

**APACHE OFFSHORE INVESTMENT PARTNERSHIP**

**2023 TAX  
INSTRUCTIONS**



ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400  
(713) 296-6000

## **EXPLANATION OF TERMS**

These explanations are brief summaries as Apache understands them. They are not intended to be all inclusive nor do they necessarily provide enough detail to explain the appropriate tax treatment for specific situations.

**Partner Taxation** -- You are a limited partner entitled to share in cash distributions and taxable income or loss of the partnership based on your proportionate interest in the partnership. The partnership itself is not treated as a taxable entity. Each partner is required to include in income his share of partnership income or loss whether or not any cash was distributed to him.

**Distributions** -- Cash payments to partners. Distributions are *not* dividends and should not be reported as income on your tax return. They generally represent a nontaxable return of capital. Distributions would be taxable only when they exceed the tax basis of your partnership interest or your amount "At-Risk." Cash paid to you during the year most likely will not equal your taxable income. The partnership may retain funds or pay additional amounts from prior year revenues.

**Tax Basis** -- Your capital investment in a partnership plus or minus adjustments for subsequent income, losses and distributions. Tax basis is computed to determine gain or loss upon disposition of your interest and to determine whether you must report income as a result of receiving cash distributions (See "Distributions"). It includes all items of deduction regardless of any limitations on the deductibility of such losses such as due to the passive loss limitation rules. Please consult your tax advisor to discuss tax basis differences.

**Cost Depletion** -- A deduction allowed for the amortization of the cost of a lease over its producing life. As the potential reserves are produced, a commensurate part of the cost of the lease can be deducted. When the cost of the property has been fully recovered (whether through cost or percentage depletion), no further cost depletion is allowed.

**Percentage Depletion** -- A deduction generally allowed equal to 15 percent of a producing property's gross income but not in excess of 100 percent of the net income from that property. Percentage depletion, unlike cost depletion, does not end when the cost of a lease is recovered but continues as long as the property produces income. Percentage depletion is allowed only in certain instances to certain taxpayers.

**Independent Producer Exemption** -- An entitlement to percentage depletion for "Independent Producers." Most participants in Apache oil and gas partnerships qualify as "Independent Producers" and therefore are entitled to percentage depletion within specified limits. Participants not entitled to the exemption include certain transferees, purchasers of "proven" properties, refiners and retailers of petroleum products.

**"At-Risk" Limitation** -- A limitation on the amount of deductions allowable from certain activities including oil and gas investments. In general, losses may be deducted to the extent of the capital invested including any loans for which the investor is personally liable.

**Intangible Drilling Costs** -- Cost of drilling a well (such as labor, fuel, supplies, etc.) which are currently deductible for federal income tax purposes. Generally, these are costs that do not have a salvage value. Partners may elect to capitalize all or part of these costs.

**Tax Preference Items** -- Certain items of income or expense that are subject to the alternative minimum tax. These include Excess Intangible Drilling Costs (current year drilling costs (less an amount for amortization) attributable to productive wells in excess of 65 percent of net oil and gas income).

**APACHE OIL AND GAS PARTNERSHIPS**

**2023 TAX INSTRUCTIONS**

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WE URGE YOU TO STUDY THESE INSTRUCTIONS CAREFULLY BEFORE PREPARING YOUR INCOME TAX RETURN. PLEASE BE AWARE, HOWEVER, THAT APACHE CANNOT ADVISE YOU REGARDING TAX MATTERS IN INDIVIDUAL CASES. THESE INSTRUCTIONS ARE INTENDED ONLY AS A GUIDE IN PREPARING YOUR RETURN AND A GENERAL DESCRIPTION OF TAX RULES AS WE UNDERSTAND THEM. IF YOU USE THE SERVICES OF A TAX ADVISOR, WE RECOMMEND YOU FURNISH THIS BOOKLET TO HIM OR HER.

MANY PROVISIONS OF TAX LAW ARE COMPLEX AND SUBJECT TO VARIOUS INTERPRETATIONS. UPON ISSUANCE OF FINAL TREASURY DEPARTMENT REGULATIONS AND/OR INTERNAL REVENUE SERVICE RULINGS, APACHE'S INTERPRETATION OF SOME OF THESE PROVISIONS MAY CHANGE.

**APACHE CORPORATION**

One Post Oak Central, 2000 Post Oak Boulevard, Suite 100,  
Houston, TX 77056-4400

## **PART I INTRODUCTION**

### **TAX INFORMATION STATEMENT -- SCHEDULE K-1 (FORM 1065)**

Schedule K-1 is included with these instructions containing tax information for Apache Offshore Investment Partnership.

#### **SCHEDULE K-1**

This part contains tax information necessary for preparing your federal income tax return and general information about the Apache Offshore Investment Partnership.

#### **SCHEDULE K-1, Supplemental Information**

This part displays additional tax information about the partnership. It also contains tax information necessary for preparing your nonresident state tax returns (if required).

## **FEDERAL TAX FORMS**

For your convenience, the following tax forms, used by many participants, are printed and inserted in the back of this booklet.

### **IRS FORM**

Schedule B	-- Interest and Ordinary Dividends
Schedule E	-- Supplemental Income and Loss
4797	-- Sales of Business Property
6198	-- At-Risk Limitations
6251	-- Alternative Minimum Tax -- Individuals
8582	-- Passive Activity Loss Limitations (includes worksheets 3, 5 and 6)

## **PART II TAX LAW CHANGES**

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law by the President. We recommend you review all of the provisions that impact your investment in this partnership with your tax advisor.

### PART III PARTNER FEDERAL TAX INFORMATION

The code adjacent to each column refers you to the List of Codes which can be found in the Partner's Instructions for Schedule K-1 (Form 1065) which in turn refers you to the appropriate IRS form.

**Tax I.D. Number** -- The identification number used on the partnership tax return. It should be included on your personal return to properly identify the partnership. This may be accomplished by attaching one copy of your tax information statement to your return.

**Ordinary Income or Loss Before Depletion** -- Your share of the partnership ordinary income or loss for the year from a passive activity. It does not include a deduction for the Intangible Drilling Costs incurred. It does not include any allowance for depletion to which you may be entitled, nor your share of portfolio income or Section 1231 gain or loss. It should be reported on Form 8582, lines 2a through 2c, aggregating passive activities with net income or loss separately. Please use Part V, VII and VIII included in the instructions for Form 8582. If amount on Form 8582, Part I, Line 3 is "positive" (income), then include amounts shown on line 2b and 2c on Line 10. All of your passive losses are allowed. Refer to Part VII for a discussion on how Apache accounts for each partner's "At-Risk" limitation.

**Interest Income** -- Your share of partnership interest income to be reported on Part I, line 1 of Schedule B "Interest and Ordinary Dividends."

**Net Section 1231 Gain (Loss)** -- Your share of the partnership gain or loss resulting from the sale or exchange of business property as described in Section 1231 of the Internal Revenue Code. The amount shown should be reported on Form 8582 "Passive Activity Loss Limitations" and Form 4797 "Sales of Business Property".

**Other Deductions** -- This is the total intangible drilling costs incurred for all of your partnership interests for the year. It is not included in the ordinary income or loss reported on your tax information statement. Limited partners may capitalize all or part of the intangible drilling costs incurred for the year. See "Alternative Minimum Tax (AMT) Items -- Tentative Excess Intangible Drilling Costs".

**Depletion** -- Your tentative depletion deductions for your Apache partnership interests. These amounts have not been deducted in arriving at your ordinary passive income or loss. It is the responsibility of each individual partner to determine the depletion to which he is entitled and to report it separately on his federal return. For your convenience, Apache has computed your depletion amounts on the assumption that you are entitled to the Independent Producer Exemption. If a copy of your tax information statement is not attached to your federal return, the following note should be added on the applicable schedule where your depletion is reported: "Note: Detailed depletion information is available at the offices of the general partner."

Your depletion allowance should be reported separately on Form 8582 and should be included in the amount reported on Schedule E, Part II. It is represented by the following:

- Cost Depletion.
- Allowable -- Your deduction (calculated on a property-by-property basis) where percentage depletion is greater than cost depletion without exceeding lease cost.
- IPE Additional -- A deduction (calculated on a property-by-property basis) for percentage depletion on all other oil and gas production where percentage depletion exceeds lease cost. To arrive at your total depletion deduction, you should add "IPE Additional" to your "Allowable" depletion and your cost depletion unless you are limited with respect to "IPE Additional" depletion. Refer to Part VIII for percentage depletion limitations.

