

U.S. Small Business Corporation
Income Tax Return for calendar year 1977 or

1977

other taxable year beginning _____, 1977, ending _____, 19_____

A Date of election as small business corporation

B Business Code No. (see page 7 of instructions)

Use IRS label. Otherwise, print or type.

Name _____
 Number and street _____
 City or town, State, and ZIP code _____

C Employer identification no. _____

D Date incorporated _____

E Enter total assets from line 14, column (D), Schedule L (See instruction R)
 \$ _____

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instruction N.
Note: If section 465 (deductions limited to amount at-risk) applies, see instruction for line 28.

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 U.S. and U.S. instrumentalities		5
6	Other interest		6
7	Gross rents		7
8	Gross royalties		8
9	Gains and losses (attach 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 capital gain (if more than \$25,000, see instructions)		9(b)
	(c) Ordinary gain or (loss) from Part II, Form 4797		9(c)
10	Other income (see instructions—attach schedule)		10
11	TOTAL income—Add 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 from Form 4562 (attach Form 4562) _____, less depreciation claimed in Schedule A and elsewhere on return _____, Balance ▶	21
22	Depletion (attach schedule)	22
23	Advertising	23
24	Pension, profit-sharing, etc. plans (see instructions) (enter number of plans ▶_____)	24
25	Employee benefit programs (see instructions)	25
26	Other deductions (attach schedule)	26
27	TOTAL deductions—Add lines 12 through 26	27
28	Taxable income (line 11 less line 27) (see instructions)	28

TAX

29	Income tax on capital gains (Schedule J)	29
30	Minimum tax (see instructions—attach Form 4626)	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 (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. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Signature of officer _____ Date _____

Paid preparer's signature and identifying number (see Instructions) _____

Title _____

Paid preparer's address (or employer's name, address, and identifying number) _____

Schedule K Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

Computation of Corporation's Undistributed Taxable Income

Table with 9 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, 4 Actual dividend distributions taxable as ordinary income, 5 Actual dividend distributions taxable as long-term capital gains (after tax), 6 Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion, 7 Nondividend distributions, 8 Undistributed taxable income—taxable as ordinary income or (loss), 9 Undistributed taxable income—taxable as long-term capital gain (after tax).

10 Investment credit property

Cost or basis

Table with 3 main sections: Basis of new investment property (a, b, c), Qualified progress expenditures (1974, 1975 and 1976, 1977, d, e), Cost of used investment property (f, g, h).

11 Interest on investment indebtedness:

- (a) (1) Interest on investment indebtedness incurred prior to December 17, 1969, (2) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969, (3) Interest on investment indebtedness incurred after September 10, 1975, (b) Net investment income or (loss), (c) Excess expenses from "net lease property", (d) Net capital gain attributable to investment property

12 Item of tax preference (see instructions): (a) Accelerated depreciation on—

- (1) Low income rental housing, (2) Other real property, (3) Personal property subjected to a lease, (b) Amortization: (1), (2), (3), (4), (c) Reserve for losses on bad debts of financial institutions, (d) Depletion, (e) Intangible drilling costs, (f) Net capital gain (after tax)

13 New jobs credit (see instructions)

Additional Information Required

- F Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation?, G Taxable income or (loss) from line 28, Page 1, Form 1120S for your taxable year beginning in: 1974, 1975, 1976, H Refer to page 7 of instructions and state the principal: Business activity, Product or service, I Were you a member of a controlled group subject to the provisions of section 1561?, J Did you claim a deduction for expenses connected with: (1) Entertainment facility (boat, resort, ranch, etc.)?, (2) Living accommodations (except for employees on business)?, (3) Employees' families at conventions or meetings?, (4) Employee or family vacations not reported on Form W-2?

Yes No table for item F

Yes No table for item I

Yes No table for item J

Enter total amount of deduction(s) on Form 1120S that are claimed under section 274 (entertainment, gifts, etc.)

- K Did you file all required Forms 1087, 1096, and 1099?, L 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?, M Did you, 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 (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," see Instruction R., N Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," you may be required to file Forms 3520, 3520-A, or 926., O Was this firm in business at the end of 1977?, P How many months in 1977 was this firm in business?.

Yes No table for items K through P

Schedule L Balance Sheets

Assets	Beginning of Taxable year		End of Taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
1 Cash				
2 Trade notes and accounts receivable				
(a) Less allowances 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				
Liabilities and Shareholders' Equity				
15 Accounts payable				
16 Mtges., notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from shareholders				
19 Mtges., notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock				
22 Paid-in or capital surplus				
23 Retained earnings—appropriated (attach schedule)				
24 Retained earnings—unappropriated				
25 Shareholders' undistributed taxable income previously taxed				
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		8 Deductions in this tax return not charged against book income this year (itemize)	
4 Income subject to tax not recorded on books this year (itemize)		9 Total of lines 7 and 8	
5 Expenses recorded on books this year not deducted in this return (itemize)		10 Income (line 28, page 1)—line 6 less line 9	
6 Total of lines 1 through 5			

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 lines 8 and 9, 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)	