

For Taxpayer filing Form 510 and Using the Distributable Cash Flow Limitation

DISTRIBUTABLE CASH FLOW LIMITATION WORKSHEET

(Complete this worksheet only if using the distributable cash flow limitation.)

- A. Total distributive or pro rata share of income. See instructions.
- B. Cash receipts for the tax year that are not includable in the gross income of the PTE including capital contributions and loan proceeds
- C. Amounts allowable to the PTE for the tax year as deductions for depreciation, amortization and depletion .
- D. The decrease, if any, in the PTE's liability reserve as of the end of the tax year.
- E. Total (Add lines A through D).
- F. Cash expenditures for the tax year that are not deductible in computing the taxable income of the PTE. Do not include distributions to members
- G. The increase, if any, in the PTE's liability reserve as of the end of the tax year
- H. Total distributable cash flow (Add lines F and G, and subtract the total from line E).
- I. Total percentage of ownership (or profit/loss sharing if applicable) by nonresident members
- J. Distributable cash flow (Multiply line H by line I)
- K. Nonresident tax previously paid
- L. Distributable cash flow limitation (Subtract line K from line J. If less than 0, enter 0)

WORKSHEET INSTRUCTIONS

Line A - Enter amount from Form 510, line 2 (adjusted, in the case of a PTE using the accrual method of accounting to report federal taxable income, to reflect the amount of taxable income that would have been reported under the cash method of accounting).

Line B - Enter any cash receipts received by the PTE that were not included in gross income including capital contributions and loan proceeds.

Line C - Enter the allowable depreciation, amortization and/or depletion used as a deduction from federal taxable income.

Line D - If the PTE has established a liability reserve, enter the amount that represents the decrease, if any, in this reserve account. Liability reserve means accrued unpaid liabilities that are not deductible in computing taxable income.

Line E - Add lines A through D and enter total.

Line F - Enter any cash expenditures that are not deducted when computing taxable income for the PTE. Items such as distributions to members are not included in this amount.

Line G - If the PTE has established a liability reserve, enter the amount that represents the increase, if any, in this reserve account. Liability reserve means accrued unpaid liabilities that are not deductible in computing taxable income.

Line H - Add lines F and G and subtract the total from line E. This is the total distributable cash flow for the year.

Line I - Enter the sum of the percentages from Form 510, lines 5 and 10.

Line J - Multiply line H by line I. This is the portion of distributable cash flow for nonresident members.

Line K - Enter all nonresident estimated tax paid with Forms 510D, 510DP or 510E.

Line L - Subtract line K from line J. This is the distributable cash flow limitation for the PTE. If this amount is less than 0, enter 0.