**Alternative Minimum Tax (AMT) Items** -- The amounts listed on your statement that must be reported if you are subject to the alternative minimum tax. If you are considered an "Independent Producer", some of the items listed below are not tax preferences in 2023.

Tentative Excess Intangible Drilling Costs -- Your share of intangible drilling costs (IDC) attributable to wells drilled during the year which, under IRS regulations, are considered to be productive. To determine the amount considered a tax preference, 65 percent of your net income, if any, from producing oil and gas properties should be subtracted from these drilling costs. For your Apache partnership interests, income for this purpose is shown as "Income (Before Depletion and IDC) from Oil and Gas Properties". From this amount, subtract the non-preference depletion and non excess IDC you have taken. The result is your net income from oil and gas properties. 65 percent of this amount can be used to reduce the IDC preference reported on your tax return. (This income amount does not include any costs associated with properties that did not generate any gross income during the year. Accordingly, it is not necessarily the same amount as your "Ordinary Business Income or Loss".)

Since determination of the IDC preference item is based upon all of your oil and gas investments, the resulting net income from oil and gas properties for your Apache partnership interests, along with the tentative excess IDC, should be combined with comparable amounts from your other oil and gas investments. (If combining of income or loss results in a net loss it does not increase your tax preference IDC). Report your tax preference IDC on Form 6251, "Alternative Minimum Tax-Individuals".

Limited partners may elect under Internal Revenue Code Section 59(e) to capitalize any portion of IDC incurred in a given year. The election, which can be made separately each year, allows a partner to reduce his or her current year IDC deduction by whatever amount is necessary to eliminate a tax preference item.

Once capitalized, IDC must be amortized over a five-year period. Maintain a separate record of the capitalized amount. Amortize over a 60 month period (reduce ordinary income) beginning with the month in which the expenditure is paid or incurred. This has the effect of increasing ordinary taxable income in the current year by 80% of the IDC capitalized and reducing ordinary taxable income in each of the following four years by 20% of the capitalized amount.

**Income (Before Depletion) From Oil and Gas Properties** -- This is gross income from oil and gas properties less any expenditures necessary to produce that income. This amount, less any Cost Depletion, Allowable Depletion, and Non Excess IDC claimed on your return, should be multiplied by 65% and subtracted from your tentative excess IDC to determine your tax preference for IDC. Computation of the amount is discussed previously under "Tentative Excess Intangible Drilling Costs".

**Qualified Business Income Deduction** – Section 199A of the Internal Revenue Code provides taxpayers a deduction for qualified business income (QBI) from a qualified trade or business operated directly or through a pass-through entity. Eligible taxpayers may be entitled to a deduction from adjusted gross income of up to 20 percent of QBI. The deduction for 2023 is subject to limitations such as the type of trade or business, the taxpayer's taxable income, the amount of W-2 wages paid by the qualified trade or business, and the unadjusted basis immediately after acquisition (UBIA) of qualified property held by the trade or business. It is the responsibility of each individual partner to determine the qualified business income deduction to which he is entitled and to report it separately on his federal return. For your convenience, Apache has computed your QBI and UBIA to be used in the qualified business income deduction calculation. See Schedule K-1, Line 20Z.

## PART IV PARTNER'S CAPITAL ACCOUNT

The data in this section of your statement is an analysis of your capital account activity determined in accordance with the federal rules. It is for informational purposes only. Apache will report your capital account data to the IRS as part of the partnership tax return. An explanation of each item follows:

**Partner's Share of Profit, Loss and Capital** -- Your percentage interest in the partnership used in determining your allocable share of taxable income or loss for the year. For any transfers during the year, income or loss is apportioned on the basis of the number of months you owned an interest in the partnership.

**Beginning Capital Account** -- Your capital account balance carried over from the prior period. (No amount will appear in this column in the first year of a partnership).

**Capital Contributed During the Year** -- Contributions including new subscriptions and other capital assessments paid by you during the year.

**Ordinary Business Income (Loss)** -- Your share of the partnership ordinary income or loss for the year before depletion.

**Interest Income** -- Your share of the partnership interest income for the year.

**Net Section 1231 Gain (Loss)** -- Your share of the partnership Section 1231 gain or loss for the year.

**Withdrawals and Distributions** -- Cash distributions paid to you during the year. The figures are shown as negative amounts since they reduce your capital account balance.

**Depletion Up To Lease Cost** -- The deduction allowed for depletion but not in excess of the leasehold cost of each depletable property. This depletion reduces your capital account. Percentage depletion taken in excess of leasehold cost does not reduce your capital account.

**Adjustments** -- Any adjustments to your capital account (usually arising from a transfer of a partnership interest during the year).

**Ending Capital Account (Tax Basis)** -- Your beginning balance plus the sum of your capital activity for the year assuming you are entitled to the Independent Producer Exemption. This column gives the majority of partners their year-end tax basis. Partners not entitled to the Independent Producer Exemption, capitalizing intangible drilling costs or other exceptions must compute their own basis. Please consult your tax advisor in determining your tax basis.

## PART V GENERAL INFORMATION

### CASH DISTRIBUTIONS

Cash distributions which you received during the year should not be reported on your federal tax return. They generally represent a nontaxable return of capital.

### FISCAL YEAR TAXPAYERS

Tax information for 2023 is reported to you on the partnership's calendar year basis. It should be included in your fiscal 2023 tax return if your accounting period ends on any date after December 31, 2023.

### TRANSFER OF OWNERSHIP

In all transfers of partnership interests, Apache apportions annual income/loss based on the number of months an interest is held. In the event of death during the year, income from the partnership for the entire year is includable in the return of the estate or other successor in interest. If this applies, combine any multiple tax statements you receive.

## **GAIN OR LOSS ON DISPOSITION**

If Apache purchases your interest (based on presentment provisions in the prospectus) or if you sell your interest to someone else, you must report the amount of gain or loss on your tax return. In addition, you are entitled to deduct any passive activity losses previously disallowed, subject to the at-risk rules. Any gain or loss on the sale of an interest held for more than one year will, in general, be long-term capital gain (except for recapture of all or part of productive intangible drilling costs and certain deductions which are treated as ordinary income). In general, the amount of gain or loss is the difference between the sale price and the ending adjusted tax basis of your interest. Apache is required to report to the IRS certain information on transfers of interests including the identity of the transferor and transferee. This information is reported on Form 8308 "Report of a Sale or Exchange of Certain Partnership Interests".

## **TAX SHELTER REGISTRATION**

Any partnership interest sold to an investor after August 31, 1984 that expects to generate cumulative tax benefits (deductions) in the first five years in excess of twice the partner's investment is required to register with the IRS and obtain a tax shelter identification number. The Apache Offshore Investment Partnership did not meet these criteria and was not required to register as a tax shelter.

## **PART VI REDUCTION OF PRIOR YEAR PREFERENCE AMOUNTS**

When your tax information is prepared each year, the outcome of several wells begun that year is still undetermined. For purposes of reporting your "Tentative Excess Intangible Drilling Costs" as a tax preference item, Apache is required to assume these uncompleted wells will be productive. In the event the wells are later determined to be non-productive, your Excess IDC has been overstated. This is because IDC on non-productive wells does not have to be included in the tax preference amount. Excess IDC reductions for prior years have been determined based upon drilling in 2023 and Apache's understanding of current tax laws.



## **PART VII "AT-RISK" AND "PASSIVE LOSS" LIMITATIONS**

### **A. "AT-RISK" RULES**

Your partnership investment is subject to the "at-risk" rules which generally limit the deductibility of a partner's loss to the amount of his invested capital. Apache computes each partner's income or loss by taking into account these limitations on the assumption that the partner is the original investor and has not financed any portion of this investment with funds borrowed from family members, related parties or any other party on a nonrecourse basis. For some investors losses have been incurred in excess of the "at-risk" limitations. In those cases, the "excess loss" is not reflected on your tax statements. Apache carries the "excess loss" forward to be deducted in future years as the partnership generates income. The IRS requires the completion of Form 6198 for each "at-risk activity" incurring a loss or a deduction from an earlier year previously disallowed by the at-risk rules. Apache recommends that a form be completed for each partnership in which you report an overall loss or a Section 1231 loss.

