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Corporation Income Tax Returns
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2022 Statistics of Income

Corporation Income Tax Returns

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This report contains data categorized by industry on assets, liabilities, receipts, deductions, net income, income subject to tax, tax, and credits. Data are also classified by size of total assets, by size of business receipts, and by size of income tax after credits. Other classifications include returns with net income, return types, and other selected subjects. The information in this publication and other products are available at http://www.irs.gov/statistics.

Contact the Statistics of Income (SOI) Division's Statistical Information Services (SIS) staff for questions related to this publication. They also provide data and information in response to requests from customers about the availability of SOI data and act as a liaison between requesters and IRS analysts on technical inquiries. The SIS staff can be reached by email at sis@irs.gov.

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Section 1

Introduction

This report presents statistical estimates based on a stratified sample of 125,308 unaudited returns selected from the approximately 6.8 million active corporate returns filed for Tax Year (TY) 2022. This tax year includes accounting periods ending July 2022 through June 2023.

Section 1 of this report summarizes overall corporate activity for TY 2022. Section 2 discusses changes in law and regulations (if any) affecting the comparability of the statistics in this report with prior years. Section 3 describes the sample of income tax returns selected, the method of estimation used, how sampling variability of the data was measured, and other limitations. Section 4 explains the terms used throughout this report, and it includes the adjustments made in preparing the statistics and any limitations inherent in the data. Section 5 consists of the key corporation tax return forms.

The IRS Statistics of Income (SOI) Division classified the industries in this report according to the North American Industry Classification System (NAICS). The list of industry codes used for classification appears as an appendix to Section 4, Explanation of Terms.

Overall Corporate Summary

Corporation summary statistics for TYs 2021 and 2022 are presented in Figure A. These data include the number of returns, total assets, total receipts, net income (less deficit), income subject to tax, total income tax before credits, and total income tax after credits for active corporations.

The number of active corporate tax returns filed increased approximately 2.3% between 2021 and 2022. Additionally, the number of corporations filing tax returns electronically rose 1.9% between those same years, increasing from 6,297,688 returns to an all-time high of 6,419,195 returns filed electronically.

Total assets reported for active corporations increased approximately 1.0%, from $141.9 trillion in 2021 to $143.3 trillion in 2022. By sector, Educational Services experienced the largest percentage increase, up 38.1% from $66.6 billion in 2021 to $92.0 billion in 2022, while Finance and Insurance experienced the largest percentage decrease, down 3.8% from $70.1 trillion in 2021 to $67.4 trillion in 2022.

Total receipts from operations and investments increased 13.9%, from $39.8 trillion in 2021 to $45.3 trillion the following year. This was driven by a 14.3% increase in business receipts, from $35 trillion in 2021 to $39.9 trillion, as well as a 49.2% increase in interest, from $1.2 trillion to $1.8 trillion. Notably, short term capital gains decreased by 84.8% from $177.6 billion in 2021 to $27.0 billion in 2022. Long term capital gains decreased by 33.9%, from $366.3 billion in 2021 to $242.0 billion in 2022. By sector, Mining experienced the largest percentage increase in total receipts, up 37.7% from $464.9 billion in 2021 to $639.9 billion in 2022, while Retail Trade recorded the smallest percentage increase of 4.8% from $6.0 trillion in 2021 to $6.2 trillion in 2022.

Total deductions increased 13.5% from $36.4 trillion in 2021 to $41.3 trillion in 2022. Interest, a component of total deductions, increased by 36%, going from $710.1 billion to $965.9 billion. Of all specified components of total deductions, Net Gain/Loss experienced the largest percentage increase of 54.1% from $47.9 billion in 2021 to $73.8 billion in 2022.

Corporate pretax profits, also known as net income (less deficit), increased 17.7%, from $4.1 trillion to $4.8 trillion (Figure B). By sector, Mining experienced the largest percentage increase in pretax profits, up 159.6% from $41.1 billion in 2021 to $106.6 billion in 2022. The largest percentage decrease in net income was in the Educational Services sector, down 10.9% from $4.7 billion in 2021 to $4.2 billion in 2022. When excluding passthrough entities from the total, pretax profits increased from $2.6 trillion in 2021 to $3.3 trillion in 2022. For 2022, S corporations reported $763.3 billion in pretax profits, an increase of 1.1% from 2021. Regulated investment companies (RICs) reported $625.4 billion, down 2.9% from 2021. Real estate investment trusts (REITs) reported $97.9 billion, up 4.6% from 2021 (Figure C).

Income subject to tax (the tax base) increased 18.9%, from $2.4 trillion in 2021 to $2.9 trillion in 2022. Total income tax before credits increased by 19.8%, from $528.8

Isaac Goodwin and William Rush were responsible for the overall production of this report. Jacob Dailey and Abigail Gaudinier prepared this introduction, under the direction of Julia Shiller, Chief, Corporation Returns Analysis Section

Figure A. Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), Income Subject to Tax, Total Income Tax Before Credits, Total Income Tax After Credits, by Size of Total Assets, Tax Years 2021 and 2022

[All figures are estimates based on samples—money amounts are in thousands of dollars and size of total assets is in whole dollars]

Year and size of total assets	Number of returns	Total assets	Total receipts	Net income (less deficit)	Income subject to tax	Total income tax before credits	Total income tax after credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2021							
Total	**6,690,732**	**141,928,079,790**	**39,802,048,295**	**4,072,854,671**	**2,422,050,144**	**528,805,470**	**371,403,253**
Zero assets	1,360,320	-	647,813,893	39,264,248	36,888,354	8,750,203	8,285,865
$1 under $500,000	3,972,255	470,313,092	2,103,744,165	162,020,290	8,902,800	1,868,984	1,814,426
$500,000 under $1,000,000	526,795	372,957,320	958,654,373	60,684,917	6,160,878	1,296,713	1,264,056
$1,000,000 under $5,000,000	584,033	1,240,657,117	2,382,608,013	143,555,687	25,181,768	5,302,520	5,119,670
$5,000,000 under $10,000,000	99,425	698,181,088	1,195,394,605	61,097,241	16,461,267	3,458,538	3,333,351
$10,000,000 under $25,000,000	70,035	1,078,725,665	1,748,022,971	80,420,996	27,837,737	5,856,735	5,577,524
$25,000,000 under $50,000,000	27,058	944,196,640	1,251,276,474	51,530,208	24,753,522	5,231,717	4,972,897
$50,000,000 under $100,000,000	16,519	1,163,665,092	1,139,582,048	45,244,600	27,940,867	5,883,505	5,496,701
$100,000,000 under $250,000,000	13,643	2,152,131,174	1,468,359,477	57,992,333	43,788,145	9,264,621	8,279,824
$250,000,000 under $500,000,000	6,911	2,455,363,121	1,177,358,219	56,368,304	40,239,910	8,575,650	7,633,324
$500,000,000 under $2,500,000,000	9,123	10,086,713,099	3,367,213,636	277,018,453	176,907,710	37,611,490	32,254,907
$2,500,000,000 or more	4,613	121,265,176,381	22,362,020,422	3,037,657,395	1,986,987,186	435,704,792	287,370,710
2022							
Total	**6,845,719**	**143,330,805,078**	**45,344,721,435**	**4,793,892,373**	**2,879,100,959**	**633,315,735**	**448,720,584**
Zero assets	1,402,579	-	615,154,905	44,328,189	39,859,532	9,196,606	8,510,893
$1 under $500,000	4,023,688	467,918,815	2,271,343,134	175,885,398	8,963,870	1,838,597	1,785,153
$500,000 under $1,000,000	546,064	386,637,796	1,020,173,318	63,221,279	6,421,493	1,353,715	1,315,273
$1,000,000 under $5,000,000	605,558	1,291,207,958	2,500,069,198	140,197,818	26,244,428	5,517,174	5,292,809
$5,000,000 under $10,000,000	106,803	745,750,345	1,321,132,589	55,736,016	16,767,443	3,521,374	3,352,287
$10,000,000 under $25,000,000	75,406	1,168,387,475	1,849,594,909	78,719,082	28,364,976	5,975,013	5,628,892
$25,000,000 under $50,000,000	30,173	1,055,523,671	1,398,266,798	56,290,372	27,041,691	5,695,458	5,365,251
$50,000,000 under $100,000,000	18,151	1,274,785,339	1,287,326,114	52,191,486	30,864,170	6,535,093	5,903,790
$100,000,000 under $250,000,000	15,161	2,388,311,917	1,714,792,695	67,748,296	50,041,039	10,576,203	9,564,087
$250,000,000 under $500,000,000	7,547	2,675,498,814	1,393,309,759	65,884,097	46,719,765	9,882,835	8,636,620
$500,000,000 under $2,500,000,000	9,829	10,734,998,994	4,016,192,365	319,087,831	196,450,787	41,909,303	34,904,733
$2,500,000,000 or more	4,759	121,141,783,954	25,957,365,652	3,674,602,509	2,401,361,764	531,314,364	358,460,796

d-To avoid disclosure of information for specific corporations, these data have been deleted. Data are included in appropriate totals.
NOTE: Detail may not add to totals because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."
SOURCE: IRS, Statistics of Income Division: 2022 Publication 16, September 2025

billion to $633.3 billion in 2022. Income tax also increased 18.8% during the year, from $508.6 billion to $604.2 billion. Total income tax after credits, the amount paid to the U.S. Government, increased by 20.8%, from $371.4 billion in 2021 to $448.7 billion in 2022.

Of the 6.8 million active corporations for TY 2022, approximately 5.3 million were passthrough entities. These entities include RICs, REITs, and S corporations [1]. Passthrough entities pay little to no federal income tax at the corporate level. By law, they are required to pass any profits or losses to their shareholders, where they are taxed at the individual rate. Pretax profits for passthrough entities decreased 0.4% ($6.2 billion) during 2022.

The remaining 1.6 million non-passthrough corporate returns reported total receipts of $33.6 trillion, an increase of 15.7% from 2021 to 2022. 47.5% of the non-passthrough corporation returns reported net income for 2022 [2]. Additionally, 39.0% of non-passthrough corporations had a net income and tax liability.

The number of returns with total assets of $2.5 billion or more represented 0.07% of total returns but 84.5% of total assets (Figure A). These 4,759 returns for 2022 accounted for 57.2% of total receipts, 76.7% of net income (less deficit), 83.4% of income subject to tax, 83.9% of total income tax before credits, and 79.9% of total income tax after credits. Approximately 48.6% of all returns with net income and total assets greater than $2.5 billion had a tax liability for 2022. Excluding passthrough entities, 97.9% of returns reporting net income and with total assets greater than $2.5 billion had a tax liability for the year.

Activities Covered

The estimates include corporate business activities in the United States, certain foreign activities as reported on returns of domestic corporations, and foreign corporations with U.S. business activities. "Domestic corporations" refers to companies incorporated in the U.S., but this does not mean that all their activities are domestic. For instance, data for a U.S. corporation conducting business abroad through foreign subsidiaries may include dividends remitted

Figure B. Corporate Pretax Profits by North American Industry Classification System (NAICS) Sector, Tax Years 2021 and 2022

[Money amounts are in thousands of dollars]

Industrial sector	Pretax profits [1],[2]			
	2021	2022	Difference	Percentage change
	(1)	(2)	(3)	(4)
All industries	**4,072,854,671**	**4,793,892,373**	**721,037,702**	**17.70%**
Agriculture, Forestry, Fishing, and Hunting	11,334,972	13,562,958	2,227,986	19.66%
Mining	41,069,920	106,619,705	65,549,785	159.61%
Utilities	11,171,368	25,945,954	14,774,586	132.25%
Construction	121,557,699	143,698,570	22,140,871	18.21%
Manufacturing	1,107,784,297	1,500,116,308	392,332,011	35.42%
Wholesale Trade	288,492,305	376,572,843	88,080,538	30.53%
Retail Trade	307,206,913	284,273,978	-22,932,935	-7.46%
Transportation and Warehousing	63,113,607	77,227,539	14,113,932	22.36%
Information	294,519,908	441,724,203	147,204,295	49.98%
Finance and Insurance	1,105,425,766	1,034,489,975	-70,935,791	-6.42%
Real Estate and Rental and Leasing	143,248,990	132,024,310	-11,224,680	-7.84%
Professional, Scientific, and Technical Services	72,853,593	148,259,242	75,405,649	103.50%
Management of Companies (holding companies)	264,932,557	252,485,980	-12,446,577	-4.70%
Administrative and Support, and Waste Management and Remediation Services	52,926,681	63,769,002	10,842,321	20.49%
Educational Services	4,660,019	4,152,111	-507,908	-10.90%
Health Care and Social Assistance	94,416,763	87,124,107	-7,292,656	-7.72%
Arts, Entertainment, and Recreation	17,604,344	24,361,344	6,757,000	38.38%
Accommodation and Food Services	52,633,247	56,177,390	3,544,143	6.73%
Other Services	17,901,721	21,306,854	3,405,133	19.02%

[1] Pretax profits are net income (less deficit) in the statistics.
[2] Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and portfolio income (including capital gains) for S corporations (qualifying corporations electing to be taxed through their shareholders).
NOTE: Detail may not add to totals because of rounding.
SOURCE: IRS, Statistics of Income Division: 2022 Publication 16, September 2025.

Figure C. Pretax Profits and Pretax Profits with Certain Inclusions for All Corporations, Regulated Investment Companies, and S Corporations, Tax Years 2021 and 2022

[Money amounts are in thousands of dollars]

Item	Tax year	All corporations	Regulated investment companies	S corporations
	(1)	(2)	(3)	(4)
Pretax profits [1]	2021	4,072,854,671	643,820,658	755,345,288
	2022	4,793,892,373	625,397,310	763,268,999
Pretax profits with certain inclusions [2]	2021	5,281,320,224	1,590,546,603	1,017,084,896
	2022	5,314,898,259	994,625,646	915,046,548

[1] Pretax profits are net income (less deficit) in the statistics.
[2] The inclusions to pretax profits are: net long-term capital gain reduced by net short-term capital loss for regulated investment companies and investment, rental, and portfolio income (including capital gains) for S corporations. The amounts listed under “All corporations” include both items.
SOURCE: IRS, Statistics of Income Division: 2022 Publication 16, September 2025.

from those subsidiaries and, to a certain extent, their undistributed earnings. The effect of foreign activity on the statistics varies by industry type and asset size [3]. For foreign corporations (defined as those incorporated abroad) engaged in trade or business in the U.S., only the income considered effectively connected with conducting a trade or business in the U.S. was included in the statistics. The estimates exclude foreign corporations that were incorporated abroad, not engaged in trade or business in the U.S., and liable for tax only on investment income from U.S. sources. Most foreign corporations are concentrated in the Finance and Insurance and the Real Estate and Rental and Leasing sectors.

Internal Revenue Code (IRC) Section 6012 requires all corporations in existence at any time during the tax year to file a tax return, regardless of whether they had income. This requirement applies to active and inactive domestic corporations, unless expressly exempt from filing. IRC Section 6012 also applies to active foreign corporations that filed with insufficient

taxes withheld at the source to satisfy their U.S. tax liability on income earned in the U.S. The statistics presented here include active domestic and foreign corporations and exclude inactive corporations. See Section 3 for more information on the sample.

The IRC also recognizes as corporations other businesses with characteristics typical of those that are legally defined as corporations. The guiding principles, practices, or structures of these businesses include continuity of life, centralization of management apart from ownership, limited liability of owners, and transferability of shares of capital ownership. Examples of organizations recognized as corporations include joint stock companies, and unincorporated associations, such as business trusts, savings and loan associations, certain partnerships, mutual savings banks, and cooperative banks.

Time Period Employed

SOI based the statistical estimates on data from returns with accounting periods for: (1) the calendar year ending December 2022, and (2) non-calendar years ending July 2022 through June 2023. This span, in effect, defines the tax year so the accounting periods for non-calendar years are centered at the calendar year ending in December.

There are 12 accounting periods covered in this report. In general, IRC Section 441 specifies that a taxpayer's accounting period ends on the last day of the month. There is a span of 23 months between the first-included accounting period, which began on August 1, 2021, and closed on July 31, 2022, and the end of the last included accounting period, which began on July 1, 2022, and closed on June 30, 2023. This report shows income received or expenses incurred during any or all the months in this 23-month span. For balance sheet items, the report shows a corporation's position only at the end of its accounting period. IRC Section 441 requires corporations to file returns for the accounting period customarily used in keeping their books.

Corporations were usually required to file within three-and-one-half months after the corporate accounting period closed, except corporations with fiscal years ending June 30, which must file within two-and-one-half months. However, most corporations could receive 6-month filing extensions (7 months for returns with tax years ending June 30) in accordance with IRC Section 608. In addition to returns with 12-month accounting periods, the total number of active corporations also includes "part-year returns," or those with accounting periods of a shorter duration. Any corporations filing part-year returns were mainly corporations that changed their accounting periods, existed for less than 12 months, merged, or liquidated.

Calendar year returns made up 94.4% of all active corporate returns and 71.9% of net income (less deficit) for 2022 (Figure D). These returns accounted for 74.3% of total assets, 78.7% of total receipts, 76.0% of income subject to tax, and 74.8% of total income tax after credits.

Notes and References

[1] For more detailed information on S corporations, see Parisi, Heather, "S Corporation Returns, 2006," Statistics of Income Bulletin, Volume 29, Number 1, Summer 2009, pp. 92-100.

[2] Includes returns filed on Forms 1120, 1120-F, 1120-L, and 1120-PC.

[3] For more detailed information, see Wenrich, Jason, "Controlled Foreign Corporations, 2010," Statistics of Income Bulletin, Volume 34, Number 2, Fall 2015, pp. 111-118.

Figure D. Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), Income Subject to Tax, Total Income Tax Before Credits, and Total Income Tax After Credits, by Ending Accounting Period for Tax Year 2022

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Ending accounting period [1]	Number of returns	Total assets	Total receipts	Net income (less deficit)	Income subject to tax	Total income tax after credits
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**6,845,719**	**143,331,000,000**	**45,344,721,435**	**4,793,892,373**	**2,879,100,959**	**633,315,735**
December	6,461,569	106,481,000,000	35,688,778,731	3,445,067,621	2,187,652,325	476,766,081
Noncalendar year total	**384,150**	**36,849,761,766**	**9,655,942,704**	**1,348,824,752**	**691,448,634**	**156,549,654**
July	24,238	1,633,893,195	347,577,252	51,895,581	27,423,179	6,496,311
August	29,428	3,417,151,188	539,643,759	68,604,769	18,885,747	4,034,528
September	75,707	6,140,784,695	1,828,242,070	292,628,157	168,453,277	39,079,886
October	36,449	7,061,558,068	723,402,726	182,924,938	47,988,621	10,380,454
November	20,278	1,817,929,058	249,684,639	47,157,492	20,450,976	4,367,105
January	23,621	2,528,549,476	1,911,366,185	154,082,772	113,146,051	23,964,551
February	19,014	2,351,375,960	305,356,929	45,843,783	7,689,717	1,662,055
March	43,068	5,370,909,864	1,755,570,502	178,789,070	87,272,779	19,044,386
April	23,070	1,596,760,702	322,435,565	48,815,022	18,461,058	4,332,725
May	22,643	2,174,782,522	478,777,023	69,784,310	35,165,430	8,632,769
June	66,633	2,756,067,037	1,193,886,053	208,298,858	146,511,800	34,554,885

[1] Includes full and part-year returns.
NOTE: Detail may not add to total because of rounding. See text for “Explanation of Terms” and “Description of the Sample and Limitations of the Data.”
SOURCE: IRS, Statistics of Income Division: 2022 Publication 16, September 2025.

Section 2

Changes in Law and Regulations

The statistics in this report reflect, in general, changes in law and regulations that became effective during the covered accounting periods for 2022. Depending on the accounting period used and effective date of the change in law, this change may have been fully applicable for some corporations, only partially applicable for several others, or not applicable at all for the rest.

The following changes affect the comparability of the relevant statistics in this report with those of prior years:

Inflation Reduction Act (IRA)

The Inflation Reduction Act (IRA) was signed into law on August 16, 2022. It was implemented with the goals of reducing inflation and the federal deficit, lowering prescription drug prices, and investing in domestic energy production and clean energy.

Changes to Form 4562, Depreciation and Amortization

This form is used when a taxpayer needs to claim depreciation, amortization, or Section 179 deductions on a tax return. For tax years beginning in 2022 the Section 179 maximum expense deduction increased from $1,050,000 to $1,080,000. This limit is reduced by the amount by which the cost of Section 179 property placed in service during the tax year exceeds $2,700,000.

Research and Development Expenditures

Under the Tax Cuts and Jobs Act (TCJA), Section 174 was amended to disallow full expensing of R&D expenditures. Beginning January 1, 2022, domestic R&D expenditures are required to be capitalized and amortized over a 5-year period. Foreign expenditures are to be amortized over a 15-year period.

See **Section 4, Explanation of Terms**, for more detailed explanations and definitions of the terms used in this report.

Section 3

Description of the Sample and Limitations of the Data

This section describes the sample design, sample selection, data capture, data cleaning, and data completion processes for the SOI Tax Year (TY) 2022 Corporation Statistics Program. It also presents the techniques used to produce estimates of the total number of active corporations and any associated variables, as well as an assessment of the data limitations, including sampling and nonsampling errors.

Background

From TY 1916 through TY 1950, SOI extracted data from every corporate income tax return that was filed. In TY 1951, SOI introduced stratified probability sampling. Since then, the sample size has generally decreased while the corporate tax return population has increased. For example, for TY 1951, the sample accounted for 41.5% of the entire population, or 285,000 of the 687,000 total returns that were filed. For TY 2022, the sample accounted for about 1.83% of the total population of just over 7.5 million returns. This population count differs from the estimated population count cited elsewhere in this publication because the sampling frame includes out-of-scope and duplicate returns.

For TY 1951, SOI stratified the sample by size of total assets and industry. However, from TY 1952 through TY 1967, SOI stratified the sample by a measure of size only. The size was measured by either business volume (TY 1953– TY 1958) or total assets (TY 1952 and TY 1959–TY1967). Since TY 1968, SOI has stratified returns by total assets, and for Forms 1120 and 1120-S by total assets and a measure of income. [1].

Target Population

The target population consists of all returns of active corporations organized for profit that are required to file one of the 1120-series forms included in this study.

Survey Population

The survey population includes corporate tax returns filed using one of the 1120-series forms selected for the study and posted to the IRS Business Master File (BMF). Amended returns and returns for which the tax liabilities changed because of a tax audit were excluded from the survey. Figure E gives the number of corporate returns by form type that were subject to sampling during TYs 2019 through 2022, as well as the resulting sample sizes.

