NJ-1065
2014

043WB01140

STATE OF NEW JERSEY
PARTNERSHIP RETURN

For Calendar Year 2014, or Tax Year Beginning _____, 2014 and Ending _____, 20____

You Must Enter Your Federal EIN		
Federal EIN	Legal Name of Taxpayer	
Principal Business Activity	Trade Name of Business if different from legal name above	
Date Business Started	Address (number and street or rural route)	
_____ # of Resident Partners _____ # of Nonresident Partners with Physical Nexus to NJ _____ # of Nonresident Partners without Physical Nexus to NJ	City or Post Office	State / Zip Code
	If you do not need forms mailed to you next year, fill in . . . . . ☐	

Check applicable boxes:

- ☐ Initial Return
- ☐ Final Return
- ☐ Amended Return
- ☐ Application for Federal Extension is attached
- ☐ Substitute Method of Allocation Granted
- ☐ Complete Liquidation
- ☐ Qualified Investment Partnership
- ☐ Listed on U.S. National Stock Exchange
- ☐ Hedge Fund
- ☐ Investment Club
- ☐ Composite Return is filed for Nonresident Partners
- ☐ Controlling Interest Transfer Tax
- ☐ Tiered Partnership
- ☐ General Partnership
- ☐ Limited Partnership
- ☐ Limited Liability Company
- ☐ Limited Liability Partnership

Partnership Income

				Column A Amount From All Sources	Column B Amount From NJ Sources
1.	Ordinary Income (loss) from trade or business activities (see instruction page 6)			1	
2.	Net income (loss) from rental real estate activities			2	
3.	Net income (loss) from other rental activities			3	
4.	Guaranteed payments to partners			4	
5.	Interest income			5	
6.	Dividend income			6	
7.	Royalty income			7	
8.	Net gain (loss) from disposition of property			8	
9.	Net IRC section 1231 gain (loss)			9	
10.	Other income (loss)			10	
11.	Tax-exempt interest income			11	
12.	Subtotal (add lines 1 through 11)			12	
13a.	Taxes based on income (see instruction page 7)	13a			
13b.	Other additions - specify: _____	13b			
13c.	Total additions (add lines 13a and 13b)			13c	
14.	Subtotal (add lines 12 and 13c)			14	
15a.	Net income (loss) from rental real estate activities	15a			
15b.	Net gain (loss) from disposition of real property	15b			
15c.	Guaranteed payments to partners	15c			
15d.	Interest income from federal obligations	15d			
15e.	Interest income from NJ obligations	15e			
15f.	IRC Section 179 expense	15f			
15g.	Other subtractions - specify: _____	15g			
15h.	Total subtractions (add lines 15a through 15g)			15h	
16a.	Subtotal (subtract line 15h from line 14)			16a	
16b.	NJ Allocation (line 16a times business allocation % of _____%)			16b	
17.	Net income (loss) from rental real estate activities (see instruction page 8)			17	
18.	Net gain (loss) from disposition of real property			18	
19.	Net partnership income (loss) (total lines 16a, 17 and 18 of column A) (total lines 16b, 17 and 18 of column B)			19	
20.	Income (loss) from tiered partnership			20	
21.	Partnership income (loss) (total lines 19 and 20)			21	
22a.	Guaranteed payments to partners			22a	
22b.	Guaranteed payments to partners--pension			22b	
22c.	Net guaranteed payment to partners (subtract line 22b from line 22a)			22c	
23.	Net gain (loss) from disposition of assets as a result of a complete liquidation			23	
24.	Total Nonresident Noncorporate Partners Share of Tax (Line 2c, Column J of Partners Directory)			24	
25.	Total Nonresident Corporate Partners Share of Tax (Line 2c, Column K of Partners Directory)			25	

Use the amounts reported in Column A to complete Schedule NJK-1, Column A.
Use the amounts reported in Column B to complete Schedule NJK-1, Column B.

Partnership name as shown on Form NJ-1065

043WB02140

Federal EIN

PARTNERS DIRECTORY

List all partners, including principal address. Add additional sheets as necessary. 1. Corporation Allocation Factor ._____

A	B	C	D	E	F	G	H	I	J	K
Code	SS Number or FEIN Name and Principal Address	Distributive Share of Partnership Income (Loss)		Net Gain (Loss) From Disposition of Assets as a result of a Complete Liquidation		Pension	Nonresident Partner's		Nonresident	
		Total Distribution	NJ Source	Total Gain (Loss)	NJ Source		Share of Total Income	Share of NJ Income	Noncorporate Partner's Share of Tax	Corporate Partner's Share of Tax
	% owned by Partner ____ Final ☐									
	% owned by Partner ____ Final ☐									
	% owned by Partner ____ Final ☐									

	2a. Total This Page. Enter zero, if no tax is reported in Column(s) J and/or K.	
	2b. Total From _____ Additional Pages Attached. Enter zero, if no tax is reported in Column(s) J and/or K.	
	2c. Total Tax (add Lines 2a and 2b). Enter the totals here and carry the total in Column J to Line 24, Column B, and the total in Column K to Line 25, Column B on front of Form NJ-1065.	

Signature of General Partner or Limited Liability Company Member.

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 general partner) is based on all information of which preparer has any knowledge.

Paid Preparer's Signature

Date ☐ Check if Self-Employed

Date

Firm's Name (or yours if self-employed)

Preparer's SS # or PTIN

Preparer's Address

Preparer's Federal EIN #

A complete Federal Form 1065 including all schedules and supporting attachments may be required during the course of an audit.

Partnership name as shown on Form NJ-1065

043WB03140

Federal EIN

PARTNERS DIRECTORY

List all partners, including principal address. Add additional sheets as necessary.

A	B	C	D	E	F	G	H	I	J	K
Code	SS Number or FEIN Name and Principal Address	Distributive Share of Partnership Income (Loss)		Net Gain (Loss) From Disposition of Assets as a result of a Complete Liquidation		Pension	Nonresident Partner's		Nonresident	
		Total Distribution	NJ Source	Total Gain (Loss)	NJ Source		Share of Total Income	Share of NJ Income	Noncorporate Partner's Share of Tax	Corporate Partner's Share of Tax
	% owned by Partner ____ Final ☐									
	% owned by Partner ____ Final ☐									
	% owned by Partner ____ Final ☐									
	% owned by Partner ____ Final ☐									

Total This Page
Enter zero, if no tax is reported in Column(s) J and/or K.

NJ-1065

Partnership name as shown on Form NJ-1065

Page of

Federal EIN

PARTNERS DIRECTORY

List all partners, including principal address. Add additional sheets as necessary.

A	B	C	D	E	F	G	H	I	J	K
Code	SS Number or FEIN Name and Principal Address	Distributive Share of Partnership Income (Loss)		Net Gain (Loss) From Disposition of Assets as a result of a Complete Liquidation		Pension	Nonresident Partner's		Nonresident	
		Total Distribution	NJ Source	Total Gain (Loss)	NJ Source		Share of Total Income	Share of NJ Income	Noncorporate Partner's Share of Tax	Corporate Partner's Share of Tax
	% owned by Partner ____ Final ☐									
	% owned by Partner ____ Final ☐									
	% owned by Partner ____ Final ☐									
	% owned by Partner ____ Final ☐									
								Total This Page **Enter zero, if no tax is reported in Column(s) J and/or K.**		

SCHEDULE
NJK-1
(Form NJ-1065)
2014

STATE OF NEW JERSEY

PARTNER'S SHARE OF INCOME

For Calendar Year 2014, or Fiscal Year Beginning _____, 2014 and ending _____, 20_____

PART I General Information

Partner's SS # or Federal EIN	Partnership's Federal EIN
Partner's Name	Partnership's Name
Street Address	Partnership's Street Address
City State Zip Code	City State Zip Code

What type of entity is partner? (see instructions)_____
Code

Date Partner's Interest in Partnership began: _____
Month Day Year

☐ Final NJK-1 ☐ Hedge Fund
☐ Amended NJK-1 ☐ Member of Composite Return

Enter Partner's percentage of:

	(i) Before Decrease or Termination	(ii) End of Year
Profit Sharing	_____%	_____%
Loss Sharing	_____%	_____%
Capital Ownership	_____%	_____%

PART II Income Information

Income Classifications	A. Total Distribution	NJ-1040 Filers Enter Amounts on Line Shown Below	B. New Jersey Source Amounts	NJ-1040NR Filers
1. Partnership Income (loss)				
2. Net Guaranteed Payments				
3. Partner's 401(k) Contribution				
4. Distributive Share of Partnership Income (loss) (Line 1 plus Line 2 minus Line 3)		Line 20, Page 2		Line 22, Page 1
5. Pension		Line 19, Page 2		
6. Net Gain (loss) from Disposition of Assets as a Result of a Complete Liquidation		Line 18, Page 2		Line 18, Page 1

PART III Partner's Information

1. Nonresident Partner's Share of NJ Tax	1.		Line 19a, Page 1 CBT-100 Line 10a, Page 1 CBT-100S Line 8, PART-100 Line 47, NJ-1040NR Line 21, NJ-1080C Line 32a, NJ-1041
2. Partner's HEZ Deduction	2.		
3. Partner's Sheltered Workshop Tax Credit	3.		

PART IV Supplemental Information (Attach Schedule)

THIS FORM MAY BE REPRODUCED

Partnership name as shown on Form NJ-1065	Federal EIN

SCHEDULE A TIERED PARTNERSHIPS

(Complete this schedule before completing Form NJ-1065 or Schedule L, if applicable)

PART I PARTNERSHIP INCOME			Column A Amounts Reported by this Partnership on Federal Schedule K	Column B Portion of Amount in Column A Earned by Other Partnerships	Column C Amount Earned by this Partnership (A minus B)
1	Ordinary income (loss) from trade or business activities	1			
2	Net income (loss) from rental real estate activities	2			
3	Net income (loss) from other rental activities	3			
4	Guaranteed payments to partners	4			
5	Interest Income	5			
6	Dividend Income	6			
7	Royalty Income	7			
8	Net gain (loss) from disposition of property	8			
9	Net IRC section 1231 gain (loss)	9			
10	Other income (loss)	10			
11	Tax exempt interest income	11			

Use the amounts reported in Column C to complete Lines 1 through 11 on Form NJ-1065 or in Column A of Schedule L, if applicable.

Lines 1 - 11

Column A: Follow the instructions for lines 1 through 11 of the NJ-1065.

Column B: Enter the portion of each amount reported in Column A that was derived from other partnerships. For each line, this will be the sum of the amounts reported for the corresponding category on the Federal Schedule K-1(s) furnished to your partnership by each subsidiary partnership in which it is a member.

Column C: For each line 1 through 11, subtract the amount reported in Column B from the amount reported in column A. Enter the difference in Column C of that line and on the corresponding line on the front of Form NJ-1065 or in Column A of Schedule L, if applicable. Follow the instructions for lines 1 through 11 of the NJ-1065.

PART II SUMMARY OF SCHEDULE NJK-1(S) OR FEDERAL K-1(S) RECEIVED FROM OTHER PARTNERSHIPS

(Attach copies of all Schedule NJK-1(s) Received)

12	NJK-1	Partnership Name	Federal EIN	NJ Distributive Share of Partnership Income		Nonresident Partner's
				Column A Amount from All Sources	Column B Amount from NJ Sources	Column C Share of NJ Tax
A	☐					
B	☐					
C	☐					
D	☐					
E	☐					
	13 Total Income (Loss) and Tax from Tiered Partnerships:		13			

Line 12: Check the box to indicate if you received a Schedule NJK-1.
List the Name, Federal EIN and Distributive Share of Partnership Income or Loss reported on Line 4, Columns A and B of Part II and/or Net Gain (Loss) from Disposition of Assets as a Result of a Complete Liquidation reported on Line 6, Columns A and B of Part II, and Share of NJ Tax reported on Line 1 of Part III of each Schedule NJK-1 this partnership received from another partnership.
If you did not receive a Schedule NJK-1, you will have to use the information from your Federal Schedule K-1 to complete Reconciliation Worksheet A to determine the proper amount to report as your distributive share of partnership income for New Jersey tax purposes.
Refer to Tax Topic Bulletin GIT-9P, *Income from Partnerships*.

