

**Net Income (Loss) Reconciliation for Corporations  
With Total Assets of \$10 Million or More**

**2005**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1120.**  
▶ **See separate instructions.**

Name of corporation (common parent, if consolidated return)

Employer identification number

**Part I Financial Information and Net Income (Loss) Reconciliation**

- 1a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
  - Yes.** Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
  - No.** Go to line 1b.
- b Did the corporation prepare a certified audited income statement for that period?
  - Yes.** Skip line 1c and complete lines 2a through 11 with respect to that income statement.
  - No.** Go to line 1c.
- c Did the corporation prepare an income statement for that period?
  - Yes.** Complete lines 2a through 11 with respect to that income statement.
  - No.** Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4.
- 2a Enter the income statement period: Beginning      /      /      Ending      /      /
- b Has the corporation's income statement been restated for the income statement period on line 2a?
  - Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
  - No.**
- c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
  - Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
  - No.**
- 3a Is any of the corporation's voting common stock publicly traded?
  - Yes.**
  - No.** If "No," go to line 4.
- b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock . . . . . 

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- c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock . . . . . 

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- 4 Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 

<b>4</b>	
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- 5a Net income from nonincludible foreign entities (attach schedule) . . . . . 

<b>5a</b>	(            )
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- b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) . . . . . 

<b>5b</b>	
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- 6a Net income from nonincludible U.S. entities (attach schedule) . . . . . 

<b>6a</b>	(            )
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- b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) . . . . . 

<b>6b</b>	
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- 7a Net income of other includible corporations (attach schedule) . . . . . 

<b>7a</b>	
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- b Net loss of other includible corporations (attach schedule) . . . . . 

<b>7b</b>	(            )
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- 8 Adjustment to eliminations of transactions between includible corporations and nonincludible entities (attach schedule) . . . . . 

<b>8</b>	
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- 9 Adjustment to reconcile income statement period to tax year (attach schedule) . . . . . 

<b>9</b>	
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- 10 Other adjustments to reconcile to amount on line 11 (attach schedule) . . . . . 

<b>10</b>	
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- 11 **Net income (loss) per income statement of includible corporations.** Combine lines 4 through 10 . . . . . 

<b>11</b>	
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Name of corporation (common parent, if consolidated return)

Employer identification number

If consolidated return, check applicable box: (1)  Consolidated group (2)  Parent corporation (3)  Consolidated eliminations (4)  Subsidiary corporation

Name of subsidiary (if consolidated return)

Employer identification number

**Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return**

Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Income (loss) from equity method foreign corporations			
2	Gross foreign dividends not previously taxed . . .			
3	Subpart F, QEF, and similar income inclusions . . .			
4	Section 78 gross-up . . . . .			
5	Gross foreign distributions previously taxed . . .			
6	Income (loss) from equity method U.S. corporations . . .			
7	U.S. dividends not eliminated in tax consolidation . . .			
8	Minority interest for includible corporations . . .			
9	Income (loss) from U.S. partnerships (attach schedule) . . .			
10	Income (loss) from foreign partnerships (attach schedule)			
11	Income (loss) from other pass-through entities (attach schedule) . . . . .			
12	Items relating to reportable transactions (attach details)			
13	Interest income . . . . .			
14	Total accrual to cash adjustment . . . . .			
15	Hedging transactions . . . . .			
16	Mark-to-market income (loss) . . . . .			
17	Cost of goods sold . . . . .			
18	Sale versus lease (for sellers and/or lessors) . . .			
19	Section 481(a) adjustments . . . . .			
20	Unearned/deferred revenue . . . . .			
21	Income recognition from long-term contracts . . .			
22	Original issue discount and other imputed interest			
23a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities			
23b	Gross capital gains from Schedule D, excluding amounts from pass-through entities . . . . .			
23c	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .			
23d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses			
23e	Abandonment losses . . . . .			
23f	Worthless stock losses (attach details) . . . . .			
23g	Other gain/loss on disposition of assets other than inventory			
24	Disallowed capital loss in excess of capital gains . . . . .			
25	Utilization of capital loss carryforward . . . . .			
26	Other income (loss) items with differences (attach schedule)			
27	<b>Total income (loss) items.</b> Combine lines 1 through 26 . . . . .			
28	<b>Total expense/deduction items</b> (from Part III, line 36) . . . . .			
29	Other income (loss) and expense/deduction items with no differences . . . . .			
30	<b>Reconciliation totals.</b> Combine lines 27 through 29 . . . . .			

**Note.** Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)	Employer identification number ⋮
If consolidated return, check applicable box: (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corporation (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corporation	
Name of subsidiary (if consolidated return)	Employer identification number ⋮

**Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items**

	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense . . . . .				
2 U.S. deferred income tax expense . . . . .				
3 State and local current income tax expense . . . . .				
4 State and local deferred income tax expense . . . . .				
5 Foreign current income tax expense (other than foreign withholding taxes) . . . . .				
6 Foreign deferred income tax expense . . . . .				
7 Foreign withholding taxes . . . . .				
8 Interest expense . . . . .				
9 Stock option expense . . . . .				
10 Other equity-based compensation . . . . .				
11 Meals and entertainment . . . . .				
12 Fines and penalties . . . . .				
13 Judgments, damages, awards, and similar costs . . . . .				
14 Parachute payments . . . . .				
15 Compensation with section 162(m) limitation . . . . .				
16 Pension and profit-sharing . . . . .				
17 Other post-retirement benefits . . . . .				
18 Deferred compensation . . . . .				
19 Charitable contribution of cash and tangible property . . . . .				
20 Charitable contribution of intangible property . . . . .				
21 Charitable contribution limitation/carryforward . . . . .				
22 Domestic production activities deduction . . . . .				
23 Current year acquisition or reorganization investment banking fees . . . . .				
24 Current year acquisition or reorganization legal and accounting fees . . . . .				
25 Current year acquisition/reorganization other costs . . . . .				
26 Amortization/impairment of goodwill . . . . .				
27 Amortization of acquisition, reorganization, and start-up costs . . . . .				
28 Other amortization or impairment write-offs . . . . .				
29 Section 198 environmental remediation costs . . . . .				
30 Depletion . . . . .				
31 Depreciation . . . . .				
32 Bad debt expense . . . . .				
33 Corporate owned life insurance premiums . . . . .				
34 Purchase versus lease (for purchasers and/or lessees) . . . . .				
35 Other expense/deduction items with differences (attach schedule) . . . . .				
36 <b>Total expense/deduction items.</b> Combine lines 1 through 35. Enter here and on Part II, line 28 . . . . .				