Sample Design

The current design is a probability sample stratified by form type and either by 1) size of total assets alone or 2) size of total assets and a measure of income. Form 1120 returns are

Figure E. Total Number of Corporation Tax Returns: Population and Sample Counts, Tax Years 2019–2022

Form type	Tax year							
	2019		2020		2021		2022	
	Population	Sample	Population	Sample	Population	Sample	Population	Sample
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1120	1,729,901	60,713	1,743,557	61,969	1,817,159	70,103	1,800,564	67,930
1120-S	5,153,355	40,333	5,194,325	42,501	5,506,634	48,426	5,638,658	43,474
1120-L	485	485	450	450	479	479	425	425
1120-PC	16,231	3,630	17,206	3,888	17,568	4,174	18,537	3,424
1120-RIC	16,582	9,990	18,710	11,966	18,641	12,310	17,522	11,138
1120-REIT	3,991	3,064	4,414	3,517	4,801	3,739	6,218	4,831
1120-F	51,998	6,675	53,201	6,914	56,696	7,501	58,392	7,010
Total	**6,972,543**	**124,890**	**7,031,863**	**131,205**	**7,421,978**	**146, 732**	**7,540,316**	**138,232**

Bertrand Überall and Nicholas Mountjoy were responsible for the sample design and estimation of the SOI 2022 Corporation Statistics Program under the direction of Tamara Rib, Chief, SOI Program Support, Statistical Services Branch.

stratified by size of total assets and size of "proceeds," which is the measure of income for this form. Size of proceeds is defined as the larger of the absolute value of net income (or deficit) or the absolute value of "cash flow," which is the sum of net income, several depreciation amounts, and depletion. Form 1120-S is stratified by size of total assets and size of ordinary income. SOI stratified all other 1120-series forms (1120-L, 1120-PC, 1120-RIC, 1120-REIT, and 1120-F) by size of total assets only.

SOI began the design process with projected population totals derived from IRS administrative workload estimates, adjusted using the distribution by population strata from previous survey years. Using projected population totals by sample strata, SOI carried out an optimal allocation based on strata standard errors to assign sample sizes to each stratum such that the overall targeted sample size was 140,000 returns for TY 2022, significantly larger than the TY 2021 target. Mathematical statisticians selected a Bernoulli sample independently from each stratum, with sampling rates ranging from 0.25 to 100%. The total realized sample for 2022, including inactive and noneligible corporations, is 138,232 returns.

Sample Selection

The IRS Kansas City and Ogden Submission Processing Centers process all corporate returns to determine tax liability before transmitting the data to the BMF. After any error correction, these returns are said to "post" to the BMF, which serves as the SOI sampling frame. SOI selects the sample on a weekly basis.

Sample selection for TY 2022 occurred over a 24-month period, from July 2022 through June 2024. SOI requires a 24-month sampling period for two reasons. First, nearly 5.6% of all corporations use non-calendar year accounting periods. To capture these returns, the TY 2022 statistics include all corporations filing returns with accounting periods ending between July 2022 and June 2023. Second, many corporations, including some of the largest corporations, request filing extensions, which generally extend the filing deadline by 6 months. This combination of non-calendar year accounting periods and filing extensions means that the last TY 2022 returns the IRS received had accounting periods ending in June 2023, and had to be filed by September 2023. However, taking into account the filing extensions, these returns could have been filed as late as April 2024 and still be considered timely. To account for the normal processing time, the sample selection process remained open for the TY 2022 study until the end of June 2024. In addition, SOI adjusted its processes because some significant returns became available for SOI processing later because of COVID-19 related processing adjustments in the IRS Submission Processing Centers.

Each tax return in the survey population is assigned to a stratum and becomes subject to sampling. Each filing corporation has a unique Employer Identification Number (EIN). An integer function of the EIN, called the Transformed Taxpayer Identification Number (TTIN), is computed. The number formed by the last four digits of the TTIN is a pseudo-random number. A return for which this pseudo-random number is less than the sampling rate multiplied by 10,000 is selected for the sample.

The algorithm for generating the TTIN does not change from year to year. Therefore, corporations selected for the sample in any given year may be selected for the following year, so long as the corporation files a return using the same EIN and is placed into a stratum with the same or higher sampling rate. If the corporation is placed into a stratum with a lower rate, the probability of selection will be the ratio of the second-year sampling rate to the first-year sampling rate. If the corporation files with a new EIN, then the probability of selection will be independent from the prior-year selection [2].

Data Capture

Data processing for SOI begins with information that was already extracted for IRS administrative purposes. More than 100 data items available from the BMF system are checked and corrected (as necessary), and SOI also extracts some 2,500 additional items from the corporate tax returns during processing. This data capture process can take as little as 15 minutes for a small, single-entity corporation filing Form 1120, or up to several weeks for a large, consolidated corporation filing several hundred attachments and schedules with the return. The process is further complicated by several factors:

- Over 2,500 separate data items may be extracted from any given tax return. This often requires constructing totals from various other items elsewhere on the return.
- Each 1120-series form type has a different layout with different types of schedules and attachments, making data extraction less than uniform for the various forms.
- There is not any legal requirement for a corporation to meet its tax return filing requirements by filling in, line by line, the entire U.S. tax return form. Therefore, many corporate taxpayers report financial details using schedules of their own design or using commercial tax preparation software packages.
- A single accepted method of corporate tax accounting does not exist in the United States, but there are several accepted "guidelines," which can vary by geographic location. SOI staff attempt to standardize these differences during data abstraction and editing.
- Different companies may report the same data item, such as other current liabilities, on different lines of the tax form. SOI staff also attempt to standardize these differences.

Each tax year, to help staff overcome these complexities and differences in taxpayer reporting, SOI prepares detailed instructions for the editing units at the IRS Submission Processing Centers. For TY 2022, these instructions covered standard and straightforward procedures and instructions for addressing data exceptions.

Data Cleaning

SOI staff enter data from the corporate tax returns selected for the sample directly into the database. In this context, the term "editing" refers to the combined interactive processes of data extraction, consistency testing, and error resolution. SOI runs hundreds of tests to check for inconsistencies, and they include identifying:

- Impossible conditions, such as incorrect tax data for a particular form type.
- Internal inconsistencies, such as items not adding to totals.
- Questionable values, such as a bank with an unusually large amount reported for cost of goods sold and/or operations.
- Improper sample class codes, such as when a return has $100 million in total assets but was selected as though it had $1 million because the last two digits of the total assets were keyed in as cents.

Data Completion

In addition to the tests previously mentioned, SOI addresses missing data items and identifies returns to be excluded from the tabulations. The data completion process focuses on these issues.

Beginning with the TY 2012 sample, the criteria for imputing balance sheets for returns with incomplete balance sheets changed significantly. Now, only the largest returns with incomplete balance sheets are subject to SOI's balance sheet imputation procedure. As a result, the number of returns with imputed balance sheets will be negligible, and SOI will perform imputation on an ad hoc basis only.

SOI uses various methods to impute data for some certainty returns that were unavailable for editing, depending on the information available at the time the return needed to be completed for the sample. These corporations are identified from the previous year's sample using a combination of assets and receipts. Additional corporations may need to be identified to ensure industry coverage. SOI uses electronically filed data for those corporate returns selected for the sample that were unavailable for statistical processing. For TY 2022, there were 40 returns that met these criteria. For some returns that were not selected for the sample, if the current tax return was not located and other current tax data were not available, then SOI used data from the previous year's return, with any necessary adjustments for tax law changes.

The data completion process also includes identifying returns not eligible for the sample because the BMF may have duplicate and other out-of-scope returns. These returns include those filed by nonprofit corporations, returns having neither current income nor deductions, and prior-year tax returns. Additionally, amended or tentative returns, nonresident foreign corporations having no effectively connected income with a trade or business located in the United States, fraudulent returns, and returns filed by tax-exempt corporations are not eligible for the sample. Figure F displays the number of inactive sampled returns excluded from the tabulations, as well as the percentages of the total sample size they represent for TY 2019 through TY 2022.

Figure F. Corporation Tax Returns: Number of Inactive Sampled Returns for Tax Years 2019–2022

Type of inactive return	Tax year			
	2019	2020	2021	2022
	(1)	(2)	(3)	(4)
No income or deductions	2,602	2,733	2,536	2,837
Other*	6,960	8,235	10,630	9,886
Total	**9,562**	**10,968**	**13,166**	**12,723**
Percent of sample	**7.69**	**8.41**	**9.19**	**9.22**

*Includes duplicate returns (returns that appear more than once in the sample) and prior-year returns.

Figure G provides estimates of the number of active corporations by form type for TY 2019 through TY 2022. For Forms 1120-L and 1120-PC, these estimates may differ from the population counts in Figure E due to changes made during the data capture and data cleaning processes.

Figure G. Corporation Tax Returns: Estimated Number of Active Returns for Tax Years 2019–2022

Form type	Tax year			
	2019	2020	2021	2022
	(1)	(2)	(3)	(4)
1120	1,477,196	1,451,658	1,509,261	1,514,763
1120-S	4,940,351	4,892,722	5,120,552	5,266,702
1120-L	525	475	461	455
1120-PC	15,589	15,870	16,155	17,195
1120-RIC	15,164	15,705	17,013	17,245
1120-REIT	3,885	4,160	4,597	5,674
1120-F*	21,037	21,540	22,692	23,687
Total	**6,473,747**	**6,402,130**	**6,690,732**	**6,845,719**

NOTE: Detail may not add to total due to rounding.
*Foreign Insurance Companies file on Forms 1120-L and 1120-PC, but are counted in Form 1120-F, Table 10.

Estimation

SOI bases the estimates of the total number of corporations and associated variables produced in this report on weighted sample data using either a one-step or two-step process, depending on the filed form type. Under the one-step process, SOI assigns a weight for the return, which is the reciprocal of the realized sampling rate, adjusted for unavailable returns, outliers, weight trimming, and any other

necessary adjustments. SOI used these weights, referred to as the "national weights," to produce the estimates published in this report for Forms 1120-F, 1120-L, 1120-PC, 1120-RIC, and 1120-REIT, as well as Forms 1120 and 1120-S returns that were sampled with certainty.

The two-step process is used to improve the estimates by industry for returns filed using either Form 1120 or Form 1120-S that were not selected in self-representing strata. The first stage of the two-step process is to assign an initial weight for the return as previously described. The second stage involves post-stratification by industry and sample selection class. SOI uses a bounded raking ratio estimation approach to determine the final weights because certain post-stratification cells may have small sample sizes [3]. SOI used these final weights for these forms to produce the aggregated frequency and money amount estimates that are published in this report.

Data Limitations and Measures of Variability

SOI uses several extensive quality review processes to improve data quality. This starts at the sample selection stage with weekly monitoring to ensure the proper number of returns is selected, especially for the certainty strata. These processes continue using consistency testing through the data collection, data cleaning, and data completion procedures. Part of the review process includes extensive comparisons between the sample year (TY 2022) and prior-year (TY 2021) data. SOI designed each processing stage to ensure data integrity.

Sampling Error:

Since the TY 2022 estimates are based on a sample, they may differ from population aggregates, which were compiled from a complete census of all corporate income tax returns. The TY 2022 sample is one of many possible samples that could have been selected under the same sample design. Estimates derived from one possible sample could differ from those derived from another sample or from the population aggregates. The deviation of a sample estimate from the average of all possible similarly selected samples is called the sampling error.

The standard error (SE), a measure of the average magnitude of the sampling errors over all possible samples, can be estimated from the realized sample. The estimated standard error is usually expressed as a percentage of the value being estimated. This is called the estimated coefficient of variation (CV) of the estimate, and it can be used to assess the reliability of an estimate. The smaller the CV, the more reliable the estimate is deemed to be.

SOI calculates the estimated coefficient of variation of an estimate by dividing the estimated standard error by the estimate itself, and then taking the absolute value of this ratio. Table 1 (see related Complete Report tables) shows the estimated coefficients of variation by industrial groupings for the estimated number of returns as well as selected money amounts.

The estimated CV, CV(X), can be used to construct confidence intervals for the estimate X. The estimated standard error, which is required for the confidence interval, must first be calculated. For example, the estimated number of companies in the manufacturing sector with net income and the corresponding estimated CV can be found in Table 1 and used to calculate the estimated standard error:

$$\begin{aligned} SE(X) &= X \bullet CV(X) \\ &= 138{,}867 \times 3.92/100 \\ &= 5{,}444 \end{aligned}$$

A 95% confidence interval for the estimated number of returns in manufacturing is constructed as follows:

$$\begin{aligned} X \pm 2 \bullet SE(X) &= 138{,}867 \pm (2 \times 5{,}444) \\ &= 138{,}867 \pm 10{,}888 \end{aligned}$$

The interval estimate is 127,979 returns to 149,755 returns. This means that if all possible samples were selected under the same general conditions and sample design, and if an estimate and its estimated standard error were calculated from each sample, then approximately 95% of the intervals from two standard errors below the estimate to two standard errors above the estimate would include the average estimate derived from all possible samples. Thus, for a particular sample, it can be said with 95% confidence that the average of all possible samples is included in the constructed interval. This average of the estimates derived from all possible samples would be equal to or near the value obtained from a census.

Nonsampling Error:

In addition to the sampling error, a nonsampling error can also affect the estimates. Nonsampling errors can be classified into two groups: random errors—whose effects may cancel out, and systematic errors—whose effects tend to remain somewhat fixed and result in bias.

Nonsampling errors include coverage errors, nonresponse errors, processing errors, or response errors. The inability to obtain information for all sampled returns, differing interpretations of tax concepts or taxpayer instructions, inability to provide accurate information at the time of filing (data are collected before auditing), and inability to obtain all tax schedules and attachments may cause these errors. These errors may also be caused by data recording or coding errors, data collecting or cleaning errors, estimation errors, and failure to represent all population units.

Coverage Error:

Coverage errors in the SOI corporation data can result from the difference between the time frame for sampling and the actual time needed for filing and processing the returns. Since many of the largest corporations receive filing-period extensions, they may file their returns after the closing date for sample selection, as was explained before in the Sample Selection description. However, any of the largest returns found are added into the file until the final file is produced.

Coverage problems within industrial groupings in the SOI Corporation study may result from the way some consolidated returns are filed. The Internal Revenue Code (IRC) permits a parent corporation to file a single return, which includes the combined financial data of the parent and its subsidiaries. These data are not separated into the different industries but are entered into the industry with the largest receipts. Thus, there is undercoverage of financial data within certain industries and overcoverage in others. Coverage problems within industries present a limitation on any analysis of the sample results.

Nonresponse Error:

There are two types of nonresponse errors: unit and item. Unit nonresponse occurs when a sampled return is unavailable for SOI processing. For example, other areas of the IRS may have the return at the time it is needed for statistical processing. These returns are termed "unavailable returns."

Item nonresponse occurs when certain items are unavailable for a return that was selected for SOI processing, even if the return itself is available. An example of item nonresponse would be an item missing from the balance sheet, even though other items have been reported.

Processing Error:

Errors in recording, coding, or processing the data can cause a return to be sampled in the wrong sampling class. This type of error is called a misstratification error. An example of how a return might be misstratified: a corporation files a return with total assets of $100,000,023 and net income of $5,000. A processing error causes the last two digits of the total assets to be keyed in as cents, so that the return is classified according to total assets of $1,000,000.23 and net income of $5,000.00. The return would be misstratified according to the incorrect value of the total assets stratifier. To adjust for misstratification errors, only returns selected in a noncertainty stratum that actually belonged in a certainty stratum were moved to this certainty stratum.

Response Error:

Response errors are due to data being captured before audit. Some purely arithmetical errors made by the taxpayer are corrected during the data capture and cleaning processes. Because of time constraints, SOI does not incorporate adjustments to a return during audit into the file.

References

[1] Jones, H. W., and McMahon, P. B. (1984), "Sampling Corporation Income Tax Returns for Statistics of Income, 1951 to Present," 1984 Proceedings of the Section on Survey Research Methods, American Statistical Association, pp. 437–442.

[2] Harte, J. M. (1986), "Some Mathematical and Statistical Aspects of the Transformed Taxpayer Identification Number: A Sample Selection Tool Used at IRS," 1986 Proceedings of the Section on Survey Research Methods, American Statistical Association, pp. 603–608.

[3] Oh, H. L., and Scheuren, F. J. (1987), "Modified Raking Ratio Estimation," Survey Methodology, Statistics Canada, Vol. 13, No. 2, pp. 209–219.

Section 4

Explanation of Terms

This section defines the terms used in the tables, including adjustments made in preparing the statistics and limitations in the data. Explanations are designed to aid the user with interpreting the report's statistical content and should not be construed as interpretations of the Internal Revenue (IR) Code or policies of the Internal Revenue Service (IRS). Code sections cited are those in effect for the tax years covered in this report. The tax year refers to the calendar year, unless otherwise stated. The line references given for the terms correspond to Form 1120, U.S. Corporation Income Tax Return, unless otherwise indicated. In most tables, items taken from other forms (1120-L, 1120-F, etc.) and attached schedules conform to the Form 1120 format. Although many standardizing adjustments were made, the data presented are unaudited as reported by taxpayers and are, therefore, subject to taxpayer errors and misinterpretations, as well as statistical variability and any errors that may have arisen during processing. (See "Data Limitations and Measures of Variability" in Section 3.) In addition, any definitions marked with the symbol Δ have been revised for 2022 to reflect changes in the law.

Accounting Periods

Data were classified according to the ending dates of the accounting periods covered by the corporations' income tax returns. Returns were generally filed covering an annual accounting period—most larger corporations filed returns for accounting periods ending in December (a calendar-year period), while some corporations filed "part-year returns," which cover a shorter accounting period (less than 1 year). Corporations filed part-year returns because of business organizations or reorganizations, mergers, liquidations, or changes to accounting periods. The statistics include income and tax data from part-year returns, but do not include balance sheet data. (See "Balance Sheets.")

Figure D in Section 1 shows the number of returns filed for each accounting period covered in this report. For a discussion of this classification, see "Time Period Employed" in Section 1, Introduction.

Accounts Payable

[Page 6, Schedule L, Line 16(d)]

This balance sheet account consists of relatively short-term liabilities arising from the conduct of trade or business and not secured by promissory notes.

Additional Inventory (Section 263A) Costs

[Form 1125-A, Line 4]

This component of cost of goods sold includes certain inventory costs capitalized by taxpayers using a simplified method of accounting under the uniform capitalization rules of Code Section 263A. However, the statistics found here do not follow the uniform capitalization rules with respect to several deduction items. These rules require certain accrued expenses, such as depreciation, to be capitalized. These accrued expenses are included as current deductions whenever they could be identified. (See "Cost of Goods Sold.")

Additional Paid-In Capital

[Page 6, Schedule L, Line 23(d)]

This corporate balance sheet item consists of additions to capital from sources other than earnings. These sources include receipts from the sale of capital stock in excess of stated value, stock redemptions or conversions, and similar transactions. The amounts shown are after any negative amounts were deducted.

Adjustments to Shareholders' Equity

[Page 6, Schedule L, Line 26(d)]

See "Retained Earnings, Unappropriated."

Advertising

[Page 1, Line 22]

Code Section 162(a) allowed advertising expenses as a deduction if they were ordinary, necessary, and bore a reasonable relationship to the corporation's trade or business. Under Code Section 263A, these expenses include advertising identified as part of the cost of goods sold or capitalized, and advertising reported separately as a business deduction. Also included are combined advertising expenses, such as

advertising and promotion, and advertising and publicity. Excluded from the data are the costs incurred by publishers, broadcasters, and similar businesses in preparing advertisements for others. These are generally treated as part of the cost of goods sold.

Allowance for Bad Debts

[Page 6, Schedule L, Line 2b(c)]

This balance sheet account was the allowance or reserve set aside to cover uncollectable or doubtful notes, accounts, and loans usually shown on Form 1120 as an adjustment to notes and accounts receivable. A few corporations, however, reported only net receivables and thus did not show their allowance for bad debts. Many banks and savings and loan associations included reserves for uncollectable mortgages and real estate loans in the allowance for bad debts. These amounts were transferred to this item if they were identified on supporting schedules during statistical processing.

The allowance for bad debts was a book account not necessarily related to the deduction for bad debts allowed for tax purposes. (See "Bad Debts.")

Amortization Δ

Amortization is a deduction for the recovery of the costs of long-lived intangible assets, which is similar to the depreciation deduction to recover the costs of tangible assets. It is also used in the IR Code for recovering the costs of some tangible assets, usually as a tax preference for those assets. Most amortization is calculated on a straight-line basis over recovery periods specified in the Code. Although amortization is not a line item on the tax return, for statistical purposes, specific types of amortization were edited from attached schedules (for other costs or other deductions, for example) and included in this item in the tables. Because it is not a separate line item, the statistics for this item may be less reliable than for other deduction items.

Taxpayers also reported amortization by the following specific type using the Form 4562, Depreciation and Amortization (Including Information on Listed Property):

(1) Optional write-off of certain tax preferences (Section 59(e)). Taxpayers could avoid including some tax preference items in the minimum tax by electing to capitalize and amortize rather than deduct expenses. These options included 3-year amortization of circulation expenses (Code Section 173); 10-year amortization of research and experimental expenditures (Code Section 174); 5-year amortization of intangible drilling costs (Code Section 263); and 10-year amortization of mining exploration and development expenses (Code Sections 616 and 617).

(2) Geological and Geophysical expenditures (Section 167(h)). Expenditures associated with the exploration for, or development of, oil and gas.

(3) Pollution control facilities (Section 169). Twenty percent of the basis of depreciable property used to reduce pollution could be written off over 5 years instead of being depreciated.

(4) Bond premiums (Section 171). Premiums on bonds acquired before 1988 were amortized over the life of the bond. For bonds acquired after 1987, the prorate bond premium was an offset to the interest earned and was not included here.

(5) Research and experimental expenditures (Section 174). Taxpayers must capitalize and amortize their domestic research and experimental costs over a 5-year period, with foreign costs deducted over a 15-year period.

(6) Lease acquisition costs (Section 178). Such costs could be amortized over the term of the lease.

(7) Qualified reforestation expenses (Section 194). Taxpayers can elect to amortize up to $10,000 of reforestation costs either paid or incurred before October 22, 2004, for qualified timber property over a 7-year period.

(8) Business startup expenditures (Section 195). For costs either paid or incurred before October 23, 2004, taxpayers could elect an amortization period of 5 years or more. For costs paid or incurred after October 22, 2004, taxpayers could elect to deduct a limited amount of startup costs. Costs not deducted currently could be amortized ratably over a 15-year period.

(9) Goodwill and certain other intangibles (Section 197). Purchased goodwill and other "going concern" intangibles, customer-based intangibles, licenses, franchises, and most other purchased intangible assets not included elsewhere were amortizable over a 15-year period.

(10) Organizational expenditures of corporations (Section 248). As with business startup expenditures for costs paid or incurred before October 23, 2004, taxpayers could elect an amortization period of 5 years or more. For costs paid or incurred after October 22, 2004, taxpayers could elect to deduct a limited amount of organizational costs. Costs not deducted currently could be amortized ratably over a 15-year period.

(11) Organizational expenditures/costs for a partnership (Section 709). Expenditures or costs connected to the creation of the partnership, but not for starting or operating the partnership trade or business, such as legal fees, accounting fees, and filing fees.

Amortization of intangible drilling costs was excluded from this heading when it could be identified; instead, it was included in "Other deductions" in the statistics.

Amount Owed at Time of Filing

[Page 1, Line 35]

See "Overpayment or Amount Owed."

Bad Debts

[Page 1, Line 15]

Bad debts incurred during the tax year were allowed as a deduction under Code Section 166. For most businesses, the deduction was allowed only for debts written off as uncollectable. Additions to reserves, even as the taxpayer's normal method of accounting for bad debts, were not deductible. However, "small" banks with total assets of $500,000,000 or less could deduct additions to bad-debt reserves under Code Section 585 based on their own experience of bad-debt losses. Regulated investment companies did not report bad debts.

Balance Sheets

[Page 6, Schedule L]

Balance sheet data are the amounts reported by the taxpayer (when available) as of the end of the taxpayer's accounting year. Taxpayers were instructed to provide data that agreed with their books of account but were given few other guidelines. Thus, the statistics for balance sheets contain considerably more reporting variability than those for income statement and tax computation items. These were the subject of more detailed instructions and more intense scrutiny during IRS processing. Beginning in TY 2002, corporations with less than $250,000 in total receipts, and less than $250,000 in total assets at the end of the tax year, were not required to file Balance Sheets per Books (Form 1120, Schedule L).

