

U.S. Income Tax Return for Real Estate Investment Trusts

1988

Department of the Treasury
Internal Revenue Service

For calendar year 1988 or tax year beginning _____, 1988, ending _____, 19 _____
▶ For Paperwork Reduction Act Notice, see page 1 of the instructions.

A Year REIT status was elected B <input type="checkbox"/> Check if this is a Personal Holding Company	Please Type or Print	Name	C Employer identification number
		Number and street (or P.O. box number if mail is not delivered to street address)	D Date REIT established
		City or town, state, and ZIP code	E Total assets (See Specific Instructions.)
F Check applicable boxes: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Change in address (3) <input type="checkbox"/> Amended return			\$

Part I—Computation of Real Estate Investment Trust Taxable Income

Income (EXCLUDING income required to be reported in Part II or Part IV)

1 Dividends	1	
2 Interest	2	
3 Gross rents from real property	3	
4 Other gross rents	4	
5 Capital gain net income (attach Schedule D (Form 1120))	5	
6 Net gain (or loss) from Form 4797, Part II, line 18 (attach Form 4797)	6	
7 Other income (see instructions—attach schedule)	7	
8 Total income—Add lines 1 through 7 and enter here	8	

Deductions (EXCLUDING deductions directly connected with income required to be reported in Part II or Part IV)

9 Compensation of officers	9	
10a Salaries and wages	10c	Balance ▶
11 Repairs	11	
12 Bad debts	12	
13 Rents	13	
14 Taxes	14	
15 Interest	15	
16 Depreciation (attach Form 4562)	16	
17 Advertising	17	
18 Other deductions (attach schedule)	18	
19 Total deductions—Add lines 9 through 18 and enter here	19	
20 Taxable income before net operating loss deduction, deduction for dividends paid, and section 857(b)(2)(E) deduction (line 8 less line 19)	20	
21 Less: a Net operating loss deduction (see instructions)	21a	
b Deduction for dividends paid (Schedule A)	21b	
c Section 857(b)(2)(E) deduction (Schedule J, line 3c)	21c	
22 Real estate investment trust taxable income (line 20 less line 21d)	22	

Tax and Payments

23 Total tax (Schedule J)	23	
24 Payments: a 1987 overpayment credited to 1988	24a	
b 1988 estimated tax payments	24b	
c Less 1988 refund applied for on Form 4466	24c	() d Bal ▶
e Tax deposited with Form 7004	24e	
f Credit from regulated investment companies (attach Form 2439)	24f	
g Credit for Federal tax on fuels (attach Form 4136)	24g	
25 Enter any penalty for underpayment of estimated tax—check <input type="checkbox"/> if Form 2220 is attached	25	
26 Tax due—If the total of lines 23 and 25 is larger than line 24h, enter amount owed	26	
27 Overpayment—If line 24h is larger than the total of lines 23 and 25, enter amount overpaid	27	
28 Enter amount of line 27 you want: Credited to 1989 estimated tax	28	Refunded ▶

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.

Please Sign Here	Signature of officer	Date	Title
	Preparer's signature	Date	Preparer's social security number
Paid Preparer's Use Only	Firm's name (or yours if self-employed) and address	E.I. No.	ZIP code
		<input type="checkbox"/> Check if self-employed	

Part II— Computation of Tax on Net Income From Foreclosure Property

(As defined in section 856(e)) (Caution: See instructions before completing this part.)

1	Net gain (or loss) from the sale or other disposition of foreclosure property described in section 1221(1) (attach schedule)	1		
2	Gross income derived from foreclosure property (attach schedule)	2		
3	Total income from foreclosure property (add lines 1 and 2)	3		
4	Deductions directly connected with the production of income shown on line 3 (attach schedule)	4		
5	Net income from foreclosure property—line 3 less line 4	5		
6	Tax on net income from foreclosure property—Enter 34% of line 5 here and on Schedule J, line 3b	6		

Part III— Computation of Tax Imposed Under Section 857(b)(5) for Failure To Meet Certain Source-of-Income Requirements (Caution: See instructions.)