Line 13: Add the amounts(s) on Line 12, Columns A, B and C and enter the result on Line 13, Columns A, B and C. Carry the totals in Columns A and B to Line 20 on the front of Form NJ-1065.

Partnership name as shown on Form NJ-1065	Federal EIN

SCHEDULE B SHELTERED WORKSHOP TAX CREDIT FOR TAXABLE YEARS BEGINNING AFTER JANUARY 12, 2006

PART I QUALIFICATIONS

1. Is each employee for which a credit is claimed a "Qualified Person" in accordance with P.L. 2005, c. 318? . . . . . ☐ YES ☐ NO

2. Did each employee for which a credit is claimed work for at least 26 weeks during the privilege period and work at least 25 hours per week at or under the supervision of a sheltered workshop? . . . . . ☐ YES ☐ NO

NOTE: If the answer to either of the above questions is **"NO"**, do not complete the rest of this form. The taxpayer does **not** qualify for the sheltered workshop tax credit, otherwise, go to Part II.

PART II CALCULATION OF THE AVAILABLE SHELTERED WORKSHOP TAX CREDIT FOR PARTNERSHIPS

	Column (A) Name	Column (B) Social Security #	Column (C) Total Wages	Column (D) 20% of Column C - Max $1,000
3.				
4.				
5.				
6.				
7.				
8.	Available Sheltered Workshop Tax Credit (add lines 3 through 7)			

*** If there are more names, please attach a schedule corresponding to Part II**

Enter the name of each qualified person employed by your partnership in Column A.

Enter the social security number of each qualified person employed by your partnership in Column B.

Enter the salary and wages paid during the tax year in Column C.

Enter the lesser of 20% of Column C or $1,000 per qualified person in Column D.

Partnership name as shown on Form NJ-1065	Federal EIN

CORPORATION ALLOCATION SCHEDULE

SCHEDULE J **A PARTNERSHIP THAT IS NOT A QUALIFIED INVESTMENT PARTNERSHIP, INVESTMENT CLUB, AND THAT IS NOT LISTED ON A UNITED STATES NATIONAL STOCK EXCHANGE BUT HAS A NONRESIDENT NONCORPORATE OR NONRESIDENT CORPORATE PARTNER SHOULD COMPLETE SCHEDULE J. THIS SCHEDULE SHOULD BE OMITTED IF THE TAXPAYER DOES NOT HAVE RECEIPTS OUTSIDE NEW JERSEY; THE ALLOCATION FACTOR WILL BE 100% (1.000000). SCHEDULE J IS NOT REQUIRED FOR A PARTNERSHIP THAT MEETS HEDGE FUND STATUS, IF ITS ONLY NONRESIDENT PARTNERS ARE INDIVIDUALS, ESTATES, OR TRUSTS. SCHEDULE J IS REQUIRED IF THE PARTNERSHIP INCLUDES NONRESIDENT PARTNERS WHO DO NOT HAVE PHYSICAL NEXUS TO NEW JERSEY AND THE PARTNERSHIP WISHES TO ALLOCATE THE FILING FEE.**

PART I **ALL ALLOCATING COMPANIES MUST ANSWER THE FOLLOWING QUESTIONS**

(a) Explain in detail internal controls used in distribution of receipts in and out of New Jersey, as shown in Part II _____

_____

_____

(b) State the location of the actual seat of management or control of the partnership_____

PART II **COMPUTATION OF ALLOCATION FACTOR**

	AMOUNTS (omit cents)	
1. Receipts:		Complete by carrying the fraction to six (6) decimal places. Do not express as a percent. Example: $\frac{123.456}{1,000,000}$ = .123456
(a) From sales of tangible personal property shipped to points within New Jersey.		
(b) From services performed in New Jersey.		
(c) From rentals of property situated in New Jersey.		
(d) From royalties for the use in New Jersey of patents and copyrights.		
(e) All other business receipts earned in New Jersey.		
(f) Total New Jersey receipts (Total of lines 1(a) to 1(e), inclusive).		
(g) Total receipts from all sales, services, rentals, royalties and other business transactions everywhere.		
(h) Allocation Factor (percentage in New Jersey (Line 1(f)) divided by Line 1(g)). Enter result in Line 1(h) and carry to Line 1 of the Partners Directory on Page 2 of Form NJ-1065.	☐.☐☐☐☐☐☐	

INSTRUCTIONS FOR SCHEDULE J-CORPORATION ALLOCATION SCHEDULE

PART I - GENERAL INSTRUCTIONS REGARDING ALLOCATION OF ADJUSTED ENTIRE NET INCOME:

(a) **ALLOCATION PERCENTAGES:** In computing the allocation factor in Schedule J, division must be carried to six decimal places, e.g., .123456.

(b) Effective for returns beginning on or after July 1, 2010, all partnerships are entitled to allocate.

(c) Effective for returns, beginning on or after January 1, 2014 all returns will have a 100% weighted receipts fraction only.

(d) Only the receipts attributable to the partnership entity are to be used in computing the allocation factor denominators.

PART II - COMPUTATION OF ALLOCATION FACTOR: This schedule may be omitted if the taxpayer does not have activity outside New Jersey.

Line 1(a) - 1(d) RECEIPTS FRACTION: Receipts from sales of tangible personal property are allocated to New Jersey where the goods are shipped to points within New Jersey.

Receipts from the sale of goods are allocable to New Jersey if shipped to a New Jersey or a non-New Jersey customer where possession is transferred in New Jersey. Receipts from the sale of goods shipped to a taxpayer from outside of New Jersey to a New Jersey customer by a common carrier are allocable to New Jersey. Receipts from the sale of goods shipped from outside of New Jersey to a New Jersey location where the goods are picked up by a common carrier and transported to a customer outside of New Jersey are not allocable to New Jersey.

Receipts from the following are allocable to New Jersey; services performed in New Jersey; rentals from property situated in New Jersey; royalties from the use in New Jersey of patents or copyrights; all other business receipts earned in New Jersey.

Lines 1(e) and 1(g)

(1) **RECEIPTS FROM SALES OF CAPITAL ASSETS:** Receipts from sales of capital assets (property not held by the taxpayer for sale to customers in the regular course of business), either within or outside New Jersey, should be included in the numerator and the denominator based upon the net gain recognized and not upon gross selling prices. Where the taxpayer's business is the buying and selling of real estate or the buying and selling of securities for trading purposes, gross receipts from the sale of such assets should be included in the numerator and the denominator of the receipts fraction.

NJ-NR-A
(9-12)

NEW JERSEY GROSS INCOME TAX

BUSINESS ALLOCATION SCHEDULE

Use this schedule if business activities are carried on both inside and outside New Jersey or if business activities are carried on 100% outside New Jersey.

This form must be enclosed and filed with your New Jersey Income Tax return.

Enter name, address and Social Security/Federal Employer Identification Number as shown on the Form NJ-1040NR, Form NJ-1041 or Form NJ-1065.

Legal name of taxpayer	Social Security Number/Federal EIN
Trade name of business if different from legal name above	For the Taxable Year Ending (Month, Day, Year)
Address (number and street or rural route)	
City or Post Office State Zip Code	

Section 1 - Business Locations

List all places BOTH INSIDE AND OUTSIDE New Jersey where business is carried on.

	(a) Street Address	(b) City and State	(c) Description of Business Location	(d) Check One	
				RENT	OWN
1.				☐	☐
2.				☐	☐
3.				☐	☐
4.				☐	☐

Section 2 - Average Values

	ASSETS (See instructions)	Average Values			
		Column A Everywhere		Column B New Jersey	
1.	Real Property Owned	1.		1.	
2.	Real and Tangible Property Rented	2.		2.	
3.	Tangible Personal Property Owned	3.		3.	
4.	TOTALS (Add Lines 1-3 in each column)	4.		4.	

Section 3 - Business Allocation Percentage

1.	Average Values of Property:				
	a. In New Jersey (from Section 2, Column B, Line 4)	1a			
	b. Everywhere (from Section 2, Column A, Line 4)	1b			
	c. Percentage in New Jersey. (Divide Line 1a by Line 1b)			1c	%
2.	Total Receipts from All Sales, Services and Other Business Transactions:				
	a. In New Jersey	2a			
	b. Everywhere	2b			
	c. Percentage in New Jersey (Divide Line 2a by Line 2b)			2c	%
3.	Wages, Salaries and Other Personal Compensation Paid During the Year:				
	a. In New Jersey	3a			
	b. Everywhere	3b			
	c. Percentage in New Jersey. (Divide Line 3a by Line 3b)			3c	%
4.	Sum of New Jersey Percentages. (Add Lines 1c, 2c and 3c)			4	%
5.	Business Allocation Percentage. (Divide the total on Line 4 by 3; if less than 3 fractions, see instructions)			5	%

FORM
NJ-1065E
2014

STATE OF NEW JERSEY - NONRESIDENT CORPORATE PARTNER'S STATEMENT OF BEING AN EXEMPT CORPORATION OR MAINTAINING A REGULAR PLACE OF BUSINESS IN NEW JERSEY

PART 1 ENTITY INFORMATION			
EIN	Name of Filing Entity		
Mailing Address			
City	State	Zip	
Person to Contact		Telephone Number	

PART 2 NONRESIDENT PARTNER INFORMATION		
Federal EIN	Name of Nonresident Entity	
Principal Address		
City	State	Zip

MAINTAINS A REGULAR PLACE OF BUSINESS

☐ By signing this statement, the nonresident corporate partner is declaring that it maintains a regular place of business in New Jersey other than a statutory office.

A "regular place of business" is any bona fide office (other than a statutory office), factory, warehouse, or other space of the taxpayer which is regularly **MAINTAINED, OCCUPIED** and **USED** by the taxpayer in carrying on its business and in which one or more regular employees are in attendance. To maintain a place of business, the taxpayer must either own or rent the premises. That cost must be borne directly by the taxpayer and not by some related entity or person.

List address of at least one such regular place of business in New Jersey:

_____

_____

_____

Failure to list at least one regular place of business will result in the partnership entity remitting a payment of tax on your share of New Jersey income.

☐ By signing this statement the corporation is declaring that it is exempt from the Corporation Business Tax Act pursuant to N.J.S.A. 54:10A-3.

☐ By signing this statement the nonresident corporate partner is declaring that it is an exempt IRC 501(c)(3) entity.

☐ By signing this statement the nonresident corporate partner is declaring that it is a retirement plan approved by the Internal Revenue Service.

I further understand that this statement:

1. Must be made annually; and
2. May not be made after the 15th day of the fourth month succeeding the close of the privilege period or after the return has been filed, whichever occurs first.