Since balance sheet data were from the taxpayers' books, they were generally governed by general accounting principles rather than the special rules of tax accounting. Where these rules diverged significantly, balance sheet statistics could show little relationship to the income statement accounts. Inventories, accumulated depletion, depreciation, amortization, accrued tax, other liability accounts, and other capitalized items were often recorded on different bases for tax and book purposes.

Several steps were taken during statistical processing to reduce the variability due to taxpayer reporting practices. Misreported amounts were transferred to their proper accounts; amounts from attached schedules were edited into the Schedule L format; and missing balance sheets were either supplied from reference books (if possible) or statistically imputed based on other data on the return and the company's characteristics.

Some balance sheets were suppressed (or not imputed) during statistical processing. (These companies appear in the tables in the "zero assets" category.) Except for foreign insurance companies, which are required to report U.S. assets segregated from foreign ones, the balance sheets of foreign corporations were excluded from the data because it is not possible to separate U.S. assets from foreign assets. Final returns of corporations going out of existence were not permitted balance sheets, because they should have had either zero assets (if liquidating) or assets included in some other corporation's return (if merging). Also, balance sheet data were not included from most part-year returns because the same company's end-of-year data could have been subject to inclusion from its complete return.

Branch Profits Tax

[Form 1120-F, Page 1, Line 3; and/or Page 6, Line 6]

This was an additional tax imposed under Code Section 884 on after-income-tax U.S. earnings and profits of a foreign corporation that were not invested in a U.S. trade or business. The tax also applied to certain interest payments from income earned in U.S. operations. The provisions were designed to impose a tax on foreign companies' branches similar to the withholding tax on dividends and interest imposed on foreign-owned subsidiaries incorporated in the United States. Like the withholding tax, the rate was set in the law at 30%, but this rate only applied if the U.S. had no tax treaty setting a different rate (which could be zero) with the companies' home country.

The branch profits tax was imposed on the "dividend equivalent" amount of earnings and profits of a U.S. branch of a foreign corporation that was attributable to its income effectively connected (or treated as effectively connected under Code Section 897) with a U.S. trade or business. The effectively connected earnings and profits were: (1) reduced to reflect any reinvestment of the branch's earnings in assets in the U.S. trade or business (or reduce liabilities in the U.S. trade or business), and (2) increased to reflect any prior reinvested earnings considered remitted to the home office of the foreign corporation.

Certain earnings and profits attributable to income effectively connected with a U.S. trade or business were exempt from the branch profits tax. The following types of income are not included in computing effectively connected earnings and profits (ECEP):

(1) Income from the operation of ships or aircraft exempt from taxation under Section 883(a)(1) or (2).

(2) Foreign Sales Corporation (FSC) income and distributions treated as effectively connected income (ECI) under Section 921(d) or 926(b), as in effect before their repeal, that are not otherwise ECI.

(3) Gain on the disposition of an interest in a domestic corporation that is a U.S. real property interest under Section 897(c)(1)(A)(ii) if the gain is not otherwise ECI.

(4) Related person insurance company income that a taxpayer elects to treat as ECI under Section 953(c)(3)(C) if the income is not otherwise ECI.

(5) Income that is exempt from tax under Section 892.

(6) Interest income derived by a possession bank from U.S. obligations if the interest is treated as ECI under Section 882(e) and is not otherwise ECI.

The branch profits tax is the sum of the tax imposed on the earnings, profits, and interest payments of the foreign corporation. The branch tax was reported on Form 1120-F, U.S. Income Tax Return of a Foreign Corporation. The tax was included in total income tax in the statistics. It is also shown separately in Table 11.

Business Receipts

[Page 1, Line 1(c)]

Business receipts are the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. Generally, they represent all of a corporation's receipts except investment and incidental income. Business receipts may also include sales and excise taxes that were included in the sales price of products—some corporations reported this way, while others reported their receipts after adjustment for these taxes. Business receipts include rents reported by real estate operators and other corporations for which rent made up a significant portion of income. The latter included manufacturers that rented their products; lessors of docks, warehouses, pipelines, and other public utility facilities; and companies engaged in rental services, such as providing lodging places and automobile or clothing rentals.

For banks and other financial institutions whose principal income was interest, business receipts consisting of fees, commissions, credit card income, and other operating receipts as principal income were reported under that heading and included in the statistics. Banks' business receipts also included profit from federal funds transactions. If the bank reported gross sales and purchases, then the amounts were netted during statistical processing. Likewise, security dealers included profit from security trades in business receipts. If the gross amounts were reported, then costs and sales proceeds were netted during statistical processing. Regulated investment companies and real estate investment trusts did not report business receipts, although all their income was included in the investment income categories in the statistics.

Business receipts for insurance companies consisted of premium income. Some small property and casualty insurance companies, however, could elect to be taxed only on investment income and thus would have reported no business receipts. Other, smaller companies were exempt from tax altogether. Property and casualty insurance companies with premium income of $2,200,000 or less could elect (under Code Section 831(b)(2)) to be taxed on only investment income.

Generally, companies with gross receipts of $600,000 or less were exempt from tax under Code Section 501(c)(15).

For all industries, business receipts excluded gains from the sale of assets. See "Net Gain (or Loss), Noncapital Assets" and "Net Capital Gains."

Capital Gains Tax (1120-RIC)

[Form 1120-RIC, Page 2, Schedule J, Line 2b]

Regulated Investment Companies (RICs) are pass-through entities that are subject to special tax treatment provided they meet certain requirements. They can take a deduction from capital gain income equal to the amount of such income they distribute to their shareholders in the form of capital gain dividends. Under IRC Section 852(b)(3)(A), any undistributed amount of capital gain income is subject to taxation at the corporate rate. This tax is a component of "Total Income Tax Before Credits."

Capital Stock

[Page 6, Schedule L, Line 22(d)]

This end-of-year balance sheet equity item includes amounts shown for outstanding shares of both common and preferred stock.

Cash

[Page 6, Schedule L, Line 1(d)]

This balance sheet asset item includes the amount of actual money, or instruments and claims that were usable and acceptable as money on hand at the end of the taxable year, including certificates of deposit.

Charitable Contributions Δ

[Page 1, Line 19]

Contributions or gifts to charitable, religious, educational, and similar organizations were deductible under Code Section 170(c). In general, the deduction was limited to 10% of taxable income computed without regard to:

(1) the deduction for contributions
(2) special deductions for dividends received and for dividends paid on certain preferred stock of public utilities
(3) any net operating loss carryback under Code Section 172
(4) any capital loss carryback to the tax year under Code Section 1212(a)(1)
(5) the deduction of bond premium on repurchase under Code Section 249 and
(6) the deduction for income attributable to domestic production activities of specified agricultural or horticultural cooperatives

Amounts over the 10% limit could be carried over to the next 5 tax years. However, there were also multiple exceptions and suspension to this 10% limitation that were in effect:

(1) A temporary suspension of the 10% limitation rule for certain disaster-related contributions permitted corporations to deduct contributions made to a qualified charitable organization after December 31, 2019, and before February 26, 2021, for relief efforts in one or more qualified disaster areas without regard to the 10% taxable limit.

(2) Per the CARES Act, corporations were allowed to deduct qualified cash contributions without regard to the 10% limitation rule. The 10% limit does not apply to contributions made after December 31, 2019, and before February 26, 2021. The total amount of the contribution claimed could not exceed 25% of the excess of the corporation's taxable income over all other allowable charitable contributions. Contributions over this 25% limitation could be carried forward to the next 5 tax years.

(3) Qualified farmers and ranchers that did not have publicly traded stock and contributed qualified conservation property, as well as Native Corporations that contributed qualified conservation property, which was land conveyed under the Alaska Native Claims Settlement Act, were allowed to deduct contributions of such property without regard to the 10% limit. The total amount of such contributions claimed could not exceed 100% of the excess of the corporation's taxable income over all other allowable charitable contributions. Any excess contributions could be carried forward to the next 15 tax years.

A corporation could receive a larger deduction for contributing inventory and other property, including qualified contributions of "apparently wholesome food," used for the care of infants, the ill, or the needy, and for scientific equipment used by an institution of higher education or certain scientific research organizations for research. The deduction for scientific equipment applied to all except S Corporations, personal holding companies, and corporations whose businesses were the performance of services.

Regulated investment companies and real estate investment trusts did not report contributions. Contributions made by S corporations were passed through to the shareholders to be deducted on the shareholders' individual income tax returns. The amount shown in the statistics includes contributions identified as part of cost of goods sold or capitalized under Section 263A. It also includes contributions reported as a business deduction.

Compensation of Officers

[Page 1, Line 12]

Salaries, wages, stock bonuses, bonds, and other forms of compensation were included in this deduction item if they were identified as having been paid to officers for personal services rendered. The item included amounts reported as a part of cost of goods sold or capitalized under IR Code Section 263A. This deduction item did not include qualified deferred compensation, such as contributions to a 401(k) plan or a salary reduction agreement. These were included in the statistics for pensions and profit-sharing plans.

The deductible compensation of certain officers of publicly held corporations was limited under Code Section 162(m) to $1,000,000 or less, except for covered health providers, which were limited by the provisions of the Affordable Care Act to $500,000. However, the limit did not apply to commissions or other compensation based on performance, or if the officer worked under a binding contract in effect on February 17, 1993. Under the CARES Act, firms that are receiving direct support from the Treasury must follow Section 4004 compensation restrictions. This amount, along with salaries and wages, was reduced by the amount of any CARES Act employee retention credit the corporation claimed on its employment tax return.

Consolidated Returns

Consolidated income tax returns contained combined financial data for two or more corporations. All corporations on the return had to meet the following requirements:

(1) A common parent corporation owned at least 80% of the voting power of all classes of stock and at least 80% of each class of nonvoting stock (except stock which was limited and preferred as to dividends) of at least one member of the group, and

(2) These same proportions of stock of each group member were owned within the group.

Corporations electing to file consolidated returns in one year had to also file consolidated returns in subsequent years, with certain exceptions. The consolidated filing privilege could be granted to all affiliated domestic corporations connected through stock ownership with a common parent corporation except:

(1) regulated investment companies (RICs)

(2) real estate investment trusts (REITs) that did not consolidate with qualified REIT subsidiaries

(3) corporations designated tax-exempt under Code Section 501

(4) Domestic International Sales Corporations (DISCs) and

(5) S Corporations.

Under Code Section 1504(c), insurance companies could file consolidated returns with other insurance companies without restriction. Also, a noninsurance parent could include an insurance subsidiary subject to certain restrictions (e.g., the insurance company must have been a member of the controlled group for at least 5 years).

A consolidated return filed by the common parent company was treated as a unit, and each statistical classification was determined on the basis of the combined data of the affiliated group. Therefore, filing changes to or from a consolidated return basis affected year-to-year comparability of certain statistics, including data classified by industry and size of total assets.

Cost of Goods Sold

[Form 1125-A, Line 8]

Cost of goods sold represented the costs incurred by the corporation in producing the goods or providing the services that generated the corporation's business receipts. Included were costs of materials used in manufacturing, costs of goods purchased for resale, direct labor, and a share of overhead expenses, such as rent, utilities, supplies, maintenance, and repairs. (Overhead expenses, however, were not included in these statistics as the taxpayers reported them; see "Uniform Capitalization Rules.")

The basic cost of goods sold calculation, shown in Form 1125-A, consisted of adding beginning inventory to the current-year purchases, labor, additional inventory costs (Section 263a), and other costs, and then subtracting ending inventory. Each of the individual items included in cost of goods sold is shown separately in Table 12.

Cost of goods sold was imputed for those companies engaged in manufacturing or trade activities that reported gross receipts, but not the cost of goods sold. This was done by using the attachments for "Other Deductions." For other nonfinance industries, a cost was imputed only for companies that reported gross receipts and included inventories on the balance sheet.

Generally, returns of corporations in the finance sector were not expected to have cost of goods sold unless they were consolidated returns including nonfinance subsidiaries. Security dealers sometimes reported the cost of securities traded on their own accounts as cost of goods sold (and reported the gross sales proceeds as business receipts). Such amounts were netted during statistical processing, with the net gain reported as receipts and cost of goods made zero. The same handling was given to bank returns reporting gross receipts and costs from federal funds transactions.

Insurance companies were made to conform to the Form 1120 format using premium income as gross business receipts and showing benefits paid as cost of goods sold. For most life insurance companies, cost of goods sold was equal to death benefits. For other insurance companies, it was equal to losses incurred. These items are shown separately in Table 12.

Uniform Capitalization Rules

A taxpayer reporting of cost of goods sold was governed by the "uniform capitalization rules" of Code Section 263A. Most companies producing goods for sale were required to capitalize inventory costs under the uniform capitalization rules. Corporations subject to the rules were required to capitalize direct costs and an allocable portion of most indirect costs that related to the goods produced or acquired for resale. Some of the indirect costs that were required to be allocated to capital accounts were administration expenses, taxes, depreciation, insurance costs, compensation of officers, and contributions to pension, stock bonus, profit sharing, and deferred compensation plans. Special rules were provided for the capitalization of interest expense paid or incurred during production. A small business taxpayer is not required to capitalize costs under Section 263A. A small business taxpayer is a taxpayer that has average annual gross receipts of $25 million or less for the three prior tax years and is not a tax shelter. Special rules were provided for farmers and for timber property.

For statistical purposes, many components of cost of goods sold were moved to the equivalent deduction item. For this reason, these appear in the tables as current deductions rather than components of cost of goods sold. Expenses for advertising, amortization, bad debts, compensation of officers, contributions to charitable organizations, employee benefit programs, ESOP Dividends, and pension plans were transferred to their respective deduction categories when identified on the attachments for cost of goods sold. These were also transferred: depletion, depreciation, interest, rent of buildings or real estate, and taxes. Intangible drilling costs were removed from cost of goods sold and included in other deductions.

Therefore, in this report, cost of goods sold appears smaller, and many deduction accounts appear larger, than what was reported by taxpayers. However, those listed above were the only accounts affected. Inventories were not adjusted, and net income, deficits, and taxable income were not affected.

Cost of Labor

[Form 1125-A, Line 3]

This component of cost of goods sold included the portions of the company's payroll representing direct labor costs, and some indirect costs allocated to inventory under the uniform capitalization rules. Some labor costs were reported in other accounts, such as Other Costs. (See "Cost of Goods Sold.")

Cost of Treasury Stock

[Page 6, Schedule L, Line 27(d)]

This item was the total value of issued common or preferred stock that had been reacquired and was held at the end of the accounting year by the issuing corporations. The stock, which was available for resale or cancellation, may have been purchased by the corporation or acquired through donation or as settlement of a debt. Treasury stock was a part of capital stock outstanding; it did not include unissued capital stock.

Credit for Prior Year Minimum Tax

[Page 3, Schedule J, Line 5d]

The refundable portion of the minimum tax credit does not apply for tax years beginning after 2019. Corporations can have an unused portion of the regular minimum tax credit that can be carried forward in later years.

Credit to 2023 Estimated Tax

[Page 1, Line 37a]

This item was the amount of the taxpayer's 2022 overpayment applied to the firm's estimated tax for TY 2023. See also "Overpayment or Amount Owed."

Credit to Holders of Tax Credit Bonds

[Page 3, Schedule J, Line 5e]

Form 8912, Credit to Holders of Tax Credit Bonds, is used to claim credit for the following tax credit bonds: Clean renewable energy bond (CREB), New clean renewable energy bond (NCREB), Qualified energy conservation bond (QECB), Qualified zone academy bond (QZAB), Qualified school construction bond (QSCB), and Build America bond (BAB). The credit is not available for bonds issued after December 31, 2017.

Death Benefits

[Form 1120-L, Page 1, Line 9]

See "Cost of Goods Sold."

Deduction for Dividends Paid

[Form 1120-REIT, Page 1, Line 21b; Form 1120-RIC, Page 1, Line 25a]

See "Statutory Special Deductions."

Deficit

See "Net Income (or Deficit)."

Depletable Assets and Accumulated Depletion

[Page 6, Schedule L, Lines 11a and b]

Depletable assets represented, in general, the gross end-of-year value of mineral property, oil and gas wells, other natural deposits, standing timber, intangible development and drilling costs capitalized, and leases and leaseholds, each subject to depletion. Accumulated depletion represented the cumulative adjustment to these assets shown on the corporation's books of account.

The value of depletable assets and accumulated depletion may not be closely related to the current-year depletion deduction. The depletable assets and accumulated depletion balance sheet accounts reflected book values; the depletion deduction reflected the amount claimed for tax purposes. Regulated investment companies and real estate investment trusts did not report these items.

Depletion

[Page 1, Line 21]

This deduction was allowed for the exhaustion of mines, oil and gas wells, other natural deposits, and timber. The IR Code provided two methods for computing the deduction: (1) cost depletion, in which a share of the cost of acquiring or developing a property was written off each year; and (2) percentage depletion, which involved simply deducting a fixed percentage of the gross income from the property each year. For standing timber, depletion was computed based on cost. In the case of most natural deposits, the depletion was computed on either a cost or percentage basis. For oil and gas wells, however, percentage depletion was allowed only to "independent" producers (producing less than 75,000 barrels of oil or an equivalent amount of gas a day) and royalty owners, and then only for the first 1,000 barrels produced each day, and wells that produce natural gas that is either:

(1) Regulated domestic natural gas

(2) Natural gas sold under a fixed contract that has been in effect since February 1, 1975 and

(3) Natural gas from geopressured brine that was produced from a well for which drilling began after September 1978 and before 1984 and which was determined to be produced from geopressured brine in accordance with Section 503 of the Natural Gas Policy Act of 1978.

All other oil and gas producers were required to use cost depletion.

Generally, for gas and oil wells, the gross income was the actual sales price, or representative market or field price, if the gas or oil were later converted or manufactured prior to sale. For other natural deposits, gross income was defined to include income from mining or extraction, transporting ores and minerals for treatment (generally up to 50 miles), and certain treatment processes. Percentage rates for each type of natural deposit were listed in Code Sections 613 and 613A and ranged from 5% to 25% of gross income. However, percentage depletion generally could not exceed 50% of the taxable income (100% for oil and gas property) from the property computed without the depletion deduction and the Section 199A deduction.

The depletion deduction for natural deposits other than oil and gas could also have been limited by provisions designed to recapture previously deducted mine exploration and development costs. These capital expenditures were deductible when incurred but had to be recaptured if the mine became productive or was sold. One method that taxpayers could elect to recapture these deductions was to forgo depletion deductions on the mine until recapture was complete.

For leased property, the depletion deduction was divided between the lessor and lessee.

The statistics for depletion also did not include amounts shown by the corporation as a deduction in computing net gain or loss from sale of depletable assets under Sections 631(a) or 1231. Regulated investment companies and real estate investment trusts did not report depletion.

The amounts shown in the statistics included any identifiable depletion reported as part of the cost of goods sold or capitalized under Code Section 263A. Amortization of

intangible drilling costs was not included in the statistics for depletion but was included in "Other Deductions."

Depreciable Assets and Accumulated Depreciation

[Page 6, Schedule L, Lines 10a and b]

Depreciable assets from the corporation's end of year balance sheet were the book value of tangible property subject to depreciation (such as buildings and equipment with a useful life of 1 year or more). This item could include fully depreciated assets still in use and partially completed assets for which no deduction was yet allowed if the corporation reported them as depreciable on its balance sheet. The amounts shown as accumulated depreciation represented the portion of the assets that were written off in the current year and all prior years.

In general, depreciable assets were the gross amounts before adjustment for accumulated depreciation. Some corporations reported only the net amount of depreciable assets after deducting accumulated depreciation. Certain insurance companies were included among the corporations that reported only a net amount of depreciable assets. Life insurance companies and some property and casualty insurance companies reported their balance sheet information in the format required by state insurance regulations. This format usually provided for the reporting of only net depreciable assets and only the home and branch office buildings and equipment were included. Other real estate holdings of these corporations were reported as "Other Investments."

The statistics for depreciable assets excluded depletable and intangible assets, which were reported in their respective items, and accumulated amortization.

Generally, the value of depreciable assets and accumulated depreciation were not closely related to the current-year depreciation deduction. The depreciable assets and accumulated depreciation balance sheet accounts reflected book values; the depreciation deduction reflected the amount claimed in the current year for tax purposes.

Depreciation Δ

[Page 1, Line 20]

Depreciation is a method of recovering the cost of investments in tangible assets that lose value as they are used to produce income. The depreciation deduction allowed under Code Sections 167 and 168 approximated this loss in value by prescribing the rates at which various types of assets could be depreciated and the period over which the investment could be recovered. Public Law (P.L.) 115-97 amended some of the depreciation rules, although those in effect for property placed in service before September 27, 2018, were basically the same as those enacted in 1986. Since the tax depreciation rules have changed many times over the years, and some assets were still in use in 2022 that were originally placed in service under prior-year rules, the depreciation claimed on 2022 returns included in these statistics could have represented amounts computed by several different sets of rules.

In 2022, the basic depreciation system was the "Modified Accelerated Cost Recovery System," or MACRS, that provided two systems for computing the depreciation deduction. The "General Depreciation System," or GDS, specified recovery periods of 3, 5, 7, or 10 years for livestock, fruit trees, most machinery, equipment, and tangible personal property, and prescribed the 200% declining-balance method of determining the amount to be written off each year. Public utility property, water transportation equipment, and farm buildings were placed in the 15-year, 20-year, or 25-year category and were to be depreciated by the 150% declining-balance method. Buildings were to be depreciated by the straight-line method and over recovery periods of 27.5 years for residential buildings, 31.5 years for nonresidential buildings placed in service before May 13, 1993, and 39 years for nonresidential buildings placed in service after May 12, 1993. Railroad roadbeds and tunnels were prescribed a recovery period of 50 years and the straight-line depreciation method.

MACRS also provided for an "Alternative Depreciation System," or ADS, that was less accelerated than GDS and thus could help avoid the alternative minimum tax. The Tax Cuts and Jobs Act of 2017 reduced the recovery period for residential property under ADS from 40 years to 30 years.

Also included here were amounts the corporation elected to expense under IR Code Section 179. For 2022, the maximum deduction was $1,080,000 ($1,115,000 for qualified enterprise zone property). This limitation is reduced by the amount by which the cost of Section 179 property placed in service during the tax year exceeded $2,700,000. P.L. 115-97 expanded the definition of Section 179 property to include certain improvements to nonresidential real property.

Taxpayers may deduct bonus depreciation for equipment, computer software, and certain improvements to nonresidential real property up to 50% for equipment placed in service before September 27, 2017, and 100% for business property acquired and placed in service after September 27, 2017, and before 2023.

This item included amounts of depreciation reported as a part of cost of goods sold or capitalized under IR Code Section 263A.

A corporation can elect to claim pre-2006 unused minimum tax credits in lieu of the special depreciation allowance for round 4 extension property.

Dividends

[Page 2, Schedule C]

Dividends Received from Domestic Corporations

Dividends received from domestic corporations was a statistic computed from amounts reported on Schedule

C (Form 1120), Dividends and Special Deductions. The amounts making up this statistic are shown in detail in Table 11 and represent most distributions from the earnings and profits of companies incorporated in the United States. Dividends received from domestic corporations were generally those used in computing the special deduction from net income for dividends received. This is discussed under "Statutory Special Deductions" in this section.

Deductible dividends from Interest Charge (IC-DISCs) and from former DISCs were included as domestic dividends received.

