



Partnership/Limited Liability Company Return of Income

ALSO TO BE FILED BY SYNDICATES, POOLS, JOINT VENTURES, ETC.

Important!
You Must Check Applicable Box:

- Amended Return
- Initial Return
- Final Return
- General Partnership
- Limited Partnership
- LLC/LLP
- Qualified Investment Partnership

For Calendar Year 2011 or Fiscal Year beginning 1/1, 2011, and ending 12/31, 2012

FEDERAL BUSINESS CODE NUMBER ● 611511		FEDERAL EMPLOYER IDENTIFICATION NUMBER ● 63-0000019	
Name of Company ● Hair Pro			
Number and Street 789 Scissors Lane			
City or Town Barber		State NJ	9 Digit ZIP Code 08647-0000
Check if the company operates in more than one state <input checked="" type="checkbox"/>		If above name or address is different from the one shown on your 2010 return, check here <input type="checkbox"/>	
Check if the company qualifies for the Alabama Enterprise Zone Credit or the Capital Credit <input type="checkbox"/>		Number of Members During The Tax Year	2
State in Which Company Was Formed ● MD	Nature of Business ● Cosmetology	Date Qualified in Alabama ● 01/01/2010	Number of Nonresident Members Included in Composite Filing ...

DEPARTMENT USE ONLY

FN

Total Federal income as shown on Form 1065, line 8.

Total Federal deductions as shown on Form 1065, line 21.

Total assets as shown on Form 1065.

CN

UNLESS A COPY OF FEDERAL FORM 1065 IS ATTACHED THIS RETURN IS INCOMPLETE

SCHEDULE A

COMPUTATION OF SEPARATELY STATED AND NONSEPARATELY STATED INCOME

1 Federal Ordinary Income or (Loss) from trade or business activities		1	●	(897,505)
Reconciliation to Alabama Basis (see instructions)	2 Net short-term and long-term capital gains – income or (loss)	2	●	45,000
	3 Salaries and wages reduced for federal employment credits	3	●	(25,000)
	4 Net income or (loss) from rental real estate activities	4	●	2,000,000
	5 Net income or (loss) from other rental activities	5	●	1,000,000
	6 Net gain or (loss) under I.R.C. §1231 (other than casualty losses)	6	●	60,000
	7 Adjustments due to the Federal Economic Stimulus Act of 2008 (attach schedule)	7	●	(3,000)
	8 Other reconciliation items (attach schedule)	8	●	-360,000
	9 Net reconciling items (add lines 2 through 8)	9	●	2,717,000
10 Net Alabama nonseparately stated income or (loss) (add line 1 and line 9)	10	●	1,819,495	
Separately Stated Items (Related to Business Income)	11 Contributions	11	●	(180,000)
	12 Oil and gas depletion	12	●	(1,200)
	13 I.R.C. §179 expense deduction (complete Schedule K)	13	●	(45,000)
	14 Casualty losses	14	●	(1,500)
	15 Portfolio income or (loss) less expenses (complete Schedule K)	15	●	425,000
	16 Other separately stated items (attach schedule)	16	●	1,600
	17 Net separately stated items (add line 11 through 16)	17	●	198,900
	18 Total separately stated and nonseparately stated items (add line 10 and line 17)	18	●	2,018,395
	19 Alabama apportionment factor from Schedule D, line 4	19	●	7.7118 %
20 Nonseparately Stated Income Allocated and Apportioned to Alabama from Schedule D, line 7	20	●	140,452	

Please Sign Here

I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of general partner: _____ Date: 01/01/12 Daytime Telephone No.: (334) 148-7412 Social Security No.: 555 66 7777

Paid Preparer's Use Only

Preparer's Signature: _____ Date: 01/01/2012 Check if self-employed Preparer's PTIN: P34 56 7891
Firm's name (or yours, if self-employed) and address: Best Tax, 1 Best Tax Lane, Montgomery, AL Telephone No.: (334) 148-7411 E.I. No.: 48-7157499
Email Address: test.email@yahoo.com ZIP Code: 36109



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SCHEDULE B

ALLOCATION OF NONBUSINESS INCOME, LOSS, AND EXPENSE

Identify by account name and amount all items of nonbusiness income, loss, and expense removed from apportionable income and those items which are directly allocable to Alabama. Adjustment(s) must also be made for any proration of expenses under Alabama Income Tax Rule 810-27-1-4-.01, which states, "Any allowable

deduction that is applicable to both business and nonbusiness income of the taxpayer shall be prorated to each class of income in determining income subject to tax as provided..." (See instructions).

Table with 7 columns: DIRECTLY ALLOCABLE ITEMS, ALLOCABLE GROSS INCOME / LOSS (Column A Everywhere, Column B Alabama), RELATED EXPENSE (Column C Everywhere, Column D Alabama), NET OF RELATED EXPENSE (Column E Everywhere (Col. A less Col. C), Column F Alabama (Col. B less Col. D)). Rows include Nonseparately stated items (1a-1d) and Separately stated items (1e-1h).