1a	Enter total income from Part I, line 8	1a		
1b	Enter total income from foreclosure property from Part II, line 3	1b		
c	Total—add lines 1a and 1b	1c		
2	Multiply line 1c by 95% and enter the result here	2		
3	Enter the amount of income shown on line 1c that is derived from sources referred to in section 856(c)(2)	3		
4	Line 2 less line 3. (If less than zero, enter zero.)	4		
5	Multiply line 1c by 75% and enter the result here	5		
6	Enter the amount of income shown on line 1c that is derived from sources referred to in section 856(c)(3)	6		
7	Line 5 less line 6. (If less than zero, enter zero.)	7		
8	Enter the greater of line 4 or line 7. (If this line is zero, do not complete the rest of Part III.)	8		
9	Enter the amount shown in Part I, line 20.	9		
10	Enter the net capital gain from Schedule D (Form 1120), line 10	10		
11	Line 9 less line 10	11		
12a	Enter total income from Part I, line 8	12a		
12b	Enter the net short-term capital gain from Schedule D (Form 1120), line 4. (If line 4 is a loss, enter zero.)	12b		
c	Add lines 12a and 12b	12c		
13	Enter capital gain net income from Part I, line 5	13		
14	Line 12c less line 13	14		
15	Divide line 11 by line 14 and enter the result. Carry out your answer to 5 decimal places	15		
16	Amount of section 857(b)(5) tax—Multiply line 8 by line 15 and enter the result here and on Schedule J, line 3c	16		

Part IV— Computation of Tax on Net Income From Prohibited Transactions

1	Gain from the sale or other disposition of property described in section 1221(1) which is not foreclosure property (Do NOT include sales that meet the requirements of section 857(b)(6)(C) or losses from prohibited transactions.)	1		
2	Deductions directly connected with the production of income shown on line 1	2		
3	Net income from prohibited transactions—line 1 less line 2	3		
4	Tax on net income from prohibited transactions—Enter 100% of line 3 here and on Schedule J, line 3d	4		

Schedule A Deduction for Dividends Paid

1	Dividends paid other than dividends paid after the end of the tax year (do not include dividends considered as paid in the preceding tax year under sections 857(b)(8) or 858(a), or deficiency dividends as defined in section 860)	1		
2	Dividends paid in 12-month period following the close of your tax year which you elect to be treated as paid during the tax year under section 858(a)	2		
3	Dividends declared in October, November, or December deemed paid on December 31 under section 857(b)(8). (See instructions.)	3		
4	Consent dividends (attach Forms 972 and 973)	4		
5	Total dividends paid—Add lines 1 through 4	5		
6	Deduction for dividends paid—If there is net income from foreclosure property (Part II, line 5), see instructions for limitation on deductible amount. Otherwise, enter amount from line 5 here and on line 21b, page 1	6		

Schedule J Tax Computation (See instructions.)

1 Check if you are a member of a controlled group (see sections 1561 and 1563)	<input type="checkbox"/>			
2 If line 1 is checked:				
a Enter your share of the \$50,000 and \$25,000 taxable income bracket amounts (in that order):	(i) <input type="text"/>	(ii) <input type="text"/>		
b Enter your share of the additional 5% tax (not to exceed \$11,750) ▶	<input type="text"/>			
3a Tax on real estate investment trust taxable income (see instructions to figure the tax)				
b Tax from Part II (line 6, page 2)				
c Tax from Part III (line 16, page 2)				
d Tax from Part IV (line 4, page 2)				
e Total—Add lines 3a through 3d				
4a Foreign tax credit (attach Form 1118)				
b General business credit. Enter here and check which forms are attached:				
<input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884				
<input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586				
c Credit for prior year minimum tax (attach Form 8801)				
d Total—Add lines 4a through 4c				
5 Line 3e less line 4d				
6 Personal holding company tax (attach Schedule PH (Form 1120))				
7 Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611				
8 Alternative minimum tax (see instructions—attach Form 4626)				
9 Total tax—Add lines 5 through 8. Enter here and on line 23, page 1				

Additional Information (See instruction F.)

