



Schedule 3K-1 Partner's Massachusetts Information

1996

**Massachusetts
Department of
Revenue**

For Calendar Year 1996 or taxable year beginning _____, 1996 and ending _____, 19 _____				
Partner's name			Partnership's name	
Street address			Street address	
City or Town	State	Zip	City or Town	State Zip
Partner's Social Security or Federal Identification number			Partnership's Federal Identification number	
Type of entity: If an individual, check the appropriate box: Resident <input type="checkbox"/> Nonresident <input type="checkbox"/>			Note to each partner: The partnership has completed the information on this tax schedule. Refer to Partner's Instructions for Schedule 3K-1 on the back before entering information from this tax schedule on your tax return.	

Partner's Distributive Share

For a **corporate partner**, skip to line 22. For a **nonresident partner** eligible to apportion, enter in column B the amount of the partner's share of each applicable distributive share item multiplied by the apportionment percentage in Form 3, line 28. For line 9, enter the amount of the partner's share without apportionment. For **all other partners**, enter in column B the amount of the partner's share of each applicable distributive share item.

(A) Distributive Share Item	(B) Partner's Mass. Distributive Amount	(C) Form 1, 1-NR/PY or 2 filers, use the amount in column B to complete:
1 Mass. ordinary income or (loss) (from Form 3, line 6)		
2 Guaranteed payments to partners (deductible and capitalized) (from U.S. Form 1065, Schedule K, line 5)		
3 Separately stated deductions. Attach Statement		
4 <i>Combine lines 1, 2 and 3</i>		Forms 1 or 1-NR/PY, Sch. E, Part II or Form 2
5 Credits: Taxes paid to other jurisdictions (for residents only) <input type="checkbox"/> ; Lead paint <input type="checkbox"/> ; Economic Opportunity Area Credit <input type="checkbox"/>		See Sch. 3K-1 instructions
6 Net income or (loss) from rental real estate activity(ies) (from Form 3, line 7)		See Sch. 3K-1 instructions
7 Net income or (loss) from other rental activity(ies) (from Form 3, line 8)		See Sch. 3K-1 instructions
8 5.95% interest from Mass. banks (from Form 3, line 11)		Forms 1, 1-NR/PY or 2
9 Interest on U.S. debt obligations (from Form 3, line 10)		See Sch. 3K-1 instructions
10 Non-Mass. state and municipal bond interest (from Form 3, line 13)		See Sch. 3K-1 instructions
11 12% interest and dividend income (from Form 3, line 12)		See Sch. 3K-1 instructions
12 Royalty income (from Form 3, line 14)		See Sch. 3K-1 instructions
13 Other income (from Form 3, line 15)		See Sch. 3K-1 instructions
14 Short-term capital gains (from Form 3, line 16)		Forms 1, 1-NR/PY or 2, Sch. B
15 Short-term capital (losses) (from Form 3, line 17)		Forms 1, 1-NR/PY or 2, Sch. B
16 Gain on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less (from Form 3, line 18)		Forms 1, 1-NR/PY or 2, Sch. B
17 (Loss) on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less (from Form 3, line 19)		Forms 1, 1-NR/PY or 2, Sch. B
18 Long-term capital gain or (loss) (from Form 3, line 20)		Forms 1, 1-NR/PY or 2, Sch. D
19 (Loss) on the sale, exchange or involuntary conversion of property used in a trade or business and held for more than one year (from Form 3, line 21)		Forms 1, 1-NR/PY or 2, Sch. D
20 Long-term gains on collectibles (from Form 3, line 22)		Forms 1, 1-NR/PY or 2, Sch. B & Sch. D
21 Differences and adjustments, if any (from Form 3, line 23)		

Corporate Partner Information (Complete for corporate partner only)

(A) Distributive Share Item	(B) Amount	(C) Business or manufacturing corporations, use the amount in column B to complete:
22 State and municipal bond interest not included in U.S. net income		Schedule E of appropriate corporate form
23 Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income		Schedule E of appropriate corporate form
24 Other adjustments, if any. Attach Statement		Schedule E of appropriate corporate form

Reconciliation of Partner's Capital Account (Complete for each partner)

25 Balance at the beginning of year	26 Net Income for the Year		27 Capital Contributions	28 Withdrawals	29 Balance at End of Year (25 + 26 b + 27 - 28)
	(a) Mass.	(b) Entire			

Schedule 3K-1 Partner's Instructions

General Instructions

Each partner should use the information provided on Schedule 3K-1 to complete the appropriate Mass. tax return.

