

Instructions for Form 65

Oregon Partnership Return of Income

Partnership minimum tax

The January 26, 2010 Oregon special election may affect your 2009 return. **Please wait to file your return until after February 1, 2010.**

A partnership minimum tax of \$150 for doing business in Oregon has been referred to voters for a vote on January 26, 2010. Because this special election affects tax year 2009, we will start processing returns after February 1, 2010. Filing before then will delay the processing of your return.

If the partnership did business in Oregon during 2009, check yes on line 1, Form 65. "Doing business" means being engaged in any profit-seeking activity in Oregon. If the partnership didn't do business in Oregon, check no and go to line 2.

- **If the minimum tax passes**, you must pay a \$150 minimum tax if you answered yes on line 1 **and** you answered yes to question A or B on line 2. You must make payment when you file Form 65. For payment instructions, see page 2.
- **If the minimum tax fails**, you won't need to make a payment, but you may still be required to file Form 65.

Which partnerships must file an Oregon partnership return?

- Every partnership having income derived from or connected with sources in Oregon.
- Every partnership having one or more Oregon resident partners.

Exception: Publicly traded partnerships taxed as corporations.

Filing deadlines

Returns for the 2009 calendar year are due by April 15, 2010. Fiscal year returns are due by the 15th day of the fourth month after the end of the partnership's tax year.

▼ Detach Here

PARTNERSHIP PAYMENT VOUCHER

For tax year OR Fiscal Year Ending _____

FORM
65-V
150-101-065 (Rev. 10-09)

Detach Here ▼

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Department of Revenue Use Only
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Check if: First time Oregon filer
 New name or address
 Amended return

Daytime Telephone Number () _____

Mail your payment, voucher, and tax return to: Oregon Dept. of Revenue, PO Box 14260, Salem OR 97309-5060

Name of partnership	Federal employer identification number (FEIN)	Payment Amount \$ 1 5 0 . 0 0	
Current mailing address	Oregon business identification number (BIN)		
City	State	ZIP code	

What must be attached to the Oregon partnership return?

Attach information in the following order:

- A copy of federal Form 1065, *U.S. Return of Partnership Income*, or Form 1065-B, *U.S. Return of Income for Electing Large Partnerships*. Include all pages and supporting schedules (for example, Schedule M-3).
- Schedule AP, *Apportionment of Income for Corporations and Partnerships* (form 150-102-171), if you answered yes to questions 6A and 6B on Form 65.
- An *Oregon Depreciation Schedule* (form 150-101-025), if Oregon depreciation differs from federal depreciation.
- If this is the final partnership return, a schedule showing to whom all assets and liabilities were distributed, and each asset's adjusted basis and fair market value, sales price, or if distributed, to which partners.
- Federal Schedule K-1s, if less than 11 partners during the year. If you had more than 10 partners at any time during the year, attach a summary of partner information. **We also accept summaries and K-1s on CD.**
- Form 24, *Oregon Like-Kind Exchanges/Involuntary Conversions* if you had a 1031 exchange investing in out of state property.

Form 8886/REIT/RIC. If you filed a Form 8886 with the IRS or participated in a REIT or RIC, you must check the "Form 8886/REIT/RIC" box.

Partnership failure-to-file penalty

A penalty may be assessed if a partnership doesn't file a return or fails to provide information to the Department of Revenue as required by law. The penalty is \$50 per month per partner for each month the return is late or incomplete,

up to a maximum of five months. Each partner is personally liable for a portion of the penalty.

Individual income tax returns

Each partner's distributive share of net income (or loss) and separately stated items must be reported on that partner's individual income tax return.

Partners report their share of Oregon modifications on their Oregon tax returns. Increases to income go on the "Other additions" line of the Oregon individual return; use code 119. Decreases to income go on the "Other subtractions" line; use code 323.

Nonresident partners can choose to file an *Oregon Individual Income Tax Return for Nonresidents*, Form 40N, or elect to join in the filing of an *Oregon Composite Return*, Form OC, by the partnership.

Guaranteed payments

Guaranteed payments are treated as distributive shares of partnership income. For nonresident partners income attributable to Oregon sources is determined by applying the allocation and apportionment provisions to each nonresident's entire distributive share including guaranteed payments.

Oregon modifications to federal partnership income

Complete Schedule I (on page 2 of Form 65) to figure Oregon modifications to federal partnership income. Attach schedules if necessary to explain and compute the modifications.

Important! If you expensed business property under IRC section 179 or claimed the 50-percent bonus depreciation or the \$8,000 additional depreciation allowed under IRC section 168(k), you may have an addition. Use the *Oregon Depreciation Schedule* to see if you have an addition due to Oregon differences.

Gain on voluntary and involuntary conversions. Oregon allows partnerships to elect for their partners to defer the gain on voluntary and involuntary conversions. Partnerships

must make the election for all consenting partners. Attach Form 24, *Oregon Like-kind Exchanges/Involuntary Conversion*, 150-800-734, to your *Oregon Partnership Return of Income*, Form 65, and check the box on the front of Form 65.

Credits

Partners may qualify for certain tax credits on their individual income tax returns even though the costs were paid by the partnership. For a complete list of credits, visit www.oregon.gov/sites/DOR/PERTAX/pit_partnership.page.

Extension to time to file

If you filed a federal extension, you don't need to file an Oregon extension because Oregon allows the same extension. If you need to file an Oregon-only extension, you must file the extension by the due date of the return.

TriMet and Lane Transit District self-employment taxes

Self-employment earnings of taxpayers doing business or providing services within the TriMet and/or Lane Transit Districts are subject to these taxes. A partnership may elect to file and pay the transit district self-employment tax on behalf of any or all the individual partners.

Withholding requirement for partnerships

A partnership with one or more nonresident partners and Oregon-source income is usually required to withhold tax unless the partner makes an election to join in the filing of a composite return. Use Form OR-19, *Report of Nonresident Owner Tax Withheld*, to determine withholding for nonresident partners.

Payments

- Make your check or money order payable to "Oregon Department of Revenue."
- Write your daytime telephone number and "2009 Partnership Tax" on your check.
- Do not send cash or a postdated check.
- Complete Form 65-V payment voucher and include it with your payment and return.

Taxpayer assistance

General tax information..... www.oregon.gov/DOR
Salem 503-378-4988
Toll-free from an Oregon prefix 1-800-356-4222

Asistencia en español:

En Salem o fuera de Oregon 503-378-4988
Gratis de prefijo de Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem area or outside Oregon 503-945-8617
Toll-free from an Oregon prefix 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.