

INSTRUCTIONS FOR PARTNERS DIRECTORY

PARTNERS DIRECTORY

List the partners in order of their ownership interest in the partnership, beginning with the partner who holds the largest share.

Column A: Enter each partner's ownership percentage as of the close of the taxable year. If a partner disposed of all or part of an ownership interest during the year, list the partner by the ownership percentage before the disposition as of the close of the partnership's tax year.

Column B: Use the following codes to identify the partners residency status and type:

- RI - New Jersey Resident Individual
- NR - Nonresident Individual
- PI - Part Year Resident Individual
- RP - New Jersey Resident Partnership
- NP - Nonresident Partnership
- RC - New Jersey Corporation
- FC - Non-New Jersey Corporation
- RT - New Jersey Resident Trust
- NT - Nonresident Trust
- RE - New Jersey Resident Estate
- NE - Nonresident Estate

RO - New Jersey Resident - Other

NO - Nonresident - Other

For codes RO and NO, attach rider to explain in detail partners's entity type.

Column C: Enter the Social Security Number (SSN) for individual partners or the Federal Employer Identification Number (EIN) for partners which are entities other than individuals.

Column D: Enter every partner's name and address. For individuals, the statute requires that the address be that of the principal residence. The business name should be provided if the partner is a partnership or corporation.

SIGNATURE

The return must be signed and dated by a general partner of the partnership or the partner designated for tax matters.

Anyone who prepares a return for a fee must sign the return as a "Paid Preparer" and enter his or her social security number. Include the company or corporation name and Federal Employer Identification Number, if applicable. A tax preparer who fails to sign the return or provide a tax identification number may incur a

LINE BY LINE INSTRUCTIONS FOR SCHEDULE NJK-1

SCHEDULE NJK-1

Although the partnership is not subject to tax, the partners are subject to tax on their share of the partnership's income, whether or not the income is actually distributed. Partners who are resident taxpayers of New Jersey are subject to the gross income tax on their shares of the various categories of the partnership's income, regardless of the sources from which the income was derived. Partners who are nonresident taxpayers of New Jersey are subject to the gross income tax on their shares of the various categories of the partnership's income, but only to the extent such income is allocated to New Jersey.

Schedule NJK-1 provides all partners with information regarding their share of the partnership's income. A Schedule NJK-1 must be completed for every resident partner. If the partnership has income allocated to New Jersey, then a Schedule NJK-1 must be completed for every nonresident partner.

A copy of each Schedule NJK-1 must be attached when Form NJ-1065 is filed. Retain a copy of each Schedule NJK-1 as part of the partnership's records. You are also required to furnish each partner with a copy of their Schedule NJK-1 on or before the date on which the Form NJ-1065 is required to be filed. If a partnership interest is held by a nominee on behalf of another person, the partnership is required to furnish Schedule NJK-1 to the nominee. A Schedule NJK-1 must be given to each partner who was a partner in the partnership at any time during the year.

PART I

GENERAL INFORMATION

Name and Address

Enter the name, address, and Federal Identification Number of

both the partner and partnership. For an individual partner, enter the partner's Social Security Number. For all other types of partners, enter the partner's Federal Employer Identification Number. However, if a partner is an Individual Retirement Arrangement (IRA), enter the identification number of the custodian of the IRA. Do not enter the Social Security Number of the person for whom the IRA is maintained.

If a husband and wife each had an interest in the partnership, prepare a separate Schedule NJK-1 for each of them. If a husband and wife held an interest together as one partner, prepare one Schedule NJK-1.

Classification of Partner

Use the same codes, as shown above, that are listed in the instructions for Column B of the partners directory.

Date Partner's Interest in Partnership Began

Enter the month, day, and year the partner obtained an interest in this partnership.

Partner's Profit, Loss, and Capital Sharing Percentages

Enter in Column (ii), the appropriate percentages as of the end of the partnership's year. However, if a partner's interest terminated during the year, enter in Column (i) the percentages that existed immediately before the termination. When the profit or loss sharing percentage has changed during the year, show the percentage before the change in Column (i) and the end-of-year percentage in Column (ii). If there are multiple changes on the profit and loss sharing percentage during the year, attach a statement giving the date and percentage before each change.

“Capital Ownership” means the portion of the capital that the partner would receive if the partnership was liquidated at the end of the year by the distribution of undivided interests on partnership assets and liabilities.

