• Includes Forms 514, 514-SUP, 514-PT and 514-PT-SUP

2014 Oklahoma Partnership Income Tax Forms and Instructions

This packet contains:

- Instructions for completing the Form 514.
- 514 partnership income tax form.
- 514-SUP supplemental schedule for Form 514, Part 5.
- 514-PT partnership composite income tax supplement.
- 514-PT-SUP supplemental schedule for Form 514-PT

Filing date:

- Your Oklahoma return is generally due the 15th day of the fourth month following the close of the taxable year.

For assistance or forms:

- See page 11 for methods of contacting the Oklahoma Tax Commission.

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2014 Oklahoma Partnership Income Tax Return

What's New in the 2014 Oklahoma Tax Packet?

• When computing Oklahoma's additional depletion, only major oil companies are limited to 50% of the net income per well. See the instructions on page 3.

• Income from discharge of indebtedness which was added back to compute your Oklahoma taxable income in tax year 2010 may be partially deductible. See the instructions for Part Two, line 1 – 22, Column B on page 5 or Part Four, line 3 on page 7 for information.

• The Coal Credit and the Credit for Electricity Generated by Zero-Emission Facilities may be refundable. See the instructions for line 8 on page 10 and Forms 577 and 578.

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General Filing Information

General Information...

Title 68 Oklahoma Statutes (OS)
Returns by Partnerships.
Returns by Limited Liability Companies (LLCs) and Limited Liability Partnerships (LLPs).

Any reference to partnership partners in the instructions and on Form 514 also relate to LLC and LLP members.

Notice: If this is a fiscal year or period return, please enter both the beginning and ending dates.

Every partnership, including syndicates, groups, pools, joint ventures or other unincorporated organizations (exclusive of trusts, estates or corporations defined by the act), having Oklahoma source income, shall make a return of income on Form 514, for the calendar year or fiscal year ended on the last day of any month other than December.

Each partner having Oklahoma source income sufficient to make a return, shall make such return as required by law.

Partnerships filing Federal Form 1065-B will file Form 514.

Accounting Methods and Periods...

The taxable year and method of accounting shall be the same as the taxable year and method of accounting used for federal income tax purposes.

When and Where the Return Must Be Filed...

The return must be filed with the Oklahoma Tax Commission (OTC), PO Box 26800, Oklahoma City, Oklahoma 73126-0800, on or before the 15th day of the fourth month following the close of the tax year.

An extension of time for the filing of the return may be granted, but in no case to exceed six months. If you have an approved extension of time from the Internal Revenue Service in which to file your federal return, an Oklahoma extension is automatic. However, a copy of the federal approved extension must be enclosed with your Oklahoma tax return. File Form 504 to extend the due date to the full six months.

When and Where the Return Must Be Filed - continued...

When the last date for filing any document or performing any act required by the OTC falls on a day when the offices are not open for business, the filing of the document or performance of the act shall be considered timely if it is performed by the end of the next business day.

Business Code Number...

Oklahoma business codes are the same as federal business codes.

Composite Return Information...

(Rule 710:50-19-1) Any partnership required to file an Oklahoma income tax return may elect to file a composite return for its nonresident partners. The income tax liability for such nonresident partners will be computed and paid on the partnership return. Any nonresident partner may be included in the composite return. When filing a composite return, the Form 514-PT "Partnership Composite Income Tax Supplement" and **Form 514, Part One "Tax Computation for Nonresident Composite Filers Only"** must be completed. If there are more than 15 partners included in the composite return, complete Form(s) 514-PT-SUP.

Use Form 514-PT and, if applicable, Form 514-PT-SUP to compute each of the nonresident partner's Oklahoma income tax. The instructions are on the back of Form 514-PT. The totals of the nonresidents' Oklahoma distributive income and their tax are carried from Form 514-PT to Form 514, Part One, lines 1 and 2. See page 8 for the instructions for Part One.

Estimated tax payments made on behalf of the nonresident partners electing to be included in the composite return must be made under the partnership's name and Federal Employer Identification Number.

Common Abbreviations Found in this Packet

OS - Oklahoma Statutes
OTC - Oklahoma Tax Commission
Sec. - Section(s)

Information at Source...

Every partnership making payments of salaries, wages, premiums, annuities or other periodical gains, profits or income, amounting to $750 or more, paid or payable during the year, to any taxpayer, shall make a complete report thereof, under oath, to the OTC on Forms 500 and 501 to reach the OTC on or before February 28 of the calendar year. 68 OS Sec. 2369(A) and Rule 710:50-3-50(A).

Adjustments by the IRS...

Taxpayers who file "consents" extending the time for making federal adjustments, automatically extend the time for making State adjustments. Also, the taxpayer is required to furnish copies of all Internal Revenue Service adjustments.

Withholding on Nonresident Members...

Pass-through entities (partnerships, S Corporations, limited liability companies or trusts) are required to withhold Oklahoma income tax at a rate of 5% of the Oklahoma share of taxable income distributed to each nonresident member (partner, member, shareholder or beneficiary). A pass-through entity is **not** required to withhold income tax with regard to any nonresident member who submits a Form OW-15 "Nonresident Member Withholding Exemption Affidavit". 68 OS Sec. 2385.29, 2385.30 and 2385.31.

Withholding is not required on distributions made to persons, other than individuals, who are exempt from federal income tax; organizations granted an exemption under Section 501(c)(3) of the Internal Revenue Code; insurance companies subject to the Oklahoma Gross Premiums Tax and therefore exempt from Oklahoma income tax under 68 OS Sec. 2359(c); and nonresident members who have filed Form OW-15 "Nonresident Member Withholding Exemption Affidavit". Withholding is not required on any distribution of royalty income on which the nonresident royalty interest income tax has already been withheld, on any distribution made to another pass-through entity or on any distribution of income not subject to Oklahoma income tax.

The following pass-through entities are not required to withhold:

- An entity electing to be treated as a disregarded entity for federal income tax purposes. A disregarded entity is an eligible entity that is treated as an entity that is not separate from its single owner.
- An entity that does not have a requirement, or properly elects out of the requirement, to file a federal income tax return.
- An entity making distributions of income not subject to Oklahoma income tax.

Withholding on Nonresident Members - continued...

Distributions made from the partnership...

Partnerships, that make distributions subject to Oklahoma withholding, must register with the OTC. Register by completing Form OW-11 "Registration for Oklahoma Withholding for Nonresident Members". This form is available from our website at **www.tax.ok.gov**.

