable credits received from an upper-tier pass-through entity on a Utah Schedule K-1, and any mineral production withholding tax credit received on a form TC-675R.
- **Method of Apportioning Income:** To determine if you qualify as an optional apportionment taxpayer or a sales factor weighted taxpayer, see *Schedule J—Apportionment Schedule* on page 11.

## 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. However, partners conducting business are liable for Utah income tax in their separate or individual capacities. A partnership must withhold Utah tax on all nonresident individual pass-through entity taxpayers and all resident or nonresident business, estate, or trust pass-through entity taxpayers. See *Pass-through Entity Withholding Requirements* below.

## Pass-through Entity

A pass-through entity is an entity whose income, gains, losses, deductions and/or credits flow through to its partners (partnerships), members (limited liability companies), shareholders (S corporations) or beneficiaries (estates and trusts) for federal tax purposes.

## Pass-through Entity Taxpayer

A pass-through entity taxpayer is any entity which has income, gains, losses, deductions and/or credits passed to it from a pass-through entity (e.g., an individual who is a partner in a partnership, or a partnership which is a partner in another partnership).

## Filing Requirements

A partnership or other entity treated as a partnership for federal tax purposes, all of whose partners or members are Utah resident individuals, is not required to file a Utah return, TC-65, if:

- it is not a pass-through entity taxpayer, and
- it 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 or other entity treated as a partnership for federal tax purposes with any partners or members who are businesses, trusts, estates or nonresident individuals is required to file a TC-65.

## Pass-through Entity Withholding Requirements

Partnerships and business entities treated as partnerships are considered pass-through entities (see UC §59-10-1402(11)) and must withhold Utah income tax on all business partners, trust or estate partners, and nonresident individual partners. These partners are collectively referred to as pass-through entity taxpayers (see UC §59-10-1402(12)). A partnership is not required to withhold on a partner that is exempt from tax under UC §59-7-102(1)(a) or §59-10-104.1, or if the pass-through entity is a plan under IRC §§401, 408 or 457 and is not required to file a return under UC Chapter 7, or is a publicly traded partnership as defined under UC §59-10-1403.2(1)(b)(iv).

Utah imposes a 4.55 percent withholding tax on all Utah business and nonbusiness income derived from or connected with Utah sources and attributable to pass-through entity taxpayers. The partnership may reduce this withholding by any mineral production withholding tax, previous pass-through entity withholding tax allocated to the partner, and taxes paid for this partner with form TC-75 (*Voluntary Taxable Income Election for Pass-through Entities*).

Calculate Utah withholding tax on Schedule N. See the instructions for Schedule N on page 21 for more details.

The partnership must provide a Utah Schedule K-1 to each partner showing the amount of Utah withholding paid on behalf of the partner. This withholding tax is then claimed as a credit by the partner on the partner's Utah income tax return.

If a partnership has an interest in another partnership, that upper-tier partnership must withhold Utah income tax on Utah income allocated to the lower-tier partnership. The upper-tier partnership must provide a Utah Schedule K-1 showing the amount of Utah withholding tax paid on behalf of the lower-tier partnership. The lower-tier partnership must report this withholding tax on form TC-250 and then allocate it to its partners, who will claim the withholding tax on their returns. Enter this previous pass-through entity withholding tax for each partner on Schedules K and K-1.

The partnership may request a waiver of withholding tax and any associated penalty and interest for all or selected partners who filed and paid tax on the Utah income from this partnership. The tax must be paid on or before the partnership's return due date, including extensions (see UC §59-10-1403.2(5)).

## Partnership Identification Number

The partnership's federal Employer Identification Number (EIN) is the Utah identification number. Enter the EIN in the proper field.

## Partnership Changes

To report partnership changes (e.g., name change, physical and/or mailing address changes, or ceasing to do business in Utah) submit form TC-69C to:

Master Records  
Utah State Tax Commission  
210 N 1950 W  
SLC, UT 84134-3215

## Where to File

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

You may also pay any tax due at [tap.utah.gov](http://tap.utah.gov).

## Due Date

The return is due on or before the 15th day of the fourth month following the close of the tax year or the due date of the federal return, whichever is later. If the due date falls on a Saturday, Sunday or legal holiday, the due date is the next business day.

## Filing Extension

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

**Note:** All pass-through withholding tax from Schedule N, column J must be paid by the original due date of the return, without regard to extensions.

## Penalties

Utah law (UC §59-1-401) provides penalties for not filing tax returns by the due date, not paying tax due on time, not making sufficient prepayment on extension returns, and not filing information returns or supporting schedules. See [tax.utah.gov/billing/penalties-interest](http://tax.utah.gov/billing/penalties-interest) and Pub 58, *Utah Interest and Penalties*, at [tax.utah.gov/forms](http://tax.utah.gov/forms).

## Interest (in addition to penalties due)

Interest is assessed on underpayments from the due date until the liability is paid in full. The interest rate for the 2025 calendar year is 6 percent.

For more information, get Pub 58, *Utah Interest and Penalties*, at [tax.utah.gov/forms](http://tax.utah.gov/forms).

## Rounding Off to Whole Dollars

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 on the return.**

## Negative Numbers

When reporting losses or other negative numbers, do not use parentheses. Always indicate a negative number with a minus sign (-).

## 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, H, J, K, N, and/or TC-250. Also attach Utah Schedule K-1 for each partner.

**Do not send a copy of your federal return, federal Schedules K-1, credit schedules, worksheets, or other documentation with your Utah return, unless otherwise stated in these instructions.** Keep these in your files. We may ask you to provide them later to verify entries on your Utah return.

## Federal Taxable Income (Loss)

Utah law defines federal taxable income as “taxable income as currently defined in §63, Internal Revenue Code.” 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 or forward in any given year on the partner’s Utah return.

## Utah Income

Complete Schedule A to determine 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 TC-20, Schedule J, and then Schedule A.

## Business Income

Business income means income arising from transactions and activity in the regular course of the taxpayer’s trade or business and includes income from tangible and intangible property if the acquisition, management and disposition of the property constitute integral parts of the taxpayer’s regular trade or business operations. See UC §59-10-1402(2).

Business income apportioned to Utah is subject to the pass-through entity withholding requirements.

The following are examples of business income:

- Interest income on loans and investments made in the ordinary course of a trade or business of lending money.
- Interest income on accounts receivable arising from the performance of services or sales of property.
- Income from investments made in the ordinary course of a trade or business of furnishing insurance or annuity contracts or reinsuring risks underwritten by insurance companies.
- Income or gain derived in the ordinary course of an activity of trading or dealing in any property if such activity constitutes a trade or business (unless the dealer held the property for investment at any time before such income or gain is recognized).
- Royalties derived by the taxpayer in the ordinary course of a trade or business of licensing intangible property.
- Amounts included in gross income of a patron of a cooperative by reason of any payment or allocation to the patron based on patronage occurring with respect to a trade or business of the patron.
- Other income identified by the IRS as income derived by the taxpayer in the ordinary course of a trade or business.

## Nonbusiness Income

Nonbusiness income means all income other than business income. See UC §59-10-1402(8). Nonbusiness income includes portfolio income that is not derived in the ordinary course of a pass-through entity's trade or business. The burden of proof is on the taxpayer to justify the manner in which income is claimed on the return.

## Apportionable Income

The following types of income are apportionable business income:

1. Interest, dividends, royalties, gains, etc., derived in the ordinary course of a pass-through entity's trade or business.
2. Interest, dividends, gains, etc., of an entity whose primary business activity is investing funds (such as with a brokerage firm).
3. Income received from holdings in or the sale of partnership interests.

## 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* below.

### 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, make any modification (such as U.S. government bond interest)

that relates to an item of the partnership income, gain, loss or deduction 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, determine the partner's distributive share of such item in accordance with their distributive share for federal income tax purposes of partnership income or loss generally.

3. When 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 when the principal purpose of such provision is the avoidance or evasion of tax, determine the partner's distributive share of such item and any modification regarding it as if the partnership agreement makes no special provision with respect to that item.

## Nonresident or Part-year Resident Share of Partnership Items

1. In determining a nonresident partner's adjusted gross income, include only the 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 is shown alongside the total for each item amount on Utah Schedule K.)
2. In determining the sources of a nonresident partner's income:
  - a. Do not give consideration 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 their 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. Do not give consideration 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 their proportionate share, for federal income tax purposes, of partnership loss or deduction generally, except as provided in 5 below.
3. Make any modification (such as for U.S. government bond interest) that relates to an item of partnership income, gain, loss or deduction 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. Determine a nonresident partner's distributive share of items of income, gain, loss or deduction as provided in *Character of Partnership Items*, above.
5. The Tax Commission may 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 to it, 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 paying proceeds in connection with mineral properties located in Utah, the partnership must report to each recipient their share of mineral production withholding tax withheld and paid to the Tax Commission. The producer must furnish a copy of form TC-675R to each recipient. The recipient will take credit for the amount withheld on their Utah individual income tax return, fiduciary income tax return or corporation franchise or income tax return.

If the partnership is the recipient of proceeds in connection with mineral properties located within Utah, the partnership should complete TC-250, Part 3, using code 46. Do not attach form TC-675R to the partnership return. The amounts withheld are distributed to each partner in proportion to each partner's share of income and should be shown on Schedule N and on Utah Schedules K and K-1.