Under penalties of perjury, I declare that I have examined this statement, and to the best of my knowledge and belief, it is true and correct and that I am properly authorized to sign and make this consent on behalf of :

_____
Name of Nonresident Entity

_____ _____
Signature of Corporate Officer and Title, General Partner or Limited Liability Company Member — Date

THIS FORM MAY BE REPRODUCED
AND MUST BE RETAINED BY THE FILING ENTITY

REVISED STATUTES OF NEW JERSEY, 1937, TITLE 54 TAXATION, SUBTITLE 4 PARTICULAR TAXES ON CORPORATIONS AND OTHERS, PART 1PROVISIONS APPLICABLE TO CORPORATIONS GENERALLY, Ch. 10A Corporation Business Tax Act (1945)

Sec. 54:10A-3. Exempt corporations -

The following corporations shall be exempt from the tax imposed by this act:

(a) Corporations subject to a tax assessed upon the basis of gross receipts, other than the alternative minimum assessment determined pursuant to section 7 of P.L.2002, c.40 (C.54:10A-5a), and corporations subject to a tax assessed upon the basis of insurance premiums collected;

(b) Corporations which operate regular route autobus service within this State under operating authority conferred pursuant to R.S.48:4-3, provided, however, that such corporations shall not be exempt from the tax on net income imposed by section 5(c) of P.L.1945, c.162 (C.54:10A-5);

(c) Railroad, canal corporations, production credit associations organized under the Farm Credit Act of 1933, or agricultural cooperative associations incorporated or domesticated under or subject to chapter 13 of Title 4 of the Revised Statutes and exempt under Subtitle A, Chapter 1F, Part IV, Section 521 of the federal Internal Revenue Code (26 U.S.C. s.521);

(d) Cemetery corporations not conducted for pecuniary profit or any private shareholder or individual;

(e) Nonprofit corporations, associations or organizations established, organized or chartered, without capital stock, under the provisions of Title 15, 16 or 17 of the Revised Statutes, Title 15A of the New Jersey Statutes or under a special charter or under any similar general or special law of this or any other state, and not conducted for pecuniary profit of any private shareholders or individual;

(f) Sewerage and water corporations subject to a tax under the provisions of P.L.1940, c.5 (C.54:30A-49 et seq.) or any statute or law imposing a similar tax or taxes;

(g) Nonstock corporations organized under the laws of this State or of any other state of the United States to provide mutual ownership housing under federal law by tenants, provided, however, that the exemption hereunder shall continue only so long as the corporations remain subject to rules and regulations of the Federal Housing Authority and the Commissioner of the Federal Housing Authority holds membership certificates in the corporations and the corporate property is encumbered by a mortgage deed or deed of trust insured under the National Housing Act (48 Stat.1246) as amended by subsequent Acts of Congress. In order to be exempted under this subsection, corporations shall annually file a report on or before August 15 with the commissioner, in the form required by the commissioner, to claim such exemption, and shall pay a filing fee of $25.00;

(h) Corporations not for profit organized under any law of this State where the primary purpose thereof is to provide for its shareholders or members housing in a retirement community as the same is defined under the provisions of the "Retirement Community Full Disclosure Act," P.L.1969, c.215 (C.45:22A-1 et seq.);

(i) Corporations which are licensed as insurance companies under the laws of another state, including corporations which are surplus lines insurers declared eligible by the Commissioner of Banking and Insurance pursuant to section 11 of P.L.1960, c.32 (C.17:22-6.45) to insure risks within this State; and

(j) (1) Municipal electric corporations that were in existence as of January 1, 1995 provided that all of their income is from sales, exchanges or deliveries of electricity derived from customers using electricity within their municipal boundaries; and (2) Municipal electric utilities that were in existence as of January 1, 1995 provided that all of their income is from sales, exchanges or deliveries of electricity derived from customers using electricity within their franchise area existing as of January 1, 1995. If a municipal electric corporation derives income from sales, exchanges or deliveries of electricity from customers using the electricity outside its municipal boundaries, such municipal electric corporation shall be subject to the tax imposed by this act on all income. If a municipal electric utility derives income from sales, exchanges or deliveries of electricity from customers using electricity outside its franchise area existing as of January 1, 1995, such municipal electric utility shall be subject to the tax imposed by the act on all income.

(As amended by Ch. 236, Laws 1949; Ch. 130, Laws 1951; Ch. 174, Laws 1960; Ch. 59, Laws 1963; Ch. 48, Laws 1967; Ch. 211, Laws 1972; Ch. 275, Laws 1973; Ch. 170, Laws 1975; Ch. 184, Laws 1991; Ch. 338, Laws 1993; Ch. 162, Laws 1997; Ch. 114 (A.B. 262), Laws 1998; Ch. 40 (A. B. 2501), Laws 2002, applicable to privilege periods and taxable years beginning on or after January 1, 2002.

PART-100
2014

STATE OF NEW JERSEY

Partnership Filing Fee and Tax Payment Voucher

For Calendar Year 2014, or Tax Year Beginning _____, 2014 and Ending _____, 20____

Federal EIN	Legal Name of Taxpayer
☐ Amended ☐ Final	Trade Name of Business if different from legal name above
_____ # of Resident Partners _____ # of Nonresident Partners with Physical Nexus to NJ _____ # of Nonresident Partners without Physical Nexus to NJ	Address (number and street or rural route) City or Post Office State Zip Code

1. Filing Fee (Line 4 of Filing Fee Schedule)	___,___,___.00
2. Installment Payment (Multiply Line 1 by .50)	___,___,___.00
3. Nonresident Noncorporate Partner Tax	___,___,___.00
4. Nonresident Corporate Partner Tax	___,___,___.00
5. Total Fee and Tax (Add Lines 1-4)	___,___,___.00
6. Penalty for Underpayment of Estimated Tax. Check box if PART-160 attached ☐	___,___,___.00
7. Total Due (Add Lines 5 and 6)	___,___,___.00
8. Less: Total from Tiered Partnership Payment Schedule	___,___,___.00
9. Less: Installment Payment from 2013	___,___,___.00
10. Less: Estimated Payments/Credit from 2013	___,___,___.00
11. Less: Payment from PART-200-T	___,___,___.00
12. Total Balance Due	___,___,___.00
13. Overpayment	___,___,___.00
14. Credit to 2015	___,___,___.00
15. Refund	___,___,___.00

This Return must accompany your payment in the envelope marked PART-100.
Make checks payable to: State of New Jersey – PART.
Write the Federal ID number and tax year on the check.

Mail To: **Filing Fee and Tax on Partnerships**
Form PART-100
PO Box 642
Trenton, NJ 08646-0642

FILING FEE SCHEDULE

1	Number of Resident Partners	_____	x $150.00		= _____
2	Number of Nonresident Partners with Physical Nexus to New Jersey	_____	x $150.00		= _____
3	Number of Nonresident Partners without Physical Nexus to New Jersey	_____	x $150.00 x	. Corporation Allocation Factor	= _____
4	Total Filing Fee (Add Lines 1–3)				_____

Carry the total from Line 4 to Line 1 on the front of Form PART-100. If the amount on Line 4 is greater than $250,000, enter $250,000 on Line 1 of Form PART-100.

TIERED PARTNERSHIP PAYMENT SCHEDULE

List the Partnership's Name(s), Federal Identification Number(s) and share of New Jersey Tax reported on Line 1 of Part III of each Schedule NJK-1 received.

	Name	FEIN	Amount
A.			
B.			
C.			
D.			
E.			

Total Tax Paid on Behalf of Partnership: _____

Carry this total to Line 8 on the front of this Return PART-100.

PART-160

NJ Division of Taxation
(01-15)

Underpayment of Estimated N.J. Partnership Tax

Attach to your tax return (Form PART-100)

PARTNERSHIP NAME	FEDERAL EMPLOYER I.D. NUMBER

PART I How to Compute Your Underpayment

Note: If you meet any of the exceptions that avoid the underpayment charge for ANY quarter, complete PART II

	(a)
1. Amount of 2014 Tax - Refer to line 1 instruction on reverse side.	
2. 90% of Line 1.	
3. Prior year's tax - Enter the total of lines 3 and 4 from the 2013 PART-100	
4. Enter the lesser of Lines 2 or 3	

	(a)	(b)	(c)	(d)
5. Enter in columns (a) through (d) the installment dates that correspond to the 15th day of the 4th, 6th and 9th months of your tax period and the 15th day of the 1st month succeeding the close of your tax period				
6. Enter 25% of Line 4 in columns (a) through (d).				
7. (a) Amount paid or credited for each period				
(b) Overpayment of previous installment (enter any overpayment shown on line 9 that is more than the total of all prior underpayments as a credit against the next installment)				
8. Add lines 7(a) and 7(b)				
9. Underpayment (subtract line 8 from line 6) or overpayment (subtract line 6 from line 8)				

PART II Exceptions (See Instructions)

10. Total amount paid or credited from the beginning of the tax year through the installment dates that correspond to the 15th day of the 4th, 6th and 9th months of your tax period and the 15th day of the 1st month succeeding the close of your tax period				
11. Exception 1, tax based on the facts shown on the prior year's return but using current year's rates. Refer to instructions on reverse side regarding the taxable periods of less than one year	25% of tax	50% of tax	75% of tax	100% of tax
12. Exception 2, tax based on annualized tax	22.5% of tax	45% of tax	67.5% of tax`	90% of tax

PART III Installment Interest Due (See Instructions)

13. Amount of underpayment from line 9				
14. Enter same installment dates used above at line 5				
15. Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier				
16. Number of months from the date on line 14 to the date on line 15. (A part of a month is deemed to be a full month.)				
17. Interest				
18. Installment interest due - Add columns (a), (b), (c), and (d) of line 17. Enter the total here and include in Line 6 of Form PART-100				

THIS FORM MAY BE REPRODUCED

INSTRUCTIONS

Purpose of Form
This Form PART-160 is used by partnerships to determine whether they paid enough estimated tax, whether they are subject to an interest charge for underpayment of estimated tax, and if so, the amount of interest.

How to Use This Form
Complete Part I of Form PART-160 to find out if you have an underpayment for any of the four payment periods. If you have an underpayment on Line 9 (Column a, b, c or d), go to Part II, Exceptions. If you cannot meet either of the exceptions for a payment period, go to Part III, Installment Interest Due. If you are using Form PART-160 either to compute the interest on underpayment of estimated tax or to show that you qualify for any exception, attach Form PART-160 to your tax return, Form PART-100.

Part I - How to Compute Your Underpayment
Complete Lines 1 through 9 in Part I. The instructions for most of these lines are on the form itself. Follow the instructions below for the lines indicated.

Line 1 - Enter in Column (a) the total of lines 3 and 4 from Form PART-100.
Line 7(b) - Enter any overpayment shown on Line 9 that is more than the total of all earlier underpayments.
Line 9 - If Line 9 shows an underpayment, complete Part II to see if either of the exceptions apply.

Part II - Exceptions

You will not have to pay interest if all of your tax payments (Part II, Line 10) were made on time and are equal to or more than either of the amounts computed as explained by the exceptions (Lines 11 and 12) for the same payment period (Column a, b, c or d).

Exception I - Tax Based on Prior Year's Return Using Current Year's Rates
This exception applies if the amount the partnership paid is equal to or more than the tax computed by using the current year's rates but based on the facts shown on the prior year's return and the law that applies to the prior year. If the prior year return covered a period of less than a year, the prior return must be annualized by dividing the taxable net income by the number of whole months covered by the short period return and multiplying by 12.

Exception II - Tax Based on Annualized Tax
This exception applies if the estimated tax paid was equal to or more than 90% of the amount the partnership would owe if its estimated tax was based on a tax computed from annualizing tax for the months preceding an installment date.

A partnership may annualize its tax as follows:

a. For the first 3 months if the installment was required to be paid in the 4th month.
b. For the first 3 months or for the first 5 months if the installment was required to be paid in the 6th month.
c. For the first 6 months or for the first 8 months if the installment was required to be paid in the 9th month.
d. For the first 9 months or for the first 12 months if the installment was required to be paid in the 1st month succeeding the close of your tax period.

Part III - Installment Interest Due

If no exception applies, complete Lines 13 through 18.

A payment of estimated tax on or before any installment date is considered a payment of any previous underpayment only to the extent the payment is more than the amount of the current installment as figured on Line 6. If the partnership made more than one payment for an installment, attach a separate computation for that installment.

Interest is computed on the amount of the underpayment from the installment due date to the date of payment or the original due date of the final tax return, whichever is earlier. The annual interest rate is 3% above the average predominant prime rate and is imposed each month or fraction thereof the underpayment exists. Changes in the average predominant prime rate must be reflected in the interest calculation. The interest rates assessed by the Division of Taxation are published in the quarterly issues of the *New Jersey State Tax News.*

The average predominant prime rate is the rate as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses on December 1st of the calendar year immediately preceding the calendar year in which payment was due or as redetermined by the Director in accordance with N.J.S.A. 54:48-2.