To file and pay the income tax withheld, the partnership must complete Form WTP10003 "Oklahoma Nonresident Distributed Income Withholding Tax Annual Return". The partnership will file Form WTP10003 on or before the due date (including extensions) of the partnership's income tax return. The partnership must provide nonresident partners a Form 500-B, by the due date (including extensions) of its income tax return, showing their respective amount of income and tax withheld. Copies of Form 500-Bs, along with the cover Form 501, must be sent to the OTC by the same date. Each nonresident partner must enclose a copy of the Form 500-B to their Oklahoma income tax return as verification for this withholding.

When a partnership files a composite return on behalf of its nonresident partners, the nonresident partner's withholding can be claimed on Form 514, Part 1, line 7. **A copy of the nonresident partner's Form 500-B must be enclosed with Form 514.**

Amended Returns...

Form 514 is used for amended returns also. If this is an amended return, place an 'X' in the box located in the upper left section of Form 514, page 1. Enter on line 9 any amount paid with the original return plus any amount paid after it was filed. Enter on line 10 any refund previously received or overpayment applied. Enclose Federal Amended Form 1065 when applicable.

Oklahoma Depletion in Lieu of Federal Depletion...

Oklahoma depletion on oil and gas well production, at the option of the taxpayer, may be computed at 22% of gross income derived from each Oklahoma property during the taxable year. Major oil companies, as defined in Title 52 OS Sec. 288.2, when computing Oklahoma depletion shall be limited to 50% of the net income (computed without the allowance for depletion) from each property. If Oklahoma options are exercised, the federal depletion not used due to 65% limit may not be carried over. Lease bonus received is considered income subject to depletion. If depletion is claimed on a lease bonus and no income is received as a result of non-producing properties, upon expiration of the lease, such depletion must be restored. A complete schedule by property must be furnished.

Agricultural Commodity Processing Facility Exclusion...

Owners of agricultural commodity processing facilities may exclude 15% of their investment in a new or expanded agricultural commodity processing facility located within Oklahoma.

Agricultural commodity processing facility means buildings, structures, fixtures and improvements used or operated primarily for the processing or production of agricultural commodities to marketable products. The investment is deemed made when the property is placed in service.

Attach a separate schedule showing the type of investment(s), the date placed in service, the cost, the total exclusion and the exclusion available for each partner. Do not include this exclusion in the Oklahoma distributive income. Each partner shall report their allowable share of the exclusion on the designated line of their individual return.

Allocable Income or Loss...

Part Two, Column A and Part Three, Column A are to be completed by all partnerships.

Part Two, Column B and Part Three, Column B are to be completed by partnerships deriving all of their income from within Oklahoma and by partnerships whose business is oil and gas production, mining, farming, or rental within and without Oklahoma, on a direct accounting basis.

Apportionment Income or Loss...

Part Four is to be completed by partnerships conducting a business of a unitary nature. A unitary business is one whose income is derived from the conduct, in more than one state, of a single business enterprise (commonly called unitary business) all the factors of which are essential to the realization of an ultimate gain derived from the enterprise as a whole, and not from its component parts which are too closely connected and necessary to each other to justify division or separate allocation.

Partnerships consisting of business other than oil and gas production, mining, farming or rentals operating in more than one state should compute their Oklahoma income by using the three factor formula consisting of Sales, Payroll and Property. 68 OS Sec. 2358 (A) (4) and Sec. 2358 (A) (5). If less than 3 factors are present, the resulting amount is apportioned to Oklahoma on a 2-factor or single factor formula consisting of the arithmetical average of the factors present. A factor is considered present if there is a denominator. When a partnership has capital gains (or other allocable items such as depletion), a separate schedule must be furnished showing the Oklahoma portion and the total amount claimed on the federal return.

Safety Pays OSHA Consultation Service Exemption...

(Part Two, Column B, line 20 or Part Four, line 3)
An employer that is eligible for and utilizes the Safety Pays OSHA Consultation Service provided by the Oklahoma Department of Labor shall receive a $1,000 exemption for the tax year the service is utilized. Employers must be able to substantiate their participation in the Oklahoma Department of Labor's Safety Pays Consultation Service upon request.

Qualified Refinery Property...

(Part Two, Column B, line 7 or Part Four, line 2)
If the election was made to expense the cost of qualified refinery property located in Oklahoma on a previous year's Oklahoma return, the depreciation deduction claimed on the federal return for such property must be added back to arrive at Oklahoma distributive income. This addition must be made regardless of whether the expense was claimed on the partnership return or allocated to its owners. 68 OS Sec. 2357.204.

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Cost of Complying with Sulfur Regulations...

(68 OS Sec. 2357.205)

A qualified refinery may make an irrevocable election to allocate all or a portion of the cost of complying with sulfur regulations issued by the Environmental Protection Agency as a deduction allowable to its owners. The allocation for each person is equal to the ratable share of the total amount allocated, determined on the basis of the ownership interest of the person. The taxable income of the refinery shall not be reduced by the reason of any amount allowed under this section.

If you are the Refinery -
To make the election, attach a schedule of a list of the costs of complying with sulfur regulations some or all of which are being allocated to your owners and the portion of such costs allocated to each owner, including the owner's name and federal identification number. You shall also provide each owner with written notice of the amount of costs allocated to such owner. The notice must include your name and Federal Employer Identification Number and the owner's name and federal identification number.

If you are the Owner -
(Part Two, Column B, line 20, or Part Four, line 6 - as a deduction)
Deduct the portion of the cost of complying with sulfur regulations which have been allocated to you. Attach the written notice of the allocation received from the refinery.

Website Offers Payment Options and Tax Assistance

Paper checks are not your only option when paying your balance due.
Pay electronically at **www.tax.ok.gov**.
Select **"Online Services"** to view all your payment options.

Oklahoma tax assistance, forms, FAQs and much more are all available on the Oklahoma Tax Commission website 24/7.

Note: There is a convenience charge for some payment types.

Tax Tips:

- √ Check your calculations carefully.
- √ **Don't forget to sign your tax returns.**
- √ Always copy your return for your records.

Specific Line Instructions for Determining Distributive Income

Part Two

To compute Oklahoma distributive income, all partnerships start with Part Two.

Lines 1-22, Column A
Part Two, Column A must be completed by all partnerships. List exact figures as reported on the front page of your Federal Form 1065.

