Form 514 Test Scenario 2

Jennings Boat LLC 11-2000002

Test Scenario 2 uses the Federal Form 1065 Test Scenario 2.

Deviations from Test Package Federal Form 1065:

- 1065, page 1 - Change the partnership's Federal Employer Identification Number to: 11-2000002

Form Required: 514

Misc. Additional Information –

- The county in which located is - Oklahoma.
- The interest income is reported as 'other interest income' in Part 3.

Information needed to complete the **Apportionment Formula, Column A** -

- Inventories = 195,784
- Rented property (Capitalized) = 540,548
- Payroll = 35,000
- Sales shipped to Oklahoma from within Oklahoma = 640,800

Information needed to complete **Part 6: Additional Information** section –

- The location of principal accounting records is the same address as on the tax return.
- The Internal Revenue Service has not redetermined the company's tax liability for any prior year.
- The statute of limitations was not extended by consent for any prior year.
- The business name is the same as on the tax return.
- The principal location in Oklahoma is 32 W 66th, Arcadia OK 73007
- The date business began in Oklahoma was 06/30/2015.

Oklahoma Partnership Income Tax Return

Form 514
2015

This form must be filed on or before the 15th day of the fourth month after the close of the taxable year.

For the year January 1 - December 31, 2015, or other taxable year
beginning: , 2015 ending: ,

AMENDED RETURN! Place an 'X' in this box if this is an amended 514: ☐

Partnership Name: JENNINGS BOAT LLC

Street Address: RT 1 BOX 843

City, State or Province, Country and ZIP or Foreign Postal Code: BAR HARBOR ME 04609

Federal Employer Identification Number:	Business Code Number:	County in which located:	Was a 2014 Partnership Income Tax return filed? Yes ☐ No ☒	If this is a final return, place an 'X' here: ☐
11-2000002	441222	OKLAHOMA		

Enter number of partners: 2 **Note:** An Oklahoma return must be filed by all partnerships having Oklahoma source income.

Enter total amount of Oklahoma Net Distributable Income (Part 3, Column B, line 15): (144,048)

Part 1: Tax Computation for Nonresident Composite Filers or for a Partnership Claiming the Refundalbe Credit from Form 577 or 578 -

Complete Part 1 if filing a composite return for your nonresident partners. Any nonresident partner may be included in the composite return. Enclose Form 514-PT: Oklahoma Partnership Composite Income Tax Supplement. **If there is no composite return being filed, only complete Part 1 if claiming the refundable credits on line 8.**

1	Nonresident share of income (514-PT, Column F, line J)	1			00
2	Nonresident Oklahoma tax (514-PT, Column H, line K)	2			00
3	**Less:** Other Credits form (see instructions) (enclose Form 511CR) ☐	3			00
4	Balance of tax due (line 2 minus line 3, but not less than zero)	4			00
5	2015 Oklahoma estimated tax payments (i.e Form(s) OW-8-ESC)	5		00	
6	Amount paid with extension request	6		00	
7	Oklahoma withholding (enclose Forms 1099, 500A, 500B, etc.)	7		00	
8	Refundable Credits from Form a) ☐ 577 b) ☐ 578	8		00	
9	Amount paid with original return and amount paid after it was filed (amended return only)	9		00	
10	Any refunds or overpayment applied (amended return only)	10	( )	00	
11	Total of lines 5 through 10	11			00
12	Overpayment (line 11 minus line 4)	12			00
13	Amount of line 12 to be credited to 2016 estimated tax **(original return only)**	13		00	
14	Amount of line 12 to be refunded to you (line 12 minus line 13) Refund →	14			00

Direct Deposit Note:

All refunds must be by direct deposit. See Direct Deposit Information on page 11 of the 514 Packet for details.

Is this refund going to or through an account that is located outside of the United States? ☐ Yes ☐ No

Deposit my refund in my: ☐ checking account ☐ savings account

Routing Number: Account Number:

15	Tax Due (line 4 minus line 11) Tax Due →	15		00
16	Underpayment of estimated tax interest Annualized ☐	16		00
17	**For delinquent payment** add penalty of 5% $ _____ plus interest of 1.25% per month $ _____	17		00
18	Total tax, penalty and interest (add lines 15, 16 and 17) Balance Due →	18		00

If the Oklahoma Tax Commission may discuss this return with your tax preparer, place an 'X' here ☐

Under penalties of perjury, I declare I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. If prepared by person other than the taxpayer, this declaration is based on all information of which preparer has any knowledge.

Make check payable to the Oklahoma Tax Commission

Signature of Partner or Member	Date	Signature of Preparer	Date
Printed Name: HORACE JENNINGS		Preparer's Address: 1065 EFILE DRIVE ANYTOWN NV 89501	
Title: CHIEF EXECUTIVE OFFICER	Area Code and Phone Number: 555-555-5555	Phone Number: 555-631-1212	Preparer's PTIN: P00000002

The Oklahoma Tax Commission is not required to give actual notice to taxpayers of changes in any state tax law. Note: Enclose a complete copy of your Federal Form 1065 or 1065-B.