Instructions for NJ-1065
Partnership Return and New Jersey Partnership NJK-1

The New Jersey Gross Income Tax Act does not follow all Federal income tax provisions for partnerships. For New Jersey gross income tax purposes, *all* items of income, expense, gain or loss resulting from the activities of the partnership, regardless of the item's character or category, must be included in the amount reported on Form NJ-1065 as "Partnership Income" and then apportioned to each partner on Schedule NJK-1. Each partner will report its portion of the total partnership income as "distributive share of partnership income" on its individual tax return. Nonresident partners that have income or loss from New Jersey sources are also required to file a tax return to report their share of partnership income. Nonresident partners will have to attach a copy of their Schedule NJK-1 to claim credit for the tax paid on their behalf.

The partnership income information required to be reported on this form is needed to: (1) adjust certain items of Federal income to conform to the New Jersey Gross Income Tax Act, and, (2) separate income derived from New Jersey sources from amounts derived from all sources. These adjustments and allocations provide the basis for the reporting of partnership income by both New Jersey resident partners and nonresident partners.

The amounts reported by the partnership on Federal Schedule K may require adjustments to ensure that all income, expense, gain or loss is ultimately reported by the partners as distributive share of partnership income on the New Jersey income tax return. For example, interest, dividends, rents, gains or losses earned are to be combined with Federal ordinary income (loss) to arrive at New Jersey partnership income (loss).

If the partnership has operations outside New Jersey, all income, gain or loss derived from sources other than real property must be allocated according to the business allocation percentage as determined by the Business Allocation Schedule (Form NJ-NR-A) unless permission has been granted to use a substitute method of allocation. Income, gain or loss attributable to real property that is physically located in New Jersey must be allocated entirely to this State. If the partnership is not a "qualified investment partnership", an "investment club", or is not listed on a United States national stock exchange, but it has a nonresident noncorporate or a nonresident corporate partner and it has operations outside New Jersey, it must also complete Schedule J "Corporation Allocation Schedule" and file it with Form NJ-1065 Partnership Return and pay any applicable tax due. Schedule J is not required for a partnership that meets hedge fund status, if its only nonresident partners are individuals, estates or trusts.

Partnerships that are subject to tax payments shall make installment payments of 25% of that tax on or before the 15th day of each of the fourth month, sixth month and ninth month of the privilege period and on or before the 15th day of the first month succeeding the close of the privilege period.

Most entities classified as partnerships for federal income tax purposes that have income or loss derived from New Jersey sources and that have more than two owners shall make a payment of a filing fee of $150 for each owner up to a maximum of $250,000. The filing fee is due on or before the 15th day of the fourth month succeeding the close of each privilege period. An installment payment equal to 50% of the current year's filing fee is also required at the same time.

All choices affecting the computation of income from a partnership are made by the partnership, not each partner. This includes the choice of recognized methods of accounting, methods of computing depreciation, capitalization of organizational fees and the use of the installment sale provisions. It also includes the classification of income and the allocation of income to New Jersey. All partnership elections are equally applicable to all partners.

General Instructions

Partnership Defined - For tax purposes "partnership" means and shall include a syndicate, group, pool, joint venture and any other unincorporated organization through or by means of which any business, financial operation or venture is carried on and which is not a corporation, trust or estate within the meaning of the New Jersey Gross Income Tax Act. Only entities that qualify for and elect to be treated as a partnership for Federal tax purposes (for example limited liability companies and limited liability partnerships) shall be treated as partnerships under the New Jersey Gross Income Tax Act.

"Tiered" Partnerships - are arrangements wherein one partnership, the upper-tier or "parent" partnership, is a member of, or holds an ownership interest in another partnership (called the lower-tier, or "subsidiary" partnership). Tiered partnerships *must* complete Schedule A, Form NJ-1065 before completing Lines 1 through 11 on the front of Form NJ-1065.

Partner Defined - "Partner" means any owner of a partnership interest.

Nonresident Noncorporate Partner – means an individual, an estate or a trust subject to taxation pursuant to the "New Jersey Gross Income Tax Act" that is not a resident taxpayer or a resident estate or trust under that act.

Nonresident Corporate Partner – means a partner that is not an individual, an estate or a trust subject to taxation pursuant to the "New Jersey Gross Income Tax Act" that is not a corporation exempt from tax pursuant to N.J.S.A. 54:10A-3 and that does not maintain a regular place of business in this State other than a statutory office.

Qualified Investment Partnership – means a partnership that has more than 10 members or partners with no member or partner owning more than a 50% interest in the entity and that derives at least 90% of its gross income from dividends, interest, payments with respect to securities loans, and gains from the sale or other disposition of stocks or securities or foreign currencies or commodities or other similar income (including but not limited to gains from swaps, options, futures or forward contracts) derived with respect to its business of investing or trading in those stocks, securities, currencies or commodities, but "investment partnership" shall not include a "dealer in securities" within the meaning of section 1236 of the Federal Internal Revenue Code of 1986.

Hedge Fund Status – is met for New Jersey tax purposes if the investment entity's only activity is the purchase, holding or sale of intangible personal property, such as commodities or securities and such intangible personal property is not held for sale to customers as defined at N.J.S.A. 54A:5-8c. A partnership that qualifies for hedge fund status in one year may not meet the requirements every year. The entity must evaluate its situation on a yearly basis. The entity, not the partner, must make the determination.

Investment Clubs – are usually small groups of individuals who pool their money to invest in stock or other securities. The group usually operates informally with members pledging to pay a regular amount into the club monthly. Some clubs have a committee that gathers information on securities, selects the most promising securities, and recommends that the clubs invest in them. Most clubs require all members to vote for or against all investments, sales trades, and the other transactions.

Investment clubs recognize as their main source of income interest, dividends, and gains on disposition of their stock and securities and usually meet hedge fund status. Investment clubs generally are not considered a business. An investment club is required to file a New Jersey Partnership Form NJ-1065 but is not entitled to deduct any expenses (unless it rises to the level of being in business). The member or partner of the investment club will report their share of the investment club's income or loss as "distributive share of partnership income".

If an "investment club" meets the following criteria, it will be exempt from the $150 per owner annual partnership filing fee and from the requirement that a partnership make payments on behalf of its nonresident owners. The "investment club" must be an entity that is classified as a partnership for federal income tax purposes, all of the owners are individuals and all of the assets are securities, cash, or cash equivalents. The market value of the total assets of which do not exceed, as measured on the last day of its privilege period, an amount equal to the lesser of $329,800 or $46,200 per owner of the entity. The investment club is not required to register itself or its membership interests with the federal Securities and Exchange Commission.

Who Must File

Every partnership that has income or loss derived from sources in the State of New Jersey, or has a New Jersey resident partner, must file Form NJ-1065. A partnership must file even if its principal place of business is outside the State of New Jersey. Form NJ-1065 is no longer solely an information return. A filing fee and tax may be imposed on the partnership. Partners subject to the gross income tax still must report and pay tax on their share of partnership income or loss.

How to File

Electronic Filing Mandate

Beginning with tax year 2011, Partnerships subject to the provisions of the Corporation Business Tax Act (that is partnerships that remit tax based on any nonresident corporate and nonresident noncorporate partner's allocable share of NJ partnership income) that utilize the services of a paid preparer must file all their returns completed by that practitioner via electronic means. Payments of the partnership liabilities along

with the submission of payment related returns (PART-100 and PART-200-T) must also be made electronically either by the partnership or by a paid tax practitioner.
In addition, partnerships with 10 or more partners must also file all returns electronically regardless of whether or not they utilize the services of a paid tax preparer. To obtain the electronic filing and payment formats or to obtain additional information on electronic filing and payment options visit the New Jersey Division of Revenue and Enterprise Services Website at http://www.state.nj.us/treasury/revenue or call the Division of Revenue and Enterprise Services Call Center at 609-292-9292.

NJ-1065 filers that do not use the services of a paid tax preparer and who have less than ten partners have the option to file by electronic means or on paper.

What to File

The following forms and statements must be included with Form NJ-1065:

- Schedule NJK-1 for every partner.
- Pages 1 through 5 of the Federal Form 1065, Federal Form 8825, Federal Schedule D and any Federal extension request forms filed
- A Schedule NJ-NR-A if any of the following conditions apply: (1) the partnership is doing business both inside and outside of New Jersey, or (2) 100% of the partnership's business is carried on outside of New Jersey.
- A Schedule J "Corporation Allocation Schedule" for tax remittance purposes, if you are ***not*** a "qualified investment partnership", "investment club", or that is ***not*** listed on a United States national stock exchange, but you have a nonresident noncorporate partner or a nonresident corporate partner. Schedule J is not required for a partnership that meets hedge fund status, if its only nonresident partners are individuals, estates or trusts.
- Schedule J "Corporation Allocation Schedule" is required if the partnership includes nonresident partners who do not have physical nexus to New Jersey and the partnership wishes to allocate the filing fee.
- Worksheet GIT-DEP "Gross Income Tax Depreciation Adjustment Worksheet" if applicable.
- Schedule B "Sheltered Workshop Tax Credit" if applicable.
- Schedule L "Complete Liquidation" if applicable.
- Return PART-100, Partnership Filing Fee and Tax Payment Return, is required:
  - if you filed a Form PART-200-T;
  - if you owe a Filing Fee; or
  - if you owe Nonresident Partner Tax from Line(s) 24 and/or 25 of Form NJ-1065; or
  - if you reported an Installment Payment (Line 2) with your 2013 Return PART-100.

The Division may require that the complete Federal Form 1065 including all schedules and supporting attachments; and any other documentation or information deemed necessary to be submitted during the course of an audit.

If at any time during the course of an audit the Division deems it necessary, the partnership must make a Form NJ-1065E available for all applicable partners.

If filing Form PART-200-T "Partnership Application for Extension of Time to File Return PART-100," "Partnership Filing Fee and Tax Payment Return" with applicable payment for filing fee and/or tax due **must** also be filed.

When to File

Returns for calendar year 2014 are due April 15, 2015. Fiscal year returns are due the 15th day of the fourth month after the end of the tax year.
Any short period return must be filed by the due date of the Federal Form 1065. The partnership should use the most current form available from the Division of Taxation.

Postmark Date. All New Jersey income tax returns post-marked on or before the due date of the return are considered to be filed on time. Returns postmarked after the due date are deemed to be late. The filing date for a late return is the day the return is received by the Division, not the postmark date.

Where to File

Mail your completed Form **NJ-1065** to:

NJ Division of Taxation - Revenue Processing Center
PO Box 194
Trenton NJ 08646-0194

Mail your completed Form **PART-200-T** to:

NJ Division of Taxation - Revenue Processing Center
Filing Fee and Tax on Partnerships
PO Box 642
Trenton NJ 08646-0642

Mail your completed Return **PART-100** to:

NJ Division of Taxation - Revenue Processing Center
Filing Fee and Tax on Partnerships
Return PART-100
PO Box 642
Trenton NJ 08646-0642

NOTE: Do not attach Return PART-100 to or mail with your Form NJ-1065.

Extension of Time to File

If a five-month extension is obtained for filing Federal Form 1065, then an automatic five-month extension is granted for submitting your Form NJ-1065. A copy of your application for Federal extension, Federal Form 7004, must be filed with your New Jersey return. Check the box labeled "Application for Federal Extension is attached" at the top of Form NJ-1065.
If you did not obtain a Federal extension and you need more time to file your New Jersey Form NJ-1065, Federal Form

7004 must be submitted as your request to New Jersey on or before the original due date of the return.

In addition, any partnership that has a filing fee or tax due must file Form PART-200-T, "Partnership Application for Extension of Time to File Return PART-100". The applicable payment must accompany this form. Form PART-200-T must be postmarked on or before the original due date for the return. See specific instructions found on back of Form PART-200-T.

There is no extension of time to pay the fee and/or tax due. Penalties and interest are imposed whenever the fee and/or tax are paid after the original due date.

A five-month extension of time to file your New Jersey Return PART-100, Partnership Filing Fee and Tax Payment Return, may be granted if at least 80% of the total fee and/or tax reported on your Return PART-100 when filed is paid in the form of a tiered partnership payment, installment payment, estimated payments, or other payments made by the original due date.

If you file Form PART-200-T "Partnership Application for Extension of Time to File Return PART-100," you must also file Return PART-100 "Partnership Filing Fee and Tax Payment Return" when you file Form NJ-1065.

