

Form 514 Test Scenario 2

Eastland Quarries

11-2000003

Test Scenario 2 uses the Federal Form 1065 Test Scenario 3.

Deviations from Test Package Federal Form 1065:

- 1065, page 1 - Change the partnership's Federal Employer Identification Number to: 11-2000003

**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 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 redetermined 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 66<sup>th</sup>, Arcadia OK 73007
- The date business began in Oklahoma was 06/30/2017.

**Explanation Statement:** Add the following in the <ExplanatinStatement> element -

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

**Additional Schedule: UnallowableDeductionAddSch** (Form 514, Part 4, Line 2b)  
**ScheduleName** - Unallowable Deduction

Charitable contributions	3,000
<b>TOTAL</b>	<b>3,000</b>

# OKLAHOMA PARTNERSHIP INCOME TAX RETURN

Form 514  
2017



This form is due 30 days after the due date of the Federal return.

**AMENDED RETURN!**  
If this is an Amended Return place an 'X' here   
See Schedule 514-X on page 5.

For the year January 1 - December 31, 2017, or other taxable year beginning:  , 2017 ending:  ,

Partnership Name:  
EASTLAND QUARRIES

Street Address:  
2313 JACKSON AVE

City, State or Province, Country and ZIP or Foreign Postal Code:  
PORTLAND OR 97208

Federal Employer Identification Number: 11-2000003	Business Code Number: 212310	County in which located: OKLAHOMA	Was a 2016 Partnership Income Tax return filed? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If this is a final return, place an 'X' here: <input type="checkbox"/>
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Enter number of partners: 3 Note: An Oklahoma return must be filed by all partnerships having Oklahoma source income.  
Enter total amount of Oklahoma Net Distributable Income (Part 3, Column B, line 15): 45,737

**PART 1: TAX COMPUTATION FOR NONRESIDENT COMPOSITE FILERS OR FOR A PARTNERSHIP CLAIMING THE REFUNDABLE CREDIT FROM FORM 577 OR 578 - Complete Part 1 if filing a composite return for your nonresident partners. Any nonresident partner may be included in the composite return. Provide Form 514-PT: Oklahoma Partnership Composite Income Tax Supplement.**

1	Nonresident share of income (514-PT, Column F, line J) .....	1		00
2	Nonresident Oklahoma tax (514-PT, Column H, line K). If recapturing the Oklahoma Affordable Housing Tax Credit, add the recaptured credit here and enter a "1" in the box.....	2	<input type="checkbox"/>	00
3	<b>Less:</b> Other Credits form (see instructions) (provide Form 511CR) .....	3	<input type="checkbox"/>	00
4	Balance of tax due (line 2 minus line 3, but not less than zero) .....	4		00
5	2017 Oklahoma estimated tax payments (i.e Form(s) OW-8-ESC) .....	5		00
6	Amount paid with extension request.....	6		00
7	Oklahoma withholding (provide Forms 1099, 500A, 500B, etc.) .....	7		00
8	Refundable Credits from Form ..... a) <input type="checkbox"/> 577 ..... b) <input type="checkbox"/> 578 .....	8		00
9	Amount paid with original return and amount paid after it was filed (amended return only) .....	9		00
10	Any refunds or overpayment applied (amended return only) .....	10	(	00
11	Total of lines 5 through 10.....	11		00
12	Overpayment (line 11 minus line 4) .....	12		00
13	Amount of line 12 to be credited to 2018 estimated tax (original return only).....	13		00
14	Amount of line 12 to be refunded to you (line 12 minus line 13) .....	14	Refund →	00

**Direct Deposit Note:** All refunds must be by direct deposit. See Direct Deposit Information on page 11 of the 514 Packet for details.

Is this refund going to or through an account that is located outside of the United States?  Yes  No

Deposit my refund in my:  checking account  savings account

Routing Number:  Account Number:

15	Tax Due (line 4 minus line 11).....	Tax Due →	15		00
16	Underpayment of estimated tax interest.....	Annualized <input type="checkbox"/>	16		00
17	<b>For delinquent payment</b> add penalty of 5% ..... \$ ..... plus interest of 1.25% per month..... \$ .....		17		00
18	Total tax, penalty and interest (add lines 15, 16 and 17) .....	Balance Due →	18		00

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.

