Test Scenario 2 uses the Federal Form 1065 Test Scenario 3. Dated 09/30/20

Form Required: 514

Misc. Additional Information -

- The county in which located is Oklahoma
- The interest income is reported as 'other interest income' in Part 3.

Information needed to complete the Apportionment Formula, Column A -

- Inventories = 195,784
- Rented property (Capitalized) = 540,548
- Payroll = 35,000
- Sales shipped to Oklahoma from outside Oklahoma = 640,800

Information needed to complete Part 5:

- Line 3 'Percentage of Partnership Owned': Peter Teak sold his partnership interest to Joseph Spruce. Any of the following are acceptable %s for Peter and Joseph.
- Line 4 "Distributable Federal Income". Any of the following are acceptable Income Distributions for Peter and Joseph.

Peter Teak		Joseph Spruce		
Percentage of Partnership Owned	Distributable Federal Income	Percentage of Partnership Owned	Distributable Federal Income	
45%	580,952	45%	580,952	
22.5%	290,476	22.5%	290,476	
0%	0	45%	580,952	

• Line 5 "Distributable Oklahoma Income" should equal 10,267 for both Peter and Joseph.

Information needed to complete Part 6: Additional Information section –

- The location of principal accounting records is the same address as on the tax return.
- The Internal Revenue Service has not re-determined the company's tax liability for any prior year.
- The statute of limitations was not extended by consent for any prior year.
- The business name is the same as on the tax return.
- The principal location in Oklahoma is 32 W 66th, Arcadia OK 73007
- The date business began in Oklahoma was 06/30/2018.

Explanation Statement: Add the following in the <ExplanationStatement> element -

• Peter Teak sold his partnership interest to Joseph Spruce, see Federal Form 8308.

Form 514

Preparer's PTIN

P00000001





Oklahoma Partnership Income Tax Return

This form is due 30 days after the due date of the Federal return. For the year January 1 - December 31, 2020, or other taxable year beginning: 2020 ending: Partnership Name Federal Employer Identification Number **Business Code Number** EASTLAND QUARRIES 00-2000003 212310 Street Address City, State or Province, Country and ZIP or Foreign Postal Code County In which located 2313 JACKSON AVE. PORTLAND. OR 97208 OKLAHOMA Electing PTE Initial Final Amended return Place an 'X' if: (1) (3) (2)return return (See Schedule 514-X on page 5) (Form 586 was filed) PART 1: TAX COMPUTATION FOR NONRESIDENT COMPOSITE FILERS AND ELECTING PASS-THROUGH ENTITIES -OR- FOR PARTNERSHIPS CLAIMING THE REFUNDABLE CREDIT FROM FORM 577 OR 578. Nonresident share of income (514-PT, Column F, line J) -or- electing pass-through entity's taxable income (587-PTE, Part 3, line 3). If the Oklahoma Capital Gain Deduction (Form 561P or 561-PTE) is included in Form 514-PT, Column C or F or in Form 587-PTE, Column C, place an "X" in the box..... 00 Complete line 2a -or- lines 2b and 2c 00 00 2c 00 Nonresident Oklahoma tax (line 2a) -or- Electing Pass-Through Entity Tax (total of lines 2b and 2c) (If recapturing the Oklahoma Affordable Housing Tax Credit, add the recaptured credit here and enter a "1" in the box. If making an Oklahoma installment payment pursuant to IRC Sec. 965(h) and 68 O.S. Sec. 2368(K), add the installment payment here and enter a "2" in the box) 2 00 3 Less: Other Credits from Form 511CR (see instructions) (provide Form 511CR) 3 00 Balance of tax due (line 2 minus line 3, but not less than zero) 00 5 2020 Oklahoma estimated tax payments (e.g Form(s) OW-8-ESC and prior year overpayment carryforward)..... 00 Amount paid with extension request..... 00 Oklahoma withholding (provide Forms 1099, 500A, 500B, etc.).... 00 8 Refundable credits from Forma) 577.....b) 578..... 0.0 g Amount paid with original return and amount paid after it was filed (amended return only) 0.0 10 Any refunds or overpayment applied (amended return only)...... 10 (00 0013 Amount of line 12 to be credited to 2021 estimated tax (original return only)..... 13 00 Direct Deposit Note: Is this refund going to or through an account that is located outside of the United States? Yes No savings account Deposit my refund in my: checking account All refunds must be by direct deposit. See Direct Deposit Information on Routing Account page 11 of the 514 Packet for details. 00 16 00 17 For delinquent payment add penalty of 5%\$ interest of 1.25% per month.....\$ 17 0.0 0.0 18 If the Oklahoma Tax Commission may discuss this return with your tax preparer, place an 'X' here Under penalties of perjury, I declare I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. If prepared by person other than the taxpayer, this declaration is based on all information of which preparer has any knowledge. Make check payable to the Signature of Partner or Membe Signature of Preparer Printed Name of Partner or Member Printed Name of Prepare JONATHAN TEAK JOHN SMITH