An extension of time to file Form NJ-1065 does not extend the time for filing the tax returns of the partners.

Time Limits for Assessing Additional Tax & Filing Fees

Partnerships that are required to file Form NJ-1065 may be subject to owing a filing fee and/or nonresident partner tax. Filing fees are subject to the provisions of the Gross Income Tax Act and the nonresident partner tax is subject to the Corporation Business Tax Act. Each Act has a separate statute of limitations (time allowed by law) for the Division of Taxation to send a bill. The Division generally has three years from the date the entity filed its partnership return or the original due date of the return, whichever is later, to send the entity a bill for additional filing fees and four years for additional nonresident partner tax. There is no time limit if the entity did not file a partnership return, or if the entity filed a false or fraudulent return with the intent to evade tax. The time limit may be extended in certain circumstances.

Estimated Payments

Partnerships are required to make installment payments of estimated tax. Partnerships that are subject to tax payments shall make installment payments of 25% of that tax on or before the 15th day of each of the fourth month, sixth month and ninth month of the privilege period and on or before the 15th day of the first month succeeding the close of the privilege period.

Estimated payments must be filed and paid electronically. To file and pay electronically, visit the Division of Taxation website at http://www.state.nj.us/treasury/taxation

Partnerships are not to file Form CBT-150 "Corporation Business Tax Statement of Estimated Tax." Form CBT-150 is a Corporation Business Tax form, not a Partnership Form.

Accounting Method

A partnership's accounting method(s) used for Form NJ-1065 shall be the same as the accounting methods(s) used for Federal Form 1065.

Accounting Periods

The 2014 Form NJ-1065 should be used for calendar year 2014, or for a fiscal year, which began in 2014. If filing for a fiscal year or a short tax year, enter at the top of Form NJ-1065 the month and day the tax year began, and the month, day and year that it ended. The partnership's tax year for New Jersey income tax purposes must be the same as its tax year for Federal income tax purposes.

Passive Loss Limitations

Passive loss limitations do not apply for New Jersey gross income tax purposes. The full amount of current loss may be used to offset income or gain, regardless of Federal passive loss limitations.

Determining Gain or Loss on the Sale or Disposition of Partnership Assets, *Koch* Effect

The partnership in determining gain or loss, for New Jersey purposes, on the sale or disposition of partnership asset(s) **must** use the same basis in the asset(s) as used for federal tax purposes. The New Jersey Supreme Court's decision in *Sidney & Dorothy Koch v. Director Division of Taxation* does not apply to the sale, disposition or liquidation of assets by a partnership.

Gains or losses incurred by a partnership are passed through to the partners to be reflected on their respective New Jersey tax returns. Partners who are taxpayers subject to New Jersey Gross Income Tax will generally report this gain or loss as a component of their "Distributive share of partnership income" unless the partnership had a complete liquidation.

Resident taxpayers that sell or dispose of a partnership interest may be entitled to a *Koch* type adjustment, to their federal basis in the partnership, when determining New Jersey gain or loss. The gain or loss on the sale or disposal of the partnership interest will then be reflected on the taxpayer's New Jersey return in the category of income "Net gains or income from disposition of property". The sale or disposition of a partnership interest is the only time a partner, that is a taxpayer for Gross Income Tax purposes, can make *Koch* type basis adjustments.

Forms and Assistance

New Jersey tax forms may be obtained by:

- Downloading the needed forms from our Web site at **http://www.state.nj.us/treasury/taxation/**
- Writing to:

  NJ DIVISION OF TAXATION
  TAXPAYER FORM SERVICES

PO BOX 269
TRENTON NJ 08695-0269

Assistance from a Division representative is available Monday through Friday from 8:30 a.m. to 4:30 p.m. by contacting the Division's Customer Service Center at 609-292-6400.

Electronic Filing Assistance

Electronic filing assistance can be obtained by:

- Calling the Division of Revenue and Enterprise Services Call Center at 609-292-9292.
- Downloading the needed formats from the New Jersey Division of Revenue and Enterprise Services Website at:

  http://www.state.nj.us./treasury/revenue

Amended Return or Federal Change

An amended Form NJ-1065 must be filed if an amended Federal Form 1065 return is filed, or if the Internal Revenue Service changes or corrects any item of income, gain or loss previously reported. The amended New Jersey return shall be filed within 30 days of the date the amended Federal Form 1065 is filed or, in the case of a Federal audit, within 90 days after the final determination of the change. Where an amendment to Form NJ-1065 results in a need to amend the Schedules NJK-1, an amended Schedule NJK-1 must be forwarded to the Division of Taxation and to each partner.

An amended Form NJ-1065 and an amended Schedule NJK-1 for each partner must also be filed to correct any error on or reflect any change to the original Form NJ-1065, whether or not an amended Federal Form 1065 was filed for that year.

To amend your original Form-1065, get a blank Form NJ-1065 for the tax year that is to be amended and check the "Amended Return" box at the top of the form. Complete the form entering the corrected information and attach an explanation of the changes. Entities subject to the "Electronic Filing Mandate" as explained on page 2 under "How to File" are required to file their amended return electronically. Entities that are not subject to the "Electronic Filing Mandate" have the option of filing their amended partnership return electronically or mailing it to:

NJ Division of Taxation
Revenue Processing Center
PO Box 194
Trenton NJ 08646-0194

Penalty and Interest Charges

A penalty of $100 for each month or fraction of a month will be imposed for a partnership that is required to file electronically, but fails to do so. In addition, a late filing penalty of 5% per month (or fraction of a month) up to a maximum of 25% of the outstanding tax liability will also be imposed.

The Division may impose a penalty against the partnership if the partnership is required to file Form NJ-1065, as well as Return PART-100 and (1) fails to file the return on time, including any extension, (2) files a return that fails to show all the information required, or (3) fails to file an amended partnership return within 90 days of the date a final Federal determination or disallowance is issued or within 90 days of the date the amended Federal Form 1065 is filed, unless the failure is due to reasonable cause and not due to willful neglect.

A penalty of $100 for each month or fraction of a month may be imposed for failure to file.

A late filing penalty of 5% per month (or fraction of a month) up to a maximum of 25% of the outstanding tax liability when a return is filed after the due date or extended due date may also be imposed.

A late payment penalty of 5% of the outstanding tax balance may be imposed.

Interest will be computed at 3% above the prime rate for every month or fraction of a month the tax is unpaid, compounded annually. At the end of each calendar year, any tax, penalties, and interest remaining due (unpaid) will become part of the balance on which interest is charged.

Fraudulent Returns

Any person who willfully fails to file a return, files a fraudulent return, or attempts to evade the tax in any manner may be liable for a penalty not to exceed $7,500 or imprisonment for a term between three years and five years, or both.

Rounding Off to Whole Dollars

Money items on the return and schedules may be shown in whole dollars (eliminate amounts under 50 cents; enter amounts over 50 cents as the next higher dollar amount).

Signatures

Form NJ-1065 is not considered to be a return unless signed, either by a general partner, limited liability company member or, if applicable, a receiver, trustee in bankruptcy, or assignee.

Anyone who prepares a partnership return for a fee must sign the return as a "Paid Preparer" and must enter his or her social security number or federal practitioner tax identification number. The company or corporation name and Federal Employer Identification Number, must be included, if applicable. The preparer required to sign the partnership return must sign it by hand; **signature stamps or labels are not acceptable.** If someone prepares the return at no charge, the paid preparer's area need not be completed. A tax preparer who fails to sign the return or provide a correct tax identification number may incur a $25 penalty for each omission.

Composite Return for Qualified Electing Nonresident Partners

A partnership which has New Jersey source income may file a composite return (Form NJ-1080C) on behalf of its qualified

nonresident partners who elect to be included in the composite filing. Tax will be calculated for 2014 at the highest rate which is 8.97% without regard to each partner's filing status, dependent exemptions, or any deductions. Composite estimated tax payments may also be made.

A partner may not participate in the composite return if:

- The partner is an estate or trust;
- The partner is a partnership or corporation;
- The partner files on a fiscal year basis;
- The partner is a New Jersey resident during any part of the year;
- The partner derives income from New Jersey sources other than the income from this or any other composite return.

Every participating partner must make the election to be part of the composite return in writing each year. The elections must be maintained in the partnership files. When filed, the composite return must include a list of the partners who are participating, as well as a list of those who have not elected, or are not qualified, to participate in the composite return. The list must include each partner's name, address and Federal Identification Number.

If a composite return is filed, check the box labeled "Composite Return is filed for Nonresident Partners" at the top of Form NJ-1065.

Line By Line Instructions

Reporting Period

If you are reporting for a period other than calendar year 2014, enter the beginning and ending dates of your fiscal year.

Partnership Name, Address, Identification

Enter the exact legal name, trade name, if any, and address of the partnership. The legal name is the name in which the business owns property or acquires debt. Enter the trade name, registered alternate name, (d/b/a name) if different from the partnership's legal name.

Enter the partnership's Federal Employer Identification Number (FEIN), principal business activity and date the business was started.

Enter the number of resident partners and the number of non-resident or foreign partners in the spaces provided. Each partner's residency status must be determined as of the close of the partnership's tax year.

Check the appropriate boxes to indicate whether the return is a(n)

- Initial return;
- Final return; or
- Amended return.

Check the appropriate boxes to indicate if

- An application for a Federal extension is attached;
- Permission has been granted for a substitute method of allocation;
- Complete Liquidation;
- This is a Qualified Investment Partnership;
- This partnership is listed on a United States national stock exchange;
- The partnership meets hedge fund status;
- This is an Investment Club that is exempt from the filing fee and the requirement that a partnership make payments on behalf of its nonresident owners in accordance with the criteria outlined in the "General Instructions;"
- A composite return is filed for nonresident partners;
- This is a Tiered Partnership;
- This is a General Partnership;
- This is a Limited Partnership;
- This is a Limited Liability Company; or
- This is a Limited Liability Partnership.
- During the period covered by the return, the partnership acquired or disposed of directly or indirectly a controlling interest in certain commercial property. Certain commercial property is identified as Class 4A commercial property as defined in N.J.A.C. 18:12-2.2.

Federal Partnership Income (Lines 1 – 11)

Note: Tiered Partnerships must first complete Schedule A and Partnerships that have had a Complete Liquidation must complete Schedule L *before* completing the front of Form NJ-1065.

Line 1 - Ordinary Income (Loss) from Trade or Business Activities

Enter on Line 1 the amount of ordinary income or loss derived from the partnership's trade or business activities. This will be the amount reported on Line 1, Schedule K, Federal Form 1065.

Line 2 - Net Income (Loss) from Rental Real Estate Activities

Enter on Line 2 the net income or loss from rental real estate activities (attach a copy of your Federal Form 8825). This will be the amount reported on Line 2, Schedule K, Federal Form 1065.

Line 3 - Net Income (Loss) from Other Rental Activities

Enter on Line 3 the net income or loss from other rental activities. This will be the amount reported on Line 3c, Schedule K, Federal Form 1065.

Line 4 - Guaranteed Payments to Partners
Enter on Line 4 the amount of guaranteed payments to partners reported on Line 4, Schedule K, Federal Form 1065.

Line 5 - Interest Income
Enter on Line 5 the amount of interest income reported on Line 5, Schedule K, Federal Form NJ-1065.

Line 6 - Dividend Income
Enter on Line 6 the amount of dividend income reported on Line 6, Schedule K, Federal Form 1065.

Line 7 - Royalty Income
Enter on Line 7 the royalty income reported on Line 7, Schedule K, Federal Form 1065.

Line 8 - Net Gain (Loss) from Disposition of Property
Enter on Line 8 the total of the net short-term and long-term gains and/or losses reported on Lines 8 and 9, Schedule K, Federal Form 1065. Attach a copy of Schedule D, Federal Form 1065.

Line 9 - Net IRC Section 1231 Gain (Loss)
Enter on Line 9 the net IRC Section 1231 gain or loss reported on Line 10, Schedule K, Federal Form 1065.