Lines 1-22, Column B
Part Two, Column B is to be used by all partnerships deriving all of their income from within Oklahoma. This column is also to be used by all partnerships whose business, both within and without Oklahoma, is oil and gas production, mining, farming or rental. This should be completed using the direct accounting method. Partnerships conducting business of a unitary nature do not complete Column B.

Rents and interest expenses paid to a captive real estate investment trust and deducted on your federal return must be added back on Column B, line 7 to compute Oklahoma distributable income. Such add-back is not required if the captive real estate investment trust is subject to the add-back for the dividends-paid deduction pursuant to 68 OS Sec. 2358.

Income from discharge of indebtedness deferred under IRC Section 108(i)(1), which was added back to compute Oklahoma taxable income in tax year 2010, may be partially deducted. In Column B, line 20, deduct an amount equal to the portion of such deferred income included in federal taxable income for tax year 2014.

Part Three

If federal and Oklahoma distributive net incomes are the same, you may complete Part Three, Columns A & B, line 15; then complete Part Five. A copy of your Federal Form 1065 and K-1s must be enclosed with your Oklahoma return. An Oklahoma return must be filed by all partnerships having Oklahoma source income.

Lines 1-15, Column A:
Part Three, Column A is to be used by all partnerships. List exact figures as reported on your Federal Form 1065, Schedule K.

Lines 1-15, Column B:
Part Three, Column B is to be used by partnerships deriving all of their income from within Oklahoma. This column will be the same as in Column A except for lines 4b and 4c.

This column is also to be used by partnerships whose business, both within and without Oklahoma, is oil and gas production, mining, farming, or rental. Complete this column using the direct account method as shown below.

Partnerships conducting business of a UNITARY nature do not complete Column B, lines 1-14. Such partnerships shall complete Part Four using the Apportionment Formula before completing Column B, line 15.

(continued on page 6)

Column B

Line 1
Income (loss) shall be allocated in accordance with the situs of such property. Overhead expense shall be allocated on the basis of direct expense in Oklahoma to the total direct expense everywhere. Use Page 2, Part Two, or enclose schedule.

Lines 2 and 3
Income (loss) from real and tangible personal property shall be allocated in accordance with the situs of such property.

Line 4
Accounts receivable interest income and interest income from investments held to generate working capital shall be allocated to Oklahoma on the basis of direct expense. See line 1 instructions on this page. All other intangible income (loss) shall be allocated in accordance with the situs of the partnership.

Gains or losses from the sale of leases or from the sale of real and tangible personal property, shall be allocated in accordance with the situs of the property.

Line 4b
State and Municipal Bond Interest: Partnerships domiciled in Oklahoma who receive income on bonds issued by any state or political subdivision thereof, exempt from federal taxation but not exempt from taxation by the laws of the State of Oklahoma, shall add the total of such income to arrive at Oklahoma income.

1) Income from all bonds, notes or other obligations issued by the State of Oklahoma, the Oklahoma Capital Improvement Authority, the Oklahoma Municipal Power Authority, the Oklahoma Student Loan Authority, and the Oklahoma Transportation Authority (formerly Turnpike Authority) is exempt from Oklahoma income tax. The profit from the sale of such bond, note or other obligations shall be free from taxation.
2) Income from local Oklahoma governmental obligations issued after July 1, 2001, other than those provided for in 1, is exempt from Oklahoma income tax. The exceptions are those obligations issued for the purpose of providing financing for projects for nonprofit corporations. Local governmental obligations shall include bonds or notes issued by, or on behalf of, or for the benefit of Oklahoma educational institutions, cities, towns, or counties or by public trusts of which any of the foregoing is a beneficiary.
3) Income from Oklahoma State and Municipal Bonds, issued prior to July 2, 2001, other than those provided for in 1, is exempt from Oklahoma income tax only if so provided by the statute authorizing their issuance.
4) Income on bonds issued by another state or political subdivision thereof (non-Oklahoma), exempt from federal taxation, is taxable for Oklahoma income tax.

Line 4b - continued
Enclose a schedule of all municipal interest received by source and amount. If the income is from a mutual fund which invests in state and local government obligations, enclose documentation from the mutual fund to substantiate the percentage of income derived from obligations exempt from Oklahoma tax.

Note: If the interest is exempt, the capital gain/loss from the sale of the bond may also be exempt. The gain/loss from sale of a state or municipal bond, other than those provided for in 1, is exempt only if so provided by the statute authorizing its issuance.

Line 4c
Interest on U.S. Government Obligations: If you report interest on bonds, notes, and other obligations of the U.S. on your federal return, it may be excluded from your Oklahoma income, if a detailed schedule is furnished, accompanied with 1099s showing the amount of interest income and the name of the obligation from which the interest is earned. If the income is from a mutual fund which invests in U.S. Government obligations, enclose documentation from the mutual fund to substantiate the percentage of income derived from obligations exempt from Oklahoma tax. Interest from entities such as FNMA & GNMA does not qualify.

Line 4d and 4e
Intangible income is allocated to the situs of the partnership, except accounts receivable interest income and interest from investments held to generate working capital. Such interest is allocated to Oklahoma on the basis of direct expense. See line 1.

Line 5
Gains or losses from real or tangible personal property shall be allocated in accordance with the situs of the property.

Line 6
The gain on the sale, exchange, or other disposition of property for which a section 179 expense deduction was passed through to partners is reported as Supplemental Information on the Federal K-1. For Oklahoma purposes, report such gain on this line. Enclose the following: description of the property, date the property was acquired, date the property was sold, gross sales price, cost or other basis plus expense of sale (including the partnership's basis reduction in the property due to the section 179 expense deduction), depreciation allowed or allowable (not including the section 179 expense deduction), and amount of section 179 expense deduction (if any) passed through to each partner for the property and the partnership's tax year(s) in which the amount was passed through.

Lines 8 through 13
Expenses relative to the income shall be allocated directly to that income. Allowable oil and gas depletion, guaranteed payments, and Oklahoma withholding will be stated in Part Five.

Specific Line Instructions for Determining Distributive Income

Part Four

Part Four is to be used by Partnerships conducting a business within and without the state of Oklahoma which must be apportioned.

