

**Tax Year 2019**  
**Form 1065 MeF ATS Scenario 3**

**FORMS REQUIRED:**

1065, 1065 Sch B-1, 1065 Sch C, 1065 Sch D, 1065 Sch K-1 (3), 1065 Sch M-3, 1125-A, 4562, 4797, 8308, 8949, 8453-PE

**ATTACHMENTS:**

OtherIncomeLossStatement  
 ItemizedOtherDeductionsStatement  
 Section754Election  
 PartnershipsCharitableContributionsStatement  
 OtherAMTItemsStatement  
 ScheduleLOtherCurrentAssetsStatement  
 ScheduleLOtherAssetsStatement  
 ScheduleLOtherCurrentLiabilitiesStatement  
 ItemizedAdditionalSection263ACostsSchedule  
 InventoriableCostsPaidSchedule

**BINARY ATTACHMENTS:** Scanned Form 8453-PE (8453 Signature Document)

**HEADER INFO:**

**Tax Period:** Calendar Year 2019

**Preparer Firm:** **EIN:** 69-0000098  
**Name:** Electronic Tax Filers, Inc  
**Address:** 1065 Efile Drive  
 Anytown, NV 89501

**Multiple Software Packages Used:** Yes or No

**Originator:** **EFIN:** Self-select  
**Type:** ERO  
**Practitioner PIN:** None  
**PIN Entered by:** N/A

**Signature Option:** Binary Attachment 8453 Signature Document

**Return Identifier:** **Type:** 1065

**Filer:** **EIN:** 00-2000003  
**Business Name:** Eastland Quarries  
**Name Control:** EAST  
**Address:** 2313 Jackson Ave  
 Portland, OR 97208

**Partner:** **Name:** Jonathan Teak  
**Title:** President  
**Taxpayer PIN:**  
**Phone:** 555-555-5555  
**Email Address:** Anymail@email.com  
**Date Signed:** 03/15/2020

**Preparer:**

**Name:** John Smith  
**PTIN:** P00000001  
**Phone:** 555-631-1212  
**Email Address:** Anymail@email.com  
**Date Prepared:** 03/15/2020  
**Self Employed:** No

**OtherIncomeLossStatement** (Other income (loss), Form 1065, Page 1, Line 7)

Type	Amount
Miscellaneous	36,522
<b>Total</b>	<b>36,522</b>

**ItemizedOtherDeductionsStatement** (Other Deductions, Form 1065, Page 1, Line 20)

Type	Amount
Amortization	441,634
Insurance	75,606
Professional Fees	583,204
Miscellaneous	359,235
<b>Total</b>	<b>1,459,679</b>

**Section754Election** (Form 1065, Page 3, Schedule B, Line 10a)

<b>Name of Partnership</b>	Eastland Quarries
<b>Partnership Address</b>	2313 Jackson Ave Portland, OR 97208
<b>Section 754 Declaration</b>	Made a Section 754 declaration

**PartnershipsCharitableContributionsStatement**  
(Contributions, Form 1065, Page 4, Schedule K, Line 13a)

Type	Amount
50% Cash Contribution	3,000

**OtherAMTItemsStatement** (Other AMT items, Form 1065, Page 4, Schedule K, Line 17f)

<b>Statement</b>	Other AMT Items = (22,101)
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**ScheduleLOtherCurrentAssetsStatement**

(Other current assets, Form 1065, Page 5, Schedule L, Line 6(b) and 6(d))

Type	BOY Amount	EOY Amount
Prepaid Insurance	105,000	105,000
Deposit	45,000	20,000
<b>Total</b>	<b>150,000</b>	<b>125,000</b>

**ScheduleLOtherAssetsStatement** (Other assets, Form 1065, Page 5, Schedule L, Line 13(b) and 13(d))

Type	BOY Amount	EOY Amount
Other Assets	387,000	411,000
<b>Total</b>	<b>387,000</b>	<b>411,000</b>

**ScheduleLOtherCurrentLiabilitiesStatement**

(Other current liabilities, Form 1065, Page 5, Schedule L, Line 17(b) and 17(d))

Description	BOY Amount	EOY Amount
Accrued Payroll	793,542	801,250
Accrued Profit Sharing	377,622	496,135
<b>Total</b>	<b>1,171,164</b>	<b>1,297,385</b>

**Itemized Additional Section 263A Costs Schedule** (Additional section 263A costs, Form 1125-A, Line 4)

Corporation Name	Corporation EIN	Type of Additional Section 263A Costs	Amount for Cost by Type	Historic Ratio (If Applicable)
		Rent	50,000	
		Utilities	24,212	
		<b>Total</b>	<b>74,212</b>	

**Inventoriable Costs Paid Schedule** (Other costs, Form 1125-A, Line 5)

Type	Amount
Professional Fees	19,360
Utilities	1,321,610
Miscellaneous	225,156
Depreciation	1,552,619
<b>Total</b>	<b>3,118,745</b>

Form **1065**  
Department of the Treasury  
Internal Revenue Service

**U.S. Return of Partnership Income**

OMB No. 1545-0123

For calendar year 2019, or tax year beginning 01/01, 2019, ending 12/31, 20 19.

**2019**

▶ Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

<b>A</b> Principal business activity <b>QUARRIES</b>	<b>Type or Print</b>	Name of partnership <b>EASTLAND QUARRIES</b>	<b>D</b> Employer identification number <b>00-2000003</b>
<b>B</b> Principal product or service <b>CRUSHED STONE</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>2313 JACKSON AVE</b>	<b>E</b> Date business started <b>03/29/2002</b>
<b>C</b> Business code number <b>212310</b>		City or town, state or province, country, and ZIP or foreign postal code <b>PORTLAND OR 97208</b>	<b>F</b> Total assets (see instructions) <b>\$ 26,119,810</b>

**G** Check applicable boxes: (1)  Initial return (2)  Final return (3)  Name change (4)  Address change (5)  Amended return

