

1120S

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Form Department of the Treasury Internal Revenue Service

For the calendar year 1988 or tax year beginning 1988, ending 1988, ending 19

1988

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form header section containing fields A through H: Date of election as an S corporation, Business code no., Check applicable boxes, Check this box if this is an S corporation subject to the consolidated audit procedures, Enter number of shareholders.

Form header section containing fields I through L: Name, Number and street, City or town, state, and ZIP code, Employer identification number, Date incorporated, Total assets, Dollars, Cents.

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income section (lines 1a-6): 1a Gross receipts or sales, b Less returns and allowances, c Bal, 2 Cost of goods sold and/or operations, 3 Gross profit, 4 Net gain (or loss), 5 Other income, 6 Total income (loss).

Deductions section (lines 7-21): 7 Compensation of officers, 8a Salaries and wages, b Less jobs credit, c Bal, 9 Repairs, 10 Bad debts, 11 Rents, 12 Taxes, 13 Deductible interest expense, 14a Depreciation from Form 4562, 14b Depreciation reported on Schedule A, 14c Subtract line 14b from line 14a, 15 Depletion, 16 Advertising, 17 Pension, profit-sharing, etc. plans, 18 Employee benefit programs, 19 Other deductions, 20 Total deductions, 21 Ordinary income (loss).

Tax and Payments section (lines 22-25): 22 Tax: a Excess net passive income tax, b Tax from Schedule D, c Add lines 22a and 22b, 23 Payments: a Tax deposited with Form 7004, b Credit for Federal tax on fuels, c Add lines 23a and 23b, 24 Tax due, 25 Overpayment.

Please Sign Here section: 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. Signature of officer, Date, Title.

Paid Preparer's Use Only section: Preparer's signature, Date, Check if self-employed, Preparer's social security number, Firm's name (or yours if self-employed) and address, E.I. No., ZIP code.

**Schedule A Cost of Goods Sold and/or Operations** (See instructions for Schedule A.)

<b>1</b> Inventory at beginning of year	<b>1</b>		
<b>2</b> Purchases	<b>2</b>		
<b>3</b> Cost of labor	<b>3</b>		
<b>4a</b> Additional section 263A costs (attach schedule) (see instructions)	<b>4a</b>		
<b>b</b> Other costs (attach schedule)	<b>4b</b>		
<b>5</b> Total—Add lines 1 through 4b	<b>5</b>		
<b>6</b> Inventory at end of year	<b>6</b>		
<b>7</b> Cost of goods sold and/or operations—Subtract line 6 from line 5. Enter here and on line 2, page 1	<b>7</b>		

**8a** Check all methods used for valuing closing inventory:

- (i)  Cost
- (ii)  Lower of cost or market as described in Regulations section 1.471-4
- (iii)  Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
- (iv)  Other (Specify method used and attach explanation) ▶

**b** Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

**c** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **8c**

**d** Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation?  Yes  No

**e** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? (If "Yes," attach explanation.)  Yes  No

**Additional Information Required**

	Yes	No
<b>I</b> Did you 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: (1) name, address, and employer identification number; and (2) percentage owned.		
<b>J</b> Refer to the listing of business activity codes at the end of the Instructions for Form 1120S and state your principal: (1) Business activity ▶; (2) Product or service ▶		
<b>K</b> Were you a member of a controlled group subject to the provisions of section 1561?		
<b>L</b> At any time during the tax year, did you 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 instructions for exceptions and filing requirements for form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		
<b>M</b> Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926.		
<b>N</b> During this tax year did you maintain any part of your accounting/tax records on a computerized system?		
<b>O</b> Check method of accounting: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
<b>P</b> Check this box if the S corporation has filed or is required to file <b>Form 8264</b> , Application for Registration of a Tax Shelter <input type="checkbox"/>		
<b>Q</b> Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If so, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.		
<b>R</b> If the corporation: (1) filed its election to be an S corporation after December 31, 1986, (2) was a C corporation prior to making the election, and (3) at the beginning of the tax year has net unrealized built-in gain as defined in section 1374(d)(1), enter the net unrealized built-in gain (see instructions) ▶		

**Designation of Tax Matters Person** (See instructions.)

The following shareholder is hereby designated as the tax matters person (TMP) for the tax year for which this tax return is filed:

Name of designated TMP ▶	Identifying number of TMP ▶
--------------------------	-----------------------------

