

Department of the Treasury  
Internal Revenue Service

other taxable year beginning ....., 1971, ending ....., 19.....

**A** Date of election as small business corporation

Name

**C** Employer Identification No.

**B** Business Code No. (see page 4 of instructions)

Number and street

**D** County in which located

City or town, State, and ZIP code

**E** Enter total assets from line 14, column D, Schedule L

**IMPORTANT**—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instruction M.

**GROSS INCOME**

1	Gross receipts or gross sales	Less: returns and allowances	1
2	Less: cost of goods sold (Schedule A) and/or operations (attach schedule)		2
3	Gross profit		3
4	(a) Domestic dividends		4(a)
	(b) Foreign dividends		4(b)
5	Interest on obligations of the United States and U.S. instrumentalities		5
6	Other interest		6
7	Gross rents		7
8	Gross royalties		8
9	Gains and losses (separate Schedule D, Form 1120S and/or Form 4797)		
	(a) Net short-term capital gain reduced by any net long-term capital loss		9(a)
	(b) Net long-term capital gain reduced by any net short-term capital loss (if more than \$25,000, see instructions)		9(b)
	(c) Ordinary gain or (loss) from Part II, Form 4797 (attach Form 4797)		9(c)
10	Other income (see instructions—attach schedule)		10
11	Total income, lines 3 through 10		11

**DEDUCTIONS**

12	Compensation of officers (Schedule E)		12
13	Salaries and wages (not deducted elsewhere)		13
14	Repairs (see instructions)		14
15	Bad debts (Schedule F if reserve method is used)		15
16	Rents		16
17	Taxes (attach schedule)		17
18	Interest		18
19	Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)		19
20	Amortization (attach schedule)		20
21	Depreciation (Schedule G)		21
22	Depletion (attach schedule)		22
23	Advertising		23
24	Pension, profit-sharing, etc. plans (see instructions)		24
25	Employee benefit programs (see instructions)		25
26	Other deductions (attach schedule)		26
27	Total deductions, lines 12 through 26		27
28	Taxable income, line 11 less line 27		28

**TAX**

29	Income tax on capital gains (Schedule J)		29
30	Minimum tax (see instrs). Check here <input type="checkbox"/> if Form 4626 is attached		30
31	Total tax (add lines 29 and 30)		31
32	Credits: (a) Tax deposited with Form 7004 (attach copy)	32(a)	
	(b) Tax deposited with Form 7005 (attach copy)	32(b)	
	(c) Credit for U.S. tax on special fuels, nonhighway gas, and lubricating oil (see instr. — attach Form 4136)	32(c)	
33	TAX DUE (line 31 less line 32). See instruction G for depository method of payment		33
34	OVERPAYMENT (line 32 less line 31)		34

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. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

The Internal Revenue Service does not require a seal on this form, but if one is used, please place it here.

Date

Signature of officer

Title

Date

Signature of individual or firm preparing the return

Address

Method of inventory valuation (specify) Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory?  Yes  No. If "Yes," attach explanation.

1 Inventory at beginning of year . . . . .	5 Total of lines 1 through 4 . . . . .
2 Merchandise bought for manufacture or sale . . . . .	6 Less inventory at end of year . . . . .
3 Salaries and wages . . . . .	7 Cost of goods sold (enter here and on line 2, page 1) . . . . .
4 Other costs (attach schedule) . . . . .	

Schedule E—COMPENSATION OF OFFICERS (See instruction 12)

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business	5. Percentage of corporation stock owned	6. Amount of compensation	7. Expense account allowances
Total compensation of officers (enter here and on line 12, page 1) . . . . .						

Schedule F—BAD DEBTS—RESERVE METHOD (See instruction 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1966 . . . . .						
1967 . . . . .						
1968 . . . . .						
1969 . . . . .						
1970 . . . . .						
1971 . . . . .						

Schedule G—DEPRECIATION (See instruction 21)

**Note:** For new depreciation rules, see Form 4832 (Revised). Form 4832 (Revised) also explains the effect the new rules have on guideline lives under Rev. Procs. 62-21 and 65-13. Taxpayers using these lives: Make no entry in column 2. Enter the amounts in column 3 for assets held at the end of the year and enter the accumulated depreciation at the end of the year in column 4. You may (a) group depreciable assets in accordance with the categories shown below or (b) continue to list your assets in the same manner as in prior years. IF YOU NEED MORE SPACE, USE FORM 4562.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below) <span style="float: right;">→</span>						
2 Depreciation from Form 4832 (Revised) . . . . .						
3 Other depreciation:						
Buildings . . . . .						
Furniture and fixtures . . . . .						
Transportation equipment . . . . .						
Machinery and other equipment . . . . .						
Other (specify) . . . . .						
. . . . .						
. . . . .						
4 Totals . . . . .						
5 Less amount of depreciation claimed in Schedule A and elsewhere on return . . . . .						
6 Balance—enter here and on line 21, page 1 . . . . .						

Schedule H—SUMMARY OF DEPRECIATION (other than additional first-year depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Under Rev. Procs. 62-21 and 65-13 . . . . .						
2 Depr. from Form 4832 (Revised) . . . . .						
3 Other . . . . .						

Schedule J—TAX COMPUTATION (See instructions)

1 Taxable income (line 28, page 1) . . . . .	
2 (a) Enter 48 percent of line 1 (members of controlled groups, see instructions) . . . . .	
(b) Subtract \$6,500 and enter difference . . . . .	6,500.00
3 Net long-term capital gain reduced by net short-term capital loss (from line 9(b), page 1) . . . . .	
4 Subtract \$25,000. (Statutory minimum.) . . . . .	25,000.00
5 Balance (line 3 less line 4) (see instructions) . . . . .	
6 Enter 30 percent of line 5 (see instructions) . . . . .	
7 Income tax (line 2 or line 6, whichever is lesser). Enter here and on line 29, page 1 . . . . .	

