

**COMPUTATION OF U. S. CORPORATION EXCESS PROFITS TAX  
FOR CALENDAR YEAR 1951**

or fiscal year beginning \_\_\_\_\_, 1951, and ending \_\_\_\_\_, 1951

PRINT PLAINLY CORPORATION'S NAME AND ADDRESS

(Name) (Street and number) (City or town, postal zone number) (State)

**Schedule EP-1.—EXCESS PROFITS NET INCOME AND TAX COMPUTATION**

| EXCESS PROFITS NET INCOME  |  |    |  |
|--|--|----|--|
| Line No.   |  |    |  |
| 1.   | Net income before net operating loss deduction (item 32, page 1, Form 1120)<br>(Taxpayers on installment or long-term contract basis, see instructions for election under section 455)   | \$ |  |
| 2.   | Adjustment for interest on borrowed capital  |    |  |
| 3.   | Deductions on account of retirement or discharge of bonds, etc.  |    |  |
| 4.   | Deductions attributable to a grant or loan by a governmental agency to encourage mining of certain minerals  |    |  |
| 5.   | Deductions under reserve method for bad debts, in case of banks  |    |  |
| 6.   | Federal income and excess profits taxes paid by lessee under long-term lease   |    |  |
| 7.   | Deductions attributable to technical services rendered to related foreign corporations   |    |  |
| 8.   | Adjustment for interest on certain Government obligations (see instructions for election under section 440 (c))  |    |  |
| 9.   | Total of lines 1 to 8, inclusive   | \$ |  |
| 10.  | Partially tax exempt interest (sum of items 10 (a) and 10 (b), page 1, Form 1120)  | \$ |  |
| 11.  | Dividends received (item 7, page 1, Form 1120) less (a) adjustment for dividends received in kind, (b) dividends received from foreign personal holding companies, and (c) dividends received on stock which is not a capital asset  |    |  |
| 12.  | Net operating loss deduction for excess profits tax purposes (attach statement)  |    |  |
| 13.  | Net gain from sale or exchange of capital assets (sum of items 13 (a) and 13 (b), page 1, Form 1120)   |    |  |
| 14.  | Income from retirement or discharge of bonds, etc.   |    |  |
| 15.  | Refunds and interest on Agricultural Adjustment Act taxes  |    |  |
| 16.  | Income from recovery of certain bad debts  |    |  |
| 17.  | Nontaxable income of certain industries with depletable resources (attach statement)   |    |  |
| 18.  | Federal income and excess profits taxes received by lessor under long-term lease   |    |  |
| 19.  | Debts which actually became worthless during the year, in case of banks  |    |  |
| 20.  | Adjustment for blocked foreign income (attach statement)   |    |  |
| 21.  | Income attributable to a grant or forgiveness of a loan by a governmental agency to encourage mining of certain minerals   |    |  |
| 22.  | Income attributable to technical services rendered to related foreign corporations   |    |  |
| 23.  | Total of lines 10 to 22, inclusive   | \$ |  |
| 24.  | Excess profits net income computed without regard to deductions applicable to life insurance companies (line 9 minus line 23)  | \$ |  |
| 25.  | Deductions applicable to life insurance companies  |    |  |
| 26.  | Excess profits net income (line 24, or line 24 minus line 25 in case of life insurance companies)<br>(If return is for less than 12 months, see instructions.)   | \$ |  |
| <b>TAX COMPUTATION FOR CALENDAR YEAR 1951</b><br>(For other taxable years ending after March 31, 1951, and before December 31, 1952, obtain Schedule EP (Form 1120) FY from collector) |  |    |  |
| 27.  | Excess profits credit (line 54, Schedule EP-2; line 67, Schedule EP-4; or line 20, Schedule EP-3, whichever is applicable)<br>(If credit is determined by reference to section 434 (d), section 459, sections 461 through 465, Part II, sections 470 through 472, Part III, or section 474, Part IV, substitute the amount so computed. Indicate section or sections _____, and attach statement.) | \$ |  |
| 28.  | Unused excess profits credit adjustment (attach statement)   |    |  |
| 29.  | Enter total of lines 27 and 28, or \$25,000, whichever is larger (see instructions)  |    |  |
| 30.  | Adjusted excess profits net income (line 26 minus line 29)   | \$ |  |
| 31.  | 30 percent of line 30  | \$ |  |
| 32.  | 17¼ percent of line 26 (if a consolidated return, see instructions)  | \$ |  |
| 33.  | If return is for one of the first five taxable years, indicate which year _____, and see instructions.   |    |  |
|  | (a) Enter applicable percentage _____ %  |    |  |
|  | (b) Line 26, not in excess of \$300,000, multiplied by percentage on line (a)  | \$ |  |
|  | (c) Line 26, in excess of \$300,000, multiplied by 17¼ percent   |    |  |
|  | (d) Total of lines (b) and (c)   | \$ |  |
| 34.  | Line 31, 32, or 33 (d), whichever is less  | \$ |  |
| 35.  | If excess profits tax is computed under section 430 (d) <input type="checkbox"/> ; 450 <input type="checkbox"/> ; 456 <input type="checkbox"/> ; or 457 <input type="checkbox"/> substitute amount of tax so computed, check applicable section, and attach statement  | \$ |  |
| 36.  | Credit for income taxes paid to a foreign country or United States possession (attach statement)   |    |  |
| 37.  | Line 34 or 35, whichever is applicable, minus line 36  | \$ |  |
| 38.  | Amount, if any, due to application of section 452 (adjustment in case of position inconsistent with prior income tax liability)  |    |  |
| 39.  | Excess profits tax due (line 37 plus line 38, or line 37 minus line 38, whichever is applicable). Enter as item 38, page 1, Form 1120  | \$ |  |

