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MISSOURI DEPARTMENT OF REVENUE

PARTNERSHIP RETURN OF INCOME

2008
FORM
MO-1065

FOR THE YEAR JANUARY 1 – DECEMBER 31, 2008, OR FISCAL YEAR BEGINNING 2008, AND ENDING 20

☐ AMENDED RETURN ☐ FINAL RETURN ☐ NAME, ADDRESS, FEIN CHANGE ☐ COMPOSITE

BUSINESS NAME

DOR USE ONLY

NUMBER AND STREET

MISSOURI I.D. NUMBER

CITY OR TOWN, STATE, ZIP CODE

FEDERAL I.D. NUMBER

INFORMATION FOR FILING

If you are a **Limited Liability Company**, being taxed as a partnership, please check here. ☐

1. Does the partnership have ANY Missouri modifications? ☐ YES ☐ NO If YES, complete Parts 1 and 2 below.
2. Does the partnership have ANY nonresident partners? ☐ YES ☐ NO If YES, complete Form MO-NRP.

NOTE: If NO to both questions, do not complete remainder of return. Attach a copy of Federal Form 1065 and all its schedules, including Schedule K-1, sign below, and mail.

PART 1 — MISSOURI PARTNERSHIP ADJUSTMENT

Additions (attach detailed explanation of each item)					
1. State and local income taxes deducted on Federal Form 1065	1	00			
2. Less: Kansas City and St. Louis earnings taxes	2	00			
3. Net (subtract Line 2 from Line 1)			3		00
4. State and local bond interest (except Missouri)	4	00			
5. Less: related expenses (omit if less than $500)	5	00			
6. Net (subtract Line 5 from Line 4)			6		00
7. ☐ Partnership ☐ Fiduciary ☐ Other adjustments (list _____)			7		00
8. Food Pantry Contributions			8		00
9. Total of Lines 3, 6, 7 and 8			9		00
Subtractions (attach explanation of each item)					
10. Interest from exempt federal obligations	10	00			
11. Less: related expenses (omit if less than $500)	11	00			
12. Net (subtract Line 11 from Line 10)			12		00
13. Amount of any state income tax refund included in federal ordinary income			13		00
14. ☐ Partnership ☐ Fiduciary ☐ Other adjustments (list _____)			14		00
15. Missouri depreciation adjustment (See Section 143.121, RSMo.)			15		00
16. Total of Lines 12, 13, 14 and 15			16		00
17. Missouri partnership adjustment — **NET ADDITION** — excess Line 9 over Line 16			17		00
18. Missouri partnership adjustment — **NET SUBTRACTION** — excess Line 16 over Line 9			18		00

PART 2 — ALLOCATION OF MISSOURI PARTNERSHIP ADJUSTMENT TO PARTNERS

COMPLETE IF PART 1 INDICATES A PARTNERSHIP ADJUSTMENT

1. NAME OF EACH PARTNER. ALL PARTNERS MUST BE LISTED USE ATTACHMENT IF MORE THAN FOUR.	2. CHECK BOX IF PARTNER IS NONRESIDENT	3. SOCIAL SECURITY NUMBER	4. PARTNER'S SHARE %	5. PARTNER'S PARTNERSHIP ADJUSTMENT ☐ ADDITION ☐ SUBTRACTION
a)	☐		%	00
b)	☐		%	00
c)	☐		%	00
d)	☐		%	00
TOTAL			100 %	00

COLUMN 4 — Enter percentages from Federal Form 1065, Schedule K-1. Round percentages to whole numbers.
COLUMN 5 — Enter Missouri partnership adjustment from Part 1, Line 18 or 19. Multiply each percentage in Column 4 times the total in Column 5. Indicate at the top of Column 5, whether the adjustments are additions or subtractions. A copy of this part (or its information) must be provided to each partner. The amount after each partner's name in Column 5 must be reported as a modification on his/her Form MO-1040, Individual Income Tax Return, Part 1 of the Form MO-A, as an addition to, or subtraction from, the federal adjusted gross income. Each partner must attach an explanation for the adjustment to his/her return.

AUTHORIZATION

I authorize the Director of Revenue or delegate to discuss my return and attachments with the preparer or any member of his/her firm. ☐ YES ☐ NO

PREPARER'S TELEPHONE NUMBER

SIGNATURE — PLEASE SIGN BELOW

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than partner or member) is based on all information of which he/she has any knowledge. I also declare under penalties of perjury that I employ no illegal or unauthorized aliens as defined under federal law and that I am not eligible for any tax exemption, credit or abatement if I employ such aliens.