Address of designated TMP ▶

**Schedule K Shareholders' Shares of Income, Credits, Deductions, Etc. (See Instructions.)**

(a) Distributive share items		(b) Total amount	
<b>Income (Loss) and Deductions</b>			
<b>1</b> Ordinary income (loss) from trade or business activity(ies) (page 1, line 21)		<b>1</b>	
<b>2a</b> Gross income from rental real estate activity(ies)	<b>2a</b>		
<b>b</b> Minus expenses (attach schedule)	<b>2b</b>		
<b>c</b> Balance: net income (loss) from rental real estate activity(ies)		<b>2c</b>	
<b>3a</b> Gross income from other rental activity(ies)	<b>3a</b>		
<b>b</b> Minus expenses (attach schedule)	<b>3b</b>		
<b>c</b> Balance: net income (loss) from other rental activity(ies)		<b>3c</b>	
<b>4</b> Portfolio income (loss):			
<b>a</b> Interest income		<b>4a</b>	
<b>b</b> Dividend income		<b>4b</b>	
<b>c</b> Royalty income		<b>4c</b>	
<b>d</b> Net short-term capital gain (loss) (Schedule D (Form 1120S))		<b>4d</b>	
<b>e</b> Net long-term capital gain (loss) (Schedule D (Form 1120S))		<b>4e</b>	
<b>f</b> Other portfolio income (loss) (attach schedule)		<b>4f</b>	
<b>5</b> Net gain (loss) under section 1231 (other than due to casualty or theft) (see instructions)		<b>5</b>	
<b>6</b> Other income (loss) (attach schedule)		<b>6</b>	
<b>7</b> Charitable contributions (attach list)		<b>7</b>	
<b>8</b> Section 179 expense deduction (attach schedule)		<b>8</b>	
<b>9</b> Expenses related to portfolio income (loss) (attach schedule) (see instructions)		<b>9</b>	
<b>10</b> Other deductions (attach schedule)		<b>10</b>	
<b>Credits</b>			
<b>11a</b> Jobs credit		<b>11a</b>	
<b>b</b> Low-income housing credit: (1) Partnership to which section 42(j)(5) applies		<b>11b(1)</b>	
(2) Other.		<b>11b(2)</b>	
<b>c</b> Qualified rehabilitation expenditures related to rental real estate activity(ies) (attach schedule)		<b>11c</b>	
<b>d</b> Credits related to rental real estate activity(ies) other than on lines 11b and 11c (attach schedule)		<b>11d</b>	
<b>e</b> Credit(s) related to other rental activity(ies) (see instructions) (attach schedule)		<b>11e</b>	
<b>12</b> Other credits (attach schedule)		<b>12</b>	
<b>Investment Interest</b>			
<b>13a</b> Interest expense on investment debts		<b>13a</b>	
<b>b (1)</b> Investment income included on lines 4a through 4f, Schedule K		<b>13b(1)</b>	
<b>(2)</b> Investment expenses included on line 9, Schedule K		<b>13b(2)</b>	
<b>Tax Preference and Adjustment Items</b>			
<b>14a</b> Accelerated depreciation of real property placed in service before 1987		<b>14a</b>	
<b>b</b> Accelerated depreciation of leased personal property placed in service before 1987		<b>14b</b>	
<b>c</b> Depreciation adjustment on property placed in service after 1986		<b>14c</b>	
<b>d</b> Depletion (other than oil and gas)		<b>14d</b>	
<b>e (1)</b> Gross income from oil, gas, or geothermal properties		<b>14e(1)</b>	
<b>(2)</b> Gross deductions allocable to oil, gas, or geothermal properties		<b>14e(2)</b>	
<b>f</b> Other items (attach schedule)		<b>14f</b>	
<b>Foreign Taxes</b>			
<b>15a</b> Type of income			
<b>b</b> Name of foreign country or U.S. possession			
<b>c</b> Total gross income from sources outside the U.S. (attach schedule)		<b>15c</b>	
<b>d</b> Total applicable deductions and losses (attach schedule)		<b>15d</b>	
<b>e</b> Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		<b>15e</b>	
<b>f</b> Reduction in taxes available for credit (attach schedule)		<b>15f</b>	
<b>g</b> Other (attach schedule)		<b>15g</b>	
<b>Other Items</b>			
<b>16</b> Total property distributions (including cash) other than dividends reported on line 18, Schedule K		<b>16</b>	
<b>17</b> Other items and amounts not included in lines 1 through 16, Schedule K, that are required to be reported separately to shareholders (attach schedule)			
<b>18</b> Total dividend distributions paid from accumulated earnings and profits contained in other retained earnings (line 26 of Schedule L)		<b>18</b>	

**Schedule L Balance Sheets**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash				
2 Trade notes and accounts receivable				
a Less allowance for bad debts				
3 Inventories				
4 Federal and state government obligations				
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 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 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from shareholders				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock				
22 Paid-in or capital surplus				
23 Accumulated adjustments account				
24 Other adjustments account				
25 Shareholders' undistributed taxable income previously taxed				
26 Other retained earnings (see instructions)				
Check this box if the corporation has subchapter C earnings and profits at the close of the tax year <input type="checkbox"/> (see instructions)				
27 Total retained earnings per books—Combine amounts on lines 23 through 26, columns (a) and (c) (see instructions)				
28 Less cost of treasury stock		( )		( )
29 Total liabilities and shareholders' equity				

**Schedule M Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed** (If Schedule L, column (c), amounts for lines 23, 24, or 25 are not the same as corresponding amounts on line 9 of Schedule M, attach a schedule explaining any differences. See instructions.)

	Accumulated adjustments account	Other adjustments account	Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of year			
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Total of lines 1, 2, and 3			
5 Distributions other than dividend distributions			
6 Loss from page 1, line 21			
7 Other reductions			
8 Add lines 5, 6, and 7			
9 Balance at end of tax year—Subtract line 8 from line 4			