**COMPUTATION OF U. S. CORPORATION EXCESS PROFITS TAX**  
**FOR CALENDAR YEAR 1951**

**1951**

or fiscal year beginning \_\_\_\_\_, 1951, and ending \_\_\_\_\_, 1951

EAR OR SHORT  
EAR  
1949  
1950

PRINT PLAINLY CORPORATION'S NAME AND ADDRESS

(Name) (Street and number) (City or town, postal zone number) (State)

**Schedule EP-1.—EXCESS PROFITS NET INCOME AND TAX COMPUTATION**

| Line No. | EXCESS PROFITS NET INCOME   |    |       |
|----------|---|----|-------|
| 1.       | Net income before net operating loss deduction (item 32, page 1, Form 1120)<br>(Taxpayers on installment or long-term contract basis, see instructions for election under section 455)  | \$ |       |
| 2.       | Adjustment for interest on borrowed capital   |    |       |
| 3.       | Deductions on account of retirement or discharge of bonds, etc.   |    |       |
| 4.       | Deductions attributable to a grant or loan by a governmental agency to encourage mining of certain minerals   |    |       |
| 5.       | Deductions under reserve method for bad debts, in case of banks   |    |       |
| 6.       | Federal income and excess profits taxes paid by lessee under long-term lease  |    |       |
| 7.       | Deductions attributable to technical services rendered to related foreign corporations  |    |       |
| 8.       | Adjustment for interest on certain Government obligations (see instructions for election under section 440 (c))   |    |       |
| 9.       | Total of lines 1 to 8, inclusive  | \$ |       |
| 10.      | Partially tax exempt interest (sum of items 10 (a) and 10 (b), page 1, Form 1120)   | \$ |       |
| 11.      | Dividends received (item 7, page 1, Form 1120) less (a) adjustment for dividends received in kind, (b) dividends received from foreign personal holding companies, and (c) dividends received on stock which is not a capital asset |    |       |
| 12.      | Net operating loss deduction for excess profits tax purposes (attach statement)   |    |       |
| 13.      | Net gain from sale or exchange of capital assets (sum of items 13 (a) and 13 (b), page 1, Form 1120)  |    |       |
| 14.      | Income from retirement or discharge of bonds, etc.  |    |       |
| 15.      | Refunds and interest on Agricultural Adjustment Act taxes   |    |       |
| 16.      | Income from recovery of certain bad debts   |    |       |
| 17.      | Nontaxable income of certain industries with depletable resources (attach statement)  |    |       |
| 18.      | Federal income and excess profits taxes received by lessor under long-term lease  |    |       |
| 19.      | Debts which actually became worthless during the year, in case of banks   |    |       |
| 20.      | Adjustment for blocked foreign income (attach statement)  |    |       |
| 21.      | Income attributable to a grant or forgiveness of a loan by a governmental agency to encourage mining of certain minerals  |    |       |
| 22.      | Income attributable to technical services rendered to related foreign corporations  |    |       |
| 23.      | Total of lines 10 to 22, inclusive  | \$ |       |
| 24.      | Excess profits net income computed without regard to deductions applicable to life insurance companies (line 9 minus line 23)   | \$ |       |
| 25.      | Deductions applicable to life insurance companies   |    |       |
| 26.      | Excess profits net income (line 24, or line 24 minus line 25 in case of life insurance companies)<br>(If return is for less than 12 months, see instructions.)  | \$ | 1950. |

