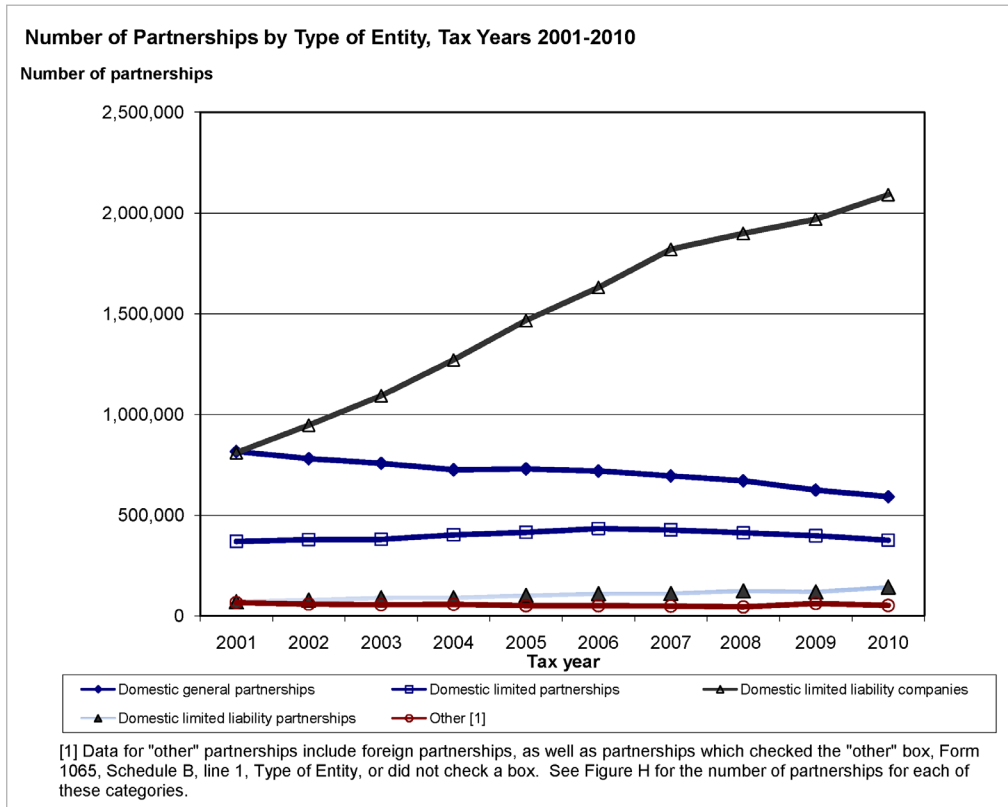


Partnership Returns, 2010



A partnership is an unincorporated organization formed by two or more entities or persons that join to carry on a trade or business. Each partner contributes money, property, labor, or skill, and each expects to share in the profits and losses. Every partnership that engages in a trade or business, or has income from sources in the United States, must file an annual information return, Form 1065, U.S. Partnership Return of Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships, with the Internal Revenue Service. A partnership does not pay tax on its income but “passes through” any profits and losses to its partners, who must include those profits and losses on their income tax returns.

Highlights of the Data

- For 2010, the number of partnerships increased 2.5 percent, from 3,168,728 for 2009 to 3,248,481.
- The number of partners increased by 6.1 percent, from 21,141,979 for 2009 to 22,428,047 for 2010.
- Partnerships in the real estate and rental and leasing sector accounts for 47.9 percent of all partnerships and 32.9 percent of all partners, the largest share reported among all sectors.
- The finance and insurance sectors reported the largest share of total net income (loss), 48.3 percent, and total assets, 55.4 percent, for all partnerships in 2010.
- Total net income (loss), or profit, increased by 44.9 percent \$409.9 billion for 2009 to \$593.7 billion for 2010.
- In 2010, only 2 sectors (information and education) reported a decline in profits down from 13 in 2009.
- Total receipts in 2010 were \$5.5 trillion, a 14.3-percent increase from 2009.
- Business receipts, the largest component of total receipts, increased between 2009 and 2010. Business receipts increased by \$384.1 billion to \$3.9 trillion for 2010.
- Total assets of partnerships reporting balance sheet information increased 5.4 percent, from \$18.8 trillion for 2009 to \$19.8 trillion for 2010.
- Total income (loss) minus total deductions available for allocation increased significantly from \$391.3 billion for 2009 to \$976.6 billion for 2010.
- In 2010, partners classified as corporations received the largest share of income (loss) allocated to partners, \$294.2 billion.