TAXABLE YEAR **2019** CALIFORNIA FORM **565**

Partnership Return of Income

For calendar year 2019 or fiscal year beginning ______ (m m / d d / y y y y) and ending ______ (m m / d d / y y y y) . RP

Partnership name (type or print) Check box if name changed ☐

A FEIN

Additional information

B California Secretary of State (SOS) file number

Street address (suite, room, PO box) PMB no.

City (If the partnership has a foreign address, see instructions.) State ZIP code

Foreign country name Foreign province/state/county Foreign postal code

E Check accounting method (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (attach explanation)

F Date business started in CA (m m / d d / y y y y)

G Enter total assets at end of year. See instructions. $

H Check the applicable box (1) ☐ Initial return (2) ☐ FINAL RETURN (3) ☐ Amended return (4) ☐ Protective claim

I (1) During this taxable year, did another person or legal entity acquire control or majority ownership (more than a 50% interest) of this partnership or any legal entity in which the partnership holds a controlling or majority interest that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term? ☐ Yes ☐ No

(2) During this taxable year, did this partnership acquire control or majority ownership (more than a 50% interest) in another legal entity that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term? ☐ Yes ☐ No

(3) During this taxable year, has more than 50% of the partnership's ownership interests cumulatively transferred in one or more transactions after an interest in California real property (i.e., land, buildings) was transferred to it that was excluded from property tax reassessment under Revenue and Taxation Code Section 62(a)(2) and it was not reported on a previous year's tax return? ☐ Yes ☐ No

(Yes requires filing of statement, penalties may apply – see instructions.)

Caution: Include **only** trade or business income and expenses on line 1a through line 22. See the instructions for more information.

		Line	Amount
Income	**1 a** Gross receipts or sales $ ______ **b** Less returns and allowances $ ______ **c** Balance	1c	00
	2 Cost of goods sold (Schedule A, line 8)	2	00
	3 GROSS PROFIT. Subtract line 2 from line 1c	3	00
	4 Total ordinary income from other partnerships and fiduciaries. Attach schedule	4	00
	5 Total ordinary loss from other partnerships and fiduciaries. Attach schedule	5	00
	6 Total farm profit. Attach federal Schedule F (Form 1040 or 1040-SR)	6	00
	7 Total farm loss. Attach federal Schedule F (Form 1040 or 1040-SR)	7	00
	8 Total gains included on Schedule D-1, Part II, line 17 (**gain only**)	8	00
	9 Total losses included on Schedule D-1, Part II, line 17 (**loss only**)	9	00
	10 Other income. Attach schedule	10	00
	11 Other loss. Attach schedule	11	00
	12 Total income (loss). Combine line 3 through line 11	12	00
Deductions — Enclose, but do not staple, any payment	**13** Salaries and wages (other than to partners)	13	00
	14 Guaranteed payments to partners	14	00
	15 Bad debts	15	00
	16 Deductible interest expense not claimed elsewhere on return	16	00
	17 a Depreciation and amortization. Attach form FTB 3885P $ ______ **b** Less depreciation reported on Schedule A and elsewhere on return $ ______ **c** Balance	17c	00

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Deductions (cont.)	18	Depletion. Do not deduct oil and gas depletion	18	00
	19	Retirement plans, etc.	19	00
	20	Employee benefit programs	20	00
	21	Other deductions. Attach schedule ●	21	00
	22	**Total deductions**. Add line 13 through line 21 ●	22	00
	23	Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12 ●	23	00
Payments	24	**Tax — $800.00 (LPs, LLPs, and REMICs only).** See instructions ●	24	00
	25	Partnership level tax. See instructions ●	25	00
	26	**Total tax.** Add line 24 and line 25 ●	26	00
	27	Withholding (Form 592-B and/or 593) ● 27 ___ 00		
	28	Amount paid with extension of time to file return (form FTB 3538) ● 28 ___ 00		
	29	**Total payments**. Add line 27 and line 28 ●	29	00
Amount Due or Refund	30	**Use tax. This is not a total line.** See instructions ● 30 ___ 00		
	31	Payments balance. If line 29 is more than line 30, subtract line 30 from line 29 ●	31	00
	32	**Use tax balance.** If line 30 is more than line 29, subtract line 29 from line 30 ●	32	00
	33	Tax due. If line 26 is more than line 31, subtract line 31 from line 26 ●	33	00
	34	**Refund**. If line 31 is more than line 26, subtract line 26 from line 31 ●	34	00
	35	Penalties and interest. See instructions ●	35	00
	36	**Total amount due**. Add line 32, line 33, and line 35. Make the check or money order payable to the Franchise Tax Board ●	36	00