If the partnership is itself a pass-through entity taxpayer and receives a distribution of mineral production withholding tax from an upper-tier pass-through entity, enter the mineral production withholding tax allocated to this partnership on TC-250, Part 2, using code 46. Do not attach Utah Schedule K-1 the partnership receives to this partnership return.

## Payment Options

### Online

Easily and securely pay your tax online with your credit card, an electronic check (ACH debit), or other electronic options. Online payments may include a service fee. Pay at [tap.utah.gov](https://tap.utah.gov).

### Check or Money Order

To pay by check or money order, mail your check or money order with your return. Make payable to the "Utah State Tax Commission" and write your daytime phone number and "2024 TC-65" on the check. **Do not staple** to your return. Remove any check stub before sending. **Do not mail cash** with your return. The Tax Commission is not liable for cash lost in the mail.

If paying by mail, **include a TC-544 coupon with your payment**. See form TC-544 on page 24 of these instructions.

# TC-65 – Utah Partnership / Limited Liability Partnership / Limited Liability Company Return

## Filing Period

File the 2024 return for calendar year 2024 and fiscal years beginning in 2024 and ending in 2025. If the return is for a fiscal year or a short tax year (less than 12 months), fill in the tax year beginning and end dates at the top of the form using the format mm/dd/yyyy.

## Partnership Name and Address

Enter on the TC-65 the partnership name, address and telephone number, including area code. If the address has changed, see *Partnership Changes* on page 2.

## ZIP Code

Enter your ZIP Code, including the “plus four” at the end, without a hyphen.

## Foreign Country

If your 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. Abbreviate if necessary. Leave the State and ZIP Code fields blank. Enter only the foreign country name in the Foreign country field.

## EIN and Utah Incorporation/Qualification Number

Enter your federal EIN and Utah Incorporation/Qualification Number issued by the Department of Commerce in the appropriate fields.

## Amended Returns

**Note: Do not submit a copy of your original return with your amended return.**

To amend a previously filed return, use the tax forms and instructions for the year you are amending. Get prior year forms and instructions at [tax.utah.gov/forms-pubs/previousyears](https://tax.utah.gov/forms-pubs/previousyears).

Enter your **current address** on an amended return.

Amend your return if:

- you find an error on your Utah or federal return after it has been filed, or
- your federal return is examined or adjusted by the IRS and the examination or adjustment affects your Utah return. You must amend your Utah return within 90 days of the IRS’s final determination.

To amend a previously filed return, at the top of page 1, on the “Amended Return” line, enter the code number from the following list that best describes your **Reason for Amending**:

## Reason-for-Amending Codes

- 1 You filed an amended federal 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 error.
- 3 Your federal return was changed by an IRS examination or adjustment that affects your Utah return. Attach a copy of the IRS adjustment.
- 4 Other. Attach an explanation to your return.

Enter the corrected figures on the return and/or schedules. Enter all other amounts as shown on your original return. If you received a refund on your original return, subtract the previous refund (exclude refund interest) from the amount of any tax paid with the original return and/or subsequent payments of the tax prior to filing the amended return. Enter the net amount on line 7. Enter a net refund as a negative amount (preceded by a minus sign).

## 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.

## Current Annual Report

If this entity has filed a current annual report with the Division of Corporations, enter an “X” in the field to the right of the address block, where indicated.

## 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-by-Line Instructions

### Line 1 – Date Registered in Utah

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

### Line 2 – Date Dissolved

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

### Line 3 – Total Pass-through Withholding Tax

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

This pass-through withholding tax **must** be paid to the Tax Commission by the original due date of the return, without regard to extensions. Pay at [tax.utah.gov](http://tax.utah.gov) or use form TC-559, *Corporation/Partnership Payment Coupon*.

Do not include on this line any pass-through withholding tax credit received from another pass-through entity as reported on a Utah Schedule K-1 you received. Pass-through withholding tax credits received from other pass-through entities are entered on TC-250 and allocated to the partners/members on Utah Schedule K-1.

### Line 4 – Utah Use Tax

Use tax is a tax on goods and taxable services purchased for use, storage or other consumption in Utah. Use tax applies only if sales tax was not paid at the time of purchase. If you purchased an item from an out-of-state seller (including Internet, catalog, radio and TV purchases) and the seller did not collect sales tax on that purchase, you must pay the use tax directly to the Tax Commission.

If you have a Utah sales tax license/account, report the use tax on your sales tax return. If you do not have a Utah sales tax license/account, report the use tax on line 4 of TC-65.

You may take a credit for sales or use tax paid to another state (but not a foreign country). If the other state's tax rate is lower than Utah's, you must pay the difference. If the other state's tax rate is more than Utah's, no credit or refund is given. If sales tax was paid to more than one state, complete the *Use Tax Worksheet* below for each state. Add lines 8 on all worksheets and enter the total on line 4 of TC-65.

Sales and use tax rates vary throughout Utah. Use the *Use Tax Rate Chart* below to get the rate for the location where the merchandise was delivered, stored, used or consumed. Use the county tax rate if the city is not listed.

Grocery food bought through the Internet or catalog is taxed at 3 percent. The grocery food must be sold for ingestion or chewing by humans and consumed for the substance's taste or nutritional value. The reduced rate does not apply to alcoholic beverages or tobacco. See Pub 25, *Sales and Use Tax*, at [tax.utah.gov/forms](http://tax.utah.gov/forms).

.0635 .0735	<b>Beaver County</b> Beaver City, UIPA Min Mt - Beaver City	.0835 .0745 .0775	Brighton Murray, So. SL, So. SL HTRZ Salt Lake City, Inland Port SLC, SLC Convention Hotel, SLC HTRZ MIDA Sundance - SLC
.0635 .0665	<b>Box Elder County</b> Brigham City, Mantua, Perry, Willard, UIPA GS - Brigham Snowville	.0935 .0635 .0675 .0745	<b>San Juan County</b> Blanding, Monticello Bluff
.0735 .0670 .0695	<b>Cache County</b> Cache Valley Transit, Hyde Park, Lewiston, Millville Hyrum, Logan, Nibley, N. Logan, Providence, Richmond, River Heights, Smithfield	.0635 .0645 .0675	<b>Sanpete County</b> Centerfield, Mayfield Ephraim, Fairview, Gunnison, Mt. Pleasant Manti
.0635 .0645 .0675 .0665	<b>Carbon County</b> Helper Price Wellington	.0665 .0635 .0645 .0665 .0675	<b>Sevier County</b> Aurora, Redmond Koosharem, Monroe Richfield, Salina
.0765 .0875 .0715 .0725	<b>Daggett County</b> Dutch John <b>Davis County</b> Bountiful, Centerville, Clearfield, Clinton, Farmington, Kaysville, Layton, N. Salt Lake, S. Weber, Syracuse, W. Bountiful, Woods Cross	.0715 .0905 .0745 .0660 .0690	<b>Summit County</b> Park City Snyderville Basin Transit
.0635 .0645 .0675	<b>Duchesne County</b> Duchesne City Roosevelt	.0700 .0645 .0695	<b>Tooele County</b> Erda, Lakepoint City, Lakepoint Transit, Lincoln, Stansbury Park Grantsville, Tooele City, UIPA Twenty Wells
.0635 .0825 .0735 .0835 .0855 .0845	<b>Emery County</b> Green River, UIPA CC - Gr. River <b>Garfield County</b> Boulder, Panguitch, Tropic Bryce Canyon Escalante	.0735 .0745	<b>Uintah County</b> Naples, Vernal
.0685 .0885 .0665 .0675 .0670	<b>Grand County</b> Moab <b>Iron County</b> Brian Head Cedar City, Parowan <b>Juab County</b> Eureka Mona, Nephi Santaquin South	.0755	<b>Utah County</b> Alpine, American Fork, Cedar Hills, Highland, Lehi, Lindon, Orem, Payson, Pleasant Grove, Provo, Santaquin, Spanish Fork, Springville, UIPA Verk - Sp. Fork, ULA Lehi, ULA Lindon, ULA Provo, ULA Vineyard, Vineyard, Vineyard HTRZ MIDA Sundance - Ut. Co.
.0735 .0845 .0835	<b>Kane County</b> Kanab, Big Water Orderville	.0895 .0695 .0805 .0755	<b>Wasatch County</b> Heber Independence, Mil. Rec. Wasatch, Mil. Rec. Hideout, Mil. Rec. MWR Hotel, Mil. Rec. GAEC PID Midway
.0635 .0675	<b>Millard County</b> Fillmore	.0835 .0885	<b>Washington County</b> Hurricane, Ivins, La Verkin, St. George, Santa Clara, Washington City
.0670 .0695	<b>Morgan County</b> Morgan City	.0805 .0745	Springdale Virgin
.0635 .0635 .0795 .0725 .0885	<b>Piute County</b> <b>Rich County</b> Garden City <b>Salt Lake County</b> Alta	.0635 .0665 .0725 .0745	<b>Wayne County</b> Bicknell, Loa, Torrey <b>Weber County</b> Falcon Hill Riverdale, Riverdale

### Use Tax Worksheet

1. Amount of purchases (except grocery food) subject to use tax 1 \_\_\_\_\_
2. Use tax rate (decimal from *Use Tax Rate Chart*) 2. \_\_\_\_\_
3. Multiply line 1 by line 2 3 \_\_\_\_\_
4. Amount of grocery food purchases subject to use tax 4 \_\_\_\_\_
5. Multiply line 4 by 3% (.03) 5 \_\_\_\_\_
6. Add line 3 and line 5 6 \_\_\_\_\_
7. Credit for sales tax paid to another state on use tax purchases 7 \_\_\_\_\_
8. Use tax due (subtract line 7 from line 6) (If less than zero, enter "0.") 8 \_\_\_\_\_

### Line 5 – Total Tax

Enter the total of lines 3 and 4.