Dividend distributions among member corporations electing to file a consolidated return were eliminated from the statistics as part of the consolidated reporting of tax accounts. For tax purposes, dividends reported on these returns represented amounts outside the tax-defined affiliated group.

If portfolio stock was wholly or partially financed by debt, no dividend received deduction was allowed on the debt-financed portion of the stock. There was a separate line item and a separate deduction calculation for dividends on debt-financed portfolio stock. This amount was included as part of domestic dividends even though it also represented debt-financed stock of foreign corporations.

Dividends or other distributions other than those detailed in Table 11 were included in "Other Receipts."

Dividends received by S corporations were passed through to shareholders and reported on Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc., and are not included in the statistics for this item in Table 11. These statistics are presented in Table 7 as "Dividend Income" under "Portfolio Income (less deficit) Distributed to Shareholders."

Dividends Received from Foreign Corporations

These were dividends paid from the earnings and profits of companies incorporated in foreign countries. The amounts making up this statistic are shown in detail in Table 11.

Dividends from specified 10%-owned foreign corporations were 100% deductible. Likewise, dividends received from foreign corporations out of U.S.-source earnings and profits or from foreign sales corporations (FSCs) were usually eligible for the dividends received deduction, as described in "Statutory Special Deductions."

Because Subpart F inclusions—Global Intangible Low Taxed Income (GILTI), Section 965 inclusion, and foreign dividend gross-up—were not actual receipts, they were excluded from dividends received for statistical purposes. Instead, these amounts were combined and presented in the statistics as "Foreign Deemed Income."

Dividends received from foreign corporations by S corporations were not included in these statistics.

Dividends Received Deduction

[Page 2, Schedule C, Line 24]

See "Statutory Special Deductions."

Effectively Connected Income (ECI) Deductions

[Form 1120-F, Page 4, Line 26]

A foreign corporation's expenses are deductible against U.S. taxable income only if they are connected with income effectively connected with the conduct of trade or business in the United States (ECI). Deductions definitely related and indirectly allocated and apportioned to effectively connected income that are not includible on more specific deduction lines are included. The proper allocation and apportionment of deductions for this purpose are generally determined under the provisions of IRC Section 1.861-8 and Temporary Regulations Section 1.861-8T.

Employee Benefit Programs

[Page 1, Line 24]

Contributions made by employers to employee plans, such as death benefits, insurance, health, accident, sickness, and other welfare plans were deductible under Code Sections 419 and 419A. Generally, such programs were not an incidental part of a pension, profit-sharing, or other funded deferred compensation plan. Deductions for a welfare benefit fund were limited to the qualified cost of the fund for the taxable year, as described under Code Section 419. Direct payments for employees' welfare were not included as employee benefits; only payments into a fund for employee benefits were included in the statistics.

Included in the statistics for this item were amounts identified as part of the cost of goods sold or capitalized under Section 263A. Regulated investment companies and real estate investment trusts do not report employee benefits. Some mining companies could have reported an amount for a combination of welfare/retirement plans. When identified, the combined amount was included in the statistics for contributions to employee benefit plans.

Estimated Tax Penalty

[Page 1, Line 34]

See "Overpayment or Amount Owed."

Excess Net Passive Income Tax

[Form 1120-S, Page 1, Line 22a]

A Subchapter S corporation that had accumulated earnings and profits from a prior Subchapter C status and had net passive income greater than 25% of its gross receipts was taxed on the excess (net of related expenses) at the regular corporate tax rate. Passive investment income, in general, was gross receipts derived from rents, royalties, dividends, interest, annuities, or the sales or exchanges of stock or securities.

Foreign Deemed Deductions

Section 965 Deduction

Taxpayers are allowed a deduction that results in a 15.5% tax on the portion of their Section 965 inclusion related to their cash assets and an 8% tax on the portion of their Section 965 inclusion related to their noncash assets.

Section 250 Deduction

This special deduction is the sum of the deduction for GILTI (see "Foreign Deemed Income") and the deduction for foreign derived intangible income (FDII). For 2021, the GILTI deduction was 50% of the GILTI inclusion, resulting in a maximum tax rate on this income of 10.5%.

The FDII deduction results in a lower tax rate on intangible income produced in the U.S. but derived from abroad. To compute the deduction, taxpayers multiply their domestic intangible income in excess of 10% of tangible depreciable assets by the estimated portion of that income derived from foreign sales and use. The FDII deduction, at 37.5% for taxable years beginning before January 1, 2025, results in a maximum tax rate of 13.125% on foreign derived intangible income.

Deduction for Subpart F Inclusions

Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend were 100% deductible. For more on Subpart F inclusions, see "Foreign Deemed Income."

Foreign Deemed Income

This item was the portion of income from U.S-owned foreign corporations deemed dividend income to their U.S. shareholders under Code Sections 951-965. This item includes the sum of Subpart F income (including Subpart F inclusions derived from the sale by a CFC of the stock of a lower-tier foreign corporation treated as a dividend), Section 965 inclusion, GILTI, and foreign dividend gross-up.

Subpart F Inclusions

[Page 2, Schedule C, Line 16(a through c)]

Generally, U.S. shareholders can claim a 100% deduction on the repatriated earnings and profits of a CFC. The Subpart F provisions of the Code, however, require that some types of foreign income be included in the income of the U.S. shareholders even if not distributed. The types of income involved are passive investment income, income from sources thought especially easy to shift between tax jurisdictions, or income from sources contrary to public policy. A CFC is a foreign corporation in which U.S. shareholders directly, indirectly, or constructively own, by vote or value, more than 50% of the corporation's stock. A U.S shareholder was defined as a U.S. person who owned 10% or more of the foreign corporation's total combined voting stock. Earnings and profits of a CFC may also be taxed by the GILTI provisions; see "GILTI Income."

Subpart F inclusions consisted of:

(1) Subpart F income, defined below

(2) any previously excluded Subpart F income that had been invested in qualified assets in less developed countries and was either withdrawn from those countries or repatriated to the U.S. shareholders and therefore became taxable

(3) any increase in controlled foreign corporation earnings due to investment in U.S. property and

(4) factoring income, or income that arose from the sale or transfer of a receivable.

Subpart F income, defined in Code Section 952, included:

(1) income from issuing (or reinsuring) an insurance or annuity contract that would otherwise be taxed under Subchapter L of the IR code if that income had been from a domestic insurance company

(2) "foreign base company income," which included several types of income derived from passive investments or from transactions outside the CFC's country of incorporation; income from participation in international boycotts not sanctioned by the United States; illegal bribes, kickbacks, or other payments to a government official and

(3) income derived from any foreign country during any period for which a foreign tax credit would be denied for taxes paid to those countries, as described in Code Section 901(j) (i.e., a government not recognized by the United States, with which the United States had severed or did not conduct diplomatic relations, or a government that provided support for international terrorism).

GILTI Income

[Page 2, Schedule C, Line 17]

GILTI income is generally earnings and profits of CFCs (excluding Subpart F income, foreign oil and gas income, related party dividends, and income effectively connected to the United States) in excess of a deduction for 10% of intangible assets minus interest costs. The maximum tax rate on this income is 10.5%, for tax years beginning before January 1, 2025, achieved by a 50% deduction (the GILTI deduction), included in the Section 250 deduction (see "Statutory Special Deductions"). For tax years beginning after January 1, 2025, the deduction falls to 37.5%, yielding a rate of 13.125%.

Section 965(a) Inclusion

[Page 2, Schedule C, Line 15]

Section 965, as amended by P.L. 115-97, generally requires a U.S. entity who owns 10% or more of the voting power of a specified foreign corporation (SFC) to include in gross income its pro rata share of such corporation's untaxed accumulated post-1986 E&P as of November 2, 2017, or December 31, 2017 (whichever is greater). A SFC is either

a CFC or a foreign corporation, other than a passive foreign investment company (PFIC), that has at least one domestic corporate U.S. shareholder.

Foreign Dividend Gross-Up

[Page 2, Schedule C, Line 18(a)]

This item is dividend income resulting from foreign taxes deemed paid by a U.S. corporation on the earnings and profits of its related foreign corporations, including its controlled foreign corporations; see "Foreign Deemed Income." The U.S. corporation's share of the foreign taxes depended on the ratio of the dividends and includable income it received to the total earnings and profits of the related foreign corporation. The foreign taxes were treated as deemed paid by the U.S. corporation. The foreign taxes deemed paid were included in income as an increase to foreign dividends, called a dividend gross-up. Foreign dividend gross-up from the taxes deemed paid on Section 965 inclusion are reduced by a percentage generally corresponding to the Section 965 deduction.

Foreign Tax Credit

[Page 3, Schedule J, Line 5a]

Code Section 901 allowed a credit against U.S. income tax for income taxes paid to foreign countries or U.S. possessions. The credit could be claimed by domestic corporations, except S corporations, and by foreign corporations engaged in trade or business in the United States for foreign taxes paid on income effectively connected with the U.S. business. The U.S. income tax that could be reduced by the credit excluded the recapture taxes and the personal holding company tax. The credit was not allowed for S corporations because their income was primarily taxed through their shareholders; any creditable foreign taxes were also passed through to their shareholders. Regulated investment companies could elect under Code Section 853 to allow their shareholders to claim any credit for the foreign taxes paid. However, if the election was not made, the regulated investment company could claim the tax credit.

The foreign tax credit was subject to a limitation that prevented the corporations from using foreign tax credits to reduce U.S. tax liability on U.S.-sourced income. The credit was limited to a percentage of total U.S. income tax equal to the ratio of taxable income from foreign sources to worldwide taxable income. This limitation was computed separately for foreign taxes paid or accrued with respect to six income categories, which are: (1) Passive Income; (2) General Category Income; (3) Section 901 (j) Income (Sanction Country Income); (4) Income Re-sourced by Treaty; (5) Section 951A income (Global Intangible Low-Taxed Income); and (6) Foreign Branch Income. Foreign taxes exceeding the limitation for any 1 year could be carried back 1 year and forward 10 years.

A corporation that claimed (or passed through) the foreign tax credit could not also claim a business deduction for the same foreign taxes paid. The credit could be reduced for taxes paid on foreign income from operations involving participation or cooperation with an international boycott. The foreign tax credit was not allowed for taxes paid to certain foreign countries whose governments were not recognized by the United States, with which the United States severed or did not conduct diplomatic relations, or which supported international terrorism.

General Business Credit Δ

[Page 3, Schedule J, Line 5c]

The general business credit is computed on Form 3800, General Business Credit. The credit consisted of a combination of several individual credits of which the following are edited by the IRS Statistics of Income Division (SOI): Form 3468, Investment Credit; From 7207, Advanced Manufacturing Production; Form 6765, Credit for Increasing Research Activities; Form 8586, Low-Income Housing Credit; Form 8826, Disabled Access Credit; Form 8835, Renewable Electricity, Refined Coal, and Indian Coal Production Credit; Form 8845, Indian Employment Credit; Form 8820, Orphan Drug Credit; Form 8874, New Markets Credit; Form 8881, Credit for Small Employer Pension Plan Startup Costs and Auto-Enrollment; Form 8882, Credit for Employer-Provided Child Care Facilities and Services; Form 8864, Biodiesel and Renewable Diesel Fuels Credit; Form 8896, Low Sulfur Diesel Fuel Production Credit; Form 8910, Alternative Motor Vehicle Credit; Form 8911, Alternative Fuel Vehicle Refueling Property Credit; Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit; Form 5884-A, Employee Retention Credit for Employers Affected by Qualified Disasters; Form 8834, Qualified Electric Vehicle Credit; Form 3468, Investment Credit; Form 5884, Work Opportunity Credit; Form 6478, Biofuel Producer Credit; Form 8586, Part II, Low-Income Housing Credit; Form 8835, Renewable Electricity, Refined Coal, and Indian Coal Production Credit; Form 8846, Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips; Form 8941, Credit for Small Employer Health Insurance Premiums; Form 8844, Empowerment Zone Employment Credit; and Form 8994, Employer Credit for Paid Family and Medical Leave. If a corporation claimed more than one of these credits, reported a carryforward, had credits from a passive activity, or had the Trans-Alaska pipeline liability fund credit, Form 3800 was to be filed with the income tax return.

The following general business credit forms are not edited: Form 8900, Qualified Railroad Track Maintenance Credit; Form 8906, Distilled Spirits Credit; Form 8907, Nonconventional Source Fuel Credit; Form 8908, Energy Efficient Home Credit; Form 8909, Energy Efficient Appliance Credit; Form 8923, Mine Rescue Team Training Credit; Form 8931, Agricultural Chemicals Security Credit; Form 8932, Credit for Employer Differential Wage Payments; Form 8933, Carbon Oxide Sequestration Credit; and Form 5884-B, New Hire Retention Credit. However, the

current-year amount is displayed on the appropriate line of Form 3800 and included in the "credit allowed for the current year" (line 38).

The purpose of the general business credit was to provide a uniform limitation on the amount that could be used to reduce tax liability and to establish uniform rules for carrybacks and carryforwards. Each of the credits is computed separately. Total credits became the general business credit for the purpose of applying the maximum tax liability rules and the carryback and carryforward rules.

Except for the investment credits, S corporations computed these credits at the corporate level; the credits were then passed through to the shareholders. For the investment credits, the S corporation reported the basis in the qualifying property to each shareholder. The shareholders themselves computed the credits. However, S corporations that were previously C corporations could use business credit carryforwards from their C corporation status to reduce tax on their net recognized built-in gains.

According to Code Section 38(c), the general business credit shall not exceed the excess of the taxpayer's net income tax over the greater of (1) the tentative minimum tax, or (2) 25% of so much of the taxpayer's net regular tax liability as exceeds $25,000.

The general business credit that could be claimed by personal service corporations and closely held corporations was subject to an additional limitation if the component credits were generated in a passive activity. Passive activities generally included trade or business activities in which the corporation did not materially participate for the tax year and, with exceptions, rental activities regardless of the corporation's participation.

When the credit exceeded the limitation in any year, the excess became an unused business credit that could be carried back 1 year and forward 20 years. (For tax years beginning before December 31, 1997, the carryback period was 3 years, and the carryforward period was 15 years.)

Qualified small businesses may elect to claim a certain amount of the research credit as a payroll tax credit. The Tax Cuts and Jobs Act repealed the Alternative Minimum Tax for tax years beginning after December 31, 2017; therefore, corporations will enter zero in Part II, Line 14.

Global Intangible Low Tax Income

[Page 2, Schedule C, Line 17(a)]

See "Foreign Deemed Income."

Gross Rents

[Page 1, Line 6]

These were the gross amounts received for the use or occupancy of property by corporations whose principal activities did not involve operating rental properties. Expenses related to rental property, such as depreciation, repairs, interest paid, and taxes paid, were not deducted directly from the rental income, but were reported as business deductions.

When rents were a significant portion of a corporation's operating income, they were included in the statistics for business receipts rather than in rents. These corporations included some manufacturers and public utility companies, as well as businesses whose principal operating income was expected to be rents, such as hotels, motels, and other lodging places. For real estate operators, rental income was included in business receipts if the expense schedule indicated that the owner operated the building rather than leased it. No rent was reported for regulated investment companies. S corporations reported income from rents on Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc. and are not included in the statistics for this item.

Gross Royalties

[Page 1, Line 7]

Royalties were gross payments received, generally on an agreed percentage basis, for the use of property rights before taking deductions for depletion, taxes, etc. Included were amounts received from such properties as copyrights, patents, and trademarks, as well as from natural resources such as timber, mineral mines, and oil wells. Expenses relating to royalties, depletion, or taxes were not deducted directly from this income, but were reported among the various business deductions from total gross income. No royalties were included in the statistics for regulated investment companies and real estate investment trusts. S corporations reported this item on Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc. These statistics are presented as "Royalty Income" under "Portfolio Income (less deficit) Distributed to Shareholders" in Table 7.

Excluded from the statistics were certain royalties received under a lease agreement on timber, coal deposits, and domestic iron ore deposits, all of which were allowed special tax treatment. Under elective provisions of Code Section 631, the net gain or loss on such royalties was included in the computation of net gain or loss on sales or exchanges of certain business property under Code Section 1231. If the overall result of this computation was a net gain, then it was treated as a long-term capital gain. If the overall result was a net loss, then it was fully deductible in the current year as an ordinary noncapital loss. See also the discussions of "Net Capital Gains" and "Net Gain (or Loss), Noncapital Assets."

Income Subject to Tax

[Page 1, Line 30]

This was generally the amount of income subject to tax at the corporate level. For most corporations, income subject to tax consisted of net income minus the "Statutory Special Deductions" and "Foreign Deemed Deductions" described in this section. However, there were certain exceptions. S corporations were usually not taxable at the corporate level and

so did not have income subject to tax. Some, however, had a limited tax liability on capital gains and so were included in the statistics for this item. Likewise, regulated investment companies and real estate investment trusts generally passed their net income on to be taxed at the shareholder level; however, any taxable amounts not distributed were included in income subject to tax.

Because insurance companies were permitted to use reserve accounting for tax purposes, insurance income subject to tax was based on changes in reserve accounts. Under IRC Section 501(c)15(A), insurance companies with small gross receipts are exempt from taxation if certain percentages of gross receipts consist of premiums. Consolidated returns that contain life insurance subsidiaries were not allowed to offset all the life insurance subsidiary's gains by losses from nonlife companies, so it was possible for such a consolidated return to show no net income but still have a positive amount of income subject to tax.

Income Tax

[Page 3, Schedule J, Line 2]

Income tax was the amount of a corporation's total tax liability calculated at the regular corporate tax rates in Code Section 11 (or substitutes for Section 11).

The Tax Cuts and Jobs Act of 2017 (P.L. 115-97) replaced the graduated corporate tax structure with a flat 21% corporate tax rate effective for tax years beginning after December 31, 2017.

Most income of S corporations was taxed only at the shareholder level. However, for S corporations that had once been C corporations, the corporate income tax was imposed on certain long-term capital gains, recognized built-in gains, and excess net passive income. The taxes paid on capital gains or recognized built-in gains by S corporations were included in the corporate statistics as "Income Tax."

The taxes paid on excess net passive income were excluded from "Income Tax" but were included in "Total Income Tax."

A small number of corporations without net income had an income tax liability. These were corporations reporting all or part of their income under special life insurance rules, including consolidated returns filing a life insurance subsidiary.

See also "Total Income Tax Before Credits" and "Total Income Tax After Credits."

Intangible Assets and Accumulated Amortization

[Page 6, Schedule L, Line 13a(c)]

Intangible assets represented the total gross value of goodwill, contracts, formulas, licenses, patents, registered trademarks, franchises, covenants not to compete, and similar assets that were amortizable for tax purposes. Thus, specific intangible asset items were included in this category only if amortization (or depreciation) had been taken against them.

The amounts shown as accumulated amortization represent the portion of these intangible assets that were written off in the current year as well as in prior years. In general, intangible assets were the gross amounts before adjustments for amounts of accumulated amortization. Some corporations, however, reported only the net amount of intangible assets after adjusting for amortization charges.

Interest

[Page 1, Line 5]

Taxable interest, a component of total receipts, included interest on U.S. government obligations, loans, notes, mortgages, nonexempt private activity bonds, corporate bonds, bank deposits, and tax refunds. The statistics also included dividends from savings and loans and mutual savings banks, federal funds sold, finance charges, and sinking funds. The interest received was reduced by the amortizable bond premium under Code Section 171.

Interest received from tax-exempt state or municipal bonds and ESOP loans was not included in this item. Corporations were not allowed to offset any interest expense against interest income. However, if the corporation reported only a net amount, this figure was used in the statistics. See also "Interest Paid."

Interest received by S corporations was passed through to shareholders and reported on Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc., and it is not included in the statistics for this item. These statistics are presented as "Interest Income" under "Portfolio Income (less deficit) Distributed to Shareholders" in Table 7.

Interest Paid

[Page 1, Line 18]

These amounts consisted of interest paid by corporations on all business indebtedness. For banking and savings institutions, the statistics also included interest paid on deposits and withdrawable shares. For mutual savings banks, building and loan associations, and cooperative banks, interest paid included amounts paid or credited to the accounts of depositors as dividends, interest, or earnings under Code Section 591. Interest identified as part of the cost of goods sold or capitalized under Section 263A was excluded from cost of goods sold and included in the statistics as interest paid.

The Tax Cuts and Jobs Act of 2017 (P.L. 115-97) generally limits the deductions for business interest incurred by certain large businesses to any business interest income plus 30% of the business's adjusted taxable income. Interest that exceeds the limit may be carried forward indefinitely.

Inventories

[Page 6, Schedule L, Line 3(d)]

These were the corporations' end of year inventories as reported on their balance sheets. Inventories included such items as finished goods, partially finished goods (work in progress), new materials and supplies acquired for sale, merchandise on hand or in transit, and growing crops reported as assets by agricultural concerns. Inventories reported on balance sheets were book accounts and would not necessarily have corresponded to those reported for tax purposes in cost of goods sold.

Inventories reported on the returns of companies in financial industries were transferred during statistical processing to other balance sheet accounts (unless reported on a consolidated return with nonfinancial subsidiaries). For security brokers and dealers, commodity brokers and dealers, and holding and other investment companies (except bank holding companies), inventories were included in "Other Investments." For the rest of the "Finance and Insurance" and "Management of Holding Companies" sectors, inventories were included in "Other Current Assets." Inventories shown in the statistics for the "Finance and Insurance" and "Management of Holding Companies" sectors were those reported by consolidated financial companies with diversified nonfinancial subsidiaries.

See also "Cost of Goods Sold."

Inventory, Beginning of Year

[Form 1125-A, Line 1]

These are closing inventories from the end of the previous year.

See also "Inventory, End of Year."

Inventory, End of Year

[Form 1125-A, Line 7]

These were ending inventories as calculated for tax purposes. Inventories included the portion of raw materials and merchandise purchased for resale and not sold during the year. Statistical adjustments made to the current-year components of cost of goods sold were not carried over into the capitalized inventory accounts, which were shown as reported by taxpayers (except for necessary corrections).

See "Cost of Goods Sold."

Land

[Page 6, Schedule L, Line 12(d)]

Land, which was reported as a separate capital asset on the balance sheet, may be understated in this report because it could not always be identified. Some corporations may have included land as part of depreciable or depletable assets or included it in other investments. Whenever corporations included and identified land as part of depreciable assets, the amount was reclassified as land, but land improvements remained as depreciable assets.

Loans from Shareholders

[Page 6, Schedule L, Line 19(d)]

This balance sheet liability item was regarded as long term in duration and included loans to the company from holders of the company's stock.

Loans to Shareholders

[Page 6, Schedule L, Line 7(d)]

This balance sheet asset item was regarded as long term in duration and included loans to persons who held stock in the corporation.

Losses Incurred

[Form 1120-PC, Schedule A, Line 26]

See "Cost of Goods Sold."

Mortgage and Real Estate Loans

[Page 6, Schedule L, Line 8(d)]

In general, mortgage and real estate loans were the total amount a corporation loaned on a long-term basis, accepting mortgages, deeds of trust, land contracts, or other liens on real estate as security. Because the return form did not provide a separate place for reporting any reserve for uncollectable mortgage and real estate loan accounts, such reserves may have been included in the allowance for bad debts, shown in this report as an adjustment to notes and accounts receivable. If a corporation reported an uncollectable mortgage and real estate loan reserve on a separate schedule, that amount was moved during statistical processing to allowance for bad debts.

