

2025 Instructions for Schedule EO (565)

Pass-Through Entity Ownership

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2025**, and to the California Revenue and Taxation Code (R&TC).

General Information

In general, for taxable years beginning on or after January 1, 2025, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2025. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to **ftb.ca.gov** and search for **conformity**. Additional information can be found in FTB Pub.1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540), California Adjustments – Residents, or Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents, and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

Purpose

Use Schedule EO (565), Pass-Through Entity Ownership, to report all partnership, limited liability company (LLC) taxable as partnerships, and disregarded entity ownership interests held by the taxpayer.

This schedule is completed by partnerships and LLCs taxable as partnerships that hold partial ownership interest in other partnerships, LLCs taxable as partnerships, and/or own disregarded entities, including single member limited liability companies (SMLLCs) that are disregarded.

This schedule should contain information regarding all partnerships, LLCs taxable as partnerships, and all disregarded entities (including SMLLCs) in which the taxpayer holds an interest, regardless of whether the entities are required to file a tax return in California, or are subject to California annual tax or LLC fee.

This schedule is not completed by S corporations or to report S corporation pass-through income.

Entities to include on this schedule are those that file federal Form 1065, U.S. Return of Partnership Income, if applicable, or are disregarded for federal tax purposes.

When completing this form, provide the name, California Secretary of State (SOS) file number, and federal employer identification number (FEIN) for each entity listed.

Attach the completed Schedule EO (565) to the back of Form 565, Partnership Return of Income, if applicable. Attach additional Schedule EO (565) as necessary.

Specific Instructions

Part I – Partial Ownership

List the entities in which the taxpayer holds partial (less than 100%) ownership interest.

For each partnership and LLC taxable as a partnership, provide the name, California SOS file number, and FEIN.

California Source Income

Enter a check mark in the column to indicate if the taxpayer received pass-through income derived from or attributable to California sources.

Profit and Loss Percentage

Enter the profit and loss percentages for each partnership and LLC taxable as a partnership at the end of the year. This information is found at Item D (ii) of your California Schedule K-1(565), Partner's Share of Income, Deductions, Credits, etc., or at Item C (ii) of your California Schedule K-1(568), Member's Share of Income, Deductions, Credits, etc.

Part II – Full Ownership

List the disregarded entities in which the taxpayer holds full ownership interest of 100%.

For each disregarded entity provide the name, California SOS file number, and FEIN.

California Source Income

Enter a check mark in the column to indicate if the disregarded entity received income derived from or attributable to California sources.