

SCHEDULE C Apportionment Formula (Multistate Partnerships Only)

IMPORTANT: Qualifying air carriers must use Arizona Schedule ACA. Qualifying multistate service providers must include Arizona Schedule MSP. If the **"SALES FACTOR ONLY"** box on page 1, line G, is checked, complete only Section C3, Sales Factor, lines a through f. See instructions.

C1 Property Factor - STANDARD APPORTIONMENT ONLY

Value of real and tangible personal property (by averaging the value of owned property at the beginning and end of the tax period; rented property at capitalized value).

- a** Owned Property (at original cost):
 - 1** Inventories
 - 2** Depreciable assets (do not include construction in progress):
 - 3** Land
 - 4** Other assets (describe): _____
 - 5** Less: Nonbusiness property (if included in above totals)
 - 6** Total of section a (the sum of lines 1 through 4 less line 5):
- b** Rented property (capitalize at 8 times net rent paid).....
- c** Total owned and rented property (Total of section a plus section b).

C2 Payroll Factor - STANDARD APPORTIONMENT ONLY

Total wages, salaries, commissions and other compensation to employees (per federal Form 1065, or payroll reports).

C3 Sales Factor

- a** Sales delivered or shipped to Arizona purchasers
- b** Sales of services for qualifying multistate service providers only (include Schedule MSP)
- c** Other gross receipts
- d** Total sales and other gross receipts
- e** Weight AZ sales: (STANDARD x 2; SALES FACTOR ONLY x 1).....
- f** Sales Factor (for Column A, multiply line d by line e; for Column B, enter the amount from line d; for Column C, divide Column A by Column B.)

STANDARD Apportionment, continue to C4.
SALES FACTOR ONLY Apportionment, enter the amount from Column C on Arizona Form 165, Schedule K-1(NR), Part 1, column (b).

C4 STANDARD Apportionment Total Ratio: Add Column C of lines C1c, C2, and C3f. Enter the total.

C5 Average Apportionment Ratio for STANDARD Apportionment: Divide line C4, Column C, by four (4). Enter the result on Arizona Form 165, Schedule K-1(NR), Part 1, column (b). (If one of the factors is "0" in both Column A and Column B, see instructions.)

COLUMN A Total Within Arizona Round to nearest dollar	COLUMN B Total Everywhere Round to nearest dollar.	COLUMN C Ratio Within Arizona A ÷ B
		•
		•
×2 OR ×1		
		•
		•

SCHEDULE D Business Information

Describe briefly the nature and location(s) of the partnership's **Arizona business activities**:

Describe briefly the nature and location(s) of the partnership's **business activities outside of Arizona**:

Name (as shown on page 1)	EIN
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SCHEDULE E Partner Information

Prepare a schedule that lists each partner's name, address, taxpayer identification number, and pro rata share of the amount shown on line 5. Label the listing as "Schedule E: Partner Information" and include the schedule immediately after page 3 of Form 165.

Due Date	Form 165 is due on or before the 15 th day of the 3 rd month following the close of the taxable year.		
Declaration	I, the undersigned partner of the partnership for which this return is made, declare under penalty of perjury, that this return, including the accompanying schedules and statements, has been examined by me and is to the best of my knowledge and belief, a correct and complete return, made in good faith, for the taxable year stated pursuant to the income tax laws of the State of Arizona.		
Please Sign Here	_____ PARTNER'S SIGNATURE	_____ DATE	_____ TITLE
Paid Preparer's Use Only	_____ PAID PREPARER'S SIGNATURE	_____ DATE	_____ PAID PREPARER'S TIN
	_____ FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED)		_____ FIRM'S EIN
	_____ FIRM'S STREET ADDRESS		_____ FIRM'S TELEPHONE NUMBER
	_____ CITY	_____ STATE	_____ ZIP CODE

Mail to: Arizona Department of Revenue, PO Box 52153, Phoenix, AZ 85072-2153

Adjustment of Partnership Income From Federal to Arizona Basis Continued

SCHEDULE A: Additions to Partnership Income

A3 Additions related to Arizona tax credits

A Environmental Technology Facility Credit

- 1 Excess Federal Depreciation or Amortization
- 2 Excess in Federal Adjusted Basis.....

A1	00
A2	00
B	00

B Agricultural Water Conservation System Credit

B	00
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C Pollution Control Credit

- 1 Excess Federal Depreciation or Amortization.....
- 2 Excess in Federal Adjusted Basis.....

C1	00
C2	00

D Credit for Taxes Paid for Coal Consumed in Generating Electrical Power.....

D	00
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E Credit for Employment of TANF Recipients.....

E	00
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F Agricultural Pollution Control Equipment Credit

- 1 Excess Federal Depreciation or Amortization.....
- 2 Excess in Federal Adjusted Basis.....

F1	00
F2	00

G Credit for Donation of School Site

G	00
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H Credit for Corporate Contributions to School Tuition Organizations.....

H	00
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I Credit for Corporate Contributions to School Tuition Organizations for Displaced Students or Students with Disabilities

I	00
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J Total Additions Related to Arizona Tax Credits

J	00
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A4 Other additions to partnership income

A Positive Partnership Income Adjustment.....

A	00
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B Federal Depreciation of Child Care Facilities

B	00
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C Expenditures for the Americans With Disabilities Act

C	00
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D Total Other Additions

D	00
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SCHEDULE B: Subtractions From Partnership Income

B5 Other subtractions from partnership income

A Negative Partnership Income Adjustment

A	00
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B Mine Exploration Expenses.....

B	00
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C Interest on Federally Taxable Arizona Obligations Evidence by Bonds.....

C	00
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D Wood Stoves, Wood Fireplaces or Gas-Fired Fireplaces

D	00
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E Expenses Related to Certain Federal Credits

- 1 Work Opportunity Credit
- 2 Empowerment Zone Employment Credit.....
- 3 Credit for Employer-Paid Social Security Taxes on Employee Cash Tips
- 4 Indian Employment Credit

E1	00
E2	00
E3	00
E4	00

F Expenditures for the Americans With Disabilities Act

F	00
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G Total Other Subtractions from Partnership Income

G	00
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