### Line 6 – Prepayments Made for the Year

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.

Do not include any pass-through withholding tax on this line. Pass-through withholding tax credit from a previous pass-through entity is entered on TC-250 and allocated to the partners/members on Utah Schedule K-1.

### Line 7 – Amended Returns Only

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



**Line 8 – Total Payments**

Enter the total of lines 6 and 7.

**Line 9 – Tax Due**

If line 5 is larger than line 8, subtract line 8 from line 5.

**Line 10 – Penalties and Interest**

Enter any penalties and interest that apply to this return. See Pub 58, *Utah Interest and Penalties*.

**Line 11 – Total Due - Pay This Amount**

Add lines 9 and 10. Pay at [tap.utah.gov](http://tap.utah.gov). Or send a check or money order with your return (make 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 (see the back of this book) and send it with your payment.

Payments not received by the original due date are subject to penalty and interest.

See *Payment Options* on page 4.

**Line 12 – Overpayment**

If line 8 is larger than the sum of line 5 and line 10, subtract the sum of line 5 and line 10 from line 8.

**Line 13 – Amount of Overpayment to be Applied to Next Tax Year**

All or part of any overpayment shown on line 12 may be applied as an advance payment for the next tax year. Enter the amount to be applied (may not exceed the overpayment on line 12).

**Line 14 – Refund**

Subtract line 13 from line 12. This is your refund amount.

**Signature and Date Line**

Sign and date the return. We will not issue a refund without a 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 this 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's 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. The authorization will automatically end no later than the due date (without regard to extensions) for filing next year's tax return.

If you want to expand the preparer's authorization, complete and submit form TC-737, *Power of Attorney and Declaration of Representative* ([tax.utah.gov/forms](http://tax.utah.gov/forms)). If you want 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 PTIN in the section below the authorized representative's signature on the return.

**Preparer Penalties  
(UC §§59-1-401(11)-(12))**

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 penalty (second degree felony with a fine from \$1,500 to \$25,000).

**Payment Agreement Request**

If you cannot pay the full amount you owe, you can request a payment plan. Go to [tap.utah.gov](http://tap.utah.gov) and click "Apply for a Waiver or a pay plan."

You may also:

1. complete form TC-804B, *Business Tax Payment Agreement Request* ([tax.utah.gov/forms](http://tax.utah.gov/forms)), or
2. call the Tax Commission at 801-297-7703 or 1-800-662-4335 ext. 7703.

# Schedule A – Utah Taxable Income for Pass-through Entity Taxpayers

## Line 1 – Net Income/Loss

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

**Note:** This is not Schedule K, line 1 (Ordinary business income (loss)).

## Line 2 – Contributions

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

## Line 3 – Foreign Taxes

Enter the amount of foreign taxes deducted on federal form 1065, Schedule K, line 21.

## Line 4 – Recapture of Section 179 Deduction

Enter the gain or loss on the sale, exchange or other disposition of property for which a §179 expense deduction has been passed through to partners and reported on federal 1065 Schedule K-1, line 20 (Other information), code M.

## Line 5 – Payroll Protection Program Grant or Loan Addback

If you received a COVID-19 Payroll Protection Program (PPP) grant or loan, enter any amount that:

1. was forgiven during the 2024 tax year,
2. is exempt from federal income tax, and
3. you used for expenses that you deducted on your federal tax return.

## Line 6 – RESERVED

## Line 7 – Total Income

Add the amounts on lines 1 through 6.

## Line 8 – Total Guaranteed Payments to Partners

Enter the total guaranteed payments made to partners as reported on federal form 1065, Schedule K, line 4.

## Line 9 – Health Insurance Included in Guaranteed Payments

Enter the total of any health insurance included in the guaranteed payments reported on line 8. This amount should equal the total of the amounts paid during the tax year for insurance that constitutes medical care for the partner (including the partner's spouse and dependents) and reported on federal Schedule K line 13d and federal Schedule K-1, line 13, using code M.

## Line 10 – Net Guaranteed Payments to Partners

Subtract the health insurance on line 9 from the guaranteed payments on line 8. This amount should agree with the amount reported on federal form 1065, Schedule M-1, line 3.

## Line 11 – Utah Net Nonbusiness Income

Enter the Utah nonbusiness income net of expenses.

Sales of Utah property and rents received on Utah property, if not part of the trade or business income of the partnership, are considered Utah nonbusiness income.

To calculate this amount, use form TC-20, Schedule H (get forms at [tax.utah.gov/forms](http://tax.utah.gov/forms)). Enter the amount from line 14 of TC-20, Schedule H. Attach a copy of TC-20, Schedule H to your partnership return.

**Note:** Do NOT include nonbusiness portfolio income on this line.

## Line 12 – Non-Utah Net Nonbusiness Income

Enter the non-Utah nonbusiness income net of expenses. To calculate this amount, use form TC-20, Schedule H (get forms at [tax.utah.gov/forms](http://tax.utah.gov/forms)). Enter the amount from line 28 of TC-20, Schedule H. Attach a copy of TC-20, Schedule H to your partnership return.

**Note:** Include nonbusiness portfolio income on this line.

## Line 13 – Add Lines 10 through 12

Add the amounts on lines 10 through 12.

## Line 14 – Apportionable Income/Loss

Subtract line 13 from line 7.

## Line 15 – Apportionment Fraction (Decimal)

Enter 1.000000, or the apportionment fraction (decimal) from TC-20, Schedule J, line 9 or 10, if applicable.

## Line 16 – Utah Apportioned Business Income/Loss

Multiply the amount on line 14 by the apportionment fraction on line 15.

## Line 17 – Total Utah Income Allocated to Pass-through Entity Taxpayers

Add line 11 and line 16.

# TC-20, Schedule H – Nonbusiness Income Net of Expenses

Complete TC-20, Schedule H to determine nonbusiness income allocated to Utah and outside Utah.

**Business income** is income arising from transactions and activity in the regular course of a taxpayer's trade or business. It includes income from tangible and intangible property if the acquisition, management and disposition of the property constitutes integral parts of the taxpayer's regular trade or business operations.

**Nonbusiness income** is all income that does not arise from a taxpayer's trade or business operations. Intangible income must be properly classified and based upon factual evidence. The burden of proof is on the taxpayer to justify how the income is claimed on the return.

**Interest income** is business income where the intangible with respect to which the interest was received arises out of or was created in the regular course of the taxpayer's trade or business operations, or where the purpose for acquiring and holding the intangible is an integral, functional, or operative component of the taxpayer's trade or business operations, or otherwise materially contributes to the production of business income of the trade or business operations. See Tax Commission Rule R865-6F-8(2)(e)(iii).

**Dividends** are business income where the stock with respect to which the dividends were received arose out of or was acquired in the regular course of the taxpayer's trade or business operations or where the acquiring and holding of the stock is an integral, functional, or operative component of the taxpayer's trade or business operations, or otherwise materially contributes to the production of business income of the trade or business operations. See Tax Commission Rule R865-6F-8(2)(e)(iv).

**Gain or loss** from the sale, exchange, or other disposition of real property or of tangible or intangible personal property constitutes business income if the property while owned by the taxpayer was used in, or was otherwise included in the property factor of the taxpayer's trade or business. See Tax Commission Rule R865-6F-8(2)(e)(ii).

**Rental income** from real and tangible property is business income if the property with respect to which the rental income was received is or was used in the taxpayer's trade or business and therefore is includable in the property factor. See Tax Commission Rule R865-6F-8(2)(e)(i).

Complete Schedule H as follows:

- Complete lines 1a through 14 if you are claiming only Utah nonbusiness income.
- Complete lines 15a through 28 if you are claiming only non-Utah nonbusiness income.
- Complete lines 1a through 28 if you are claiming both Utah and non-Utah nonbusiness income.

Use additional pages or supporting schedules in the same format, if necessary, to provide complete information, including a description of the business purpose for making the investment, the transactions creating the nonbusiness income, and the use of revenues generated by the nonbusiness investment.

Utah Nonbusiness Income

## Lines 1a-1e – Utah Nonbusiness Income

Complete the information in each column and enter the gross Utah nonbusiness income from each class of income being allocated. Use additional pages or supporting schedules in the same format, if necessary, to provide complete information about additional sources of nonbusiness income.

## Line 2 – Total of Columns C and D

Enter the total of the amounts on lines 1a through 1e in column C and column D.

## Line 3 – Total Utah Nonbusiness Income

Enter the total of column E, lines 1a through 1e.

## Lines 4a-4e – Direct Related Expenses

Describe and enter amounts of direct expenses on the same letter line as the corresponding Utah nonbusiness income is listed on lines 1a through 1e. Direct related expenses include wages, interest, depreciation, etc. (UC §59-7-101).

## Line 5 – Total Direct Related Expenses

Enter the sum of direct related expenses by adding lines 4a through 4e.

