

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

▶ **Do not file this form unless the corporation has timely filed
Form 2553 to elect to be an S corporation.**

▶ **See separate instructions.****1996**

For calendar year 1996, or tax year beginning , 1996, and ending , 19

A Date of election as an S corporation	Use IRS label. Otherwise, please print or type.	Name	C Employer identification number
B Business code no. (see Specific Instructions)		Number, street, and room or suite no. (If a P.O. box, see page 9 of the instructions.)	D Date incorporated
		City or town, state, and ZIP code	E Total assets (see Specific Instructions) \$

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return**G** Check this box if this S corporation is subject to the consolidated audit procedures of sections 6241 through 6245 (see instructions before checking this box) . ▶ ☐**H** Enter number of shareholders in the corporation at end of the tax year ▶**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales		b Less returns and allowances		c Bal ▶	1c	
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	
	4 Net gain (loss) from Form 4797, Part II, line 20 (attach Form 4797)					4	
	5 Other income (loss) (attach schedule)					5	
	6 Total income (loss). Combine lines 3 through 5					6	
Deductions (see page 10 of the instructions for limitations)	7 Compensation of officers					7	
	8 Salaries and wages (less employment credits)					8	
	9 Repairs and maintenance					9	
	10 Bad debts					10	
	11 Rents					11	
	12 Taxes and licenses					12	
	13 Interest					13	
	14a Depreciation (if required, attach Form 4562)	14a			14c		
	b Depreciation claimed on Schedule A and elsewhere on return	14b					
	c Subtract line 14b from line 14a						
	15 Depletion (Do not deduct oil and gas depletion.)					15	
	16 Advertising					16	
	17 Pension, profit-sharing, etc., plans					17	
	18 Employee benefit programs					18	
19 Other deductions (attach schedule)					19		
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19					20		
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6					21		
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule)	22a			22c		
	b Tax from Schedule D (Form 1120S)	22b					
	c Add lines 22a and 22b (see page 13 of the instructions for additional taxes)						
	23 Payments: a 1996 estimated tax payments and amount applied from 1995 return	23a			23d		
	b Tax deposited with Form 7004	23b					
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c					
	d Add lines 23a through 23c				23d		
	24 Estimated tax penalty. Check if Form 2220 is attached					24	
	25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 3 of the instructions for depository method of payment					25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid					26	
27 Enter amount of line 26 you want: Credited to 1997 estimated tax ▶ Refunded ▶					27		

**Please
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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer	Date	Title
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**Paid
Preparer's
Use Only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security number
Firm's name (or yours if self-employed) and address	EIN	ZIP code	

Schedule A Cost of Goods Sold (see page 14 of the instructions)

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ▶

b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** | |

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list on page 24 of the instructions and state the corporation's principal: (a) Business activity ▶ (b) Product or service ▶		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.		
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		
5 At any time during calendar year 1996, did the corporation 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 page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 14 of the instructions for other forms the corporation may have to file		
7 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 14 of the instructions) ▶ \$		
10 Check this box if the corporation had subchapter C earnings and profits at the close of the tax year (see page 15 of the instructions) ▶ <input type="checkbox"/>		

Designation of Tax Matters Person (see page 15 of the instructions)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return:

Name of
designated TMP ▶Identifying
number of TMP ▶Address of
designated TMP ▶

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

	(a) Pro rata share items	(b) Total amount	
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 21)	1	
	2 Net income (loss) from rental real estate activities (<i>attach Form 8825</i>)	2	
	3a Gross income from other rental activities 3a		
	b Expenses from other rental activities (<i>attach schedule</i>). 3b		
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4 Portfolio income (loss):		
	a Interest income	4a	
	b Dividend income.	4b	
	c Royalty income	4c	
	d Net short-term capital gain (loss) (<i>attach Schedule D (Form 1120S)</i>)	4d	
	e Net long-term capital gain (loss) (<i>attach Schedule D (Form 1120S)</i>).	4e	
	f Other portfolio income (loss) (<i>attach schedule</i>)	4f	
5 Net gain (loss) under section 1231 (other than due to casualty or theft) (<i>attach Form 4797</i>)	5		
6 Other income (loss) (<i>attach schedule</i>)	6		
Deductions	7 Charitable contributions (<i>attach schedule</i>).	7	
	8 Section 179 expense deduction (<i>attach Form 4562</i>).	8	
	9 Deductions related to portfolio income (loss) (itemize)	9	
	10 Other deductions (<i>attach schedule</i>)	10	
Investment Interest	11a Interest expense on investment debts	11a	
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	
	(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a Credit for alcohol used as a fuel (<i>attach Form 6478</i>)	12a	
	b Low-income housing credit:		
	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990.	12b(2)	
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	12b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (<i>attach Form 3468</i>)	12c	
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities.	12e	
13 Other credits	13		
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (<i>attach schedule</i>)	14e	
Foreign Taxes	15a Type of income ►		
	b Name of foreign country or U.S. possession ►		
	c Total gross income from sources outside the United States (<i>attach schedule</i>)	15c	
	d Total applicable deductions and losses (<i>attach schedule</i>)	15d	
	e Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f Reduction in taxes available for credit (<i>attach schedule</i>)	15f	
	g Other foreign tax information (<i>attach schedule</i>)	15g	
Other	16 Section 59(e)(2) expenditures: a Type ►		
	b Amount	16b	
	17 Tax-exempt interest income	17	
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Total property distributions (including cash) other than dividends reported on line 22 below	20	
	21 Other items and amounts required to be reported separately to shareholders (<i>attach schedule</i>)		
	22 Total dividend distributions paid from accumulated earnings and profits	22	
	23 Income (loss) . (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b	23	

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (<i>attach schedule</i>)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (<i>attach schedule</i>)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (<i>attach schedule</i>)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (<i>attach schedule</i>)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (<i>attach schedule</i>)				
22	Capital stock				
23	Paid-in or capital surplus				
24	Retained earnings				
25	Less cost of treasury stock		()		()
26	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3		8	Income (loss) (Schedule K, line 23). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 22 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21		
3	Other additions		
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6		

