Form **1120S**

Department of the Treasury
Internal Revenue Service

# U.S. Income Tax Return for an S Corporation

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

**▶ See separate instructions.**

OMB No. 1545-0130

**2000**

For calendar year 2000, or tax year beginning , 2000, and ending , 20

| | | |
|---|---|---|
| **A** Effective date of election as an S corporation | **Use IRS label. Otherwise, print or type.** Name | **C Employer identification number** |
| **B** Business code no. (see pages 29–31) | Number, street, and room or suite no. (If a P.O. box, see page 11 of the instructions.) | **D** Date incorporated |
| | City or town, state, and ZIP code | **E** Total assets (see page 11) $ |

**F** Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return

**G** 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 page 11 of 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 18 *(attach Form 4797)* | | | **4** | |
| | **5** Other income (loss) *(attach schedule)* | | | **5** | |
| | **6** **Total income (loss).** Combine lines 3 through 5 ▶ | | | **6** | |
| **Deductions** (see page 12 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** | | | |
| | **b** Depreciation claimed on Schedule A and elsewhere on return | **14b** | | | |
| | **c** Subtract line 14b from line 14a | | | **14c** | |
| | **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** | | | |
| | **b** Tax from Schedule D (Form 1120S) | **22b** | | | |
| | **c** Add lines 22a and 22b (see page 15 of the instructions for additional taxes) | | | **22c** | |
| | **23** **Payments:** **a** 2000 estimated tax payments and amount applied from 1999 return | **23a** | | | |
| | **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 4 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 2001 estimated tax** ▶ | | **Refunded** ▶ | **27** | |

**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

**Paid Preparer's Use Only**

| | | | |
|---|---|---|---|
| Preparer's signature ▶ | Date | Check if self-employed ☐ | Preparer's SSN or PTIN |
| Firm's name (or yours if self-employed), address, and ZIP code ▶ | | EIN | |
| | | Phone no. ( ) | |

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

Cat. No. 11510H Form **1120S** (2000)

## Schedule A Cost of Goods Sold (see page 16 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) ☐ Cash (b) ☐ Accrual (c) ☐ Other (specify) ▶ | | |
| 2 | Refer to the list on pages 29 through 31 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 | Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter ▶ ☐ | | |
| 6 | Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ ☐ If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. | | |
| 7 | 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 17 of the instructions) ▶ $ | | |
| 8 | Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 18 of the instructions) ▶ ☐ | | |

Note: *If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach* ***Schedule N (Form 1120),*** *Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.*

## 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 *(attach Form 8825)* | | | 2 | |
| | 3a Gross income from other rental activities | 3a | | | |
| | b Expenses from other rental activities *(attach schedule)* | 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 Ordinary dividends | | | 4b | |
| | c Royalty income | | | 4c | |
| | d Net short-term capital gain (loss) *(attach Schedule D (Form 1120S))* | | | 4d | |
| | e Net long-term capital gain (loss) *(attach Schedule D (Form 1120S))*: | | | | |
| | (1) 28% rate gain (loss) ▶ (2) Total for year ▶ | | | 4e(2) | |
| | f Other portfolio income (loss) *(attach schedule)* | | | 4f | |
| | 5 Net section 1231 gain (loss) (other than due to casualty or theft) *(attach Form 4797)* | | | 5 | |
| | 6 Other income (loss) *(attach schedule)* | | | 6 | |

## Schedule K Shareholders' Shares of Income, Credits, Deductions, etc. (*continued*)

| | | (a) Pro rata share items | | (b) Total amount |
|---|---|---|---|---|
| Deductions | 7 | Charitable contributions *(attach schedule)* | 7 | |
| | 8 | Section 179 expense deduction *(attach Form 4562)* | 8 | |
| | 9 | Deductions related to portfolio income (loss) (itemize) | 9 | |
| | 10 | Other deductions *(attach schedule)* | 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 *(attach Form 6478)* | 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 *(attach Form 3468)* | 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 *(attach schedule)* | 14e | |
| Foreign Taxes | 15a | Name of foreign country or U.S. possession ▶ | | |
| | b | Gross income sourced at shareholder level | 15b | |
| | c | Foreign gross income sourced at corporate level: | | |
| | (1) | Passive | 15c(1) | |
| | (2) | Listed categories *(attach schedule)* | 15c(2) | |
| | (3) | General limitation | 15c(3) | |
| | d | Deductions allocated and apportioned at shareholder level: | | |
| | (1) | Interest expense | 15d(1) | |
| | (2) | Other | 15d(2) | |
| | e | Deductions allocated and apportioned at corporate level to foreign source income: | | |
| | (1) | Passive | 15e(1) | |
| | (2) | Listed categories *(attach schedule)* | 15e(2) | |
| | (3) | General limitation | 15e(3) | |
| | f | Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued | 15f | |
| | g | Reduction in taxes available for credit and gross income from all sources *(attach schedule)* | 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 *(attach schedule)* | | |
| | 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, 15f, 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 *(attach schedule)* | | | | |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments *(attach schedule)* | | | | |
| 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 *(attach schedule)* | | | | |
| 15 | Total assets | | | | |
| | Liabilities and Shareholders' Equity | | | | |
| 16 | Accounts payable | | | | |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 | Other current liabilities *(attach schedule)* | | | | |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 | Other liabilities *(attach schedule)* | | | | |
| 22 | Capital stock | | | | |
| 23 | Additional paid-in capital | | | | |
| 24 | Retained earnings | | | | |
| 25 | Adjustments to shareholders' equity *(attach schedule)* | | | | |
| 26 | Less cost of treasury stock | | ( ) | | ( ) |
| 27 | 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, 15f, and 16b (itemize): | | 6 | Deductions included on Schedule K, lines 1 through 11a, 15f, 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 27 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 | | | |