## Line 6 – Utah Nonbusiness Income Net of Direct Related Expenses

Subtract line 5 from line 3.

## Line 7 – Beginning-of-Year Assets

Enter in column A the total beginning-of-year value of assets used to produce Utah nonbusiness income from line 2, column C. Enter in column B the beginning-of-year value of your total assets. Include all assets in column B, including Utah assets.

## Line 8 – End-of-Year Assets

Enter in column A the total end-of-year value of assets used to produce Utah nonbusiness income from line 2, column D. Enter in column B the end-of-year value of your total assets. Include all assets in column B, including Utah assets.

## Line 9 – Sum of Beginning and Ending Asset Values

Add lines 7 and 8 for each respective column.

## Line 10 – Average Asset Value

Divide line 9 by 2 for each column.

## Line 11 – Utah Nonbusiness Asset Ratio

Divide line 10, column A by line 10, column B. Round the result to four decimal places. Do not enter a decimal greater than 1.0000, and do not enter a negative number.

## Line 12 – Interest Expense

Enter the total amount of interest deducted on federal form 1065, line 15 and elsewhere on the federal return.

**Line 13 – Indirect Related Expenses for Utah Nonbusiness Income**

Multiply line 12 by the ratio on line 11.

**Line 14 – Total Utah Nonbusiness Income Net of Expenses**

Subtract line 13 from line 6. Enter the amount here and on Schedule A, line 11.

**Non-Utah Nonbusiness Income****Lines 15a-15e – Non-Utah Nonbusiness Income**

Complete the information in each column and enter the gross non-Utah nonbusiness income from each class of income being specifically allocated. Use additional pages or supporting schedules in the same format, if necessary, to provide complete information about additional sources of non-Utah nonbusiness income.

**Line 16 – Total of Columns C and D**

Enter the total of the amounts on lines 15a through 15e in column C and column D.

**Line 17 – Total Non-Utah Nonbusiness Income**

Enter the total of the amounts on lines 15a through 15e in column E.

**Lines 18a-18e – Direct Related Expenses**

Describe and enter amounts of direct expenses on the same letter line as the corresponding non-Utah nonbusiness income on lines 15a through 15e. Direct related expenses include wages, interest, depreciation, etc. (UC §59-7-101).

**Line 19 – Total Direct Related Expenses**

Enter the sum of direct related expenses by adding lines 18a through 18e.

**Line 20 – Non-Utah Nonbusiness Income Net of Direct Related Expenses**

Subtract line 19 from line 17.

**Line 21 – Beginning-of-Year Assets**

Enter in column A the total beginning-of-year value of assets used to produce non-Utah nonbusiness income from line 16, column C. Enter in column B the beginning-of-year value of your total assets. Include all assets in column B, including Utah assets.

**Line 22 – End-of-Year Assets**

Enter in column A the total end-of-year value of assets used to produce non-Utah nonbusiness income from line 16, column D. Enter in column B the end-of-year value of your total assets. Include all assets in column B, including Utah assets.

**Line 23 – Sum of Beginning and Ending Asset Values**

Add lines 21 and 22 for each respective column.

**Line 24 – Average Asset Values**

Divide line 23 by 2 for each column.

**Line 25 – Non-Utah Nonbusiness Asset Ratio**

Divide line 24, column A by line 24, column B. Round the result to four decimal places. Do not enter a decimal greater than 1.0000, and do not enter a negative number.

**Line 26 – Interest Expense**

Enter the total amount of interest deducted on federal form 1065, line 15 and elsewhere on the federal return.

**Line 27 – Indirect Related Expenses for Non-Utah Nonbusiness Income**

Multiply line 26 by the ratio on line 25.

**Line 28 – Total Non-Utah Nonbusiness Income Net of Expenses**

Subtract line 27 from line 20. Enter amount here and on Schedule A, line 12.

# TC-20, Schedule J – Apportionment Schedule

Use TC-20, Schedule J to calculate the portion of the taxpayer's income attributable to Utah, if the taxpayer does business both within and outside of Utah.

Complete TC-20, Schedule J to determine the apportionment fraction (decimal). The factors express a ratio for property in Utah to total property everywhere, for wages and salaries in Utah to total wages and salaries everywhere, and for sales in Utah to total sales everywhere. Use these factors or ratios to arrive at the Utah apportionment fraction calculated to **six decimals**. Then apply this fraction (decimal) 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, use the number of factors present to determine the Utah apportionment fraction.

Your economic activities, and your method of apportioning income in the previous year, dictate the apportionment method you may use.

## Pass-through Entity Taxpayers

Partners, shareholders and beneficiaries of pass-through entities (an entity taxed as a partnership, S corporation or trust) must include their pro rata share of the pass-through entity's property, payroll and sales in their calculation of the apportionment factor on TC-20, Schedule J, page 1.

If a corporation holds direct and indirect ownership interests in tiered pass-through entities, it must include its pro rata share of the apportionment factors (property, payroll and sales) of the pass-through entities, applying the respective ownership percentages. For example, a corporation that holds 50 percent interest in Partnership A that in turn holds 20 percent interest in Partnership B would include 50 percent of the factors of Partnership A, and 10 percent (50 percent of 20 percent) of the factors of Partnership B.

## Apportionment Method

To determine if you must apportion income using the sales factor formula or if you qualify as an optional apportionment taxpayer, take into account the economic activities of each of the entities included in the return. Include the economic activities of any pass-through entities whose income and factors are included in the return.

## Sales Factor Weighted Taxpayers

A sales factor weighted taxpayer may only use the sales factor fraction to apportion income.

You must use the sales factor formula if you:

1. apportioned income using the sales factor formula during the prior tax year,
2. do not meet the definition of an optional apportionment taxpayer (see instructions below), or
3. generate more than 50 percent of total sales everywhere from economic activities in any NAICS codes OTHER THAN these identified NAICS codes:

- Sector 21, Mining
- Industry Group 2212, Natural Gas Distribution
- Sector 31-33, Manufacturing EXCEPT:
  - Industry Group 3254, Pharmaceutical and Medicine Manufacturing
  - Industry Group 3333, Commercial and Service Industry Machinery Manufacturing
  - Subsector 334, Computer and Electronic Product Manufacturing
  - Code 336111, Automobile Manufacturing
- Sector 48-49, Transportation and Warehousing
- Sector 51, Information EXCEPT:
  - Subsector 519, Other Information Services
- Sector 52, Finance and Insurance

Report property and payroll factors on Schedule J, page 1, but do not use them to calculate the apportionment of sales factor weighted taxpayers.

Sales factor weighted taxpayers must calculate the apportionment fraction on Schedule J, Page 2 using Part 2 - *Sales Factor Formula*.

## Optional Apportionment Taxpayers

If you did not use the sales factor fraction in the prior year, and you do not generate more than 50 percent of total sales everywhere from economic activities in any NAICS codes OTHER THAN the **identified NAICS codes** listed above, determine if you are an optional apportionment taxpayer by first calculating the following two fractions:

- **Property factor fraction:** Add together the value of property in Utah attributable to economic activities that are classified in an **excluded NAICS code**. Divide this number by the value of all property in Utah. Remove property from this calculation if the property is attributable to economic activities in both excluded NAICS codes and non-excluded NAICS codes.
- **Payroll factor fraction:** Add together the amount of payroll in Utah attributable to economic activities that are classified in an **excluded NAICS code**. Divide this number by the total amount of payroll in Utah. A taxpayer engaged in activities in an excluded NAICS code must remove an individual's payroll from this calculation of the payroll factor fraction if the individual's payroll may be attributed to economic activities in both excluded NAICS codes and NAICS codes that are not excluded, or to providing management, information technology, finance, accounting, legal or human resource services.

Add the property and payroll factor fractions and divide that sum by two. If either the property factor fraction or payroll factor fraction has a denominator of zero, or is otherwise excluded, divide by one. If the average is more than 50 percent, you are an optional apportionment taxpayer. If the average is not more than 50 percent, you are not an optional apportionment taxpayer and must apportion income to Utah using the sales factor.

Optional apportionment taxpayers may calculate the apportionment fraction using either the equally-weighted three factor formula (Schedule J, Part 1) or the sales factor formula (Schedule J, Part 2). If you choose to use the sales factor formula, you must file using only the sales factor in the next tax year.

**Excluded NAICS codes** are NAICS codes of the 2017 North American Industry Classification System within:

- Code 211120, Crude Petroleum Extraction
- Industry Group 2121, Coal Mining
- Industry Group 2212, Natural Gas Distribution
- Subsector 311, Food Manufacturing
- Industry Group 3121, Beverage Manufacturing
- Code 327310, Cement Manufacturing
- Subsector 482, Rail Transportation
- Code 512110, Motion Picture and Video Production
- Subsector 515, Broadcasting (except Internet)
- Code 522110, Commercial Banking

## Line Instructions

### Business Activity

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 tax 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 you own is valued at its original cost. Property you rent is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate you pay less the annual rate you receive from sub-rentals.

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 your property's average value.

Attach a supporting schedule whenever you use monthly averaging.

If you are a pass-through entity taxpayer, add to line 1e any amounts listed on line J of any TC-65 Schedule K-1 you have received.

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

If you are a pass-through entity taxpayer, add to line 3a any amounts listed on line K of any TC-65 Schedule K-1 you have received.

