

**Do NOT use to distribute Partner's Share of Income from Form 165.
 Corporate partners must use this schedule.**

For the calendar year 2019 or fiscal year beginning M M D D 2 0 1 9 and ending M M D D 2 0 Y Y .

CHECK ONE: Original Amended *Check only if Form 165PA Schedule K-1(NR) for the same year was previously provided to this partner.*

Partner's Identifying Number	Partnership's Employer Identification Number (EIN)
Partner's Name	Partnership's Name
Partner's Address – number and street or rural route	Partnership's Address – number and street or rural route
Partner's City, Town or Post Office State ZIP Code	Partnership's City, Town or Post Office State ZIP Code

- 1 Enter the date the IRS made its final determination..... M M D D Y Y Y Y
- 2 If the "Amended" box above is checked, enter the date the **original** Form 165PA was previously filed..... M M D D Y Y Y Y

Partner's Portion of the Arizona Partnership Adjustment

3 Partner's portion of the Arizona partnership adjustment	3		00
4 Partnership's Arizona apportionment ratio.....	4	.	
5 Multiply line 3 by the ratio on line 4. Enter the result. This is the Partner's Arizona source partnership adjustment.	5		00

Instructions for Partners

You received this document because the Internal Revenue Service (IRS) recently audited a partnership, of which you are a partner. Pursuant to IRS regulations, that partnership passed through the assessment it received to its partners. The partnership prepared this document to assist you in reporting your share of the Arizona adjustment on your amended Arizona state income tax return. Submit your 2019 Arizona amended return to the department within 150 days of the date on line 1 (add 150 days to the date on line 1). **(NOTE: If the due date falls on a Saturday, Sunday, or a legal holiday, the return is considered timely filed if it is post-marked the next business day.)** Report the amount indicated as the Arizona Partnership Adjustment by following the instructions provided.

NOTE: If you file your tax return on a calendar year basis, but this partnership files a return on a fiscal year basis (see above), report this amount on your amended tax return for the calendar year in which this partnership's fiscal year ends.

If the "Original" box is checked: The amount on line 3 is in **addition** to the amount that was passed through by the partnership on Form 165 Schedule K-1(NR). **Do not replace the original amount.**

If the "Amended" box is checked: The amount on line 3 **replaces** the amount previously passed through on Form 165PA Schedule K-1(NR).

ADDITIONAL PARTNER INSTRUCTIONS ON REVERSE

NONRESIDENT INDIVIDUAL PARTNERS:

- If line 5 is **positive**, include that amount on Form 140X, line 19, *Additions to Income*.
- If line 5 is **negative**, include that amount on Form 140X, line 22, *Subtractions from Income*, as a positive number.

NONRESIDENT ESTATE AND TRUST PARTNERS:

- If line 5 is **positive**, include that amount on an amended Form 141AZ, Schedule B, line B3, *Other additions to federal taxable income*.
- If line 5 is **negative**, include that amount on an amended Form 141AZ, Schedule B, line B9, *Other subtractions from federal taxable income*, as a positive number.

PARTNERSHIPS THAT ARE PARTNERS:

- If line 3 is **positive**, include that amount on an amended Form 165, Schedule A, line A4, *Other Additions to Partnership Income*.
- If line 3 is **negative**, include that amount on an amended Form 165, Schedule B, line B5, *Other subtractions from partnership income*, as a positive number.

CORPORATE PARTNERS FILING FORM 120X:**• ALL CORPORATIONS**

- o If the amount on line 3 is **positive**, include that amount on Form 120X, Schedule D, line D8, *Other additions to federal taxable income*.
- o If the amount on line 3 is **negative**, include that amount on Form 120X, Schedule E, line E10, *Other subtractions from federal taxable income*, as a positive number.

• Is the partnership income business income or nonbusiness income to the corporate partner?

- o Refer to the following Corporate Tax Rulings:
 - CTR 94-2, *Filing Requirement for Corporate Partner in Arizona Partnership*
 - CTR 94-1, *Threshold Percentage of Ownership Requirements for Partnerships*
 - CTR 93-10, *Apportionment Factor Representation for Corporations Whose Only Activity in Arizona are Tiered Partnerships*
 - CTR 93-9, *Corporate Filing Requirements Relating to Tiered Partnerships*

• If the partnership income is business income to the corporate partner:

- o No additional adjustments are necessary.

• If the partnership income is nonbusiness income to the corporate partner:

- o If this adjustment contains nonapportionable or allocable amounts, include the nonapportionable or allocable portion of the amount reported on line 3 of this schedule, on Form 120X, Page 1, line 7.
- o If this adjustment contains amounts allocable to Arizona, include the allocable portion of the amount reported on line 5 of this schedule, on Form 120X, Page 1, line 11.