Schedule K—SHAREHOLDERS' SHARES OF INCOME (See instructions)
Computation of Corporation's Undistributed Taxable Income

Table with 3 rows: 1 Taxable income (line 28, page 1), 2 Less: (a) Money distributed as dividends out of earnings and profits of the taxable year, (b) Tax imposed on certain capital gains (line 31, page 1), 3 Corporation's undistributed taxable income

Schedule of Distribution and Income (attach additional sheets, if necessary)

Table with 4 columns: 1. Name of each shareholder, 2. Social security number, 3. Stock ownership (Number of shares, Period held: From, To), 4. Percentage of time devoted to business

Table with 6 columns: Shareholder's Share of, Shareholder A, Shareholder B, Shareholder C, Shareholder D, Total. Rows include 4 Compensation, 5 Dividends paid, 6 Undistributed taxable income (loss), 7 Net long-term capital gain after tax, 8 Dividends entitled to exclusion, 9 Ordinary income, 10 Nondividend distributions, 11 Tax preferences (a-h)

\*Each shareholder must be notified as to what amount of his pro rata share of long-term capital gains may qualify as subsection (d) gains. See section 1201(d).

F Date incorporated

G Did the corporation at the end of the taxable year own directly, or indirectly, 50 percent or more of the voting stock of a domestic corporation? Yes No. (For rules of attribution, see section 267(c).)

If the answer is "Yes," attach a schedule showing: (a) name, address, and employer identification number; and (b) percentage owned.

H Did the corporation during the taxable year have any contracts or subcontracts subject to the Renegotiation Act of 1951? Yes No. If "Yes," enter the aggregate gross dollar amount billed during the year

I Amount of taxable income or (loss) for: 1968; 1969; 1970

J Refer to instructions for business activity codes and state the: Principal business activity; Principal product or service

K Were you a member of a controlled group subject to the provisions of sections 1561 or 1562? Yes No

L Did you claim a deduction for expenses connected with any:

- (1) Entertainment facility (boat, resort, ranch, etc.)? Yes No
(2) Living accommodations (except employees on business)? Yes No
(3) Employees' families at conventions or meetings? Yes No
(4) Employee or family vacations not reported on Form W-2? Yes No

M Did you file all required Forms 1099, 1096 and 1087? Yes No

N Did the corporation, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? Yes No. If "Yes," attach Form 4683. (For definitions, see Form 4683.)

O Answer only if (1) this is the first 1120S return filed since your election to be treated as a small business corporation and (2) the corporation was in existence for the taxable year prior to the election and had investment credit property: Was an agreement filed under section 1.47-4(b) of the Regulations? Yes No

**Schedule L—BALANCE SHEETS (See Instructions)**

	Beginning of taxable year		End of taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
<b>ASSETS</b>				
1 Cash . . . . .				
2 Trade notes and accounts receivable . . . . .				
(a) Less allowance for bad debts . . . . .				
3 Inventories . . . . .				
4 Gov't obligations: (a) U.S. and instrumentalities . . . . .				
(b) State, subdivisions thereof, etc. . . . .				
5 Other current assets (attach schedule) . . . . .				
6 Loans to shareholders . . . . .				
7 Mortgage and real estate loans . . . . .				
8 Other investments (attach schedule) . . . . .				
9 Buildings and other fixed depreciable assets . . . . .				
(a) Less accumulated depreciation . . . . .				
10 Depletable assets . . . . .				
(a) Less accumulated depletion . . . . .				
11 Land (net of any amortization) . . . . .				
12 Intangible assets (amortizable only) . . . . .				
(a) Less accumulated amortization . . . . .				
13 Other assets (attach schedule) . . . . .				
14 Total assets . . . . .				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
15 Accounts payable . . . . .				
16 Mtgs., notes, bonds payable in less than 1 year . . . . .				
17 Other current liabilities (attach schedule) . . . . .				
18 Loans from shareholders . . . . .				
19 Mtgs., notes, bonds payable in 1 year or more . . . . .				
20 Other liabilities (attach schedule) . . . . .				
21 Capital stock . . . . .				
22 Paid-in or capital surplus (attach reconciliation) . . . . .				
23 Retained earnings—appropriated (attach schedule) . . . . .				
24 Retained earnings—unappropriated . . . . .				
25 Shareholders' undistributed taxable income . . . . .				
26 Less cost of treasury stock . . . . .		( )		( )
27 Total liabilities and shareholders' equity . . . . .				

**Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN**

1 Net income per books . . . . .		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax . . . . .		(a) Tax-exempt interest . . . . .	
3 Excess of capital losses over capital gains . . . . .			
4 Taxable income not recorded on books this year (itemize) . . . . .		8 Deductions in this tax return not charged against book income this year (itemize) . . . . .	
5 Expenses recorded on books this year not deducted in this return (itemize) . . . . .		9 Total of lines 7 and 8 . . . . .	
6 Total of lines 1 through 5 . . . . .		10 Income (line 28, page 1)—line 6 less line 9	

**Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)**

1 Balance at beginning of year . . . . .		5 Distributions out of current or accumulated earnings and profits: (a) Cash . . . . .	
2 Net income per books . . . . .		(b) Stock . . . . .	
3 Other increases (itemize) . . . . .		(c) Property . . . . .	
		6 Current year's undistributed taxable income or net operating loss (total of line 6, Schedule K)	
		7 Other decreases (itemize) . . . . .	
		8 Total of lines 5, 6, and 7 . . . . .	
4 Total of lines 1, 2, and 3 . . . . .		9 Balance at end of year (line 4 less line 8) . . . . .	