

# Notice Form 165

## Arizona has not fully conformed to the federal changes to the Internal Revenue Code (I.R.C.) made in 2009.

The following adjustments are in addition to those already included in the 2009 Arizona Form 165 instructions:

- Deduction for Cash Contributions for Haiti Earthquake Relief Made After January 11, 2010 and Before March 1, 2010.**

Any 2010 contributions for Haiti relief deducted on the 2009 federal income tax return must be added back on the 2009 Arizona income tax return and the contributions will be treated as 2010 contributions for Arizona income tax purposes. Add back the amount of 2010 contributions claimed on the partnership's 2009 federal income tax return on line A5, "other additions".
- Discharge of Indebtedness (DOI) Income From Business Indebtedness Discharged by the Reacquisition of a Debt Instrument.**

If the partnership made the federal election to defer the inclusion of DOI income under I.R.C. § 108(i), each partner must make an addition on the partner's Arizona income tax return for the amount of DOI that was deferred and excluded from the computation of the partnership's 2009 federal taxable income. No adjustment is required on line A5, "other additions", of the partnership's Arizona Form 165. Instead, each partner will make this adjustment on the "other additions" line of the partner's Arizona income tax return.
- Original Issue Discount (OID) on Reacquisition of Debt Instrument.**

Any OID deduction that was deferred on the partnership's federal return under I.R.C. § 108(i) may be subtracted by the partner on the partner's Arizona income tax return. No adjustment is allowed on line B8, "other subtractions", of the partnership's Arizona Form 165. Instead, each partner will make this adjustment on the "other subtractions" line of the partner's Arizona income tax return.

For more information regarding any of these adjustments go to:  
<http://www.azdor.gov/LegalResearch/2009Nonconformity.aspx>

For the calendar year 2009 or fiscal year beginning [M,M,D,D,Y,Y,Y,Y] and ending [M,M,D,D,Y,Y,Y,Y].

|  |                               |   |
|--|-------------------------------|---|
| CHECK ONE:<br>Original <input type="checkbox"/> Amended <input type="checkbox"/> |                               | CHECK ONE:<br>Calendar year <input type="checkbox"/> Fiscal year <input type="checkbox"/> |
| Business telephone number  | Please<br>Type<br>or<br>Print | Name  |
| Business activity code number<br>(from federal Form 1065)                        |                               | Number and street or PO Box   |
|  |                               | City, or town, state, and ZIP code  |
|  |                               | Employer identification number (EIN)  |
|  |                               | AZ transaction privilege tax number   |

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| <b>68</b> Check box if: <input type="checkbox"/> This is a first return <input type="checkbox"/> Name change <input type="checkbox"/> Address change   | <b>82</b> CHECK BOX IF:<br>Return filed under extension. 82 E <input type="checkbox"/>   |           |           |           |  |  |  |  |  |  |     |    |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| A DBA _____<br>B Will a composite return be filed on Form 140NR? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>C Total number of nonresident individual partners _____<br>D Total number of resident individual partners _____<br>E Total number of entity partners (see instructions, page 2) _____<br>F Date business commenced _____<br>G Arizona apportionment - (check only one) Multistate partnerships only.<br><input type="checkbox"/> AIR Carrier <input type="checkbox"/> STANDARD Sales Factor <input type="checkbox"/> ENHANCED Sales Factor<br>H Is this the partnership's final return? .....<br>I Did you file 2007 and 2008 Arizona partnership returns? If no, state reason _____<br>J Have you filed amended federal partnership returns for prior years? .....<br>If yes, list years _____<br>K Have you attached a copy of your federal Form 1065 and supporting schedules to this return, including Schedule(s) K-1? .....<br>L Has the Internal Revenue Service made any adjustments in any federal income tax return filed by the partnership not previously reported to the department? If yes, indicate year(s) _____, and submit under separate cover a copy of the IRS report as finally determined .....<br>M The partnership books are in care of: _____ located at: _____ | REVENUE USE ONLY. DO NOT MARK IN THIS AREA.<br><br><br><br><br><br><br><br><br><br><table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;"></td> <td style="width:15%; text-align: center;"><b>81</b></td> <td style="width:15%; text-align: center;"><b>66</b></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">YES</td> <td style="text-align: center;">NO</td> <td></td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table> |           | <b>81</b> | <b>66</b> |  |  |  |  |  |  | YES | NO |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|   |   |    |  |    |
|---|---|----|--|----|
|   | 1 Federal ordinary business and rental income - from Form 1065, Schedule K. See instructions .....              | 1  |  | 00 |
| <b>Adjustment of Partnership Income From Federal to Arizona Basis</b> | <b>Schedule A - Additions to Partnership Income</b>   |    |  |    |
|   | A1 Total federal depreciation .....   | A1 |  | 00 |
|   | A2 Non-Arizona municipal bond interest .....  | A2 |  | 00 |
|   | A3 Capital investment by certified defense contractor .....   | A3 |  | 00 |
|   | A4 Additions related to Arizona tax credits .....   | A4 |  | 00 |
|   | A5 Other additions to partnership income .....  | A5 |  | 00 |
|   | 2 Total additions to partnership income - add lines A1 through A5 .....   | 2  |  | 00 |
|   | 3 Subtotal - add lines 1 and 2 .....  | 3  |  | 00 |
|   | <b>Schedule B - Subtractions From Partnership Income</b>  |    |  |    |
|   | B1 Recalculated Arizona depreciation - see instructions .....   | B1 |  | 00 |
|   | B2 Basis adjustment for property sold or otherwise disposed of during the taxable year - see instructions ..... | B2 |  | 00 |
|   | B3 Interest from U.S. government obligations .....  | B3 |  | 00 |
|   | B4 Difference in adjusted basis of property .....   | B4 |  | 00 |
|   | B5 Agricultural crops charitable contribution - see instructions .....  | B5 |  | 00 |
|   | B6 Capital investment by certified defense contractor .....   | B6 |  | 00 |
|   | B7 Sale of new energy efficient residence(s) - see instructions .....   | B7 |  | 00 |
|   | B8 Other subtractions from partnership income .....   | B8 |  | 00 |
|   | 4 Total subtractions from partnership income - add lines B1 through B8 .....                                    | 4  |  | 00 |
|   | 5 Partnership income adjusted to Arizona basis - subtract line 4 from line 3 .....                              | 5  |  | 00 |
|   | 6 Net adjustment of partnership income from federal to Arizona basis - subtract line 1 from line 5 .....        | 6  |  | 00 |
| <b>Penalty</b>  | 7 Penalty for late filing or incomplete filing - see instructions .....   | 7  |  | 00 |

