



**The form you are looking for begins on the next page of this file.** Before viewing it, please see important updated information below.

The following text appear in the 2018 Instructions for Form 1065. However, this text is no longer valid.

**Taxpayer identification numbers (TINs) of partnership representatives and designated individuals.** The full TINs of the partnership representative and designated individual must be shown on the Form 1065 filed with the IRS. However, these TINs may be truncated on the copies of Form 1065 which the partnership furnishes to others, such as its partners.

**Question:** Must taxpayers show the full taxpayer identification numbers (TINs) of the partnership representative and designated individual on the Form 1065, *U.S. Return of Partnership Income*, and Form 1066, *U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return*, filed with the IRS?

**Answer:** On Form 1065 and Form 1066, under Designation of Partnership Representative, taxpayers may enter all 0s (example: 00-0000000 or 000-00-0000) for the TIN of the partnership representative and designated individual (if applicable). A preparer tax identification number (PTIN) or centralized authorization file (CAF) number may not be used as a TIN to designate a partnership representative or designated individual.

This update supplements these forms' instructions. Filers should rely on this update for the changes described, which will be incorporated into the next revision of the forms' instructions.

**Form 1065**  
Department of the Treasury  
Internal Revenue Service

## **U.S. Return of Partnership Income**

OMB No. 1545-0123

**For calendar year 2018, or tax year beginning \_\_\_\_\_, 2018, ending \_\_\_\_\_, 2018**

► Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

2018

<b>A</b> Principal business activity	<b>Type or Print</b>	Name of partnership	<b>D</b> Employer identification number
<b>B</b> Principal product or service		Number, street, and room or suite no. If a P.O. box, see instructions.	<b>E</b> Date business started
<b>C</b> Business code number		City or town, state or province, country, and ZIP or foreign postal code	<b>F</b> Total assets (see instructions)

- G** Check applicable boxes: (1)  Initial return (2)  Final return (3)  Name change (4)  Address change (5)  Amended return  
**H** Check accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ► \_\_\_\_\_  
**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year. ► \_\_\_\_\_  
**J** Check if Schedules C and M-3 are attached. \_\_\_\_\_ ►

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

<b>Income</b> <small>(see instructions for limitations)</small>	1a	Gross receipts or sales . . . . .	1a				
	b	Returns and allowances . . . . .	1b				
	c	Balance. Subtract line 1b from line 1a . . . . .	1c				
	2	Cost of goods sold (attach Form 1125-A) . . . . .	2				
	3	Gross profit. Subtract line 2 from line 1c . . . . .	3				
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) . . . . .	4				
	5	Net farm profit (loss) (attach Schedule F (Form 1040)) . . . . .	5				
	6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) . . . . .	6				
7	Other income (loss) (attach statement) . . . . .	7					
<b>8</b>	<b>Total income (loss).</b> Combine lines 3 through 7 . . . . .	<b>8</b>					
<b>Deductions</b>	9	Salaries and wages (other than to partners) (less employment credits) . . . . .	9				
	10	Guaranteed payments to partners . . . . .	10				
	11	Repairs and maintenance . . . . .	11				
	12	Bad debts . . . . .	12				
	13	Rent . . . . .	13				
	14	Taxes and licenses . . . . .	14				
	15	Interest (see instructions) . . . . .	15				
	16a	Depreciation (if required, attach Form 4562) . . . . .	16a				
	b	Less depreciation reported on Form 1125-A and elsewhere on return . . . . .	16b				
	<b>17</b>	<b>Depletion (Do not deduct oil and gas depletion.)</b> . . . . .	<b>17</b>				
	18	Retirement plans, etc. . . . .	18				
	19	Employee benefit programs . . . . .	19				
	20	Other deductions (attach statement) . . . . .	20				
<b>21</b>	<b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20 . . . . .	<b>21</b>					
<b>22</b>	<b>Ordinary business income (loss).</b> Subtract line 21 from line 8 . . . . .	<b>22</b>					
<b>Tax and Payment</b>	23	Interest due under the look-back method—completed long-term contracts (attach Form 8697) . . . . .	23				
	24	Interest due under the look-back method—income forecast method (attach Form 8866) . . . . .	24				
	25	BBA AAR imputed underpayment (see instructions) . . . . .	25				
	26	Other taxes (see instructions) . . . . .	26				
	<b>27</b>	<b>Total balance due.</b> Add lines 23 through 27 . . . . .	<b>27</b>				
	28	Payment (see instructions) . . . . .	28				
	<b>29</b>	<b>Amount owed.</b> If line 28 is smaller than line 27, enter amount owed . . . . .	<b>29</b>				
	<b>30</b>	<b>Overpayment.</b> If line 28 is larger than line 27, enter overpayment . . . . .	<b>30</b>				

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below? See instructions.  Yes  No

Signature of partner or limited liability company member

Date \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►			Firm's EIN ►	
	Firm's address ►			Phone no.	