If you are not an original investor, the above may not be applicable. Under proposed IRS regulations, losses in excess of amounts at-risk incurred before an interest is transferred are generally not assumable by the transferee. Furthermore, a transferee partner's amount "at-risk" may differ from the transferor. The proposed IRS regulations do not address every situation and are subject to varying interpretations. For these reasons, Apache suggests that if you acquired your interest from another partner, you should consult your tax advisor.

Loss limitations apply to each partnership separately. Apache Partnerships or other interests cannot be combined for the purpose of determining your loss limitation. If you are affected by any of these limitations we suggest you consult your tax advisor.

### **B. "PASSIVE LOSS" RULES**

Your investment in the Offshore Partnership is subject to "passive loss" rules which affect the deductibility of passive losses. For 2023, all net passive losses are disallowed. Any passive loss disallowed will be carried forward and allowed in a subsequent year to the extent of the taxpayer's net passive income for such year. Form 8582 is included to compute the passive activity loss allowed. See the illustrated Example for instructions on completing Form 8582.

### **C. "PORTFOLIO INCOME"**

Portfolio income is separately stated from ordinary passive income since such income is nonpassive income of the partnership and is not taken into account in determining passive income or loss. Each limited partner must separately report the partner's share of the portfolio income; and may not offset nonpassive income (portfolio income) against passive losses in calculating income or loss from the limited partnership.

## **PART VIII PERCENTAGE DEPLETION LIMITATIONS**

This applies only to partners who are limited with respect to "IPE Additional" depletion.

### **A. LIMITATION CATEGORIES**

**Transferees** -- You may not be entitled to the Independent Producer Exemption if you acquired your partnership interest from another participant after December 31, 1974, through gift, assignment, exchange, contract, purchase or other transfer of ownership. Excluded from this exception are transfers at death, certain transfers under Section 351 of the Internal Revenue Code, transfers after October 11, 1990, and changes in beneficiaries of a trust by reason of birth, adoption or death of any vested beneficiary if the transferee is a beneficiary or is a lineal descendant of the grantor of any vested beneficiary. Certain other transfers are also excluded so long as the transferor and transferee are required to share the average daily production limitation. Also within this limited exclusion are transfers between component members

of a controlled group of corporations, transfers between business entities under common control, and transfers into a trust for the benefit of the transferor, his spouse or minor children. This exception applies only to proven oil and gas properties. In general, a partner should treat any transfer of interest which occurs after the formation date of the partnership to be a transfer of proven properties. However, each transferee should determine his eligibility for depletion deductions in consultation with his tax advisor.

For each interest acquired in a disqualifying transfer as defined above, you may not deduct the "IPE Additional" depletion. You are however, entitled to deduct the "Allowable" depletion. In addition, you are entitled to a deduction for cost depletion for all other properties if they have a remaining net leasehold (original cost plus additions less accumulated depletion).

Upon request, Apache will provide you with 2023 one-unit depletion information for properties that 1) had a net leasehold cost of \$10 or more during 2023, 2) were not entitled to the fixed contract natural gas depletion exemption and 3) generated percentage depletion exceeding cost depletion. (If a property is entitled to the fixed contract natural gas depletion exemption, then the greater of cost or percentage is included in the "Allowable" depletion on your tax statement. In addition, if cost exceeds percentage on other producing properties, depletion is also included in the "Allowable" depletion on your tax statement.) Unless you have extensive interests, the accounting burden to compute additional cost depletion and maintain records would most likely exceed the benefits derived.

**Purchasers of "Proven" properties.** Participants who paid in additional capital in 1982 and/or 1983 in the Additional Capital Contribution Offer acquired an interest in revenues from "proven" properties. They are not entitled to claim percentage depletion for the amount attributable to their increased percentage interest in the partnership. If you paid in additional capital, the percentage depletion shown on your statement should be reduced accordingly to reflect original ownership only.

**Retailers.** If your gross receipts of oil, natural gas or related products exceed \$5 million for the year (sold directly or through a related person) you are not allowed to deduct the percentage depletion (IPE Additional) for any partnership interests. You are, however, entitled to deduct the "Allowable" depletion shown on your tax statement. You may also deduct an additional amount for cost depletion. Use the instructions for "Transferees" above.

**Refiners.** If you engaged either directly or through a related person in the refining of crude oil during the year, you are not entitled to deduct "IPE Additional" depletion if the average daily refinery production for the year exceeded 75,000 barrels. You are however, entitled to deduct the "Allowable" depletion shown on your tax statement. You may also deduct an additional amount for cost depletion. Use the instructions for "Transferees" above.

**Depletion exceeding 65% of your taxable income.** If your percentage depletion on IPE production, including amounts carried forward from previous years, exceeds 65% of your taxable income for the year before "IPE Additional" depletion, the excess is not allowed as a deduction. Disallowed amounts may be carried forward indefinitely, subject to the same restrictions in future years.

To determine whether the 65% limitation applies to you, add the "IPE Additional" depletion from Apache interests to any which may be available to you from other oil and gas interests. If the total exceeds 65% of your taxable income, your deduction will be limited to the 65% amount.

For purposes of this rule, your taxable income is computed without regard to percentage depletion on IPE production, or any net operating loss carryback or capital loss carryback under Internal Revenue Code Sections 172 and 1212 respectively. You must, however, include the deduction shown under both cost depletion and "Allowable" depletion on your tax information statement and any similar amounts from other oil and gas investments in computing taxable income.

Because of the 65% limitation, it may be necessary for you to allocate disallowed depletion to the respective properties. In that case, you would apportion the amount in excess of 65% according to the ratio of production for each property. If this situation applies to you, contact Apache for detailed information by property.

**Average daily production limitation.** Percentage depletion is allowed on IPE production up to an average daily limit of 1,000 barrels of oil, or 6 million cubic feet of gas. In computing your depletable production for this purpose, one barrel of oil is equivalent to 6,000 cubic feet of natural gas. If your average daily production exceeded your depletable quantity, your allowable depletion must be allocated among all your oil and gas properties, using the ratio of depletable oil and gas quantity to average daily production. Component members of a controlled group of corporations are treated as one taxpayer. If 50 percent or more of the interest in two or more corporations, trusts, or estates is owned by the same or related persons, depletable production must be allocated among all such entities. Similarly, an allocation must be made among members of the same family according to their respective production for the year. An individual's family is defined to include only his spouse and minor children.

## **B. OTHER CONSIDERATIONS**

In filing a return in your state of residence, your entitlement to depletion of Independent Producer Exemption production (IPE Additional) depends upon whether your state follows the federal depletion rules. If you are not entitled to the Independent Producer Exemption, and your state has adopted the federal rules, your deduction for depletion would be the same for state tax purposes as on your federal return (i.e., limited to the "Allowable" depletion shown on your tax statement plus cost depletion on IPE wells). If your state has not adopted the federal depletion rules, we suggest you consult your tax advisor.

In preparing your resident or nonresident state tax returns, it may be necessary for you to determine the cost depletion attributable to production within a particular state. Additional detail on a one-unit basis will be provided to you for this purpose upon request.

If you are not entitled to the Independent Producer Exemption, your tax basis may differ from the amount shown on your statement. Furthermore, depending on individual state tax regulations, your basis for federal purposes may differ from your state tax basis. It will be important for you to maintain complete and accurate records in order to compute your tax basis in the event of disposition. When a partner is no longer entitled to the Independent Producer Exemption, calculation of his tax basis and allowable depletion becomes his individual responsibility. Apache can provide only limited assistance in computing an individual's tax basis.

## **C. ADJUSTMENT TO BASIS OF PARTNERSHIP ASSETS**

The general partner has not made an election under Section 754 of the Internal Revenue Code for the Offshore Investment Partnership. This election, if adopted, would require adjusting the basis of partnership assets to reflect the transferee's basis when there is a transfer of a partnership interest (e.g. by sale or upon the death of a partner). This adjustment, if made, would be specific to the recipient of the units and would affect his calculation of depletion.

