



NOTE: Please read instructions (Form F-1065N) before completing the schedules below.

Part III. Apportionment Information				
III-A. For use by partnerships doing business both within and without Florida	(a) Within Florida		(b) Total Everywhere	
1. Average value of property per Schedule III-C (Line 8)	\$		\$	
2. Salaries, wages, commissions, and other compensation paid or accrued in connection with trade or business for the period covered by this return				
3. Sales				
III-B. For use by partnerships providing transportation services within and without Florida	(a) Within Florida		(b) Total Everywhere	
1. Transportation services revenue miles (see instructions)				
III-C. For use in computing average value of property	Within Florida		Total Everywhere	
	a. Beginning of Year	b. End of Year	a. Beginning of Year	b. End of Year
1. Inventories of raw material, work in process, finished goods				
2. Buildings and other depreciable assets (at original cost)				
3. Land owned (at original cost)				
4. Other tangible assets (at original cost) and intangible assets (financial organizations only). Attach schedule				
5. Total (Lines 1 through 4)				
6. Average value of property [add Line 5 Columns (a) and (b) and divide by 2 (for Within Florida and Total Everywhere)].				
7. Rented property - (8 times net annual rent)				
8. Total (Lines 6 and 7). Enter on Part III-A, Line 1, Column (a) and (b)	\$		\$	
	Average Florida		Average Everywhere	

Part IV. Apportionment of Partners' Share							
Partner (Name and Address)	Percent of Interest In Partnership	Property Data		Payroll Data		Sales Data	
		Within Florida	Everywhere	Within Florida	Everywhere	Within Florida	Everywhere
A.							
B.							
C.							

NOTE: Transfer data to Schedule III - A, Form F-1120.



Instructions for Preparing Form F-1065 Florida Partnership Information Return

F-1065N
R. 01/08

Rule 12C-1.051
Florida Administrative Code
Effective 01/08

General Instructions

Who Must File Form F-1065?

Every Florida partnership having any partner subject to the Florida Corporate Income Tax Code is required to file Form F-1065. A limited liability company with a corporate partner, if classified as a partnership for federal tax purposes, is also required to file Form F-1065. A Florida partnership is a partnership formed under the laws of Florida or a partnership doing business, earning or receiving income, or existing in Florida.

Note: A foreign (out-of-state) corporation which is a partner in a Florida partnership or a member of a Florida joint venture is subject to the Florida Income Tax Code and must file a Florida Corporate Income/Franchise and Emergency Excise Tax Return (Form F-1120).

A corporate taxpayer filing Form F-1120 may use Form F-1065 to report the distributive share of its partnership income and apportionment factors of a partnership or joint venture that is not a Florida partnership.

Where to File

Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0135

When to File

Form F-1065 must be filed on or before the first day of the fifth month following the close of the taxable year.

A return is considered timely if it bears a U.S. postmark on or before the applicable due date. Returns due on a Saturday, Sunday, or federal or state holiday will be considered timely if filed the next succeeding day which is not a Saturday, Sunday, or federal or state holiday.

Extension of Time for Filing

An extension of time to file Form F-1065 may be granted. An application must be made prior to the date the F-1065 return is due. Use *Florida Tentative Income/Franchise and Emergency Excise Tax Return and Application for Extension of Time to File Return* (Form F-7004).

If federal Form 7004 was filed for federal tax purposes, an extension will be automatically approved if the Florida Form F-7004 is filed with the Department on or before the original due date of the return.

An extension for Florida tax purposes may be granted, even though no federal extension was granted, if good cause for an extension is shown when Form F-7004 is filed. For additional information, see Internal Revenue Service Announcements 60-90 and 63-113.

Extensions are valid for six months. Only one extension is permitted.

Attachments and Statements

Attachments may be used if the lines on Form F-1065 or on any schedules are not sufficient. They must contain all of the required information and follow the format of the schedules of the return. Do not attach a copy of the federal return at this time. However, the Department may request it at a later date.

Signature and Verification

An officer of the entity who is authorized to sign for that entity must sign all returns. An **original signature** is required. A photocopy, facsimile, or stamp will not be accepted. A receiver, trustee, or assignee must sign any return required to be filed on behalf of any organization.

Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:

- Federal employer identification number (FEIN), **and**
- Preparer tax identification number (PTIN).

Rounding Off to Whole-Dollar Amounts

The partnership may show the dollar amounts on the return and accompanying schedules as whole dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents or above to the next highest dollar. If this method is used on the federal return, it must be used on the Florida return; otherwise, the treatment is optional.

Taxable Year and Accounting Methods

The taxable year and method of accounting must be the same for Florida income tax purposes as that used for federal income tax purposes. If the partnership's taxable year or method of accounting is changed for federal income tax purposes, its taxable year or method of accounting must be changed for Florida purposes.