**Schedule B Other Information**

<b>1</b>	What type of entity is filing this return? Check the applicable box:	<b>Yes</b>	<b>No</b>		
<b>a</b>	<input type="checkbox"/> Domestic general partnership	<b>b</b>	<input type="checkbox"/> Domestic limited partnership		
<b>c</b>	<input type="checkbox"/> Domestic limited liability company	<b>d</b>	<input type="checkbox"/> Domestic limited liability partnership		
<b>e</b>	<input type="checkbox"/> Foreign partnership	<b>f</b>	<input type="checkbox"/> Other ►		
<b>2</b>	At the end of the tax year:				
<b>a</b>	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership . . . . .				
<b>b</b>	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership . . . . .				
<b>3</b>	At the end of the tax year, did the partnership:				
<b>a</b>	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below . . . . .				
	(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
<b>b</b>	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .				
	(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
<b>4</b>	Does the partnership satisfy <b>all four</b> of the following conditions?	<b>Yes</b>	<b>No</b>		
<b>a</b>	The partnership's total receipts for the tax year were less than \$250,000.				
<b>b</b>	The partnership's total assets at the end of the tax year were less than \$1 million.				
<b>c</b>	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.				
<b>d</b>	The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.				
<b>5</b>	Is this partnership a publicly traded partnership, as defined in section 469(k)(2)? . . . . .				
<b>6</b>	During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . .				
<b>7</b>	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .				
<b>8</b>	At any time during calendar year 2018, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country. ►				
<b>9</b>	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions . . . . .				
<b>10a</b>	Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.				
<b>b</b>	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions . . . . .				

**Schedule B Other Information (continued)**

		<b>Yes</b>	<b>No</b>
c	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		
11	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) ► <input type="checkbox"/>		
12	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? . . . . .		
13	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions . . . . .		
14	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ►		
15	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ►		
16a	Did you make any payments in 2018 that would require you to file Form(s) 1099? See instructions . . . . .		
b	If "Yes," did you or will you file required Form(s) 1099? . . . . .		
17	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ►		
18	Enter the number of partners that are foreign governments under section 892. ►		
19	During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)? . . . . .		
20	Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938 . . . . .		
21	Is the partnership a section 721(c) partnership, as defined in Treasury Regulations section 1.721(c)-1T(b)(14)? . . . . .		
22	During the tax year, did the partnership pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions. If "Yes," enter the total amount of the disallowed deductions. ► \$		
23	Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions . . . . .		
24	Does the partnership satisfy one of the following conditions and the partnership does not own a pass-through entity with current year, or prior year, carryover excess business interest expense? See instructions . . . . .		
a	The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year do not exceed \$25 million, and the partnership is not a tax shelter, or		
b	The partnership only has business interest expense from (1) an electing real property trade or business, (2) an electing farming business, or (3) certain utility businesses under section 163(j)(7).		
	If "No," complete and attach Form 8990.		
25	Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3. ►		
	If "No," complete Designation of Partnership Representative below.		

**Designation of Partnership Representative (see instructions)**

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR	►	U.S. taxpayer identification number of PR	►
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U.S. address of PR	►	U.S. phone number of PR	►
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If the PR is an entity, name of the designated individual for the PR	►	U.S. taxpayer identification number of the designated individual	►
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U.S. address of designated individual	►	U.S. phone number of designated individual	►
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26 Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 13. ► \$	►		
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<b>Schedule K Partners' Distributive Share Items</b>		<b>Total amount</b>
<b>Income (Loss)</b>	1 Ordinary business income (loss) (page 1, line 22) . . . . .	1
	2 Net rental real estate income (loss) (attach Form 8825) . . . . .	2
	3a Other gross rental income (loss) . . . . .	3a
	b Expenses from other rental activities (attach statement) . . . . .	3b
	c Other net rental income (loss). Subtract line 3b from line 3a . . . . .	3c
	4 Guaranteed payments . . . . .	4
	5 Interest income . . . . .	5
	6 Dividends and dividend equivalents: a Ordinary dividends . . . . .	6a
	b Qualified dividends . . . . .	6b
	c Dividend equivalents . . . . .	6c
	7 Royalties . . . . .	7
<b>Deductions</b>	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065)) . . . . .	8
	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065)) . . . . .	9a
	b Collectibles (28%) gain (loss) . . . . .	9b
	c Unrecaptured section 1250 gain (attach statement) . . . . .	9c
<b>Self-Employment</b>	10 Net section 1231 gain (loss) (attach Form 4797) . . . . .	10
	11 Other income (loss) (see instructions) Type ► . . . . .	11
<b>Credits</b>	12 Section 179 deduction (attach Form 4562) . . . . .	12
	13a Contributions . . . . .	13a
	b Investment interest expense . . . . .	13b
	c Section 59(e)(2) expenditures: (1) Type ► . . . . . (2) Amount ► . . . . .	13c(2)
	d Other deductions (see instructions) Type ► . . . . .	13d
	14a Net earnings (loss) from self-employment . . . . .	14a
<b>Foreign Transactions</b>	b Gross farming or fishing income . . . . .	14b
	c Gross nonfarm income . . . . .	14c
	15a Low-income housing credit (section 42(j)(5)) . . . . .	15a
	b Low-income housing credit (other) . . . . .	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) . . . . .	15c
	d Other rental real estate credits (see instructions) Type ► . . . . .	15d
<b>Alternative Minimum Tax (AMT) Items</b>	e Other rental credits (see instructions) Type ► . . . . .	15e
	f Other credits (see instructions) Type ► . . . . .	15f
	16a Name of country or U.S. possession ► . . . . .	
	b Gross income from all sources . . . . .	16b
	c Gross income sourced at partner level . . . . .	16c
	Foreign gross income sourced at partnership level . . . . .	
<b>Other Information</b>	d Section 951A category ► . . . . . e Foreign branch category ► . . . . .	16e
	f Passive category ► . . . . . g General category ► . . . . . h Other (attach statement) ► . . . . .	16h
	Deductions allocated and apportioned at partner level . . . . .	
	i Interest expense ► . . . . . j Other ► . . . . .	16j
	Deductions allocated and apportioned at partnership level to foreign source income . . . . .	
	k Section 951A category ► . . . . . l Foreign branch category ► . . . . .	16l
	m Passive category ► . . . . . n General category ► . . . . . o Other (attach statement) ► . . . . .	16o
	p Total foreign taxes (check one): ► Paid <input type="checkbox"/> Accrued <input type="checkbox"/> . . . . .	16p
	q Reduction in taxes available for credit (attach statement) . . . . .	16q
	r Other foreign tax information (attach statement) . . . . .	
	17a Post-1986 depreciation adjustment . . . . .	17a
	b Adjusted gain or loss . . . . .	17b
	c Depletion (other than oil and gas) . . . . .	17c
	d Oil, gas, and geothermal properties—gross income . . . . .	17d
	e Oil, gas, and geothermal properties—deductions . . . . .	17e
	f Other AMT items (attach statement) . . . . .	17f
	18a Tax-exempt interest income . . . . .	18a
	b Other tax-exempt income . . . . .	18b
	c Nondeductible expenses . . . . .	18c
	19a Distributions of cash and marketable securities . . . . .	19a
	b Distributions of other property . . . . .	19b
	20a Investment income . . . . .	20a
	b Investment expenses . . . . .	20b
	c Other items and amounts (attach statement) . . . . .	