**TAX COMPUTATION FOR CALENDAR YEAR 1951**

(For other taxable years ending after March 31, 1951, and before December 31, 1952, obtain Schedule EP (Form 1120) FY from collector)

|     |  |    |  |
|-----|--|----|--|
| 27. | Excess profits credit (line 54, Schedule EP-2; line 67, Schedule EP-4; or line 20, Schedule EP-3, whichever is applicable)<br>(If credit is determined by reference to section 434 (d), section 459, sections 461 through 465, Part II, sections 470 through 472, Part III, or section 474, Part IV, substitute the amount so computed. Indicate section or sections _____, and attach statement.) | \$ |  |
| 28. | Unused excess profits credit adjustment (attach statement)   |    |  |
| 29. | Enter total of lines 27 and 28, or \$25,000, whichever is larger (see instructions)  |    |  |
| 30. | Adjusted excess profits net income (line 26 minus line 29)   | \$ |  |
| 31. | 30 percent of line 30  | \$ |  |
| 32. | 17 1/4 percent of line 26 (if a consolidated return, see instructions)   | \$ |  |
| 33. | If return is for one of the first five taxable years, indicate which year _____, and see instructions.<br>(a) Enter applicable percentage _____ %<br>(b) Line 26, not in excess of \$300,000, multiplied by percentage on line (a) \$ _____<br>(c) Line 26, in excess of \$300,000, multiplied by 17 1/4 percent \$ _____<br>(d) Total of lines (b) and (c) \$ _____                               |    |  |
| 34. | Line 31, 32, or 33 (d), whichever is less  | \$ |  |
| 35. | If excess profits tax is computed under section 430 (d) <input type="checkbox"/> ; 450 <input type="checkbox"/> ; 456 <input type="checkbox"/> ; or 457 <input type="checkbox"/> substitute amount of tax so computed, check applicable section, and attach statement.   | \$ |  |
| 36. | Credit for income taxes paid to a foreign country or United States possession (attach statement)   |    |  |
| 37. | Line 34 or 35, whichever is applicable, minus line 36  | \$ |  |
| 38. | Amount, if any, due to application of section 452 (adjustment in case of position inconsistent with prior income tax liability)  |    |  |
| 39. | Excess profits tax due (line 37 plus line 38, or line 37 minus line 38, whichever is applicable). Enter as item 38, page 1, Form 1120  | \$ |  |

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|     |  |    |  |
|-----|--|----|--|
| 43. | Excess profits net income for last 6 months of 1949 (see instructions)                                   | \$ |  |
| 44. | Sum of lines 42 and 43   | \$ |  |
| 45. | Average base period net income—Alternative based on growth (line 40, 41, or 44 whichever is largest)     | \$ |  |
| 46. | Portion of line 45 to be taken into account _____ % (see instructions)                                   | \$ |  |
| 47. | Portion of line 30 or 36, whichever is applicable, to be taken into account _____ % (see instruction 46) | \$ |  |
| 48. | 12 percent of base period capital addition (line 15, Schedule EP-2 (A))                                  | \$ |  |
| 49. | Total of lines 47 and 48   | \$ |  |
| 50. | Line 46 or line 49, whichever is applicable  | \$ |  |
| 51. | 12 percent of net capital addition for the taxable year (line 20, Schedule EP-2 (B))                     | \$ |  |
| 52. | Total of lines 50 and 51   | \$ |  |
| 53. | 12 percent of net capital reduction for the taxable year (line 24, Schedule EP-2 (B))                    | \$ |  |
| 54. | Excess profits credit based on income (line 52 minus line 53). Enter on line 27, Schedule EP-1           | \$ |  |

**Schedule EP-2 (A).—BASE PERIOD CAPITAL ADDITION**

For use only in computing excess profits credit based on income. This schedule not to be used if average base period net income is based on growth (section 435 (e)) or is computed under section 443, 444, 445, or 446. For use of this schedule in connection with sections 442 and 459, see instructions