Final Returns

If the partnership ceases to exist, write "FINAL RETURN" at the top of the form.

General Information Questions

Enter the Federal Employer Identification Number (FEIN). If the partnership does not have an FEIN, obtain one from the Internal Revenue Service. Choose one of these options:

- Apply online at www.irs.gov
- Apply by telephone at 800-829-4933.
- Apply by mail with IRS Form SS-4. To obtain this form, download it from www.irs.gov or call 800-829-3676.

Enter the Principal Business Activity Code that pertains to Florida business activities. If the Principal Business Activity Code is unknown, see the IRS "Codes for Principal Business Activity" section of federal Form 1065.

General Information

Both the income and the apportionment factors are considered to "flow through" to the members of a partnership or joint venture.

Parts I and II of the *Florida Partnership Information Return* are used to determine each partner's share of the Florida partnership income adjustment.

Parts III and IV are used to determine the adjustment which must be made to each partner's apportionment factors. For example, a corporate partner's share of the partnership's sales within Florida will be added to the corporation's sales within Florida. The partner's share of the partnership's "everywhere sales" will be added to the corporation's "everywhere sales." The corporation's sales apportionment factor, as reflected on Schedule III of the F-1120, will therefore be equal to:

$$\frac{\text{(corporation's Florida sales + share of partnership's Florida sales)}}{\text{(corporation's everywhere sales + share of partnership's everywhere sales)}}$$

Part I. Florida Adjustment to Partnership Income

Line A. Additions to federal income

1. Federal tax-exempt interest

Enter the amount of interest which is excluded from ordinary income under s. 103(a), Internal Revenue Code (I.R.C.), or any other federal law, less the associated expenses disallowed in the computation of ordinary income under s. 265, I.R.C., or any other law.

2. State income taxes deducted in computing federal ordinary income

Enter the sum of any tax upon or measured by income, which is paid or accrued as a liability to the District of Columbia or any state of the United States and which is deductible from gross income in the computation of federal ordinary income for the taxable year. Taxes based on gross receipts or revenues are excluded.

3. Other additions

Enter any other item required to be added as an adjustment to compute adjusted federal income.

Line B. Subtractions from federal income

Enter any item required to be subtracted as an adjustment to compute adjusted federal income.

Line C. Sub-total

Subtract Line B from Line A.

Line D. Net adjustment from other partnerships or joint ventures

If, due to Florida modifications, the partnership's share of income from other partnerships or joint ventures differs from the amount included in federal taxable income, an appropriate adjustment must be made on Line D. Attach a schedule explaining any adjustment.

Line E. Partnership income adjustment

Compute the total partnership income adjustment (sum of Lines C and D). Enter net increases to income on Line 1. Enter net decreases to income on Line 2.

Part II. Distribution of Partnership Income Adjustment

The distribution of each partner's share of the total partnership income adjustment (Part I, Line E) is accomplished in Part II.

Each corporate partner's share of the adjustment in Column (c) must be entered on its Florida Corporate Income/Franchise and Emergency Excise Tax Return (F-1120). Increases should be entered under "Other Additions" on Schedule I, Form F-1120. Decreases should be entered under "Other Subtractions" on Schedule II, Form F-1120.

Part III. Apportionment Information

This part must be completed if either the partnership or any of the partners subject to the Income Tax Code does business both within and without Florida.

Florida taxpayers doing business within and without the state are required to apportion their business income to Florida based upon a three-factor formula, except for insurance companies, transportation services, and taxpayers who have been given prior permission by the Department to apportion income using a different method pursuant to s. 220.152, F.S.

The three-factor formula measures Florida's share of adjusted federal income by ratios of the taxpayer's property, payroll, and sales in Florida, to total property, payroll, and sales located or occurring everywhere.

For additional information about apportioning income see section 220.15, Florida Statutes, and Rule 12C-1.015, Florida Administrative Code.

III-A, Line 1 (and Part III-C). Average value of property

The property factor is a fraction; the numerator is the average value of real and tangible personal property owned or rented and used during the taxable year in Florida and the denominator is the property owned or rented and used everywhere during the taxable year. The property factor for corporations included within the definition of financial organizations must also include intangible personal property, except goodwill.

Property owned is valued at original cost, without regard to accumulated depreciation. Property rented is valued at eight times the net annual rental rate. The net annual rental rate shall be reduced by the annual rental rate received from subrentals.

In Part III-C, Lines 1 through 4, enter the beginning-of-year and end-of-year balances for property owned and used within Florida, as well as property owned and used everywhere. Place the total value of the columns on Line 5. Compute the average values as provided on Lines 6 and 7. Enter the Florida average in Part III-A, Line 1, Column (a). Enter the average everywhere in Part III-A, Line 1, Column (b).