Phone Number

555-631-1212

Phone Number

555-555-5555

PRESIDENT

Partnership Name:

EASTLAND QUARRIES

FEIN:

00-2000003



PART 2: ORDINARY INCOME FROM TRADE OR BUSINESS Column A Column B CAUTION: Include only trade or business income and expenses on lines 1a through 22 below. As reported on Federal Return Total applicable to Oklahoma a. Gross receipts or sales...... \$ 15,200,800 b. Minus returns and allowances\$ 115,470 15,085,330:00 0.0 2 Cost of goods sold and/or operations..... 7,000,032 00 0.0 Gross profit (subtract line 2 from line 1) 8,085,298 00 00 4 Ordinary income (loss) from other partnerships and fiduciaries (provide schedule)..... 0.0 nn 5 Net farm profit (loss) (provide Sch. F, Form 1040) 00 5 00 6 Net gain (loss) (Form 4797, line 18)..... 37,400 00 00 7 Other income (loss) (provide schedule)..... 36,522 00 7 0.0 Total income (loss) (add lines 3 through 7)..... 8 8,159,220 00 8 00 9 Salaries and wages (other than to partners) 550,000 00 9 00 10 Guaranteed payments to partners..... 00 10 0.0 11 Repairs and maintenance..... 3,120,512 00 11 00 12 Bad debts 11,411,00 12 00 13 Rent.... 386,634 00 13 0.0 14 Taxes and licenses 262,140 00 14 00 15 Interest..... 38,106 00 15 00 16 Depreciation ..., 00 16 00 17 Depletion (do not deduct oil and gas depletion)..... 653,121 00 17 0.0 18 Retirement plans, etc..... 53,721 00 18 0.0 19 Employee benefit program 287,416:00 19 0.0 20 Other deductions (provide schedule)..... 1,459,679 00 20 0.0 21 Total deductions (add lines 9 through 20)..... 6,822,740 00 21 00 Ordinary income (loss) from trade or business: Subtract line 21 from line 8..... 1,336,480 00 22 00 Column A Column B PART 3: DISTRIBUTIVE SHARE ITEMS As reported on Federal Return Total applicable to Oklahoma 1 Ordinary income (loss) from trade or business activity(ies) (Part 2, line 22) 1,336,480 00 1 0.0 Net income (loss) from rental real estate activity(ies) (provide schedule) 00 00 3 Net income (loss) from other rental activity(ies) (provide schedule) 00 3 0.0 a. Interest on loans, notes, mortgages, bonds, etc..... 00 4a 00 b. Interest on obligations of a state or political subdivision...... 4h 0.0 c. Interest on obligations of the United States..... 00 4c d. Other interest income 14,225 00 4d 0.0 e. Dividend income..... 00 4e 00 f. Royalty income (patent or copyright)..... Portfolio 00 4f 00 g. Net short-term capital gain (loss)..... 2,300 00 4q 00 h. Net long-term capital gain (loss)..... (2,500) 00 4h OΩ i. Other portfolio income (loss) (provide schedule)...... 00 4i 0.0 Net gain (loss) under section 1231 (other than due to casualty or theft) (56,500) 00 5 0.0 6 Other (provide schedule)..... 00 6 00 7 Total income (Add lines 1 through 6) 1,294,005 00 7 00 8 Contributions 3,000 00 8 00 9 Expense deductions for recovery property (Section 179) (provide sch.) 00 9 00 10 Deductions related to portfolio income 00 10 0.0 Depletion (other than oil and gas) 11 00 11 0.0 12 Intangible drilling costs 00 12 0.0 13 Other deductions authorized by law (provide schedule)..... 00 13 0.0 Total deductions (Add lines 8 through 13)..... 3,000 00 14 0.0 15 Net distributive income (line 7 minus line 14)..... 1,291,005 00 15 45,631 00