Generally, unitary income is apportioned to Oklahoma based on the 3-factor formula. The basis of the apportionment is the arithmetical average of three factors consisting of property, payroll and sales. If less than 3 factors are present, the resulting amount is apportioned to Oklahoma on a 2-factor or single factor formula consisting of the arithmetical average of the factors present. A factor is considered present if there is a denominator. Each factor is a ratio of the total within Oklahoma to the total everywhere. Oklahoma distributable net income is figured by adding separately allocated Oklahoma income with net Oklahoma apportioned income. 68 OS Sec. 2358.

Line 1
Enter Net Distributable Income from Page 2, Part Three, Column A, line 15.

Line 2
Deductions relating to income which is separately allocated shall not be allowed and will be entered here.

Rents and interest expenses paid to a captive real estate investment trust and deducted on your federal return must be added back to compute Oklahoma distributable income. Such add-back is not required if the captive real estate investment trust is subject to the add-back for the dividends-paid deduction pursuant to 68 OS Sec. 2358.

Line 3
Income from U.S. obligations and income separately allocated (oil and gas production, mining, farming, or rentals and other partnership income or loss) will be entered here. Gains or losses from sale of intangible personal property which is directly allocated should also be entered here.

Income from discharge of indebtedness deferred under IRC Section 108(i)(1), which was added back to compute Oklahoma taxable income in tax year 2010, may be partially deducted. Deduct an amount equal to the portion of such deferred income included in federal taxable income for tax year 2014.

Line 4
Total apportionable income. Refer to top of Part Four instructions for more information on apportionable income.

Line 5
Apportionment Factor from Apportionment Schedule.

Line 6
Income separately allocated to Oklahoma should be entered here (interest income from state obligations or political subdivisions, oil and gas production, mining, farming or rentals, etc.).

Line 7
Oklahoma distributable income. Place this figure on Page 2, Part Three, Column B, line 15. Then complete Part Five.

Part Five

All partnerships must complete Part Five or may enclose the Federal K-1s if Oklahoma information is stated separately on the Federal K-1s. If completing Part 5, use Form 514-SUP if there are more than 3 partners. Complete as many Form(s) 514-SUP as needed to list all partners.

If your business is either wholly Oklahoma or of an allocable nature, complete Part Five after you complete Part Three. If your business is of a unitary nature, complete Part Five after you complete Part Four.

Partner's Share of Income...
Enter the names, addresses and Social Security Numbers/ Federal Employer Identification Numbers of the partners, and each partner's share of the net income whether distributed or not.

Distributable Federal and Oklahoma Income...
Enter each partner's share of Net Distributive Income included in Part Three.

Guaranteed Payments...
Enter each partner's share of guaranteed payment from Partnership Return, Federal Schedule K.

Allowable Oil and Gas Depletion...
Enter each partner's allowable depletion. Enclose detailed schedule.

Notice...
The amount shown on Page 4, Part Five, Distributable Oklahoma Income, may not be the amount to be entered on the partner's Oklahoma Income Tax Return. This amount includes all allowable partnership income, losses and deductions. However some of these partnership items may be limited on the partner's Federal Income Tax Return. If these items are allowed in full or in part on the partner's Federal Income Tax Return, they will be allowed to the same extent on their Oklahoma Income Tax Return.

Partnerships Please Note:
Nonresident partners may be included in a composite return. For more information on filing a composite return, refer to the "Composite Return Information" in the General Filing Information section. Your nonresident partners, who are electing to be included in the composite return, will not file an Oklahoma income tax return. Any Oklahoma income tax withheld from their Oklahoma distributed income, shown on Form 500-B, and their pro rata share of any withholding passing through to them, shown on Part Five, line 12, will be claimed on the partnership return, Part One, line 7. The nonresident's pro rata share of any credits, shown on Part Five, line 10, will be claimed on the partnership return, Part One, line 3. See the instructions for Part One on pages 8-10.

A complete copy of the Federal Partnership Return is required.

(continued on page 8)

Oklahoma Withholding and Credits

If a partner has more than one type of credit, enter the total amount in line 10 and enter "see schedule" in line 11. If a partner has more than one type of withholding, enter the total amount in line 12 and enter "see schedule" in line 13. Enclose a detailed schedule showing the type and amount of each credit and/or withholding for the partner.

For nonresident partners who have elected to be included in the composite return, their share of Oklahoma credits and withholding will be reported here and on Part One, line 3 and line 7.

Withholding

Enter and describe each partner's share of Oklahoma withholding. The partnership must enclose Form 500-A, Form 500-B, Form 1099-MISC, Schedule K-1 (if separately stated) or other documentation to substantiate any Oklahoma withholding passing through to its partners.

Oklahoma income tax is withheld from oil royalties paid to nonresident partnerships. Enter each partner's share of such withholding.

The partner's pro rata share of Oklahoma withholding should be reported to each partner. Each partner must enclose documentation with their Oklahoma income tax return to substantiate this withholding.

Note: If you have any nonresident partners who have not filed a withholding exemption affidavit (Form OW-15), Oklahoma income tax should have been withheld on any distribution of Oklahoma income. Such withholding is not reported here, instead you should have issued a Form 500-B to your nonresident partners.

Credits

Enter and describe each partner's portion of credits. Enclose all forms and documentation required to substantiate the credit(s). See the instructions for Part One "Oklahoma Credits" for more detail on the credits available.

Electronic Payments Accepted through OTC Website

Paper checks are not your only option for payments. Electronic payments are accepted on the Oklahoma Tax Commission website at www.tax.ok.gov. Click on "Online Services" to view all available payment systems.

Part One

Part One is to be completed for those nonresident partners who have elected to be included in the composite return. The tax liability will be paid on Part One of the partnership return. If there is no composite return being filed, only complete Part One if claiming the Refundable Coal Credit or the Refundable Credit for Electricity Generated by Zero-Emission Facilities.

Oklahoma Credits

For those nonresident partners who have elected to be included in the composite return, enter their share of any credit on the applicable line. The partner's share of the credit(s) is shown on Part 5, line 10. Enclose all forms and documentation required to substantiate any credits.

Note...
Do not include the portion of the partnership's credit(s) attributable to the partners not included in the composite return.

Line 3
Other Credits
Credits claimed on Form 511CR should be entered on this line. Enter in the box the number that corresponds with the credit to which you are entitled. If you are entitled to more than one credit, enter "99" in the box. See the following for a list of credits available on Form 511CR. Enclose Form 511CR and any applicable forms or schedules. This form can be obtained from our website at **www.tax.ok.gov**.