Since the depletion calculations are extremely complex, the partnership cannot justify recalculating an individual investor's depletion without an additional fee. Rather than burden the partnership with the cost of the additional calculation (which would probably exceed the benefits of the additional depletion generated) Apache has elected to forgo the Section 754 election.

## **PART IX STATE TAX INFORMATION**

### **PARTNER NONRESIDENT STATE TAX INFORMATION**

The Offshore partnership does not have any income or expenses in any states other than in federal offshore waters. Because of this nonresident state tax returns are not necessary.

### **STATE-OF-RESIDENCE TAX RETURNS**

For most limited partners the federal tax information will provide the information necessary to prepare their state-of-residence tax returns. Due to constant changes in state tax laws and the fact that many states require modifications to federal income, we suggest you contact your tax advisor concerning proper tax treatment in your state of residence. If you are not entitled to the Independent Producer Exemption, refer to PART VIII for other state tax considerations.

**WORKSHEET FOR  
CALCULATION OF TAX PREFERENCES**

1.) Amount Reported on Line 10, Form 8582.....	<u>0</u>
2.) Tentative Excess Intangible Drilling Costs.....	<u>750</u>
3.) Income Before Allowable Depletion.....	<u>8,069</u>
4.) Nonpreference Depletion & IDC –	
Depletion Deduction.....	(14)
Non excess IDC.....	<u>(487)</u>
5.) 65% of Net Income from Oil & Gas Wells	<u>4,919</u>
65% x 7,568	
6.) Intangible Drilling Costs Tax Preference Item	
(Line 2 Less 5).....	* <u>0</u>
7.) Passive Activity Loss, Line 1 Less Line 6.....	* <u>0</u>
* If amount is negative enter 0.	

651123  
OMB No. 1545-0123

**Schedule K-1 (Form 1065) 2023**  
Department of the Treasury Internal Revenue Service

For calendar year 2023, or tax year beginning / / 2023 ending / /

**Partner's Share of Income, Deductions, Credits, etc.**  
See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number 41-1454066

B Partnership's name, address, city, state, and ZIP code  
APACHE OFFSHORE INVESTMENT PARTNERSHIP  
2000 POST OAK BLVD., SUITE 100  
HOUSTON, TX 77056-4400

C IRS center where partnership filed return: 95

D  Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

G  General partner or LLC member-manager  Limited partner or other LLC member

H1  Domestic partner  Foreign partner

H2  If the partner is a disregarded entity (DE), enter the partner's TIN \_\_\_\_\_ Name \_\_\_\_\_

H3 What type of entity is this partner? \_\_\_\_\_

H4 If this partner is a retirement plan (RASEP/Keogh/McL), check here

J Partner's share of profit, loss, and capital (see instructions):  
Beginning Ending  
Profit: VARIOUS % VARIOUS %  
Loss: VARIOUS % VARIOUS %  
Capital: VARIOUS % VARIOUS %

K1 Partner's share of liabilities:  
Beginning Ending  
Nonrecourse \$ \$  
Qualified nonrecourse financing \$ \$  
Recourse \$ \$

K2 Check this box if item K1 includes liability amounts from lower-tier partnerships

K3 Check if any of the above liability is subject to guarantees or other payment obligations by the partner. See instructions

**Partner's Capital Account Analysis**

L Beginning capital account 18,985  
Capital contributed during the year \$  
Current year net income (loss) 8,081  
Other income (loss) (attach explanation) \$  
Withdrawals and distributions \$ 9,000  
Ending capital account 18,066

M Did the partner contribute property with a built-in gain (loss)?  
 Yes  No If "Yes," attach attachment. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)  
Beginning \$  
Ending \$

For Paperwork Reduction Act Notice, see the Instructions for Form 1065. www.irs.gov/form1065 Cat. No. 11394R Schedule K-1 (Form 1065) 2023

**Line 13 - Other Deductions**

**J. Section 59(e) (2) Expenditures**

Other Deductions Included in Item L, Current year Increase (Decrease) IDC 1,237

Total Box J 1,237

**Line 17 Alternative minimum tax (AMT) items:**

EXCESS IDC 750

Total Box F 750

**Line 20 - Other Information**

**AH, Other Information:**

Other Items Decreasing Item L, Current Yr Incr (Decr):

Cost Depletion 6  
Allowable Depletion 8

Other Items Not Included in Item L, Current Yr Incr (Decr):

IPE Additional Depletion 1,664  
Ordinary Passive Income 7,898

**6198**  
Form 6198 (Rev. December 2023)  
Department of the Treasury Internal Revenue Service

**At-Risk Limitations**  
Attach to your tax return.  
Go to www.irs.gov/Form6198 for instructions and the latest information.  
Attachment Sequence No. 31

Identifying number \_\_\_\_\_

Description of activity (see instructions)

**Part I Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts.**  
See instructions.

1 Ordinary income (loss) from the activity (see instructions) 1 7,898

2 Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you are reporting on:  
a Schedule D 2a 102  
b Form 4797 2b 95  
c Other form or schedule 2c

3 Other income and gains from the activity, from Schedule K-1 (Form 1065) or Schedule K-1 (Form 1120-S), that were not included on lines 1 through 2c 3

4 Other deductions and losses from the activity, including investment interest expense allowed from Form 4952, that were not included on lines 1 through 2c 4 1,678

5 Current year profit (loss) from the activity. Combine lines 1 through 4. See the instructions before completing the rest of this form 5 6,417

**Part II Simplified Computation of Amount at Risk.** See the instructions before completing this part.

6 Adjusted basis (as defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax year. Do not enter less than zero 6 18,985

7 Increases for the tax year (see instructions) 7 1,864

8 Add lines 6 and 7 8 20,649

9 Decreases for the tax year (see instructions) 9 9,000

10a Subtract line 9 from line 8 10a 11,649

b If line 10a is more than zero, enter that amount here and go to line 20 (or complete Part III). Otherwise, enter -0- and see Pub. 925 for information on the recapture rules 10b 11,649

**Part III Detailed Computation of Amount at Risk.** If you completed Part III of Form 6198 for the prior year, see the instructions.

11 Investment in the activity (or in your interest in the activity) at the effective date. Do not enter less than zero 11

12 Increases at effective date 12

13 Add lines 11 and 12 13

14 Decreases at effective date 14

15 Amount at risk (check box that applies):  
a  At effective date. Subtract line 14 from line 13. Do not enter less than zero.  
b  From your prior year Form 6198, line 19b. Do not enter the amount from line 10b of your prior year form. 15

16 Increases since (check box that applies):  
a  Effective date b  The end of your prior year 16

17 Add lines 15 and 16 17

18 Decreases since (check box that applies):  
a  Effective date b  The end of your prior year 18

19a Subtract line 18 from line 17 19a

b If for 19b

**Part IV**  
20 Am 20 11,649  
21 Dec inst Not 21

**Note: THIS AMOUNT LESS INTEREST INCOME OF \$95 EQUALS THE TOTAL OF FORM 8582 LINE 2a AND 2b. IF THIS DOES NOT HAPPEN CONSULT YOUR TAX ADVISOR.**

For Paperwork Reduction Act Notice, see the Instructions for Form 6198. Cat. No. 50612Y Form 6198 (Rev. 12-2023)

Schedule E (Form 1040) 2023 Attachment Sequence No. 13 Page 2

Name(s) shown on return. Do not enter name and social security number if shown on other side.