Line 10 - Other Income (Loss)
Enter on Line 10 any other income or loss that is not included on Lines 1 through 9 above. This will include the amount reported on Line 11, Schedule K, Federal Form 1065.

If any amount is reported on this line you must attach a schedule identifying the income or loss.

Line 11 - Tax Exempt Interest Income
Enter on Line 11, the amount of tax-exempt interest income reported on Line 18a, Schedule K, Federal Form 1065.

Line 12 - Subtotal
Add Lines 1 through 11 above and enter the result on Line 12.

NEW JERSEY ADDITIONS

Line 13a - Taxes Based on Income
Enter on Line 13a the amount of taxes based on income which were deducted to determine ordinary income (loss) on Line 1 above.

Line 13b - Other Additions - Specify
Enter on Line 13b any other items deducted from or not included on Lines 1 through 11 above, which are not excludable under the New Jersey Gross Income Tax Act.

If an asset has been placed in service since January 1, 2004, refer to Worksheet GIT-DEP. This worksheet is available on the Division's web site. Include any net addition adjustment from Worksheet GIT-DEP, if applicable, if federal income included deduction of federal special depreciation allowance or IRC Section 179 expense; federal Section 179 recapture income; or a gain or loss on disposition of such asset.

Specify each item reported. If the amount reported on Line 12, Form NJ-1065 included any loss incurred in connection with the disposition of exempt New Jersey or Federal obligations, you must add back the amount of such loss on this line.

Line13c - Total Additions
Add Lines 13a and 13b and enter the result on Line 13c.

Line14 - Subtotal
Add Lines 12 and 13c and enter the result on Line 14.

NEW JERSEY SUBTRACTIONS

Line 15a - Net Income (Loss) from Rental Real Estate Activities - Enter on Line 15a any income or loss that resulted from rental real estate activities and is included in the amount reported on Lines 1 or 2 above

Line 15b - Net Gain (Loss) from Disposition of Real Property Enter on Line 15b any gain or loss that resulted from the sale, exchange or disposition of real property and is included in the amount reported on Lines 1, 8 or 9 above.

Line 15c - Guaranteed Payments to Partners
Enter on Line 15c the amount of guaranteed payments to partners reported on Line 4 above.

Line 15d - Interest Income from Federal Obligations
Enter on Line 15d any interest from Federal obligations that are excludable from New Jersey gross income and was included in the amount reported on Lines 5 or 6 above.

Line 15e - Interest Income from New Jersey Obligations
Enter on Line 15e the amount of interest income from New Jersey obligations that is excludable from New Jersey gross income and was included in the amount reported on Lines 6 or 11 above.

Note: Lines 15d and 15e - Amounts excludable from income include interest and dividends on obligations of the State of New Jersey or any of its political subdivisions and from tax exempt obligations of the United States government, its territories or instrumentalities. Distributions from New Jersey *qualified investment funds* are also exempt, as are distributions from other investment funds, but only to the extent the distribution is derived from obligations of the type described at N.J.S.A. 54A:6-14, et seq.

Line 15f – IRC Section 179 Expense
Enter on Line 15f the IRC Section 179 expense deduction.

Line 15g - Other Subtractions - Specify
Enter on Line 15g any other items which are excludable or deductible from the income included in the subtotal reported on Line 12 above for New Jersey gross income tax purposes. Specify each item subtracted.

Examples of some items that might be reported on this line are:

- Dividends from exempt Federal and New Jersey obligations described at N.J.S.A. 54A:6-14.
- Gains from the sale of exempt Federal and New Jersey obligations excludable pursuant to N.J.S.A. 54A:5-1c.
- The remaining 50% of business meals and entertainment expenses that are not deductible for Federal purposes.
- If an asset has been placed in service since January 1, 2004, refer to Worksheet GIT-DEP. This worksheet is available on the Division's web site. Include any net subtraction adjustment from Worksheet GIT-DEP, if applicable, if federal income included deduction of federal special depreciation allowance or IRC Section 179 expense; federal Section 179 recapture income; or a gain or loss on disposition of such asset.
- Pursuant to N.J.S.A. 54A:5-15, for taxable years beginning after December 31, 2004, enter the New Jersey allowable IRC Section 199 deduction which must be calculated on Form 501-GIT, Domestic Production Activities Deduction. Form 501-GIT can be found on the Division's web site.

Note: A partnership is not entitled to a basis adjustment in the calculating and reporting of partnership gain or loss from the sale or disposition of partnership assets as was extended to individuals, as in the *Koch* case, on the sale or disposition of a partnership interest. The partnership must always use federal adjusted basis when determining gain or loss. Only taxpayers as defined pursuant to N.J.S.A. 54A:1-2.l are entitled to a *Koch* type adjustment.

Line 15h - Total Subtractions
Total Lines 15a through 15g, and enter the result on Line 15h.

Line 16a - Subtotal
Subtract Line 15h from Line 14 and enter the result on Line 16a.

NEW JERSEY ALLOCATED INCOME

Line 16b - New Jersey Allocated Adjusted Partnership Income
Form NJ-NR-A must be completed by every partnership entity, including those that have met hedge fund status, that is not reporting 100% of its activity to New Jersey or that has not been granted permission to use a substitute method of allocation. Failure to file Form NJ-NR-A or to check the box that a ***substitute method of allocation has been granted*** may result in 100% of your partnership's income or loss being sourced to New Jersey.

Enter the business allocation percentage from Line 5, Form NJ-NR-A in the box provided on Line 16b. *A percentage must be entered unless you have been granted permission to use a substitute method of allocation. If permission has been granted, leave the box on Line 16b blank and enter the actual New Jersey source amount.* Enter 100% if all partnership activities are carried on in New Jersey or 0% if all partnership activities are carried on outside New Jersey. Multiply the amount on Line 16a by this percentage and enter the result on Line 16b, Column B.

Where a partnership's activity is carried on both within and outside of New Jersey, the portion of the partnership's income, gains, expenses or losses attributable to sources within New Jersey shall, except as provided below, be determined by use of the New Jersey Business Allocation Schedule (Form NJ-NR-A), as prepared by the partnership.

Where a partnership's activity is carried on both within and outside of New Jersey and the partnership believes that the determination of the portion of the partnership's income, gains, expenses or losses attributable to sources within New Jersey by use of the New Jersey Business Allocation Schedule does not provide an equitable allocation of such items, and the books and records of the partnership will disclose to the Director's satisfaction a more appropriate method of allocating such items, the partnership may request from the Director an exception from the use of the New Jersey Business Allocation Schedule. Such request shall be made *in writing* to: Gross Income Tax Branch, Business Allocation Exemption, PO Box 288, Trenton, NJ 08695-0288

Your request for exception from the use of the New Jersey Business Allocation Schedule must set forth the basis of the request and the substitute method of allocation requested to be used in lieu of the New Jersey Business Allocation Schedule. The substitute method of allocation may not be utilized prior to the submission of the partnership's exception request and the approval of such request by the Director. The partnership's exception request, once approved, shall be made every three years, unless the Director or the partnership requests a change sooner.

Note: A partnership that is *not* a "qualified investment partnership", "investment club", or that is *not* listed on a United States national stock exchange, but has a *nonresident noncorporate partner* or a *nonresident corporate partner* must also complete Schedule J "Corporation Allocation Schedule." Schedule J is not required for a partnership that meets hedge fund status, if its only nonresident partners are individuals, estates or trusts. Schedule J is to be completed based on the partnership entity's information, not the nonresident partner's information. The corporation business allocation factor will be reported on Line 1 of the Partners Directory. Schedule J is required if the partnership includes nonresident partners who do not have physical nexus to New Jersey and the partnership wishes to allocate their filing fee.

Line 17 – Net Income (Loss) from Rental Real Estate Activities
Enter on Line 17, Column A, the amount of net income or loss from rental real estate activities that was reported on Line 15a, above.

Enter on Line 17, Column B, the portion of the amount reported in Column A that was derived from real property physically located in New Jersey.

Line 18 - Net Gain (Loss) from Disposition of Real Property
Enter on Line 18, Column A, the amount of gain or loss from the disposition of real property reported on Line 15b, above.

Enter on Line 18, Column B, the portion of the amount reported in Column A that was derived from the disposition of real property physically located in New Jersey.

Line 19 – Net Partnership Income (Loss)
Add Lines 16a, 17 and 18, Column A, and enter the sum on Line 19, Column A.

Add Lines 16b, 17 and 18, Column B, and enter the sum on Line 19, Column B.

Line 20 - Income (Loss) from Tiered Partnership(s)
Enter on Line 20, Column A, the amount, if any, of income or loss from other partnerships as reported on Line 13, Column A of Part II, Schedule A, Form NJ-1065.

Enter on Line 20, Column B, the amount, if any, of income or loss from other partnerships as reported on Line 13, Column B of Part II, Schedule A, Form NJ-1065.

Line 21 – Partnership Income (Loss)
Add Lines 19 and 20, Column A, and enter the sum on Line 21, Column A.

Add Lines 19 and 20, Column B, and enter the sum on Line 21, Column B.

Line 22a - Guaranteed Payments to Partners
Enter on Line 22a the amount of guaranteed payments to partners reported on Line 15c of Form NJ-1065 (above).

Line 22b - Guaranteed Payments to Partners - Pension
Enter on Line 22b the amount of guaranteed payments to retired partners who are receiving such payments as a result of a period of service to the partnership pursuant to a retirement agreement or pension plan.

Line 22c – Net Guaranteed Payments to Partners
Subtract the amount on Line 22b from the amount on Line 22a and enter the result on Line 22c, Column A.

Multiply the amount from Line 22c, Column A by the business allocation percentage on Line 16b, Form NJ-1065 (above). Enter the result on Line 22c, Column B.

If a substitute method of allocation was granted, enter the actual New Jersey source amount.

Line 23 – Net Gain (Loss) From the Disposition of Assets as a Result of a Complete Liquidation

Enter on Line 23, Column A, the amount from Line 12, Column D of Schedule L.

Enter on Line 23, Column B, the amount from Line 12, Column E of Schedule L.

Line 24 - Total Nonresident Noncorporate Partners Share of Tax
Enter on Line 24, Column B, the total nonresident noncorporate partners share of tax reported on Line 2c, Column J of the Partners Directory.

Line 25 - Total Nonresident Corporate Partners Share of Tax
Enter on Line 25, Column B, the total nonresident corporate partners share of tax reported on Line 2c, Column K of the Partners Directory.

Partners Directory

PARTNERS DIRECTORY

List the partners in order of their ownership interest in the partnership, beginning with the partner who holds the largest share.

Note: A partnership that is a "qualified investment partnership", an "investment club", or that is listed on a United States national stock exchange does not have to complete Schedule J "Corporation Allocation Schedule." A partnership that meets hedge fund status and whose only nonresident partners are individuals, estates or trusts does not have to complete Schedule J. All other partnerships that have nonresident noncorporate partners or nonresident corporate partners **must complete Schedule J "Corporation Allocation Schedule"** and file it with Form NJ-1065 Partnership Return. They must also complete columns H, I, J and K on the Partners Directory for each ***nonresident noncorporate and nonresident corporate partner***.

Line 1 - Corporation Allocation Factor
Enter the allocation factor from Line 5 of Schedule J "Corporation Allocation Schedule" on Line 1 of the Partners Directory.

If you are a "qualified investment partnership," "investment club", listed on a United States national stock exchange; or meet hedge fund status whose only nonresident partners are individuals, estates or trusts, enter zero.

Partnerships should verify the residency status of each partner before completing Column A. Partnerships are not to remit tax on behalf of resident partners. Resident partners will not

receive a credit on their resident New Jersey tax returns for any payments made on their behalf by the partnership.