	Yes	No		Yes	No
G (1) Did the REIT 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 identifying number; (b) percentage owned; and (c) taxable income (or loss) before NOL and special deductions (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year.			I At any time during the tax year, did the REIT have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See instruction F and filing requirements for form TD F 90-22.1.) If "Yes," enter name of foreign country ▶		
(2) Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the REIT's voting stock (or beneficial interests)? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (c)			J Was the REIT the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the REIT has any beneficial interest in it? If "Yes," the REIT may have to file Forms 3520, 3520-A, or 926.		
(a) Attach a schedule showing name, address, and identifying number.			K During this tax year, did the REIT pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the REIT's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452.		
(b) Enter percentage owned ▶			L During this tax year did the REIT maintain any part of its accounting/tax records on a computerized system?		
(c) Was the owner of such voting stock (or beneficial interest) a person other than a U.S. person? (See instructions.) Note: If "Yes," the REIT may have to file Form 5472 If "Yes," enter owner's country ▶			M Check method of accounting: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
H Was the REIT a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation.			N Check this box if the REIT issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If so, the REIT may have to file Form 8281.		
			O Enter the amount of tax-exempt interest received or accrued during the tax year ▶		

Schedule L Balance Sheets

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 Trade notes and accounts receivable				
a Less allowance for bad debts				
3 Federal and state government obligations				
4 Other current assets (attach schedule)				
5 Loans to stockholders				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other depreciable assets				
a Less accumulated depreciation				
9 Land (net of any amortization)				
10 Intangible assets (amortizable only)				
a Less accumulated amortization				
11 Other assets (attach schedule)				
12 Total assets				
Liabilities and Stockholders' Equity				
13 Accounts payable				
14 Mortgages, notes, bonds payable in less than 1 year				
15 Other current liabilities (attach schedule)				
16 Loans from stockholders				
17 Mortgages, notes, bonds payable in 1 year or more				
18 Other liabilities (attach schedule)				
19 Capital stock: a Preferred stock				
b Common stock				
20 Paid-in or capital surplus				
21 Retained earnings—Appropriated (attach schedule)				
22 Retained earnings—Unappropriated				
23 Less cost of treasury stock		()		()
24 Total liabilities and stockholders' equity				

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

(You are not required to complete this schedule if the total assets on line 12, column (d), of Schedule L are less than \$25,000.)

1 Net income on books		7 Income recorded on books this year not included in this return (itemize):	
2a Federal income tax (Schedule J, line 9) \$		a Tax-exempt interest \$	
b Less: Section 857(b)(5) tax \$()			
c Balance		8 Deductions in this tax return not charged against book income this year (itemize):	
3 Excess of capital losses over capital gains		a Depreciation \$	
4 Income subject to tax not recorded on books this year (itemize):		b Net operating loss deduction (line 21a, page 1) \$	
		c Dividends paid deduction (line 21b, page 1) \$	
5 Expenses recorded on books this year not deducted in this return (itemize):			
a Depreciation \$		9 Net income from foreclosure property	
b Section 4981 tax \$		10 Net income from prohibited transactions	
c Travel and entertainment \$		11 Total of lines 7 through 10	
		12 REIT taxable income (line 22, page 1)—line 6 less line 11	
6 Total of lines 1 through 5			

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 22, Schedule L)

(You are not required to complete this schedule if the total assets on line 12, column (d), of Schedule L are less than \$25,000.)

1 Balance at beginning of year		5 Distributions: a Cash	
2 Net income per books		b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		7 Total of lines 5 and 6	
4 Total of lines 1, 2, and 3		8 Balance at end of year (line 4 less line 7)	