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1	00
2	Purchases less cost of items withdrawn for personal use	2	00
3	Cost of labor	3	00
4	Additional IRC Section 263A costs. Attach schedule	4	00
5	Other costs. Attach schedule	5	00
6	**Total**. Add line 1 through line 5	6	00
7	Inventory at end of year	7	00
8	**Cost of goods sold**. Subtract line 7 from line 6. Enter here and on Side 1, line 2	8	00

9 a Check all methods used for valuing closing inventory:
(1) ☐ Cost **(2)** ☐ Lower of cost or market as described in Treas. Reg. Section 1.471-4 **(3)** ☐ Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) **(4)** ☐ Other. Specify method used and attach explanation ____________

b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970 ☐

c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No

d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

J What type of entity is filing this return? Check one only:

● 1 ☐ General partnership ● 2 ☐ LP required to pay annual tax (is doing business in CA, is registered with SOS, or is organized in CA)

● 3 ☐ LP, LLC, or other entity NOT required to pay annual tax (is not doing business in CA, is not registered with SOS, and is not organized in CA)

● 4 ☐ REMIC ● 5 ☐ LLP ● 6 ☐ Other (See instructions) ____________

K Principal business activity code (**Do not** leave blank) ● ____________
Business activity ____________ Product or service ____________

L Enter the maximum number of partners in this partnership at any time during the year. Attach a CA Sch. K-1 (565) for each partner ● ____________

M Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner? ● ☐ Yes ☐ No

N Is any partner of the partnership a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other partner? ● ☐ Yes ☐ No

O Are any partners in this partnership also partnerships or LLCs? If "Yes," complete Schedule K-1, Table 3 for each ● ☐ Yes ☐ No

P Does the partnership meet all the requirements shown in the instructions for Question P? ☐ Yes ☐ No

Q Is this partnership a partner in another partnership or multiple member LLC? If "Yes," complete Schedule EO, Part I. ● ☐ Yes ☐ No

R Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? ● ☐ Yes ☐ No
If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754

S Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)? ☐ Yes ☐ No

T Is this partnership under audit by the IRS or has it been audited in a prior year? ● ☐ Yes ☐ No

U (1) Does the partnership have any foreign (non U.S.) nonresident partners? ● ☐ Yes ☐ No

(2) Does the partnership have any domestic (non-foreign) nonresident partners? ● ☐ Yes ☐ No

(3) Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these partners? ● ☐ Yes ☐ No

V Is this an investment partnership? See General Information O, Investment Partnerships, in the instructions ● ☐ Yes ☐ No

W Is the partnership apportioning or allocating income to California using Schedule R? ● ☐ Yes ☐ No

X Has the partnership included a Reportable Transaction or Listed Transaction within this return? ● ☐ Yes ☐ No
(See instructions for definitions.) If "Yes," complete and attach federal Form 8886 for each transaction.

Y Did this partnership file the Federal Schedule M-3 (Form 1065)? ● ☐ Yes ☐ No

Z Is this partnership a direct owner of an entity that filed a federal Schedule M-3? ● ☐ Yes ☐ No

AA Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN. ● ☐ Yes ☐ No

BB Does this partnership own an interest in a business entity disregarded for tax purposes? If "Yes," complete Schedule EO, Part II. ● ☐ Yes ☐ No

CC (1) Is the partnership deferring any income from the disposition of assets? (see instructions) ● ☐ Yes ☐ No

(2) If "Yes," enter the year of asset disposition ● ____

DD Is the partnership reporting previously deferred income from: ● ☐ Installment Sale ● ☐ IRC §1031 ● ☐ IRC §1033 ● ☐ Other

EE "Doing business as" name. See instructions: ● ____

FF (1) Has this partnership operated as another entity type such as a Corporation, S Corporation, General Partnership, Limited Partnership, LLC or Sole Proprietorship in the previous five (5) years? ● ☐ Yes ☐ No

(2) If "Yes", provide prior FEIN(s) if different, business name(s), and entity type(s) for prior returns filed with the FTB and/or IRS. (see instructions): ____

GG (1) Has this partnership previously operated outside California? ● ☐ Yes ☐ No

(2) Is this the first year of doing business in California? ● ☐ Yes ☐ No

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Sign Here

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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of general partner ▶	Date	Telephone ●
General Partner's email address (optional)		

Paid Preparer's Use Only

Paid Preparer's signature ▶	Date	Check if self-employed ☐	PTIN ●
Firm's name (or yours if self-employed) and address ▶	Telephone ●		Firm's FEIN ●

May the FTB discuss this return with the preparer shown above (see instructions)? ● ☐ Yes ☐ No

Schedule K Partners' Shares of Income, Deductions, Credits, etc.