**H** Check accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ▶

**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **3**

**J** Check if Schedules C and M-3 are attached ▶

**K** Check if partnership: (1)  Aggregated activities for section 465 at-risk purposes (2)  Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>	15,200,800	
	<b>b</b> Returns and allowances	<b>1b</b>	115,470	
	<b>c</b> Balance. Subtract line 1b from line 1a			<b>1c</b> 15,085,330
	<b>2</b> Cost of goods sold (attach Form 1125-A)			<b>2</b> 7,000,032
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b> 8,085,298
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			<b>4</b>
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040 or 1040-SR))			<b>5</b>
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>6</b> 37,400
<b>7</b> Other income (loss) (attach statement)			<b>7</b> 36,522	
<b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7			<b>8</b> 8,159,220	
<b>Deductions</b> (see instructions for limitations)	<b>9</b> Salaries and wages (other than to partners) (less employment credits)			<b>9</b> 550,000
	<b>10</b> Guaranteed payments to partners			<b>10</b>
	<b>11</b> Repairs and maintenance			<b>11</b> 3,120,512
	<b>12</b> Bad debts			<b>12</b> 11,411
	<b>13</b> Rent			<b>13</b> 386,634
	<b>14</b> Taxes and licenses			<b>14</b> 262,140
	<b>15</b> Interest (see instructions)			<b>15</b> 38,106
	<b>16a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>	1,552,619	
	<b>b</b> Less depreciation reported on Form 1125-A and elsewhere on return	<b>16b</b>	1,552,619	<b>16c</b>
	<b>17</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> )			<b>17</b> 653,121
	<b>18</b> Retirement plans, etc.			<b>18</b> 53,721
<b>19</b> Employee benefit programs			<b>19</b> 287,416	
<b>20</b> Other deductions (attach statement)			<b>20</b> 1,459,679	
<b>21</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20			<b>21</b> 6,822,740	
<b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 8			<b>22</b> 1,336,480	
<b>Tax and Payment</b>	<b>23</b> Interest due under the look-back method—completed long-term contracts (attach Form 8697)			<b>23</b>
	<b>24</b> Interest due under the look-back method—income forecast method (attach Form 8866)			<b>24</b>
	<b>25</b> BBA AAR imputed underpayment (see instructions)			<b>25</b>
	<b>26</b> Other taxes (see instructions)			<b>26</b>
	<b>27</b> <b>Total balance due.</b> Add lines 23 through 26			<b>27</b>
	<b>28</b> Payment (see instructions)			<b>28</b>
	<b>29</b> <b>Amount owed.</b> If line 28 is smaller than line 27, enter amount owed			<b>29</b>
	<b>30</b> <b>Overpayment.</b> If line 28 is larger than line 27, enter overpayment			<b>30</b>

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of partner or limited liability company member: \_\_\_\_\_ Date: **03/15/2020**

May the IRS discuss this return with the preparer shown below? See instructions.  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>JOHN SMITH</b>	Preparer's signature	Date <b>03/15/2020</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00000001</b>
	Firm's name ▶ <b>ELECTRONIC TAX FILERS INC</b>			Firm's EIN ▶ <b>69-0000098</b>	
	Firm's address ▶ <b>1065 EFILE DRIVE ANYTOWN NV 89501</b>			Phone no. <b>555-631-1212</b>	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2019)

**Schedule B Other Information**

<b>1</b>	What type of entity is filing this return? Check the applicable box:	<b>Yes</b>	<b>No</b>
<b>a</b>	<input checked="" type="checkbox"/> Domestic general partnership		
<b>b</b>	<input type="checkbox"/> Domestic limited partnership		
<b>c</b>	<input type="checkbox"/> Domestic limited liability company		
<b>d</b>	<input type="checkbox"/> Domestic limited liability partnership		
<b>e</b>	<input type="checkbox"/> Foreign partnership		
<b>f</b>	<input type="checkbox"/> Other ▶		
<b>2</b>	At the end of the tax year:		
<b>a</b>	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership . . . . .		✓
<b>b</b>	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership . . . . .	✓	
<b>3</b>	At the end of the tax year, did the partnership:		
<b>a</b>	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below . . . . .		✓

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

INTERNAL USE ONLY

<b>b</b>	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .		
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(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

September 19, 2019

<b>4</b>	Does the partnership satisfy <b>all four</b> of the following conditions?	<b>Yes</b>	<b>No</b>
<b>a</b>	The partnership's total receipts for the tax year were less than \$250,000.		
<b>b</b>	The partnership's total assets at the end of the tax year were less than \$1 million.		
<b>c</b>	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
<b>d</b>	The partnership is not filing and is not required to file Schedule M-3 . . . . . If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.		✓
<b>5</b>	Is this partnership a publicly traded partnership, as defined in section 469(k)(2)? . . . . .		✓
<b>6</b>	During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . .		✓
<b>7</b>	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .		✓
<b>8</b>	At any time during calendar year 2019, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶		✓
<b>9</b>	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions . . . . .		✓
<b>10a</b>	Is the partnership making, or had it previously made (and not revoked), a section 754 election? . . . . . See instructions for details regarding a section 754 election.		✓
<b>b</b>	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions . . . . .		✓

**Schedule B Other Information (continued)**

	Yes	No
<b>c</b> Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions . . . . .		✓
<b>11</b> Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) . . . . . <input type="checkbox"/>		
<b>12</b> At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? . . . . .		✓
<b>13</b> If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions . . . . . ▶		
<b>14</b> Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership . . . ▶		✓
<b>15</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return . . . . . ▶		
<b>16a</b> Did you make any payments in 2019 that would require you to file Form(s) 1099? See instructions . . . . .		✓
<b>b</b> If "Yes," did you or will you file required Form(s) 1099? . . . . .		✓
<b>17</b> Enter the number of Forms 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return . . . . . ▶		
<b>18</b> Enter the number of partners that are foreign governments under section 892 . . . . . ▶		
<b>19</b> During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)? . . . . .		✓
<b>20</b> Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938 . . . . .		✓
<b>21</b> Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1T(b)(14)? . . . . .		✓
<b>22</b> During the tax year, did the partnership pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions . . . . . If "Yes," enter the total amount of the disallowed deductions . . . . . ▶ \$		✓
<b>23</b> Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions . . . . .		✓
<b>24</b> Does the partnership satisfy one or more of the following? See instructions . . . . . <b>a</b> The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense. <b>b</b> The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the partnership has business interest. <b>c</b> The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.	✓	
<b>25</b> Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3 . . . . . ▶ _____ If "No," complete Designation of Partnership Representative below.		✓

**Designation of Partnership Representative** (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR ▶ JONATHAN TEAK

U.S. address of PR ▶ 48 ADAMS AVE PORTLAND OR 97208	U.S. phone number of PR ▶ 555-123-0003
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If the PR is an entity, name of the designated individual for the PR ▶

U.S. address of designated individual ▶	U.S. phone number of designated individual ▶
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<b>26</b> Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? . . . . . If "Yes," enter the amount from Form 8996, line 14 . . . . . ▶ \$		✓
<b>27</b> Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership . . . . . ▶		
<b>28</b> At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? . . . . .		