**Each investor must answer the question**

**Caution:** The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

**Part I Income or Loss From Partnerships and S Corporations**

Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you must check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (f) on line 28 and attach Form 8582. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unremitted partnership expenses? If you answered **Yes**, see instructions before completing this section.  Yes  No

28 (a) Name (b) Enter P for partnership, S for S corporation (c) Check if foreign partnership (d) Check if foreign partnership (e) Employee identification number (f) Check if basis computation any amount is at risk (g) Yes  No

A B C D

Schedule K-1 Attached

**Part II Passive Income and Loss**

(a) Passive loss allowed (attach Form 8582 if required) (b) Passive income from Schedule K-1 (c) Nonpassive loss allowed (see Schedule K-1) (d) Section 179 expense deduction from Form 4562 (e) Nonpassive income from Schedule K-1

A B C D

29a Totals 6,220

30 Add columns (f) and (g) of line 29a 30 6,220

31 Add columns (b), (d), and (e) of line 29a 31 31

32 Total partnership and S corporation income or (loss). Combine lines 30 and 31 32 6,220

**Part III Income or Loss From Estates and Trusts**

(a) Name (b) Employer identification number

A B C D

**Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder**

(a) Name (b) Employer identification number (c) Excess inclusion from Schedules G, line 2c (d) Taxable income from Schedules G, line 1b (e) Income from Schedules G, line 3b

A B C D

33a Totals 35

34 Add columns (d) and (e) of line 33a 34 36

35 Add columns (c) and (e) of line 34b 35 37

36 Total estate and trust income or (loss). Combine lines 33 and 35 36 37

**Part V Summary**

37 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below 40

38 Total income or (loss). Combine lines 28, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (if Form 1040), line 8 41 6,220

39 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120-S), box 17, code AN; and Schedule K-1 (Form 1041), box 14, code F. See instructions 42

43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040, Form 1040-SR, or Form 1040-NR from all rental real estate activities in which you materially participated under the passive activity loss rules 43

Schedule E (Form 1040) 2023

Schedule K-1 (Form 1065) 2023

OMB No. 1545-0123

Department of the Treasury Internal Revenue Service For calendar year 2023, or tax year ending 7/2023

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

1 Ordinary business income (loss) 2 Net rental real estate income (loss) 3 Other net rental income (loss) 4 Guaranteed payments for services 4b Guaranteed payments for capital 4c Total guaranteed payments 5 Interest income 6a Ordinary dividends 6b Qualified dividends 6c Dividend equivalents 7 Royalties 8 Net short-term capital gain (loss) 9a Net long-term capital gain (loss) 9b Collectibles (28%) gain (loss) 9c Unrecaptured section 1250 gain 10 Net section 1231 gain (loss) 11 Other income (loss) 12 Section 179 deduction 13 Other deductions

14 Self-employment earnings (loss) 15 Credits 16 Schedule K-1 is attached if checked 17 Alternative minimum tax (AMT) items (1,000) 18 Tax-exempt income and nondeductible expenses 19 Distributions 20 Other information 21 Foreign taxes paid or accrued

**Part I Information About the Partnership**

A Partnership's employer identification number 41-1464066

B Partnership's name, address, city, state, and ZIP code APACHE OFFSHORE INVESTMENT PARTNERSHIP 2000 POST OAK BLVD., SUITE 100 HOUSTON, TX 77056-4400

C All centers where partnership filed return

**Part II Information About the Partner**

G General partner or LLC member manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's TIN Name

I1 What type of entity is this partner?

I2 If the partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions)

Beginning Ending

Profit VARIOUS % VARIOUS %

Loss VARIOUS % VARIOUS %

Capital VARIOUS % VARIOUS %

Check if decrease is due to: Sale or Exchange of partnership interest. See instructions.

K1 Partner's share of liabilities: Beginning Ending

Nonrecourse \$ \$

Qualified nonrecourse \$ \$

Recourse \$ \$

K2 Check this box if item K1 includes liability amounts from lower tier partnerships. Check if any of the above liability is subject to guarantee or other payment obligations by the partner. See instructions.

L Partner's Capital Account Analysis

Beginning capital account \$ 18,985

Capital contributed during the year \$ 8,081

Current year net income (loss) \$ 8,081

Other income (decrease) (net) exploration \$ 9,000

Withdrawals and distributions \$ 1

Ending capital account \$ 18,066

M Did the partner contribute property with a built-in gain (loss)? Yes  No  If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecaptured Section 1250 Gain or (Loss)

Beginning \$

Ending \$

For Paperwork Reduction Act Notice, see the Instructions for Form 1065. See www.irs.gov/form1065. Cat. No. 11394R Schedule K-1 (Form 1065) 2023

Form 8582 (2023) OMB No. 1545-1008

Department of the Treasury Internal Revenue Service

**Passive Activity Loss Limitations**

Attach to Form 1040, 1040-SR, or 1041. Go to www.irs.gov/Form8582 for instructions and the latest information.

Name(s) shown on return Identifying number

**Part I 2023 Passive Activity Loss**

Caution: Complete Parts IV and V before completing Part I.

**Rental Real Estate Activities With Active Participation** (For the definition of active participation, see Special Allowance for Rental Real Estate Activities in the instructions.)

1a Activities with net income (enter the amount from Part IV, column (a)) 1a 6,322

1b Activities with net loss (enter the amount from Part IV, column (b)) 1b 2

1c Prior years' unallowed losses (enter the amount from Part IV, column (c)) 1c 1c

1d Combine lines 1a, 1b, and 1c 1d

**All Other Passive Activities**

2a Activities with net income (enter the amount from Part V, column (a)) 2a 6,322

2b Activities with net loss (enter the amount from Part V, column (b)) 2b 2

2c Prior years' unallowed losses (enter the amount from Part V, column (c)) 2c 1c

2d Combine lines 2a, 2b, and 2c 2d 6,322

3 Combine lines 1d and 2d and subtract any prior year unallowed CRD. See instructions. If this line is zero or more, stop here and include this form with your return; all losses are allowed, including any prior year unallowed losses entered on line 1c or 2c. Report the losses on the forms and schedules normally used. If line 3 is a loss and: • Line 1d is a loss, go to Part II. • Line 2d is a loss (and line 1d is zero or more), skip Part II and go to line 10.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II. Instead, go to line 10.

**Part II Special Allowance for Rental Real Estate Activities With Active Participation**

Note: Enter all numbers in Part II as positive amounts. See instructions for an example.

4 Enter the smaller of the loss on line 1d or the loss on line 3 4 4

5 Enter \$150,000. If married filing separately, see instructions 5 6

6 Enter modified adjusted gross income, but not less than zero. See instructions. Note: If line 6 is greater than or equal to line 5, skip lines 7 and 8 and enter -0- on line 9. Otherwise, go to line 7. 6 6

7 Subtract line 6 from line 5 7 7

8 Multiply line 7 by 50% (0.50). Do not enter more than \$25,000. If married filing separately, see instructions 8 8

9 Enter the smaller of line 4 or line 8. If line 3 includes any CRD, see instructions 9 8

**Part III Total Losses Allowed**

10 Add the income, if any, on lines 1a and 2a and enter the total 10 6,322

11 Total losses allowed from all passive activities for 2023. Add lines 9 and 10. See instructions to find out how to report the losses on your tax return 11 6,322

**Part IV Complete This Part Before Part I, Lines 1a, 1b, and 1c. See instructions.**

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)			(c) Unallowed loss (line 1c)
<b>Total.</b> Enter on Part I, lines 1a, 1b, and 1c					

For Paperwork Reduction Act Notice, see instructions. Cat. No. 8370R Form 8582 (2023)

Form 8582 (2023) Page 2

**Part V Complete This Part Before Part I, Lines 2a, 2b, and 2c. See instructions.**

Name of activity	Current year			Prior years		Overall gain or loss
	(a) Net income (line 2a)	(b) Net loss (line 2b)	(c) Unallowed loss (line 2c)	(d) Gain	(e) Loss	
Ordinary income	7,898					
Net Section 1231		102				
Deduction		(1,618)				
<b>Total.</b> Enter on Part I, lines 2a, 2b, and 2c			6,322			

**Part VI Use This Part if an Amount Is Shown on Part II, Line 9. See instructions.**

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a).
<b>Total</b>			1.00		

**Part VII Allocation of Unallowed Losses. See instructions.**

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
<b>Total</b>			1.00	

**Part VIII Allowed Losses. See instructions.**

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
<b>Total</b>				

**Note: If you have an overall gain (excluding portfolio income) when combining your net passive income and net passive losses (including any prior year unallowed loss) from all sources, do not complete Form 8582 or the worksheets, but go directly to Schedule E and Form 4797.**

Form 8582 (2023)



Line 13 - Other Deductions

J. Section 59(e) (2) Expenditures

Table with 2 columns: Description and Amount. Includes 'Other Deductions Included in Item L, Current year Increase (Decrease) IDC' with amount 1,237 and 'Total Box J' with amount 1,237.

Line 17 Alternative minimum tax (AMT) items:

Table with 2 columns: Description and Amount. Includes 'EXCESS IDC' with amount 750 and 'Total Box F' with amount 750.