### 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 tax year bear to the overall sales for the tax year. Gross receipts from the performance of services in Utah are assigned to the Utah sales numerator if the purchaser of the service receives a greater benefit of the service in Utah than in any other state.

Taxpayers that perform a service both in and outside Utah must include service income on line 5g in column A (Inside Utah) if the purchaser of the service receives a greater benefit of the service in Utah than in any other state. The former "cost of performance" method no longer applies. (See UC §59-7-319(3)(a).)

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 taxpayer is not taxable in the state of the purchaser.

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

**Note:** Securities brokerage businesses must follow the provisions in UC §59-7-319(6).

If you are a pass-through entity taxpayer, add to line 5g any amounts listed on line L of any TC-65 Schedule K-1 you have received.

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.

## NAICS Code for Taxpayer

### Line 7 – NAICS Code

This is a mandatory field. Your NAICS code may dictate your apportionment method.

Enter on line 7 the NAICS code for the primary business activity. Do not use the holding company NAICS code.

## Apportionment Fraction

### ► Part 1 – Equally-Weighted Three Factor Formula

If you are an optional apportionment taxpayer using the equally-weighted three factor formula, complete lines 8 and 9. Otherwise, leave lines 8 and 9 blank.

### Line 8 – Total Factors

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

### Line 9 – Apportionment Fraction

Calculate the apportionment fraction to six decimals by dividing line 8 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 15.

### ► Part 2 – Sales Factor Formula

See instructions above for the definition and qualifications of a taxpayer who must apportion income using the sales factor formula.

Leave line 10 blank if you are using the equally-weighted three-factor formula.

### Line 10 – Apportionment Fraction

Enter the sales factor from line 6 of Schedule J, page 1. This is the apportionment fraction for this apportionment method. (Property and payroll factors are not used in the calculation of the apportionment fraction for taxpayers who must apportion income using the sales factor formula.)

Enter the apportionment fraction (decimal) here and on Schedule A, line 15.

## Specialized Apportionment Laws 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)
- Telecommunications (R865-6F-33)
- Registered Securities or Commodities 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))

# Schedule K – Partners' Distribution Share Items

Attach Utah TC-65, Schedule K to show the partnership's income, gains, losses, deductions, and Utah credits that are distributed to the partners.

## Number of Schedules K-1 attached to this return

Enter the number of Utah Schedules K-1 that are attached to this return and issued to partners or members.

### Line 1 – Ordinary Business Income/Loss

Enter in the first column the federal ordinary business income/loss from line 1 of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 2 – Net Rental Real Estate Income/Loss

Enter in the first column the federal net rental real estate income/loss from line 2 of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 3 – Other Net Rental Income/Loss

Enter in the first column the federal other net rental income/loss from line 3c of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 4 – Guaranteed Payments

Enter in the first column the total federal guaranteed payments from line 4 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 5a – U.S. Government Interest Income

Enter in the federal column the total U.S. government interest income reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on Utah Schedules K-1.

### Line 5b – Municipal Bond Interest Income

Enter in the federal column the total municipal bond interest income reported on all federal Schedules K-1. Enter in the Utah column the total Utah taxable portion reported on Utah Schedules K-1.

For additional information on the Utah treatment of municipal bond interest, go to [incometax.utah.gov/additions/municipal-bond-interest](https://incometax.utah.gov/additions/municipal-bond-interest).

### Line 5c – Other Interest Income

Enter in the federal column the total other interest income (other than interest income shown on lines 5a and 5b above) reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on Utah Schedules K-1.

### Line 6 – Ordinary Dividends

Enter in the first column the federal ordinary dividends from line 6a of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 7 – Royalties

Enter in the first column the federal royalties from line 7 of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 8 – Net Short-term Capital Gain/Loss

Enter in the first column the federal net short-term capital gain/loss from line 8 of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 9 – Net Long-term Capital Gain/Loss

Enter in the first column the federal net long-term capital gain/loss from line 9a of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 10 – Net Section 1231 Gain/Loss

Enter in the first column the federal net §1231 gain/loss from line 10 of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 11 – Recapture of Section 179 Deduction

Enter in the first column the federal recapture of a benefit from a deduction under §179 from box 20, codes L and M of federal Schedules K-1. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 12 – Other Income/Loss

Enter in the first column the federal other income/loss from line 11 of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Also use the federal column of line 12 for PPP grant or loan amounts reported on Utah Schedule A, line 5. Enter in the Utah column the total reported on all Utah Schedules K-1. Describe the type of income in the space provided.

Also enter in the federal column the amount of state and local taxes the partnership paid to Utah and any other state(s) on behalf of partners. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 13 – Section 179 Deduction

Enter in the first column the federal §179 deduction from line 12 of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 14 – Contributions

Enter in the first column the total federal contributions from lines 13a and 13b of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 15 – Foreign Taxes Paid or Accrued

Enter in the first column the federal foreign taxes paid or accrued from line 21 of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

### Line 16 – Other Deductions

Enter in the first column the federal other deductions from lines 13c, 13d and 13e of federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Describe the type of deduction in the space provided.



## Line 17 – Utah Nonrefundable Credits

Enter the Utah nonrefundable credits being distributed to the partners. Describe the nonrefundable credit in the space provided, and enter the Utah code for the credit (see *Nonrefundable Credits*, below). If a credit was received from an upper-tier pass-through entity, also complete and attach TC-250.

**Note:** If the partnership elected to pay Utah taxes on form TC-75 (*State and Local Tax (SALT) Report*), allocate the amount paid for each individual partner on their K-1 as a nonrefundable credit.

## Line 18 – Utah Refundable Credits

In the Utah column, enter the Utah refundable credits being distributed to the partners. Describe the refundable credit in the space provided, and enter the Utah code for the credit (see *Refundable Credits*, below). If a credit was received from an upper-tier pass-through entity, also complete and attach TC-250.

## Line 19 – Total Utah Tax Withheld on Behalf of All Partners

In the Utah column, enter the total amount of Utah withholding tax withheld on behalf of all the partners who are pass-through entity taxpayers by the partnership, and for whom the waiver from withholding was not requested. This amount must match the total pass-through withholding tax on Schedule N, column J for all pass-through entity taxpayers who have Utah withholding tax withheld.

## Nonrefundable Credits Passed-through on Schedule K

Nonrefundable credits on a partnership return are entered on Schedule K and then allocated and passed-through to the partners on Schedule K-1. Nonrefundable credits may not be used against any tax owed by the partnership.

### Nonrefundable Credit Codes

- 02** Qualified Sheltered Workshop Cash Contribution Credit
- 04** Capital Gain Transactions Credit
- 06** Historic Preservation Tax Credit
- 12** Credit for Increasing Research Activities in Utah
- 21** Renewable Residential Energy Systems Credit (TC-40E)
- 27** Veteran Employment Credit
- 28** Employing Persons Who are Homeless Credit
- 63** Achieving a Better Life Experience (ABLE) Program Credit
- AG** Carson Smith Opportunity Scholarship Program Credit
- AP** Pass-through Entity Taxpayer Income Tax Credit

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

Cash contributions made in the tax 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 percent 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. Enter this name on Schedules K and K-1.

For more information, contact:

Division of Services for People with Disabilities  
288 N 1460 W  
Salt Lake City, UT 84116  
1-800-275-3773

[dspd.utah.gov](http://dspd.utah.gov)

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

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

- a. the transaction occurs on or after Jan. 1, 2008;
- b. at least 70 percent 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/capital-gains](http://incometax.utah.gov/credits/capital-gains) for more information.

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

### Calculation of Capital Gain Transactions Tax Credit

1. Eligible short-term or long-term capital gain \$ \_\_\_\_\_
2. Multiply line 1 by 4.55% (.0455).  
This is the credit. \$ \_\_\_\_\_

### (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 to provide the Tax Commission upon request.

For more information, contact:

Utah State Historic Preservation Office  
3760 S Highland Drive  
Salt Lake City, UT 84106  
801-245-7277

[ushpo.utah.gov/shpo/financial-incentives/](http://ushpo.utah.gov/shpo/financial-incentives/)

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

The credit is:

1. 5 percent of your qualified expenses for increasing research activities in Utah above a base amount,

2. 5 percent of certain payments made to a qualified organization increasing basic research in Utah above a base amount, and
3. 7.5 percent of your qualified research expenses in Utah for the current tax year.

**Note:** You may carry forward for the next 14 years any credit for 1 or 2 (above) that is more than your tax liability. You may not carry forward any credit for 3 (above).

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 to a residential unit in Utah. If the residence is sold to a non-business entity before claiming the credit, you may irrevocably transfer the right to the credit to the new owner. Additional residential energy systems or parts may be claimed in following years as long as the total amount claimed does not exceed certain limits. Contact the Governor’s Office of Energy Development for more information. The principal portion of the lease payments may qualify for the credit if the lessor irrevocably elects not to claim the credit.

You may not claim this credit if you claim either the Renewable Commercial Energy Systems Credit (code 39) or the credit described in Utah Code §59-10-1029.

**Note:** Any credit that is more than the tax liability may be carried forward for the next four years.

**Note:** The credit for residential solar power systems has expired effective 2023. Carryforwards are allowed through 2027.