<b>Schedule K Partners' Distributive Share Items</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	<b>1</b> Ordinary business income (loss) (page 1, line 22)	<b>1</b>	1,336,480
	<b>2</b> Net rental real estate income (loss) (attach Form 8825)	<b>2</b>	
	<b>3a</b> Other gross rental income (loss)	<b>3a</b>	
	<b>b</b> Expenses from other rental activities (attach statement)	<b>3b</b>	
	<b>c</b> Other net rental income (loss). Subtract line 3b from line 3a	<b>3c</b>	
	<b>4</b> Guaranteed payments: <b>a</b> Services <b>4a</b> <b>b</b> Capital <b>4b</b>	<b>4c</b>	
	<b>c</b> Total. Add lines 4a and 4b	<b>4c</b>	
	<b>5</b> Interest income	<b>5</b>	14,225
	<b>6</b> Dividends and dividend equivalents: <b>a</b> Ordinary dividends	<b>6a</b>	
	<b>b</b> Qualified dividends <b>6b</b> <b>c</b> Dividend equivalents <b>6c</b>	<b>6c</b>	
	<b>7</b> Royalties	<b>7</b>	
<b>8</b> Net short-term capital gain (loss) (attach Schedule D (Form 1065))	<b>8</b>	2,300	
<b>9a</b> Net long-term capital gain (loss) (attach Schedule D (Form 1065))	<b>9a</b>	(2,500)	
<b>b</b> Collectibles (28%) gain (loss)	<b>9b</b>		
<b>c</b> Unrecaptured section 1250 gain (attach statement)	<b>9c</b>		
<b>10</b> Net section 1231 gain (loss) (attach Form 4797)	<b>10</b>	(56,500)	
<b>11</b> Other income (loss) (see instructions) Type ▶	<b>11</b>		
<b>Deductions</b>	<b>12</b> Section 179 deduction (attach Form 4562)	<b>12</b>	
	<b>13a</b> Contributions	<b>13a</b>	3,000
	<b>b</b> Investment interest expense	<b>13b</b>	
	<b>c</b> Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	<b>13c(2)</b>	
<b>d</b> Other deductions (see instructions) Type ▶	<b>13d</b>		
<b>Self-Employment</b>	<b>14a</b> Net earnings (loss) from self-employment	<b>14a</b>	739,523
	<b>b</b> Gross farming or fishing income	<b>14b</b>	
	<b>c</b> Gross nonfarm income	<b>14c</b>	739,523
<b>Credits</b>	<b>15a</b> Low-income housing credit (section 42(j)(5))	<b>15a</b>	
	<b>b</b> Low-income housing credit (other)	<b>15b</b>	
	<b>c</b> Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	<b>15c</b>	
	<b>d</b> Other rental real estate credits (see instructions) Type ▶	<b>15d</b>	
	<b>e</b> Other rental credits (see instructions) Type ▶	<b>15e</b>	
	<b>f</b> Other credits (see instructions) Type ▶	<b>15f</b>	
<b>Foreign Transactions</b>	<b>16a</b> Name of country or U.S. possession ▶	<b>16a</b>	
	<b>b</b> Gross income from all sources	<b>16b</b>	
	<b>c</b> Gross income sourced at partner level	<b>16c</b>	
	Foreign gross income sourced at partnership level		
	<b>d</b> Reserved for future use ▶ <b>e</b> Foreign branch category ▶	<b>16e</b>	
	<b>f</b> Passive category ▶ <b>g</b> General category ▶ <b>h</b> Other (attach statement) ▶	<b>16h</b>	
	Deductions allocated and apportioned at partner level		
	<b>i</b> Interest expense ▶ <b>j</b> Other ▶	<b>16j</b>	
	Deductions allocated and apportioned at partnership level to foreign source income		
	<b>k</b> Reserved for future use ▶ <b>l</b> Foreign branch category ▶	<b>16l</b>	
	<b>m</b> Passive category ▶ <b>n</b> General category ▶ <b>o</b> Other (attach statement) ▶	<b>16o</b>	
<b>p</b> Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	<b>16p</b>		
<b>q</b> Reduction in taxes available for credit (attach statement)	<b>16q</b>		
<b>r</b> Other foreign tax information (attach statement)			
<b>Alternative Minimum Tax (AMT) Items</b>	<b>17a</b> Post-1986 depreciation adjustment	<b>17a</b>	(199,426)
	<b>b</b> Adjusted gain or loss	<b>17b</b>	(15,622)
	<b>c</b> Depletion (other than oil and gas)	<b>17c</b>	619,783
	<b>d</b> Oil, gas, and geothermal properties—gross income	<b>17d</b>	
	<b>e</b> Oil, gas, and geothermal properties—deductions	<b>17e</b>	
	<b>f</b> Other AMT items (attach statement)	<b>17f</b>	(22,101)
<b>Other Information</b>	<b>18a</b> Tax-exempt interest income	<b>18a</b>	
	<b>b</b> Other tax-exempt income	<b>18b</b>	
	<b>c</b> Nondeductible expenses	<b>18c</b>	
	<b>19a</b> Distributions of cash and marketable securities	<b>19a</b>	
	<b>b</b> Distributions of other property	<b>19b</b>	
	<b>20a</b> Investment income	<b>20a</b>	6,401
<b>b</b> Investment expenses	<b>20b</b>		
<b>c</b> Other items and amounts (attach statement)			

**Analysis of Net Income (Loss)**

<b>1</b>	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16p . . . . .					<b>1</b>	1,291,005
<b>2</b>	Analysis by partner type:						
	<b>(i)</b> Corporate	<b>(ii)</b> Individual (active)	<b>(iii)</b> Individual (passive)	<b>(iv)</b> Partnership	<b>(v)</b> Exempt Organization	<b>(vi)</b> Nominee/Other	
<b>a</b>	General partners						710,053
<b>b</b>	Limited partners						580,952

**Schedule L Balance Sheets per Books**

		Beginning of tax year		End of tax year	
Assets		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
<b>1</b>	Cash . . . . .		375,120		153,082
<b>2a</b>	Trade notes and accounts receivable . . . . .	1,140,165		1,353,242	
<b>b</b>	Less allowance for bad debts . . . . .		1,140,165		1,353,242
<b>3</b>	Inventories . . . . .		1,372,320		1,207,920
<b>4</b>	U.S. government obligations . . . . .				
<b>5</b>	Tax-exempt securities . . . . .				
<b>6</b>	Other current assets (attach statement) . . . . .		150,000		125,000
<b>7a</b>	Loans to partners (or persons related to partners) . . . . .				
<b>b</b>	Mortgage and real estate loans . . . . .				
<b>8</b>	Other investments (attach statement) . . . . .				
<b>9a</b>	Buildings and other depreciable assets . . . . .	9,327,811		9,529,741	
<b>b</b>	Less accumulated depreciation . . . . .	1,426,314	7,901,470	1,523,300	8,006,441
<b>10a</b>	Depletable assets . . . . .	7,426,187		7,312,547	
<b>b</b>	Less accumulated depletion . . . . .	426,187	7,000,000	375,638	6,936,909
<b>11</b>	Land (net of any amortization) . . . . .		747,000		
<b>12a</b>	Intangible assets (amortizable only) . . . . .	7,926,216			
<b>b</b>	Less accumulated amortization . . . . .		7,926,216		7,926,216
<b>13</b>	Other assets (attach statement) . . . . .		387,000		411,000
<b>14</b>	<b>Total assets</b> . . . . .		26,999,318		26,119,810
<b>Liabilities and Capital</b>					
<b>15</b>	Accounts payable . . . . .		1,000,000		1,200,000
<b>16</b>	Mortgages, notes, bonds payable in less than 1 year . . . . .				
<b>17</b>	Other current liabilities (attach statement) . . . . .		4,171,164		1,672,647
<b>18</b>	All nonrecourse loans . . . . .				
<b>19a</b>	Loans from partners (or persons related to partners) . . . . .				
<b>b</b>	Mortgages, notes, bonds payable in 1 year or more . . . . .				
<b>20</b>	Other liabilities (attach statement) . . . . .				
<b>21</b>	Partners' capital accounts . . . . .		21,828,154		23,247,163
<b>22</b>	<b>Total liabilities and capital</b> . . . . .		26,999,318		26,119,810