| Line No.   | 1. FIRST TAXABLE YEAR<br>ENDING AFTER<br>JUNE 30, 1950 |  | 2. FIRST PRECEDING<br>TAXABLE YEAR |  | 3. SECOND PRECEDING<br>TAXABLE YEAR |  |
|--|--|--|------------------------------------|--|-------------------------------------|--|
|  | \$   |  | \$                                 |  | \$                                  |  |
| 1. Total assets at beginning of year.....  |  |  |                                    |  |                                     |  |
| 2. Total liabilities at beginning of year.....   |  |  |                                    |  |                                     |  |
| 3. Equity capital at beginning of year (line 1 minus line 2).....  |  |  |                                    |  |                                     |  |
| 4. 75 percent of borrowed capital at beginning of year.....  |  |  |                                    |  |                                     |  |
| 5. Total of lines 3 and 4.....   |  |  |                                    |  |                                     |  |
| 6. Adjustment for interest on borrowed capital.....  |  |  |                                    |  |                                     |  |
| 7. 75 percent of line 6.....   |  |  |                                    |  |                                     |  |
| 8. 75 percent of loans to members of controlled groups at beginning of year.....   |  |  |                                    |  |                                     |  |
| 9. Inadmissible assets held at beginning of year reduced by 25 percent of the excess, if any, of the inadmissible assets over the amount on line 3 (see instructions)..... |  |  |                                    |  |                                     |  |
| 10. Total of lines 7, 8, and 9, but not more than amount on line 5.....  |  |  |                                    |  |                                     |  |
| 11. Yearly base period capital (line 5 minus line 10).....   |  |  |                                    |  |                                     |  |
| 12. Excess, if any, of column 1, line 11, over the higher of: (a) column 2, line 11; or (b) column 3, line 11.....   |  |  |                                    |  |                                     |  |
| 13. 50 percent of excess, if any, of (a) column 1, line 11, or (b) column 2, line 11, whichever is lower, over column 3, line 11.....                                      |  |  |                                    |  |                                     |  |
| 14. Base period capital addition (sum of lines 12 and 13).....   |  |  |                                    |  |                                     |  |
| 15. 12 percent of line 14. Enter on line 48, Schedule EP-2.....  |  |  |                                    |  |                                     |  |

**Schedule EP-2 (B).—TAXABLE YEAR CAPITAL ADDITION OR REDUCTION**

For use only in computing excess profits credit based on income. For computation in connection with sections 443, 445, and 459, or in the case of a decrease in inadmissible assets accompanied by an increase in operating assets (section 435 (g)), see instructions

|   |    |  |    |
|---|----|--|----|
| Line No.  |    |  |    |
| 1. Equity capital at beginning of first taxable year ending after June 30, 1950:  |    |  |    |
| (a) Total assets.....   | \$ |  |    |
| (b) Less: Total liabilities.....  |    |  | \$ |
| 2. Equity capital at beginning of the taxable year:   |    |  |    |
| (a) Total assets.....   | \$ |  |    |
| (b) Less: Total liabilities.....  |    |  | \$ |
| 3. Borrowed capital at beginning of first taxable year ending after June 30, 1950.....  |    |  | \$ |
| 4. Average daily amount of borrowed capital for the taxable year (attach statement).....  |    |  | \$ |
| 5. Average daily amount of money and property paid in during the taxable year for stock, or as paid-in surplus, or as a contribution to capital (attach statement)..... |    |  | \$ |
| 6. Excess, if any, of line 2 over line 1.....   |    |  | \$ |
| 7. 75 percent of excess, if any, of line 4 over line 3.....   |    |  | \$ |
| 8. Average daily capital addition (sum of lines 5, 6, and 7).....   |    |  | \$ |
| 9. Average daily amount of distributions during the taxable year not out of earnings and profits of such year (attach statement).....                                   |    |  | \$ |
| 10. Excess, if any, of line 1 over line 2.....  |    |  | \$ |
| 11. 75 percent of excess, if any, of line 3 over line 4.....  |    |  | \$ |
| 12. Average daily amount of increase in certain inadmissible assets held by member of controlled group.....   |    |  | \$ |
| 13. 75 percent of average daily amount of increase in loans to member of controlled group.....  |    |  | \$ |
| 14. Average daily capital reduction (sum of lines 9, 10, 11, 12, and 13).....   |    |  | \$ |
| 15. Total inadmissible assets at beginning of first taxable year ending after June 30, 1950.....  |    |  | \$ |
| 16. Average daily amount of inadmissible assets for the taxable year (attach statement).....  |    |  | \$ |
| 17. Excess, if any, of line 8 over line 14.....   |    |  | \$ |
| 18. (a) Excess, if any, of line 16 over the sum of lines 12 and 15 (see instructions).....  | \$ |  |    |
| (b) Line 17 minus line 7.....   |    |  |    |
| (c) Excess, if any, of line (a) over line (b).....  | \$ |  |    |
| (d) 25 percent of line (c).....   | \$ |  |    |
| (e) Line (a) minus line (d).....  |    |  |    |
| 19. Net capital addition for the taxable year (line 17 minus line 18 (e)).....  |    |  | \$ |
| 20. 12 percent of line 19. Enter on line 51, Schedule EP-2.....   |    |  | \$ |
| 21. Excess, if any, of line 14 over line 8.....   |    |  | \$ |
| 22. (a) Excess, if any, of line 15 over line 16.....  | \$ |  |    |
| (b) Line 21 minus sum of lines 11 and 13.....   |    |  |    |
| (c) Excess, if any, of line (a) over line (b).....  | \$ |  |    |
| (d) 25 percent of line (c).....   | \$ |  |    |
| (e) Line (a) minus line (d).....  |    |  |    |
| 23. Net capital reduction for the taxable year (line 21 minus line 22 (e)).....   |    |  | \$ |
| 24. 12 percent of line 23. Enter on line 53, Schedule EP-2.....   |    |  | \$ |