Line 20 - Other Information

AH. Other Information:

Table with 2 columns: Description and Amount. Includes 'Other Items Decreasing Item L, Current Yr Incr (Decr): Cost Depletion', 'Allowable Depletion', 'Other Items Not Included in Item L, Current Yr Incr (Decr): IPE Additional Depletion', and 'Ordinary Passive Income'.

WORKSHEET FOR CALCULATION OF TAX PREFERENCES

Table for calculating tax preferences. Includes rows for 'Amount Reported on line 10, Form 9582', 'Tentative Excess Intangible Drilling Costs', 'Income Before Allowable Depletion', 'Nonpreference Deduction & IDC', 'Depletion Deduction', 'Non excess IDC', '65% of Net Income from Oil & Gas Wells', 'Intangible Drilling Costs Tax Preference Item', and 'Passive Activity Loss, Line 1 Less Line 6'.

SCHEDULE B (Form 1040) Interest and Ordinary Dividends. Includes sections for Part I Interest, Part II Ordinary Dividends, and Part III Foreign Accounts and Trusts. Includes instructions and a table for foreign accounts.

Form 4797 Sales of Business Property. Includes sections for Part I Sales or Exchanges of Property Used in a Trade or Business and Part II Ordinary Gains and Losses. Includes instructions and a table for reporting gains and losses.

Form 6251 Alternative Minimum Tax—Individuals. Includes sections for Part I Alternative Minimum Taxable Income and Part II Alternative Minimum Tax (AMT). Includes instructions and a table for calculating AMT.





**SCHEDULE E  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

**Supplemental Income and Loss**

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

Attach to Form 1040, 1040-SR, 1040-NR, or 1041.  
Go to [www.irs.gov/ScheduleE](http://www.irs.gov/ScheduleE) for instructions and the latest information.

OMB No. 1545-0074

**2023**  
Attachment  
Sequence No. **13**

Your social security number

**Part I Income or Loss From Rental Real Estate and Royalties**

**Note:** If you are in the business of renting personal property, use **Schedule C**. See instructions. If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

- A** Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions . . . . .  **Yes**  **No**  
**B** If "Yes," did you or will you file required Form(s) 1099? . . . . .  **Yes**  **No**

**1a** Physical address of each property (street, city, state, ZIP code)

<b>A</b>	
<b>B</b>	
<b>C</b>	

<b>1b</b> Type of Property (from list below)	<b>2</b> For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days		Personal Use Days	QJV
		<b>A</b>	<b>B</b>		<input type="checkbox"/>
<b>A</b>					<input type="checkbox"/>
<b>B</b>					<input type="checkbox"/>
<b>C</b>					<input type="checkbox"/>

**Type of Property:**

- 1 Single Family Residence      3 Vacation/Short-Term Rental      5 Land      7 Self-Rental  
 2 Multi-Family Residence      4 Commercial      6 Royalties      8 Other (describe) \_\_\_\_\_

Income:	Properties:		
	<b>A</b>	<b>B</b>	<b>C</b>
<b>3</b> Rents received . . . . .	<b>3</b>		
<b>4</b> Royalties received . . . . .	<b>4</b>		
<b>Expenses:</b>			
<b>5</b> Advertising . . . . .	<b>5</b>		
<b>6</b> Auto and travel (see instructions) . . . . .	<b>6</b>		
<b>7</b> Cleaning and maintenance . . . . .	<b>7</b>		
<b>8</b> Commissions . . . . .	<b>8</b>		
<b>9</b> Insurance . . . . .	<b>9</b>		
<b>10</b> Legal and other professional fees . . . . .	<b>10</b>		
<b>11</b> Management fees . . . . .	<b>11</b>		
<b>12</b> Mortgage interest paid to banks, etc. (see instructions)	<b>12</b>		
<b>13</b> Other interest . . . . .	<b>13</b>		
<b>14</b> Repairs . . . . .	<b>14</b>		
<b>15</b> Supplies . . . . .	<b>15</b>		
<b>16</b> Taxes . . . . .	<b>16</b>		
<b>17</b> Utilities . . . . .	<b>17</b>		
<b>18</b> Depreciation expense or depletion . . . . .	<b>18</b>		
<b>19</b> Other (list) _____	<b>19</b>		
<b>20</b> Total expenses. Add lines 5 through 19 . . . . .	<b>20</b>		
<b>21</b> Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file <b>Form 6198</b> . . . . .	<b>21</b>		
<b>22</b> Deductible rental real estate loss after limitation, if any, on <b>Form 8582</b> (see instructions) . . . . .	<b>22</b>	( )	( )
<b>23a</b> Total of all amounts reported on line 3 for all rental properties . . . . .	<b>23a</b>		
<b>b</b> Total of all amounts reported on line 4 for all royalty properties . . . . .	<b>23b</b>		
<b>c</b> Total of all amounts reported on line 12 for all properties . . . . .	<b>23c</b>		
<b>d</b> Total of all amounts reported on line 18 for all properties . . . . .	<b>23d</b>		
<b>e</b> Total of all amounts reported on line 20 for all properties . . . . .	<b>23e</b>		
<b>24</b> <b>Income.</b> Add positive amounts shown on line 21. <b>Do not</b> include any losses . . . . .	<b>24</b>		
<b>25</b> <b>Losses.</b> Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	<b>25</b>	( )	
<b>26</b> <b>Total rental real estate and royalty income or (loss).</b> Combine lines 24 and 25. Enter the result here. If Parts II, III, and IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 5. Otherwise, include this amount in the total on line 41 on page 2 . . . . .	<b>26</b>		

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations

Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you must check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (f) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section Yes No

Table with 6 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if basis computation is required, (f) Check if any amount is not at risk. Rows A, B, C, D.

Table with 5 columns: (g) Passive loss allowed (attach Form 8582 if required), (h) Passive income from Schedule K-1, (i) Nonpassive loss allowed (see Schedule K-1), (j) Section 179 expense deduction from Form 4562, (k) Nonpassive income from Schedule K-1. Rows A, B, C, D, 29a Totals, b Totals, 30, 31, 32.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer identification number. Rows A, B.

Table with 4 columns: (c) Passive deduction or loss allowed (attach Form 8582 if required), (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Rows A, B, 34a Totals, b Totals, 35, 36, 37.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c (see instructions), (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Rows 38, 39.

Part V Summary

Table with 2 columns: Description, Amount. Rows 40, 41, 42, 43.

**Sales of Business Property**  
 (Also Involuntary Conversions and Recapture Amounts  
 Under Sections 179 and 280F(b)(2))

Attach to your tax return.  
 Go to [www.irs.gov/Form4797](http://www.irs.gov/Form4797) for instructions and the latest information.

Name(s) shown on return	Identifying number
-------------------------	--------------------

<b>1a</b> Enter the gross proceeds from sales or exchanges reported to you for 2023 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions . . . . .	<b>1a</b>	
<b>b</b> Enter the total amount of gain that you are including on lines 2, 10, and 24 due to the partial dispositions of MACRS assets . . . . .	<b>1b</b>	
<b>c</b> Enter the total amount of loss that you are including on lines 2 and 10 due to the partial dispositions of MACRS assets . . . . .	<b>1c</b>	

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year** (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

<b>3</b> Gain, if any, from Form 4684, line 39 . . . . .	<b>3</b>	
<b>4</b> Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .	<b>4</b>	
<b>5</b> Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .	<b>5</b>	
<b>6</b> Gain, if any, from line 32, from other than casualty or theft . . . . .	<b>6</b>	
<b>7</b> Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows . . . . .	<b>7</b>	

**Partnerships and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

<b>8</b> Nonrecaptured net section 1231 losses from prior years. See instructions . . . . .	<b>8</b>	
<b>9</b> Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions . . . . .	<b>9</b>	

**Part II Ordinary Gains and Losses** (see instructions)

**10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):



<b>11</b> Loss, if any, from line 7 . . . . .	<b>11</b>	
<b>12</b> Gain, if any, from line 7 or amount from line 8, if applicable . . . . .	<b>12</b>	
<b>13</b> Gain, if any, from line 31 . . . . .	<b>13</b>	
<b>14</b> Net gain or (loss) from Form 4684, lines 31 and 38a . . . . .	<b>14</b>	
<b>15</b> Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .	<b>15</b>	
<b>16</b> Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .	<b>16</b>	
<b>17</b> Combine lines 10 through 16 . . . . .	<b>17</b>	
<b>18</b> For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.		
<b>a</b> If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions . . . . .	<b>18a</b>	
<b>b</b> Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4 . . . . .	<b>18b</b>	