Column A: Use the following codes to identify the partner's residency status and type:

RI - New Jersey Resident Individual
NR - Nonresident Individual
PI - Part Year Resident Individual
RP - New Jersey Resident Partnership
NP - Nonresident Partnership
NPM - Nonresident Partnership (see below)
RT - New Jersey Resident Trust
NT - Nonresident Trust
RE - New Jersey Resident Estate
NE - Nonresident Estate
RC - New Jersey Corporation
FC - Non-New Jersey Corporation
FCM - Non-New Jersey Corporation (see below)
EFC - Exempt Foreign Corporation
RO - New Jersey Resident Other
NO - Nonresident Other
NOE - Nonresident Other (see below)
NOM - Nonresident Other (see below)

Codes NPM, FCM and NOM are used to identify nonresident partners that maintain a regular place of business in New Jersey other than a statutory office. No tax is to be remitted on their behalf or on the behalf of an exempt foreign corporation (EFC) or on a retirement plan approved by the Internal Revenue Service (NOE).

For codes NPM, FCM, NOM, EFC, and NOE the partnership must obtain and retain in its files a fully completed and signed Form NJ-1065E. The form is valid for one return period and a new form must be filed with the partnership for any subsequent return periods. If at any time during the course of an audit, the Division deems it necessary, the partnership must make the form(s) available.

Attach a rider to explain the partner's entity type in detail for codes RO, NO and NOM.

Column B: Enter each partner's Social Security Number (SSN) for individual partners or Federal Employer Identification Number (FEIN) for partners which are entities other than individuals, as well as each partner's name and address. **For individuals, the statute requires that the address be that of the person's principal residence.** If the partner is an entity other than an individual, enter the partner's business name. For corporations, enter the address of commercial domicile. Enter each partner's ownership percentage as of the close of the taxable year. If a partner disposed of all or part of an ownership interest during the year, list the partner by the ownership percentage before the disposition.

Enter a "Y" if this is the final Schedule NJK-1 for the partner.

Note: The amounts listed in Columns C and D represent the distributive share of partnership income (loss) and the amounts listed in Columns E an F represent the net gain (loss) from disposition of assets as a result of a complete liquidation that the partners who are subject to Gross Income Tax are required to report on their tax returns. Columns C and D and Columns E and F reflect the adjustments allowed for Gross Income Tax purposes that are reported on page 1 of Form NJ-1065. The amounts listed in Columns H and I represent the nonresident partner's share of income for which the partnership is required to remit tax. Columns H and I do not reflect any adjustments. The combined amounts reported in Columns C and D and in Columns E and F may differ from the amounts reported in Columns H and I.

Column C: Enter each partner's Distributive Share of Partnership Income or Loss from Line 4, Column A of their Schedule NJK-1.

Column D: Enter each partner's Distributive Share of Partnership Income or Loss from Line 4, Column B of their Schedule NJK-1.

Column E: Enter each partner's share of the net gain (loss) from the disposition of assets as a result of a complete liquidation from Line 6, Column A of their Schedule NJK-1.

Column F: Enter each partner's share of the net gain (loss) from the disposition of assets as a result of a complete liquidation from Line 6, Column B of their Schedule NJK-1.

Column G: Enter each partner's share of Pension income from Line 5, Column A of their Schedule NJK-1.

Column H: Enter each nonresident noncorporate (codes NR, NT and NE) partner's share of total income or loss. No entry is required if the partnership is a "qualified investment partnership", "investment club" is listed on a United States national stock exchange; or if the partnership meets hedge fund status and has checked the appropriate boxes on the front of Form NJ-1065.

Enter each nonresident corporate (codes NP, FC and NO) partner's share of total income or loss. No entry is required if the partnership is a qualified investment partnership or if it is listed on a United States national stock exchange and has checked the appropriate boxes on the front of Form NJ-1065.

Add Lines 1 through 11, plus any "Tax-exempt interest income" included on Line 18 from their Schedule K-1, Federal Form 1065.

Column I: Enter each nonresident partner's share of New Jersey income. Multiply the amount from Column H by the corporation allocation factor on Line 1 (above). If the amount in Column H is a loss, do not make an entry in Column I.

Column J: Enter each nonresident noncorporate partner's (codes NR, NT and NE) share of tax. Multiply the amount from Column I by 6.37%.

If an amended return is filed and the result of multiplying the amount from Column I by 6.37% is less than the amount reported on the original Partners Directory, report the amount listed on the original Partners Directory. Do **not** report the

lesser amount, since the partner is entitled to claim credit for the originally reported amount.

Column K: Enter each nonresident corporate partner's (codes NP, FC and NO) share of tax. Multiply the amount from Column I by 9.0%.

If an amended return is filed and the result of multiplying the amount from Column I by 9.0% is less than the amount reported on the original Partners Directory, report the amount listed on the original Partners Directory. Do **not** report the lesser amount, since the partner is entitled to claim credit for the originally reported amount.

Line 2a – Total This Page

Total all nonresident partners' share of tax from columns J and K of page 2 of Form NJ-1065. Enter zero, if no tax is reported in Column(s) J and/or K.

Line 2b – Total From _____ Additional Pages Attached

Enter the total number of additional pages attached on the line provided. Enter the sum of the totals for columns J and K from each additional page attached. Enter zero, if no tax is reported in Column(s) J and/or K.

Line 2c – Total Tax

Add lines 2a and 2b from Columns J and K and enter the results on Line 2c. Carry the total from Column J to Line 24 and the total from Column K to Line 25 on the front of Form NJ-1065.

Signature

The return must be signed and dated by a general partner or limited liability company member.

Anyone who prepares a return for a fee must sign the return as a "Paid Preparer" and enter his or her social security number or federal practitioner tax identification number. Include the company or corporation name and Federal Employer Identification Number, if applicable. A tax preparer who fails to sign the return or provide a tax identification number may incur a penalty of $25 for each omission.

Note: A partnership that is not required to remit a payment of tax on behalf of its nonresident noncorporate or nonresident corporate partners may still be required to pay a filing fee. Refer to the instructions for the Filing Fee Schedule that is part of both Forms PART-200-T "Partnership Application for Extension of Time to File Return PART-100" and PART-100 "Partnership Filing Fee and Tax Payment Return" to see if you are required to make a payment.

Line by Line Instructions for Schedule NJK-1

SCHEDULE NJK-1

Individual, trust and estate partners are subject to New Jersey gross income tax on their share of the partnership's income, whether or not the income is actually distributed. Partners who reside in New Jersey are taxed on their share of the partnership's income, regardless of the source of the income. Nonresident partners are also subject to New Jersey gross income tax on their share of the partnership's income, but only to the extent such income is allocated to New Jersey.

If the partnership has met "hedge fund" status and has checked the "hedge fund" box listed on the partner's Schedule NJK-1; the nonresident individual, trust or estate partner is not required to report the New Jersey source amount income from Column B of their Schedule NJK-1 on their nonresident gross income tax return.

Schedule NJK-1 provides each partner with information regarding that partner's share of partnership income. A Schedule NJK-1 must be completed for every partner that was a partner in the partnership at any time during the year.

Partners must be furnished with a copy of their Schedule NJK-1 on or before the due date of the partnership return (Form NJ-1065). If a partnership interest is held by a nominee on behalf of another person, the partnership is required to furnish Schedule NJK-1 to the nominee.

A copy of all NJK-1(s) must be retained by the partnership as part of the partnership's records.

PART I
GENERAL INFORMATION

Name and Address

Enter the name and address of both the partner and the partnership. Enter the Federal Employer Identification Number (FEIN) of the partnership and, if the particular partner is an entity other than an individual, enter the FEIN of the partner as well. If the partner is a person, enter his or her Social Security Number. If the partner is an Individual Retirement Arrangement (IRA), enter the identification number of the *custodian* of the IRA, not the Social Security Number of the person for whom the IRA is maintained.

If a husband and wife each had an interest in the partnership, prepare a separate Schedule NJK-1 for each spouse. If a husband and wife held an interest together as one partner, prepare one Schedule NJK-1.

Classification of Partner

Use the codes shown above in the instructions for Column A of the partner's directory.

Date Partner's Interest in Partnership Began

Enter the month, day, and year the partner obtained an interest in this partnership.

Partner's Profit, Loss, and Capital Sharing Percentages
Enter in Column (ii), the appropriate percentages as of the end of the partnership's year. However, if a partner's interest terminated during the year, enter in Column (i) the percentages that existed immediately before the termination. When the profit or loss sharing percentage has changed during the year, show the percentage before the change in Column (i) and the end-of-year percentage in Column (ii). If there are multiple changes on the profit and loss sharing percentage during the year, attach a statement giving the date and percentage before each change.

"Capital Ownership" means the portion of the capital that the partner would receive if the partnership was liquidated at the end of the year and the undivided interests in the partnership's assets and liabilities were distributed.

PART II

INCOME INFORMATION

The amounts reported in Column A, Schedule NJK-1, represent the partner's share of the partnership's income, gain or loss from all sources as reported in Column A, Form NJ-1065. The partner's share shall be determined by the partnership agreement in the same manner as the partner's distributive share of partnership income is determined for Federal income tax purposes. Column A, Schedule NJK-1 must be completed for every partner, regardless of residency.

The amounts reported in Column B, Schedule NJK-1 represent the partner's share of the partnership's income, gain or loss allocated to New Jersey as reported in Column B, Form NJ-1065. Column B, Schedule NJK-1 should be completed for all partners.

Line 1 - Partnership Income (Loss)
Enter on Line 1, Column A, the partner's share of partnership income or loss reported on Line 21, Column A, Form NJ-1065.

Enter on Line 1, Column B, the partner's share of partnership income or loss reported on Line 21, Column B, Form NJ-1065.

Line 2 – Net Guaranteed Payments
Enter on Line 2, Column A, the partner's amount of net guaranteed payments reported on Line 22c, Column A, Form NJ-1065.

Enter on Line 2, Column B, the amount from Column A multiplied by the business allocation percentage from Line 16b, Form NJ-1065.

Line 3 - Partner's 401(k) Contribution
Enter on Line 3, Column A, the amount of the partner's contribution to a 401(k) plan. Contributions in excess of Federal limits and taxable for Federal income tax purposes may not be included on this line.

Enter on Line 3, Column B, the amount from Column A multiplied by the business allocation percentage from Line 16b, Form NJ-1065.

Line 4 – Distributive Share of Partnership Income (Loss)
Add Lines 1 and 2, Column A, then subtract Line 3, Column A from this result. Enter the remainder on Line 4, Column A.

Add Lines 1 and 2, Column B, then subtract Line 3, Column B from this result. Enter this amount on Line 4, Column B.

Line 5 – Pension
Enter on Line 5, Column A, the partner's share of guaranteed payments – pension reported on Line 22b, Column A, Form NJ-1065. The partner to whom the guaranteed payment was made must be receiving the payment as a result of a period of service to the partnership pursuant to a retirement agreement or pension plan.

Make no entry on Line 5, Column B. Pension income to nonresidents is not subject to New Jersey gross income tax.

Line 6 – Net Gain (Loss) from the Disposition of Assets as a Result of a Complete Liquidation
Enter on Line 6, Column A, the partner's share of the net gain (loss) from the disposition of assets as a result of a complete liquidation reported on Line 23, Column A, Form NJ-1065.

Enter on Line 6, Column B, the partner's share of the net gain (loss) from the disposition of assets as a result of a complete liquidation reported on Line 23, Column B, Form NJ-1065.

PART III
PARTNER'S INFORMATION

Line 1 – Nonresident Partner's Share of New Jersey Tax
Enter on Line 1, the partner's share of New Jersey tax reported in either Column J or Column K of the Partners Directory.

If an amended Schedule NJK-1 is filed, **do not** report less than the amount reported on the original Schedule NJK-1.

Line 2 – Partner's HEZ Deduction
If the partnership is a qualified primary care medical or dental practice located in or within 5 miles of a Health Enterprise Zone (HEZ) the partnership must determine if the partners are entitled to an HEZ deduction and the amount. The partner's deduction is entered on the partner's Schedule NJK-1 and deducted on the partner's Gross Income Tax return. Refer to the Division's web site, www.state.nj.us/treasury/taxation, for qualification and calculation information.

Enter the partner's HEZ deduction.

Line 3 – Partner's Sheltered Workshop Tax Credit

Enter on Line 3 the partner's share of the Available Sheltered Workshop Tax Credit from Line 8 of the Partnership's "Sheltered Workshop Tax Credit" schedule.