**Schedule EP-3.—ALTERNATIVE EXCESS PROFITS CREDIT OF REGULATED PUBLIC UTILITIES (Section 448)**

|   |    |  |    |
|---|----|--|----|
| Line No.  |    |  |    |
| 1. Equity capital at beginning of the taxable year:   |    |  |    |
| (a) Total assets.....   | \$ |  |    |
| (b) Less: Total liabilities.....  |    |  | \$ |
| 2. Average daily amount of money and property paid in during the taxable year for stock, or as paid-in surplus, or as a contribution to capital (attach statement)..... |    |  | \$ |
| 3. Recent loss adjustment (attach statement).....   |    |  | \$ |
| 4. Total of lines 1, 2, and 3.....  |    |  | \$ |
| 5. Average daily amount of distributions during the taxable year not out of earnings and profits of such year (attach statement).....                                   |    |  | \$ |
| 6. Line 4 minus line 5.....   |    |  | \$ |
| 7. Adjusted invested capital based upon prescribed uniform system of accounts:  |    |  |    |
| (a) Average outstanding capital stock for the taxable year (attach statement).....  | \$ |  |    |
| (b) Add: Capital surplus and earned surplus at beginning of the taxable year.....   |    |  | \$ |
| 8. Average daily amount of borrowed capital for the taxable year (attach statement).....  |    |  | \$ |
| 9. Sum of line 6 or line 7, whichever is applicable, and line 8.....  |    |  | \$ |
| 10. Applicable rate under section 448.....  |    |  | %  |
| 11. Line 9 multiplied by percentage on line 10.....   |    |  | \$ |
| 12. Reduction for interest on borrowed capital for the taxable year (attach statement).....   |    |  | \$ |
| 13. Line 11 minus line 12.....  |    |  | \$ |
| 14. Average daily amount of inadmissible assets for the taxable year.....   | \$ |  |    |
| 15. Average daily amount of total assets for the taxable year (attach statement).....   | \$ |  |    |
| 16. Percentage which line 14 is of line 15.....   |    |  | %  |
| 17. Line 13 multiplied by percentage on line 16.....  |    |  | \$ |
| 18. Line 13 minus line 17.....  |    |  | \$ |
| 19. Federal income tax (item 35, page 1, Form 1120).....  |    |  | \$ |
| 20. Excess profits credit (line 18 plus line 19). Enter on line 27, Schedule EP-1.....  |    |  | \$ |

**Lines 1 through 27 for taxpayers using "asset" method.**

1. Equity capital at beginning of the taxable year:

(a) Total assets \$

(b) Less: Total liabilities \$

2. Average daily amount of money and property paid in during the taxable year for stock, or as paid-in surplus, or as a contribution to capital (attach statement) \$

3. (a) Average daily amount of borrowed capital for the taxable year (attach statement) \$

(b) 75 percent of line 3 (a) \$

4. Recent loss adjustment (see instructions) \$

5. Total of lines 1, 2, 3 (b), and 4 \$

6. Average daily amount of distributions during the taxable year not out of earnings and profits of such year (attach statement) \$

7. Line 5 minus line 6 \$

**Lines 8 through 27 for use only if amount on line 7 is over \$5,000,000.**

8. Equity capital at beginning of first taxable year ending after June 30, 1950:

(a) Total assets \$

(b) Less: Total liabilities \$

9. Excluded capital paid in after beginning of first taxable year ending after June 30, 1950, and prior to the taxable year \$

10. Borrowed capital at beginning of first taxable year ending after June 30, 1950 \$

11. Excluded borrowed capital at beginning of first taxable year ending after June 30, 1950 (see instructions) \$

12. Average daily amount of excluded borrowed capital for the taxable year (attach statement) \$

13. Average daily amount of excluded capital paid in during the taxable year (attach statement) \$

14. Excess, if any, of line 2 over line 13 \$

15. (a) Excess, if any, of line 1 over line 9 \$

(b) Excess, if any, of line 15 (a) over line 8 \$

16. (a) Excess, if any, of line 3 (a) over line 10 \$

(b) Excess, if any, of line 12 over line 11 \$

(c) 75 percent of excess, if any, of line 16 (a) over line 16 (b) \$

17. Average daily new capital addition (sum of lines 14, 15 (b), and 16 (c)) \$

18. Average daily amount of distribution shown on line 6 above \$

19. (a) Line 8 plus line 9 \$

(b) Excess, if any, of line 19 (a) over line 1 \$

20. 75 percent of excess, if any, of line 10 over line 3 (a) \$

21. Average daily new capital reduction (sum of lines 18, 19 (b), and 20) \$

22. Total inadmissible assets at beginning of first taxable year ending after June 30, 1950 \$

23. Average daily amount of inadmissible assets for the taxable year (attach statement) \$

24. Excess, if any, of line 17 over line 21 (see instructions) \$

25. (a) Excess, if any, of line 23 over line 22 \$

(b) Excess, if any, of line 24 over line 16 (c) \$

(c) Sum of line 20 and line 24 \$

(d) 25 percent of excess, if any, of line (a) over line (b) or line (c), whichever is applicable \$