Tax credits transferred or allocated must be reported on OTC Form 569. Failure to file Form 569 will result in the affected credits being denied by the OTC pursuant to 68 OS Sec. 2357.1A-2.

Oklahoma Investment / New Jobs Credit
Enclose Form 506.
68 OS Sec. 2357.4 and Rule 710:50-15-74.

Coal Credit
68 OS Sec. 2357.11 and Rule 710:50-15-76.

Credit for Conversion of a Motor Vehicle to Clean Burning Fuels or for Investment in Qualified Electric Motor Vehicle Property
68 OS Sec. 2357.22 and Rule 710:50-15-81.

Small Business Capital Credit
Enclose Form 527-A.
68 OS Sec. 2357.60-2357.65 and Rule 710:50-15-86.

Oklahoma Agricultural Producers Credit
Enclose Form 520.
68 OS Sec. 2357.25 and Rule 710:50-15-85.

Small Business Guaranty Fee Credit
Enclose Form 529.
68 OS Sec. 2357.30 or 68 OS Sec. 2370.1.

Credit for Qualified Recycling Facility
68 OS Sec. 2357.59 and Rule 710:50-15-84.

(continued on page 9)

Line 3 - Other Credits (continued)

Credit for Employers Providing Child Care Programs
68 OS Sec. 2357.26 and Rule 710:50-15-91.

Credit for Entities in the Business of Providing Child Care Services
68 OS Sec. 2357.27.

Credit for Commercial Space Industries
68 OS Sec. 2357.13.

Credit for Tourism Development or Qualified Media Production Facility
68 OS Sec. 2357.34-2357.40.

Oklahoma Local Development and Enterprise Zone Incentive Leverage Act Credit
68 OS Sec. 2357.81.

Credit for Qualified Rehabilitation Expenditures
68 OS Sec. 2357.41 and Rule 710:50-15-108.

Rural Small Business Capital Credit
Enclose Form 526-A.
68 OS Sec. 2357.71-2357.76 and Rule 710:50-15-87.

Credit for Electricity Generated by Zero-Emission Facilities
68 OS Sec. 2357.32A.

Credit for Financial Institutions Making Loans Under the Rural Economic Development Loan Act
68 OS Sec. 2370.

Credit for Manufacturers of Small Wind Turbines
68 OS Sec. 2357.32B and Rule 710:50-15-92.

Credit for Qualified Ethanol Facilities
68 OS Sec. 2357.66 and Rule 710:50-15-106.

Poultry Litter Credit
68 OS Sec. 2357.100 and Rule 710:50-15-95.

Credit for Qualified Biodiesel Facilities
68 OS Sec. 2357.67 and Rule 710:50-15-98.

Film or Music Project Credit
Enclose Form 562.
68 OS Sec. 2357.101 and Rule 710:50-15-101.

Credit for Breeders of Specially Trained Canines
68 OS Sec. 2357.203 and Rule 710:50-15-97.

Credit for Wages Paid to an Injured Employee
68 OS Sec. 2357.47 and Rule 710:50-15-107.

Credit for Modification Expenses Paid for an Injured Employee
68 OS Sec. 2357.47 and Rule 710:50-15-107.

Dry Fire Hydrant Credit
68 OS Sec. 2357.102 and Rule 710:50-15-99.

Credit for the Construction of Energy Efficient Homes
68 OS Sec. 2357.46 and Rule 710:50-15-104.

Credit for Railroad Modernization
68 OS Sec. 2357.104 and Rule 710:50-15-103.

Line 3 - Other Credits (continued)

Research and Development New Jobs Credit
Enclose Form 563.
68 OS Sec. 54006 and Rule 710:50-15-105.

Credit for Biomedical Research Contribution
68 OS Sec. 2357.45 and Rule 710:50-15-113.

Credits for Employers in the Aerospace Sector
Enclose Form 565.
68 OS Sec. 2357.301, 2357.302 & 2357.303 and Rule 710:50-15-109.

Wire Transfer Fee Credit
68 OS Sec. 2357.401 and Rule 710:50-15-111.

Credit for Manufacturers of Electric Vehicles
68 OS Sec. 2357.402 and Rule 710:50-15-112.

Credit for Cancer Research Contribution
68 OS Sec. 2357.45 and Rule 710:50-15-113.

Credit for Capital Investment Board Tax Credit
74 OS Sec. 5085.7.

Credit for Contributions to a Scholarship-Granting Organization
68 OS Sec. 2357.206 and Rule 710:50-15-114.

Credit for Contributions to an Educational Improvement Grant Organization
68 OS Sec. 2357.206 and Rule 710:50-15-115.

Line 5
Oklahoma Estimated Tax Payments

Enter the Oklahoma estimated tax payments paid on behalf of the nonresident partners who have elected to be included in this composite return. The payments should have been made under the partnership's name and Federal ID number.

Do not include on this line any withholding paid for your nonresident partners on Form WTP10005 or Form WTP10003. Such withholding will be reported to your nonresident partners on Form 500-B. If the nonresident partner elects to be included in the composite return, their share of such withholding will be reported on Line 7 "Oklahoma Withholding".

Line 7
Oklahoma Withholding

Enter the portion of Oklahoma withholding that is passing through the partnership to those nonresident partners that have elected to be included in the composite return. The partner's share of such withholding is shown in Part 5, line 12. Enclose the Form 1099-MISC, Form 500-A, or Form 500-B received by the partnership to substantiate the Oklahoma withholding.

Enter the Oklahoma income tax withheld from Oklahoma distributions made to your nonresident partners that have elected to be included in this composite return. The partner withholding is shown on the Form 500-B. Enclose a copy of the Form 500-B for each such nonresident partner. Do not show such withholding in Part 5, line 12.

Note: Do not include the Oklahoma withholding for partners that are not included in the composite return.

(continued on page 10)

Specific Line Instructions for Determining Distributive Income

Line 8
Refundable Credits
Place an "X" in the box(es) on line 8 to report any credit from Form 577 or Form 578.

If claiming the **Refundable Coal Credit**, enclose Form 577. Credits earned, but not used, based upon activity occurring on or after January 1, 2014 will be refunded at 85% of the face amount of the credits. A pass-through entity that does not file a claim for a direct refund will allocate the credit to one or more of its shareholders, partners or members.