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

**Note:** The partnership may be required to file Schedule M-3. See instructions.

<b>1</b>	Net income (loss) per books . . . . .		<b>6</b>	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
<b>2</b>	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize): . . . . .		<b>a</b>	Tax-exempt interest \$ . . . . .	
<b>3</b>	Guaranteed payments (other than health insurance) . . . . .		<b>7</b>	Deductions included on Schedule K, lines 1 through 13d, and 16p, not charged against book income this year (itemize):	
<b>4</b>	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16p (itemize):		<b>a</b>	Depreciation \$ . . . . .	
<b>a</b>	Depreciation \$ . . . . .		<b>8</b>	Add lines 6 and 7 . . . . .	
<b>b</b>	Travel and entertainment \$ . . . . .		<b>9</b>	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	
<b>5</b>	Add lines 1 through 4 . . . . .				

**Schedule M-2 Analysis of Partners' Capital Accounts**

<b>1</b>	Balance at beginning of year . . . . .	32,397,601	<b>6</b>	Distributions: <b>a</b> Cash . . . . .	1,900,000
<b>2</b>	Capital contributed: <b>a</b> Cash . . . . .		<b>b</b> Property . . . . .		
	<b>b</b> Property . . . . .		<b>7</b>	Other decreases (itemize): . . . . .	
<b>3</b>	Net income (loss) per books . . . . .	3,319,009	<b>8</b>	Add lines 6 and 7 . . . . .	1,900,000
<b>4</b>	Other increases (itemize): . . . . .		<b>9</b>	Balance at end of year. Subtract line 8 from line 5	33,816,610
<b>5</b>	Add lines 1 through 4 . . . . .	35,716,610			

Form **1125-A**

(Rev. November 2018)  
Department of the Treasury  
Internal Revenue Service

**Cost of Goods Sold**

OMB No. 1545-0123

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**  
▶ **Go to [www.irs.gov/Form1125A](http://www.irs.gov/Form1125A) for the latest information.**

Name EASTLAND QUARRIES		Employer identification number 00-2000003
<b>1</b>	Inventory at beginning of year . . . . .	1,372,320
<b>2</b>	Purchases . . . . .	1,512,263
<b>3</b>	Cost of labor . . . . .	2,130,412
<b>4</b>	Additional section 263A costs (attach schedule) . . . . .	74,212
<b>5</b>	Other costs (attach schedule) . . . . .	3,118,745
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	8,207,952
<b>7</b>	Inventory at end of year . . . . .	1,207,920
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions . . . . .	7,000,032
<b>9a</b>	Check all methods used for valuing closing inventory:	
	(i) <input type="checkbox"/> Cost	
	(ii) <input type="checkbox"/> Lower of cost or market	
	(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ▶	
<b>b</b>	Check if there was a writedown of subnormal goods . . . . .	<input type="checkbox"/>
<b>c</b>	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . .	<input type="checkbox"/>
<b>d</b>	If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO . . . . .	<b>9d</b>
<b>e</b>	If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . . .	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>f</b>	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Section references are to the Internal Revenue Code unless otherwise noted.

**What's New**

**Small business taxpayers.** For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

**General Instructions**

**Purpose of Form**

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

**Who Must File**

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

**Inventories**

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

**Exception for certain taxpayers.** A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are non-incidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

**Small business taxpayer.** A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.

**Uniform capitalization rules.** The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

**SCHEDULE B-1  
(Form 1065)**

(Rev. August 2019)  
Department of the Treasury  
Internal Revenue Service

**Information on Partners Owning 50% or  
More of the Partnership**

▶ Attach to Form 1065.

▶ Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for the latest information.

OMB No. 1545-0123

Name of partnership EASTLAND QUARRIES	Employer identification number (EIN) 00-2000003
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**Part I** **Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 2a (Question 3a for 2009 through 2017))

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

**Part II** **Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 2b (Question 3b for 2009 through 2017))

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
JONATHAN TEAK	000-30-0003	US	55

**SCHEDULE C  
(Form 1065)**  
(Rev. December 2014)  
Department of the Treasury  
Internal Revenue Service

**Additional Information for Schedule M-3 Filers**

OMB No. 1545-0123

▶ Attach to Form 1065. See separate instructions.

▶ Information about Schedule C (Form 1065) and its instructions is at [www.irs.gov/form1065](http://www.irs.gov/form1065).

Name of partnership  
**SEASTLAND QUARRIES**

Employer identification number  
**00-2000003**

	Yes	No
<b>1</b> At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? . . . . .		✓
<b>2</b> Does any amount reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's share of capital in that partnership or its ratio for sharing other items of that partnership? . . . . .		✓
<b>3</b> At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to a related person as defined in sections 267(b) and 707(b)(1)? . . . . .		✓
<b>4</b> At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related person as defined in sections 267(b) and 707(b)(1)? . . . . .		✓
<b>5</b> At any time during the tax year, did the partnership make any change in accounting principle for financial accounting purposes? See instructions for a definition of change in accounting principle . . . . .		✓
<b>6</b> At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income tax purposes? . . . . .		✓

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49945S

Schedule C (Form 1065) (Rev. 12-2014)

**SCHEDULE D  
(Form 1065)**

**Capital Gains and Losses**

OMB No. 1545-0123

**2019**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1065 or Form 8865.**  
▶ **Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.**  
▶ **Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.**

Name of partnership: **EASTLAND QUARRIES** Employer identification number: **00-2000003**

Did the partnership dispose of any investment(s) in a qualified opportunity fund during the tax year?  Yes  No  
If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

**Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less** (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b . . . . .				
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked . . . . .	5,000	2,700		2,300
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked . . . . .				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked . . . . .				
<b>4</b> Short-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .				<b>4</b>
<b>5</b> Short-term capital gain or (loss) from like-kind exchanges from Form 8824 . . . . .				<b>5</b>
<b>6</b> Partnership's share of net short-term capital gain (loss), including specially allocated short-term capital gains (losses), from other partnerships, estates, and trusts . . . . .				<b>6</b>
<b>7 Net short-term capital gain or (loss).</b> Combine lines 1a through 6 in column (h). Enter here and on Form 1065, Schedule K, line 8 or 11; or Form 8865, Schedule K, line 8 or 11 . . . . .				<b>7</b> 2,300

**Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year** (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>8a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b . . . . .				
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked . . . . .	7,500	10,000		(2,500)
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked . . . . .				
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked . . . . .				
<b>11</b> Long-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .				<b>11</b>
<b>12</b> Long-term capital gain or (loss) from like-kind exchanges from Form 8824 . . . . .				<b>12</b>
<b>13</b> Partnership's share of net long-term capital gain (loss), including specially allocated long-term capital gains (losses), from other partnerships, estates, and trusts . . . . .				<b>13</b>
<b>14</b> Capital gain distributions (see instructions) . . . . .				<b>14</b>
<b>15 Net long-term capital gain or (loss).</b> Combine lines 8a through 14 in column (h). Enter here and on Form 1065, Schedule K, line 9a or 11; or Form 8865, Schedule K, line 9a or 11 . . . . .				<b>15</b> (2,500)

**Schedule K-1  
 (Form 1065)**

**2019**

Department of the Treasury  
 Internal Revenue Service

For calendar year 2019, or tax year

beginning 01 / 01 / 2019 ending 12 / 31 / 2019

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

▶ See back of form and separate instructions.