Signature of Partner or Member		Date		Signature of Preparer		Date	
Printed Name of Partner or Member JONATHAN TEAK				Printed Name of Preparer JOHN SMITH			
Title PRESIDENT	Phone Number 555-555-5555	Phone Number 555-631-1212	Preparer's PTIN P00000001				



Partnership Name: <b>EASTLAND QUARRIES</b>	Federal Employer Identification Number: 11-2000003
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## PART 2: ORDINARY INCOME FROM TRADE OR BUSINESS

**CAUTION:** Include only trade or business income and expenses on lines 1a through 21 below.

1	a.	Gross receipts or sales..... \$ <u>15,200,800</u>	
	b.	<b>Minus</b> returns and allowances \$ <u>115,470</u> .....	
2		Cost of goods sold and/or operations.....	
3		Gross profit (subtract line 2 from line 1) .....	
4		Ordinary income (loss) from other partnerships and fiduciaries (provide schedule).....	
5		Net farm profit (loss) (provide Sch. F, Form 1040) .....	
6		Net gain (loss) (Form 4797, line 18).....	
7		Other income (loss) (provide schedule) .....	
8		<b>Total income</b> (loss) (add lines 3 through 7).....	
9		Salaries and wages (other than to partners) .....	
10		Guaranteed payments to partners.....	
11		Repairs and maintenance .....	
12		Bad debts .....	
13		Rent.....	
14		Taxes and licenses .....	
15		Interest .....	
16		Depreciation .....	
17		Depletion (do not deduct oil and gas depletion) .....	
18		Retirement plans, etc .....	
19		Employee benefit program .....	
20		Other deductions (provide schedule) .....	
21		<b>Total deductions</b> (add lines 9 through 20).....	
22		<b>Ordinary Income (Loss) from trade or business:</b> Subtract line 21 from line 8.....	

Column A		Column B	
As reported on Federal Return		Total applicable to Oklahoma	
15,085,330	00	1	00
7,000,032	00	2	00
8,085,298	00	3	00
	00	4	00
	00	5	00
37,400	00	6	00
36,522	00	7	00
8,159,220	00	8	00
550,000	00	9	00
	00	10	00
3,120,512	00	11	00
11,411	00	12	00
386,634	00	13	00
262,140	00	14	00
38,106	00	15	00
	00	16	00
653,121	00	17	00
53,721	00	18	00
287,416	00	19	00
1,459,679	00	20	00
6,822,740	00	21	00
	00	22	00
1,336,480	00		00

## PART 3: DISTRIBUTIVE SHARE ITEMS

1		Ordinary income (loss) from trade or business activity(ies) (Part 2, line 22).	
2		Net income (loss) from rental real estate activity(ies) (provide schedule) ..	
3		Net income (loss) from other rental activity(ies) (provide schedule) .....	
4	Portfolio Income (loss)	a. Interest on loans, notes, mortgages, bonds, etc.....	
		b. Interest on obligations of a State or political subdivision.....	
		c. Interest on obligations of the United States.....	
		d. Other interest income .....	
		e. Dividend income.....	
		f. Royalty income (patent or copyright).....	
		g. Net short-term capital gain (loss).....	
		h. Net long-term capital gain (loss).....	
		i. Other portfolio income (loss) (provide schedule).....	
5		Net gain (loss) under section 1231 (Other than due to casualty or theft) ....	
6		Other (provide schedule) .....	
7		<b>Total income</b> (Add lines 1 through 6) .....	
8	Deductions	Contributions .....	
9		Expense deductions for recovery property (Section 179) (provide sch.)	
10		Deductions related to portfolio income .....	
11		Depletion (Other than oil and gas).....	
12		Intangible drilling costs .....	
13		Other deductions authorized by law (provide schedule) .....	
14		<b>Total deductions</b> (Add lines 8 through 13).....	
15		<b>Net distributive income</b> (line 7 minus line 14).....	

Column A		Column B	
As reported on Federal Return		Total applicable to Oklahoma	
1,336,480	00	1	00
	00	2	00
	00	3	00
	00	4a	00
	00	4b	00
	00	4c	00
14,225	00	4d	00
	00	4e	00
	00	4f	00
2,300	00	4g	00
(2,500)	00	4h	00
	00	4i	00
(56,500)	00	5	00
	00	6	00
1,294,005	00	7	00
3,000	00	8	00
	00	9	00
	00	10	00
	00	11	00
	00	12	00
	00	13	00
3,000	00	14	00
1,291,005	00	15	45,737

If Federal and Oklahoma distributive net income is the same, you may complete Part 3, line 15, then complete Part 5. Provide a copy of your Federal Form 1065 and K-1s.