Mortgages, Notes, and Bonds Payable

[Page 6, Schedule L, Lines 17(d) and 20(d)]

Mortgages, notes, and bonds payable were separated on the balance sheet according to the length of time to maturity of the obligations. The length of time to maturity was based on the date of the balance sheet rather than on the date of issue of the obligations. Accordingly, long-term obligations maturing within the coming year were reportable with short-term obligations as having a maturity of less than 1 year. Deposits and withdrawable shares may have been reported in mortgages, notes, and bonds payable by banks and savings institutions. When identified, such amounts were transferred to "Other Current Liabilities."

Net Capital Gains

[Schedule D, Lines 16 and 17]

In the tables in this report, capital gains net of capital losses were divided into two data items: "Net Short-Term Capital Gain Reduced by Net Long-Term Capital Loss" and "Net Long-Term Capital Gain Reduced by Net Short-Term Capital Loss." A gain or loss from the sale or exchange of capital assets was short-term if the assets had been held for

1 year or less and long-term if they had been held for longer than 1 year. The distinction between short-term and long-term assets was maintained in the Code and in the reporting forms even though it did not affect tax liability.

For corporations, capital losses were generally deductible only from capital gains, so only net gains were included in the statistics. Excess net losses could be carried back as short-term losses to be applied against the net capital gains of the 3 preceding years; any losses remaining after carryback were carried over the 5 succeeding years. There was no limit on the number of years a regulated investment company could carry forward a net capital loss. If the unused capital loss carryover was not eliminated within the prescribed span of years, then it could not be taken. Regardless of origin, all carrybacks and carryovers were treated as short-term capital losses for carryback and carryover purposes.

In general, capital assets for tax purposes meant property regarded or treated as an investment, such as stocks and bonds. Code Section 1221(a) defined the capital assets as all property held by a corporation except:

(1) stock in trade or other property included in inventory or held mainly for sale to customers

(2) notes and accounts receivable acquired in the ordinary course of business

(3) depreciable or real property used in the trade or business

(4) copyrights; literary, musical, or artistic compositions; or similar properties not acquired by purchase

(5) publications of the United States Government not acquired by purchase

(6) certain commodities derivative financial instruments held by a dealer

(7) certain hedging transactions entered into in the normal course of trade or business and

(8) supplies regularly used in the trade or business.

Gains from constructive ownership transactions entered into after July 11, 1999, that involved any equity interest in passthrough entities such as partnerships, S corporations, trusts, regulated investment companies, and real estate investment trusts that would otherwise be treated as capital gains could be treated instead as ordinary income. Constructive ownership transactions included gains from notional principal contracts with the right to receive substantially all the investment yield of an equity interest and the obligation to reimburse substantially all of any decline in value of the interest; a forward or futures contract to acquire an equity interest; and the holding of a call option and writing of a put option at substantially the same strike price and maturity date. A net underlying long-term capital gain had to be established by computing a net capital gain as though the asset were acquired at its fair market value when the transaction was opened and sold at its fair market value when the transaction was closed. If not established, then the net underlying long-term capital gain was treated as zero. Any long-term capital gain that exceeded the net underlying long-term capital gain was treated as ordinary income. Gains from constructive ownership transactions that were marked to market were excluded from this provision to be treated as ordinary income.

Although depreciable and real property used in the trade or business was not defined as a capital asset, the gain on such property held for more than 1 year could be treated as long-term capital gain. See “Net Gain (or Loss), Noncapital Assets.”

The capital gains of S corporations were passed through to their shareholders and not included in the corporations’ ordinary income (loss) from trade or business activities but were reported on Schedule K-1 (Form 1120-S), Shareholder’s Share of Income, Deductions, Credits, etc. These statistics are presented as “Net Short-Term Capital Gain (less loss)” and “Net Long-Term Capital Gain (less loss)” under “Portfolio Income (less deficit) Distributed to Shareholders” in Form 1120-S-specific tables.

Net Gain (or Loss), Noncapital Assets

[Page 1, Line 9]

This item includes all losses from the sale or exchange of noncapital assets, but only those gains that were not treated as long-term capital gains. Noncapital assets included property used in a trade or business plus certain other transactions given special treatment by statute. After December 16, 1999, non-capital assets were expanded to also include certain financial assets such as:

(1) certain commodities derivative financial instruments held, acquired, or entered into by commodities derivatives dealers

(2) any hedging transaction clearly identified as a hedging transaction before the close of the day on which it was acquired, originated, or entered into and

(3) supplies regularly used or consumed in the ordinary course of a trade or business.

A commodities derivative financial instrument is a commodities contract or other financial instrument with respect to commodities, for which the value or settlement price is calculated or determined by reference to a specified index as defined in Code Section 1221(b). A commodities derivative dealer is an entity that regularly offers to enter into, assume, offset, assign, or terminate positions in commodities derivative financial instruments with customers in the ordinary course of a trade or business. A hedging transaction is any transaction entered into in the normal course of a trade or business primarily to manage one of the following: (1) risk of price changes or currency fluctuations involving ordinary property held (or to be held), or (2) risk of interest rate or price changes, or currency fluctuations, involving borrowed funds or ordinary obligations incurred (or to be incurred).

Rules governing the computation of a net gain or loss from noncapital assets were provided under Code Section 1231. Transactions treated under these special provisions included:

(1) the sale or exchange of real or depreciable property used in a trade or business

(2) the cutting or disposal of timber treated as a sale or exchange under Code Sections 631(a) and (b)

(3) the disposal of coal or iron ore treated as a sale under Code Section 631(c)

(4) the sale or exchange of livestock (excluding poultry) used in a trade or business for draft, breeding, dairy, or sporting purposes, if held for at least 12 months (24 months for horses and cattle)

(5) the sale or exchange of unharvested crops sold with the land and

(6) the involuntary conversion of property or capital assets due to partial or total destruction, theft, seizure, requisition, or condemnation.

Long-term gains from Section 1231 transactions were treated as long-term capital gains for tax purposes and were included in "Net Capital Gains" in these statistics. Losses under Section 1231 were treated as ordinary losses, i.e., fully deductible from ordinary income. Amounts treated as long-term gains were reduced by several provisions designed to recapture (as ordinary income) previous benefits. These provisions included Sections 1245 and 1250, recapturing some depreciation taken previously; Section 1252, recapturing conservation and land clearing expenses upon the sale of some farmland; Section 1254, recapturing certain depletion, intangible drilling, and mine development expenses; and Section 1255, recapturing some crop-sharing payments if a farm is sold within 20 years of receiving the payments.

Statutory provisions allow that recognition of a gain or loss may be postponed under certain circumstances. The postponement of gain recognition accounts for some differences in tax versus book income. This difference is not presented in these statistics.

Gains and losses resulting from involuntary conversions, due mostly to casualty and theft, received special treatment. Such losses were to be included in the computation of net gain or loss, noncapital assets. However, some corporations reported them in other deductions, in which case the losses were included in the statistics for other deductions. No attempt was made to recompute the net gain or loss from noncapital assets or the carryover of losses subject to recapture rules for such returns.

Although this item was a part of corporate-level income for S corporations, the portion of gain treated as long-term capital gain under Section 1231 was not a part of the corporations' ordinary income (loss) from trade or business activities, but rather was reported on Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc.

Net Income (or Deficit)

[Page 1, Line 28]

This was net profit or loss from taxable sources of income reduced by allowable deductions. It differed from "Total Receipts Less Total Deductions" because it included "Foreign Deemed Income" and excluded "Interest on Government Obligations: State and Local." Net income generally differed from "Income Subject to Tax" by the "Statutory Special Deductions" and "Foreign Deemed Deductions" allowed corporations. More information can be found under all these headings in this section.

Net income included income from the trade or business activities of S corporations, including ordinary gain from the sale of business property. Although the income was taxable to the shareholders, it was used for the statistics as a measure of corporate business activity for these companies. For tax purposes, net income for S corporations excluded passive income, which was passed through to the shareholders and then reported on Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Credits, Deductions, etc. Statistics on these items are presented in Form 1120-S-specific tables as "Net income (less deficit) from a trade or business." Although certain long-term capital gains were taxable to S corporations before the gains were passed through to the shareholders, these gains were excluded from net income.

The statistics for net income (or deficit) also included the "effectively connected income" of foreign corporations operating in the United States. Generally, income was considered effectively connected if the foreign corporation conducted a trade or business in the United States and the income was attributable to that business.

Under IRC Section 831(b), certain small property and casualty insurance companies could elect to compute income tax on their taxable investment income only, deducting only expenses related to that income. Therefore, the statistics for net income included only net investment income for those companies.

Net Long-Term Capital Gain Reduced by Net Short-Term Capital Loss

See "Net Capital Gains."

Net Operating Loss Deduction

See "Statutory Special Deductions."

Net Short-Term Capital Gain Reduced by Net Long-Term Capital Loss

See "Net Capital Gains."

Net Worth

Net worth represented the shareholders' equity in the corporation (total assets minus the claims of creditors). In the

statistics, net worth comprised the net sum of the following items:

(1) capital stock
(2) additional paid-in capital
(3) retained earnings, appropriated
(4) retained earnings, unappropriated
(5) adjustments to shareholders' equity
(6) less the cost of treasury stock.

Notes and Accounts Receivable

[Page 6, Schedule L, Line 2a(c)]

In general, notes and accounts receivable were the gross amounts arising from business sales or services to customers on credit during the ordinary course of trade or business. These current assets would normally be converted to cash within 1-year. This category included commercial paper, charge accounts, current intercompany receivables, property improvement loans, and trade acceptances. Current nontrade receivables were generally included in other current assets.

Certain savings and loan associations reported loans and mortgages as notes and accounts receivable. When identified, such mortgage loans were included in the statistics for mortgage and real estate loans, rather than notes and accounts receivable.

The gross amount of the receivables and the corresponding adjustment account, allowance for bad debts, were reported on the balance sheets of most corporation income tax forms. For an explanation of the adjustment account, see "Allowance for Bad Debts." However, some corporations reported only the net amount of the accounts receivable.

Number of Returns

This was a count of the returns filed by active corporations on one of the Form 1120-series returns. It included ordinary for-profit C corporations filing Form 1120, S corporations electing to be taxed through their shareholders filing Form 1120-S, foreign corporations with U.S.-source income filing Form 1120-F, life insurance companies filing Form 1120-L, property and casualty insurance companies filing Form 1120-PC, Real Estate Investment Trusts filing Form 1120-REIT, and Regulated Investment Companies filing Form 1120-RIC. It did not include nonprofit corporations, exempt farmers' cooperatives, and many other incorporated organizations that did not file corporation income tax returns. It also did not include the returns of inactive corporations, defined as those reporting no item of income or deductions.

See Section 3, Description of the Sample and Limitations of the Data.

Consolidated groups could file a single return covering many corporations, so the number of returns was not a count of the number of active corporations.

See "Consolidated Returns."

Other Assets

[Page 6, Schedule L, Line 14(d)]

In general, other assets comprised noncurrent assets, which were not allocable to a specific account on the balance sheet, and certain assets not identified as current or noncurrent. Both tangible and intangible assets were included in this category. Also included were any assets, such as deposits on contracts, interest discounts, and guaranty deposits, when they were reported as noncurrent assets.

Other assets of life insurance companies included the market value of real estate and that portion of stock and bond holdings exceeding book value. For statistical purposes, negative balance sheet asset accounts have been moved to, and included in, the computation of other assets. This procedure was adopted to address the increased usage of negative items being reported on corporate balance sheets. This process may cause other assets to become negative in certain situations. When identified on the tax return, assets held for investment were not included in other assets.

Other Costs

[Form 1125-A, Line 5]

See "Cost of Goods Sold."

Other Current Assets

[Page 6, Schedule L, Line 6(d)]

Other current assets included assets not allocable to a specific current account listed on the balance sheet of the tax form and assets reported as short-term but without identification of a specific current account.

Marketable securities, prepaid expenses (unless reported as long-term), nontrade receivables, coupons and dividends receivable, and similar items were included in this asset account. Deposits were included here for banks and deposit institutions. Also included were amounts that exceeded the amount billed for contract work in progress and reported as current by construction corporations.

When reported by certain nonconsolidated financial companies, inventories were included in the statistics for other current assets, rather than for inventories. Those nonconsolidated financial companies included banks, credit agencies, insurance companies, insurance agents, brokers, real estate operators, lessors, and condominium management and cooperative housing associations. Inventories were included in other current assets if reported by bank holding companies, whether consolidated or nonconsolidated. However, if consolidated with nonfinancial subsidiaries, then inventories were not moved to other current assets to the extent they were attributable to the nonfinance subsidiaries.

Some property and casualty insurance companies included investments in government obligations and tax-exempt securities with other current assets on the income tax return, Form 1120-PC. When identified, the amounts were included

in the statistics for investments in government obligations and tax-exempt securities and excluded from other current assets.

Other Current Liabilities

[Page 6, Schedule L, Line 18(d)]

Other current liabilities included certain amounts due and payable within the coming year. The account consisted of accrued expenses, as well as current payables not arising from the purchase of goods and services. Examples of other current liabilities were taxes accrued or payable, accrued employee accounts such as for payrolls and contributions to benefit plans, dividends payable, overdrafts, accrued interest or rent, and deposits and withdrawable shares of banking and savings institutions, if not reported as long-term by the corporation. For construction corporations, amounts for uncompleted contracts or jobs in progress were included in this item, if reported as current.

Other Deductions

[Page 1, Line 26]

Other deductions included (1) business expenses which were not allocable to a specific deduction item on the tax return, or which were not included elsewhere on the tax return, and (2) certain amounts which were given special treatment during statistical processing. It also included adjustments reported as deductions.

The first category included such items as administrative, general, and selling expenses; commissions (unless reported as cost of goods or salaries and wages); delivery, freight, and shipping expenses; sales discounts; travel and entertainment expenses; utility expenses not reported as part of the cost of goods sold; and similar items. The Tax Cuts and Jobs Act of 2017 (P.L.115-97) disallowed deductions for entertainment expenses, membership dues, and related facility expenses incurred after December 31, 2017, unless the expenses were outlined under specific exceptions in IR Code Section 274(e). For example, a taxpayer can continue to deduct 50% of the cost of business meals if the taxpayer (or an employee of the taxpayer) is present and the food or beverages are not considered extravagant. The Taxpayer Certainty and Disaster Relief Act of 2020 expanded this deduction to 100% of the cost of food or beverages from restaurants if the costs occurred after December 31, 2020, and before 2023.

The second category included intangible drilling costs, direct pensions (paid by a company to an individual but not to pension plans), employee welfare (but not payments to welfare or benefit plans), employee moving expenses, partnership net losses, and patronage dividends paid. Also included were itemized business deductions and other deductions unique to life and property and casualty insurance companies.

Losses from involuntary conversions which were reported as ordinary losses on Form 4797, Sales of Business Property were included in the statistics for Net Gain (or Loss), Noncapital Assets. However, some taxpayers reported such amounts as deduction items; if so, then they were included in the statistics for "Other Deductions." Also included were net foreign currency losses, registration fees, insurance costs, accounting and legal service costs, management and investment advisory fees, transfer agency, shareholder servicing, and custodian fees and expenses, and costs for reports to shareholders for regulated investment companies, life insurance increases in reserves, and policyholder dividends paid by insurance companies on participating policies (after certain adjustments).

Other Inclusions from CFCs under Subpart F

[Page 2, Schedule C, Line 16(a)]

See "Foreign Deemed Income."

Other Investments

[Page 6, Schedule L, Line 9(d)]

This category generally included long-term nongovernment investments and certain investments for which no distinction could be made as to their current or long-term nature. Examples of nongovernment investments included stocks, bonds, loans to subsidiaries, treasury stock reported as assets, and other types of financial securities.

Real estate not reported as a fixed asset could also be included. In certain instances, land and buildings owned by real estate operators (except lessors of real property other than buildings) were reported as other investments. Certain insurance carriers also included their real estate holdings (other than their home and branch office buildings) in this asset category.

When inventories were reported by companies in certain financial industries, the amounts were included in the statistics for other investments and excluded from inventories. For security brokers and dealers; commodity brokers, dealers, and exchanges; and holding and other investment companies (except bank holding companies), inventories were included in other investments unless the return was consolidated and included nonfinance subsidiaries. Inventories attributable to the nonfinance subsidiaries were not moved to other investments.

The statistics may be somewhat overstated by amounts that should have been reported for treasury stock. When treasury stock held for resale or for future distribution was reported as an asset, rather than as an offset to capital stock, the treasury stock was included in the statistics for other investments.

Some property and casualty insurance companies included investments in government obligations and tax-exempt securities in other investments on Form 1120-PC, U.S. Property and Casualty Insurance Company Income Tax Return. When identified, these amounts were transferred to the appropriate accounts.

Other Liabilities

[Page 6, Schedule L, Line 21(d)]

Other liabilities were obligations which were not allocable to a specific account on the balance sheet, and which were either noncurrent accounts, in general not due within 1 year, or accounts which could not be identified as either current or long-term. The excess of reserves for amortization, depreciation, and depletion over the respective asset accounts was included in this balance sheet account.

Examples of other liabilities were deferred or unearned income not reported as part of a current account, provisions for future or deferred taxes based on the effects of either accelerated depreciation or possible income tax adjustments, and principal amounts of employee and similar funds. Accounts and notes payable, borrowed securities, commissions, intercompany accounts, loans, overdrafts, and unearned income were also included. For statistical purposes, negative balance sheet liability accounts have been moved to, and included in, the computation of other liabilities. This procedure was adopted to address the increased usage of negative items being reported on corporate balance sheets. This process may cause other liabilities to become negative in certain situations.

Other Receipts

[Page 1, Line 10]

Other receipts included amounts not reported elsewhere on the return form. These included income from minor operations; cash discounts; income from claims, license rights, judgments, and joint ventures; net amount earned under operating agreements; profit from commissaries; profit on the purchase of a corporation's own bonds; recoveries of losses and bad debts previously claimed for tax purposes; refunds for the cancellation of contracts; auto lease inclusion income; and income from sales of scrap, salvage, or waste.

Unidentified and certain dividends received were also regarded as "other receipts." For example, those from Federal Reserve and Federal Home Loan Banks and the following special classes of corporations: corporations deriving a large percentage of their gross income from sources within a U.S. possession, when they did not provide detailed attachments; tax-exempt charitable, educational, religious, scientific, and literary organizations; and mutual and cooperative societies including farmers' cooperatives. Also included were any adjustment items reported by corporations and listed in other income, payments with respect to security loans and foreign currency gains for regulated investment companies, and life insurance decreases in reserves. Per the Families First Coronavirus Response Act, eligible corporations were allowed to take a credit against their payroll taxes for the cost of qualified COVID-19-related emergency paid sick leave and family leave taken. The amount of this credit was also included in other income. See also "Business Receipts."

Overpayment or Amount Owed

[Page 1, Line 36]

All corporations with more than minimal tax liability were required to have settled their liability by the time their returns were due for their accounting year, within specified tolerances. They were required to estimate their liability at the beginning of their tax year and make payments on this estimated tax liability at least quarterly. If estimated tax payments were less than final tax liability for the year, within the allowed tolerances, the corporation was assessed a penalty. The corporation could count as tax payments (calculated on the Schedule J) its "Credit for Tax Paid on Undistributed Capital Gains," "Credit for Federal Tax on Fuels," and "Refundable Credits."

A property and casualty insurance company could also claim a credit for taxes paid by a reciprocal and for certain other payments and credits it could have been required to make. A corporation that requested an extension of time to file its tax return was required to pay any final estimated tax liability not already covered (see "Tax Deposited with Form 7004"). When the corporation finally filed its return for the year, it would seldom have paid exactly the final liability; most corporations would have had either an overpayment or an amount owed.

Estimated tax payments were required of any corporation expecting to owe a tax liability of $500 or more for the year. The payments had to be made quarterly, on the fifteenth day of the fourth, sixth, ninth, and twelfth months of the company's accounting year. If the total payments for the year were greater than the liability shown on the return, the overpayment could be either refunded or applied to the next year's estimated tax liability. If a corporation realized before it filed its return that it had overpaid, and the overpayment was at least $500 and at least 10% of tax liability for the year, it could apply for an immediate refund of the excess payment. The application had to be made within 2½ months of the close of its taxable year.

If a corporation had $500 or more of tax liability on the due date of its return and had not made quarterly estimated tax payments of at least 25% of the liability shown on its return or 25% of the tax it paid in the previous year, it was liable for a penalty for underpayment of estimated tax. This penalty, which was calculated at the current interest rate prescribed by the IRS, became a part of the amount owed when the corporation filed its return. However, the penalty did not apply if there was a legitimate reason for the underpayment.

Foreign insurance companies with effectively connected income (as filed on Form 1042-S) may have reported U.S. income tax paid or withheld at source, which would be considered in their tax liability computation. These amounts are included in "Overpayment or Amount Owed." The components of the tax payment schedule are shown in Table 11.

Overpayments Less Refunds

[Page 3, Line 16]

These were the net estimated tax payments, after deducting any amount previously refunded, remaining to be credited when the corporation's tax return was filed. See "Overpayment or Amount Owed."

Pension, Profit-Sharing, Etc., Plans

[Page 1, Line 23]

This deduction was the current year's deductible contributions to qualified pension, profit sharing, or other funded deferred compensation plans. Contributions made by employers to these plans were deductible under Code Section 404 subject to limits on contributions for owners, officers, and highly paid employees. For defined benefit plans, contributions were also limited based on actuarial computations of the amount necessary to fund the promised benefits.

The statistics included amounts from "Cost of Goods Sold" and "Other Deductions" identified as pensions (unless clearly direct pensions), annuity plans, 401(k) plans, profit-sharing plans, retirement plans, and stock bonus plans. Any amounts identified as part of cost of goods sold or capitalized under Section 263A were excluded from cost of goods sold and included in these statistics. The combined amount for companies other than mining companies that reported an amount for a combination of welfare/retirement plans was included in the statistics for contributions to pension and profit-sharing plans. This item was not reported for regulated investment companies and real estate investment trusts.

Portfolio Income (Less Deficit)

Portfolio income (less deficit) is interest, dividends, annuities, and royalties, as well as gain or loss from the disposition of income-producing or investment property that is not derived in the ordinary course of trade or business.

Purchases

[Form 1125-A, Line 2]

This is the total of items purchased during the year for resale or to become a part of goods manufactured or prepared for sale.

See "Cost of Goods Sold."

Recapture of Investment Credit

[Page 3, Schedule J, Line 9a]

The investment credit (Form 3468) was subject to recapture (Form 4255) if the property was sold or converted to other uses, including but not limited to:

(1) The investment credit property was disposed of before the end of 5 full years after the property was placed in service (recapture period), including leased property.

(2) The use of the property was changed before the end of the recapture period so that it no longer qualifies as investment credit property.

(3) The business use of the property decreased before the end of the recapture period so that it no longer qualifies (in whole or in part) as investment credit property.

(4) In the case of a project under the Phase II gasification program or Phase II qualifying advanced coal project program, failure at any time during the applicable recovery to attain and maintain the separation and sequestration requirements.

Inflation Reduction Act (IRA) Alternative Minimum Tax (AMT)

[Page 3, Schedule J, Line 9g [ME]]

For tax years beginning after December 31, 2022, the IRA imposes a corporate alternative minimum tax. For corporations that file a short tax year that begins in 2023 and ends in 2023, reports any corporate alternative minimum tax (CAMT) imposed under section 55 by IRA in the margin of line 9g. Section 55 imposes a new 15% minimum tax CAMT based on the adjusted financial statement income (AFSI) of a corporation. This generally applies to large corporations with average AFSI exceeding $1 billion.

