



## **Addendum: [Intermediate Partnerships]**

### **Revision [2.0]:**

The second example with Vallerie and Megan listed Megan as being allocated the §704(c) gain. The text is corrected to list Vallerie as the recipient of the §704(c) gain. Thus, Vallerie recognizes \$85,000 of gain while Megan recognizes \$25,000 of gain.

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**Date of revision: 07.28.2016**

### **Revision [3.0]:**

The total of capital and liabilities under the FMV total on Page 139, Review Question 9 was \$600,000. This amount has been corrected to total \$775,000.

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**Date of revision: 09.15.2016**

### **Revision [4.0]:**

The first year MACRS factor for the five-year asset in the A-Town Brewery example was changed to .2000. The resulting depreciation is \$5,333, for a total depreciation attributable to §754 being \$6,230.

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Form 1065, Page 4, Line 13d of the A-Town Brewery example was changed to \$6,230.

Form 1065 (2015)

Page 4

<b>Schedule K Partners' Distributions</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	<b>1</b> Ordinary business income (loss) (page 1, line 22) . . . . .	<b>1</b>	200,000
	<b>2</b> Net rental real estate income (loss) (attach Form 8825) . . . . .	<b>2</b>	
	<b>3a</b> Other gross rental income (loss) . . . . .	<b>3a</b>	
	<b>b</b> Expenses from other rental activities (attach statement) . . . . .	<b>3b</b>	
	<b>c</b> Other net rental income (loss). Subtract line 3b from line 3a . . . . .	<b>3c</b>	0
	<b>4</b> Guaranteed payments . . . . .	<b>4</b>	
	<b>5</b> Interest income . . . . .	<b>5</b>	
	<b>6</b> Dividends: <b>a</b> Ordinary dividends . . . . .	<b>6a</b>	
	<b>b</b> Qualified dividends . . . . .	<b>6b</b>	
	<b>7</b> Royalties . . . . .	<b>7</b>	
	<b>8</b> Net short-term capital gain (loss) (attach Schedule D (Form 1065)) . . . . .	<b>8</b>	
<b>Deductions</b>	<b>9a</b> Net long-term capital gain (loss) (attach Schedule D (Form 1065)) . . . . .	<b>9a</b>	
	<b>b</b> Collectibles (28%) gain (loss) . . . . .	<b>9b</b>	
	<b>c</b> Unrecaptured section 1250 gain (attach statement) . . . . .	<b>9c</b>	
	<b>10</b> Net section 1231 gain (loss) (attach Form 4797) . . . . .	<b>10</b>	
	<b>11</b> Other income (loss) (see instructions) Type ▶	<b>11</b>	
	<b>12</b> Section 179 deduction (attach Form 4562) . . . . .	<b>12</b>	
	<b>13a</b> Contributions . . . . .	<b>13a</b>	
<b>b</b> Investment interest expense . . . . .	<b>13b</b>		
<b>c</b> Section 59(e)(2) expenditures: <b>(1)</b> Type ▶ <b>(2)</b> Amount ▶	<b>13c(2)</b>		
<b>d</b> Other deductions (see instructions) Type ▶ Depreciation due to \$754	<b>13d</b>	6,230	

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Schedule K-1, Line L and Box 13 were adjusted based on the changed depreciation figures.

651113  
OMB No. 1545-0123

2015  
For calendar year 2015, or tax year beginning \_\_\_\_\_, 2015 ending \_\_\_\_\_, 20\_\_\_\_\_

**Schedule K-1 (Form 1065)**  
Department of the Treasury  
Internal Revenue Service

Final K-1  Amended K-1

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b> Ordinary business income (loss)	<b>15</b> Credits
<b>2</b> Net rental real estate income (loss)	
<b>3</b> Other net rental income (loss)	<b>16</b> Foreign transactions
<b>4</b> Guaranteed payments	
<b>5</b> Interest income	
<b>6a</b> Ordinary dividends	
<b>6b</b> Qualified dividends	
<b>7</b> Royalties	
<b>8</b> Net short-term capital gain (loss)	
<b>9a</b> Net long-term capital gain (loss)	<b>17</b> Alternative minimum tax (AMT) items
<b>9b</b> Collectibles (28%) gain (loss)	
<b>9c</b> Unrecaptured section 1250 gain	
<b>10</b> Net section 1231 gain (loss)	<b>18</b> Tax-exempt income and nondeductible expenses
<b>11</b> Other income (loss)	
<b>12</b> Section 179 deduction	<b>19</b> Distributions
<b>13</b> Other deductions	
<b>14</b> Self-employment earnings (loss)	
<b>15</b> Credits	
<b>16</b> Foreign transactions	
<b>17</b> Alternative minimum tax (AMT) items	
<b>18</b> Tax-exempt income and nondeductible expenses	
<b>19</b> Distributions	
<b>20</b> Other information	

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
10-5101525

**B** Partnership's name, address, city, state, and ZIP code  
A-Town Brewery, L.P.  
1250 Anhiser Lane  
Budtown WI 55555

**C** IRS Center where partnership filed return

**D**  Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

**E** Partner's identifying number  
351-55-5666

**F** Partner's name, address, city, state, and ZIP code  
Becks McClellan  
1454 N. Dark Street  
Aleton WI 54444

**G**  General partner or LLC member-manager  Limited partner or other LLC member

**H**  Domestic partner  Foreign partner

**I1** What type of entity is this partner? **Individual**

**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	33.33333 %	33.33333 %
Loss	33.33333 %	33.33333 %
Capital	33.33333 %	33.33333 %

**K** Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	110,000
Recourse	\$	

**L** Partner's capital account analysis:

Beginning capital account	\$	100,000
Capital contributed during the year	\$	
Current year increase (decrease)	\$	60,437
Withdrawals & distributions	\$	( )
Ending capital account	\$	160,437

Tax basis  GAAP  Section 704(b) book  
 Other (explain)

**M** Did the partner contribute property with a built-in gain or loss?  
 Yes  No  
If "Yes," attach statement (see instructions)

**Part III** **Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

**1** Ordinary business income (loss) **66,667**

**13** Other deductions **WV\* 6,230**

**20** Other information

**For IRS Use Only**

\*See attached statement for additional information.