SIGNATURE OF GENERAL PARTNER		PREPARER'S SIGNATURE (OTHER THAN TAXPAYER)	FEIN, SSN, OR PTIN
DATE	TELEPHONE NO.	PREPARER'S ADDRESS AND ZIP CODE	DATE

ATTACH COPY OF FEDERAL FORM 1065 AND ALL ITS SCHEDULES, INCLUDING K-1 AND SEND WITH COMPLETED RETURN TO: Missouri Department of Revenue P.O. Box 3000, Jefferson City, MO 65105-3000.

For Privacy Notice, see the instructions.

GENERAL INFORMATION

This information is for guidance only and does not state the complete law.

Who Must File Form MO-1065

Form MO-1065 must be filed, if Federal Form 1065 is required to be filed and the partnership has (1) a partner that is a Missouri resident or (2) any income derived from Missouri sources, Section 143.581, RSMo. Items of income, gain, loss, and deduction derived from, or connected with, sources within Missouri are those items attributable to (1) the ownership or disposition of any interest in real or tangible personal property in Missouri or (2) a business, trade, profession, or occupation carried on in Missouri. Income from intangible personal property, to the extent that such property is employed in a business, trade, profession, or occupation carried on in Missouri, constitutes income derived from sources within Missouri.

Short Form — Form MO-1065

If you check "No" on both questions 1 and 2 on Form MO-1065, attach a copy of Federal Form 1065 and all its schedules, including Schedule K-1. Sign Form MO-1065 and mail the return.

If you check "Yes" on question 1 on Form MO-1065, Parts 1 and 2 must be completed. If "Yes" was checked on question 2, Form MO-1065, complete Form MO-NRP. Attach a copy of Federal Form 1065 and all its schedules, including Schedule K-1. Sign Form MO-1065 and mail the return.

When and Where to File

A Missouri partnership return should be completed after the federal partnership return is completed. The Missouri partnership return is due no later than the 15th day of the 4th month following the close of the taxable year. For partnerships operating on a calendar year basis, the partnership return is due on or before April 15. When the due date falls on a Saturday, Sunday, or legal holiday, the return will be considered timely if filed on the next business day. Please mail the return to: Missouri Department of Revenue, P.O. Box 3000, Jefferson City, MO 65105-3000.

Period Covered by the Return

Form MO-1065, Partnership Return of Income, must cover the same period as the corresponding Federal Form 1065. Indicate the period covered on the front of the return if other than a calendar year.

Rounding on Missouri Returns

You must round all cents to the nearest whole dollar on your return. For cents .01 through .49, round down to the previous whole dollar amount. For cents .50 through .99, round up to the next whole dollar amount. For your convenience, the zeros have already been placed in the cent columns on the returns.

Credits

Partners may be entitled to tax credits. These credits must be allocated to the partners' percentage of ownership and reported on the Form MO-1040, Individual Income Tax Return. See Form MO-1040 and Form MO-TC instructions for further information. You may also access the information at **www.dor.mo.gov/tax/taxcredit.**

Nonresident Partners

Every partnership, including limited liability companies that are treated as a partnership by the Internal Revenue Service (IRS), must file Form MO-1NR, Income Tax Withheld for Nonresident Individual Partners or S Corporation Shareholders and send in copies of Form MO-2NR, Statement of Income Tax Payments for Nonresident Individual Partners or S Corporation Shareholders, if it has nonresident individual partners who do not meet one of the following exceptions:

- the nonresident partner, not otherwise required to file a return, elects to have the Missouri income tax due paid as part of the partnership's composite return;
- the nonresident partner, not otherwise required to file a return, had Missouri assignable federal adjusted gross income from the partnership of less than twelve hundred ($1,200) dollars;
- the partnership is liquidated or terminated, income was generated by a transaction related to termination on liquidation, and no cash or property was distributed in the current or prior taxable year.

A nonresident partner can request the partnership be exempt from withholding by filing a completed Form MO-3NR, Partnership/S Corporation Withholding Exemption/Revocation Agreement.

Form MO-1NR must be filed by the due date or extended due date for filing the partnership income tax return. Form MO-3NR must be filed by the due date for filing the partnership income tax return without regard to an extension of time to file. Forms may be obtained by contacting: Missouri Department of Revenue, Taxation Division, P.O. Box 3022, Jefferson City, MO 65105-3022, calling (573) 751-6881 (TDD (800) 735-2966), visiting the department's web site at **www.dor.mo.gov/tax**, or contacting the department's Forms-by-Fax at (573) 751-4800.

If you have technical questions concerning the filing of Form MO-1NR and Form MO-3NR, you may contact the Taxation Division at (573) 751-1467.

