

Schedule A Cost of Goods Sold (see instructions)

If the intercompany pricing rules of section 994 are used, reflect **actual** purchases from a related supplier at the transfer price determined under such rules. See separate Schedule P (Form 1120-IC-DISC).

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

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach statement.) ▶ _____

b Check if there was a writedown of subnormal goods. ▶

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 amount of closing inventory computed under LIFO **9d** | _____

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between the opening and closing inventory? If "Yes," attach statement Yes No

Schedule B Gross Income (see instructions)

| (a) Type of receipts | Commission sales | | (d) Other receipts | (e) Total (add columns (c) and (d)) |
|--|--------------------|----------------|--------------------|-------------------------------------|
| | (b) Gross receipts | (c) Commission | | |
| 1 Qualified export receipts from sale of export property— | | | | |
| a To unrelated purchasers: | | | | |
| (i) Direct foreign sales | | | | |
| (ii) Foreign sales through a related foreign entity | | | | |
| (iii) Persons in the United States (other than an unrelated IC-DISC) | | | | |
| (iv) An unrelated IC-DISC | | | | |
| b To related purchasers: | | | | |
| (i) Direct foreign sales | | | | |
| (ii) Persons in the United States | | | | |
| c Total | | | | |
| 2 Other qualified export receipts: | | | | |
| a Leasing or renting of export property | | | | |
| b Services related and subsidiary to a qualified export sale or lease | | | | |
| c Engineering and architectural services | | | | |
| d Export management services | | | | |
| e Qualified dividends and inclusions (Schedule C, line 19a) | | | | |
| f Interest on producer's loans | | | | |
| g Other interest (attach statement) | | | | |
| h Capital gain net income. Attach Schedule D (Form 1120) | | | | |
| i Net gain or (loss) from Part II, Form 4797. Attach Form 4797 | | | | |
| j Other (attach statement) | | | | |
| k Total | | | | |
| 3 Nonqualified gross receipts: | | | | |
| a Ultimate use in United States | | | | |
| b Exports subsidized by the U.S. Government | | | | |
| c Certain direct or indirect sales or leases for use by the U.S. Government | | | | |
| d Sales to other IC-DISCs in the same controlled group | | | | |
| e Nonqualified dividends and inclusions (Schedule C, line 20a) | | | | |
| f Other (attach statement) | | | | |
| g Total | | | | |
| 4 Total. Add lines 1c, 2k, and 3g, column (e). Enter here and on line 1, page 1 | | | | |

Schedule C Dividends, Inclusions, and Special Deductions (see instructions)

| | (a) Dividends and inclusions | (b) % | (c) Special deductions (a) x (b) |
|---|------------------------------|------------------|----------------------------------|
| 1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) | | 50 | |
| 2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) | | 65 | |
| 3 Dividends on certain debt-financed stock of domestic and foreign corporations | | see instructions | |
| 4 Dividends on certain preferred stock of less-than-20%-owned public utilities | | 23.3 | |
| 5 Dividends on certain preferred stock of 20%-or-more-owned public utilities | | 26.7 | |
| 6 Dividends from less-than-20%-owned foreign corporations | | 50 | |
| 7 Dividends from 20%-or-more-owned foreign corporations | | 65 | |
| 8 Dividends from wholly owned foreign subsidiaries | | 100 | |
| 9 Subtotal. Add lines 1 through 8. See instructions for limitation | | see instructions | |
| 10 Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions) | | 100 | |
| 11 Dividends from foreign corporations not included on line 3, 6, 7, 8, or 10 (including any hybrid dividends) | | | |
| 12a Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions) | | 100 | |
| b Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions) | | | |
| c Other inclusions from CFCs under subpart F income not included on line 12a, 12b, 13, or 14 (attach Form(s) 5471) | | | |
| 13 Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992) | | | |
| 14 Section 965(a) inclusion | | see instructions | |
| 15 IC-DISC and former DISC dividends not included on line 1, 2, or 3 | | | |
| 16 Other dividends | | | |
| 17 Section 250 deduction (attach Form 8993) | | | |
| 18 Total dividends and inclusions. Add lines 9 through 16, column (a) | | | |
| 19 Qualified dividends. Enter here and on Schedule B, line 2e, column (d) | | | |
| 20 Nonqualified dividends and inclusions. Subtract line 19 from line 18. Enter here and on Schedule B, line 3e, column (d) | | | |
| 21 Total special deductions. Add lines 9, 10, 12(a), 14, and 17, column (c). Enter here and on page 1, line 6b | | | |

Schedule E Deductions (Before completing, see **Limitations on Deductions** in the instructions.)

