

PS BUSINESS PARKS INC/CA  
Form 8-K  
January 27, 2006

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 8-K**

**Current Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) January 20, 2006

**PS BUSINESS PARKS, INC.**

(Exact name of registrant as specified in its charter)

California  
(State or Other Jurisdiction  
of Incorporation)

1-10709  
(Commission File  
Number)

95-4300881  
(I.R.S. Employer Identification  
Number)

**701 Western Avenue, Glendale, California 91201-2397**

(Address of principal executive offices ) (Zip Code)

Registrant's telephone number, including area code: **(818) 244-8080**

**N/A**

(Former name or former address, if changed since last report)

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01. Regulation FD Disclosure**

On January 20, 2006, the Company announced the tax treatment of the 2005 dividends. The information in this Form 8-K (including Exhibit 99.1) shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act ) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act

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of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

The following exhibit relating to Item 7.01 shall be deemed to be furnished, and not filed:

99.1 Press release dated January 20, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PS BUSINESS PARKS, INC.

Date: January 20, 2006

By: /s/ Edward A. Stokx  
Edward A. Stokx  
Chief Financial Officer

News Release

PS Business Parks, Inc.  
701 Western Avenue  
Glendale, CA 91201-2349  
www.psbusinessparks.com

For Release: Immediately  
Date: January 20, 2006  
Contact: Mr. Edward A. Stokx (818) 244-8080, Ext. 649

PS Business Parks, Inc. Announces Tax Treatment of 2005 Dividends

GLENDAL, California PS Business Parks, Inc. (AMEX:PSB) announced today the tax treatment of the Company's 2005 dividends. For the tax year ended December 31, 2005, distributions for the common stock and all the various series of preferred stocks were classified as follows:

	2005			
	1st Quarter	2nd Quarter	3rd Quarter	4th Qu
Ordinary Income	81.6373%	100.0000%	99.2391%	100.0
Long-Term Capital Gain	18.3627%	0.0000%	0.7609%	0.0

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Total	100.00%	100.00%	100.00%	100.00%
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The ordinary income dividends do not constitute "qualified dividend income."

A percentage of the long-term capital gain is unrecaptured section 1250 gain for each quarter of 2005 as follows:

	2005 Percentage of Total Long-Term Capital Gain Distribu			
	1st Quarter	2nd Quarter	3rd Quarter	4th Q
Unrecaptured Section 1250 Gain	10.3685%	0.0000%	8.0541%	0.00

For corporate shareholders, a portion of the total long-term capital gain is required to be recaptured as ordinary income. For each quarter of 2005, the percentages are as follows:

	2005 Percentage of Total Long-Term Capital Gain Distribu			
	1st Quarter	2nd Quarter	3rd Quarter	4th Qua
IRC ss291 Recapture	2.0737%	0.0000%	1.6108%	0.00

**Alternative Minimum Tax**

Alternative minimum tax adjustments are to be apportioned between a real estate investment trust ( REIT ) and its shareholders under Internal Revenue Code Section 59(d). Although regulations have not yet been issued under that provision, based on regulations issued pursuant to a similar provision of prior law and the legislative history of the current provision, it appears that such alternative minimum tax adjustments are to be apportioned to a REIT s shareholders to the extent that the REIT distributes its regular taxable income. It is the Company s policy to distribute all of its regular taxable income and accordingly, all of the Company s alternative minimum tax adjustments are being apportioned to the Company s shareholders.

The Company has determined that 0.3941% of each distribution to its shareholders for the tax year ended December 31, 2005 consists of alternative minimum tax adjustments (i.e., for each \$1 of dividend reportable by a shareholder, 0.3941¢ represents an alternative minimum tax adjustment). To determine your share of the Company s alternative minimum tax adjustments, multiply the aggregate dollar amount of your reportable 2005 dividends from the Company (the sum of the amounts shown in Boxes 1a and 2a of the Company s 2005 Form 1099-DIV) times 0.3941%.

If you are an individual, please refer to Internal Revenue Service Form 6251, Alternative Minimum Tax Individuals. Your share of alternative minimum tax adjustments should be input as a positive amount in Part I, Line 17 (depreciation on assets placed in service after 1986). If you are a corporation, please refer to Internal Revenue Service Form 4626, Alternative Minimum Tax Corporations. Your share of alternative minimum tax adjustments should be input as a positive amount in Line 2, letter a (depreciation of post-1986 property).

If you have questions, please consult your tax advisor for further guidance.

**Company Information**

PSB is a self-advised and self-managed equity real estate investment trust that acquires, develops, owns and operates commercial properties, primarily flex, multi-tenant office and industrial space. The Company defines flex space as buildings that are configured with a combination of office and warehouse space and can be designed to fit a number of uses (including office, assembly, showroom, laboratory, light manufacturing and warehouse space). As of December 31, 2005, PSB wholly owned approximately 17.6 million net rentable square feet of commercial space with approximately 3,300 customers located in eight states, concentrated in California (5.4 million sq. ft.), Texas (2.9 million sq. ft.), Florida (3.2 million sq. ft.), Oregon (1.4 million sq. ft.), Virginia (2.8 million sq. ft.), Maryland (1.2 million sq. ft.), and Arizona (0.7 million sq. ft.).

Additional information about PS Business Parks, Inc. is available on the Internet. The Company's website is [www.psbusinessparks.com](http://www.psbusinessparks.com).