Partnership Name:

EASTLAND QUARRIES

FEIN:

00-2000003



PART 4: COMPUTATION OF OKLAHOMA TAXABLE INCOME OF A UNITARY ENTERPRISE WHOSE INCOME IS PARTLY WITHIN AND PARTLY WITHOUT OKLAHOMA

Net distributable income from Page 2, Part 3, Column A, line 15	1	1,291,005
Add: (a)2a		
(b) Unallowable deduction (provide schedule)2b	100	
(c) Other income (provide schedule)2c		
(d) Total of lines 2a through 2c	2d	
Deduct all items separately allocated:		
(a) Interest on obligations of the United States3a		
(b) CAP, GAIN FROM SALE OF STOCK 2,300		
	3d	(200)
	4	1,291,205
	5	45,631
(b)6b		
100.000.000.000.000.000.000.000.000.000	1110	
	6e	* G= 101 = 10 - 10 - 17
(add lines 5 and 6e; enter here and on Page 2, Part 3, Column B, line 15)	_	45.631
	Add: (a)	Add: (a)

APPORTIONMENT FORMULA

Note: Provide a complete copy of your federal return.

1 Value of real and tangible personal property used in the unitary business (by averaging the value at the beginning and ending of the tax period).	Column A Total Within Oklahoma		Column B tal Within and nout Oklahoma		Column C (A divided by B) Percent Within Oklahoma
(a) Owned property (at original cost):		2000			
(i) Inventories1ai	195,784		1,290,120		
(ii) Depreciable property 1aii			9,428,776		
(iii) Land1aiii			373,500		
(iv) Total of section "a" 1aiv	195,784		11,092,396		
(b) Rented property (capitalize at 8 times net rental paid) .1b	540,548		3,493,072		
(c) Total of sections "a" and "b" above\$	736,332	\$	14,585,468	1c	5.0484 %
2 (a) Payroll2a	35,000		2,680,412		
(b) Less: Officer salaries2b					
(c) Total (subtract officer salaries from payroll)	35,000	\$	2,680,412	2c	1.3058 %
3 Sales: (a) Sales delivered or shipped to Oklahoma purchasers: (i) Shipped from outside Oklahoma	640,800				
(b) Sales shipped from Oklahoma to:					
(i) The United States government					
(c) Total all of sections "a" and "b"\$	640,800	\$	15,085,330	3с	4.2478 %
4 If revenue, traffic units or miles traveled is used rather than sales, indicate here:					
5 Total percent (sum of items 1, 2 and 3)		· · · · · · · · · · · · · · · · · · ·		5	10.602 %
6 Average percent (1/3 of total percent) (carry to Part 4, line 5	above)	· · · · · · · · · · · · · · · · · · ·		6	3.534 %

2020 Form 514 - Partnership Income Tax Return - Page 4	2020 Form 514	- Partnership	Income Tax	Return - Page
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2020 Form 514 - Partnership Income Tax Return - Page 4	
Partnership Name:	FEIN:
EASTLAND QUARRIES	00-200003



ALL PARTNERSHIPS MUST COMPLETE PART 5 OR MAY PROVIDE THE FEDERAL K-1S IF OKLAHOMA INFORMATION IS STATED SEPARATELY ON THE FEDERAL K-1.