PART II

Income Information

The amounts reported in Column A, Schedule NJK-1, represent the partner’s share of the various categories of the partnership’s income, gain or loss from all sources as reported in Column A, Form NJ-1065. The partner’s share shall be determined by the partnership agreement in the same manner as the partner’s distributive share of partnership income is determined for Federal income tax purposes. Column A, Schedule NJK-1 must be completed for every partner, regardless of residency.

The amounts reported in Column B, Schedule NJK-1 represent the partner’s share of the partnership’s income, gain or loss allocated to New Jersey as reported in Column B, Form NJ-1065. Column B, Schedule NJK-1 should be completed for all partners.

Line 1 - Ordinary Income (Loss) from Trade or Business Activities

Enter on Line 1, Column A, the partner’s share of adjusted net ordinary income (loss) reported on Line 9, Column A, Form NJ-1065.

Enter on Line 1, Column B, the partner’s share of adjusted net ordinary income (loss) reported on Line 9, Column B of Form NJ-1065.

Line 2 - Guaranteed Payments

Enter on Line 2, Column A, the total amount of guaranteed payments made to the partner, except for guaranteed payments made to a retired partner pursuant to a retirement agreement or pension plan that resulted from a period of service to the partnership. The portion of the guaranteed payments that were made to a retired partner pursuant to a retirement agreement or pension plan should be reported on Line 10 of this schedule and identified as pension income on an attached schedule.

Enter on Line 2, Column B, the amount from Column A, multiplied by the Business Allocation Percentage used at Line 6b, Form NJ-1065.

Line 3 - Partner’s 401(k) Contribution

Enter on Line 3, Column A, the amount of the partner’s contribution to a 401(k) plan. Contributions which exceed the Federal limits and are taxable for Federal income tax purposes may not be included on this line.

Enter on Line 3, Column B, the amount from Column A multiplied by the Business Allocation Percentage used at Line 6b of Form NJ-1065.

Line 4 - Total Income (Loss) from Partnership

Add Lines 1 and 2, Column A, subtract Line 3, Column A, and enter the result on Line 4, Column A.

Add Lines 1 and 2, Column B, subtract Line 3, Column B, and enter the result on Line 4, Column B.

Line 5a - New Jersey Taxable Interest Income

Enter on Line 5a, Column A, the partner’s share of the taxable interest income reported on Line 11a, Column A, Form NJ-1065.

Enter on Line 5a, Column B, the partner’s share of the taxable interest income reported on Line 11a, Column B, Form NJ-1065.

Line 5b - New Jersey Tax Exempt Interest Income

Enter on Line 5b, Column A, the partner’s share of New Jersey tax exempt interest income reported on Line 11b, Column A, Form NJ-1065.

Enter on Line 5b, Column B, the partner’s share of New Jersey tax exempt interest income reported on Line 11b, Column B, Form NJ-1065.

Line 6 - Dividends

Enter on Line 6, Column A, the partner’s share of dividend income reported on Line 12, Column A, Form NJ-1065.

Enter on Line 6, Column B, the partner’s share of dividend income reported on Line 12, Column B, Form NJ-1065.

Line 7 - Net Rental Income (Loss)

Enter on Line 7, Column A, the partner’s share of net rental income (loss) reported on Lines 13 and 14, Column A, Form NJ-1065.

Enter on Line 7, Column B, the partner’s share of net rental income (loss) reported on Lines 13 and 14, Column B, Form NJ-1065.

Line 8 - Royalty Income

Enter on Line 8, Column A, the partner’s share of royalty income reported on Line 15, Column A, Form NJ-1065.

Enter on Line 8, Column B, the partner’s share of royalty income reported on Line 15, Column B, Form NJ-1065.

Line 9 - Net Gain (Loss) from Disposition of Property

Enter on Line 9, Column A, the partner’s share of net gain (loss) from disposition of property reported on Lines 16a, 16b, 17a and 17b, Column A, Form NJ-1065.

Enter on Line 9, Column B, the partner’s share of net gain (loss) from disposition of property reported on Lines 16a, 16b, 17a and 17b, Column B, Form NJ-1065.

Line 10 - Other Income (Loss)

Enter on Line 10, Column A, the partner’s share of other income (loss) reported on Line 18, Column A, Form NJ-1065. If any amount is reported on this line, attach a schedule identifying the category or categories to which such income (loss) is attributable.

Enter on Line 10, Column B, the partner’s share of other income (loss) reported on Line 18, Column B, Form NJ-1065.

PART III

Supplemental Information

Attach a separate schedule to provide any detailed information regarding the partner’s share.