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, from the Governor’s Office of Energy Development with their certification stamp showing the amount of the credit. Do not send form TC-40E with your return. Keep the form and all related documents with your records to provide the Tax Commission upon request.

For more information, contact:

Governor’s Office of Energy Development (OED)  
 PO Box 144845  
 Salt Lake City, UT 84114  
 801-538-8682  
[energy.utah.gov/renewable-energy-systems-tax-credit](http://energy.utah.gov/renewable-energy-systems-tax-credit)

**(27) Veteran Employment Credit (UC §59-10-1031)**

A non-refundable credit is available to taxpayers who hire a qualified, recently deployed veteran.

A qualified, recently deployed veteran is an individual who was mobilized to active federal military service in an active or reserve component of the United States Armed Forces, and received an honorable or general discharge within the two-year period before the employment begins.

To qualify for the credit, the qualified veteran must meet all of the following conditions:

1. received an honorable or general discharge within the two-year period before the employment begins;

2. was collecting or was eligible to collect unemployment benefits, or has exhausted their unemployment benefits within the last two years, under Title 35A, Chapter 4, Part 4, *Benefits and Eligibility*; and
3. worked for the taxpayer for at least 35 hours per week for not less than 45 of the next 52 weeks following the veteran’s employment start date.

The credit is claimed beginning in the year the 45 consecutive weeks in paragraph 3 above are met.

Calculate the credit as follows:

<b>First Year Credit</b>			
(count all months in the year the 45-week requirement is met):			
1. Number of months or partial months the veteran was employed in the first year	1		
2. Monthly credit allowable in first year	2	<b>200</b>	
3. First year credit – multiply line 1 by line 2 (maximum \$2,400)	3		
<b>Second Year Credit:</b>			
4. Number of months or partial months the veteran was employed in the 2nd year	4		
5. Monthly credit allowable in second year	5	<b>400</b>	
6. Second year credit – multiply line 4 by line 5 (maximum \$4,800)	6		

We will not refund any credit greater than your tax due, but you may carry it forward to offset tax for up to five years.

If taking this credit, you must keep the following documentation and make it available to the Tax Commission upon request:

1. the veteran’s name, last known address, and taxpayer identification or Social Security number;
2. the start date of employment;
3. documentation establishing that the veteran was employed 45 out of the 52 weeks after the date of employment;
4. documentation from the veteran’s military service unit showing that the veteran was recently deployed; and
5. a signed statement from the Department of Workforce Services that the veteran was collecting, was eligible to collect, or exhausted their unemployment benefits within the last two years.

**(28) Employing Persons Who Are Homeless Credit (UC §59-10-1032)**

You may claim a credit for hiring a homeless person if you receive a credit certificate from the Department of Workforce Services.

Do not send the certificate with your return. Keep the certificate and all related documents with your records.

**Note:** You may carry forward for the next five years any credit that is more than your tax liability.

For more information contact:

Department of Workforce Services  
140 E 300 S  
PO Box 142503  
Salt Lake City, UT 84111-2503  
385-272-7798  
[jobs.utah.gov/employer/business/htc.html](http://jobs.utah.gov/employer/business/htc.html)

### (63) Achieving a Better Life Experience (ABLE) Program Credit (UC §59-10-1035)

You may claim a credit for 4.55 percent of the total qualified contributions you made to a Utah resident's *Achieving a Better Life Experience Program* account. You must make the contributions during the tax year and have an itemized statement from the qualified ABLE program.

You may not claim a credit for an amount greater than the federal gift tax exclusion (IRC §2503) or an amount already deducted on your federal income tax return.

#### Credit calculation

Contributions \_\_\_\_\_ x .0455 = Credit \_\_\_\_\_

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

For more information, contact:

Department of Workforce Services - ABLEUtah  
1595 West 500 South  
Salt Lake City, Utah 84104-5238  
1-800-439-1653  
[ableut.com](http://ableut.com)

### (AG) Carson Smith Opportunity Scholarship Program Credit (UC §59-10-1041)

You may claim a credit for a donation made to the *Carson Smith Opportunity Scholarship Program*. You will receive a tax credit certificate from the program, listing the amount of the credit. You may not claim this credit if you claimed the donation as an itemized deduction on your federal income tax return.

Do not send the certificate with your return. Keep the certificate and all related documents with your records.

**Note:** You may carry back one year or forward for the next three years any credit that is more than your tax liability.

### (AP) Pass-through Entity Taxpayer Income Tax Credit (UC §59-10-1045)

A partner who is an individual may claim a credit equal to the amount of Utah tax paid on their behalf by this partnership under §59-10-1043.2(2). This amount must be reflected on the K-1 issued to the partner. There is no form for this credit. Each partner must keep all related documents with their records.

**Note:** The partner receiving this credit may carry forward for the next five years any credit that is more than the partner's tax liability.

## Refundable Credits Passed-through on Schedule K

Refundable credits on a partnership return are entered on Schedule K and then allocated and passed-through to the partners on Schedule K-1. Refundable credits may not be claimed on a partnership return.

#### Refundable Credit Codes

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

### (36) Upper-tier Pass-through Entity Withholding Tax (UC §59-10-1103)

If this partnership owns an interest in another pass-through entity, that pass-through entity must withhold Utah income tax on any income attributable to this partnership. The pass-through entity must provide a Utah Schedule K-1 showing the amount of Utah withholding paid on behalf of this partnership.

This partnership then distributes the credit for the pass-through entity withholding tax to its partners. Complete TC-250, Part 2, and then enter and allocate the total upper-tier (previous) pass-through entity withholding tax using code 36.

Do not include Utah Schedule K-1 the partnership received showing this credit when filing this partnership's return.

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

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, from the Governor's Office of Energy Development with their certification stamp. Do not send this form with your return. Keep the form and all related documents with your records to provide the Tax Commission upon request.

You may not claim this credit if you claim either the *Renewable Residential Energy Systems Credit* (code 21) or the credit described in Utah Code §59-10-1029.

For more information, contact:

Governor's Office of Energy Development (OED)  
PO Box 144845  
Salt Lake City, UT 84114  
801-538-8682  
[energy.utah.gov/renewable-energy-systems-tax-credit](http://energy.utah.gov/renewable-energy-systems-tax-credit)

### (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 Utah Schedule K-1(s) for the tax year. For a fiscal year partnership, the credit is reported on the partnership return that is required to be filed during the year following the December closing period of the form TC-675R.

Enter the mineral production withholding tax on TC-250. Enter the credit in Part 2 if received from an upper-tier pass-through entity, or in Part 3 if received on a TC-675R from the mineral producer.

Do not attach the TC-675R or Utah Schedule K-1 to the partnership return.

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

You may claim a credit of 36.5 cents per gallon for motor fuel and undyed diesel fuel bought in Utah during 2024 and used 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.

This does not include golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, personal farming and other non-agricultural use.

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**Credit calculation:**

Gallons \_\_\_\_\_ x .365 = Credit \_\_\_\_\_

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There is no form for this credit. Keep all related documents with your records to provide the Tax Commission upon request.

**(48) Farm Operation Hand Tools Credit**  
(UC §59-10-1105)

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 to provide the Tax Commission upon request.

## Schedule K-1 – Partner’s Share of Utah Income, Deductions and Credits

Complete a Utah TC-65, Schedule K-1 for each partner, showing the share of income, gains, losses, deductions, and Utah credits that are distributed to the partner.

### Partnership Information

Line A. Enter the partnership’s federal EIN.

Line B. Enter the complete name and address of the partnership.

### Partner Information

Line C. Enter the partner’s Social Security or federal employer identification number.

Line D. Enter the partner’s complete name and address.

Line E. Enter the partner’s telephone number.

Line F. Enter the percent of ownership the partner has in the partnership.

Line G. Enter an “X” if the partner is a limited partner or limited member.

Line H. Enter the code identifying the type of entity the partner is. The codes are printed on Schedule K-1.

Line I. Enter the date the partner affiliated with this partnership, and the date of withdrawal if the partner is no longer a member of this partnership, if applicable.

### Partner’s Share of Apportionment Factors

Line J. Enter the partner’s share of the partnership’s property apportionment factor. Multiply both Column A and Column B of Schedule J, line 1f, by the partner’s percent of ownership (line F, above).

Line K. Enter the partner’s share of the partnership’s payroll apportionment factor. Multiply both Column A and Column B of Schedule J, line 3a, by the partner’s percent of ownership (line F, above).

Line L. Enter the partner’s share of the partnership’s sales apportionment factor. Multiply both Column A and Column B of Schedule J, line 5h, by the partner’s percent of ownership (line F, above).

## Other Information

Enter any additional information or explanation of entries needed by the partner in order to complete the partner's individual Utah return.

### Reminder:

For a Utah resident partner, report the same information on their Utah Schedule K-1 for income, losses and deductions that was reported on their federal Schedule K-1.

For a Utah nonresident partner, report the **apportioned** Utah income, losses and deductions multiplied by their ownership interest in the partnership. Use the apportionment fraction from Schedule A, line 15. Expenses directly attributable to Utah sources should be deducted against Utah income in total and not apportioned.

Utah nonrefundable and refundable credits passed through from the partnership to both Utah resident and nonresident partners are reported on Utah Schedule K-1.

### Line 1 – Utah Ordinary Business Income/Loss

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 1.