**Analysis of Net Income (Loss)**

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16p . . . . .	1			
2	Analysis by partner type:	<b>(i) Corporate</b>	<b>(ii) Individual (active)</b>	<b>(iii) Individual (passive)</b>	<b>(iv) Partnership</b>
a	General partners				<b>(v) Exempt Organization</b>
b	Limited partners				<b>(vi) Nominee/Other</b>

Schedule L	Balance Sheets per Books	Beginning of tax year			End of tax year
	Assets	(a)	(b)	(c)	(d)
1	Cash . . . . .				
2a	Trade notes and accounts receivable . . . . .				
b	Less allowance for bad debts . . . . .				
3	Inventories . . . . .				
4	U.S. government obligations . . . . .				
5	Tax-exempt securities . . . . .				
6	Other current assets (attach statement) . . . . .				
7a	Loans to partners (or persons related to partners) . . . . .				
b	Mortgage and real estate loans . . . . .				
8	Other investments (attach statement) . . . . .				
9a	Buildings and other depreciable assets . . . . .				
b	Less accumulated depreciation . . . . .				
10a	Depletable assets . . . . .				
b	Less accumulated depletion . . . . .				
11	Land (net of any amortization) . . . . .				
12a	Intangible assets (amortizable only) . . . . .				
b	Less accumulated amortization . . . . .				
13	Other assets (attach statement) . . . . .				
14	Total assets . . . . .				
	<b>Liabilities and Capital</b>				
15	Accounts payable . . . . .				
16	Mortgages, notes, bonds payable in less than 1 year . . . . .				
17	Other current liabilities (attach statement) . . . . .				
18	All nonrecourse loans . . . . .				
19a	Loans from partners (or persons related to partners) . . . . .				
b	Mortgages, notes, bonds payable in 1 year or more . . . . .				
20	Other liabilities (attach statement) . . . . .				
21	Partners' capital accounts . . . . .				
22	Total liabilities and capital . . . . .				

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: The partnership may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books . . . . .		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$ _____
3	Guaranteed payments (other than health insurance) . . . . .		7	Deductions included on Schedule K, lines 1 through 13d, and 16p, not charged against book income this year (itemize):
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16p (itemize):		a	Depreciation \$ _____
a	Depreciation \$ _____		8	Add lines 6 and 7 . . . . .
b	Travel and entertainment \$ _____		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5 . . . . .
5	Add lines 1 through 4 . . . . .			

**Schedule M-2 Analysis of Partners' Capital Accounts**

1	Balance at beginning of year . . . . .		6	Distributions: a Cash . . . . .
2	Capital contributed: a Cash . . . . .		b	Property . . . . .
	b Property . . . . .		7	Other decreases (itemize):
3	Net income (loss) per books . . . . .		8	Add lines 6 and 7 . . . . .
4	Other increases (itemize):		9	Balance at end of year. Subtract line 8 from line 5 . . . . .
5	Add lines 1 through 4 . . . . .			