If the correct Mass. amount of any item differs from the comparable U.S. total, the partner should make the indicated adjustments and attach a statement with the partner's Mass. tax return and explain.

More detailed instructions on Schedule 3K-1 are provided in the Form 3 instructions.

Specific Instructions

Corporate partners should skip to line 22.

Line 4: Total of lines 1, 2 and 3 — The amount in line 4 includes both your distributive share of the partnership's Mass. ordinary income or (loss) and your guaranteed payments (deductible and capitalized). Certain adjustments have already been made to take account of your separately stated deductions, and differences in Massachusetts and federal tax treatment of partnership income, deductions and credits.

The correct Mass. amount of the partner's share of ordinary income or (loss) and guaranteed payments may differ from the comparable U.S. total reported on your Form 1 or 1-NR/PY, Schedule E, Part II, line 1; Form 2, line 17; or Form 3F. Each partner should make adjustments in Form 1 or 1-NR/PY, Schedule E, Part II, line 2 and line 4, if applicable; Form 2, line 17; or Form 3F, to reflect the correct Mass. amount. Attach a statement with your Mass. tax return and explain.

You should receive from the partnership the amount of your share of the costs of renovating a qualifying abandoned building. Use this amount to complete Form 1 or 1-NR/PY, Schedule E, Part II, line 4; Form 2; or Form 3F.

Each partner should receive from the partnership the amounts of the partner's share of any 5.95% interest from Mass. banks and 12% interest and dividends included in line 4. Each partner should use these amounts in completing Form 1 or 1-NR/PY, Schedule E, Part II, lines 6 and 7; Form 2; or Form 3F.

Line 5: Credit for Taxes Paid to Other Jurisdictions, Lead Paint Credit and Economic Opportunity Area Credit — The amount in line 5 includes each resident partner's share of any taxes paid to other jurisdictions and otherwise allowable as a credit to the individual. This credit is available only to resident partners and may be taken on Form 1, line 26; Form 1-NR/PY, line 31 or where applicable, on Form 2, line 46.

Also enter in this line the partner's share of any credit due to the partnership for expenses incurred by the partnership for covering or removing lead paint on residential premises in Massachusetts. The partnership must provide each partner with a completed copy of a "Letter of Compliance" or a "Letter of Interim Control" issued by a licensed inspector. Each partner should include their share of the credit in Form 1, line 26; Form 1-NR/PY, line 30; Form 2, line 46; or Form 3F.

This line is also used to report the partner's share of any 5% Economic Opportunity Area Credit for qualifying property in a Certified Project. The amount should then be used by each partner to complete Schedule EOA.

Line 6: Net Rental Income or (Loss) from Real Estate — The amount in line 6 is your share of the partnership's net rental income or (loss) from real estate activities.

The correct Mass. amount of the partner's share of net rental income or (loss) from real estate activities may differ from the comparable U.S. total reported on the partner's Form 1 or 1-NR/PY, Schedule E, Part II, line 1; Form 2, Schedule E, line 1, or Form 3F. Each partner should make adjustments in Form 1 or 1-NR/PY, Schedule E, Part II, line 2; Form 2, Schedule E, line 2; or Form 3F.

Line 7: Net Income or (Loss) from Other Rental Activities — The amount in line 7 is your share of the partnership's net rental income or (loss) from other activities.

The correct Mass. amount of the partner's share of net rental income or (loss) from other activities may differ from the comparable U.S. total reported on the partner's Form 1 or 1-NR/PY, Schedule E, Part II, line 1; Form 2, line 17; or Form 3F. Each partner should make adjustments in Form 1 or 1-NR/PY, Schedule E, Part II, line 2; Form 2, line 17; or Form 3F, to reflect the correct Mass. amount.

Line 8: 5.95% Interest from Mass. Banks — The amount in line 8 is your share of the partnership's 5.95% interest from Mass. banks. Each partner should include the line 8 total in Form 1, line 5; Form 1-NR/PY, line 7; Form 2, line 16; or Form 3F.

Each nonresident partner whose income is apportioned should also receive from the partnership the amount of the partner's pre-apportionment share of 5.95% interest from Mass. banks. See Form 3 instructions for more details.