Final K-1  Amended K-1

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

<b>1</b>	Ordinary business income (loss)	<b>15</b>	Credits
	735,064		
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)	<b>16</b>	Foreign transactions
<b>4a</b>	Guaranteed payments for services		
<b>4b</b>	Guaranteed payments for capital		
<b>4c</b>	Total guaranteed payments		
<b>5</b>	Interest income		
	7,824		
<b>6a</b>	Ordinary dividends		
<b>6b</b>	Qualified dividends		
<b>6c</b>	Dividend equivalents	<b>17</b>	Alternative minimum tax (AMT) items
			A (109,684)
<b>7</b>	Royalties		B (8,592) C 340,881
<b>8</b>	Net short-term capital gain (loss)		F (12,156)
	1,265		
<b>9a</b>	Net long-term capital gain (loss)	<b>18</b>	Tax-exempt income and nondeductible expenses
	(1,375)		
<b>9b</b>	Collectibles (28%) gain (loss)		
<b>9c</b>	Unrecaptured section 1250 gain		
<b>10</b>	Net section 1231 gain (loss)		
	(31,075)		
<b>11</b>	Other income (loss)	<b>19</b>	Distributions
<b>12</b>	Section 179 deduction		
<b>13</b>	Other deductions		
	A 1,650		
<b>14</b>	Self-employment earnings (loss)		
	A 739,523		
	C 739,523		
<b>21</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>22</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		
*See attached statement for additional information.			

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
 00-2000003

**B** Partnership's name, address, city, state, and ZIP code  
 EASTLAND QUARRIES  
 2313 JACKSON AVE  
 PORTLAND OR 97208

**C** IRS Center where partnership filed return ▶ OGDEN

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

**Part II Information About the Partner**

**E** Partner's identifying number (Do not use TIN of a disregarded entity. See instructions.)  
 000-30-0003

**F** Partner's name, address, city, state, and ZIP code  
 JONATHAN TEAK  
 48 ADAMS AVE  
 PORTLAND OR 97208

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

**H**  Domestic partner  Foreign partner  
 Disregarded entity:  
 Name of beneficial owner \_\_\_\_\_

**I1** What type of entity is this partner? INDIVIDUAL

**I2** If this 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	55 %	55 %
Loss	55 %	55 %
Capital	55 %	55 %

Check if decrease is due to sale or exchange of partnership interest

**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse . . . \$		\$
Qualified nonrecourse financing . . . \$		\$ 2,500,000
Recourse . . . \$		\$

Check this box if Item K includes liability amounts from lower tier partnerships.

**L** **Partner's Capital Account Analysis**

	Tax Basis Capital
<b>Beginning capital account</b> . . . \$	12,005,484
Capital contributed during the year . . . \$	
Current year net income (loss) . . . \$	
Other increase (decrease) (attach explanation) \$	1,825,455
Withdrawals & distributions . . . \$ (	1,045,000)
<b>Ending capital account</b> . . . \$	12,785,939

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

**N** **Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning . . . . . \$	
Ending . . . . . \$	

For IRS Use Only

Final K-1  Amended K-1

**Schedule K-1  
 (Form 1065)**

**2019**

Department of the Treasury  
 Internal Revenue Service

For calendar year 2019, or tax year

beginning 01 / 01 / 2019 ending 12 / 31 / 2019

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

▶ See back of form and separate instructions.

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
 00-2000003

**B** Partnership's name, address, city, state, and ZIP code  
 EASTLAND QUARRIES  
 2313 JACKSON AVE  
 PORTLAND OR 97208

**C** IRS Center where partnership filed return ▶ OGDEN

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

**Part II Information About the Partner**

**E** Partner's identifying number (Do not use TIN of a disregarded entity. See instructions.)  
 000-30-0001

**F** Partner's name, address, city, state, and ZIP code  
 PETER TEAK  
 34 WASHINGTON AVE  
 PORTLAND OR 97208

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

**H**  Domestic partner  Foreign partner  
 Disregarded entity:  
 Name of beneficial owner \_\_\_\_\_

**I1** What type of entity is this partner? INDIVIDUAL

**I2** If this 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	45 %	0 %
Loss	45 %	0 %
Capital	45 %	0 %

Check if decrease is due to sale or exchange of partnership interest

**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$	\$

Check this box if Item K includes liability amounts from lower tier partnerships.

**L Partner's Capital Account Analysis**

	Tax Basis Capital
Beginning capital account	\$ 9,822,670
Capital contributed during the year	\$
Current year net income (loss)	\$
Other increase (decrease) (attach explanation)	\$ 746,777
Withdrawals & distributions	\$ ( )
Ending capital account	\$ 10,569,447

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

<b>1</b>	Ordinary business income (loss)	<b>15</b>	Credits
	601,416		
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)	<b>16</b>	Foreign transactions
<b>4a</b>	Guaranteed payments for services		
<b>4b</b>	Guaranteed payments for capital		
<b>4c</b>	Total guaranteed payments		
<b>5</b>	Interest income		
	6,401		
<b>6a</b>	Ordinary dividends		
<b>6b</b>	Qualified dividends		
<b>6c</b>	Dividend equivalents	<b>17</b>	Alternative minimum tax (AMT) items
			A (89,742)
<b>7</b>	Royalties		B (7,030) C 278,902
<b>8</b>	Net short-term capital gain (loss)		F (9,945)
	1,035		
<b>9a</b>	Net long-term capital gain (loss)	<b>18</b>	Tax-exempt income and nondeductible expenses
	(1,125)		
<b>9b</b>	Collectibles (28%) gain (loss)		
<b>9c</b>	Unrecaptured section 1250 gain		
<b>10</b>	Net section 1231 gain (loss)		
	(25,425)		
<b>11</b>	Other income (loss)	<b>19</b>	Distributions
<b>12</b>	Section 179 deduction		
			A 3,201
<b>13</b>	Other deductions		
	A 1,350		
<b>14</b>	Self-employment earnings (loss)		
<b>21</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>22</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		
*See attached statement for additional information.			

For IRS Use Only

Final K-1  Amended K-1

**Schedule K-1  
(Form 1065)**

**2019**

Department of the Treasury  
Internal Revenue Service

For calendar year 2019, or tax year

beginning 01 / 01 / 2019 ending 12 / 31 / 2019

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

▶ See back of form and separate instructions.