PART IV
SUPPLEMENTAL INFORMATION

Attach a separate schedule to provide any detailed information affecting the partner's share of income, such as IRC §754 adjustments.

Business Allocation Schedule

General Instructions for Business Allocation Schedule

If business activities are carried on both inside and outside New Jersey, business income may be allocated to determine the amount of income from New Jersey sources.

Be sure that Form NJ-NR-A is firmly attached to Form NJ-1040NR, NJ-1041, or NJ-1065, and that the name and address on the Business Allocation Schedule agree exactly with the name and address on the return to which it is attached.

Line by Line Instructions for Business Allocation Schedule

Section 1 - Business Locations

Use Section 1 to list the locations where the business activities are conducted. In Columns (a) and (b) list the exact locations at which the business carries on activities both inside and outside the State. List **all** business locations. In Column (c) describe the places listed in Columns (a) and (b) (i.e., branch office, agency, factory, warehouse, etc.). In Column (d) indicate whether the business rents or owns each location listed. Attach additional sheets if necessary.

Section 2 - Average Values

Use Section 2 to determine the average value of your business assets.

The average value of property owned is determined by adding (1) the book value of the property at the beginning of the taxable year and (2) the book value of the property at the end of the taxable year and dividing the sum by two.

The average value of property rented or leased is valued at eight times the annual rent. Rent includes any amounts paid in addition to, or accrued in lieu of rent for the period covered by the return (such as interest, taxes, insurance and repairs).

Line 1 - Real Property Owned

Column A

Enter on Line 1, Column A, the average value of the real property listed in Section 1 that was owned for the period covered by the return. Include property located both inside and outside New Jersey.

Column B

Enter on Line 1, Column B, the average value of the real property listed in Section 1 that was owned in the State. Include only property located in New Jersey.

Line 2 - Real and Tangible Property Rented

Column A

Enter on Line 2, Column A, the average value of property, both real and tangible that was rented for the period covered by the return. Include property located both inside and outside New Jersey.

Column B

Enter on Line 2, Column B, the average value of property, both real and tangible that was rented in the State. Include only property located in New Jersey

Line 3 - Tangible Personal Property Owned

Column A

Enter on Line 3, Column A, the average value of the tangible personal property that was owned and used in the business for the period covered by the return. Include property located both inside and outside New Jersey.

Column B

Enter on Line 3, Column B, the average value of the tangible personal property that was owned and used in the business in the State. Include only property located in New Jersey.

Line 4 - Totals

Column A
Add Lines 1-3 of Column A and enter the total on Line 4, Column A.

Column B
Add Lines 1-3 of Column B and enter the total on Line 4, Column B.

Section 3 - Business Allocation Percentage

Use Section 3 to determine the business allocation percentage that must be applied to business income. The Business Allocation Percentage must be applied to business income from all sources in order to determine the amount from New Jersey sources.

Line 1 - Average Values of Property

Line 1a - In New Jersey
Enter on Line 1a the average values of the business property in New Jersey from Line 4, Column B, Section 2.

Line 1b - Everywhere
Enter on Line 1b the average values of the business property from everywhere (both inside and outside New Jersey) from Line 4, Column A, Section 2.

Line 1c - Percentage in New Jersey
Divide the amount on Line 1a by the amount on Line 1b. The result will be 100% or less. Enter the result on Line 1c.

Line 2 - Total Receipts from All Sales, Services and Other Business Transactions

Line 2a - In New Jersey
Enter on Line 2a the total of receipts from all sales made, services performed and business transactions conducted in New Jersey during the period covered by the return. This includes sales made and services performed by partners, employees, agents, agencies or independent contractors of the business situated at or sent out from, the offices of the business (or its agencies) located in New Jersey. For example, if a salesperson working out of the New Jersey office covers the states of New Jersey, New York and Pennsylvania, all sales made are to be allocated to New Jersey and reported on Line 2a.

Line 2b - Everywhere
Enter on Line 2b the total of receipts from all sales made, services performed and business transactions conducted both inside and outside New Jersey during the period covered by the return.

Line 2c - Percentage in New Jersey
Divide the amount on Line 2a by the amount on Line 2b. The result will be 100% or less. Enter the result on Line 2c.

Line 3 - Wages, Salaries and Other Personal Compensation Paid During the Year

Line 3a - In New Jersey
Enter on Line 3a the total of wages, salaries and other personal compensation paid to employees in connection with operations carried on in New Jersey during the period covered by the return. Compensation is paid in connection with operations carried on in New Jersey if work is based in an office or other place of business located in New Jersey. Include only amounts paid to employees on Line 3a. **Do not include payments to independent contractors, independent sales agents, etc.**

Line 3b - Everywhere
Enter on Line 3b the total compensation paid to employees both inside and outside New Jersey during the period covered by the return. Do not include payments to independent contractors, independent sales agents, etc.

Line 3c - Percentage in New Jersey
Divide the amount on Line 3a by the amount on Line 3b. The result will be 100% or less. Enter the result on Line 3c.

Line 4 - Sum of New Jersey Percentages
Add Lines 1c, 2c and 3c and enter the total on Line 4.

Line 5 - Business Allocation Percentage
Divide the total on Line 4 by three and enter the result on Line 5. Also enter this percentage on the appropriate line of the following returns:

Part III, Form NJ-1040NR
Line 16b, Form NJ-1065
Schedule D, Form NJ-1041

If one of the fractions (property, receipts or payroll) is missing, the other two percentages are added and the sum is divided by two. If two of the fractions are missing, the remaining percentage may be used as the allocation factor. A fraction is not missing merely because its numerator is zero, but is missing if its denominator is zero.

RETURN PART-100, **PARTNERSHIP FILING FEE AND TAX PAYMENT RETURN**

General Instructions

PURPOSE OF THE PART-100
Return PART -100 must be filed if you filed a Form PART-200-T; if you owe a Filing Fee and/or Nonresident Partner Tax from Line(s) 24 and/or 25 of Form NJ -1065; or if you reported an Installment Payment on Line 2 of your prior year Return PART-100. If you have more than two owners and you have income or loss derived from NJ sources, complete the Filing Fee Schedule located on the back of Return PART-100.

WHEN TO FILE PART-100
Return PART-100 must be postmarked on or before the original due date of the NJ-1065, or extended due date.

HOW TO FILE PART-100
Filling in your form
Please use black or blue ink (and never use red ink) when making entries on this form.

Final Return
For the tax year in which your business ceases to exist, check the box that indicates this return is a final return.

Name and address box
Partnerships must enter the Federal EIN, name, and address of the partnership. Failure to provide an identification number may invalidate this extension. If the partnership does not have a Federal EIN but has applied for one, enter applied for.

Electronic Filing Mandate
Beginning with tax year 2011, Partnerships subject to the provisions of the Corporation Business Tax Act (that is partnerships that remit tax based on any nonresident corporate and nonresident noncorporate partner's allocable share of NJ partnership income) that utilize the services of a paid preparer must file all their returns completed by that practitioner via electronic means. Payments of the partnership liabilities along with the submission of payment related returns (PART-100 and PART-200-T) must also be made electronically either by the partnership or by a paid tax practitioner.

In addition, partnerships with 10 or more partners must file all returns electronically regardless of whether or not they utilize the services of a paid tax preparer. Return PART-100, along with payment, may be filed online until 11:59 p.m. on April 15, 2015 at http://www.njtaxation.org.

Pay by Check or Money Order
Detach and return Return PART-100 with your payment. Make your check or money order payable to "State of New Jersey- PART". Write your Federal Employer Identification Number (Federal EIN) and the tax year on the check. DO NOT staple or otherwise attach your payment to Return PART-100 and mail both to the address listed on the PART-100.

NOTE: Do not attach Return PART-100 to or mail with your Form NJ-1065. Mail your Return PART-100 to the address shown on the bottom of Return PART-100.

PENALTIES AND INTEREST
Late Filing Penalty
Partnerships may be subject to a penalty of $100 per month (or fraction of a month) that the return is late. A penalty of 5% per month (or fraction of a month), up to a maximum of 25% of the balance of tax due with the return, may also be imposed.

Late Payment Penalty
5% of the outstanding tax balance may be imposed

Interest
3% above the prime rate for every month or fraction of a month the tax is unpaid, compounded annually. At the end of each calendar year, any tax, penalties, and interest remaining due (unpaid) will become part of the balance on which interest is charged.

QUESTIONS?
To speak directly to a Division of Taxation representative for tax information and assistance, 8:30 a.m. to 4:30 p.m., Monday through Friday contact our Customer Service Center at 609-292-6400.

LINE BY LINE INSTRUCTIONS FOR FILING FEE SCHEDULE

If you have more than two owners and you have income or loss derived from NJ sources, complete the Filing Fee Schedule located on the back of Return PART-100.

List the applicable number of each type of owner in your entity on the lines provided. The number of owners will generally be equal to the number of Schedule NJK-1s issued.

Enter the allocation factor from Line 5 of Schedule J "Corporation Allocation Schedule" into the box on Line 3.

The $150.00 per owner filing fee does not apply to entities that meet the definition of an investment club.
Return PART-100 must be filed if you filed a Form PART-200-T; if you owe a Filing Fee and/or a Nonresident Partner Tax from Line(s) 24 and/or 25 of Form NJ-1065; or if you reported an Installment Payment on Line 2 of your prior year Return PART-100

INSTRUCTIONS FOR RETURN PART-100, PARTNERSHIP FILING FEE AND TAXPAYMENT RETURN

Line 1 - Filing Fee

Enter the amount from Line 4 of the Filing Fee Schedule located on the back of Return PART-100. Do not enter more than $250,000. If you have less than three owners or if you do not have income or loss derived from NJ sources, enter zero.

A partnership that is exempt from being required to remit a payment of tax on behalf of its nonresident partners may still have income derived from New Jersey sources and accordingly be subject to the filing fee.

Line 2 - Installment Payment

Multiply the amount reported on Line 1 by 50% and enter the result on Line 2. If you have checked the box on Form NJ-1065 indicating that the return is a "Final Return", enter zero.

Line 3 - Nonresident Noncorporate Partner Tax

Enter the amount reported on Page 1, Line 24, Column B of Form NJ-1065. If this is an "Amended" Return PART- 100, check the box. **Do not** report less than the amount reported on your original Return PART-100.

Line 4 - Nonresident Corporate Partner Tax

Enter the amount reported on Page 1, Line 25, Column B of Form NJ-1065. If this is an "Amended" Return PART- 100, check the box. **Do not** report less than the amount reported on your original Return PART-100.

Line 5 - Total Fee and Tax

Add Lines 1 through 4 and enter the result on Line 5.

Line 6 - Penalty for Underpayment of Estimated Tax

Enter the amount from Line 18 of PART-160 (be sure to attach Form PART-160)

Line 7 - Total Due

Add Lines 5 and 6

Line 8 - Tiered Partnership Payment

Enter the amount reported on the Tiered Partnership Payment Schedule located on the back of PART-100.

Line 9 - Installment Payment from 2013

Enter the amount from Line 2 of the 2013 PART-100.

Line 10 - Estimated Payments/Credit from 2013

Enter the total amount of estimated payments made Also, enter your credit forward request from Line 14 of your 2013 Return PART-100.

Line 11 - Payment from Form PART-200-T

Enter the amount of the payment remitted with your 2014 Application for Extension of Time to File Return PART-100.

Line 12 - Total Balance Due

Subtract lines 8-11 from Line 7 and enter any balance due here. Make check payable to "State of New Jersey-PART" and remit with completed Return PART-100.

Line 13 - Overpayment

If after subtracting Lines 8-11 from Line 7 there is an overpayment, enter the amount of overpayment here.

Line 14 - Credit to 2015

Enter the amount of the overpayment shown on Line 13 that you want forwarded to your 2015 Return PART-100.

Line 15 - Refund

Enter the amount of the overpayment shown on Line 13 that you want refunded.

Note: Penalties and Interest may be assessed for late filing of the return and late payment of the tax. Partnership fees are not eligible for refund.