

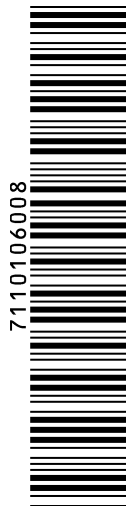
# 2006 Partnership Income Tax Return

North Carolina Department of Revenue

For calendar year **2006**, or other tax year beginning (MM-DD) \_\_\_\_\_ - \_\_\_\_\_ **06** and ending (MM-DD-YY) \_\_\_\_\_ - \_\_\_\_\_

Legal Name (USE CAPITAL LETTERS FOR NAME AND ADDRESS) _____ Legal Name Continued _____		Federal Employer ID Number _____ If LLC, Enter N.C. Secretary of State ID _____	<b>Fill in all applicable circles:</b> <input type="radio"/> Initial Return <input type="radio"/> Amended Return <input type="radio"/> Final Return <input type="radio"/> Entity is Partnership <input type="radio"/> Entity is LLC <input type="radio"/> Entity has Nonresident Owners <input type="radio"/> Entity has Escheatable Property <input type="radio"/> NC-478 is attached
Address _____ City _____ State _____ Zip Code _____		County (Enter first five letters) _____	
<b>Important:</b> If partnership operated only in North Carolina and all partners were North Carolina residents, complete only Lines 4 and 6, Part 1 (and Lines 11 or 12 if any payments were made), Part 3A, and Part 4.			

### Part 1. Computation of Income Tax Due or Refund (See Form D-403A, Instructions for Partnership Income Tax Return.)



If amount on Line 1, 3, 5, 7, 8, or 9 is negative, fill in circle. Example:

Enter Whole U.S. Dollars Only

1. Enter the total income or loss (Add Lines 1 through 11 of Schedule K, Federal Form 1065)	▶ 1.	<input type="radio"/>	_____	.00
2. Guaranteed payments to partners (See instructions)	▶ 2.		_____	.00
3. Line 1 minus Line 2	3.	<input type="radio"/>	_____	.00
4. Additions to federal taxable income (From Part 4, Line 4)	▶ 4.		_____	.00
5. Add Lines 3 and 4	5.	<input type="radio"/>	_____	.00
6. Deductions from federal taxable income (From Part 4, Line 9). The total additions and deductions on Lines 4 and 6 should be allocated to the individual partners in Part 3 of this form	▶ 6.		_____	.00
7. Line 5 minus Line 6	7.	<input type="radio"/>	_____	.00
8. Net distributive partnership income to be apportioned to North Carolina (See instructions)	▶ 8.	<input type="radio"/>	_____	.00
9. Net distributive partnership income solely from business activities in North Carolina (See instructions)	▶ 9.	<input type="radio"/>	_____	.00
10. Total tax due for nonresident partners (Add the amounts on Part 3, Line 20 for each partner)	▶ 10.		_____	.00
11. Tax paid with extension	▶ 11.		_____	.00
12. Other prepayments of tax (If filing an amended return, see instructions)	▶ 12.		_____	.00
13. Tax paid by other partnerships or by S Corporations and tax withheld from personal services income (See instructions)	▶ 13.		_____	.00
14. Add Lines 11 through 13	14.		_____	.00
15. Net tax due for nonresident partners (If Line 10 is more than Line 14, subtract and enter the result)	▶ 15.		_____	.00
16. Penalties and interest (See instructions)	16.		_____	.00
17. Total Due for nonresident partners (Add Lines 15 and 16 and enter the result. The manager of the partnership must pay this amount with the return)	17.	\$	_____	.00
18. Amount to be Refunded (If Line 10 is less than Line 14, subtract and enter the result)	▶ 18.		_____	.00

Legal Name (First 10 Characters)

Federal Employer ID Number

**Part 2. Apportionment Percentage for Partnerships That Have One or More Nonresident Partners and Operate in North Carolina and in One or More Other States**

See Form D-403A, Instructions for Partnership Income Tax Return

	1. Within North Carolina		2. Total Everywhere		
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period	
1. Land	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
2. Buildings	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
3. Inventories	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
4. Other property	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
5. Total (Add Lines 1-4)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
6. Average value of property Add amounts on Line 5 for (a) and (b); divide by 2	<input type="text"/>		<input type="text"/>		
7. Rented property (Multiply annual rents by 8)	<input type="text"/>		<input type="text"/>		<b>Factor</b>
8. Property Factor Add Lines 6 and 7; divide Column 1 by Column 2 and enter factor	<input type="text"/>		<input type="text"/>		<input type="text"/> %
9. Gross payroll	<input type="text"/>		<input type="text"/>		
10. Compensation of general executive officers	<input type="text"/>		<input type="text"/>		
11. Payroll Factor Line 9 minus Line 10; divide Column 1 by Column 2 and enter factor	<input type="text"/>		<input type="text"/>		<input type="text"/> %
12. Sales Factor (Attach schedule) Divide Column 1 by Column 2 and enter factor	<input type="text"/>		<input type="text"/>		<input type="text"/> %
13. Sales Factor Enter the same factor as on Line 12					<input type="text"/> %
14. Total of Factors Add Lines 8, 11, 12, and 13					<input type="text"/> %
15. N.C. Apportionment Percentage Divide Line 14 by the number of factors present; enter result here and on Part 3, Line 12 for each nonresident partner					<input type="text"/> %

Legal Name (First 10 Characters)

**Important**

If more than three partners, include separate schedule for additional partners.