Refundable Credits Δ

[Page 3, Schedule J, Line 20]

This term includes amounts from several refundable credits, including:

(1) Credit for Tax Paid on Undistributed Capital Gains

[Page 3, Schedule J, Part II, Line 20a]

RICs and REITs were required to pay tax on amounts of undistributed net long-term capital gain less net short-term capital loss at the regular corporate tax rate of 21%. Stockholder corporations, for their part, were required to include in the computation of their long-term capital gains any such gains designated by the parent as undistributed dividends. The stockholder corporations were then deemed to have paid the tax on the undistributed long-term capital gain dividends and were allowed a credit for the tax they were deemed to have paid.

(2) Credit for Federal Tax Paid on Fuels

[Page 3, Schedule J, Line 20b]

IR Code Section 34 allowed a credit in full or in stated amounts for excise taxes on:

(a) gasoline used on farms for farming purposes (Code Section 6420)

(b) gasoline used for nonhighway purposes or by local transit systems (Code Section 6421) and

(c) fuel not used for taxable purposes (Code Section 6427), such as on the sale of fuel when tax was imposed under

Section 4041(a) or (e), and the purchaser used such fuel other than for the use for which it sold or resold such fuel.

This credit was also used to claim the credit for purchase of qualified diesel-powered highway vehicles. The Inflation Reduction Act of 2022 (IRA), under Section 40b, allows sustainable aviation fuel credit for sales or uses after 2022. IRA reinstated the alternative fuel credit for fuel sold or used effective January 1, 2022. Additionally, under IRA, renewable diesel and treatment of kerosene for fuel, sold or used after December 31, 2022, no longer includes fuel derived from biomass that meets the requirements of the Department of Defense specification for military jet fuel or an American Society of Testing Materials specification for aviation turbine fuel. Kerosene is also no longer greater as diesel fuel for the purposes of the renewable diesel mixture credit.

(3) Other Refundable Credits

[Page 3, Schedule J, Line 20d]

This amount is from any other refundable credit the corporation is claiming, including the credit for tax on ozone-depleting chemicals, and credits claimed under Section 960(b).

Rents Paid

[Page 1, Line 16]

This deduction consisted of rents paid for the use of land, buildings, or structures; rents paid for leased roads; and work equipment for railroad companies. Also included in rents paid was the leasing of vehicles. Auto lease inclusion income, required by law to offset this deduction for businesses that lease luxury automobiles, was reported in other receipts. Some corporations reported taxes paid and other specific expenses with rents paid. When identified, those items were included in the statistics for the respective deductions and excluded from rents paid.

Rent identified as part of the cost of goods sold, or capitalized under Section 263A, was excluded from cost of goods sold and included in the statistics as rent paid on business property.

Repairs

[Page 1, Line 14]

Repairs reported as an ordinary and necessary business expense were the costs of maintenance and incidental repairs that did not add to the value or appreciably prolong the life of the property. Expenditures for permanent improvements, which increased the basis of the property, were required to be capitalized and depreciated rather than deducted currently. Regulated investment companies did not report repairs.

Research Activities Credit

[Form 6765]

The research activities tax credit is a credit for qualified research expenses and basic research payments to universities and other qualified organizations. The research credit is a credit taken upon expenses paid or incurred for qualified research as defined by Section 174 of the IRC. The methods to calculate the credit are the Regular Credit and Alternative Simplified Credit.

Section D—Qualified Small Business Payroll Tax Election and Payroll Tax Credit was added to reflect that a qualified small business may elect to claim a certain amount of its research credit as a payroll tax credit. Qualified small businesses may elect to apply up to $250,000 of the credit against the employer portion of Social Security taxes.

Research is limited to research undertaken to discover information that is technological in nature and useful in the development of a new or improved business component. The research had to be conducted within the United States and could not involve the social sciences, arts, or humanities. Research funded by another person, a grant, or a government agency was also ineligible for the credit. For qualified clinical testing expenses relating to drugs for certain rare diseases, taxpayers can elect to claim the credit using Form 8820, Orphan Drug Credit.

For a discussion of the income tax limitations and carryback and carryforward provisions of the credit, see “General Business Credit.”

Retained Earnings, Appropriated

[Page 6, Schedule L, Line 24(d)]

Earnings set aside for specific purposes and not available for distribution to shareholders were included under this heading. Included were guaranty funds (for certain finance companies), reserves for plant expansion, bond retirements, contingencies for extraordinary losses, and general loss reserves. Also included was the total amount of all reserves not defined as valuation reserves or reserves included in other liabilities. Specifically excluded were the reserves for bad debts, depreciation, depletion, and amortization, which are shown separately in this report. Unrealized appreciation was included in retained earnings, unappropriated. Unrealized profits were included in other liabilities. Unearned income, if not current, was also included in other liabilities. Any amount of retained earnings not identified as either appropriated or unappropriated was considered unappropriated for the purpose of these statistics.

Retained Earnings, Unappropriated

[Page 6, Schedule L, Line 25(d)]

Retained earnings, unappropriated, consisted of the retained earnings and profits of the corporation less any reserves (these reserves were shown in the statistics as Retained Earnings, Appropriated). Dividends and distributions to shareholders were paid from this account. These accumulated earnings included income from normal and discontinued operations, extraordinary gains or losses, and prior period adjustments. Also included were undistributed or undivided

earnings (income or profits) and earned surplus. For railroads, unappropriated retained earnings included additions to property and funded debt retired through income and surplus. The statistics presented here are net amounts after reduction for negative amounts reported and include adjustments to shareholders equity reported by the taxpayer.

Adjustments reported by the taxpayers primarily consisted of unrealized gains and losses from securities held "available for sale." Also included were adjustments, guarantees of employee stock ownership plan debt, and compensation related to employee stock award plans.

Form 1120-S did not differentiate between appropriated and unappropriated retained earnings. For statistical tables in this report that include Forms 1120-S, retained earnings unappropriated includes the total 1120-S amount of retained earnings, which could include appropriated and unappropriated amounts.

Returns of Active Corporations

These returns were the basis for all financial statistics presented in the report. They comprised the majority of returns filed and were defined for the statistics as returns of corporations reporting any income or deduction items, including tax-exempt interest. Although corporations in existence during any portion of the taxable year were required to file a return whether they had income and deductions (Code Section 6012(a)(2)) or not, inactive corporate returns were excluded from the statistics. See Section 3, Description of the Sample and Limitations of the Data.

Returns with Net Income

See "Net Income (or Deficit)."

S Corporation Returns

Form 1120-S, U.S. Income Tax Return for an S Corporation was filed by corporations electing to be taxed through their shareholders under IRC Section 1362. These companies reported corporate income and deductions from their conduct of a trade or business but generally allocated any income or loss to their shareholders to be taxed only at the individual level. Portfolio income (loss), net rental real estate income (loss), net income (loss) from other rental activities, and other income (loss) were not included in net income (loss) from ordinary trade or business but were allocated to shareholders to be reported on their returns.

Only corporate-level S corporation trade or business income and deductions are included in the items comprising "Total Receipts" and "Total Deductions." Data on rental and investment income allocated to shareholders is presented in Tables 7, 8, and 9.

Subchapter S of the IRC provided a set of restrictive criteria which a company had to meet to qualify as an S corporation. For tax years beginning after 2004, S corporations had to meet the following criteria:

(1) no more than 100 shareholders
(2) only individuals as shareholders (with an exception for estates and trusts, including charitable remainder trusts)
(3) no nonresident alien shareholders and
(4) only one class of stock.

For tax years beginning after 1997, certain tax-exempt organizations can be S corporation shareholders. These are qualified pension, profit-sharing, and stock bonus plans; charitable organizations; and Code Section 501(c)(3) organizations.

Corporations ineligible to be treated as S corporations were:

(1) banks or similar financial institutions using the reserve method of accounting for bad debts under Section 585
(2) life insurance companies
(3) corporations electing to take the U.S. possessions tax credit
(4) IC-DISCs or former DISCs and
(5) affiliated group members eligible for inclusion on a consolidated return.

The Small Business Job Protection Act of 1996 provided significant reform for S corporations. This legislation contained 17 provisions relating to S corporations. For more information on the impact of this legislation on S corporations, see Wittman, Susan, "S Corporation Returns, 1997," Statistics of Income Bulletin, Spring 2000, Volume 19, Number 4.

Some S corporations were subject to certain special taxes at the corporate level. See "Excess Net Passive Income Tax" and "Income Tax" in this section.

Salaries and Wages

[Page 1, Line 13]

Salaries and wages included the amount paid for the tax year less any amounts paid for the work opportunity credit, empowerment zone employment credit, Indian employment credit, or welfare-to-work credit. Also included were expenses, such as bonuses, directors' fees, wages, payroll, and salaries listed in the other deductions schedule. Excluded were items deductible elsewhere on the return, such as contributions to a 401(k) plan, amounts contributed under a salary reduction agreement, or amounts included in the cost of goods sold. Also excluded was compensation of officers since it was listed as a separate deduction item on the return. This amount, along with compensation of officers, was reduced by the amount of any CARES Act employee retention credit the corporation claimed on its employment tax return.

Size of Business Receipts

Returns for nonfinance industries were classified by size of gross receipts from sales and operations. Returns of industries within the "Finance and Insurance" and "Management Holding Companies" sectors were classified by size of

total receipts (the sum of business receipts and investment income). See also "Business Receipts" and "Total Receipts."

Statutory Special Deductions

[Page 1, Line 29c]

Statutory special deductions in the tables were the sum of the deductions for net operating loss carryovers from prior years and the special deductions for dividends and other corporate attributes allowed by the Code. These deductions were in addition to ordinary and necessary business deductions and were shown in the statistics as deductions from net income. In general, net income less statutory special deductions equaled income subject to tax. Some components of statutory special deductions are shown separately in Table 11.

Net operating loss (NOL) deduction:

This deduction consists of net operating losses carried forward or back from previous or future years and applied to reduce taxable income in the current year. For tax years beginning after December 31, 2020, net operating losses carried forward from prior tax years that began after December 31, 2017, were limited to 80% of taxable income excluding Section 199a deductions, Section 250 deductions, and net operating loss deductions. Additionally, certain farming losses and insurance company losses (excluding life insurance companies) that were incurred in tax years beginning after December 31, 2020, could be carried back up to two years. Insurance company losses (excluding life insurance companies) were not subject to the 80% taxable income limitation.

Dividends received deduction: This deduction was based on the type of stock owned and the extent of ownership. Generally, dividends from other domestic members of a company's affiliated group were deducted 100%, those from other domestic companies owned 20% or more were allowed a 65% deduction, and those owned less than 20% were allowed a 50% deduction. These percentages were reduced if the stock was debt financed or if it was preferred stock of public utilities that were allowed a deduction for dividends paid. In the case of life insurance companies, the dividend received deduction (other than the 100% deduction) was further reduced by the share of the company's investment income attributed to policyholders, which is set at 70%.

A deduction for dividends received from a foreign corporation was allowed if the foreign corporation had been engaged in a trade or business within the United States for at least 3 years and if at least 50% of its gross income was effectively connected U.S. trade or business income. The deduction was allowed only for dividends attributable to income earned in the United States, and only if the U.S. corporation owned at least 10% of the stock of the foreign corporation. Dividends from specified 10%-owned foreign corporations were 100% deductible.

The total dividends received deduction was further limited to a percentage of the net income less certain 100% deductions for dividends. The percentage allowed depended on the percentage of ownership of the corporations for the applicable dividends and did not apply for corporations with a net operating loss. The various categories of stock ownership and the percentages that were deductible are shown on Form 1120, Schedule C (reproduced in Section 5). See also "Dividends Received from Domestic Corporations" and "Dividends Received from Foreign Corporations" in this section.

Deduction for dividends paid (Forms 1120-RIC and 1120-REIT): RICs and REITs were required to distribute virtually all (90% for both return types) of their taxable income to their shareholders in the form of dividends to qualify for their special status. Their taxable income was reduced by the dividends they paid (which were taxable to the recipients), and they generally paid no corporate tax. This special deduction represented those required distributions.

Deduction for dividends paid on certain public utility stock: This special deduction was for dividends paid on preferred stock issued by regulated telephone, electric, gas, or water companies before October 1, 1942, or was issued to replace such stock. Companies could deduct 40% of the smaller of such dividends or taxable income computed without this deduction. This item is included in "Statutory Special Deductions, Total," but is not shown separately in Table 11.

Section 857(b)(2)(E) deduction (Form 1120-REIT): This deduction was equivalent to the tax imposed on REITs that failed to meet the restrictions imposed on their sources of income. Generally, at least 75% of their income had to come from real estate investments and at least 95% from investment sources of all kinds. A tax of 100% was imposed on the net income attributable to the greater of the amounts by which the trust failed to meet the 75%- or 95%-income test, and a deduction was allowed to prevent the same income from being taxed under the income tax. This item is included in "Statutory Special Deductions, Total," but is not shown separately in Table 11.

Tax Deposited with Form 7004

[Page 3, Schedule J, Line 17]

This is the amount of the corporation's estimated tax liability deposited with the filing of Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns as reported on the corporation's income tax return for the year. The automatic extension of time to file a corporate tax return was generally 6 months, except for C corporation returns with accounting periods ending June 30, which are eligible for a 7-month extension. The corporation is required to pay any remaining tax liability with the request for an extension. See "Overpayment or Amount Owed."

Tax-Exempt Interest

[Page 4, Form 1120, Schedule K, Line 9; Page 6, Schedule M-1, Line 7; Page 2, Form 8916-A, Part II, Line 1, column (c); or Page 4, Form 1120-S, Schedule K, Line 16a]

The interest received from certain government obligations was not subject to U.S. income tax. These tax-exempt obligations included those issued by states, municipalities, and other local governments, the District of Columbia, and U.S. possessions, including Puerto Rico.

For statistical presentation, this interest was included in total receipts. However, it was not included in net income (less deficit) or income subject to tax.

Tax-Exempt Securities

[Page 6, Schedule L, Line 5(d)]

This balance sheet asset item comprised (1) state and local government obligations, the interest on which was excludable from gross income under Section 103(a), and (2) stock in a mutual fund or other regulated investment company that distributed exempt-interest dividends during the tax year of the corporation. Examples included bond anticipation notes, project notes, Public Housing Authority bonds, and state and local revenue bonds.

Tax from Section I and Tax from Section II

[Form 1120-F, Page 1, Lines 1 and 2]

Foreign corporations with income effectively connected to a trade or business conducted in the U.S. were taxable at U.S. corporation income tax rates on that income, but they could also have been taxable on income not "effectively connected" with a U.S. trade or business (generally, portfolio investment and certain transportation income) just as nonresident foreign corporations were.

On Form 1120-F, the tax on income not effectively connected with a U.S. trade or business was called "Tax from Section I" and the tax on effectively connected income was called "Tax from Section II." Only the "Tax from Section II" is included as a component of "Income Tax" and "Total Income Tax" in the general tables in this report. It is also shown as a separate item in Table 11.

"Tax from Section II" included income tax calculated at the U.S. corporate tax rates on effectively connected income, recapture taxes, and the base erosion minimum tax.

It was reduced by the foreign tax credit, nonconventional source fuel credit, qualified electric vehicle credit, general business credit, and credit for prior-year minimum tax.

Tax Refund

[Page 1, Line 37b]

See "Overpayment or Amount Owed."

Tax Year

Tax year (income year) in this publication refers to the year covering accounting periods ending July 2022 through June 2023. The corporation returns included a span of over 23 months between the first-included accounting period, which began on August 1, 2021, and closed on July 31, 2022, and the end of the last–included accounting period, which began on July 1, 2022, and closed on June 30, 2023. Therefore, this report shows income received or expenses incurred during any or all the months in the 23-month span. This span, in effect, defines the tax year in such a way that the non-calendar year ended accounting periods are centered by the calendar year ended accounting period. The calendar year made up 94% of the number of returns for TY 2022. (See "Introduction" in Section I.)

Taxable Income

[Page 1, Line 30]

This line item from Form 1120 is called "Income Subject to Tax" in this report.

Taxes Paid

[Page 1, Line 17]

Taxes paid included the amounts reported as an ordinary and necessary business deduction as well as identifiable amounts reported in the cost of goods sold schedules or capitalized under Section 263A. Included among the deductible taxes were ordinary state and local taxes paid or accrued during the year; Social Security and payroll taxes; unemployment insurance taxes; excise taxes; import and tariff duties; and business, license, and privilege taxes. Income and profit taxes paid to foreign countries or U.S. possessions were also deductible unless claimed as a credit against income tax. However, S corporations excluded any foreign taxes from the deduction for taxes paid, instead allocating them to their shareholders (who might either deduct them or take a foreign tax credit for them). Regulated investment companies also had to exclude those foreign taxes from the deduction for taxes when they elected under Code Section 853 to allow their shareholders to claim a foreign tax credit (or a deduction) for the foreign taxes paid. See also "Foreign Tax Credit."

Taxes not deductible generally included federal income and excess profits taxes; gift taxes; taxes assessed against local benefits; taxes not imposed on the corporation; and certain other taxes, including state or local taxes that were paid or incurred in connection with an acquisition or disposition of property. Taxes related to the acquisition of property were to be treated as part of the cost of the property, while taxes related to the disposition of property were to be treated as a reduction in the amount realized from the disposition.

Some corporations included sales, excise, and related taxes, which were part of the sales price of their products, as receipts. When this occurred, an equal and offsetting amount

was usually included in the cost of goods sold or as part of the separate deduction for taxes paid. When included in the cost of goods sold, these taxes were included in the statistics for taxes paid when they could be identified.

Total Assets and Total Liabilities

[Page 6, Schedule L, Lines 15(d) and 28(d)]

Total assets and total liabilities were those reported in the end of year balance sheet in the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts. If these reserve accounts were reported as liabilities, they were treated as reductions from the asset accounts to which they related, and then total assets and liabilities were adjusted accordingly.

When used in this report, the term total liabilities included both the claims of creditors and shareholders' equity (see also "Net Worth"). In addition, total liabilities were net amounts after reduction by the cost of treasury stock. See also "Balance Sheets" in this section.

Total Deductions

As presented in this publication, total deductions comprised (1) the cost of goods sold, (2) the ordinary and necessary business deductions from gross income, and (3) net loss from sales of noncapital assets. Components of total deductions were shown in the income statement segment of various tables throughout this report. See also "Total Receipts."

Total Income Tax After Credits

[Page 3, Schedule J]

Income tax after credits in the statistics equals "Total Income Tax Before Credits" less the sum of:

(1) Foreign Tax Credit
(2) Qualified Electric Vehicle Credit
(3) General Business Credit
(4) Prior Year Minimum Tax Credit
(5) Credit for Holders of Tax Credit Bonds and
(6) American Samoa Economic Development Credit.

Many of these items are discussed under their own headings and may or may not be shown separately.

Total Income Tax Before Credits Δ

Total income tax before credits was the sum of the following taxes, which may or may not be shown separately:

(1) Income tax
(2) Personal holding company tax
(3) Base Erosion Minimum Tax
(4) Recapture and other taxes
(5) Interest/tax due under Section 453A(c) and/or Section 453(l)
(6) Excess net passive income tax (Form 1120-S)
(7) Undistributed net capital gains tax of regulated investment companies (Form 1120-RIC)
(8) Tax on net income from foreclosure property (Form 1120-REIT)
(9) Tax on net income from prohibited transactions (Form 1120-REIT)
(10) Branch profits tax of foreign corporations (Form 1120-F)
(11) Reciprocal tax (Form 1120-PC)
(12) Code Section 856 tax (including 856(c)(7) and 856(g)(5)) (Form 1120-REIT)
(13) Code Section 857 tax (including 857(b)(5) and 857(b)(7)(A)) (Form 1120-REIT)
(14) Adjustment to Total Tax
(15) Inflation Reduction Act Alternative Minimum Tax and
(16) Tax imposed under sections 851(d)(2) and 851(i) (Form 1120-RIC).

Current year payment of Section 965 tax liability from prior years

The installment payment of any Section 965 tax liability incurred for TYs 2017, 2018 or 2019 was added from Form 965-B, Part II, Rows 1 and 2, column (k).

Other tax and interest amounts were either included in or subtracted from the total income tax. Amounts included were tax and interest on a nonqualified withdrawal from a capital construction fund (Section 7518), interest due on deferred gain (Section 1260(b)), interest on deferred tax attributable to installment sales of certain timeshares and residential lots (Section 453(l)(3)), certain nondealer installment obligations (Section 453A(c)), interest due under the look-back method, and deferred tax due upon the termination of a Section 1294 election for shareholders in qualified electing funds. Amounts subtracted were deferred tax on the corporation's share of the undistributed earnings of a qualified electing fund, recapture of new markets credit, recapture of employer-provided childcare facilities and services credit, and deferred LIFO recapture tax (Code Section 1363(d)). These amounts were included in the statistics as adjustments to total income tax, which is not shown separately.

Total Income Tax (S Corporations)

Total income tax for S corporations was the sum of the following taxes:

(1) income tax
(2) income tax adjustments
(3) excess net passive income tax
(4) recapture taxes and
(5) adjustments to total tax.

Total Net Income (Less Deficit) (S Corporations)

Since the Tax Reform Act of 1986, total net income (less deficit) is defined as the sum of:

(1) ordinary income (loss)
(2) ordinary dividends
(3) interest income
(4) royalty income
(5) net income (loss) from rental real estate activities
(6) net income (loss) from other rental activities
(7) total net long-term capital gain (loss) and
(8) net short-term capital gain (loss).

Prior to 1987, S corporation net income (less deficit) included most of the components of total net income (less deficit) above. The sum of the above components is a comprehensive measure of S corporation profits and losses that enables comparisons to be made with years prior to 1987.

Total Receipts

Total receipts equal the sum of the following items, each discussed under its own heading:

(1) business receipts
(2) interest
(3) interest on government obligations: state and local
(4) rents;
(5) royalties
(6) net capital gains (excluding long-term gains from regulated investment companies)
(7) net gain, noncapital assets
(8) dividends received from domestic corporations
(9) dividends received from foreign corporations (excluding certain taxable income from related foreign corporations only constructively received) and
(10) other receipts.

Total receipts for S corporations equal the sum of the following items, each discussed under its own heading:

(1) business receipts
(2) interest on government obligations: state and local
(3) net gain, noncapital assets and
(4) other receipts.

S corporations reported receipts for interest, rents, royalties, net capital gains, and dividends on Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc. These are not included in the statistics for this item.

Total Receipts Less Total Deductions

This item differed from net income (less deficit) for tax purposes in that it included tax-exempt interest and excluded foreign deemed income.

U.S. Government Obligations

[Page 6, Schedule L, Line 4(d)]

This balance sheet asset item comprised U.S. obligations, including those of instrumentalities of the federal government. State and local government obligations, the interest on which was excluded from gross income under Section 103(a), were included in "Tax-Exempt Securities."

Some property and casualty insurance companies included investments in government obligations within other investments on the income tax return, Form 1120-PC. When identified, the amounts were included in the statistics for investments in government obligations and excluded from other investments.

U.S. Tax Paid or Withheld at Source

[Form 1120-F, Page 1, Line 5i]

Foreign corporations with income related to a U.S. business activity (i.e., effectively connected income) often had U.S. income tax withheld at the source for portfolio or transportation income not effectively connected to their U.S. operations. Also withheld was certain effectively connected income, such as gains from the disposition of U.S. real property reported on Form 8288-A or income allocable to foreign partners reported on Form 8805. This withholding is shown in Table 11.