If claiming the **Refundable Credit for Electricity Generated by Zero-Emission Facilities**, enclose Form 578. Credits generated, but not used, on or after January 1, 2014 will be refunded to the taxpayer at 85% of the face amount of the credits. A pass-through entity that does not file a claim for a direct refund will allocate the credit to one or more of its shareholders, partners or members.

Line 9
Amounts Previously Paid
When filing an amended return, enter any amount(s) paid with the original return plus any amount(s) paid after it was filed.

Line 10
Refunds or Overpayment Applied
When filing an amended return, enter any refund previously received and/or overpayment previously applied.

Line 14
All refunds must be directly deposited into a bank account. See page 11 "Direct Deposit Information" for details.

Line 16
Place an "X" in the box if the underpayment of estimated tax was computed using the annualized income installment method.

If an **amended return** is filed before the due date for filing the original return, including any extension, the tax shown on the amended return is used to determine the amount of underpayment. If the amended return is filed after the due date, including extension, the tax shown on the amended return will not be used to compute the amount of underpayment.

Don't forget to sign your tax return and make a copy for your records.

Federal Employer Identification Number (FEIN)

Federal Employer Identification Number (FEIN): The request for your FEIN is authorized by Section 405, Title 42, of the United States Code. You MUST provide this information. It will be used to establish your identity for tax purposes only.

When You Are Finished...

- When finished, double check all calculations.
- When complete, make copies of all the documents for your records.
- Do not enclose any other tax reports or correspondence in your envelope other than those documents and schedules required for this return.
- Paper checks are not your only option for payments. Electronic payments are accepted on the OTC website at **www.tax.ok.gov**. Click on "Online Services" to view all available payment systems.
- Do not forget to sign your return.
- Mail your return and payment to:

Oklahoma Tax Commission
Income Tax
PO Box 26800
Oklahoma City, OK 73126-0800

- If you have any questions about your return, please contact the OTC. See Page 11 of this packet for contact information.

The Oklahoma Tax Commission is not required to give actual notice to taxpayers of changes in any state tax law.

Credit Card Payments Accepted

You can pay the balance due on any income tax return by credit card. Payments can be made for the current tax year and all years prior. Estimated income tax payments may also be made by credit card.

Log on to our website at www.tax.ok.gov. Click on the "Online Services" link and pay your balance due online.

A convenience fee will be added to credit and debit card transactions. For more information regarding this service, please visit our website at **www.tax.ok.gov** or call our Taxpayer Assistance Office at (405) 521-3160.

Direct Deposit Information

Complete the direct deposit section on the tax return to receive the refund. All refunds, with very limited exceptions*, must be by direct deposit. Partnerships failing to complete the direct deposit section will be contacted and required to file the Refund Direct Deposit Form (Form ARDD-100) before the refund will be issued.

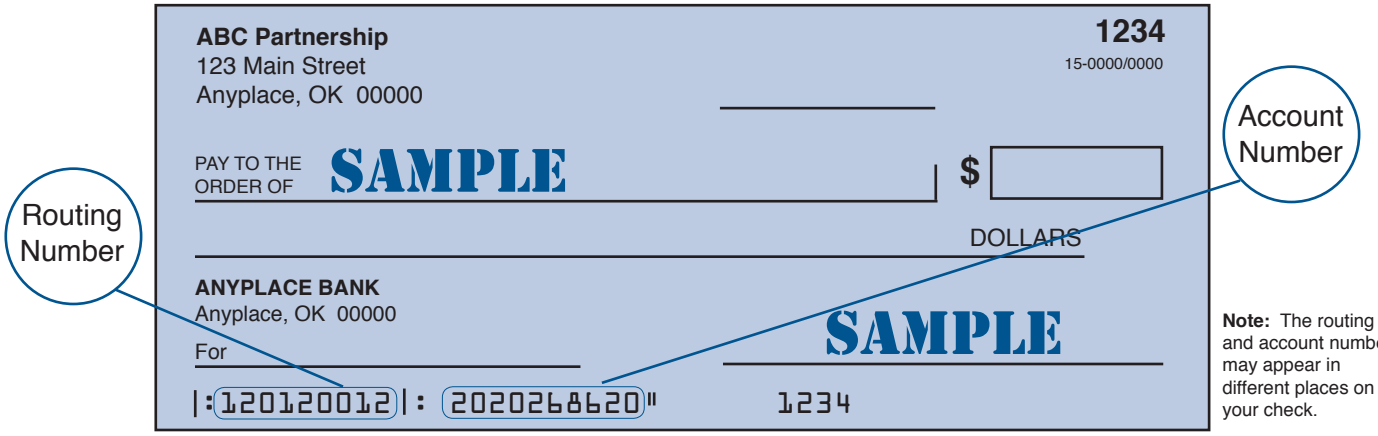
1 Place an 'X' in the appropriate box as to whether the refund will be going into a checking or savings account. Please keep in mind you will not receive notification of the deposit.

2 Fill out the routing number. The routing number must be nine digits. Using the sample check shown below, the routing number is **120120012**. If the first two digits are not 01 through 12 or 21 through 32, the direct deposit will fail to process. A letter requesting correct banking information will be mailed to the address shown on your tax return.

3 Enter your account number. The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check shown below, the account number is **2020268620**.

Please Note: A letter requesting correct banking information will be mailed to the address shown on your tax return if the direct deposit fails to process.

***Exception:** Due to electronic banking rules, the OTC will not allow direct deposits to or through foreign financial institutions. If you use a foreign financial institution or have a foreign address on your income tax return, you will be issued a paper check. If you have an address with an APO, FPO or DPO, you are not considered to have a foreign address; your refund will be directly deposited.



Note: The routing and account numbers may appear in different places on your check.

How to Contact the Oklahoma Tax Commission

Whether you need a tax form, have a question or need further information, there are many ways to reach us.

Visit Us on the Web!

You'll find a wealth of information on our website, including downloadable tax forms, answers to common questions, and online filing options for both income and business taxes!

www.tax.ok.gov

Office Locations!

Oklahoma City
2501 North Lincoln Boulevard
(405) 521-3160

Tulsa
440 South Houston, 5th Floor
(918) 581-2399

Give Us a Call!

The Oklahoma Tax Commission can be reached at **(405) 521-3160**. The in-state toll free number is **(800) 522-8165**. Press "0" to speak to a representative.

The Oklahoma Tax Commission is not required to give actual notice to taxpayers of changes in any state tax law.