(e) Line (a) minus line (d) \$

26. Net new capital addition (excess, if any, of line 24 over line 25 (e)) \$

27. Line 7 minus line 26 \$

**Lines 28 through 55 for taxpayers electing the "historical" method.**

**Equity Invested Capital at the Beginning of the Taxable Year**

28. Money paid in for stock, or as paid-in surplus, or as a contribution to capital \$

29. Property paid in for stock, or as paid-in surplus, or as a contribution to capital \$

30. Distributions of earnings and profits in stock of the corporation \$

31. (a) Accumulated earnings and profits \$

(b) Adjustment for transferor's deficit under section 458 (f) (4) \$

(c) Increase or decrease under section 472 (d) (1) on account of intercorporate liquidation \$

(d) Accumulated earnings and profits (line 31 (a) as adjusted by line 31 (b) and (c)) \$

32. Increase on account of intercorporate liquidation under section 472 (d) (2) \$

33. Deficit in earnings and profits of another corporation under section 458 (d) (5) \$

34. Total of lines 28 to 33 \$

35. Less: Distributions made prior to the taxable year not out of accumulated earnings and profits \$

36. Earnings and profits of another corporation required to be deducted by section 458 (e) (3) \$

37. Decrease on account of intercorporate liquidation under section 472 (d) (2) \$

38. Deficit included in invested capital of another corporation (section 458 (e) (4)) \$

39. Total of lines 35 to 38 \$

40. Equity invested capital at beginning of the taxable year (line 34 minus line 39) \$

**Average Addition to Equity Invested Capital During the Taxable Year**

41. Money paid in for stock, or as paid-in surplus, or as a contribution to capital \$

42. Property paid in for stock, or as paid-in surplus, or as a contribution to capital \$

43. Distributions of earnings and profits (other than earnings and profits of the taxable year) in stock of the corporation (see line 49, below) \$

44. Increase on account of intercorporate liquidation under section 472 (d) (2) \$

45. Deficit in earnings and profits of another corporation under section 458 (d) (5) \$

46. Total additions in lines 41 to 45 \$

47. Total of lines 40 and 46 \$

**Average Reduction in Equity Invested Capital During the Taxable Year**

48. Distributions not out of earnings and profits of the taxable year \$

49. Stock distributions from accumulated earnings and profits at beginning of year (see line 43, above) \$

50. Decrease on account of intercorporate liquidation under section 472 (d) (2) \$

51. Deficit in earnings and profits included in invested capital of another corporation (section 458 (e) (4)) \$

52. Total reductions in lines 48 to 51 \$

53. Equity invested capital (line 47 minus line 52) \$

54. 75 percent of average borrowed capital \$

55. Average invested capital (line 53 plus line 54) \$

56. Line 7 or line 27, whichever is applicable (or line 55 if the taxpayer elects the "historical" method) \$

57. Portion of line 56 not over \$5,000,000 \$ Enter 12 percent \$

58. Portion of line 56 over \$5,000,000 but not over \$10,000,000 \$ Enter 10 percent \$

59. Portion of line 56 over \$10,000,000 \$ Enter 8 percent \$

60. Total of lines 57, 58, and 59 \$

61. Average daily amount of inadmissible assets for the taxable year \$

62. Average daily amount of total assets for the taxable year (attach statement) \$

63. Percentage which line 61 is of line 62 %

64. Reduction on account of inadmissible assets (line 60 multiplied by percentage on line 63) \$

65. Line 60 minus line 64 \$

66. If line 7 is more than \$5,000,000, enter 12 percent of line 26 (applicable only to "asset" method) \$

67. Excess profits credit based on invested capital (line 65 plus line 66). Enter on line 27, Schedule EP-1 \$

AVERAGE BASE PERIOD NET INCOME COMPUTED ON BASIS OF INDUSTRY RATE OF RETURN
Schedule EP-5 (A).--NEW CORPORATIONS (Section 445)

Schedule EP-5 (A) may be used by any taxpayer (other than an "ineligible corporation") which commenced business after April 1, 1946. For application of section 445 to a taxpayer which commenced business after January 1, 1946, and before April 2, 1946, see instructions.