U.S. taxes paid or withheld by resident foreign corporations on income effectively connected to a U.S. trade or business are included in the statistics for "Overpayment or Amount Owed." Taxes withheld at the source on effectively connected income for foreign insurance companies are also included in "Overpayment or Amount Owed."

Withholding

[Page 3, Schedule J, Line 18]

Includes amounts of U.S. federal income tax withheld from income.

Zero Assets

See "Balance Sheets."

APPENDIX A

Industry Codes by Sector, Major Industry, and Minor Industry

Sector Code	Major Code	Published Industry Code	Industry Description
11			**Agriculture, Forestry, Fishing and Hunting**
	111	111005	**Agricultural Production**
	113	113005	**Forestry and Logging**
	114	114005	**Support Activities and Fishing, Hunting, and Trapping**
21	**210**		**Mining**
		211115	Oil and Gas Extraction
		212110	Coal Mining
		212200	Metal Ore Mining
		212315	Nonmetallic Mineral Mining and Quarrying
		213110	Support Activities for Mining
22	**221**		**Utilities**
		221100	Electric Power Generation, Transmission, and Distribution
		221210	Natural Gas Distribution
		221300	Water, Sewage, and Other Systems
		221500	Combination Gas and Electric
23			**Construction**
	236	236115	**Construction of Buildings**
	237		**Heavy and Civil Engineering Construction and Land Subdivision**
		237105	Heavy and Civil Engineering Construction
		237210	Land Subdivision
	238		**Specialty Trade Contractors**
		238210	Electrical Contractors
		238220	Plumbing, Heating, and Air-Conditioning Contractors
		238905	Other Specialty Trade Contractors
31			**Manufacturing**
	311		**Food Manufacturing**
		311115	Animal Food Manufacturing and Grain and Oilseed Milling
		311300	Sugar and Confectionery Product
		311400	Fruit and Vegetable Preserving and Specialty Food Manufacturing
		311500	Dairy Product
		311615	Meat and Seafood Processing
		311800	Bakeries and Tortilla Manufacturing
		311900	Other Food
	312		**Beverage and Tobacco Product Manufacturing**
		312110	Soft Drink and Ice
		312120	Breweries
		312135	Wineries and Distilleries
		312200	Tobacco Manufacturing
	313		**Textile Mills and Textile Product Mills**
		313000	Textile Mills
		314000	Textile Product Mills
	315		**Apparel Manufacturing**
		315100	Apparel Knitting Mills
		315215	Cut and Sew Apparel Contractors and Manufacturers
		315990	Apparel Accessories and Other Apparel
	316	316115	**Leather and Allied Product Manufacturing**
	321	321115	**Wood Product Manufacturing**

APPENDIX A—CONTINUED

Industry Codes by Sector, Major Industry, and Minor Industry

Sector Code	Major Code	Published Industry Code	Industry Description
	322		**Paper Manufacturing**
		322100	Pulp, Paper, and Paperboard Mills
		322200	Converted Paper Product
	323	323100	**Printing and Related Support Activities**
	324		**Petroleum and Coal Products Manufacturing**
		324110	Petroleum Refineries (including integrated)
		324125	Asphalt Paving, Roofing, Other Petroleum and Coal Products
	325		**Chemical Manufacturing**
		325100	Basic Chemical
		325200	Resin, Synthetic Rubber, and Artificial and Synthetic Fibers and Filaments
		325410	Pharmaceutical and Medicine
		325500	Paint, Coating, and Adhesive
		325600	Soap, Cleaning Compound, and Toilet Preparation
		325905	Other Chemical Product and Preparation
	326		**Plastics and Rubber Products Manufacturing**
		326100	Plastics Product
		326200	Rubber Product
	327		**Nonmetallic Mineral Product Manufacturing**
		327105	Clay, Refractory and Other Nonmetallic Mineral Product
		327210	Glass and Glass Product
		327305	Cement, Concrete, Lime, and Gypsum Product
	331		**Primary Metal Manufacturing**
		331115	Iron, Steel Mills, and Steel Product
		331315	Nonferrous Metal Production and Processing
		331500	Foundries
	332		**Fabricated Metal Product Manufacturing**
		332110	Forging and Stamping
		332215	Cutlery, Hardware, Spring and Wire: Machine Shops, Screw, Nut, and Bolt
		332300	Architectural and Structural Metals
		332400	Boiler, Tank, and Shipping Container
		332810	Coating, Engraving, Heat Treating, and Allied Activities
		332900	Other Fabricated Metal Product
	333		**Machinery Manufacturing**
		333100	Agriculture, Construction, and Mining Machinery
		333200	Industrial Machinery
		333310	Commercial and Service Industry Machinery
		333410	Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment
		333510	Metalworking Machinery
		333610	Engine, Turbine, and Power Transmission Equipment
		333900	Other General Purpose Machinery
	334		**Computer and Electronic Product Manufacturing**
		334110	Computer and Peripheral Equipment
		334200	Communications Equipment
		334315	Audio and Video Equipment Manufacturing and Reproducing Magnetic and Optical Media
		334410	Semiconductor and Other Electronic Component
		334500	Navigational, Measuring, Electromedical, and Control Instruments

APPENDIX A—CONTINUED

Industry Codes by Sector, Major Industry, and Minor Industry

Sector Code	Major Code	Published Industry Code	Industry Description
	335		**Electrical Equipment, Appliance, and Component Manufacturing**
		335105	Electrical Lighting Equipment and Household Appliance
		335310	Electrical Equipment
		335900	Other Electrical Equipment and Component
	336		**Transportation Equipment Manufacturing**
		336105	Motor Vehicles and Parts
		336410	Aerospace Product and Parts
		336610	Ship and Boat Building
		336995	Other Transportation Equipment and Railroad Rolling Stock
	337	337000	**Furniture and Related Product Manufacturing**
	339		**Miscellaneous Manufacturing**
		339110	Medical Equipment and Supplies
		339900	Other Miscellaneous Manufacturing
42			**Wholesale Trade**
	423		**Merchant Wholesalers, Durable Goods**
		423100	Motor Vehicle and Motor Vehicle Parts and Supplies
		423300	Lumber and Other Construction Materials
		423400	Professional and Commercial Equipment and Supplies
		423500	Metal and Mineral (except Petroleum)
		423600	Electrical and Electronic Goods
		423700	Hardware, Plumbing, Heating Equipment and Supplies
		423800	Machinery, Equipment, and Supplies
		423905	Furniture, Sports, Toys, Recycle, Jewelry, and Other Durable Goods
	424		**Merchant Wholesalers, Nondurable Goods**
		424100	Paper and Paper Product
		424210	Drugs and Druggists' Sundries
		424300	Apparel, Piece Goods, and Notions
		424400	Grocery and Related Product
		424500	Farm Product Raw Material
		424600	Chemical and Allied Products
		424700	Petroleum and Petroleum Products
		424800	Beer, Wine, and Distilled Alcoholic Beverage
		424915	Miscellaneous Nondurable Goods
	425	425115	**Wholesale Electronic Markets and Agents and Brokers**
44			**Retail Trade**
	441		**Motor Vehicle Dealers and Parts Dealers**
		441115	New and Used Car Dealers
		441215	Other Motor Vehicle and Parts Dealers
	442	442115	**Furniture and Home Furnishings Stores**
	443	443115	**Electronics and Appliance Stores**
	444		**Building Material and Garden Equipment and Supplies Dealers**
		444115	Homes Centers; Paint and Wallpaper Stores
		444130	Hardware Stores
		444190	Other Building Material Dealers
		444200	Lawn and Garden Equipment and Supplies Stores
	445		**Food, Beverage, and Liquor Stores**
		445115	Food and Beverage Stores
		445310	Beer, Wine, and Liquor Stores

APPENDIX A—CONTINUED

Industry Codes by Sector, Major Industry, and Minor Industry

Sector Code	Major Code	Published Industry Code	Industry Description
	446	446115	**Health and Personal Care Stores**
	447	447100	**Gasoline Stations**
	448	448115	**Clothing and Clothing Accessories Stores**
	451	451115	**Sporting Goods, Hobby, Book, and Music Stores**
	452	452115	**General Merchandise Stores**
	453	453115	**Miscellaneous Store Retailers**
	454	454115	**Nonstore Retailers**
48			**Transportation and Warehousing**
	481		**Air, Rail, and Water Transportation**
		481000	Air Transportation
		482110	Rail Transportation
		483000	Water Transportation
	484	484115	**Truck Transportation**
	485	485115	**Transit and Ground Passenger Transportation**
	486	486000	**Pipeline Transportation**
	487	487005	**Other Transportation and Support Activities**
	493	493100	**Warehousing and Storage**
51			**Information**
	511		**Publishing Industries (except Internet)**
		511110	Newspaper Publishers
		511120	Periodical Publishers
		511130	Book Publishers
		511145	Database Directory and Other Publishers
		511210	Software Publishers
	512		**Motion Picture and Sound Recording Industries**
		512100	Motion Picture and Video Industries (except video rental)
		512200	Sound Recording Industries
	515	515105	**Broadcasting (except Internet)**
	517	517000	**Telecommunications (paging, cellular, cable, satellite, & internet service providers)**
	518	518210	**Data Processing, Hosting, and Related Services**
	519	519100	**Other Information Services (incl. news syndicates, libraries, internet pub. & broadcasting)**
52			**Finance and Insurance**
	521		**Depository Credit Intermediation**
		522110	Commercial Banking
		522125	Savings Institutions, Credit Unions, and Other Depository Credit Intermediation
	522		**Nondepository Credit Intermediation**
		522215	Credit Card Issuing and Other Consumer Credit
		522292	Real Estate Credit (including mortgage bankers and originators)
		522295	International, Secondary Financing, and Other Nondepository Credit Intermediation
		522300	Activities Related to Credit Intermediation (loan brokers, check clearing, etc.)

APPENDIX A—CONTINUED

Industry Codes by Sector, Major Industry, and Minor Industry

Sector Code	Major Code	Published Industry Code	Industry Description
	523		**Securities, Commodity Contracts, Other Financial Investments, and Related Activities**
		523110	Investment Banking and Securities Dealing
		523120	Securities Brokerage
		523135	Commodity Contracts Dealing and Brokerage
		523905	Securities, Commodity Exchanges, and Other Financial Investment Activities
	524		**Insurance Carriers and Related Activities**
		524140	Life Insurance (Form 1120L)
		524150	Property and Casualty Insurance (Form 1120-PC)
		524210	Insurance Agencies and Brokerages
		524290	Other Insurance Related Activities (including third-party administrator of Insurance, etc.)
	525		**Funds, Trusts, and Other Financial Vehicles**
		525910	Open-End Investment Funds (Form 1120-RIC)
		525995	Other Financial Vehicles (including mortgage real estate investment trust (REITs))
53			**Real Estate and Rental and Leasing**
	531		**Real Estate**
		531115	Lessors of Buildings (including Equity REITs)
		531135	Lessors of Miniwarehouses, Self-Storage Units, and Other Real Estate (including Equity REITs)
		531210	Offices of Real Estate Agents and Brokers
		531315	Other Real Estate Activities
	532		**Rental and Leasing Services**
		532100	Automotive Equipment Rental and Leasing
		532215	Other Consumer Goods and General Rental Centers
		532400	Commercial and Industrial Machinery and Equipment Rental and Leasing
	533	533110	**Lessors of Nonfinancial Intangible Assets (Except Copyrighted Works)**
54	**541**		**Professional, Scientific, and Technical Services**
		541115	Legal Services
		541215	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
		541315	Architectural, Engineering, and Related Services
		541400	Specialized Design Services
		541515	Computer Systems Design and Related Services
		541600	Management, Scientific, and Technical Consulting Services
		541700	Scientific Research and Development Services
		541800	Advertising and Related Services
		541915	Other Professional, Scientific, and Technical Services
55	**551**		**Management of Companies (Holding Companies)**
		551111	Offices of Bank Holding Companies
		551112	Offices of Other Holding Companies
56			**Administrative and Support and Waste Management and Remediation Services**
	561		**Administrative and Support Services**
		561300	Employment Services
		561500	Travel Arrangement and Reservation Services
		561905	Other Administrative and Support Services
	562	562000	**Waste Management and Remediation Services**

APPENDIX A—CONTINUED

Industry Codes by Sector, Major Industry, and Minor Industry

Sector Code	Major Code	Published Industry Code	Industry Description
61	**611**	611000	**Educational Services**
62			**Health Care and Social Assistance**
	621		**Offices of Health Practitioners and Outpatient Care Centers**
		621115	Offices of Physicians
		621210	Offices of Dentists
		621315	Offices of Other Health Practitioners
		621415	Outpatient Care Centers
	625	621515	**Miscellaneous Health Care and Social Assistance**
	626	622005	**Hospitals, Nursing, and Residential Care Facilities**
71			**Arts, Entertainment, and Recreation**
	711	711105	**Other Arts, Entertainment, and Recreation**
	713	713105	**Amusement, Gambling, and Recreation Industries**
72			**Accommodation and Food Services**
	721	721115	**Accommodation**
	722	722115	**Food Services and Drinking Places**
81			**Other Services**
	811		**Repair and Maintenance**
		811115	Automotive Repair and Maintenance
		811215	Other Repair and Maintenance
	812	812115	**Personal and Laundry Services**
	813	813000	**Religious, Grantmaking, Civic, Professional, and Similar Organizations**

Section 5

Forms

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Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2022 or tax year beginning _____, 2022, ending _____, 20 _____
Go to *www.irs.gov/Form1120* for instructions and the latest information.

OMB No. 1545-0123
2022

A Check if:
- **1a** Consolidated return (attach Form 851) ☐
- **b** Life/nonlife consolidated return . . ☐
- **2** Personal holding co. (attach Sch. PH) . ☐
- **3** Personal service corp. (see instructions) . ☐
- **4** Schedule M-3 attached ☐

TYPE OR PRINT

Name

B Employer identification number

Number, street, and room or suite no. If a P.O. box, see instructions.

C Date incorporated

City or town, state or province, country, and ZIP or foreign postal code

D Total assets (see instructions) $

E Check if: **(1)** ☐ Initial return **(2)** ☐ Final return **(3)** ☐ Name change **(4)** ☐ Address change

Income	**1a**	Gross receipts or sales	**1a**		
	b	Returns and allowances	**1b**		
	c	Balance. Subtract line 1b from line 1a		**1c**	
	2	Cost of goods sold (attach Form 1125-A)		**2**	
	3	Gross profit. Subtract line 2 from line 1c		**3**	
	4	Dividends and inclusions (Schedule C, line 23)		**4**	
	5	Interest		**5**	
	6	Gross rents		**6**	
	7	Gross royalties		**7**	
	8	Capital gain net income (attach Schedule D (Form 1120))		**8**	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		**9**	
	10	Other income (see instructions—attach statement)		**10**	
	11	**Total income.** Add lines 3 through 10		**11**	
Deductions (See instructions for limitations on deductions.)	**12**	Compensation of officers (see instructions—attach Form 1125-E)		**12**	
	13	Salaries and wages (less employment credits)		**13**	
	14	Repairs and maintenance		**14**	
	15	Bad debts		**15**	
	16	Rents		**16**	
	17	Taxes and licenses		**17**	
	18	Interest (see instructions)		**18**	
	19	Charitable contributions		**19**	
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		**20**	
	21	Depletion		**21**	
	22	Advertising		**22**	
	23	Pension, profit-sharing, etc., plans		**23**	
	24	Employee benefit programs		**24**	
	25	Reserved for future use		**25**	
	26	Other deductions (attach statement)		**26**	
	27	**Total deductions.** Add lines 12 through 26		**27**	
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		**28**	
	29a	Net operating loss deduction (see instructions)	**29a**		
	b	Special deductions (Schedule C, line 24)	**29b**		
	c	Add lines 29a and 29b		**29c**	
Tax, Refundable Credits, and Payments	**30**	**Taxable income.** Subtract line 29c from line 28. See instructions		**30**	
	31	Total tax (Schedule J, Part I, line 11)		**31**	
	32	Reserved for future use		**32**	
	33	Total payments and credits (Schedule J, Part III, line 23)		**33**	
	34	Estimated tax penalty. See instructions. Check if Form 2220 is attached ☐		**34**	
	35	**Amount owed.** If line 33 is smaller than the total of lines 31 and 34, enter amount owed		**35**	
	36	**Overpayment.** If line 33 is larger than the total of lines 31 and 34, enter amount overpaid		**36**	
	37	Enter amount from line 36 you want: **Credited to 2023 estimated tax** **Refunded**		**37**	

Sign Here

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

May the IRS discuss this return with the preparer shown below? See instructions. ☐ **Yes** ☐ **No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11450Q Form **1120** (2022)

Form 1120 (2022) Page **2**

Schedule C **Dividends, Inclusions, and Special Deductions** (see instructions)		(a) Dividends and inclusions	(b) %	(c) Special deductions (a) × (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		50	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		65	
3	Dividends on certain debt-financed stock of domestic and foreign corporations		See instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		23.3	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		26.7	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		50	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		65	
8	Dividends from wholly owned foreign subsidiaries		100	
9	**Subtotal.** Add lines 1 through 8. See instructions for limitations		See instructions	
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)		100	
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)			
15	Reserved for future use			
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)		100	
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)			
c	Other inclusions from CFCs under subpart F not included on line 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)			
17	Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992)			
18	Gross-up for foreign taxes deemed paid			
19	IC-DISC and former DISC dividends not included on line 1, 2, or 3			
20	Other dividends			
21	Deduction for dividends paid on certain preferred stock of public utilities			
22	Section 250 deduction (attach Form 8993)			
23	**Total dividends and inclusions.** Add column (a), lines 9 through 20. Enter here and on page 1, line 4			
24	**Total special deductions.** Add column (c), lines 9 through 22. Enter here and on page 1, line 29b			

Form **1120** (2022)

Form 1120 (2022) Page **3**

Schedule J Tax Computation and Payment (see instructions)

Part I—Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See instructions ☐				
2	Income tax. See instructions			2	
3	Base erosion minimum tax amount (attach Form 8991)			3	
4	Add lines 2 and 3			4	
5a	Foreign tax credit (attach Form 1118)	5a			
b	Credit from Form 8834 (see instructions)	5b			
c	General business credit (attach Form 3800)	5c			
d	Credit for prior year minimum tax (attach Form 8827)	5d			
e	Bond credits from Form 8912	5e			
6	**Total credits.** Add lines 5a through 5e			6	
7	Subtract line 6 from line 4			7	
8	Personal holding company tax (attach Schedule PH (Form 1120))			8	
9a	Recapture of investment credit (attach Form 4255)	9a			
b	Recapture of low-income housing credit (attach Form 8611)	9b			
c	Interest due under the look-back method—completed long-term contracts (attach Form 8697)	9c			
d	Interest due under the look-back method—income forecast method (attach Form 8866)	9d			
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e			
f	Interest/tax due under section 453A(c) and/or section 453(l)	9f			
g	Other (see instructions—attach statement)	9g			
10	**Total.** Add lines 9a through 9g			10	
11	**Total tax.** Add lines 7, 8, and 10. Enter here and on page 1, line 31			11	

Part II—Reserved For Future Use

12	Reserved for future use			12	

Part III—Payments and Refundable Credits

13	2021 overpayment credited to 2022			13	
14	2022 estimated tax payments			14	
15	2022 refund applied for on Form 4466			15	( )
16	Combine lines 13, 14, and 15			16	
17	Tax deposited with Form 7004			17	
18	Withholding (see instructions)			18	
19	**Total payments.** Add lines 16, 17, and 18			19	
20	Refundable credits from:				
a	Form 2439	20a			
b	Form 4136	20b			
c	Reserved for future use	20c			
d	Other (attach statement—see instructions)	20d			
21	**Total credits.** Add lines 20a through 20d			21	
22	Reserved for future use			22	
23	**Total payments and credits.** Add lines 19 and 21. Enter here and on page 1, line 33			23	

Form **1120** (2022)

Form 1120 (2022) Page **4**

Schedule K **Other Information** (see instructions)

		Yes	No
1	Check accounting method: **a** ☐ Cash **b** ☐ Accrual **c** ☐ Other (specify)		
2	See the instructions and enter the:		
a	Business activity code no.		
b	Business activity		
c	Product or service		
3	Is the corporation a subsidiary in an affiliated group or a parent–subsidiary controlled group?		
	If "Yes," enter name and EIN of the parent corporation		
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851,** Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.		

(i) Name of Corporation	**(ii)** Employer Identification Number (if any)	**(iii)** Country of Incorporation	**(iv)** Percentage Owned in Voting Stock

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.		

(i) Name of Entity	**(ii)** Employer Identification Number (if any)	**(iii)** Country of Organization	**(iv)** Maximum Percentage Owned in Profit, Loss, or Capital

6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316		
	If "Yes," file **Form 5452,** Corporate Report of Nondividend Distributions. See the instructions for Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock?		
	For rules of attribution, see section 318. If "Yes," enter: **(a)** Percentage owned _____ and **(b)** Owner's country _____ **(c)** The corporation may have to file **Form 5472,** Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached _____		
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount ☐ If checked, the corporation may have to file **Form 8281,** Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during the tax year $		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer)		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) ☐ If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) $		

Form **1120** (2022)

Form 1120 (2022) Page **5**

Schedule K **Other Information** *(continued from page 4)*

		Yes	No
13	Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year **and** its total assets at the end of the tax year less than $250,000?		
	If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year $		
14	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions		
	If "Yes," complete and attach Schedule UTP.		
15a	Did the corporation make any payments in 2022 that would require it to file Form(s) 1099?		
b	If "Yes," did or will the corporation file required Form(s) 1099?		
16	During this tax year, did the corporation have an 80%-or-more change in ownership, including a change due to redemption of its own stock?		
17	During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?		
18	Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than $1 million?		
19	During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		
20	Is the corporation operating on a cooperative basis?		
21	During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		
	If "Yes," enter the total amount of the disallowed deductions $		
22	Does the corporation have gross receipts of at least $500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3))		
	If "Yes," complete and attach Form 8991.		
23	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		
24	Does the corporation satisfy one or more of the following? See instructions		
a	The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b	The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than $27 million and the corporation has business interest expense.		
c	The corporation is a tax shelter and the corporation has business interest expense.		
	If "Yes," complete and attach Form 8990.		
25	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		
	If "Yes," enter amount from Form 8996, line 15 $		
26	Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties held directly or indirectly by the corporation, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the shareholders held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions		
	Percentage: By Vote By Value		

Form **1120** (2022)

Form 1120 (2022) Page **6**

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
Assets	**(a)**	**(b)**	**(c)**	**(d)**
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach statement)				
15 Total assets				
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach statement)				
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach statement)				
22 Capital stock: **a** Preferred stock				
b Common stock				
23 Additional paid-in capital				
24 Retained earnings—Appropriated (attach statement)				
25 Retained earnings—Unappropriated				
26 Adjustments to shareholders' equity (attach statement)				
27 Less cost of treasury stock		( )		( )
28 Total liabilities and shareholders' equity				

Schedule M-1 **Reconciliation of Income (Loss) per Books With Income per Return**

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	**7**	Income recorded on books this year not included on this return (itemize): Tax-exempt interest $
2	Federal income tax per books		
3	Excess of capital losses over capital gains		
4	Income subject to tax not recorded on books this year (itemize):	**8**	Deductions on this return not charged against book income this year (itemize):
5	Expenses recorded on books this year not deducted on this return (itemize):	**a**	Depreciation $
a	Depreciation $	**b**	Charitable contributions $
b	Charitable contributions $		
c	Travel and entertainment $		
		9	Add lines 7 and 8
6	Add lines 1 through 5	**10**	Income (page 1, line 28)—line 6 less line 9

Schedule M-2 **Analysis of Unappropriated Retained Earnings per Books (Schedule L, Line 25)**

1	Balance at beginning of year	**5**	Distributions: **a** Cash
2	Net income (loss) per books		**b** Stock
3	Other increases (itemize):		**c** Property
		6	Other decreases (itemize):
		7	Add lines 5 and 6
4	Add lines 1, 2, and 3	**8**	Balance at end of year (line 4 less line 7)

Form **1120** (2022)

SCHEDULE D (Form 1120)
Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

Go to *www.irs.gov/Form1120* for instructions and the latest information.