| | | |
|---|-----------|--|
| 1 Export promotion expenses: | | |
| a Market studies | 1a | |
| b Advertising | 1b | |
| c Depreciation. Attach Form 4562 | 1c | |
| d Salaries and wages | 1d | |
| e Rents | 1e | |
| f Sales commissions | 1f | |
| g Warehousing | 1g | |
| h Freight (excluding insurance) | 1h | |
| i Compensation of officers | 1i | |
| j Repairs and maintenance | 1j | |
| k Pension, profit-sharing, etc., plans | 1k | |
| l Employee benefit programs | 1l | |
| m Other (list): _____ | 1m | |
| _____ | | |
| n Total. Add lines 1a through 1m | 1n | |

Schedule E Deductions (Before completing, see *Limitations on Deductions* in the instructions.) (continued)

| | | | |
|----------|--|-----------|--|
| 2 | Other expenses not deducted on line 1: | | |
| a | Bad debts | 2a | |
| b | Taxes and licenses | 2b | |
| c | Interest (see instructions) | 2c | |
| d | Contributions | 2d | |
| e | Freight | 2e | |
| f | Freight insurance | 2f | |
| g | Other (list): _____ | 2g | |
| h | Total. Add lines 2a through 2g | 2h | |
| 3 | Total deductions. Add lines 1n and 2h. Enter here and on line 4, page 1 | 3 | |

Schedule J Deemed and Actual Distributions and Deferred DISC Income for the Tax Year

Part I—Deemed Distributions Under Section 995(b)(1) (see instructions)

| | | | |
|--|--|------------|---|
| 1 | Gross interest derived during the tax year from producer's loans (section 995(b)(1)(A)) | 1 | |
| 2 | Gain recognized on the sale or exchange of section 995(b)(1)(B) property (attach statement) | 2 | |
| 3 | Gain recognized on the sale or exchange of section 995(b)(1)(C) property (attach statement) | 3 | |
| 4 | 50% (0.50) of taxable income attributable to military property (section 995(b)(1)(D)) (attach statement) | 4 | |
| 5 | Taxable income from line 7, Part II, below | 5 | |
| 6 | Taxable income of the IC-DISC (from line 7, page 1) | 6 | |
| 7 | Add lines 1 through 5 | 7 | |
| 8 | Subtract line 7 from line 6 | 8 | |
| 9 | If you have shareholders that are C corporations, enter one-seventeenth of line 8 (0.0588235 times line 8) | 9 | |
| 10 | International boycott income (see instructions) | 10 | |
| 11 | Illegal bribes and other payments | 11 | |
| Note: Separate computations for lines 12–23 are required for shareholders that are C corporations and shareholders that are not C corporations. Complete lines 12, 14, 15, 17a, 18, 20, and 22 for shareholders that are not C corporations. Complete lines 13, 14, 16, 17b, 19, 21, and 23 for shareholders that are C corporations. | | | |
| 12 | Add lines 7, 10, and 11 | 12 | |
| 13 | Add lines 7, 9, 10, and 11 | 13 | |
| 14 | Earnings and profits for the tax year (attach statement) | 14 | |
| 15 | Enter the smaller of line 12 or 14 | 15 | |
| 16 | Enter the smaller of line 13 or 14 | 16 | |
| 17 | Foreign investment attributable to producer's loans (attach statement): | | |
| a | For shareholders other than C corporations | 17a | |
| b | For shareholders that are C corporations | 17b | |
| 18 | Add lines 15 and 17a | 18 | |
| 19 | Add lines 16 and 17b | 19 | |
| 20 | Enter percentage of stock owned by shareholders other than C corporations | 20 | % |
| 21 | Enter percentage of stock owned by shareholders that are C corporations | 21 | % |
| 22 | Multiply line 18 by line 20. Allocate this amount to shareholders other than C corporations | 22 | |
| 23 | Multiply line 19 by line 21. Allocate this amount to C corporation shareholders. | 23 | |
| 24 | Total deemed distributions under section 995(b)(1) for all shareholders. Add lines 22 and 23 | 24 | |

Part II—Section 995(b)(1)(E) Taxable Income (see instructions)

| | | | |
|----------|--|----------|------------|
| 1 | Total qualified export receipts (see instructions) | 1 | |
| 2 | Statutory maximum | 2 | 10,000,000 |
| 3 | Controlled group member's portion of the statutory maximum | 3 | |
| 4 | Enter smaller of (a) 1 or (b) number of days in tax year divided by 365 (or 366). See instructions | 4 | |
| 5 | Proration. Multiply line 2 or 3, whichever is applicable, by line 4 | 5 | |
| 6 | Excess qualified export receipts. Subtract line 5 from line 1. (If line 5 exceeds line 1, enter -0- here and on line 7 below.) | 6 | |
| 7 | Taxable income attributable to line 6 receipts. Enter here and on line 5 of Part I above | 7 | |