- (a) Attach statement setting forth in detail all grounds upon the basis of which this application for the benefits of section 445 is made.
(b) On what date did taxpayer commence business?
(c) List each prior taxable year for which required to file income tax return:
(d) Did the taxpayer on or after December 1, 1950, and prior to the end of its third taxable year acquire any properties in any of the transactions described in section 445 (g)?

Table with 16 rows for Schedule EP-5 (A) calculations. Columns include Line No., description, and monetary values in dollars and percentages.

SCHEDULE EP-5 (B).--ABNORMALITIES DURING BASE PERIOD (Section 442)
This schedule should be used only by a taxpayer which commenced business on or before the first day of its base period.

- (a) Attach statement setting forth in detail all grounds upon the basis of which this application for the benefits of section 442 is made.
(b) If normal production, output, or operation was interrupted or diminished because of the occurrence, either immediately prior to, or during a base period taxable year, of events unusual and peculiar in the experience of the taxpayer, include in such statement a description of the events and the time of their occurrence; indicate the taxable years in the base period during which production, output, or operation was adversely affected; and indicate the taxable years in the base period the excess profits net income of which was reduced (or deficit in excess profits net income increased) by reason of such events.
(c) If the business of the taxpayer was depressed in a base period taxable year because of temporary economic circumstances unusual in the case of the taxpayer, include in such statement a description of such events and the time of their occurrence; indicate the taxable years in the base period the excess profits net income of which was reduced (or deficit in excess profits net income increased) by reason of such events.
(d) If eligibility is claimed under section 442 (h), include in such statement a description of the events which interrupted or diminished normal production, or output, or operation, and indicate the time of their occurrence.

TAXABLE YEARS ENDING AFTER MARCH 31, 1946, AND BEFORE DECEMBER 1, 1950

Table for Schedule EP-5 (B) with 5 columns for taxable years (1946, 1947, 1948, 1949) and 1 row for fiscal year. Rows 1-6 describe excess profits net income or deficit, monthly average, number of months, and adjustments.

If total number of months entered on line 5 is 12 or less, fill in lines 7 through 17; if more than 12 months, fill in lines 22 through 29, and line 30 if applicable. If eligibility is claimed under section 442 (h), fill in lines 7 through 12 and 18 through 21.

Main calculation table for Schedule EP-5 (B) with 20 rows. Columns include Line No., description, and monetary values in dollars and percentages across the taxable years.

Schedules EP-5 (C) through (E) should be used only by a taxpayer which commenced business on or before the first day of its base period

**Schedule EP-5 (C).—CHANGE IN PRODUCTS OR SERVICES (Section 443)**

- (a) Attach statement setting forth in detail all grounds upon the basis of which this application for the benefits of section 443 is made.
- (b) Include in such statement full details concerning the nature and effect of the change or changes in the taxpayer's products or services upon which this application is based.
- (c) Indicate the date upon which the taxpayer's gross receipts first reflected such change or changes .....
- (d) List the three taxable years immediately preceding the year with respect to which taxpayer claims qualification under section 443, and check year in which substantial change in products or services furnished by the taxpayer first occurred:

Beginning ..... Ending .....

.....

.....

| Line No.<br>1. (a) Designate the taxable year with respect to which taxpayer claims qualification under section 443 (a): | 1. TOTAL FOR YEAR | 2. AMOUNT DUE TO NEW PRODUCTS OR SERVICES | 3. COLUMN 2 AS A PERCENTAGE OF COLUMN 1 |
|--|-------------------|---|---|
| Beginning ..... and ending .....   |                   |   |   |
| (b) Gross income .....   | \$.....           | \$.....                                   | .....%                                  |
| (c) Net income .....   | \$.....           | \$.....                                   | .....%                                  |

Fill in lines 2, 3, and 4 only if column 3, line 1 (b) is more than 40 percent, or if column 3, line 1 (c) is more than 33 percent.

| Line No.  | 1. AMOUNT | 2. NUMBER OF MONTHS | 3. MONTHLY AVERAGE |
|---|-----------|---------------------|--------------------|
| 2. Excess profits net income for taxable year designated on line 1 (a). (See instructions).....   | \$.....   |                     | \$.....            |
| 3. Aggregate excess profits net income (or deficit) for those taxable years ending within the base period and prior to taxable year in which first change occurred. (From line 26, Schedule EP-2.)..... | \$.....   |                     | \$.....            |
| 4. 125 percent of column 3, line 3.....   |           |                     | \$.....            |

Fill in lines 5 through 10 only if column 3, line 2, exceeds line 4.