For a nonresident partner, enter the distributive share of apportioned Utah ordinary business income/loss and Utah nonbusiness income which is included in the amount reported on Utah Schedule A, line 17.

### Line 2 – Utah Net Rental Real Estate Income/Loss

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 2.

For a nonresident partner, enter the distributive share of apportioned Utah net rental real estate income/loss included in the amount reported on Utah Schedule A, line 17.

### Line 3 – Utah Other Net Rental Income/Loss

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 3.

For a nonresident partner, enter the distributive share of apportioned Utah other net rental income/loss included in the amount reported on Utah Schedule A, line 17.

### Line 4 – Utah Guaranteed Payments

Enter the partner's guaranteed payment, if any, from their federal Schedule K-1, box 4. If the partner is a nonresident, enter the guaranteed payment attributable to Utah source income, if any.

### Line 5a – Utah U.S. Government Interest Income

For a Utah resident partner, enter the amount of U.S. government interest income included in box 5 of their federal Schedule K-1.

For a nonresident partner, enter the distributive share of apportioned Utah U.S. government interest income included in the amount reported on Utah Schedule A, line 17.

### Line 5b – Utah Municipal Bond Interest Income

For a Utah resident partner, enter the amount of Utah taxable municipal bond interest income included on their federal Schedule K-1, line 18.

For a nonresident partner, enter the distributive share of apportioned Utah taxable municipal bond interest income.

### Line 5c – Utah Other Interest Income

For a Utah resident partner, enter the amount of other interest income (other than interest income shown on line 5a and 5b above) included in box 5 of their federal Schedule K-1.

For a nonresident partner, enter the distributive share of apportioned Utah other interest income included in the amount reported on Utah Schedule A, line 17.

### Line 6 – Utah Ordinary Dividends

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 6a.

For a nonresident partner, enter the distributive share of apportioned Utah ordinary dividends included in the amount reported on Utah Schedule A, line 17.

### Line 7 – Utah Royalties

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 7.

For a nonresident partner, enter the distributive share of apportioned Utah royalties included in the amount reported on Utah Schedule A, line 17.

### Line 8 – Utah Net Short-term Capital Gain/Loss

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 8.

For a nonresident partner, enter the distributive share of apportioned Utah net short-term capital gain/loss included in the amount reported on Utah Schedule A, line 17.

### Line 9 – Utah Net Long-term Capital Gain/Loss

For a Utah partner, enter the amount from their federal Schedule K-1, boxes 9a through 9c.

For a nonresident partner, enter the distributive share of apportioned Utah net long-term capital gain/loss included in the amount reported on Utah Schedule A, line 17.

### Line 10 – Utah Net Section 1231 Gain/Loss

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 10.

For a nonresident partner, enter the distributive share of apportioned Utah net §1231 gain/loss included in the amount reported on Utah Schedule A, line 17.

### Line 11 – Recapture of Section 179 Deduction

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 20, code M.

For a nonresident partner, enter the distributive share of any apportioned Utah recapture of a §179 deduction included in the amount reported on Utah Schedule A, line 17.

## Line 12 – Utah Other Income/Loss

For a Utah resident partner, enter:

1. the amount from their federal Schedule K-1, box 11;
2. the partner's distributive share of COVID-19 PPP grant or loan income reported on Utah Schedule A, line 5; and
3. the amount of state and local taxes paid to Utah and any other state(s) on income distributed to the partner.

For a nonresident partner, enter:

1. the distributive share of apportioned Utah other income/loss included in the amount reported on Utah Schedule A, line 17;
2. the amount of COVID-19 PPP grant or loan income reported on Utah Schedule A, line 5; and
3. the amount of state and local taxes paid to Utah and any other state(s) on income distributed to the partner.

For all entries on line 12, enter the description shown on Utah Schedule K, line 12, in the space provided.

## Line 13 – Utah Section 179 Deduction

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 12.

For a nonresident partner, enter the distributive share of apportioned Utah §179 deduction included in the amount reported on Utah Schedule A, line 17.

## Line 14 – Utah Contributions

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 13, codes A through G.

For a nonresident partner, enter the distributive share of any apportioned Utah contributions included in the amount reported on Utah Schedule A, line 17.

## Line 15 – Foreign Taxes Paid or Accrued

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 21.

For a nonresident partner, enter the distributive share of any apportioned Utah foreign taxes paid or accrued included in the amount reported on Utah Schedule A, line 17.

## Line 16 – Utah Other Deductions

For a Utah resident partner, enter the amount from their federal Schedule K-1, box 13, except codes A through G.

For a nonresident partner, enter the distributive share of apportioned Utah other deductions included in the amount reported on Utah Schedule A, line 17.

Enter the description as shown on Schedule K in the space provided.

## Line 17 – Utah Nonrefundable Credits

Enter each partner's distributive share of Utah nonrefundable credits as reported on Utah Schedule K, line 17. Also enter the description and Utah nonrefundable credit code as shown on Schedule K.

For each individual partner for whom you made a voluntary taxable income election (TC-75, *State and Local Tax (SALT) Report*), enter the amount of taxes paid. Allocate this amount directly to the individual as reported on form TC-75. Use code AP.

## Line 18 – Utah Refundable Credits

Enter each partner's distributive share of Utah refundable credits as reported on Utah Schedule K, line 18. Also enter the description and Utah refundable credit code as shown on Schedule K.

## Line 19 – Utah Tax Withheld on Behalf of Partner

Enter the amount of Utah withholding tax withheld by this partnership on behalf of this partner if treated as a pass-through entity taxpayer and calculated on Schedule N, and for whom the waiver from withholding was not requested (see instructions below). The partner will claim this amount on their individual Utah return.

Enter an "X" if the partnership entered a "1" in the **Withholding Waiver Request** box at the top of Schedule N to not withhold Utah tax on all pass-through entity taxpayers, or if the partnership entered a "2" in the **Withholding Waiver Request** box at the top of Schedule N and entered an "X" on line B of Schedule N for this specific partner.

**Provide each partner/member a copy of their Utah Schedule K-1.**

# Schedule N – Pass-through Entity Withholding Tax

The partnership, as a pass-through entity, must pay or withhold tax on behalf of each nonresident individual partner and each resident or nonresident business partner, and each resident or nonresident trust or estate partner (collectively referred to as pass-through entity taxpayers) unless a withholding waiver request is made (see below). A partnership is not required to withhold Utah tax on a partner if:

- the partner is exempt from taxation under UC §59-7-102(1)(a) or §59-10-104.1,
- the partnership is a plan under IRC §§401, 408 or 457 and is not required to file a return under UC Chapter 7, or
- the partnership is a publicly traded partnership as defined under UC §59-10-1403.2(1)(b)(iv).

A partner's share of taxable income is based on the percent determined in the partnership agreement for the partner 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 partners during the year, each partner's percentage of income is prorated by the number of days the interest was owned during the filing period.

Partners 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 tax year. A partner subject to withholding by the partnership and who has no other Utah source income may elect to forego the credit and not file a Utah income tax return. However, partners with income or loss from other Utah sources must file a Utah income tax return. A partner 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.

If the partner is a pass-through entity, it must file a Utah return to report its income/loss and withholding allocations to its partners/members/shareholders or beneficiaries.

Partnerships having partners for whom withholding is required must complete Schedule N showing the amount of Utah income attributable to the partner, the amount of Utah tax on such income (4.55 percent), any Utah mineral production withholding tax, upper-tier Utah pass-through entity withholding tax credited to the partners, taxes paid with form TC-75 (*Voluntary Taxable Income Election for Pass-through Entities*), and the net amount of withholding tax this partnership must pay on behalf of such partners. Use additional forms TC-65, Schedule N, if needed.

## Withholding Waiver Claim (UC §59-10-1403.2(5))

You may claim a waiver from the requirement to withhold Utah income tax on pass-through entity taxpayers by entering a "1" in the box if the waiver is for **all** partners, or a "2" if the waiver is for only certain partners. Also enter an "X" on line B and a "0" in column F for each partner for whom the waiver is claimed.

Claiming the waiver for all or specific partners does not relieve the partnership from the responsibility for the payment of Utah tax on the income allocated to partners if the partners do not pay. If the partner or partners for whom you claimed a waiver fail to file a return and make the required payment in a timely manner, you will be liable for the withholding, plus any penalties and interest.

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

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

## Line B – Withholding Waiver for this Partner

If you entered either a "1" or a "2" in the **Withholding Waiver Claim** box at the top of Schedule N, enter an "X" on line B if this partner is included in the waiver claim.

If you check this box, enter a "0" on line F for the partner.

## Line C – SSN/EIN of Partner

Enter the Social Security number of each nonresident individual partner, the federal EIN of each resident/nonresident business partner, or the federal EIN of each resident/nonresident trust or estate partner.

## Line D – Percent of Income or Ownership for Partner

Enter the percent of income for each partner based on the partnership agreement, or the percent of ownership in the partnership by each partner, to four decimal places. You must enter either the percent of income or the percent of ownership in the partnership for all partners; do not mix the percentages. See Utah Rule R865-91-13.

## Line E – Income/Loss Attributable to Utah

Enter the income/loss attributable to Utah and taxable to the pass-through entity taxpayer.

Calculate this income for a pass-through entity taxpayer by multiplying the amount on Schedule A, line 17 by each pass-through entity taxpayer's percentage shown on line D (or in accordance with the partnership agreement, if different).

