

**SCHEDULE K
(Form 1120-DISC)**

Department of the Treasury
Internal Revenue Service

Shareholder's Statement of DISC Distribution—1982

For calendar year 1982 or other tax year

beginning, 1982, ending, 19.....
(Complete for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0124

**COPY A—File with
Form 1120-DISC**

Part I Taxable Distributions

1 Deemed distributions: (a) Under section 995(b)(1)	_____
(b) Annual installment under section 995(b)(2)	_____
(c) Total of lines 1(a) and 1(b)	_____
2 Actual taxable distributions	_____
3 Total taxable distributions—Add line 1(c) and line 2 (Enter here and report in Section A or B below)	_____

Section A.—Individuals, Partnerships, Trusts, and Estates

Section B.—Corporations

4 Part of line 3 above: (a) Entitled to the dividend exclusion under section 116	_____	5 Part of line 3 above: (a) Entitled to the dividends-received deduction under section 243	_____
(b) Not entitled to the dividend exclusion	_____	(b) Not entitled to the dividends-received deduction	_____

Part II Nontaxable Distributions

1 Actual distributions out of previously taxed income (section 996(f)(2))	_____
2 Other actual nontaxable distributions	_____
3 Total nontaxable distributions—Add lines 1 and 2	_____

Part III Other Information

1 Accumulated DISC income attributable to stock sold during the year	_____
2 Income tax withheld on dividend distributions (see instructions)	_____

Shareholder's name, identifying number, and address (including ZIP code)	Name, employer identification number, and address (including ZIP code) of DISC or former DISC

**SCHEDULE K
(Form 1120-DISC)**

Department of the Treasury
Internal Revenue Service

Shareholder's Statement of DISC Distribution—1982

For calendar year 1982 or other tax year

beginning, 1982, ending, 19.....

OMB No. 1545-0124

**COPY B
For Shareholder**

Part I Taxable Distributions

1 Deemed distributions: (a) Under section 995(b)(1)	_____
(b) Annual installment under section 995(b)(2)	_____
(c) Total of lines 1(a) and 1(b)	_____
2 Actual taxable distributions	_____
3 Total taxable distributions—Add line 1(c) and line 2	_____

Section A.—Individuals, Partnerships, Trusts, and Estates

Section B.—Corporations

4 Part of line 3 above: (a) Entitled to the dividend exclusion under section 116	_____	5 Part of line 3 above: (a) Entitled to the dividends-received deduction under section 243	_____
(b) Not entitled to the dividend exclusion	_____	(b) Not entitled to the dividends-received deduction	_____

Part II Nontaxable Distributions

1 Actual distributions out of previously taxed income (section 996(f)(2))	_____
2 Other actual nontaxable distributions	_____
3 Total nontaxable distributions—Add lines 1 and 2	_____

Part III Other Information

1 Accumulated DISC income attributable to stock sold during the year	_____
2 Income tax withheld on dividend distributions (see instructions)	_____

Shareholder's name, identifying number, and address (including ZIP code)	Name, employer identification number, and address (including ZIP code) of DISC or former DISC

Instructions for Shareholder

(References are to the Internal Revenue Code)

A. Purpose.—You will receive Copy B of Schedule K (Form 1120-DISC) if you had an actual or deemed distribution from a DISC or former DISC. Section A will be completed for individuals, partnerships, trusts, or estates. Section B will be completed for corporations.

The DISC or former DISC uses Copy B to report to you your share of distributions. Keep it for your records and do not file it with your income tax return.

B. Taxable Distributions.—On your tax return, report the following as "Distributions from a DISC":

- deemed and actual taxable distributions, and

- gain, to the extent of accumulated DISC income, on the sale of stock (see instruction D).

In general, your total taxable distribution from a DISC is the amount on line 3, Part I. See instructions D and E for exceptions. See instruction F for circumstances in which distributions from previously taxed income may be taxable.

Deemed distributions.—You are treated as having received deemed distributions (line 1(c), Part I) as of the last day of the DISC's tax year. You must pay tax on the distributions in your tax year that includes that date.

Deemed distributions increase your basis in the stock of the DISC.

Actual distributions.—You must pay tax on actual distributions (line 2, Part I) in the year of receipt.

C. Dividend Exclusion and Dividends-Received Deduction.—

Individuals, partnerships, trusts, and estates.—Line 4(a), Section A, shows the part of the total taxable distribution on line 3 that qualifies for the dividend exclusion under section 116. Line 4(b), Section A, shows the part that is not entitled to the dividend exclusion.

Corporations.—Line 5(a), Section B, shows the part of the total taxable distribution on line 3 that qualifies for the 85% dividends-received deduction under section 243. Line 5(b) shows the part that is not entitled to this deduction.

D. Disposing of DISC Stock.—If you disposed of stock in a DISC or former DISC, you may be required to include all or part of the gain in your income. The gain, reported as a dividend under section 995(c), is included to the extent of accumulated DISC income attributable to the stock while you held it. This dividend is not eligible for the 85% dividends-received deduction.

Line 1, Part III, shows accumulated DISC income attributable to the stock while you held it.

E. Acquiring DISC Stock.—If you acquired stock in a DISC or acquired stock from a shareholder described in instruction D, you may be able to treat part of the distribution on line 1(a), 1(b), or both (Part

I) as a nontaxable distribution of previously taxed income under section 996(d).

F. Nontaxable Distributions.—Actual distributions from previously taxed income (line 1, Part II) are generally not taxable to the extent of your basis in the stock for which the distribution was made. Except for distributions of accumulated DISC income and of earnings and profits from the time before the corporation became a DISC, other actual distributions (line 2, Part II) are also not taxable to the extent of your basis in the stock for which the distribution was made. Treat distributions in excess of your basis as a gain from the sale or exchange of property.

If DISC stock is included in an estate for which you make an election under section 2032, see section 1014(d) and regulations section 1.1014-1(b).

G. Nonresident Alien Individuals and Foreign Corporations, Trusts, and Estates.—Treat all gains on the disposition of stock in a DISC or former DISC and all distributions from accumulated DISC income, including deemed distributions, as effectively connected with the conduct of a trade or business through a permanent establishment within the U.S.

H. Income Tax Withheld on Dividend Distributions.—The total tax withheld on dividend distributions to you by the DISC after June 30, 1983, is shown on line 2, Part III. Report the dividend income on your tax return and claim a credit for the amount withheld for the year you report the income.

**SCHEDULE K
(Form 1120-DISC)**

Department of the Treasury
Internal Revenue Service

Shareholder's Statement of DISC Distribution—1982

For calendar year 1982 or other tax year

beginning, 1982, ending, 19.....

OMB No. 1545-0124

**COPY C
For DISC's Records**

Part I Taxable Distributions

1 Deemed distributions: (a) Under section 995(b)(1)	_____
(b) Annual installment under section 995(b)(2)	_____
(c) Total of lines 1(a) and 1(b)	_____
2 Actual taxable distributions	_____
3 Total taxable distributions—Add line 1(c) and line 2	_____

Section A.—Individuals, Partnerships, Trusts, and Estates

4 Part of line 3 above:

(a) Entitled to the dividend exclusion under section 116	_____
(b) Not entitled to the dividend exclusion	_____

Section B.—Corporations

5 Part of line 3 above:

(a) Entitled to the dividends-received deduction under section 243	_____
(b) Not entitled to the dividends-received deduction	_____

Part II Nontaxable Distributions

1 Actual distributions out of previously taxed income (section 996(f)(2))	_____
2 Other actual nontaxable distributions	_____
3 Total nontaxable distributions—Add lines 1 and 2	_____

Part III Other Information

1 Accumulated DISC income attributable to stock sold during the year	_____
2 Income tax withheld on dividend distributions (see instructions)	_____

Shareholder's name, identifying number, and address (including ZIP code)	Name, employer identification number, and address (including ZIP code) of DISC or former DISC

Instructions for DISC or Former DISC

(References are to the Internal Revenue Code)

GENERAL INSTRUCTIONS.—Complete Schedule K (Form 1120-DISC) for each shareholder who had an actual or deemed distribution during the tax year. File Copy A with Form 1120-DISC. Give Copy B to the shareholder by the last day of the 2nd month after your tax year ends. Keep Copy C for your records.

Actual and deemed dividend distributions do not have to be reported on Form 1099-DIV.

SPECIFIC INSTRUCTIONS.—

PART I—TAXABLE DISTRIBUTIONS.—On line 1(a) enter the shareholder's part of the deemed distributions under section 995(b)(1) and on line 1(b) the portion of the annual installment under section 995(b)(2). The sum of the amounts on these lines for all shareholders should equal the total you report in Part I and Part III, Schedule J, Form 1120-DISC.

On line 2 of Part I enter the amount of actual distributions that are taxable to the shareholder. These distributions come from accumulated DISC income and other earnings and profits.

Complete Section A if the shareholder is an individual, partnership,

trust, or estate. Complete Section B if the shareholder is a corporation. Dividends out of other earnings and profits are eligible for the dividend exclusion and the 85% dividends-received deduction. No dividends-received deduction is allowed for a dividend from a DISC or former DISC if it—

(1) is paid out of accumulated DISC income;

(2) is paid out of previously taxed income; or

(3) is a deemed distribution under section 995(b)(1).

PART II—NONTAXABLE DISTRIBUTIONS.—On line 1 enter the shareholder's part of actual distributions from previously taxed income. The total of this line for all shareholders should equal the total you report on line 4(a), Part IV, Schedule J, Form 1120-DISC.

On line 2 enter the shareholder's part of actual nontaxable distributions out of other than (1) previously taxed income, (2) accumulated DISC income, and (3) other earnings and profits. The total of this line for all shareholders should equal the total you report on line 4(d), Part IV, Schedule J, Form 1120-DISC.

PART III—OTHER INFORMATION.—**Line 1.**—If (1) a shareholder disposes of stock in a DISC or former DISC or (2) the stock of a DISC or former DISC is disposed of in a transaction that terminates the separate corporate existence of the DISC or former DISC (other than a mere change in the place of organization), on line 1 enter the accumulated DISC income attributable to the stock and which was accumulated in the DISC during the period the shareholder held the stock.

Line 2.—Only fiscal year 1982/1983 DISCs whose tax years end after June 30, 1983, should complete line 2. Enter on line 2 the amount of income tax withheld on dividend distributions. In general, a DISC is required to withhold on dividend distributions to shareholders that are individuals, partnerships, trusts, or estates. See sections 3451 through 3456 and temporary regulations 35.3451(a)-1 through 35.3456(c)-1 for details on the withholding requirements. These sections also provide rules for withholding on interest payments that are reported on Form 1099-INT.