Section		(a) Distributive share items	Line	(b) Amounts from federal K (1065)	(c) California adjustments	(d) Total amounts using California law
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	●		◉
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825	2			◉
	3 a	Gross income (loss) from other rental activities	3a			◉
	b	Less expenses. Attach schedule	3b			◉
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c			●
	4	Guaranteed payments to partners	4			●
	5	Interest income	5			●
	6	Dividends	6			●
	7	Royalties	7			●
	8	Net short-term capital gain (loss). Attach Schedule D (565)	8			●
	9	Net long-term capital gain (loss). Attach Schedule D (565)	9			●
	10 a	Total gain under IRC Section 1231 (other than due to casualty or theft)	10a			●
	b	Total loss under IRC Section 1231 (other than due to casualty or theft)	10b			●
	11 a	Other portfolio income (loss). Attach schedule	11a			◉
	b	Total other income. Attach schedule	11b			◉
	c	Total other loss. Attach schedule	11c			◉
Deductions	12	Expense deduction for recovery property (IRC Section 179). Attach schedule	12			◉
	13 a	Charitable contributions. See instructions. Attach schedule	13a			◉
	b	Investment interest expense	13b			●
	c	1 Total expenditures to which IRC Section 59(e) election may apply	13c1			◉
		2 Type of expenditures ◉	13c2			
	d	Deductions related to portfolio income	13d			◉
	e	Other deductions. Attach schedule	13e			◉
Credits	15 a	Withholding on partnership allocated to all partners	15a			◉
	b	Low-income housing credit	15b			◉
	c	Credits other than the credit shown on line 15b related to rental real estate activities	15c			◉
	d	Credits related to other rental activities	15d			◉
	e	Nonconsenting nonresident members' tax allocated to all partners	15e			◉
	f	Other credits	15f			●
Alternative Minimum Tax (AMT) Items	17 a	Depreciation adjustment on property placed in service after 1986	17a			◉
	b	Adjusted gain or loss	17b			◉
	c	Depletion (other than oil and gas)	17c			◉
	d	Gross income from oil, gas, and geothermal properties	17d			◉
	e	Deductions allocable to oil, gas, and geothermal properties	17e			◉
	f	Other alternative minimum tax items	17f			◉
Other Information	18 a	Tax-exempt interest income	18a			◉
	b	Other tax-exempt income	18b			●
	c	Nondeductible expenses	18c			◉
	19 a	Distributions of money (cash and marketable securities)	19a			◉
	b	Distribution of property other than money	19b			◉
	20 a	Investment income	20a			◉
	b	Investment expenses	20b			◉
	c	Other information. See instructions	20c			◉
Analysis	21 a	Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e.	21a			●

Analysis

b Analysis by type of partner:	(a) Corporate	(b) Individual i. Active	(b) Individual ii. Passive	(c) Partnership	(d) Exempt Organization	(e) Nominee/Other
(1) General partners	◉	◉	◉	◉	◉	◉
(2) Limited partners	◉	◉	◉	◉	◉	◉

Schedule L Balance Sheets. See the instructions for Question P before completing Schedules L, M-1, and M-2.

Assets	Beginning of income year (a)	Beginning of income year (b)	End of income year (c)	End of income year (d)
1 Cash				
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				●
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule				●
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				●
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	●
10 a Depletable assets				
b Less accumulated depletion	( )		( )	
11 Land (net of any amortization)				●
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
13 Other assets. Attach schedule				●
14 **Total** assets				
Liabilities and Capital				
15 Accounts payable				●
16 Mortgages, notes, bonds payable in less than 1 year				●
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				●
19 Mortgages, notes, bonds payable in 1 year or more				●
20 Other liabilities. Attach schedule				●
21 Partners' capital accounts				●
22 **Total** liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return. Use total amount under California law.
If the partnership completed federal Schedule M-3 (Form 1065), see instructions.

1 Net income (loss) per books ●

2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize. ●

3 Guaranteed payments (other than health insurance) ●

4 Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:

a Depreciation ● $________

b Travel and entertainment ● $________

c Limited partnership tax ● $________

d Other ● $________

e Total. Add line 4a through line 4d ●

5 Total of line 1 through line 4e

6 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:

a Tax-exempt interest ● $________

b Other ● $________

c Total. Add line 6a and line 6b ●

7 Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:

a Depreciation ● $________

b Other ● $________

c Total. Add line 7a and line 7b ●

8 Total. Add line 6c and line 7c

9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5 ●

Schedule M-2 Analysis of Partners' Capital Accounts. Use California amounts.

1 Balance at beginning of year ●

2 Capital contributed during year:

a Cash ●

b Property ●

3 Net income (loss) per books ●

4 Other increases. Itemize ●

5 Total of line 1 through line 4

6 Distributions: a Cash ●

b Property ●

7 Other decreases. Itemize ●

8 Total of line 6 and line 7

9 Balance at end of year. Subtract line 8 from line 5 ●