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
<b>A</b>					
<b>B</b>					
<b>C</b>					
<b>D</b>					
These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price ( <b>Note:</b> See line 1a before completing.) . . . . .	20			
21	Cost or other basis plus expense of sale . . . . .	21			
22	Depreciation (or depletion) allowed or allowable . . . . .	22			
23	Adjusted basis. Subtract line 22 from line 21. . . . .	23			
24	Total gain. Subtract line 23 from line 20 . . . . .	24			
<b>25 If section 1245 property:</b>					
a	Depreciation allowed or allowable from line 22 . . . . .	25a			
b	Enter the <b>smaller</b> of line 24 or 25a . . . . .	25b			
<b>26 If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975. See instructions . . . . .	26a			
b	Applicable percentage multiplied by the <b>smaller</b> of line 24 or line 26a. See instructions . . . . .	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e . . . . .	26c			
d	Additional depreciation after 1969 and before 1976 . . . . .	26d			
e	Enter the <b>smaller</b> of line 26c or 26d . . . . .	26e			
f	Section 291 amount (corporations only) . . . . .	26f			
g	Add lines 26b, 26e, and 26f . . . . .	26g			
<b>27 If section 1252 property:</b> Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a	Soil, water, and land clearing expenses . . . . .	27a			
b	Line 27a multiplied by applicable percentage. See instructions . . . . .	27b			
c	Enter the <b>smaller</b> of line 24 or 27b . . . . .	27c			
<b>28 If section 1254 property:</b>					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions . . . . .	28a			
b	Enter the <b>smaller</b> of line 24 or 28a . . . . .	28b			
<b>29 If section 1255 property:</b>					
a	Applicable percentage of payments excluded from income under section 126. See instructions . . . . .	29a			
b	Enter the <b>smaller</b> of line 24 or 29a. See instructions . . . . .	29b			

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24 . . . . .	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years . . . . .	33	
34	Recomputed depreciation. See instructions . . . . .	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	

# At-Risk Limitations

▶ Attach to your tax return.

▶ Go to [www.irs.gov/Form6198](http://www.irs.gov/Form6198) for instructions and the latest information.

Name(s) shown on return

Identifying number

Description of activity (see instructions)

**Part I Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts.**

See instructions.

<b>1</b>	Ordinary income (loss) from the activity (see instructions)	<b>1</b>	
<b>2</b>	Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you are reporting on:		
<b>a</b>	Schedule D	<b>2a</b>	
<b>b</b>	Form 4797	<b>2b</b>	
<b>c</b>	Other form or schedule	<b>2c</b>	
<b>3</b>	Other income and gains from the activity, from Schedule K-1 (Form 1065) or Schedule K-1 (Form 1120-S), that were not included on lines 1 through 2c	<b>3</b>	
<b>4</b>	Other deductions and losses from the activity, including investment interest expense allowed from Form 4952, that were not included on lines 1 through 2c	<b>4</b>	( )
<b>5</b>	Current year profit (loss) from the activity. Combine lines 1 through 4. See the instructions before completing the rest of this form	<b>5</b>	

**Part II Simplified Computation of Amount at Risk.** See the instructions before completing this part.

<b>6</b>	Adjusted basis (as defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax year. <b>Do not</b> enter less than zero	<b>6</b>	
<b>7</b>	Increases for the tax year (see instructions)	<b>7</b>	
<b>8</b>	Add lines 6 and 7	<b>8</b>	
<b>9</b>	Decreases for the tax year (see instructions)	<b>9</b>	
<b>10a</b>	Subtract line 9 from line 8 ▶ <b>10a</b>		
<b>b</b>	If line 10a is <b>more</b> than zero, enter that amount here and go to line 20 (or complete Part III). Otherwise, enter -0- and see <b>Pub. 925</b> for information on the recapture rules	<b>10b</b>	

**Part III Detailed Computation of Amount at Risk.** If you completed Part III of Form 6198 for the prior year, see the instructions.

<b>11</b>	Investment in the activity (or in your interest in the activity) at the effective date. <b>Do not</b> enter less than zero	<b>11</b>	
<b>12</b>	Increases at effective date	<b>12</b>	
<b>13</b>	Add lines 11 and 12	<b>13</b>	
<b>14</b>	Decreases at effective date	<b>14</b>	
<b>15</b>	Amount at risk (check box that applies):		
<b>a</b>	<input type="checkbox"/> At effective date. Subtract line 14 from line 13. <b>Do not</b> enter less than zero.	<b>15</b>	
<b>b</b>	<input type="checkbox"/> From your prior year Form 6198, line 19b. <b>Do not</b> enter the amount from line 10b of your prior year form.		
<b>16</b>	Increases since (check box that applies):		
<b>a</b>	<input type="checkbox"/> Effective date	<b>16</b>	
<b>b</b>	<input type="checkbox"/> The end of your prior year		
<b>17</b>	Add lines 15 and 16	<b>17</b>	
<b>18</b>	Decreases since (check box that applies):		
<b>a</b>	<input type="checkbox"/> Effective date	<b>18</b>	
<b>b</b>	<input type="checkbox"/> The end of your prior year		
<b>19a</b>	Subtract line 18 from line 17 ▶ <b>19a</b>		
<b>b</b>	If line 19a is <b>more</b> than zero, enter that amount here and go to line 20. Otherwise, enter -0- and see <b>Pub. 925</b> for information on the recapture rules	<b>19b</b>	

**Part IV Deductible Loss**

<b>20</b>	<b>Amount at risk.</b> Enter the <b>larger</b> of line 10b or line 19b	<b>20</b>	
<b>21</b>	<b>Deductible loss.</b> Enter the <b>smaller</b> of the line 5 loss (treated as a positive number) or line 20. See the instructions to find out how to report any deductible loss and any carryover	<b>21</b>	( )

**Note:** If the loss is from a passive activity, see the Instructions for Form 8582, Passive Activity Loss Limitations, or the Instructions for Form 8810, Corporate Passive Activity Loss and Credit Limitations, to find out if the loss is allowed under the passive activity rules. If only part of the loss is subject to the passive activity loss rules, report only that part on Form 8582 or Form 8810, whichever applies.



**Part III Tax Computation Using Maximum Capital Gains Rates**

Complete Part III only if you are required to do so by line 7 or by the Foreign Earned Income Tax Worksheet in the instructions.