Federal Employer ID Number

**Part 3. A. Partners' Shares of Income, Adjustments, Tax Credits, and Other Items**

Complete Lines 1 through 8 for all partners.

**B. Computation of North Carolina Taxable Income for Nonresident Partners**

Complete Lines 9 through 17 for all nonresident partners.

**C. Computation of Tax Due for Nonresident Partners on Whose Behalf the Partnership Pays the Tax**

Complete Lines 18 through 20.

A	Partner 1	Partner 2	Partner 3
<p>Attach other pages if needed.</p> <p>1. Identifying Number</p> <p>2. Name</p> <p>3. Address</p> <p>4. Partner's share percentage</p> <p>5. Type of partner <i>(Ex: Ind., Corp., Part.)</i></p> <p>6. Additions to income (loss) <i>(To Form NC K-1, Line 2)</i></p> <p>7. Deductions from income (loss) <i>(To Form NC K-1, Line 3)</i></p> <p>8. Share of tax credits <i>(To Form NC K-1, Line 4)</i></p>			
<p><b>B</b></p> <p>9. Guaranteed payments to nonresident partners applicable to income on Part 1, Line 8</p> <p>10. Percentage from Line 4 times amount on Part 1, Line 8</p> <p>11. Add Lines 9 and 10</p> <p>12. Apportionment percentage from Part 2, Line 15</p> <p>13. Multiply Line 11 by Line 12</p> <p>14. Guaranteed payments to nonresident partners applicable to income on Part 1, Line 9</p> <p>15. Percentage from Line 4 times amount on Part 1, Line 9</p> <p>16. Separately stated items of income attributable to nonresident partners</p> <p>17. North Carolina taxable income <i>(Add Lines 13, 14, 15, and 16)</i></p>			
<p><b>C</b></p> <p>18. Tax Due <i>(See Tax Rate Schedule on Page 4)</i></p> <p>19. Tax credits allocated to nonresident partners from Line 8 above</p> <p>20. Net Tax Due <i>(Line 18 minus Line 19)</i></p>			

**Important:** The Partnership must provide each Partner an NC K-1 for Form D-403 or other information necessary for the Partner to prepare the appropriate North Carolina Tax Return.

Legal Name (First 10 Characters)

Federal Employer ID Number

**Part 4. North Carolina Adjustments to Federal Taxable Income** (See instructions.)

**Additions to Federal Taxable Income**

- 1. Interest income from obligations of states other than North Carolina 1.  .00
- 2. State, local, or foreign income taxes deducted on the federal return 2.  .00
- 3. Other additions to federal taxable income (See Form D-401, Individual Income Tax Instructions, for other additions that may be applicable to partnerships) 3.  .00
- 4. Total additions to federal taxable income (Add Lines 1 through 3 and enter total here and on Part 1, Line 4) 4.  .00

**Deductions from Federal Taxable Income**

- 5. Interest income from obligations of the United States or United States' possessions 5.  .00
- 6. State, local, or foreign income tax refunds reported as income on federal return 6.  .00
- 7. Adjustment for additional first-year depreciation added back in 2002, 2003, and 2004 (See Line instructions) 7.  .00
- 8. Other deductions from federal taxable income (See Form D-401, Individual Income Tax Instructions, for other deductions that may be applicable to partnerships) 8.  .00
- 9. Total deductions from federal taxable income (Add Lines 5, 6, 7, and 8 and enter total here and on Part 1, Line 6) 9.  .00

**Tax Rate Schedule**

<u>If the amount of each nonresident partner's share of N.C. taxable income (from Part 3, Line 17) is more than</u>	<u>But not over</u>	<u>The tax is</u>
\$0	\$12,750	6% of the taxable income
\$12,750	\$60,000	\$765 + 7% of taxable income over \$12,750
\$60,000	\$120,000	\$4,072.50 + 7.75% of taxable income over \$60,000
\$120,000	- - -	\$8,722.50 + 8.25% of taxable income over \$120,000

I certify that, to the best of my knowledge, this return is accurate and complete.

If prepared by a person other than the managing partner, this certification is based on all information of which preparer has any knowledge.

\_\_\_\_\_  
Signature of Managing Partner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Preparer Other than Managing Partner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
Daytime Telephone Number (Include area code)

\_\_\_\_\_  
Preparer's Daytime Telephone Number (Include area code)

If entity is an LLC and it converted to an LLC during the tax year, enter entity name prior to conversion: \_\_\_\_\_

**MAIL TO:** North Carolina Department of Revenue, P.O. Box 25000, Raleigh, North Carolina 27640-0645