Partnerships filing a composite return on behalf of their nonresident partners should mark the composite return box on Page 1 of the return. The composite return is filed on the Form MO-1040. Complete instructions can be found on the department's web site at **www.dor.mo.gov/tax/business/corporate/forms/composite.pdf.**

Authorization

Check the "yes" box for authorization of release of confidential information for the Director of Revenue or delegate to discuss this return and attachments with the preparer whose signature appears on the Form MO-1065 or to any member of his/her firm. If the authorization box is checked "no", or if no box is checked, the Department of Revenue can only discuss this return with a partner. Refer to Section 32.057(1), RSMo.

Sign the Return

Form MO-1065, Partnership Return of Income, must be signed by one of the partners of the partnership or one of the members of the joint venture or other enterprise. Any member or partner, regardless of position, may sign the return.

Internet

To obtain information and Missouri tax forms, access our web site at: **www.dor.mo.gov/tax**

Tax Forms Available by Fax

Blank Missouri tax forms are available by fax. To access the Forms-by-Fax system call (573) 751-4800 from your fax machine handset. The Forms-by-Fax system will take you through the steps required to receive a fax copy of the forms you need. If you are speech or hearing impaired, please call TDD (800) 735-2966 or fax (573) 526-1881.

Americans With Disabilities Act (ADA)

The state of Missouri offers a Dual Party Relay Service (DPRS) for speech/hearing impaired individuals in accordance with the Americans with Disabilities Act (ADA). An individual with a speech/hearing impairment may call a voice user at TDD (800) 735-2966 or fax (573) 526-1881.

FORM MO-1065, PARTNERSHIP RETURN OF INCOME INSTRUCTIONS

Part 1 — Missouri Partnership Adjustment

The addition and subtraction items listed on Part 1 are necessary Missouri modifications. Completion of Part 1 will result in the net Missouri partnership adjustment that will be allocated to the partners in Part 2. The partner's adjustment can only be made from information available from the partnership. It is necessary for each partnership having modifications to complete Form MO-1065, Parts 1 and 2, and notify each partner of the adjustment to which he/she is entitled.

Interest on Exempt Federal Obligations — Interest from direct obligations of the U.S. Government, such as U.S. savings bonds, U.S. treasury bills, bonds, and notes is exempt from state taxation under the laws of the United States. Attach a detailed list or all Federal Form 1099(s). Partnerships that claim an exclusion for interest from U.S. obligations must identify the specific securities owned, (e.g., U.S. savings bond). A general description, such as "interest on U.S. obligation" or "U.S. Government securities" is not acceptable. (See 12 CSR 10-2.150 for the taxability of various U.S. Government-related obligations.) A list of exempt U.S. obligations must be provided to each partner by the partnership. This list will allow the partner to report the modification on his/her Form MO-1040, Individual Income Tax Return.

A federally taxed distribution received from a mutual fund investing exclusively in direct U.S. Government obligations is exempt. If the mutual fund invests in both exempt (direct) and nonexempt (indirect) federal obligations, the deduction allowed will be the distribution received from the mutual fund attributable to the direct U.S. Government obligations, as determined by the mutual fund. A copy of the year-end statement received from the mutual fund showing the amount of monies received or the percentage of funds received from direct U.S. Government obligations or a summary statement received from the mutual fund which clearly identifies the exempt and nonexempt portions of the U.S. Government obligations interest, must be provided to each partner by the partnership. **Note:** Failure to attach a copy of the notification furnished to you that specifically details the amount of the subtraction being claimed as the distributive share will result in the disallowance of the deduction.

In arriving at the amount of related expenses, the taxpayer may use actual expenses or a reasonable estimate. In general, the taxpayer should use the same or similar method to that used to compute related expenses for federal income tax purposes, provided that the method reasonably reflects related expenses for Missouri-exempt income.

If a taxpayer fails to compute reasonable related expenses, the Director of Revenue will make an adjustment based on the best information made available. If sufficient information is not made available or if the taxpayer's records do not provide sufficient information, the Director of Revenue will use the following formula to compute related expenses:

$$\frac{\text{Exempt income}}{\text{Total income}} \times \text{Expense items} = \text{Reduction to exempt income}$$

The principal expense item in this formula is interest expense; however, the Director of Revenue may include other expense items because of the direct relationship to the production of exempt income. The taxpayer may propose an alternative method provided that it properly reflects the amount of related expenses.

Part 2 — Allocation of Missouri Partnership Adjustment to Partners

Part 2 indicates the portion of the Missouri adjustment from Part 1 that is allocated to each partner. Column 4 and the instructions for Column 5 are based upon the usual situation that a single general profit and loss sharing percentage applies to all partnership items and related modifications. Attach a detailed explanation (including extracts from the partnership agreement) if the Column 5 amounts are not based upon the same single percentage allocation indicated on Federal Form 1065, Schedule K-1. The explanation must include the nontax purposes and effects of the special allocation method.