<b>12</b>	Enter the amount from Form 6251, line 6. If you are filing Form 2555, enter the amount from line 3 of the worksheet in the instructions for line 7 . . . . .	<b>12</b>	
<b>13</b>	Enter the amount from line 4 of the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 or the amount from line 13 of the Schedule D Tax Worksheet in the Instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary). See instructions. If you are filing Form 2555, see instructions for the amount to enter . . . . .	<b>13</b>	
<b>14</b>	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary). See instructions. If you are filing Form 2555, see instructions for the amount to enter . . . . .	<b>14</b>	
<b>15</b>	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 13. Otherwise, add lines 13 and 14, and enter the <b>smaller</b> of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary). If you are filing Form 2555, see instructions for the amount to enter . . . . .	<b>15</b>	
<b>16</b>	Enter the <b>smaller</b> of line 12 or line 15 . . . . .	<b>16</b>	
<b>17</b>	Subtract line 16 from line 12 . . . . .	<b>17</b>	
<b>18</b>	If line 17 is \$220,700 or less (\$110,350 or less if married filing separately), multiply line 17 by 26% (0.26). Otherwise, multiply line 17 by 28% (0.28) and subtract \$4,414 (\$2,207 if married filing separately) from the result	<b>18</b>	
<b>19</b>	Enter: <ul style="list-style-type: none"> <li>• \$89,250 if married filing jointly or qualifying surviving spouse,</li> <li>• \$44,625 if single or married filing separately, or</li> <li>• \$59,750 if head of household.</li> </ul>	<b>19</b>	
<b>20</b>	Enter the amount from line 5 of the Qualified Dividends and Capital Gain Tax Worksheet or the amount from line 14 of the Schedule D Tax Worksheet, whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter the amount from Form 1040 or 1040-SR, line 15; if zero or less, enter -0-. If you are filing Form 2555, see instructions for the amount to enter . . . . .	<b>20</b>	
<b>21</b>	Subtract line 20 from line 19. If zero or less, enter -0- . . . . .	<b>21</b>	
<b>22</b>	Enter the <b>smaller</b> of line 12 or line 13 . . . . .	<b>22</b>	
<b>23</b>	Enter the <b>smaller</b> of line 21 or line 22. This amount is taxed at 0% . . . . .	<b>23</b>	
<b>24</b>	Subtract line 23 from line 22 . . . . .	<b>24</b>	
<b>25</b>	Enter: <ul style="list-style-type: none"> <li>• \$492,300 if single,</li> <li>• \$276,900 if married filing separately,</li> <li>• \$553,850 if married filing jointly or qualifying surviving spouse, or</li> <li>• \$523,050 if head of household.</li> </ul>	<b>25</b>	
<b>26</b>	Enter the amount from line 21 . . . . .	<b>26</b>	
<b>27</b>	Enter the amount from line 5 of the Qualified Dividends and Capital Gain Tax Worksheet or the amount from line 21 of the Schedule D Tax Worksheet, whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter the amount from Form 1040 or 1040-SR, line 15; if zero or less, enter -0-. If you are filing Form 2555, see instructions for the amount to enter . . . . .	<b>27</b>	
<b>28</b>	Add line 26 and line 27 . . . . .	<b>28</b>	
<b>29</b>	Subtract line 28 from line 25. If zero or less, enter -0- . . . . .	<b>29</b>	
<b>30</b>	Enter the smaller of line 24 or line 29 . . . . .	<b>30</b>	
<b>31</b>	Multiply line 30 by 15% (0.15) . . . . .	<b>31</b>	
<b>32</b>	Add lines 23 and 30 . . . . .	<b>32</b>	
	<b>If lines 32 and 12 are the same, skip lines 33 through 37 and go to line 38. Otherwise, go to line 33.</b>		
<b>33</b>	Subtract line 32 from line 22 . . . . .	<b>33</b>	
<b>34</b>	Multiply line 33 by 20% (0.20) . . . . .	<b>34</b>	
	<b>If line 14 is zero or blank, skip lines 35 through 37 and go to line 38. Otherwise, go to line 35.</b>		
<b>35</b>	Add lines 17, 32, and 33 . . . . .	<b>35</b>	
<b>36</b>	Subtract line 35 from line 12 . . . . .	<b>36</b>	
<b>37</b>	Multiply line 36 by 25% (0.25) . . . . .	<b>37</b>	
<b>38</b>	Add lines 18, 31, 34, and 37 . . . . .	<b>38</b>	
<b>39</b>	If line 12 is \$220,700 or less (\$110,350 or less if married filing separately), multiply line 12 by 26% (0.26). Otherwise, multiply line 12 by 28% (0.28) and subtract \$4,414 (\$2,207 if married filing separately) from the result	<b>39</b>	
<b>40</b>	Enter the <b>smaller</b> of line 38 or line 39 here and on line 7. If you are filing Form 2555, do not enter this amount on line 7. Instead, enter it on line 4 of the worksheet in the instructions for line 7 . . . . .	<b>40</b>	



# Passive Activity Loss Limitations

See separate instructions.

Attach to Form 1040, 1040-SR, or 1041.

Go to [www.irs.gov/Form8582](http://www.irs.gov/Form8582) for instructions and the latest information.

Name(s) shown on return

Identifying number

## Part I 2023 Passive Activity Loss

**Caution:** Complete Parts IV and V before completing Part I.

### Rental Real Estate Activities With Active Participation (For the definition of active participation, see *Special Allowance for Rental Real Estate Activities* in the instructions.)

<b>1a</b> Activities with net income (enter the amount from Part IV, column (a)) . . . . .	<b>1a</b>		
<b>b</b> Activities with net loss (enter the amount from Part IV, column (b)) . . . . .	<b>1b</b>	(	)
<b>c</b> Prior years' unallowed losses (enter the amount from Part IV, column (c)) . . . . .	<b>1c</b>	(	)
<b>d</b> Combine lines 1a, 1b, and 1c . . . . .			<b>1d</b>

### All Other Passive Activities

<b>2a</b> Activities with net income (enter the amount from Part V, column (a)) . . . . .	<b>2a</b>		
<b>b</b> Activities with net loss (enter the amount from Part V, column (b)) . . . . .	<b>2b</b>	(	)
<b>c</b> Prior years' unallowed losses (enter the amount from Part V, column (c)) . . . . .	<b>2c</b>	(	)
<b>d</b> Combine lines 2a, 2b, and 2c . . . . .			<b>2d</b>

<b>3</b> Combine lines 1d and 2d and subtract any prior year unallowed CRD. See instructions. If this line is zero or more, stop here and include this form with your return; all losses are allowed, including any prior year unallowed losses entered on line 1c or 2c. Report the losses on the forms and schedules normally used . . . . .			<b>3</b>
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- If line 3 is a loss and:
- Line 1d is a loss, go to Part II.
  - Line 2d is a loss (and line 1d is zero or more), skip Part II and go to line 10.

**Caution:** If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II. Instead, go to line 10.

## Part II Special Allowance for Rental Real Estate Activities With Active Participation

**Note:** Enter all numbers in Part II as positive amounts. See instructions for an example.

<b>4</b> Enter the <b>smaller</b> of the loss on line 1d or the loss on line 3 . . . . .		<b>4</b>
<b>5</b> Enter \$150,000. If married filing separately, see instructions . . . . .	<b>5</b>	
<b>6</b> Enter modified adjusted gross income, but not less than zero. See instructions <b>Note:</b> If line 6 is greater than or equal to line 5, skip lines 7 and 8 and enter -0- on line 9. Otherwise, go to line 7.	<b>6</b>	
<b>7</b> Subtract line 6 from line 5 . . . . .	<b>7</b>	
<b>8</b> Multiply line 7 by 50% (0.50). <b>Do not</b> enter more than \$25,000. If married filing separately, see instructions		<b>8</b>
<b>9</b> Enter the <b>smaller</b> of line 4 or line 8. If line 3 includes any CRD, see instructions . . . . .		<b>9</b>

## Part III Total Losses Allowed

<b>10</b> Add the income, if any, on lines 1a and 2a and enter the total . . . . .		<b>10</b>
<b>11</b> <b>Total losses allowed from all passive activities for 2023.</b> Add lines 9 and 10. See instructions to find out how to report the losses on your tax return . . . . .		<b>11</b>

## Part IV Complete This Part Before Part I, Lines 1a, 1b, and 1c. See instructions.

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
<b>Total.</b> Enter on Part I, lines 1a, 1b, and 1c					

**Part V Complete This Part Before Part I, Lines 2a, 2b, and 2c.** See instructions.

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 2a)	(b) Net loss (line 2b)	(c) Unallowed loss (line 2c)	(d) Gain	(e) Loss
<b>Total.</b> Enter on Part I, lines 2a, 2b, and 2c					

**Part VI Use This Part if an Amount Is Shown on Part II, Line 9.** See instructions.

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a).
<b>Total</b>			<b>1.00</b>		

**Part VII Allocation of Unallowed Losses.** See instructions.

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
<b>Total</b>			<b>1.00</b>	

**Part VIII Allowed Losses.** See instructions.

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
<b>Total</b>				

**Part IX** **Activities With Losses Reported on Two or More Forms or Schedules.** See instructions.

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
<b>Form or schedule and line number to be reported on (see instructions):</b>					
<b>1a</b> Net loss plus prior year unallowed loss from form or schedule . . .					
<b>b</b> Net income from form or schedule					
<b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0-					
<b>Form or schedule and line number to be reported on (see instructions):</b>					
<b>1a</b> Net loss plus prior year unallowed loss from form or schedule . . .					
<b>b</b> Net income from form or schedule					
<b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0-					
<b>Form or schedule and line number to be reported on (see instructions):</b>					
<b>1a</b> Net loss plus prior year unallowed loss from form or schedule . . .					
<b>b</b> Net income from form or schedule					
<b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0-					
<b>Total</b> . . . . .			<b>1.00</b>		