

PARTNER'S ADJUSTED AT-RISK BASIS

Name _____ ID# _____ Year _____

Note: This worksheet reflects the partner's amount at-risk which is used to determine the amount of loss (if any) that can be deducted in the current year. The partner's basis in his or her partnership interest is at least equal to the amount at-risk.

- A. Money contributed _____
- B. Adjusted basis of property transferred to partnership + _____
- C. Gain recognized on transfer (if any) + _____
- D. Liabilities assumed on other partnership property
(do not include partner's share of nonrecourse liabilities) + _____
- E. Personal liability assumed by partnership* - _____
- F. BEGINNING AT-RISK BASIS = _____

* Enter 100% of nonrecourse debt transferred to the partnership, plus percent of all other debt assumed by other partners.

The information for the lines below is based on the individual partner's applicable portion as reported on Schedule K-1, Form 1065.

- 1. ADJUSTED AT-RISK BASIS FROM PRECEDING YEAR
(line 17 from prior year or line F above if this is first year) 1 _____
- 2. Increase in partnership liabilities (from page 2 line 12) 2 _____
- 3. Additional contributions to capital 3 _____
- 4. Taxable income of partnership, including capital gain 4 _____
- 5. Separately stated income 5 _____
- 6. Tax-exempt income 6 _____
- 7. Depletion deductions in excess of basis of property 7 _____
- 8. **SUBTOTAL. Add lines 1-7.** 8 _____
- 9. Decrease in partnership liabilities ** (from page 2 line 13) 9 _____
- 10. Withdrawals ** 10 _____
- 11. **SUBTOTAL. Subtract lines 9 and 10 from line 8 (amount at-risk).** 11 _____
- 12. Current year losses
(from Schedule K-1, line 1 plus capital losses; see instructions on page 2) 12 _____
- 13. Depletion deductions for oil and gas properties 13 _____
- 14. Separately stated deductions (except capital losses) 14 _____
- 15. Partnership expenses not deductible on return 15 _____
- 16. **SUBTOTAL. Add lines 12-15 (see instructions on page 2)** 16 _____
- 17. PARTNER'S ADJUSTED AT-RISK BASIS. Subtract line 16 from 11. 17 _____

**** If the withdrawals (line 10) and/or a decrease in partnership liabilities (line 9) exceed the partner's at-risk basis, the partner must report the excess as capital gain on Schedule D, Form 1040. The ending at-risk basis (and the beginning basis for the following year) is then zero.**

INSTRUCTIONS

Determination of Changes in At-Risk Liabilities:

1. BEGINNING AT-RISK LIABILITIES.

Line 11 below from preceding year. If this is the first year, see below. 1 _____

Add Liabilities from Schedule K-1

2. Nonrecourse 2 _____

3. Qualified nonrecourse 3 _____

4. Other 4 _____

5. **SUBTOTAL. Add lines 2-4.** 5 _____

6. Nonrecourse loans used to finance the activity and acquire property used in the activity. This also includes recourse changed to nonrecourse. 6 _____

7. Amounts protected against loss by guarantee, stop-loss agreement or other arrangement. Enter only if included in the adjusted basis. 7 _____

8. Nonrecourse liabilities on items contributed to the partnership. 8 _____

9. Cash or property contributed that is protected against loss by a stop-loss agreement or similar arrangement. 9 _____

10. **SUBTOTAL. Add lines 6-9.** 10 _____

11. ENDING AT-RISK LIABILITIES. Subtract line 10 from line 5. 11 _____

12. If line 11 is more than line 1, subtract line 1 from line 11. Enter on line 2 page 1. 12 _____

13. If line 1 is more than line 11, subtract line 11 from line 1. Enter on line 9 page 1. 13 _____

Instructions for First Year:

For the first year of the partnership, enter the partner's share of all liabilities on the date of transfer, less his/her share of nonrecourse liabilities.

Other Instructions:

A taxpayer is not considered at-risk for his or her share of any nonrecourse debt (i.e. liabilities that the partner would not be held personally liable for if the partnership could not repay them).

If the amount from line 16, page 1, is less than the at-risk amount (line 11, page 1) the deductions (lines 12-15, page 1) can be applied in full. If line 16 is more than the at-risk amount, the deductions must be prorated. The excess of lines 12-15 are suspended until a future year.