

COMPUTATION OF U. S. CORPORATION EXCESS PROFITS TAX

For taxable years ending after March 31, 1951, and before December 31, 1952 (other than calendar year 1951)

Taxable year beginning _____, 1951, and ending _____, 195_____

<p>File this schedule as a part of Schedule EP (Form 1120) for 1951. If taxable year begins in 1950, file with 1950 Form 1120. If taxable year begins in 1951, file with 1951 Form 1120.</p>	<p>PRINT PLAINLY CORPORATION'S NAME AND ADDRESS</p> <p>----- (Name) ----- (Street and number) ----- (City or town, postal zone number) (State)</p>
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PART I. PRORATION OF AVERAGE BASE PERIOD NET INCOME

Line No.		\$	
1.	Average base period net income from Schedule EP (Form 1120). (See Instructions)		
2.	85 percent of line 1		
3.	83 percent of line 1		
4.	If the taxable year ends before July 1, 1951, enter here the amount on line 2		
5.	If the taxable year begins after June 30, 1951, enter here the amount on line 3		
6.	If the taxable year begins before July 1, 1951, and ends after June 30, 1951—		
	(a) Line 2, multiplied by the number of days in the taxable year before July 1, 1951, divided by the number of days in the taxable year	\$	
	(b) Line 3, multiplied by the number of days in the taxable year after June 30, 1951, divided by the number of days in the taxable year	\$	
	(c) Total of lines (a) and (b)		
7.	Lines 4, 5, or 6 (c), whichever is applicable. (See Instructions)	\$	

PART II. COMPUTATION OF MAXIMUM TAX FOR TAXABLE YEARS BEGINNING BEFORE JULY 1, 1950

		\$	
1.	Excess profits net income (line 26, page 1, Schedule EP (Form 1120))		
2.	Adjusted excess profits net income (line 30, page 1, Schedule EP (Form 1120))		
3.	62 percent of line 1		
4.	Using the front page of Form 1120FY (1951-1952) as a guide, substitute for the amount on lines 5 and 10 of that form the amount entered on line 1, above, and compute in accordance with the rates shown on lines 6 and 11. Enter the result here	\$	
5.	Line 4, multiplied by the number of days in the taxable year before July 1, 1950, divided by the number of days in the taxable year	\$	
6.	Using the front page of Form 1120FY (1951-1952) as a guide, substitute for the amount on line 18 of that form the amount entered on line 1, above, and compute in accordance with the rates shown on line 19. Enter the result here	\$	
7.	Line 6, multiplied by the number of days in the taxable year after June 30, 1950, and before April 1, 1951, divided by the number of days in the taxable year		
8.	Using the front page of Form 1120FY (1951-1952) as a guide, substitute for the amount on line 27 of that form the amount entered on line 1, above, and compute in accordance with the rates shown on line 28. Enter the result here	\$	
9.	Line 8, multiplied by the number of days in the taxable year after March 31, 1951, divided by the number of days in the taxable year		
10.	Total of lines 5, 7, and 9	\$	
11.	Excess of line 3 over line 10		
12.	18 percent of line 1 (if a consolidated return, see instructions)		
13.	30 percent of line 2		
14.	Line 11 or 13, whichever is lesser, multiplied by the number of days in the taxable year after June 30, 1950, and before April 1, 1951, divided by the number of days in the taxable year	\$	
15.	Line 12 or 13, whichever is the lesser, multiplied by the number of days in the taxable year after March 31, 1951, divided by the number of days in the taxable year		
16.	Total of lines 14 and 15. (See Instructions)	\$	

PART III. COMPUTATION OF MAXIMUM TAX FOR TAXABLE YEARS BEGINNING ON OR AFTER JULY 1, 1950

		\$	
1.	Excess profits net income (line 26, page 1, Schedule EP (Form 1120))		
2.	Adjusted excess profits net income (line 30, page 1, Schedule EP (Form 1120))		
3.	62 percent of line 1		
4.	Using the back page of Form 1120FY (1951-1952) as a guide, substitute for the amount on line 5 of that form the amount entered on line 1 and compute in accordance with the rates on line 6. Enter the result here	\$	
5.	Line 4, multiplied by the number of days in the taxable year after June 30, 1950, and before April 1, 1951, divided by the number of days in the taxable year	\$	
6.	Using the back page of Form 1120FY (1951-1952) as a guide, substitute for the amount on line 14 of that form the amount entered on line 1, above, and compute in accordance with the rates shown on line 15. Enter the result here	\$	
7.	Line 6, multiplied by the number of days in the taxable year after March 31, 1951, and divided by the number of days in the taxable year		
8.	Total of lines 5 and 7	\$	
9.	Excess of line 3 over line 8		
10.	18 percent of line 1 (if a consolidated return, see instructions)		
11.	30 percent of line 2		
	Fill in lines 12 through 14, if taxable year begins before April 1, 1951		
12.	Line 9 or line 11, whichever is lesser, multiplied by the number of days in the taxable year before April 1, 1951, divided by the number of days in the taxable year	\$	
13.	Line 10 or line 11, whichever is lesser, multiplied by the number of days in the taxable year after March 31, 1951, divided by the number of days in the taxable year		
14.	Total of lines 12 and 13. (See Instructions)	\$	
	Fill in line 15, if taxable year begins on or after April 1, 1951		
15.	Line 10 or 11, whichever is the lesser. (See Instructions)	\$	