SCHEDULE C

APPORTIONMENT FACTOR SCHEDULE – Do not complete if the entity operates exclusively in Alabama.

Table for Apportionment Factor Schedule. Columns: TANGIBLE PROPERTY AT COST FOR PRODUCTION OF BUSINESS INCOME, ALABAMA (BEGINNING OF YEAR, END OF YEAR), EVERYWHERE (BEGINNING OF YEAR, END OF YEAR). Rows include Inventories, Land, Furniture, Machinery, Buildings, etc., leading to Alabama property factor (14) and Alabama payroll factor (15).



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SCHEDULE D

APPORTIONMENT AND ALLOCATION OF INCOME TO ALABAMA

Table with 7 rows and 3 columns. Row 1: Net Alabama nonseparately stated income or (loss) from line 10, Schedule A. Row 2: Nonseparately stated (income) or loss treated as nonbusiness income. Row 3: Apportionable income or (loss) - add line 1 and line 2. Row 4: Apportionment factor from line 27, Schedule C. Row 5: Income or (loss) apportioned to Alabama. Row 6: Nonseparately stated income or (loss) allocated to Alabama as nonbusiness income. Row 7: Nonseparately Stated Income Allocated and Apportioned to Alabama.

SCHEDULE E

OTHER INFORMATION

- 1 Indicate method of accounting (a) cash (b) accrual (c) other
2 Check if the company is currently being audited by the IRS
3 Check if the IRS has completed any audits
4 Enter this company's Alabama Withholding Tax Account Number
5 Briefly describe your operations Barber
6 Indicate if company has been (a) dissolved (b) sold (c) incorporated
7 Location of the partnership records 789 Scissors Lane Barber, NJ 08647
8 Check if an Alabama business privilege tax return was filed for this entity
9 Taxpayer's email address: test.email@yahoo.com

SCHEDULE K

DISTRIBUTIVE SHARE ITEMS

Table with 17 rows and 5 columns. Columns: Federal Amount, Apportionment Factor, Apportioned Amount, Enter on Alabama Schedule K-1. Rows include Alabama Nonseparately Stated Income, Contributions, Oil and gas depletion, I.R.C. §179 expense deduction, Casualty losses, Portfolio income, Interest expense related to portfolio income, Other expenses related to portfolio income, Other separately stated business items, Small business health insurance premiums, Separately stated nonbusiness items, Composite payment made on behalf of owner/shareholder, U.S. taxes paid, Alabama exempt income, Reemployment Act of 2010 deduction, Transactions with Owners: Property distributions to owners, Guaranteed payments to partners.

CHECK LIST
HAVE THE FOLLOWING FORMS BEEN ATTACHED TO THE FORM 65?
[X] ALABAMA SCHEDULE K-1 (one for each owner)
[] FEDERAL FORM 1065 (entire form as filed with the IRS)



11000465

Required Entity Information For Partnerships and LLCs

1. List general partners.

NAME OF GENERAL PARTNER	SSN / FEIN	ADDRESS	PERCENT OF OWNERSHIP
a. ● Sandra Jackson	360000005	635 Jackson Blvd Woodbridge, VA 23218	50.00
b. ● Mike Jones	361105000	11 South Lane Evergreen, AL 36432	50.00
c. ●			
d. ●			
e. ●			

2. List other states in which the Partnership/LLC operates, if applicable.

Virginia

3. At any time during the tax year, did the Partnership/LLC transact business in a foreign country? Yes No
If yes, complete the information below:

NAME OF COUNTRY	NATURE OF BUSINESS	TAXABLE INCOME REPORTED TO COUNTRY
a. ●		
b. ●		
c. ●		
d. ●		
e. ●		

4. At any time during the tax year, did the Partnership/LLC invest in another Pass-Through entity? Yes No
If yes, complete the information below:

NAME OF ENTITY	FEIN	PERCENT OF OWNERSHIP
a. ● Dunham's	47-5058380	25.00
b. ●		
c. ●		
d. ●		
e. ●		

5. Person to contact for information regarding this return:

Name: Charlie Tester

Telephone Number: (334) 333-9999

Email: test.email@yahoo.com

This schedule does not eliminate the Schedule K-1 filing requirement.



110005K1

Owner's/Shareholder's Share of
Income, Deductions, Credits, etc.