|   |         |        |
|---|---------|--------|
| 5. Total assets at end of taxable year designated on line 1 (a), or at end of last taxable year ending prior to July 1, 1950, whichever is later..... | \$..... |        |
| 6. Taxpayer's industry classification (see instructions).....; Base period rate of return.....  |         | .....% |
| 7. Line 5 multiplied by percentage on line 6.....   | \$..... |        |
| 8. Reduction for interest (see instructions).....   | \$..... |        |
| 9. Average base period net income (line 7 minus line 8).....  | \$..... |        |
| 10. Portion of line 9 to be taken into account .....% (see instruction 46, Schedule EP-2). Enter on line 49, Schedule EP-2.....                       | \$..... |        |

**Schedule EP-5 (D).—INCREASE IN CAPACITY FOR PRODUCTION OR OPERATION (Section 444)**

- (a) Attach statement setting forth in detail all grounds upon the basis of which this application for the benefits of section 444 is made.
- (b) If application is based upon increase in capacity for production or operation resulting from replacement of or addition to facilities (section 444 (b)(1)), or upon such an increase in capacity in conjunction with an increase in the aggregate adjusted basis of total facilities of the taxpayer (section 444 (b) (2)), include in such statement a detailed description of the method used in determining capacity at the beginning and end of the 36-month period involved and a schedule showing the adjusted basis of facilities held at the beginning and the adjusted basis of facilities held at the end of such period.
- (c) If application is based upon increase in capacity for production or operation evidenced by an increase in the aggregate unadjusted basis of total facilities of the taxpayer (section 444 (b) (3)), include in such statement a schedule showing the unadjusted basis of facilities held at the beginning and the unadjusted basis of facilities held at the end of the 36-month period involved.

| Line No.  | 1. LAST DAY OF TWELFTH MONTH IN BASE PERIOD | 2. LAST DAY OF FORTY-EIGHTH MONTH IN BASE PERIOD | 3. COLUMN 2 AS A PERCENTAGE OF COLUMN 1 |
|---|---|--|---|
| 1. Capacity for production or operation. (Do not include in column 2 any increase over column 1 not due to replacements or additions to facilities.)..... |   |  | .....%                                  |
| Indicate unit of measurement .....  |   |  |   |
| 2. Adjusted basis of total facilities.....  | \$.....                                     | \$.....  | .....%                                  |
| 3. Unadjusted basis of total facilities.....  | \$.....                                     | \$.....  | .....%                                  |

Fill in lines 4 through 9, only if (a) column 3, line 1, is 200% or more; or (b) column 3, line 1, and column 3, line 2, are both 150% or more; or (c) column 3, line 3, is 200% or more.

|  |         |        |
|--|---------|--------|
| 4. Total assets at end of last taxable year ending prior to July 1, 1950.....  | \$..... |        |
| 5. Taxpayer's industry classification (see instructions).....; Base period rate of return.....                                 |         | .....% |
| 6. Line 4 multiplied by percentage on line 5.....  | \$..... |        |
| 7. Reduction for interest (see instructions).....  | \$..... |        |
| 8. Average base period net income (line 6 minus line 7).....   | \$..... |        |
| 9. Portion of line 8 to be taken into account .....% (see instruction 46, Schedule EP-2). Enter on line 49, Schedule EP-2..... | \$..... |        |

**Schedule EP-5 (E).—DEPRESSED INDUSTRY SUBGROUPS (Section 446)**

- (a) Attach statement setting forth in detail all grounds upon the basis of which this application for the benefits of section 446 is made.
- (b) Include in such statement the amount of taxpayer's gross receipts for each of the taxable years beginning with or within the base period and the amount of such receipts attributable to the depressed industry subgroup of which the taxpayer is a member. Include a complete description of the products or services the gross receipts from which are attributed to a depressed industry subgroup.

| Year ended.....  | 1946    | 1947    | 1948    | 1949    | 1950    |
|--|---------|---------|---------|---------|---------|
| Line No.<br>1. Total assets at end of each taxable year ending after the beginning of the base period and before July 1, 1950.....   | \$..... | \$..... | \$..... | \$..... | \$..... |
| 2. Interest paid or accrued for each taxable year for which an entry is made on line 1.....  | \$..... | \$..... | \$..... | \$..... | \$..... |
| 3. Average of amounts on line 1.....   |         |         |         |         | \$..... |
| 4. Taxpayer's industry subgroup (see instructions).....; Adjusted rate of return.....  |         |         |         |         | .....%  |
| 5. Line 3 multiplied by percentage on line 4.....  |         |         |         |         | \$..... |
| 6. Interest adjustment (aggregate of amounts on line 2, multiplied by 12 and divided by total number of months in taxable years for which entries are made on line 1)..... |         |         |         |         | \$..... |
| 7. Average base period net income (line 5 minus line 6).....   |         |         |         |         | \$..... |
| 8. Portion of line 7 to be taken into account .....% (see instruction 46, Schedule EP-2). Enter on line 49, Schedule EP-2.....   |         |         |         |         | \$..... |