OMB No. 1545-0123

2022

Name

Employer identification number

Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? . . . . . ☐ **Yes** ☐ **No**

If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	**(d)** Proceeds (sales price)	**(e)** Cost (or other basis)	**(g)** Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	**(h) Gain or (loss)** Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with **Box A** checked				
2 Totals for all transactions reported on Form(s) 8949 with **Box B** checked				
3 Totals for all transactions reported on Form(s) 8949 with **Box C** checked				

4	Short-term capital gain from installment sales from Form 6252, line 26 or 37	**4**	
5	Short-term capital gain or (loss) from like-kind exchanges from Form 8824	**5**	
6	Unused capital loss carryover (attach computation)	**6**	( )
7	Net short-term capital gain or (loss). Combine lines 1a through 6 in column h	**7**	

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	**(d)** Proceeds (sales price)	**(e)** Cost (or other basis)	**(g)** Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	**(h) Gain or (loss)** Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with **Box D** checked				
9 Totals for all transactions reported on Form(s) 8949 with **Box E** checked				
10 Totals for all transactions reported on Form(s) 8949 with **Box F** checked				

11	Enter gain from Form 4797, line 7 or 9	**11**	
12	Long-term capital gain from installment sales from Form 6252, line 26 or 37	**12**	
13	Long-term capital gain or (loss) from like-kind exchanges from Form 8824	**13**	
14	Capital gain distributions (see instructions)	**14**	
15	Net long-term capital gain or (loss). Combine lines 8a through 14 in column h	**15**	

Part III Summary of Parts I and II

16	Enter excess of net short-term capital gain (line 7) over net long-term capital loss (line 15)	**16**	
17	Net capital gain. Enter excess of net long-term capital gain (line 15) over net short-term capital loss (line 7)	**17**	
18	Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the applicable line on other returns	**18**	

Note: If losses exceed gains, see *Capital Losses* in the instructions.

For Paperwork Reduction Act Notice, see the Instructions for Form 1120. Cat. No. 11460M **Schedule D (Form 1120) 2022**

Form **1120-F**
Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return of a Foreign Corporation

For calendar year 2022, or tax year beginning _____, 2022, and ending _____, 20_____
Go to *www.irs.gov/Form1120F* for instructions and the latest information.

OMB No. 1545-0123

2022

Type or Print	Name	Employer identification number
	Number, street, and room or suite no. (see instructions)	Check box(es) if: ☐ Initial return ☐ Name or address change ☐ Final return ☐ First post-merger return ☐ Amended return ☐ Schedule M-3 attached ☐ Protective return
	City or town, state or province, country, and ZIP or foreign postal code	

A Country of incorporation _____

B Foreign country under whose laws the income reported on this return is also subject to tax _____

C Date incorporated _____

D **(1)** Location of corporation's primary books and records (city, province or state, and country) _____

(2) Principal location of worldwide business _____

(3) If the corporation maintains an office or place of business in the United States, check here . . . ☐

E If the corporation had an agent in the United States at any time during the tax year, enter:
(1) Type of agent _____
(2) Name _____
(3) Address _____

F See the instructions and enter the corporation's principal:
(1) Business activity code number _____
(2) Business activity _____
(3) Product or service _____

G Check method of accounting: **(1)** ☐ Cash **(2)** ☐ Accrual **(3)** ☐ Other (specify)

Computation of Tax Due or Overpayment

1	Tax from Section I, line 11, page 3		1		
2	Tax from Section II, Schedule J, line 9, page 5		2		
3	Tax from Section III (add lines 6 and 10 on page 6)		3		
4	**Total tax.** Add lines 1 through 3				4
5a	2021 overpayment credited to 2022	5a			
b	2022 estimated tax payments	5b			
c	Less 2022 refund applied for on Form 4466	5c	( )		
d	Combine lines 5a through 5c		5d		
e	Tax deposited with Form 7004		5e		
f	Credit for tax paid on undistributed capital gains (attach Form 2439)		5f		
g	Credit for federal tax paid on fuels (attach Form 4136). See instructions		5g		
h	Reserved for future use		5h		
i	U.S. income tax paid or withheld at source (add line 12, page 3, and amounts from Forms 8288-A and 8805 (attach Forms 8288-A and 8805))		5i		
j	Total payments. Add lines 5d through 5i				5j
6	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐				6
7	**Amount owed.** If line 5j is smaller than the total of lines 4 and 6, enter amount owed				7
8a	**Overpayment.** If line 5j is larger than the total of lines 4 and 6, enter amount overpaid				8a
b	**Amount of overpayment on line 8a resulting from tax deducted and withheld under Chapters 3 and 4** (from Schedule W, line 7, page 8)				8b
9	Enter portion of line 8a you want **Credited to 2023 estimated tax**		**Refunded**		9

Sign Here

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 _____

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ **Yes** ☐ **No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11470I Form **1120-F** (2022)

Form 1120-F (2022) Page **2**

Additional Information *(continued from page 1)*

		Yes	No
H	Did the corporation's method of accounting change from the preceding tax year?		
	If "Yes," attach a statement with an explanation.		
I	Did the corporation's method of determining income change from the preceding tax year?		
	If "Yes," attach a statement with an explanation.		
J	Did the corporation file a U.S. income tax return for the preceding tax year?		
K	**(1)** At any time during the tax year, was the corporation engaged in a trade or business in the United States?		
	(2) If "Yes," is taxpayer's trade or business within the United States solely the result of a section 897 (FIRPTA) sale or disposition?		
L	Did the corporation have a permanent establishment in the United States for purposes of any applicable tax treaty between the United States and a foreign country?		
	If "Yes," enter the name of the foreign country:		
M	Did the corporation have any transactions with related parties?		
	If "Yes," Form 5472 may have to be filed (see instructions).		
	Enter number of Forms 5472 attached		
N	Is the corporation a controlled foreign corporation? (See section 957(a) for definition.)		
O	Is the corporation a personal service corporation? (See instructions for definition.)		
P	Enter tax-exempt interest received or accrued during the tax year (see instructions) $		
Q	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a U.S. corporation? (See section 267(c) for rules of attribution.)		
	If "Yes," attach a statement showing **(1)** name and EIN of such U.S. corporation; **(2)** percentage owned; and **(3)** taxable income or (loss) before NOL and special deductions of such U.S. corporation for the tax year ending with or within your tax year.		
R	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) . . . . . ☐		
S	Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 30a, page 4.) $		
T	Is the corporation a subsidiary in a parent-subsidiary controlled group?		
	If "Yes," enter the parent corporation's:		
	(1) EIN		
	(2) Name		
U	**(1)** Is the corporation a dealer under section 475? . .		
	(2) Did the corporation mark to market any securities or commodities other than in a dealer capacity? . .		

		Yes	No
V	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (See section 267 (c) for rules of attribution.)		
	If "Yes," attach a statement showing the name and identifying number. (Do not include any information already entered in item **T**.) Enter percentage owned		
W	**(1)** Is the corporation taking a position on this return that a U.S. tax treaty overrules or modifies an Internal Revenue law of the United States, thereby causing a reduction of tax? .		
	If "Yes," the corporation is generally required to complete and attach Form 8833. See Form 8833 for exceptions. **Note:** *Failure to disclose a treaty-based return position may result in a $10,000 penalty (see section 6712).*		
	(2) Is the corporation claiming treaty benefits pursuant to, or otherwise filing its return pursuant to, a Competent Authority determination or an Advance Pricing Agreement? . . .		
	If "Yes," attach a copy of the Competent Authority determination letter or Advance Pricing Agreement to your return.		
X	During the tax year, did the corporation own any entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? . .		
	If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each such entity.		
Y	**(1)** Did a partnership allocate to the corporation a distributive share of income from a directly owned partnership interest, any of which is ECI or treated as ECI by the partnership or the partner?		
	If "Yes," attach Schedule P. See instructions.		
	(2) During the tax year, did the corporation own, directly or indirectly, at least a 10% interest, in any foreign partnership?		
	If "Yes," see instructions for required attachment.		
Z	**(1)** Has the corporation engaged in any transactions the results of which are subject to the arm's-length standard under section 482 and its regulations?		
	(2) Has the corporation recognized any interbranch amounts? If "Yes," attach statement (see instructions)		
AA	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?		
	If "Yes," complete and attach Schedule UTP.		
BB	During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code? . .		
CC	Is the corporation (including the home office or any branch) a qualified derivatives dealer (QDD)?		
	(1) If "Yes," attach Schedule Q (Form 1120-F) (see instructions)		
	(2) If "Yes," enter the QI-EIN		
DD	Does the corporation have gross receipts of at least $500 million in any of the 3 preceding tax years (see sections 59A(e)(2) and (3))?		
	If "Yes," complete and attach Form 8991.		
EE	During the tax year, did the corporation pay or accrue any interest or royalty for which a deduction is not allowed under section 267A (see instructions)?		
	If "Yes," enter the total amount of the disallowed deductions . . . . $		

Form **1120-F** (2022)

Form 1120-F (2022) Page 3

Additional Information *(continued from page 2)*

	Yes	No
FF Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year (see instructions)?		
GG Does the corporation satisfy **one or more** of the following (see instructions)?		
(1) The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
(2) The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than $27 million and the corporation has business interest expense.		
(3) The corporation is a tax shelter and the corporation has business interest expense. If "Yes," to any, complete and attach Form 8990.		
HH During the tax year, did the corporation dispose of an interest in a partnership that directly or indirectly engaged in a trade or business within the United States?		
II Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		
If "Yes," enter amount from Form 8996, line 15 . . . . . $		

SECTION I—Income From U.S. Sources Not Effectively Connected With the Conduct of a Trade or Business in the United States—Do not report items properly withheld and reported on Form 1042-S. See instructions.

Report all gross transportation income subject to 4% tax on line 9. Report other column (a) income items only if not properly withheld and reported on Form 1042-S. The rate of tax on these **gross** income items is 30% or such lower rate specified by tax treaty. No deductions are allowed against these types of income. Enter treaty rates where applicable. **If the corporation is claiming a lower treaty rate, also complete item W on page 2.** If multiple treaty rates apply to a type of income (for example, subsidiary and portfolio dividends or dividends received by disregarded entities), attach a statement showing the amounts, tax rates, and withholding for each.

Name of treaty country, if any

	(a) Class of income (see instructions)	(b) Gross amount	(c) Rate of tax (%)	(d) Amount of tax liability	(e) Amount of U.S. income tax paid or withheld at the source
1	Interest				
2a	Dividends (excluding payments received by QDDs in their equity derivatives dealer capacity)				
2b	Dividend equivalents (excluding payments received by QDDs in their equity derivatives dealer capacity)				
3	Rents				
4	Royalties				
5	Annuities				
6	Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting statement)				
7	Gains from sale or exchange of patents, copyrights, etc.				
8	Fiduciary distributions (attach supporting statement)				
9	Gross transportation income (see instructions)		4		
10	Other items of income				
11	Total. Enter here and on line 1, page 1				
12	Total. Enter here and include on line 5i, page 1				

13 Is the corporation fiscally transparent under the laws of the foreign jurisdiction with respect to any item of income listed above? ☐ Yes ☐ No

If "Yes," attach a statement that provides the information requested above with respect to each such item of income.

Form **1120-F** (2022)

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States (see instructions)

Important: *Fill in all applicable lines and schedules. If you need more space, see* ***Assembling the Return*** *in the instructions.*

Income	**1a**	Gross receipts or sales	**b** Less returns and allowances	**c** Bal	**1c**
	2	Cost of goods sold (attach Form 1125-A)			**2**
	3	Gross profit (subtract line 2 from line 1c)			**3**
	4	Dividends (Schedule C, line 13)			**4**
	5	Interest			**5**
	6	Gross rents			**6**
	7	Gross royalties			**7**
	8	Capital gain net income (attach Schedule D (Form 1120))			**8**
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			**9**
	10	Other income (see instructions—attach statement)			**10**
	11	**Total income.** Add lines 3 through 10			**11**
Deductions (See instructions for limitations on deductions.)	**12**	Compensation of officers (see instructions—attach Form 1125-E)			**12**
	13	Salaries and wages (less employment credits)			**13**
	14	Repairs and maintenance			**14**
	15	Bad debts (for bad debts over $500,000, attach a list of debtors and amounts)			**15**
	16	Rents			**16**
	17	Taxes and licenses			**17**
	18	Interest expense from Schedule I, line 25 (see instructions)			**18**
	19	Charitable contributions			**19**
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			**20**
	21	Depletion			**21**
	22	Advertising			**22**
	23	Pension, profit-sharing, etc., plans			**23**
	24	Employee benefit programs			**24**
	25	Reserved for future use			**25**
	26	Deductions allocated and apportioned to ECI from Schedule H, line 20 (see instructions)			**26**
	27	Other deductions (attach statement)			**27**
	28	**Total deductions.** Add lines 12 through 27			**28**
	29	Taxable income before NOL deduction and special deductions (subtract line 28 from line 11)			**29**
	30	**Less:** **a** Net operating loss deduction (see instructions)	**30a**		
		b Special deductions (Schedule C, line 14)	**30b**		
		c Add lines 30a and 30b			**30c**
	31	Taxable income or (loss). Subtract line 30c from line 29			**31**

Form 1120-F (2022) Page **5**

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States *(continued)*

Schedule C Dividends and Special Deductions (see instructions)

		(a) Dividends	(b) %	(c) Special deductions: (a) × (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		50	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		65	
3	Dividends on certain debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		23.3	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		26.7	
6	Dividends from less-than-20%-owned foreign corporations		50	
7	Dividends from 20%-or-more-owned foreign corporations		65	
8	**Subtotal.** Add lines 1 through 7. See instructions for limitation		see instructions	
9	Dividends from foreign corporations not included on line 3, 6, or 7			
10	IC-DISC and former DISC dividends not included on line 1, 2, or 3 (section 246(d))			
11	Other dividends			
12	Deduction for dividends paid on certain preferred stock of public utilities			
13	**Total dividends.** Add column (a), lines 8 through 11. Enter here and on line 4, page 4			
14	**Total special deductions.** Add column (c), lines 8 and 12. Enter here and on line 30b, page 4			

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) ☐				
2	Income tax			2	
3	Base erosion minimum tax amount (attach Form 8991)			3	
4	Add lines 2 and 3			4	
5a	Foreign tax credit (attach Form 1118)	5a			
b	General business credit (attach Form 3800)	5b			
c	Credit for prior year minimum tax (attach Form 8827)	5c			
d	Bond credits from Form 8912	5d			
6	**Total credits.** Add lines 5a through 5d			6	
7	Subtract line 6 from line 4			7	
8	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Form 8902 ☐ Other (attach statement)			8	
9	**Total tax.** Add lines 7 and 8. Enter here and on line 2, page 1			9	

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Form 1120-F (2022) Page **6**

SECTION III—Branch Profits Tax and Tax on Excess Interest

Part I—Branch Profits Tax (see instructions)

1	Enter the amount from Section II, line 29	**1**	
2	Enter total adjustments to line 1 to get effectively connected earnings and profits. (Attach required statement showing the nature and amount of adjustments.) (See instructions.)	**2**	
3	Effectively connected earnings and profits. Combine line 1 and line 2	**3**	
4a	Enter U.S. net equity at the end of the current tax year. (Attach required statement.)	**4a**	
b	Enter U.S. net equity at the end of the prior tax year. (Attach required statement.)	**4b**	
c	Increase in U.S. net equity. If line 4a is greater than or equal to line 4b, subtract line 4b from line 4a. Enter the result here and skip to line 4e	**4c**	
d	Decrease in U.S. net equity. If line 4b is greater than line 4a, subtract line 4a from line 4b	**4d**	
e	Non-previously taxed accumulated effectively connected earnings and profits. Enter excess, if any, of effectively connected earnings and profits for preceding tax years beginning after 1986 over any dividend equivalent amounts for those tax years	**4e**	
5	Dividend equivalent amount. Subtract line 4c from line 3. If zero or less, enter -0-. If no amount is entered on line 4c, add the lesser of line 4d or line 4e to line 3 and enter the total here	**5**	
6	**Branch profits tax.** Multiply line 5 by 30% (0.30) (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). (See instructions.) Enter here and include on line 3, page 1. **Also complete item W on page 2**	**6**	

Part II—Tax on Excess Interest (see instructions for this Part and for Schedule I (Form 1120-F))

7a	Enter the interest from Section II, line 18	**7a**	
b	Enter the inverse of the total amount deferred, capitalized, and disallowed from Schedule I, line 24g (i.e., if line 24g is negative, enter as a positive number; if line 24g is positive, enter as a negative number)	**7b**	
c	Combine lines 7a and 7b (amount must equal Schedule I, line 23)	**7c**	
8	**Branch Interest** (see instructions for definition): Enter the sum of Schedule I, line 9, column (c), and Schedule I, line 22. If the interest paid by the foreign corporation's U.S. trade or business was increased because 80% or more of the foreign corporation's assets are U.S. assets, check this box ☐	**8**	
9a	Excess interest. Subtract line 8 from line 7c. If zero or less, enter -0-	**9a**	
b	If the foreign corporation is a bank, enter the excess interest treated as interest on deposits (see instructions for rules for computing this amount). Otherwise, enter -0-	**9b**	
c	Subtract line 9b from line 9a	**9c**	
10	**Tax on excess interest.** Multiply line 9c by 30% (0.30) (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). (See instructions.) Enter here and include on line 3, page 1. **Also complete item W on page 2**	**10**	

Part III—Additional Information

		Yes	No
11	Is the corporation claiming a reduction in, or exemption from, the branch profits tax due to:		
a	A complete termination of all U.S. trades or businesses?		
b	The tax-free liquidation or reorganization of a foreign corporation?		
c	The tax-free incorporation of a U.S. trade or business?		
	If **11a** or **11b** applies and the transferee is a domestic corporation, attach Form 8848. If **11c** applies, attach the statement required by Temporary Regulations section 1.884-2T(d)(5).		

Form **1120-F** (2022)

Form 1120-F (2022) Page **7**

Note: *Check if completing on* ☐ U.S. basis or ☐ Worldwide basis

Schedule L Balance Sheets per Books

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6a Interbranch current assets*				
b Other current non-U.S. assets*				
c Other current U.S. assets*				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9a Other loans and investments—non-U.S. assets*				
b Other loans and investments—U.S. assets*				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Assets held in trust				
15 Other non-current interbranch assets*				
16a Other non-current non-U.S. assets*				
b Other non-current U.S. assets*				
17 Total assets				
Liabilities				
18 Accounts payable				
19 Mortgages, notes, bonds payable in less than 1 year:				
a Interbranch liabilities*				
b Third-party liabilities*				
20 Other current liabilities*				
21 Loans from shareholders				
22 Mortgages, notes, bonds payable in 1 year or more:				
a Interbranch liabilities*				
b Third-party liabilities*				
23 Liabilities held in trust				
24a Other interbranch liabilities*				
b Other third-party liabilities*				
Equity				
25 Capital stock: **a** Preferred stock				
b Common stock				
26 Additional paid-in capital				
27 Retained earnings—Appropriated*				
28 Retained earnings—Unappropriated				
29 Adjustments to shareholders' equity*				
30 Less cost of treasury stock		( )		( )
31 Total liabilities and shareholders' equity				

*Attach statement—see instructions.

Form **1120-F** (2022)

Form 1120-F (2022) Page **8**

Schedule W Overpayment Resulting From Tax Deducted and Withheld Under Chapters 3 and 4

1	**Total Chapter 3 and 4 payments.** Enter the amount from page 1, line 5i		**1**	
2	Enter the tax amount from page 1, line 1	**2**		
3	Enter the portion of the tax amount shown on page 1, line 2, pertaining to income associated with amounts deducted and withheld under sections 1445 and 1446 (see instructions for general guidelines)	**3**		
4	**Total Chapter 3 and 4 tax.** Combine lines 2 and 3		**4**	
5	**Tentative overpayment resulting from tax deducted and withheld under Chapters 3 and 4.** Subtract line 4 from line 1		**5**	
6	Enter the amount from page 1, line 8a		**6**	
7	**Overpayment resulting from tax deducted and withheld under Chapters 3 and 4.** Enter the smaller of line 5 or line 6. Enter the result here and on page 1, line 8b		**7**	

Form **1120-F** (2022)

Form **1120-L**
Department of the Treasury
Internal Revenue Service

U.S. Life Insurance Company Income Tax Return

For calendar year 2022 or tax year beginning _____, 2022, ending _____, 20 _____
Go to *www.irs.gov/Form1120L* for instructions and the latest information.

OMB No. 1545-0123
2022

A Check if:
1 Consolidated return (attach Form 851) ☐
2 Life-nonlife consolidated return ☐
3 Schedule M-3 (Form 1120-L) attached ☐

Please print or type

Name | **B Employer identification number**
Number, street, and room or suite no. If a P.O. box, see instructions. | **C** Date incorporated
City or town, state or province, country, and ZIP or foreign postal code | **D** Check applicable box if an election has been made under section(s): ☐ 953(c)(3)(C) ☐ 953(d)

E Check if: **(1)** ☐ Final return **(2)** ☐ Name change **(3)** ☐ Address change **(4)** ☐ Amended return

Income (line 6 is reserved)	1	Gross premiums, etc., less return premiums, etc. Enter balance	1	
	2	Net decrease, if any, in reserves (Schedule F, line 12)	2	
	3a	Decrease in reserves under section 807(f)	3a	
	b	Income from Reserve Transition Relief (see instructions)	3b	
	4	Investment income (Schedule B, line 6) (see instructions)	4	
	5	Capital gain net income (Schedule D (Form 1120))	5	
	7	Other income (attach statement)	7	
	8	Life insurance company gross income. Add lines 1 through 7	8	
Deductions (See instructions for limitations on deductions.)	9	Death benefits, etc.	9	
	10	Net increase, if any, in reserves (Schedule F, line 12)	10	
	11a	Increase in reserves under section 807(f)	11a	
	b	Deduction from Reserve Transition Relief (see instructions)	11b	
	12	Deductible policyholder dividends under section 808	12	
	13	Assumption by another person of liabilities under insurance, etc., contracts	13	
	14	Dividends reimbursable by taxpayer	14	
	15a	Interest _____ **b** Less tax-exempt interest expense _____ **c** Balance	15c	
	16	Deductible policy acquisition expenses (Schedule G, line 20)	16	
	17	Reserved for future use	17	
	18	Other deductions (see instructions) (attach statement)	18	
	19	Add lines 9 through 18	19	
	20	**Subtotal.** Subtract line 19 from line 8	20	
	21a	Dividends-received and other special deductions (Schedule A, line 22) — 21a		
		Plus: b. Net operating loss deduction (see instructions) (attach statement) — 21b	21c	
	22	Gain or (loss) from operations. Subtract line 21c from line 20	22	
	23	Life insurance company taxable income (LICTI). Enter line 22 here	23	
	24	Phased inclusion of balance of policyholders surplus account (see instructions)	24	
Tax, