

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

Shareholder's Statement of DISC Distribution—1984

For calendar year 1984 or other tax year

OMB No. 1545-0124

Department of the Treasury
Internal Revenue Service

beginning _____, 1984, ending _____, 1984
(Complete for each shareholder—See instructions on back of Copy C)

**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:		5 Part of line 3 above:	
(a) Entitled to the dividend exclusion under section 116	_____	(a) Entitled to the dividends-received deduction under section 243	_____
(b) Not entitled to the dividend exclusion (All DISCs see instructions before completing this line.)	_____	(b) Not entitled to the dividends-received deduction (All DISCs see instructions before completing this line.)	_____
(c) Qualified transitional distribution (not entitled to the dividend exclusion)	_____	(c) Qualified transitional distribution (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	_____
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Shareholder's name, identifying number, and address (including ZIP code)

Name, employer identification number, and address (including ZIP code) of DISC or former DISC

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1120-DISC.

Schedule K (Form 1120-DISC) 1984

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Department of the Treasury
Internal Revenue Service

beginning _____, 1984, ending _____, 1984
(Complete for each shareholder—See instructions on back of Copy C)

**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:		5 Part of line 3 above:	
(a) Entitled to the dividend exclusion under section 116	_____	(a) Entitled to the dividends-received deduction under section 243	_____
(b) Not entitled to the dividend exclusion (All DISCs see instructions before completing this line.)	_____	(b) Not entitled to the dividends-received deduction (All DISCs see instructions before completing this line.)	_____
(c) Qualified transitional distribution (not entitled to the dividend exclusion)	_____	(c) Qualified transitional distribution (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	_____
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Shareholder's name, identifying number, and address (including ZIP code)

Name, employer identification number, and address (including ZIP code) of DISC or former DISC

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1120-DISC.

Schedule K (Form 1120-DISC) 1984

**SCHEDULE K
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Shareholder's Statement of DISC Distribution—1984

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OMB No. 1545-0124

Department of the Treasury
Internal Revenue Service

beginning _____, 1984, ending _____, 1984
(Complete for each shareholder—See instructions on back of Copy C)

**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 (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:		5 Part of line 3 above:	
(a) Entitled to the dividend exclusion under section 116	_____	(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	_____
(c) Qualified transitional distribution (not entitled to the dividend exclusion)	_____	(c) Qualified transitional distribution (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	_____
Shareholder's name, identifying number, and address (including ZIP code)	Name, employer identification number, and address (including ZIP code) of DISC or former DISC

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1120-DISC.

Schedule K (Form 1120-DISC) 1984

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

Shareholder's Statement of DISC Distribution—1984

For calendar year 1984 or other tax year

OMB No. 1545-0124

Department of the Treasury
Internal Revenue Service

beginning _____, 1984, ending _____, 1984
(Complete for each shareholder—See instructions on back of Copy C)

**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 (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:		5 Part of line 3 above:	
(a) Entitled to the dividend exclusion under section 116	_____	(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	_____
(c) Qualified transitional distribution (not entitled to the dividend exclusion)	_____	(c) Qualified transitional distribution (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	_____
Shareholder's name, identifying number, and address (including ZIP code)	Name, employer identification number, and address (including ZIP code) of DISC or former DISC

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1120-DISC.

Schedule K (Form 1120-DISC) 1984

Instructions for Shareholder

(References are to the Internal Revenue Code.)

Qualified Transitional Distribution Reported Over 10-Year Period.—

If the DISC tax year begins in 1984 after the date in 1984 on which your tax year begins, you may elect to report the distributions on line 4(c) or 5(c) of Schedule K, whichever applies, over the 10 tax years following your 1984 tax year. Make the election by attaching a statement to your tax return for your tax year that includes December 31, 1984. You may also elect a shorter than 10-year period. This rule applies whether or not the DISC exists after 1984.

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. Keep it for your records and do not file it with your income tax return.

B. Taxable Distributions.— 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. Unless the above 10-year reporting rule applies, 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) shows the part of the total taxable distribution on line 3 that qualifies for the dividend exclusion under section 116. Lines 4(b) and 4(c) show the part that is not entitled to the dividend exclusion. See special 10-year reporting rule at the beginning of these instructions to determine if you can elect to report the income on line 4(c) over a 10-year period. Also, see regulations section 1.921-1T(a) (10).

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. Lines 5(b) and 5(c) show the part that is not entitled to this deduction. See the special 10-year reporting rule at the beginning of these instructions to determine if you can elect to report the income on line 5(c) over a 10-year period. Also, see regulations section 1.921-1T(a) (10).

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 from 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).

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.

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).

Instructions for Shareholder

(References are to the Internal Revenue Code.)