Remit to: Oklahoma Tax Commission, PO Box 26800, Oklahoma City, OK 73126-0800

PART 2: ORDINARY INCOME FROM TRADE OR BUSINESS

CAUTION: Include only trade or business income and expenses on lines 1a through 21 below.

		Column A As reported on Federal Return			Column B Total applicable to Oklahoma	
1	a. Gross receipts or sales..... $ 4,212,980					
	b. **Minus** returns and allowances $ 350,000	3,862,980	00	1		00
2	Cost of goods sold and/or operations.....	3,508,023	00	2		00
3	Gross profit (subtract line 2 from line 1)	354,957	00	3		00
4	Ordinary income (loss) from other partnerships and fiduciaries (enclose schedule)		00	4		00
5	Net farm profit (loss) (enclose Sch. F, Form 1040).....		00	5		00
6	Net gain (loss) (Form 4797, line 18).....	9,000	00	6		00
7	Other income (loss) (enclose schedule).....		00	7		00
8	**Total income** (loss) (add lines 3 through 7).....	363,957	00	8		00
9	Salaries and wages (other than to partners)	150,000	00	9		00
10	Guaranteed payments to partners.....	110,000	00	10		00
11	Repairs and maintenance	5,562	00	11		00
12	Bad debts		00	12		00
13	Rent.....	265,740	00	13		00
14	Taxes and licenses	33,450	00	14		00
15	Interest	95,362	00	15		00
16	Depreciation	100,978	00	16		00
17	Depletion (do not deduct oil and gas depletion)		00	17		00
18	Retirement plans, etc		00	18		00
19	Employee benefit program	1,250	00	19		00
20	Other deductions (enclose schedule).....	310,022	00	20		00
21	**Total deductions** (add lines 9 through 20).....	1,072,364	00	21		00
22	**Ordinary Income (Loss) from trade or business:** Subtract line 21 from line 8.....	(708,407)	00	22		00

PART 3: DISTRIBUTIVE SHARE ITEMS

		Column A As reported on Federal Return			Column B Total applicable to Oklahoma	
1	Ordinary income (loss) from trade or business activity(ies) (Part 2, line 22).	(708,407)	00	1		00
2	Net income (loss) from rental real estate activity(ies) (enclose schedule) .		00	2		00
3	Net income (loss) from other rental activity(ies) (enclose schedule)		00	3		00
4	Portfolio Income (loss): a. Interest on loans, notes, mortgages, bonds, etc.....		00	4a		00
	b. Interest on obligations of a State or political subdivision			4b		00
	c. Interest on obligations of the United States		00	4c		
	d. Other interest income	250	00	4d		00
	e. Dividend income		00	4e		00
	f. Royalty income (patent or copyright).....		00	4f		00
	g. Net short-term capital gain (loss).....		00	4g		00
	h. Net long-term capital gain (loss).....		00	4h		00
	i. Other portfolio income (loss) (enclose schedule)		00	4i		00
5	Net gain (loss) under section 1231 (Other than due to casualty or theft)		00	5		00
6	Other (enclose schedule)		00	6		00
7	**Total income** (Add lines 1 through 6)	(708,157)	00	7		00
8	Deductions: Contributions		00	8		00
9	Expense deductions for recovery property (Section 179) (enclose sch.)		00	9		00
10	Deductions related to portfolio income		00	10		00
11	Depletion (Other than oil and gas).....		00	11		00
12	Intangible drilling costs		00	12		00
13	Other deductions authorized by law (enclose schedule)		00	13		00
14	**Total deductions** (Add lines 8 through 13).....		00	14		00
15	**Net distributive income** (line 7 minus line 14).....	(708,157)	00	15	(144,048)	00

If Federal and Oklahoma distributive net income is the same, you may complete Part 3, line 15, then complete Part 5.
Enclose a copy of your Federal Form 1065 and K-1s.

PART 4: COMPUTATION OF OKLAHOMA TAXABLE INCOME OF A UNITARY ENTERPRISE WHOSE INCOME IS PARTLY WITHIN AND PARTLY WITHOUT OKLAHOMA

1	Net distributable income from Page 2, Part 3, Column A, line 15			1	(708,157)
2	Add: (a) _____	2a			
	(b) Unallowable deduction (enclose schedule)	2b			
	(c) Other income (enclose schedule)	2c			
	(d) Total of lines 2a through 2c			2d	
3	Deduct all items separately allocated:				
	(a) Interest on obligations of the United States	3a			
	(b) _____	3b			
	(c) _____	3c			
	(d) Total of lines 3a through 3c			3d	
	(Note: Items listed in 2 and 3 above must be net amounts supported by schedules showing source, location, expenses, etc.)				
4	Net apportionable income (line 1 plus line 2d, minus line 3d)			4	(708,157)
5	Oklahoma's portion thereof 20.3412 %, from schedule below			5	(144,048)
6	Add items separately allocated to Oklahoma:				
	(a) _____	6a			
	(b) _____	6b			
	(c) _____	6c			
	(d) _____	6d			
	(e) Total of lines 6a through 6d			6e	
7	Oklahoma distributable net income (add lines 5 and 6e; enter here and on Page 2, Part 3, Column B, line 15)			7	(144,048)

APPORTIONMENT FORMULA

Note: Enclose a complete copy of your Federal return.

