

For the calendar year 2010 or fiscal year beginning [MM/DD/YYYY] and ending [MM/DD/YYYY].

CHECK ONE: Original <input type="checkbox"/> Amended <input type="checkbox"/>	CHECK ONE: Calendar year <input type="checkbox"/> Fiscal year <input type="checkbox"/>
Partner's identifying number	Partnership's employer identification number
Partner's name, address, and ZIP code	Partnership's name, address, and ZIP code

Partner's percentage of: Profit sharing..... Loss sharing..... Ownership of capital	Before change or termination	End of year	%	%	%
	%	%	%	%	%

Type of partner (individual, trust, etc.): _____

NOTE: CORPORATE PARTNERS MUST USE FORM 165, SCHEDULE K-1(NR).

1 Adjustment of partnership income from federal to Arizona basis - from Form 165, page 1, line 6.....	1		00
2 Partner's percentage of profit or loss (expressed as a decimal).....	2		
3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis - multiply line 1 by line 2.....	3		00

SPECIAL NOTICE FOR 2009 PARTNER RETURNS

Arizona did not fully conform to federal tax law changes for 2009. This means that partners of partnerships may have to file an amended return for 2009.

If any of the items listed below apply to you, your 2009 return is affected:

1. An election to exclude discharge of indebtedness income from the reacquisition of a business debt instrument on your 2009 federal return.
2. The exclusion of original issue discount on a debt instrument described in number 1 above from income on your 2009 federal return.
3. A cash gift made during 2010 to aid Haiti earthquake victims deducted on the partnership's 2009 federal return. (This adjustment would be included by the partnership on Schedule K-1, line 3.)

If you have already filed your 2009 return and any of the above items 1 through 3 apply to you, you must amend your 2009 Arizona return.

For more news on this topic, visit the department's web site at www.azdor.gov.

PARTNER'S INSTRUCTIONS

The partnership is required to adjust its income from a federal to Arizona basis. Line 3 of Form 165, Schedule K-1, is the partner's distributive share of that adjustment. Report the amount from line 3 on your Arizona tax return according to the instructions below.

Resident Individuals:

If line 3 is a positive number, enter the amount on Form 140, page 2, line B11.
If line 3 is a negative number, enter the amount on Form 140, page 2, line C29.

Part-Year Resident Individuals:

If line 3 is a positive number, enter that portion of line 3 that is allocable to partnership income taxable by Arizona on Form 140PY, page 2, line C23.
If line 3 is a negative number, enter that portion of line 3 that is allocable to partnership income taxable by Arizona on Form 140PY, page 2, line D35.

Resident Estates or Resident Trusts:

If line 3 is a positive number, enter the amount on Form 141AZ, page 2, Schedule B, line B3.
If line 3 is a negative number, enter the amount on Form 141AZ, page 2, Schedule B, line B8.