Qualified Transitional Distribution Reported Over 10-Year Period.—

If the DISC tax year begins in 1984 after the date in 1984 on which your tax year begins, you may elect to report the distributions on line 4(c) or 5(c) of Schedule K, whichever applies, over the 10 tax years following your 1984 tax year. Make the election by attaching a statement to your tax return for your tax year that includes December 31, 1984. You may also elect a shorter than 10-year period. This rule applies whether or not the DISC exists after 1984.

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. Keep it for your records and do not file it with your income tax return.

B. Taxable Distributions.— 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. Unless the above 10-year reporting rule applies, 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) shows the part of the total taxable distribution on line 3 that qualifies for the dividend exclusion under section 116. Lines 4(b) and 4(c) show the part that is not entitled to the dividend exclusion. See special 10-year reporting rule at the beginning of these instructions to determine if you can elect to report the income on line 4(c) over a 10-year period. Also, see regulations section 1.921-1T(a) (10).

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. Lines 5(b) and 5(c) show the part that is not entitled to this deduction. See the special 10-year reporting rule at the beginning of these instructions to determine if you can elect to report the income on line 5(c) over a 10-year period. Also, see regulations section 1.921-1T(a) (10).

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 from 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).

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.

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).

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

Shareholder's Statement of DISC Distribution—1984

OMB No. 1545-0124

Department of the Treasury
Internal Revenue Service

beginning _____, 1984, ending _____, 1984
(Complete for each shareholder—See instructions on back of Copy C)

**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 (Enter here and report in Section A or B below)

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

Section B.—Corporations

- | | |
|---|---|
| <p>4 Part of line 3 above:</p> <ul style="list-style-type: none"> (a) Entitled to the dividend exclusion under section 116 (b) Not entitled to the dividend exclusion (All DISCs see instructions before completing this line.) (c) Qualified transitional distribution (not entitled to the dividend exclusion) | <p>5 Part of line 3 above:</p> <ul style="list-style-type: none"> (a) Entitled to the dividends-received deduction under section 243 (b) Not entitled to the dividends-received deduction (All DISCs see instructions before completing this line.) (c) Qualified transitional distribution (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

Shareholder's name, identifying number, and address (including ZIP code)

Name, employer identification number, and address (including ZIP code) of DISC or former DISC

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1120-DISC.

Schedule K (Form 1120-DISC) 1984

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

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OMB No. 1545-0124

Department of the Treasury
Internal Revenue Service

beginning _____, 1984, ending _____, 1984
(Complete for each shareholder—See instructions on back of Copy C)

**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 (Enter here and report in Section A or B below)

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

Section B.—Corporations

- | | |
|---|---|
| <p>4 Part of line 3 above:</p> <ul style="list-style-type: none"> (a) Entitled to the dividend exclusion under section 116 (b) Not entitled to the dividend exclusion (All DISCs see instructions before completing this line.) (c) Qualified transitional distribution (not entitled to the dividend exclusion) | <p>5 Part of line 3 above:</p> <ul style="list-style-type: none"> (a) Entitled to the dividends-received deduction under section 243 (b) Not entitled to the dividends-received deduction (All DISCs see instructions before completing this line.) (c) Qualified transitional distribution (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

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

(Section references are to the Internal Revenue Code, unless otherwise noted.)

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 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.

Instructions for DISC or Former DISC

(Section references are to the Internal Revenue Code, unless otherwise noted.)

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 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).

Line 4(b) or 5(b)—Calendar year DISCs enter on line 4(b) or 5(b) all Part I income that is not entitled to the dividend exclusion or dividend received deduction. Fiscal year DISCs do not include a shareholder's portion of line 1(a), Part I, income on line 4(b) or 5(b).

Line 4(c) or 5(c)—Qualified transitional distributions.—Qualified transitional distributions apply only with respect to DISCs whose tax year begins after the date in 1984 on which the tax year of the DISC shareholder begins. Enter shareholder's portion of line 1(a), Part I, income. This income is not entitled to the dividend exclusion or dividends-received deduction. This income is reported separately to allow certain shareholders to elect to report the income over a 10-year period.

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).

Line 4(b) or 5(b)—Calendar year DISCs enter on line 4(b) or 5(b) all Part I income that is not entitled to the dividend exclusion or dividend received deduction. Fiscal year DISCs do not include a shareholder's portion of line 1(a), Part I, income on line 4(b) or 5(b).

Line 4(c) or 5(c)—Qualified transitional distributions.—Qualified transitional distributions apply only with respect to DISCs whose tax year begins after the date in 1984 on which the tax year of the DISC shareholder begins. Enter shareholder's portion of line 1(a), Part I, income. This income is not entitled to the dividend exclusion or dividends-received deduction. This income is reported separately to allow certain shareholders to elect to report the income over a 10-year period.

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.

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.