

Corporate Report of Nontaxable Dividends

For calendar year ending December 31, 19

OMB No. 1545-0205
Expires 7-31-87

Name as shown on Form 1120	Employer identification number
Address (number and street)	Date incorporated
City, State, and ZIP code	Telephone number ()

Specific Instructions

Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

1. When and where to file.—You should complete and file Form 5452 if you pay nontaxable dividends to your shareholders. File this form by February 28 following the close of the calendar year, with the **Director, Corporation Tax Division, CC:C:C:1:1, Internal Revenue Service, Washington, D.C. 20224.** *Note: File earnings and profits computations for section 333 liquidations with your Form 1120.*

2. Nontaxable dividends.—For purposes of this return, nontaxable dividends are distributions paid to shareholders in the normal course of business. They are considered wholly or partially nontaxable as dividends only because the paying corporation's current and accumulated earnings and profits are less than the distributions. Nontaxable dividends do not include tax-free stock dividends or distributions exchanged for stock in liquidations or redemptions.

3. Calendar year basis.—If you paid nontaxable dividends to shareholders, report all dividends paid during the calendar year, even if you use a fiscal year as your tax year and have not yet filed Form 1120.

4. Taxable status reported to shareholders.—Please complete the table below showing the taxable status of distributions reported to shareholders. If noncash distributions were made, show their tax bases and fair market values. Also, if distributions were made to shareholders that are corporations and those that are not (individuals, partnerships, etc.), show the number of shares held by and the amounts paid to each.

5. Specific data.—The earnings and profits of the tax year beginning were \$ This is an estimate or the actual amount , based on U.S. Corporation Income Tax Return, Form 1120.

The number of shareholders of record on the date of the last dividend payment was:

- Corporations
- Individuals, partnerships, etc.

At the beginning of the taxable year, the balance of earnings and profits accumulated after February 28, 1913 was \$

6. Supporting data.—(a) If you filed Form 1120, attach the following to this form: (1) a computation of earnings and profits of the tax year, * and a schedule of differences between Schedule M and these earnings and profits; (2) a year-by-year computation of accumulated earnings and profits, and a schedule of differences since the origin of the company, February 28, 1913, or the last year for which such data was previously furnished, whichever is later; (3) a copy of Schedules M-1 and M-2 (with any supporting schedules); and (4) an ending book (Schedule L, Form 1120) vs. tax-basis balance sheet. If you use accelerated depreciation, attach a schedule summarizing the depreciation (and any amortization) computed under the straight-line method and a reconciliation of any difference between that amount and the amount claimed on Form 1120. (For examples, see Exhibits in Rev. Proc. 75-17, 1975-1 CB, 677.)

(b) If you filed a consolidated return, Form 1120, attach the following in addition to the items described above: (1) a schedule showing the allocation of the consolidated tax liability and the method used (if an intercompany agreement is in effect, give complete details); (2) a schedule showing the separate taxable income or loss for each member-company included in the consolidated return; and (3) for each member-company paying nontaxable dividends, the data described above in paragraph 6(a) on the basis of the member-company's taxable income or loss.

7. Extension.—If you have not filed Form 1120, and you need an extension to file supporting data described in instruction 6 above, we will grant an extension of time until the due date of your return if you complete the following:

Extension requested to (date).

Note: If you do not furnish the supporting data required above, *IRS may assume you have redetermined your distributions to your shareholders to be fully taxable as dividends.*

**See illustration on the back.*

Column 1			Column 2		Column 3	
Date paid	Total amount paid (Common (C) Preferred (P))	Amount per share	Amount paid during year from earnings and profits of the current year or accumulated since February 28, 1913		Amount paid during year from other than earnings and profits of the current year or accumulated since February 28, 1913	
	\$	\$	\$		\$	
Totals	\$		\$		\$	

Date Signature Title

Name (Please type or print)

Illustration of a Current-Year Earnings and Profits Computation

XYZ Corporation, E. I. No. 00-0000000

123 Main Street

Anycity, Yourstate 20200

	Retained Earnings Shown in Books		Earnings and Profits Current Year		Accumulated CreditBalance	Key
	Debit	Credit	Debit	Credit		
Incorporated 1/1/54						
Accrual Method of Accounting						
12/31/82 Balance forward		\$225,000			\$20,900	
1983						
Taxable income from line 28, page 1 of return		214,700		\$214,700		✓
Federal income taxes shown in books	\$89,556					a
Federal income taxes shown on tax return			\$89,556			a
Excess of capital losses over capital gains (tax basis)	3,600		3,600			✓
Section 312(k) depreciation adjustment				24,000		
Depreciation adjustment on property disposition			4,000			
Contributions in excess of limitation	\$200		200			✓
Life insurance premium in excess of cash surrender value (CSV)	9,500		9,500			✓
Non deductible interest paid to carry tax-exempt bonds	850		850			✓
Unallowed contributions	500		500			✓
Total itemized from line 5, Schedule M-1		11,050				
Life insurance proceeds in excess of CSV	6,000			6,000		✓
Bad debt recovery (not charged against taxable income)	3,500					1-1981
Tax-exempt interest on municipal bonds	5,000			5,000		✓
Total itemized from line 7, Schedule M-1			14,500			
Refund of prior year Federal income taxes			18,000			1-1982
Reserve for contingencies		10,000				
			108,206	249,700		
				141,494		
Current-Year Earnings and Profits						
<i>Cash Distributions:</i>						
Preferred: <u>3/15, 6/15, 9/15, 12/15/83</u>	20,000			20,000		✓
\$0.50/Sh-10,000 Shs						
Common: <u>3/31/83</u>						
\$1.00/Sh-90,000 Shs						
%						
From current-year earnings and profits	xx	60,747		60,747		✓
From accumulated earnings and profits	xx	20,900			(20,900)	✓
	90.72%	81,647				
From Other	9.28	8,353				
Total distribution	100 %	90,000				
<u>9/30/83</u>						
\$1.00/Sh-90,000 Shs						
From current-year earnings and profits	67.50%	60,747		60,747		✓
From Other	32.50	29,253				
Total distribution	100 %	90,000				
Total cash distributions		200,000				
		314,206	247,200	141,494	141,494	
Current-year change		67,006			(20,900)	
Balance forward 12/31/83			157,994		\$—0—	

NOTE: For Explanation of Key, See Rev. Proc. 75-17, 1975-1 CB, 677.