Oklahoma Partnership Income Tax Return

Form 514
2014

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

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

For the year January 1 - December 31, 2014, or other taxable year
beginning: _____ , 2014 ending: _____ , _____

Partnership Name:

Street Address:

City, State or Province, Country and ZIP or Foreign Postal Code:

Federal Employer Identification Number:	Business Code Number:	County in which located:	Was a 2013 Partnership Income Tax return filed? Yes ☐ No ☐	If this is a final return, place an 'X' here: ☐

Enter number of partners: _____ **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): _____

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	2014 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 2015 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		Preparer's Address	
Title	Area Code and Phone Number	Phone Number	Preparer's PTIN

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..... $ _____		
	b. **Minus** returns and allowances $ _____ 1	00	00
2	Cost of goods sold and/or operations..... 2	00	00
3	Gross profit (subtract line 2 from line 1) 3	00	00
4	Ordinary income (loss) from other partnerships and fiduciaries (enclose schedule) 4	00	00
5	Net farm profit (loss) (enclose Sch. F, Form 1040)..... 5	00	00
6	Net gain (loss) (Form 4797, line 18)..... 6	00	00
7	Other income (loss) (enclose schedule)..... 7	00	00
8	**Total income** (loss) (add lines 3 through 7)..... 8	00	00
9	Salaries and wages (other than to partners) 9	00	00
10	Guaranteed payments to partners.....10	00	00
11	Repairs and maintenance 11	00	00
12	Bad debts 12	00	00
13	Rent.....13	00	00
14	Taxes and licenses 14	00	00
15	Interest 15	00	00
16	Depreciation 16	00	00
17	Depletion (do not deduct oil and gas depletion) 17	00	00
18	Retirement plans, etc 18	00	00
19	Employee benefit program 19	00	00
20	Other deductions (enclose schedule).....20	00	00
21	**Total deductions** (add lines 9 through 20) 21	00	00
22	**Ordinary Income (Loss) from trade or business:**		
	Subtract line 21 from line 8.....22	00	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)... 1	00	00
2		Net income (loss) from rental real estate activity(ies) (enclose schedule) 2	00	00
3		Net income (loss) from other rental activity(ies) (enclose schedule) 3	00	00
4	Portfolio Income (loss)	a. Interest on loans, notes, mortgages, bonds, etc.....4a	00	00
		b. Interest on obligations of a State or political subdivision 4b		00
		c. Interest on obligations of the United States 4c	00	
		d. Other interest income 4d	00	00
		e. Dividend income 4e	00	00
		f. Royalty income (patent or copyright)..... 4f	00	00
		g. Net short-term capital gain (loss).....4g	00	00
		h. Net long-term capital gain (loss).....4h	00	00
		i. Other portfolio income (loss) (enclose schedule) 4i	00	00
5		Net gain (loss) under section 1231 (Other than due to casualty or theft) 5	00	00
6		Other (enclose schedule) 6	00	00
7		**Total income** (Add lines 1 through 6) 7	00	00
8	Deductions	Contributions 8	00	00
9		Expense deductions for recovery property (Section 179) (enclose sch.) . 9	00	00
10		Deductions related to portfolio income 10	00	00
11		Depletion (Other than oil and gas).....11	00	00
12		Intangible drilling costs 12	00	00
13		Other deductions authorized by law (enclose schedule) 13	00	00
14		**Total deductions** (Add lines 8 through 13).....14	00	00
15		**Net distributive income** (line 7 minus line 14).....15	00	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	
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	
5	Oklahoma's portion thereof _____%, from schedule below			5	
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	

APPORTIONMENT FORMULA

Note: Enclose a complete copy of your Federal return.

			Column A Total Within Oklahoma	Column B Total Within and Without Oklahoma	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			
	(ii) Depreciable property	1aii			
	(iii) Land	1aiii			
	(iv) Total of section "a"	1aiv			
	(b) Rented property (capitalize at 8 times net rental paid)	1b			
	(c) Total of sections "a" and "b" above	1c	$	$	%
2	(a) Payroll	2a			
	(b) Less: Officer salaries	2b			
	(c) Total (subtract officer salaries from payroll)	2c	$	$	%
3	Sales :				
	(a) Sales delivered or shipped to Oklahoma purchasers:				
	(i) Shipped from outside Oklahoma	3ai			
	(ii) Shipped from within Oklahoma	3aii			
	(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"	3c	$	$	%
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			%
6	Average percent (1/3 of total percent) (Carry to Part 4, line 5 above)	6			%

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:			
	Address:			
	City, State, ZIP:			
2	SSN or FEIN			
3	Percentage of Partnership Owned			
4	Distributable Federal Income			
5	Distributable Oklahoma Income (see instructions)			
6	Guaranteed Payments (Federal)			
7	Guaranteed Payments (Oklahoma)			
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			
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

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 _____ Date business began in Oklahoma _____

Principal location(s) in Oklahoma _____

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

State of Oklahoma
Supplemental Schedule for Form 514, Part 5

FORM **514-SUP** 2014

NOTE: Place Form(s) 514-SUP immediately after Form 514, page 4. Make note of the number of Forms 514-SUP that are included in the partnership return (e.g. If there are five Forms 514-SUP, the second Form 514-SUP would have 2 of 5 shown in the Page section below.)

Name of Partnership	FEIN	Page
		_____ of _____

		Partner _____	Partner _____	Partner _____
1	Name and address of each partner — Name:			
	Address:			
	City, State, ZIP:			
2	SSN or FEIN			
3	Percentage of Partnership Owned			
4	Distributable Federal Income			
5	Distributable Oklahoma Income (see instructions)			
6	Guaranteed Payments (Federal)			
7	Guaranteed Payments (Oklahoma)			
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			
Is the Partner being included in Composite filing? (If Yes, complete Form 514-PT)		☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No

Oklahoma Partnership Composite Income Tax Supplement

FORM **514-PT** 2014

Must be completed for nonresidents electing to be included in a composite return.
If there are more than 15 partners, use Form 514-PT-SUP to enter the additional partners.
Use as many Forms 514-PT-SUP as needed.