III-A, Line 2. Salaries, wages, commissions, and other compensation

The payroll factor is a fraction; the numerator is the total amount paid as compensation to employees in Florida during the taxable year and the denominator is the total compensation paid to employees everywhere during the taxable year. Enter the numerator in Part III-A, Line 2, Column (a). Enter the denominator in Part III-A, Line 2, Column (b).

For purposes of this factor, compensation is paid within Florida if:

- (a) The employee's service is performed entirely within Florida, *or*
- (b) The employee's service is performed both within and without Florida, but the service performed without Florida is incidental to the employee's service, *or*
- (c) Some of the employee's service is performed in Florida and either the base of operations or the place from which the service is directed or controlled is in Florida, or the base of operations or place from which the service is controlled is not in any state in which some part of the service is performed and the employee's residence is in Florida.

The partnership must attach a statement listing all compensation paid or accrued for the taxable year other than that as shown on Schedule A or page 1 of the federal Form 1065.

III-A, Line 3. Sales

The sales factor is a fraction; the numerator is the "total sales" of the taxpayer in Florida during the taxable year and the denominator is the "total sales" of the taxpayer "everywhere" during the taxable year. Enter the numerator in Part III-A, Line 3, Column (a) and the denominator in Part III-A, Line 3, Column (b).

The term "total sales" is defined as gross receipts without regard to returns or allowances. The term "sales" is not limited to transactions involving tangible personal property. It includes:

- (a) Rental or royalty income if such income is significant in the taxpayer's business.
- (b) Interest received on deferred payments of sales of real or tangible personal property.
- (c) Sales of services.
- (d) Income from the sale, licensing, or other use of intangible personal property such as patents and copyrights.
- (e) For financial organizations, income from intangible personal property.

Sales will be attributable to Florida using these criteria:

- (a) Sales of tangible personal property will be "Florida sales" if the property is delivered or shipped to a purchaser within this state, regardless of the F.O.B. point or other conditions of the sale or ultimate destination of the property.
- (b) Rentals will be "Florida sales" if the real or tangible personal property is in this state.

- (c) Interest received on deferred payments of sales of real or tangible personal property will be included in "Florida sales" if the sale of the property is in Florida.
- (d) Sales of service organizations are within Florida if the services are performed in Florida.

For a financial organization, "Florida sales" will also include:

- (a) Fees, commissions, or other compensation for financial services rendered within this state.
- (b) Gross profits from trading in stocks, bonds, or other securities managed within this state.
- (c) Interest, other than interest from loans secured by mortgages, deed of trust, or other liens upon real or tangible property located outside this state.
- (d) Dividends received within this state.
- (e) Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts.
- (f) Interest, fees, commissions, and other charges or gains from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in this state or from installment sale agreements originally executed by a taxpayer or his agent to sell real or tangible personal property located in this state.

- (g) Any other gross income, including other interest resulting from the operation as a financial organization within this state.

III-B. Special Industry Apportionment Fraction

Special methods of apportioning income by taxpayers providing insurance or transportation services are provided. For example, the income attributable to transportation services is apportioned to Florida by multiplying the adjusted federal income by a fraction. The numerator is the "revenue miles" within Florida and the denominator is the "revenue miles" everywhere. For transportation other than by pipeline, a revenue mile is the transportation of one passenger or one net ton of freight the distance of one mile for a consideration.

Part IV. Apportionment of Partners' Share

Each partner's share of the apportionment factors is determined by multiplying the amount in Part III-A, on Lines 1, 2, and 3 by the percentage interest of each partner. Amounts determined should be added to each partner's apportionment factors included on its Form F-1120.

Partnerships subject to a special industry apportionment fraction (for example, those engaged primarily in transportation services) should modify this schedule to report each partner's share of the special apportionment fraction (for example, revenue miles for transportation companies).

For Information and Forms



Information and forms are available on our Internet site at

www.myflorida.com/dor



To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671.



Persons with hearing or speech impairments may call the TDD at 800-367-8331 or 850-922-1115.



For a written reply to **tax questions**, write:
Taxpayer Services
Florida Department of Revenue
1379 Blountstown Hwy
Tallahassee FL 32304-2716



Department of Revenue service centers host educational seminars about Florida's taxes. To get a schedule of upcoming seminars or to register for one,

- Visit us online at **www.myflorida.com/dor** or
- Call the service center nearest you.



To receive forms by mail:

- Order multiple copies of forms from our Internet site at **www.myflorida.com/dor/forms** or
- Mail **form requests** to:
Distribution Center
Florida Department of Revenue
168A Blountstown Hwy
Tallahassee FL 32304-3761



Comments and Suggestions

Your help to improve this tax return and instructions is welcome. Comments and suggestions may be e-mailed to **corpform@dor.state.fl.us** or mailed to:
Communication Services Process
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0100