	TO OTATED OF MONTES ON THE PEDELATER I.
Enter number of partners:	3

If completing Part 5, use Form 514-SUP when there are more than three partners. Use as many Forms 514-SUP as needed.

		Partner 1	Partner 2	Partner 3	
1	Name and address of each partner Name:	JONATHAN TEAK	PETER TEAK	JOSEPH SPRUCE	
	Address:	48 ADAMS AVE	34 WASHINGTON AVE	5421 NORTH 2100 SOUTH	
	City, State, ZIP:	PORTLAND, OR 97208	PORTLAND, OR 97208	PORTLAND, OR 97208	
2	SSN or FEIN	000-30-0003	000-30-0001	000-00-0002	
3	Percentage of Partnership Owned	55%	22.5%	22.5%	
4	Distributable Federal Income	710,053	290,476	290,476	
5	Distributable Oklahoma Income (see instructions)	25,097	10,267	10,267	
6	Guaranteed Payments (Federal)				
7	Guaranteed Payments (Oklahoma)				
8	Oil and Gas Depletion (Federal)				
9	Oil and Gas Depletion (Oklahoma)				
10	Amount of Credit				
11	Type of Credit				
12	Amount of Withholding				
13	Type of Withholding				
No	nresident Partner (If the Electing	PTE box is checked on page	1, leave line 14 blank)		
14	Is the Partner being included in Composite filing? (If Yes, complete Form 514-PT)	Yes X No	Yes X No	Yes X No	
Forn	ce: Forms required to compute with n 1099 MISC, Form 500A: Nonresid Form 529: Small Business Guaranty	ent Royalty Withholding, Form 5 Fee Credit. Schedules or autho	11CR: Other Credits, Form 506 rization must be furnished.	: Investment/New Jobs Credit,	
	NOTE: PROVID	E A COMPLETE COPY OF YOU		1065-B.	
P	ART 6: ADDITIONAL INFORM	ATION Extension: If you have ap place an 'X' here and provide	plied for an extension from the IRS, de a copy. ▶		
	tion of Principal Accounting Records				
_	3 JACKSON AVE	PORTLANI		97208	
Addres Has	s the IRS redetermined your tax liabili	City	State ☐ Yes 😠 No What	Zip vears?	
	ou file amended returns for the yea		☐ Yes 😠 No What ☐ Yes ☐ No 🗵 N/		
	las the statute of limitations been extended by consent for any prior years? Yes No What years?				
	ness nameEASTLAND QUARRIES	and the second s		n Oklahoma _ 06/30/2018	
	Principal location(s) in Oklahoma 32 w 66TH, ARCADIA, OK 73007				



Partnership Name:	Federal Employer Identification Number:
EASTLAND QUARRIES	00-2000003
SCHEDULE 514-X: AMENDED RETURN SCHEDULE	
	No
Provide a copy of the amended federal return and a copy of "Statement of Adjustn	nent," IRS refund check or deposit slip.
B If this return is being filed due to a federal audit, furnish a complete copy of the RA	AR.
C Explanation or reason for amended return (provide all necessary schedules):	
	-
•	
	
-	

Instructions for filing an Amended Return

When filing an amended return, place an "X" in the Amended Return check-box at the top of page 1. Enter any amount(s) paid with the original return plus any amount(s) paid after it was filed on line 9. Enter any refund previously received or overpayment applied on line 10. Complete the Amended Return Schedule, Schedule 514-X above.

Provide the amended Federal return and proof of disposition by the IRS when applicable.

An overpayment on an amended return may not be credited to estimated tax, but will be refunded. The amount applied to estimated tax on the original return cannot be adjusted.