Line 9: Interest on U.S. Debt Obligations — The amount in line 9 is your share of the partnership's interest on U.S. debt obligations. This income is taxable by the federal government, but is tax-exempt in Mass. Each partner should include the line 9 total in Form 1 or 1-NR/PY, Schedule B, line 7; Form 2, Schedule B, line 5; or Form 3F, Schedule B, line 7.

Line 10: Non-Massachusetts State and Municipal Bond Interest — The amount in line 10 is your share of the partnership's non-Mass. state and municipal bond interest. This income is not taxed by the federal government, but is taxable in Massachusetts. Each partner should include the line 10 total in Form 1, 1-NR/PY, 2 or 3F, Schedule B, line 3.

Line 11: 12% Interest and Dividend Income — The amount in line 11 is your share of the partnership's 12% interest and dividend income. The correct Mass. amount of the partner's share of 12% interest and dividend income may differ from the comparable U.S. total reported on Form 1, 1-NR/PY, 2, Schedule B, lines 1 and 2; or Form 3F. Each partner should make adjustments in Form 1 and 1-NR/PY, Schedule B, line 7; Form 2, Schedule B, line 8; or Form 3F, to reflect the correct Mass. amount.

Line 12: Royalty Income — The amount in line 12 is your share of the partnership's royalty income. The correct Mass. amount of the partner's share of royalty income may differ from the comparable U.S. total reported on Form 1 or 1-NR/PY, Schedule E, Part I, line 1a; Form 2, Schedule E, line 1a; or Form 3F. Each partner should make adjustments in Form 1, 1-NR/PY or Form 2, Schedule E, line 2; or Form 3F, to reflect the correct Mass. amount.

Line 13: Other Income — The amount in line 13 is your share of the partnership's other income. The correct Mass. amount of the partner's share of other income may differ from the comparable U.S. total reported on Form 1, 1-NR/PY, 2 or 3F. Each partner should make adjustments on the applicable lines of Form 1, 1-NR/PY, 2 or 3F to reflect the correct Mass. amount. If any income reported to the partnership from a Real Estate Mortgage Investment Conduit (REMIC), in which the partnership is a residual interest holder is reported in line 13, then any such adjustment should be made on Form 1 or 2, Schedule E.

Lines 14, 15, 16 and 17 — The amounts in lines 14, 15, 16 and 17 include your share of the partnership's short-term capital gains and (losses) and gain and (loss) on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less. The correct Mass. amount of these items may differ from the comparable U.S. total. Each partner should make adjustments in the applicable lines of Schedule B to reflect the correct Mass. amount.

Lines 18 and 19: Capital Gain or (Loss) — The amounts in lines 18 and 19 include your share of the partnership's long-term capital gain or (loss) and (loss) on the sale, exchange or involuntary conversion of property used in a trade or business and held for more than one year. The correct Mass. amount of each partner's share of these items may differ from the comparable U.S. total reported on the partner's Form 1, 1-NR/PY, 2 or 3F, Schedule D, lines 1 and 2. Each partner should make adjustments in Form 1, or 1-NR/PY, Schedule D, line 4 or Form 2, Schedule D, line 6 or 3F, Schedule D, line 7 to reflect the correct Mass. amount.

Line 20: Long-term Gains on Collectibles — The amount in line 20 is your share of the partnership's long-term gains on collectibles. The correct Mass. amount of the partner's share of long-term gains on collectibles may differ from the comparable U.S. total reported on Form 1, 1-NR/PY, 2 or 3F, Schedule D, line 1. Each partner should make adjustments in Form 1 or 1-NR/PY, Schedule D, line 4, or Form 2, Schedule D, line 6 or 3F, Schedule D, line 7. Each partner should report the correct amount in Form 1 or 1-NR/PY, Schedule D, line 5; Form 2, Schedule D, line 8 or Form 3F, Schedule D, line 5.

Lines 22 through 24: Corporate Partner Information — Lines 22 through 24 isolate income and deduction items where there are differences between Mass. and federal tax treatment of corporate partners. The information provided in lines 22 through 24 should be used by each corporate partner in completing Schedule E of the appropriate corporate form, supplementing other information that is derived from U.S. Forms 1065 and 1120. Each corporate partner should include the line 22 through 24 totals in Schedule E of the appropriate corporate form, lines 6 through 8 and line 10, if applicable.