			Column A Total Within Oklahoma	Column B Total Within and Without Oklahoma		Column C (A divided by B) Percent Within Oklahoma
1	Value of real and tangible personal property used in the unitary business (by averaging the value at the beginning and ending of the tax period).					
	(a) Owned property (at original cost):					
	(i) Inventories	1ai	195,784	1,112,838		
	(ii) Depreciable property	1aii		250,615		
	(iii) Land	1aiii				
	(iv) Total of section "a"	1aiv	195,784	1,363,453		
	(b) Rented property (capitalize at 8 times net rental paid)	1b	540,548	2,125,920		
	(c) Total of sections "a" and "b" above		$ 736,332	$ 3,489,373	1c	21.1021 %
2	(a) Payroll	2a	35,000	150,000		
	(b) Less: Officer salaries	2b				
	(c) Total (subtract officer salaries from payroll)		$ 35,000	$ 150,000	2c	23.3333 %
3	Sales:					
	(a) Sales delivered or shipped to Oklahoma purchasers:					
	(i) Shipped from outside Oklahoma	3ai				
	(ii) Shipped from within Oklahoma	3aii	640,800			
	(b) Sales shipped from Oklahoma to:					
	(i) The United States government	3bi				
	(ii) Purchasers in a state or country where the corporation is not taxable (i.e. under Public Law 86-272)	3bii				
	(c) Total all of sections "a" and "b"		$ 640,800	$ 3,862,980	3c	16.5882 %
4	If Revenue, Traffic Units or Miles Traveled is used rather than Sales, indicate here: _____					
5	Total percent (sum of items 1, 2 and 3)				5	61.0236 %
6	Average percent (1/3 of total percent) (Carry to Part 4, line 5 above)				6	20.3412 %

PART 5: ALL PARTNERSHIPS MUST COMPLETE PART 5 OR MAY ENCLOSE THE FEDERAL K-1S IF OKLAHOMA INFORMATION IS STATED SEPARATELY ON THE FEDERAL K-1.

If completing Part 5, use Form 514-SUP when there are more than 3 partners. Use as many Forms 514-SUP as needed.

		PARTNER 1	PARTNER 2	PARTNER 3
1	Name and address of each partner — Name:	DANIEL JENNINGS	JAMES STEPHENS	
	Address:	PO BOX 1589	4640 MADISON LANE	
	City, State, ZIP:	BAR HARBOR, ME 04609	BOSTON, MA 02109	
2	SSN or FEIN	000-10-000	000-10-000	
3	Percentage of Partnership Owned	50%	50%	
4	Distributable Federal Income	(354,078)	(354,079)	
5	Distributable Oklahoma Income (see instructions)	(72,024)	(72,024)	
6	Guaranteed Payments (Federal)	110,000		
7	Guaranteed Payments (Oklahoma)	22,375		
8	Oil and Gas Depletion (Federal)			
9	Oil and Gas Depletion (Oklahoma)			
10	Amount of Credit			
11	Type of Credit			
12	Amount of Withholding			
13	Type of Withholding			

NONRESIDENT PARTNER

14	Is the Partner being included in Composite filing? (If Yes, complete Form 514-PT)	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☐ No

Notice: Forms required to compute withholding and credits must be enclosed with partnership return. Examples of these include: Form 1099 MISC, Form 500A: Nonresident Royalty Withholding, Form 511CR: Other Credits, Form 506: Investment/New Jobs Credit, and Form 529: Small Business Guaranty Fee Credit. Schedules or authorization must be furnished.

NOTE: ENCLOSE A COMPLETE COPY OF YOUR FEDERAL FORM 1065 OR 1065-B.

PART 6: ADDITIONAL INFORMATION

Location of Principal Accounting Records

Address	City	State	Zip
RT 1 BOX 843	BAR HARBOR	ME	04609

Has the Internal Revenue Service redetermined your tax liability for prior years? ☐ Yes ☒ No What years? _____

Did you file amended returns for the years stated above? ☐ Yes ☐ No ☒ N/A

Has the statute of limitations been extended by consent for any prior years? ☐ Yes ☒ No What years? _____

Business name JENNINGS BOAT LLC Date business began in Oklahoma 06/30/15

Principal location(s) in Oklahoma 32 W 66TH, ARCADIA OK 73007

Mail to: Oklahoma Tax Commission, PO Box 26800, Oklahoma City, Oklahoma 73126-0800