Partnership Name: <b>EASTLAND QUARRIES</b>	Federal Employer Identification Number: 11-2000003
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## PART 4: COMPUTATION OF OKLAHOMA TAXABLE INCOME OF A UNITARY ENTERPRISE WHOSE INCOME IS PARTLY WITHIN AND PARTLY WITHOUT OKLAHOMA

1	Net distributable income from Page 2, Part 3, Column A, line 15 .....		1	1,291,005
2	Add: (a) .....			
	(b) Unallowable deduction (provide schedule).....	3,000		
	(c) Other income (provide schedule).....			
	(d) Total of lines 2a through 2c.....		2d	3,000
3	Deduct all items separately allocated:			
	(a) Interest on obligations of the United States.....			
	(b) CAPITAL GAIN FROM SALE OF STOCK .....	2,300		
	(c) CAPITAL LOSS FROM SALE OF LAND .....	(2,500)		
	(d) Total of lines 3a through 3c .....		3d	(200)
(Note: Items listed in 2 and 3 above must be net amounts supported by schedules showing source, location, expenses, etc.)				
4	Net apportionable income (line 1 plus line 2d, minus line 3d) .....		4	1,294,205
5	Oklahoma's portion thereof <u>3.534</u> %, from schedule below .....		5	45,737
6	Add items separately allocated to Oklahoma:			
	(a) .....			
	(b) .....			
	(c) .....			
	(d) .....			
	(e) Total of lines 6a through 6d .....		6e	
7	Oklahoma distributable net income (add lines 5 and 6e; enter here and on Page 2, Part 3, Column B, line 15) .....		7	45,737

### APPORTIONMENT FORMULA

**Note: Provide a complete copy of your Federal return.**

		<b>Column A</b>	<b>Column B</b>	
		<b>Total Within Oklahoma</b>	<b>Total Within and Without Oklahoma</b>	<b>Column C (A divided by B) Percent Within Oklahoma</b>
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):			
	(a) Owned property (at original cost):			
	(i) Inventories .....	195,784	1,290,120	
	(ii) Depreciable property .....		9,428,776	
	(iii) Land.....		373,500	
	(iv) Total of section "a" .....	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) Payroll .....	35,000	2,680,412	
	(b) Less: Officer salaries.....			
	(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		
	(ii) Shipped from within Oklahoma.....			
	(b) Sales shipped from Oklahoma to:			
	(i) The United States government .....			
	(ii) Purchasers in a state or country where the corporation is not taxable (i.e. under Public Law 86-272) ..			
	(c) Total all of sections "a" and "b" .....	\$ 640,800	\$ 15,085,330	3c 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 %



Partnership Name: <b>EASTLAND QUARRIES</b>	Federal Employer Identification Number: 11-2000003
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**PART 5:** ALL PARTNERSHIPS MUST COMPLETE PART 5 OR MAY PROVIDE THE FEDERAL K-1s IF OKLAHOMA INFORMATION IS STATED SEPARATELY ON THE FEDERAL K-1.

If completing Part 5, use Form 514-SUP when there are more than 3 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%	45%	45%
4	Distributable Federal Income	710,053	290,476	290,476
5	Distributable Oklahoma Income (see instructions)	25,155	10,291	10,291
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			

**NONRESIDENT PARTNER**

14	Is the Partner being included in Composite filing? (If Yes, complete Form 514-PT)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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**Notice:** Forms required to compute withholding and credits must be provided with partnership return. Examples of these include: Form 1099 MISC, Form 500A: Nonresident Royalty Withholding, Form 511CR: Other Credits, Form 506: Investment/New Jobs Credit, and Form 529: Small Business Guaranty Fee Credit. Schedules or authorization must be furnished.

**NOTE: PROVIDE A COMPLETE COPY OF YOUR FEDERAL FORM 1065 OR 1065-B.**

**PART 6: ADDITIONAL INFORMATION**

**Location of Principal Accounting Records**

2313 JACKSON AVE	PORTLAND	OR	97208
Address	City	State	Zip

Has the Internal Revenue Service redetermined your tax liability for prior years?  Yes  No What years? \_\_\_\_\_

Did you file amended returns for the years stated above?  Yes  No  N/A

Has the statute of limitations been extended by consent for any prior years?  Yes  No What years? \_\_\_\_\_

Business name EASTLAND QUARRIES Date business began in Oklahoma 6/30/2017

Principal location(s) in Oklahoma 32 W 66TH, ARCADIA OK 73007

**Mail to: Oklahoma Tax Commission, PO Box 26800, Oklahoma City, Oklahoma 73126-0800**