Name of Partnership	Federal Employer Identification Number

A	B	C	D	E	F	G	H
FEIN/SSN	**Federal Distributive Income** From Form 514, Part 5: Line 4 plus Line 6 minus Line 8	**Oklahoma Additions and Subtractions** See instructions Attach schedule	**Distributive Income from All Sources** Column B plus/minus Column C	**Base Tax** See instructions	**Oklahoma Distributive Income** From Form 514, Part 5: Line 5 plus Line 7 minus Line 9 and Form 561-P	**Tax %** Column F divided by Column D	**Oklahoma Nonresident Tax** See instructions
1)	+/-		=			%	
2)	+/-		=			%	
3)	+/-		=			%	
4)	+/-		=			%	
5)	+/-		=			%	
6)	+/-		=			%	
7)	+/-		=			%	
8)	+/-		=			%	
9)	+/-		=			%	
10)	+/-		=			%	
11)	+/-		=			%	
12)	+/-		=			%	
13)	+/-		=			%	
14)	+/-		=			%	
15)	+/-		=			%	

I) Enter the total from Supplemental Schedule(s), Form 514-PT-SUP, Columns F and H ..... [ ] ..... [ ]

J) Total nonresident's share of Okla. distributive income (enter here & on Form 514, Part 1, line 1)..... [ ]

K) Total nonresident Oklahoma tax (enter here and on Form 514, Part 1, line 2) ..... [ ]

Partnership Composite Income Tax Supplement Instructions (Rule 710:50-19-1)

Any partnership required to file an Oklahoma income tax return may elect to file a composite return for nonresident partners. Any nonresident partner may be included in the composite return. (see Rule 710:50-19-1 for additional detail)

Oklahoma Capital Gain Deduction Information:
(Form 514-PT, Column C and Column F)
Nonresident partners electing to be included in the composite return can deduct qualifying gains receiving capital treatment which are included in Federal taxable income. "Qualifying gains receiving capital treatment" means the amount of the net capital gains, as defined by Internal Revenue Code Section 1222(11). The qualifying gain must:

1) Be earned on real or tangible personal property located within Oklahoma that you have owned indirectly for at least five uninterrupted years prior to the date of sale;

2) Be earned on the sale of stock or ownership interest in an Oklahoma headquartered company, limited liability company, or partnership where such stock or ownership interest has been owned, indirectly, by you for at least three (two for individuals) uninterrupted years prior to the date of sale; or

3) Be earned on the sale of real property, tangible personal property or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, or partnership where such property has been directly or indirectly owned by such entity or owned by the owners of such entity, and used in or derived from such entity for a period of at least three uninterrupted years (two for individuals) prior to the date of the sale.

Enclose a Form 561-P for each such nonresident partner and a copy of the partnership's Federal Schedule D.

Note: Resident partners and nonresident partners not electing to be included in the composite return will compute their capital gain deduction on their Oklahoma income tax return.

Instructions for Individual and Trust Nonresident Partners

The Oklahoma taxable income of an individual or trust nonresident partner shall be calculated as if all income were earned in Oklahoma, using Form 514-PT. The Federal distributive income of each partner will be adjusted using the Oklahoma adjustments allowed in 68 Oklahoma Statutes Sec. 2358, to arrive at Oklahoma distributive income from all sources from this partnership. The Oklahoma distributive income from all sources is the taxable income upon which tax is calculated. No deduction for the standard deduction, personal exemptions, federal income tax paid or dependents is permitted for an individual partner. The tax is then calculated using the highest marginal tax rate. At this point, the tax is prorated using the Oklahoma distributive income from Oklahoma sources divided by the distributive income from all sources from this partnership. The prorated tax is the partner's Oklahoma tax.

Column A - Social Security or Federal Employer Identification Number of nonresident partner.

Column B - Combine the amounts from Form 514, Part 5, Lines 4, 6 and 8. This should be the total amount of Federal income/loss available for distribution to this partner.

Column C - Treating the partnership income as if it were all earned in Oklahoma, enter the partner's share of any additions and subtractions to Federal distributive income that would be allowed in arriving at Oklahoma distributive income. For example: interest on U.S. Government obligations, additional depletion, Oklahoma Capital Gains Deduction, etc. Enter subtractions as a negative number. Enclose a detailed schedule substantiating any amounts entered in this column.

Column D - Combine the amounts in Column B and Column C.

Column E - Tax before allocation. Using a tax rate of 5.25%, compute the tax on the income in Column D.

Column F - Combine the amounts from Form 514, Part 5, Lines 5, 7 and 9 and the amount from Form 561-P, Column G, line 7. This should be the total amount of Oklahoma income/loss available for distribution to this partner.

Column G - Divide Column F by Column D. Do not enter more than 100%.

Column H - Multiply the base tax in Column E by the tax percentage in Column G.

Instructions for Corporate, S Corporation and Partnership Nonresident Partners

Column A - Federal Employer Identification Number of nonresident partner.

Column F - Combine the amounts from Form 514, Part 5, Lines 5, 7 and 9 and the amount from Form 561-P, Column G, line 7. This should be the total amount of Oklahoma income/loss available for distribution to this partner.

Column H - Multiply the Oklahoma distributive income by the 6% tax rate.

Instructions for Lines I, J and K

Line I - Enter the total of Column F from all supplemental schedules (Form 514-PT-SUP). Enter the total of Column H from all supplemental schedules (Form 514-PT-SUP).

Line J - Total Column F. Enter here and on the Form 514, Part 1, line 1.

Line K - Total Column H. Enter here and on the Form 514, Part 1, line 2.

State of Oklahoma
SUPPLEMENTAL SCHEDULE FOR FORM 514-PT

FORM **514-PT-SUP** 2014

NOTE: If the return is filed by paper, place Form(s) 514-PT-SUP immediately after Form 514-PT. Make note of the number of Form 514-PT-SUP that are included in the partnership return (e.g. If there are five Forms 514-PT-SUP, the second Form 514-PT-SUP would have 2 of 5 shown in the Page section below.)

Name of Partnership	FEIN	Page
		_____ of _____

A	B	C	D	E	F	G	H
FEIN/SSN	**Federal Distributive Income** From Form 514, Part 5: Line 4 plus Line 6 minus Line 8	**Oklahoma Additions and Subtractions** See instructions Attach schedule	**Distributive Income from All Sources** Column B plus/minus Column C	**Base Tax** See instructions	**Oklahoma Distributive Income** From Form 514, Part 5: Line 5 plus Line 7 minus Line 9 and Form 561-P	**Tax %** Column F divided by Column D	**Oklahoma Nonresident Tax** See instructions
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	
____)	+/-		=			%	