

# Oklahoma Partnership Composite Income Tax Supplement

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FORM **514-PT** 2019

Must be completed for nonresidents electing to be included in a composite return.  
 If there are more than 15 partners, use Form 514-PT-SUP to enter the additional partners.  
 Use as many Forms 514-PT-SUP as needed.

Name of Partnership	Federal Employer Identification Number
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<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>FEIN/SSN</b>	<b>Federal Distributive Income</b> From Form 514, Part 5: Line 4 plus Line 6 minus Line 8	<b>Oklahoma Additions and Subtractions</b> See instructions Attach schedule	<b>Distributive Income from All Sources</b> Column B plus/minus Column C	<b>Base Tax</b> See instructions	<b>Oklahoma Distributive Income</b> From Form 514, Part 5: Line 5 plus Line 7 minus Line 9 and Form 561-P	<b>Tax %</b> Column F divided by Column D	<b>Oklahoma Non-Resident Tax</b> See instructions
1)		+/-	=				%
2)		+/-	=				%
3)		+/-	=				%
4)		+/-	=				%
5)		+/-	=				%
6)		+/-	=				%
7)		+/-	=				%
8)		+/-	=				%
9)		+/-	=				%
10)		+/-	=				%
11)		+/-	=				%
12)		+/-	=				%
13)		+/-	=				%
14)		+/-	=				%
15)		+/-	=				%

I) Enter the total from Supplemental Schedule(s), Form 514-PT-SUP, Columns F and H.....  .....

J) Total nonresident's share of Okla. distributive income (enter here & on Form 514, Part 1, line 1)...

K) Total nonresident Oklahoma tax (enter here and on Form 514, Part 1, line 2).....

## Partnership Composite Income Tax Supplement Instructions (Rule 710:50-19-1)

Any partnership required to file an Oklahoma income tax return may elect to file a composite return for nonresident partners. Any nonresident partner may be included in the composite return. (see Rule 710:50-19-1 for additional detail)

### Oklahoma Capital Gain Deduction Information:

(Form 514-PT, Column C and Column F)

Nonresident partners electing to be included in the composite return can deduct qualifying gains receiving capital treatment which are included in Federal taxable income. "Qualifying gains receiving capital treatment" means the amount of the net capital gains, as defined by Internal Revenue Code Section 1222(11). The qualifying gain must:

- 1) Be earned on real or tangible personal property located within Oklahoma that you have owned indirectly for at least five uninterrupted years prior to the date of sale;
- 2) Be earned on the sale of stock or ownership interest in an Oklahoma headquartered company, limited liability company, or partnership where such stock or ownership interest has been owned, indirectly, by you for at least three (two for individuals) uninterrupted years prior to the date of sale; or
- 3) Be earned on the sale of real property, tangible personal property or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, or partnership where such property has been directly or indirectly owned by such entity or owned by the owners of such entity, and used in or derived from such entity for a period of at least three uninterrupted years (two for individuals) prior to the date of the sale.

Enclose a Form 561-P for each such nonresident partner and a copy of the partnership's Federal Schedule D.

Note: Resident partners and nonresident partners not electing to be included in the composite return will compute their capital gain deduction on their Oklahoma income tax return.

## Instructions for Individual and Trust Nonresident Partners

The Oklahoma taxable income of an individual or trust nonresident partner shall be calculated as if all income were earned in Oklahoma, using Form 514-PT. The Federal distributive income of each partner will be adjusted using the Oklahoma adjustments allowed in 68 Oklahoma Statutes Sec. 2358, to arrive at Oklahoma distributive income from all sources from this partnership. The Oklahoma distributive income from all sources is the taxable income upon which tax is calculated. No deduction for the standard deduction, personal exemptions, federal income tax paid or dependents is permitted for an individual partner. The tax is then calculated using the highest marginal tax rate. At this point, the tax is prorated using the Oklahoma distributive income from Oklahoma sources divided by the distributive income from all sources from this partnership. The prorated tax is the partner's Oklahoma tax.

**Column A** - Social Security or Federal Employer Identification Number of nonresident partner.

**Column B** - Combine the amounts from Form 514, Part 5, Lines 4, 6 and 8. This should be the total amount of Federal income/loss available for distribution to this partner.

**Column C** - Treating the partnership income as if it were all earned in Oklahoma, enter the partner's share of any additions and subtractions to Federal distributive income that would be allowed in arriving at Oklahoma distributive income. For example: interest on U.S. Government obligations, additional depletion, Oklahoma Capital Gains Deduction, etc. Enter subtractions as a negative number. Enclose a detailed schedule substantiating any amounts entered in this column.

**Column D** - Combine the amounts in Column B and Column C.

**Column E** - Tax before allocation. Using a tax rate of 5%, compute the tax on the income in Column D.

**Column F** - Combine the amounts from Form 514, Part 5, Lines 5, 7 and 9 and the amount from Form 561-P, Column G, line 7. This should be the total amount of Oklahoma income/loss available for distribution to this partner.

**Column G** - Divide Column F by Column D. Do not enter more than 100%.

**Column H** - Multiply the base tax in Column E by the tax percentage in Column G.

## Instructions for Corporate, S Corporation and Partnership Nonresident Partners

**Column A** - Federal Employer Identification Number of nonresident partner.

**Column F** - Combine the amounts from Form 514, Part 5, Lines 5, 7 and 9 and the amount from Form 561-P, Column G, line 7. This should be the total amount of Oklahoma income/loss available for distribution to this partner.

**Column H** - Multiply the Oklahoma distributive income by the 6% tax rate.

## Instructions for Lines I, J and K

**Line I** - Enter the total of Column F from all supplemental schedules (Form 514-PT-SUP). Enter the total of Column H from all supplemental schedules (Form 514-PT-SUP).

**Line J** - Total Column F. Enter here and on the Form 514, Part 1, line 1.

**Line K** - Total Column H. Enter here and on the Form 514, Part 1, line 2.