



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

For Calendar Year 2006 or Fiscal Year beginning... 2006, and ending...
FEDERAL BUSINESS CODE NUMBER
FEDERAL EMPLOYER IDENTIFICATION NUMBER
Name of Company
Number and Street
City or Town State 9 Digit ZIP Code
Check if the company operates in more than one state
If above name or address is different from the one shown on your 2005 return, check here
Check if the company qualifies for the Alabama Enterprise Zone Credit or the Capital Credit
Number of Members During The Tax Year
State in Which Company Was Formed Nature of Business Date Qualified in Alabama Number of Non-Resident 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

Reconciliation to Alabama Basis (see instructions)

Adjustments to Federal Ordinary Income (Loss)

Table with 2 columns: Description and Amount. Rows include Net short-term and long-term capital gains, Salaries and wages reduced for federal employment credits, Net income or (loss) from rental real estate activities, etc.

Separately Stated Items (Related to Business Income)

Table with 2 columns: Description and Amount. Rows include Contributions, Oil and gas depletion, I.R.C. §179 expense deduction, Casualty losses, Portfolio income or (loss) less expenses, etc.

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.

Signature of general partner, Date, Daytime Telephone No., Social Security No.

Paid Preparer's Use Only

Preparer's Signature, Date, Check if self-employed, Preparer's Social Security No., Telephone No., E.I. No., Firm's name (or yours, if self-employed) and address, ZIP Code



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

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 1-11 list property types. Row 12: Average owned property (BOY + EOY ÷ 2). Row 13: Annual rental expense for this year (x8 =). Row 14: Total average property. Row 15: Alabama property factor — 14a ÷ 14b = line 15. %

Table for Salaries, Wages, Commissions, and Other Compensation. Row 16: Alabama payroll factor — 16a ÷ 16b = 16c. %

Table for Sales. Columns: SALES, ALABAMA, EVERYWHERE. Rows 17-23 list sales categories. Row 24: Alabama gross receipts factor — 24a ÷ 24b = line 24c. %

Row 25: Sum of lines 15, 16c, and 24c ÷ 3 = ALABAMA APPORTIONMENT FACTOR (enter here and on line 4, Schedule D). %



SCHEDULE D

APPORTIONMENT AND ALLOCATION OF INCOME TO ALABAMA

1	Net Alabama nonseparately stated income or (loss) from line 10, Schedule A	1		
2	Nonseparately stated (income) or loss treated as nonbusiness income (line 1d, Column E, Schedule B) – please enter income as a negative amount and losses as a positive amount.	2		
3	Apportionable income or (loss) – add line 1 and line 2.	3		
4	Apportionment factor from line 25, Schedule C	4		%
5	Income or (loss) apportioned to Alabama (multiply amount on line 3 by the percentage on line 4).	5		
6	Nonseparately stated income or (loss) allocated to Alabama as nonbusiness income (Column F, line 1d, Schedule B)	6		
7	Nonseparately Stated Income Allocated and Apportioned to Alabama (add lines 5 and 6). Enter this amount on line 20, Schedule A and line 1, Schedule K – Alabama Amount	7		

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 What years are involved? _____

3 Check if the IRS has completed any audits See instructions if the IRS has completed any audits during this tax period.

4 Enter this company's Alabama Withholding Tax Account # _____

5 Briefly describe your operations _____

6 Indicate if company has been (a) dissolved (b) sold (c) incorporated
If company has been dissolved, sold, or incorporated, complete the following:
Nature of change _____
Name and address of new company, corporation, or owner(s) _____

7 Location of the partnership records _____

8 Check if an Alabama business privilege tax return was filed for this entity
If the privilege tax return was filed using a different FEIN, please provide the name and FEIN used to file the return.
FEIN: _____ NAME: _____

SCHEDULE K

DISTRIBUTIVE SHARE ITEMS

	Federal Amount	Apportionment Factor	Alabama Amount	Enter on Alabama Schedule K-1
1 Alabama Nonseparately Stated Income (Schedule D, line 7) . Separately Stated Items:				Part III, Line M
2 Contributions				Part III, Line S
3 Oil and gas depletion				Part III, Line Z
4 I.R.C. §179 expense deduction				Part III, Line O
5 Casualty losses				Part III, Line W
6 Portfolio income				Part III, Line Q
7 Interest expense related to portfolio income				Part III, Line P
8 Other expenses related to portfolio income (attach schedule)				Part III, Line R
9 Other separately stated business items (attach explanation)				Part III, Line T
10 Separately stated nonbusiness items (attach schedule)				Part III, Line AA
11 Composite payment made on behalf of owner/shareholder				Part III, Line U
12 U.S. taxes paid (attach explanation)				Part III, Line V
13 Alabama exempt income (attach explanation)				Part III, Line AB
Transactions with Owners:				
14 Property distributions to owners				Part III, Line X
15 Guaranteed payments to partners				Part III, Line N

CHECK LIST

HAVE THE FOLLOWING FORMS BEEN ATTACHED TO THE FORM 65?

- ALABAMA SCHEDULE K-1 (one for each owner)
- ALABAMA SCHEDULE NRA (if applicable)
- FEDERAL FORM 1065 (entire form as filed with the IRS)