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

<b>1</b>	Ordinary business income (loss)	<b>15</b>	Credits
	601,416		
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)	<b>16</b>	Foreign transactions
<b>4a</b>	Guaranteed payments for services		
<b>4b</b>	Guaranteed payments for capital		
<b>4c</b>	Total guaranteed payments		
<b>5</b>	Interest income		
	6,401		
<b>6a</b>	Ordinary dividends		
<b>6b</b>	Qualified dividends		
<b>6c</b>	Dividend equivalents	<b>17</b>	Alternative minimum tax (AMT) items
			A (89,742)
<b>7</b>	Royalties		B (7,030) C 278,902
<b>8</b>	Net short-term capital gain (loss)		F (9,945)
	1,035		
<b>9a</b>	Net long-term capital gain (loss)	<b>18</b>	Tax-exempt income and nondeductible expenses
	(1,125)		
<b>9b</b>	Collectibles (28%) gain (loss)		
<b>9c</b>	Unrecaptured section 1250 gain		
<b>10</b>	Net section 1231 gain (loss)		
	(25,425)		
<b>11</b>	Other income (loss)		
<b>12</b>	Section 179 deduction		
			A 3,201
<b>13</b>	Other deductions		
	A 1,350		
<b>14</b>	Self-employment earnings (loss)		
<b>21</b>	<input type="checkbox"/> More than one activity for at-risk purposes*		
<b>22</b>	<input type="checkbox"/> More than one activity for passive activity purposes*		

\*See attached statement for additional information.  
For IRS Use Only

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
00-2000003

**B** Partnership's name, address, city, state, and ZIP code  
EASTLAND QUARRIES  
2313 JACKSON AVE  
PORTLAND OR 97208

**C** IRS Center where partnership filed return ▶ OGDEN

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

**Part II Information About the Partner**

**E** Partner's identifying number (Do not use TIN of a disregarded entity. See instructions.)  
000-00-0002

**F** Partner's name, address, city, state, and ZIP code  
JOSEPH SPRUCE  
5421 NORTH 2100 SOUTH  
PORTLAND OR 97208

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

**H**  Domestic partner  Foreign partner  
 Disregarded entity:  
Name of beneficial owner \_\_\_\_\_

**I1** What type of entity is this partner? INDIVIDUAL

**I2** If this 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	0 %	45 %
Loss	0 %	45 %
Capital	0 %	45 %

Check if decrease is due to sale or exchange of partnership interest . . .

**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse . . . \$		\$
Qualified nonrecourse financing . . . \$		\$
Recourse . . . \$		\$

Check this box if Item K includes liability amounts from lower tier partnerships.

**L** **Partner's Capital Account Analysis**

	Tax Basis Capital
<b>Beginning capital account</b> . . . \$	
Capital contributed during the year . . . \$	
Current year net income (loss) . . . \$	
Other increase (decrease) (attach explanation) \$	746,777
Withdrawals & distributions . . . \$ (	855,000)
<b>Ending capital account</b> . . . \$	(108,223)

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

**N** **Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning . . . . . \$	
Ending . . . . . \$	

**SCHEDULE M-3  
(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Net Income (Loss) Reconciliation  
for Certain Partnerships**

▶ Attach to Form 1065.

▶ Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

OMB No. 1545-0123

**2019**

Name of partnership <b>EASTLAND QUARRIES</b>	Employer identification number 00-2000003
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**This Schedule M-3 is being filed because (check all that apply):**

- A**  The amount of the partnership's total assets at the end of the tax year is equal to \$10 million or more.
- B**  The amount of the partnership's adjusted total assets for the tax year is equal to \$10 million or more. If box B is checked, enter the amount of adjusted total assets for the tax year 28,019,810.
- C**  The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year \_\_\_\_\_.
- D**  An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50% or more in the partnership's capital, profit, or loss on any day during the tax year of the partnership.

Name of Reportable Entity Partner	Identifying Number	Maximum Percentage Owned or Deemed Owned

**E**  Voluntary Filer.

**Part I Financial Information and Net Income (Loss) Reconciliation**

- 1a** Did the partnership file SEC Form 10-K for its income statement period ending with or within this tax year?
  - Yes.** Skip lines 1b and 1c and complete lines 2 through 11 with respect to that SEC Form 10-K.
  - No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the partnership prepare a certified audited non-tax-basis income statement for that period?
  - Yes.** Skip line 1c and complete lines 2 through 11 with respect to that income statement.
  - No.** Go to line 1c.
- c** Did the partnership prepare a non-tax-basis income statement for that period?
  - Yes.** Complete lines 2 through 11 with respect to that income statement.
  - No.** Skip lines 2 through 3b and enter the partnership's net income (loss) per its books and records on line 4a.
- 2** Enter the income statement period: Beginning 01 / 01 / 2019 Ending 12 / 31 / 2019
- 3a** Has the partnership's income statement been restated for the income statement period on line 2?
  - Yes.** (If "Yes," attach a statement and the amount of each item restated.)
  - No.**
- b** Has the partnership's income statement been restated for any of the five income statement periods immediately preceding the period on line 2?
  - Yes.** (If "Yes," attach a statement and the amount of each item restated.)
  - No.**

<b>4a</b> Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 . . . . .	<b>4a</b>	3,319,009
<b>b</b> Indicate accounting standard used for line 4a (see instructions). <b>1</b> <input checked="" type="checkbox"/> GAAP <b>2</b> <input type="checkbox"/> IFRS <b>3</b> <input type="checkbox"/> Section 704(b) <b>4</b> <input type="checkbox"/> Tax-basis <b>5</b> <input type="checkbox"/> Other (Specify) ▶ _____		
<b>5a</b> Net income from nonincludible foreign entities (attach statement) . . . . .	<b>5a</b>	( )
<b>b</b> Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) . . . . .	<b>5b</b>	
<b>6a</b> Net income from nonincludible U.S. entities (attach statement) . . . . .	<b>6a</b>	( )
<b>b</b> Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount) . . . . .	<b>6b</b>	
<b>7a</b> Net income (loss) of other foreign disregarded entities (attach statement) . . . . .	<b>7a</b>	
<b>b</b> Net income (loss) of other U.S. disregarded entities (attach statement) . . . . .	<b>7b</b>	
<b>8</b> Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement) . . . . .	<b>8</b>	
<b>9</b> Adjustment to reconcile income statement period to tax year (attach statement) . . . . .	<b>9</b>	
<b>10</b> Other adjustments to reconcile to amount on line 11 (attach statement) . . . . .	<b>10</b>	
<b>11</b> <b>Net income (loss) per income statement of the partnership.</b> Combine lines 4a through 10 . . . . .	<b>11</b>	3,319,009

**Note:** Part I, line 11, must equal Part II, line 26, column (a), or Schedule M-1, line 1. See instructions.

**12** Enter the total amount (not just the partnership's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
<b>a</b> Included on Part I, line 4	28,234,548	4,987,385
<b>b</b> Removed on Part I, line 5		
<b>c</b> Removed on Part I, line 6		
<b>d</b> Included on Part I, line 7		