PART IV. ALTERNATIVE COMPUTATION OF MAXIMUM TAX FOR NEW CORPORATIONS

1. Excess profits net income (line 26, page 1, Schedule EP (Form 1120))		\$
2. If return is for one of the first five taxable years, indicate which year, and see instructions.		
(a) Enter applicable percentage		%
(b) Line 1, not in excess of \$300,000, multiplied by the percentage on line (a)		
3. Enter the excess of line 1 over \$300,000		
4. 15 percent of line 3		
5. 18 percent of line 3		
6. Adjusted excess profits net income (line 30, page 1, Schedule EP (Form 1120))		
7. 30 percent of line 6		
8. Enter either (i) line 2 (b) plus line 4, or (ii) line 7, whichever is lesser		
9. Line 8, multiplied by the number of days in the taxable year after June 30, 1950, and before April 1, 1951, divided by the number of days in the taxable year		
10. Enter either (i) line 2 (b) plus line 5, or (ii) line 7, whichever is lesser		
11. Line 10, multiplied by the number of days in the taxable year after March 31, 1951, divided by the number of days in the taxable year		
12. (a) If the taxable year begins before April 1, 1951, and ends after March 31, 1951, enter here the sum of lines 9 and 11		
(b) If the taxable year begins after March 31, 1951, enter here the amount on line 10		
(c) If a computation has been made in Part II or III of this form, enter here the amount so computed		
(d) Enter here the amount on line (a) or (b), whichever is applicable, or (c) if lesser. (See Instructions)		\$

INSTRUCTIONS

(References are to the Internal Revenue Code, unless otherwise noted)

Schedule EP (Form 1120) FY is to be used by fiscal year taxpayers in conjunction with Schedule EP (Form 1120) for 1951. If the taxable year begins in 1950 it should accompany Form 1120 for 1950. If the taxable year begins in 1951 it should accompany Form 1120 for 1951.

If the taxable year begins before July 1, 1950, only Parts I, II, and IV (if applicable) are to be used. If the taxable year begins after June 30, 1950, only Parts I, III, and IV (if applicable) are to be used. The same rules apply to short taxable years.

Part I is designed for computation of the portion of the average base period net income which is to be taken into account in computing the excess profits credit based on income.

Parts II and III, respectively, are designed for the computation of maximum tax for taxable years which begin before July 1, 1950, and taxable years which begin after June 30, 1950.

Part IV is designed for computation of the alternative maximum tax for the taxable year, if such year is one of the first five taxable years of the corporation. It should be used, where applicable, in conjunction with Parts II and III in accordance with the above instructions.

The figures determined by reference to this form are to be entered on Schedule EP (Form 1120) as indicated in specific instructions below.

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with line numbers in each part of this schedule

PART I.—1. The average base period net income to be entered on this line is the figure determined by reference to Schedule EP (Form 1120) on line 30, 36, or 45 of Schedule EP-2; line 9 or 15, Schedule EP-5 (A); line 16, 20 (or line 28 if line 30 is applicable), Schedule EP-5 (B); line 9, Schedule EP-5 (C); line 8, Schedule EP-5 (D); line 7, Schedule EP-5 (E) whichever is applicable; or if the credit is determined under any of the subsections of section 459, the amount determined under such subsection.

7. This is the amount of the average base period net income to be taken into account in computing the excess profits credit based on income. The amount determined on this line should be entered in the appropriate line of Schedule EP (Form 1120) depending upon the method of computing the excess profits credit. If the excess profits credit is computed under the general average method (section 435 (d)), enter on line 47, Schedule EP-2. If computed under the provisions relating to growth (section 435 (e)), enter on line 46, Schedule EP-2 (A). If computed on Schedule EP-5, enter on line 10 or 16, Schedule EP-5 (A); line 17, 21 (or line 30 if applicable), Schedule EP-5 (B); line 10, Schedule EP-5 (C); line 9, Schedule EP-5 (D); or line 8, Schedule EP-5 (E), whichever is applicable. If computed under section 459, use the amount determined on this line in the computations made under the provisions of that section.

PART II.—1. *Excess Profits Net Income.*—This is the figure determined on line 26, page 1, Schedule EP (Form 1120) for 1951. In the case of a short taxable year this figure should be the annualized excess profits net income as provided under the regulations.

2. *Adjusted Excess Profits Net Income.*—This is the figure determined on line 30, page 1, Schedule EP (Form 1120). If the taxable year begins before July 1, 1951, and ends after June 30, 1951, and the excess profits

credit based on income is used, the adjusted excess profits net income is to be computed with reference to such part of the average base period net income as is determined under Part I of this schedule.

12. If a consolidated return, reduce the amount on this line by an amount which bears the same ratio (not more than 100 percent) to the 2 percent increase in surtax imposed by section 141 (c) as the consolidated excess profits net income bears to the consolidated surtax net income.

16. The figure determined on this line should be entered on line 34, page 1, Schedule EP (Form 1120). If Part IV of this schedule is applicable, the figure on this line should be entered on line 12 (c) of that part. If this is a short taxable year, see section 433 (a) (2) for reduction of this figure before entering it on Schedule EP (Form 1120).

PART III.—1. *Excess Profits Net Income.*—See Instruction 1, Part II.

2. *Adjusted Excess Profits Net Income.*—See Instruction 2, Part II.

10. If a consolidated return, see Instruction 12, Part II.

14. See Instruction 16, Part II, of this schedule.

15. See Instruction 16, Part II of this schedule.

PART IV.—See instructions for line 33, Schedule EP-1 (1951 Instructions for Schedule EP (Form 1120)) with respect to application of this schedule.

1. *Excess Profits Net Income.*—See Instruction 1, Part II.

2. See instruction for line 33, Schedule EP-1 (Instruction for Schedule EP (Form 1120)), for determination as to which taxable year is involved and for applicable percentage to be entered on line (a).

12. (d) The amount computed on this line should be entered on line 34, page 1, Schedule EP (Form 1120).