2011

- Subchapter K entity
- S corporation
- QIP Indicator

Tax year beginning 1/1, 2011 and ending 12/31, 2011

SEE INSTRUCTIONS

- Final K-1
- Amended K-1

PART I	Information About the Pass Through Entity	PART III	Owner's/Shareholder's Share of Current Year Alabama Income, Deductions, Credit, and Other Items
A	Entity's Federal Employer Identification Number 63-0000019		Income allocated and apportioned to Alabama 100% Alabama – to be reported by Alabama residents
B	Entity's name, address, city, state, and ZIP code Hair Pro	M	Nonseparately stated income ● 70,226 M2 ●
PART II	Information About the Owner/Shareholder	N	Amount of guaranteed payments to partner to be reported by the partner as Alabama source income (see instructions) ● 11,568 N2 ●
C	Owner's/Shareholder's identifying number ● 360000005	O	Section 179 expense ● 1,735 O2 ●
D	Owner's/Shareholder's name ● Sandra Jackson	P	Investment interest expense related to portfolio income ● 771 P2 ●
E	Owner's/Shareholder's street address ● 635 Jackson Blvd	Q	Portfolio income ● 17,352 Q2 ●
F	Owner's/Shareholder's city, state, ZIP code ● Woodbridge, VA 23218	R	Other expenses related to portfolio income – do not include interest expense ● 193 R2 ●
G	<input checked="" type="checkbox"/> General partner or LLC member manager <input type="checkbox"/> Limited partner or other LLC member	S	Charitable contributions ● 6,941 S2 ●
H	What type of entity is this owner/shareholder? <input type="checkbox"/> Tax exempt entity <input checked="" type="checkbox"/> Individual	T	Other separately stated business items (attach schedule) ● 62 T2 ●
I	Owner's/Shareholder's percentage of profit and (loss) sharing ● 50.00%	U	Composite payment made on behalf of owner/shareholder (see instructions) ● 4,981
J	Check if owner/shareholder is a nonresident <input checked="" type="checkbox"/> Nonresident If a nonresident, provide state of legal residence: <u>Virginia</u> Check if the owner is a single member LLC. <input type="checkbox"/> Owner	V	U.S. income taxes paid (see instructions) ● 47 V2 ●
K	Owner's capital at end of tax year ●	W	Casualty losses (see instructions) ● 58 W2 ●
L	Notes: TESTING NEW K-1 2011	X	Withdrawals and distributions ● 13,650
		Y	Small business health insurance premiums (attach explanation) ● 500
		Z	Oil and gas depletion ● 47 Z2 ●
		AA	Separately stated nonbusiness items (attach schedule) ● 900
		AB	Alabama exempt income (attach explanation) ● 16,581 AB2 ●
		AC	Reemployment Act of 2010 Credit (attach explanation) ● 10,000



110005K1

Owner's/Shareholder's Share of
Income, Deductions, Credits, etc.

2011

- Subchapter K entity
- S corporation
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Tax year beginning 1/1, 2011 and ending 12/31, 2011

SEE INSTRUCTIONS

- Final K-1
- Amended K-1

PART I	Information About the Pass Through Entity	PART III	Owner's/Shareholder's Share of Current Year Alabama Income, Deductions, Credit, and Other Items
A	Entity's Federal Employer Identification Number 63-0000019		Income allocated and apportioned to Alabama 100% Alabama – to be reported by Alabama residents
B	Entity's name, address, city, state, and ZIP code Hair Pro	M	Nonseparately stated income ● 70,226 M2 ● 909,748
PART II	Information About the Owner/Shareholder	N	Amount of guaranteed payments to partner to be reported by the partner as Alabama source income (see instructions) ● 11,568 N2 ● 150,000
C	Owner's/Shareholder's identifying number ● 361105000	O	Section 179 expense ● 1,735 O2 ● 22,500
D	Owner's/Shareholder's name ● Mike Jones	P	Investment interest expense related to portfolio income ● 771 P2 ● 10,000
E	Owner's/Shareholder's street address ● 11 South Lane	Q	Portfolio income ● 17,352 Q2 ● 225,000
F	Owner's/Shareholder's city, state, ZIP code ● Evergreen, AL 36432	R	Other expenses related to portfolio income – do not include interest expense ● 193 R2 ● 2,500
G	<input checked="" type="checkbox"/> General partner or LLC member manager <input type="checkbox"/> Limited partner or other LLC member	S	Charitable contributions ● 6,941 S2 ● 90,000
H	What type of entity is this owner/shareholder? <input type="checkbox"/> Tax exempt entity Individual	T	Other separately stated business items (attach schedule) ● 62 T2 ● 800
I	Owner's/Shareholder's percentage of profit and (loss) sharing ● 50.00%	U	Composite payment made on behalf of owner/shareholder (see instructions) ●
J	Check if owner/shareholder is a nonresident <input type="checkbox"/> Nonresident If a nonresident, provide state of legal residence: Check if the owner is a single member LLC. <input type="checkbox"/> Owner	V	U.S. income taxes paid (see instructions) ● 47 V2 ● 600
K	Owner's capital at end of tax year ●	W	Casualty losses (see instructions) ● 58 W2 ● 750
L	Notes: Testing 2011 New K-1 for an Alabama Resident.	X	Withdrawals and distributions ● 13,650
		Y	Small business health insurance premiums (attach explanation) ● 500
		Z	Oil and gas depletion ● 47 Z2 ● 600
		AA	Separately stated nonbusiness items (attach schedule) ● 900
		AB	Alabama exempt income (attach explanation) ● 16,581 AB2 ● 215,000
		AC	Reemployment Act of 2010 Credit (attach explanation) ● 10,000