Part III—Deemed Distributions Under Section 995(b)(2) (see instructions)

| | | | |
|----------|---|----------|--|
| 1 | Annual installment of distribution attributable to revocation of election in an earlier year | 1 | |
| 2 | Annual installment of distribution attributable to not qualifying as a DISC or IC-DISC in an earlier year | 2 | |
| 3 | Total deemed distributions under section 995(b)(2). Add lines 1 and 2 | 3 | |

Schedule J Deemed and Actual Distributions and Deferred DISC Income for the Tax Year (continued)

Part IV—Actual Distributions (see instructions)

| | | | |
|----------|---|-----------|--|
| 1 | Distributions to meet qualification requirements under section 992(c). Attach computation statement | 1 | |
| 2 | Other actual distributions | 2 | |
| 3 | Total. Add lines 1 and 2 | 3 | |
| 4 | Amount on line 3 treated as distributed from: | | |
| a | Previously taxed income | 4a | |
| b | Accumulated IC-DISC income (including IC-DISC income of the current year) | 4b | |
| c | Other earnings and profits | 4c | |
| d | Other | 4d | |

Part V—Deferred DISC Income Under Section 995(f)(3) (see instructions)

| | | | |
|----------|---|----------|--|
| 1 | Accumulated IC-DISC income (for periods after 1984) at end of computation year | 1 | |
| 2 | Distributions-in-excess-of-income for the tax year following the computation year to which line 1 applies | 2 | |
| 3 | Deferred DISC income under section 995(f)(3). Subtract line 2 from line 1 | 3 | |

Schedule L Balance Sheets per Books

| | | (a) Beginning of tax year | (b) End of tax year |
|---|---|---------------------------|---------------------|
| Assets | 1 Qualified export assets: | | |
| | a Working capital (cash and necessary temporary investments) | | |
| | b Funds awaiting investment (cash in U.S. banks in excess of working capital needs) in other qualified export assets | | |
| | c Export-Import Bank obligations | | |
| | d Trade receivables (accounts and notes receivable) | | |
| | Less allowance for bad debts | () | () |
| | e Export property (net) (including inventory and qualified property held for lease) | | |
| | f Producer's loans | | |
| | g Investment in related foreign export corporations | | |
| | h Depreciable assets | | |
| Less accumulated depreciation | () | () | |
| i Other (attach statement) | | | |
| 2 Nonqualified assets (net) (list): _____ | | | |
| 3 Total assets. Combine lines 1a through 2 | | | |
| Liabilities and Shareholders' Equity | 4 Accounts payable | | |
| | 5 Other current liabilities (attach statement) | | |
| | 6 Mortgages, notes, bonds payable in 1 year or more | | |
| | 7 Other liabilities (attach statement) | | |
| | 8 Capital stock | | |
| | 9 Additional paid-in capital | | |
| | 10 Other earnings and profits | | |
| | 11 Previously taxed income (section 996(f)(2)) | | |
| | 12 Accumulated pre-1985 DISC income (see instructions) | | |
| | 13 Accumulated IC-DISC income (see instructions) | | |
| | 14 Less cost of treasury stock | () | () |
| | 15 Total liabilities and shareholders' equity | | |

Schedule M-1 Reconciliation of Income per Books With Income per Return

| | | | |
|--|--|---|--|
| 1 Net income (loss) per books | | 6 Income recorded on books this year not included on this return (itemize): | |
| 2 Excess of capital losses over capital gains | | | |
| 3 Taxable income not recorded on books this year (itemize): _____ | | 7 Deductions on this return not charged against book income this year (itemize): | |
| 4 Expenses recorded on books this year and not deducted on this return (itemize): _____ | | | |
| 5 Add lines 1 through 4 | | 8 Add lines 6 and 7 | |
| | | 9 Income (line 5, page 1)—line 5 less line 8 | |

Schedule M-2 Analysis of Other Earnings and Profits (Line 10, Schedule L)

| | | | |
|--|--|--|--|
| 1 Balance at beginning of year | | 5 Distributions to qualify under section 992(c) | |
| 2 Increases (itemize): _____ | | 6 Other decreases (itemize): _____ | |
| 3 Add lines 1 and 2 | | 7 Add lines 4 through 6 | |
| 4 Deficit in earnings and profits | | 8 Balance at end of year (line 3 less line 7) | |

Schedule M-3 Analysis of Previously Taxed Income (Line 11, Schedule L)

| | | | |
|--|--|--|--|
| 1 Balance at beginning of year | | 5 Deficit in earnings and profits | |
| 2 Deemed distributions under section 995(b) | | 6 Distributions to qualify under section 992(c) | |
| 3 Other increases (itemize): _____ | | 7 Other decreases (itemize): _____ | |
| _____ | | 8 Add lines 5 through 7 | |
| 4 Add lines 1 through 3 | | 9 Balance at end of year (line 4 less line 8) | |