If the partner received a guaranteed payment attributable to Utah source income, include that guaranteed payment (other than any health insurance included in the guaranteed payment) in the amount reported on line E. Utah pass-through withholding tax must include that payment. Guaranteed payments are sourced to the state or country where the income was generated, regardless of provisions which are contrary in the partnership agreement.

## Line F – 4.55 Percent of Income

Multiply the amount of income attributable to Utah for each pass-through entity taxpayer (line E) by 4.55 percent (.0455). If the amount on line E is a loss, enter "0". Also enter "0" if the waiver request has been requested for this partner (box B checked).

## Line G – Mineral Production Withholding Credit

Enter the amount of any mineral production withholding tax allocated to the pass-through entity taxpayer. The credit for mineral production withholding tax reduces the amount of Utah withholding tax that is calculated for this partner on Schedule N. Also report the credit on line 18 of Schedule K-1 for this partner.

### **Line H – Upper-tier Pass-through Withholding Tax**

Enter the amount of any pass-through entity withholding tax paid by an upper-tier (previous) pass-through entity, attributable to this partnership, and allocated to the pass-through entity taxpayer. The credit for upper-tier pass-through entity withholding tax reduces the amount of Utah withholding tax calculated for this partner on Schedule N. Also report the credit on line 19 of Schedule K-1 for this partner.

### **Line I – Tax Paid by Pass-through Entity (PTE)**

Enter the amount of taxes paid for this partner with form TC-75, *Voluntary Taxable Income Election for Pass-through Entities* (TC-75 is filed electronically on or before the last day of the partnership's tax year). This amount reduces the Utah withholding tax calculated for this partner on Schedule N. Also report the credit on line 17 of Schedule K-1 for this partner.

### **Line J – Withholding Tax to be Paid by This Partnership**

Subtract the total of the credits on lines G, H and I from the tax calculated on line F for each pass-through entity taxpayer. Do not enter an amount less than zero.

The withholding tax shown in column J is the withholding tax this partnership must withhold or pay on behalf of the pass-through entity taxpayer. Report this withholding tax on line 19 of Utah Schedule K-1 for this partner.

This withholding tax is to be paid to the Tax Commission by the original due date of the return. If the return is being filed on extension, this withholding tax must be prepaid by the original due date.

### **Total Pass-through Entity Withholding**

Add the pass-through withholding in column J for all partners. Enter this total at the bottom of Schedule N and carry it over to TC-65, line 3 and to Schedule K, line 19.

### **Pass-through Withholding Tax Calculation Summary**

The Utah withholding tax for partners who are pass-through entity taxpayers for whom the waiver is not requested is calculated as follows:

1. Line E – Enter the income attributable to Utah for the partner and any Utah-source guaranteed payment (other than health insurance).
2. Line F – Multiply the income on line E by the Utah tax rate of 4.55% (.0455).
3. Line G – Enter any Utah mineral production withholding tax allocated to this partner.
4. Line H – Enter any previous Utah withholding tax passed-through to this partnership by an upper-tier pass-through entity and allocated to this partner.
5. Line I – Enter any tax paid for this partner with form TC-75.
6. Line J – Subtract lines G, H and I from line F. Do not enter an amount less than zero. This is the pass-through withholding tax that must be paid by the partnership on behalf of the partner.

## **TC-250 – Credits Received from Upper-tier Pass-through Entities and Mineral Production Withholding Tax Credit on TC-675R**

Use TC-250 to report Utah nonrefundable and refundable tax credits allocated on a Utah Schedule K-1 to this partnership by an upper-tier pass-through entity in which this partnership owns an interest, as well as mineral production withholding tax credits received on a form TC-675R.

**Attach form TC-250 to your partnership return if the partnership received an allocation of nonrefundable and/or refundable credits from an upper-tier pass-through entity on a Utah Schedule K-1.**



**Upper-tier Pass-through Entity.** An upper-tier pass-through entity is a pass-through entity in which this partnership has an ownership interest and from whom this partnership receives an allocation of income, gain, loss, deduction, or credit on a Utah Schedule K-1.

If additional lines are needed to report any category, you may use additional forms TC-250.

### ► Part 1 – Utah Nonrefundable Credits Received from Other Pass-through Entities

Utah nonrefundable tax credits allocated to this partnership by an upper-tier pass-through entity and shown on Utah Schedule K-1 received from the upper-tier pass-through entity must be reported in Part 1. These credits are found on Utah Schedule K-1 under nonrefundable credits with a credit code. Do not include Utah Schedule K-1 the partnership received showing these credits when filing this partnership's return.

#### First Column

Enter in the first column the federal EIN shown in box "A" of Utah Schedule K-1 received by this partnership from the upper-tier pass-through entity.

#### Second Column

Enter in the second column the name shown in box "B" of Utah Schedule K-1 received by this partnership from the upper-tier pass-through entity.

#### Third Column

Enter in the third column the nonrefundable credit code shown on Utah Schedule K-1 received by this partnership from the upper-tier pass-through entity.

#### Fourth Column

Enter in the fourth column the amount of the distributed Utah nonrefundable credit shown on Utah Schedule K-1 received by this partnership from the upper-tier pass-through entity.

Carry the nonrefundable credits to Utah Schedule K, line 17 for this return. If you have multiple credits for the same credit code, combine the credit amounts before entering on Schedule K. Allocate the credit to the partners on their individual Schedule K-1 based on their ownership percentage or the partnership agreement.

### ► Part 2 – Utah Refundable Credits Received from Other Pass-through Entities

Utah refundable tax credits allocated to this partnership by an upper-tier pass-through entity and shown on Utah Schedule K-1 received from the upper-tier pass-through entity must be reported in Part 2. These credits are found on Utah Schedule K-1 under refundable credits with a credit code. Do not include Utah Schedule K-1 the partnership received showing these credits when filing this partnership's return.

#### First Column

Enter in the first column the federal EIN shown in box "A" of Utah Schedule K-1 received by this partnership from the upper-tier pass-through entity.

#### Second Column

Enter in the second column the name shown in box "B" of Utah Schedule K-1 received by this partnership from the upper-tier pass-through entity.

#### Third Column

Enter in the third column the refundable credit code shown on Utah Schedule K-1 received by this partnership from the upper-tier pass-through entity.

#### Fourth Column

Enter in the fourth column the amount of the allocated Utah refundable credit shown on Utah Schedule K-1 received by this partnership from the upper-tier pass-through entity.

Carry the refundable credits over to Utah Schedule K, line 18 for this return. If you have multiple credits for the same credit code, combine the credit amounts before entering on Schedule K. Allocate the credit to the partners on their individual Schedule K-1 based on their ownership percentage or the partnership agreement.

### ► Part 3 – Utah Mineral Production Withholding Tax Credit Received on TC-675R

Utah mineral production tax withheld on production income received by this partnership from the producer shown on form TC-675R must be reported in Part 3. Do not include the TC-675R with your partnership return.

#### First Column

Enter in the first column the federal EIN shown in box "2" of the form TC-675R received by this partnership.

#### Second Column

Enter in the second column the producer's name shown in box "1" of the form TC-675R received by this partnership.

#### Third Column

Enter in the third column the amount of the mineral production withholding tax shown in box "6" of the form TC-675R received by this partnership.

Total the mineral production withholding amounts shown in the third column. Carry this total to Utah Schedule K for this return and enter it on line 18 using code "46." Allocate this amount to the partners on their individual Schedule K-1 based on their ownership percentage or the partnership agreement.



Utah State Tax Commission

# Partnership Return Payment Coupon

# TC-544

Rev. 12/11

tax.utah.gov

## Use of Payment Coupon

If you have a tax due balance on your Utah partnership return and you have previously filed your return (either electronically or by paper) without a payment, include the payment coupon below with your check or money order to insure proper credit to your account. Do not mail another copy of your partnership return with this payment. Sending a duplicate of your return may delay posting of the payment.

If you are sending a payment with your paper Utah partnership return, include the payment coupon below with your check or money order, to insure proper credit to your account.

Do not use this return payment coupon to prepay future partnership taxes. Use form TC-559.

## Electronic Payment

You may pay your tax online at [tap.utah.gov](http://tap.utah.gov).

## When to Pay

If you are paying the withholding tax withheld or paid on behalf of pass-through entity taxpayers (partners/members), you must pay by the original due date of the return (without regard to extensions) to avoid penalties and interest.

## How to Prepare the Payment

Make your check or money order payable to the Utah State Tax Commission. Do not send cash. The Tax Commission does not assume liability for loss of cash placed in the mail.

Print the name of the partnership, address, daytime telephone number and the year the payment is for on your check or money order.

## Sending the Payment Coupon

If sending this payment coupon separate from your partnership return, do NOT mail another copy of your return with this payment.

Complete and detach the payment coupon below.

Do not attach (staple, paper clip, etc.) the check or money order to the payment coupon.

Send the payment coupon and payment to:

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

**SEPARATE AND RETURN ONLY THE BOTTOM COUPON WITH PAYMENT. KEEP TOP PORTION FOR YOUR RECORDS.**

## Partnership Return Payment Coupon

Tax year ending (mm/dd/yyyy)

USTC Use Only

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

# TC-544

Rev. 12/11

Name of partnership		EIN	
Address			
City	State	ZIP code	
Prepayment amount enclosed		\$	00

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