Name of partnership  
EASTLAND QUARRIES

Employer identification number  
00-2000003

**Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return**

Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
Attach statements for lines 1 through 10.				
<b>1</b> Income (loss) from equity method foreign corporations				
<b>2</b> Gross foreign dividends not previously taxed . . . . .				
<b>3</b> Subpart F, QEF, and similar income inclusions . . . . .				
<b>4</b> Gross foreign distributions previously taxed . . . . .				
<b>5</b> Income (loss) from equity method U.S. corporations				
<b>6</b> U.S. dividends . . . . .				
<b>7</b> Income (loss) from U.S. partnerships . . . . .				
<b>8</b> Income (loss) from foreign partnerships . . . . .				
<b>9</b> Income (loss) from other pass-through entities . . . . .				
<b>10</b> Items relating to reportable transactions . . . . .				
<b>11</b> Interest income (see instructions) . . . . .				
<b>12</b> Total accrual to cash adjustment . . . . .				
<b>13</b> Hedging transactions . . . . .				
<b>14</b> Mark-to-market income (loss) . . . . .				
<b>15</b> Cost of goods sold (see instructions) . . . . .	( )			( )
<b>16</b> Sale versus lease (for sellers and/or lessors) . . . . .				
<b>17</b> Section 481(a) adjustments . . . . .				
<b>18</b> Unearned/deferred revenue . . . . .				
<b>19</b> Income recognition from long-term contracts . . . . .				
<b>20</b> Original issue discount and other imputed interest . . . . .				
<b>21a</b> Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities . . . . .	37,200			
<b>b</b> Gross capital gains from Schedule D, excluding amounts from pass-through entities . . . . .				2,300
<b>c</b> Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .				(2,500)
<b>d</b> Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .				37,400
<b>e</b> Abandonment losses . . . . .				
<b>f</b> Worthless stock losses (attach statement) . . . . .				
<b>g</b> Other gain/loss on disposition of assets other than inventory . . . . .				
<b>22</b> Other income (loss) items with differences (attach statement)				
<b>23 Total income (loss) items.</b> Combine lines 1 through 22 . . . . .	37,200			
<b>24 Total expense/deduction items.</b> (From Part III, line 31) (see instructions) . . . . .	(88,989)	(1,994,529)	12,000	2,047,518
<b>25</b> Other items with no differences . . . . .	3,370,798			3,325,323
<b>26 Reconciliation totals.</b> Combine lines 23 through 25	3,319,009	(1,994,529)	12,000	1,291,005

**Note:** Line 26, column (a), must equal Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Name of partnership  
EASTLAND QUARRIES

Employer identification number  
00-2000003

**Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return—Expense/Deduction Items**

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 State and local current income tax expense . . . . .				
2 State and local deferred income tax expense . . . . .				
3 Foreign current income tax expense (other than foreign withholding taxes) . . . . .				
4 Foreign deferred income tax expense . . . . .				
5 Equity-based compensation . . . . .				
6 Meals and entertainment . . . . .	24,000		(12,000)	(12,000)
7 Fines and penalties . . . . .				
8 Judgments, damages, awards, and similar costs . . . . .				
9 Guaranteed payments . . . . .				
10 Pension and profit-sharing . . . . .				
11 Other post-retirement benefits . . . . .				
12 Deferred compensation . . . . .				
13 Charitable contribution of cash and tangible property . . . . .				
14 Charitable contribution of intangible property . . . . .				
15 Organizational expenses as per Regulations section 1.709-2(a) . . . . .				
16 Syndication expenses as per Regulations section 1.709-2(b) . . . . .				
17 Current year acquisition/reorganization investment banking fees . . . . .				
18 Current year acquisition/reorganization legal and accounting fees . . . . .				
19 Amortization/impairment of goodwill . . . . .				
20 Amortization of acquisition, reorganization, and start-up costs . . . . .				
21 Other amortization or impairment write-offs . . . . .				
22 Reserved . . . . .				
23a Depletion—Oil & Gas . . . . .				
b Depletion—Other than Oil & Gas . . . . .		506,885		506,885
24 Intangible drilling & development costs . . . . .				
25 Depreciation . . . . .	64,989	1,487,644		1,552,633
26 Bad debt expense . . . . .				
27 Interest expense (see instructions) . . . . .				
28 Purchase versus lease (for purchasers and/or lessees) . . . . .				
29 Research and development costs . . . . .				
30 Other expense/deduction items with differences (attach statement) . . . . .				
31 <b>Total expense/deduction items.</b> Combine lines 1 through 30. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive . . . . .	88,989	1,994,529	(12,000)	2,071,518

Form **4562**

**Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No. 1545-0172

**2019**

Attachment Sequence No. **179**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Go to [www.irs.gov/Form4562](http://www.irs.gov/Form4562) for instructions and the latest information.

Name(s) shown on return EASTLAND QUARRIES	Business or activity to which this form relates QUARRIES	Identifying number 00-2000003
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**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1
2	Total cost of section 179 property placed in service (see instructions)	2
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5
6	(a) Description of property	(b) Cost (business use only)
		(c) Elected cost
7	Listed property. Enter the amount from line 29	7
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction. Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from line 13 of your 2018 Form 4562	10
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12
13	Carryover of disallowed deduction to 2020. Add lines 9 and 10, less line 12	▶ 13

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	182,157
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Don't include listed property. See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2019	17	1,300,700
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2019 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		55,260	5	HY	200 DB	11,052
c 7-year property		322,560	7	HY	200 DB	46,094
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C—Assets Placed in Service During 2019 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	12,630
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	1,552,633
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 12906N

Form **4562** (2019)

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

**24a** Do you have evidence to support the business/investment use claimed?  Yes  No **24b** If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions . . . . .							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
2018 ENVOY	02/17/18	100 %	42,600	42,600	5	200 DB/HY	8,520	
2018 HONDA CIV	01/01/18	100 %	20,550	20,550	5	200 DB/HY	4,110	
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 . . . . .							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . . .								<b>29</b>

**Section B—Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No										
<b>30</b> Total business/investment miles driven during the year ( <b>don't</b> include commuting miles) . . . . .												
<b>31</b> Total commuting miles driven during the year . . . . .												
<b>32</b> Total other personal (noncommuting) miles driven . . . . .												
<b>33</b> Total miles driven during the year. Add lines 30 through 32 . . . . .												
<b>34</b> Was the vehicle available for personal use during off-duty hours? . . . . .												
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . . .												
<b>36</b> Is another vehicle available for personal use?												

**Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons. See instructions.

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .	✓	
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .	✓	
<b>39</b> Do you treat all use of vehicles by employees as personal use? . . . . .		✓
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .	✓	
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? See instructions. . . . .		✓

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
<b>42</b> Amortization of costs that begins during your 2019 tax year (see instructions):						
DEVELOPMENT	06/30/18	104,106	291	10	10,121	
<b>43</b> Amortization of costs that began before your 2019 tax year . . . . .					<b>43</b>	431,513
<b>44</b> Total. Add amounts in column (f). See the instructions for where to report . . . . .					<b>44</b>	441,634

Form **4797**

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

OMB No. 1545-0184

**2019**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to your tax return.**

▶ **Go to [www.irs.gov/Form4797](http://www.irs.gov/Form4797) for instructions and the latest information.**

Attachment  
Sequence No. **27**

Name(s) shown on return: **EASTLAND QUARRIES** Identifying number: **00-2000003**

**1** Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions . . . . . **1**

**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)
	STONE CRUSHER	01/01/2012	06/30/2019	162,372	37,128	260,000	(60,500)

**3** Gain, if any, from Form 4684, line 39 . . . . . **3**

**4** Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . . **4**

**5** Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . . **5**

**6** Gain, if any, from line 32, from other than casualty or theft . . . . . **6** 4,000

**7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows . . . . . **7** (56,500)

**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.

**8** Nonrecaptured net section 1231 losses from prior years. See instructions . . . . . **8**

**9** 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 . . . . . **9**

**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):


**11** Loss, if any, from line 7 . . . . . **11** ( )

**12** Gain, if any, from line 7 or amount from line 8, if applicable . . . . . **12**

**13** Gain, if any, from line 31 . . . . . **13** 37,400

**14** Net gain or (loss) from Form 4684, lines 31 and 38a . . . . . **14**

**15** Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . . **15**

**16** Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . . **16**

**17** Combine lines 10 through 16 . . . . . **17** 37,400

**18** 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.

**a** 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 or Form 1040-SR), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions . . . . . **18a**

**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 or Form 1040-SR), Part I, line 4 . . . . . **18b**

**For Paperwork Reduction Act Notice, see separate instructions.**

Cat. No. 13086I

Form **4797** (2019)

**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.)		
A				
B				
C				
D				
	<b>Property A</b>	<b>Property B</b>	<b>Property C</b>	<b>Property D</b>
<b>These columns relate to the properties on lines 19A through 19D. ▶</b>				
20 Gross sales price (Note: See line 1 before completing.) . . . . .	20	70,000	13,000	
21 Cost or other basis plus expense of sale . . . . .	21	82,000	9,000	
22 Depreciation (or depletion) allowed or allowable. . . . .	22	44,000	5,400	
23 Adjusted basis. Subtract line 22 from line 21. . . . .	23	38,000	3,600	
24 Total gain. Subtract line 23 from line 20 . . . . .	24	32,000	9,400	
<b>25 If section 1245 property:</b>				
a Depreciation allowed or allowable from line 22 . . . . .	25a	44,000	5,400	
b Enter the <b>smaller</b> of line 24 or 25a. . . . .	25b	32,000	5,400	
<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	41,400
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	37,400
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	4,000

**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	

Form **8308**  
(Rev. September 2018)  
Department of the Treasury  
Internal Revenue Service

## Report of a Sale or Exchange of Certain Partnership Interests

OMB No. 1545-0123

▶ Go to [www.irs.gov/Form8308](http://www.irs.gov/Form8308) for the latest information.

Name of partnership <b>EASTLAND QUARRIES</b>	Phone number <b>555-555-5555</b>	Employer identification number <b>00-2000003</b>
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Number, street, and room or suite no. If a P.O. box, see instructions.

**2313 JACKSON AVE**

City or town, state or province, country, and ZIP or foreign postal code

**PORTLAND OR 97208**

### Part I Transferor Information (Beneficial owner of the partnership interest immediately before the transfer of that interest)

Name <b>PETER TEAK</b>	Identifying number <b>000-30-0001</b>
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Number and street (including apt. no.)

**34 WASHINGTON AVE**

City or town, state or province, country, and ZIP or foreign postal code

**PORTLAND OR 97208**

**Notice to Transferors:** The information on this form has been supplied to the Internal Revenue Service. The transferor in a section 751(a) exchange is required to treat a portion of the gain realized from the exchange as ordinary income. For more details, see Pub. 541, Partnerships.

**Statement by Transferor:** The transferor in a section 751(a) exchange is required under Regulations section 1.751-1(a)(3) to attach a statement relating to the sale or exchange to his or her return. See Instructions to Transferors for more details.

### Part II Transferee Information (Beneficial owner of the partnership interest immediately after the transfer of that interest)

Name <b>JOSEPH SPRUCE</b>	Identifying number <b>000-00-0002</b>
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Number and street (including apt. no.)

**5421 NORTH 2100 SOUTH**

City or town, state or province, country, and ZIP or foreign postal code

**PORTLAND OR 97208**

### Part III Date of Sale or Exchange of Partnership Interest ▶ 07 / 01 / 2019

**Sign here only if you  
are filing this form by  
itself and not with Form  
1065**

Under penalties of perjury, I declare that I have examined this return, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete.

▶ Signature of partnership representative or partner or limited liability company member

▶ 03 / 15 / 2020  
Date

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of form.** Form 8308 is filed by a partnership to report the sale or exchange by a partner of all or part of a partnership interest where any money or other property received in exchange for the interest is attributable to unrealized receivables or inventory items (that is, where there has been a section 751(a) exchange).

**Who must file.** A partnership must file a separate Form 8308 for each section 751(a) exchange of an interest in such partnership. See Regulations section 1.6050K-1.

**Note:** Form 8308 does not have to be filed if, under section 6045, Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, is required to be filed with respect to the sale or exchange.

A partnership must file Form 8308 once the partnership has notice of the section 751(a) exchange. The partnership has such notice when either:

1. The partnership receives written notification of the exchange from the transferor that includes the names and addresses of both parties to the exchange, the identifying numbers of the transferor and (if known) of the transferee, and the date of the exchange; or

2. The partnership has knowledge that there has been a transfer of a partnership interest and, at the time of the transfer, the partnership had any unrealized receivables or inventory items.

No returns or statements are required under section 6050K if the transfer was not a section 751(a) exchange. For example, a transfer which in its entirety constitutes a gift for federal income tax purposes is not a section 751(a) exchange.

A partnership may rely on a written statement from the transferor that the transfer was not a section 751(a) exchange unless the partnership has knowledge to the contrary. If a partnership is in doubt whether partnership property constitutes unrealized receivables or inventory items or whether a transfer constitutes a section 751(a) exchange, the partnership may file Form 8308 to avoid the risk of incurring a penalty for failure to file.

**When to file.** Generally, file Form 8308 as an attachment to Form 1065 for the tax year of the partnership that includes the last day of the calendar year in which the section 751(a) exchange took place. Form 8308 is due at the time for filing the partnership return, including extensions.

If, however, a partnership is notified of a section 751(a) exchange after it has filed its partnership return, file Form 8308 separately, within 30 days of notification, with the service center where Form 1065 was filed.

**Copies of Form 8308 to be furnished to transferor and transferee.** All partnerships required to file Form 8308 must furnish a copy of the form to each transferor and transferee by January 31 of the year following the calendar year in which the section 751(a) exchange occurred or, if later, 30 days after the partnership has notice of the exchange.

If the partnership does not know the identity of the beneficial owner of an interest in the partnership, the record holder of the interest is treated as the transferor or transferee.