Schedule M-4 Analysis of Accumulated IC-DISC Income (Line 13, Schedule L)

| | | | |
|---|--|---|--|
| 1 Balance at beginning of year | | 6 Distributions to qualify under section 992(c) | |
| 2 Increases (itemize): _____ | | 7 Distributions upon disqualification (sec. 995(b)(2)) | |
| _____ | | 8 Other decreases (itemize): _____ | |
| 3 Add lines 1 and 2 | | 9 Add lines 4 through 8 | |
| 4 Deficit in earnings and profits | | 10 Balance at end of year (line 3 less line 9) | |
| 5 Redemptions under section 996(d) | | | |

Schedule N Export Gross Receipts of the IC-DISC and Related U.S. Persons (see instructions)

1 See the instructions and enter the product code and percentage of total export gross receipts for **(a)** the largest and **(b)** 2nd largest product or service sold or provided by the IC-DISC:

| | | | | | |
|-----------------|---------------------|---|-----------------|---------------------|---|
| (a) Code | Percentage of total | % | (b) Code | Percentage of total | % |
|-----------------|---------------------|---|-----------------|---------------------|---|

2 Export gross receipts for the current tax year

| | | |
|---|--|---|
| (a) Export gross receipts of the IC-DISC | Export gross receipts of related U.S. persons | |
| | (b) Related IC-DISCs | (c) All other related U.S. persons |
| | | |

3 If item 2(b) or 2(c) is completed, complete the following (If more space is needed, attach a statement following the format below.):

(a) IC-DISCs in Your Controlled Group

| Name | Address | Identifying number |
|------|---------|--------------------|
| | | |
| | | |

(b) All Other Related U.S. Persons in Your Controlled Group

| Name | Address | Identifying number |
|------|---------|--------------------|
| | | |
| | | |

Schedule O Other Information (see instructions)

| | Yes | No |
|--|-----|----|
| 1 See the instructions and enter the main: | | |
| a Business activity ▶ _____ b Product or service ▶ _____ | | |
| 2a Did 95% (0.95) or more of the IC-DISC's gross receipts for the tax year consist of qualified export receipts (defined in section 993(a))? | | |
| b Did the adjusted basis of the IC-DISC's qualified export assets (as defined in section 993(b)) at the end of the tax year equal or exceed 95% (0.95) of the sum of the adjusted basis of all the IC-DISC's assets at the end of the tax year? | | |
| c If a or b is "No," did the IC-DISC make a pro rata distribution of property as defined in section 992(c)? | | |
| 3 Did the IC-DISC have more than one class of stock at any time during the tax year? | | |
| 4 Was the par or stated value of the IC-DISC's stock at least \$2,500 on each day of the tax year (for a new corporation, this means on the last day for making an election to be an IC-DISC and for each later day)? | | |
| 5 Did the IC-DISC keep separate books and records? | | |
| 6a Does the IC-DISC or any member of the IC-DISC's controlled group (as defined in section 993(a)(3)) have operations in or related to any country (or with the government, a company, or a national of that country) associated with carrying out the boycott of Israel that is on the list kept by the Secretary of the Treasury under section 999(a)(3)? | | |
| b Did the IC-DISC or any member of the controlled group of which the IC-DISC is a member have operations in any unlisted country that the IC-DISC knows or has reason to know requires participation in or cooperation with an international boycott against Israel? | | |
| c Did the IC-DISC or any member of the controlled group of which the IC-DISC is a member have operations in any country that the IC-DISC knows or has reason to know requires participation in or cooperation with an international boycott other than the boycott of Israel? | | |

If the answer to any of the questions in 6 is "Yes," see instructions and **Form 5713, International Boycott Report.**

Schedule O **Other Information** (see instructions) *(continued)*

| | | Yes | No |
|-----------|--|-----|----|
| 7 | Did the corporation 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) | | |
| 8 | Does the corporation satisfy one or more of the following? See instructions | | |
| a | The corporation owns a pass-through entity with current, or prior-year carryover, excess business interest expense. | | |
| b | The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are \$26 million or more. | | |
| c | The corporation is a tax shelter (see instructions). | | |
| d | The corporation has interest expense from a trade or business other than (1) electing real property trades or businesses, (2) electing farming businesses, or (3) certain utility businesses under section 163(j)(7). If the answer to any of the items in 8 is "Yes," complete and attach Form 8990. | | |
| 9 | Enter the amount of tax-exempt interest income received or accrued during the tax year ► \$ _____ | | |
| 10 | At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all the classes of stock of the corporation? If "Yes," enter: a Percentage owned ► _____ and b Owner's country ► _____ c The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ► _____ | | |

Note: If the IC-DISC, at any time during the tax year, 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.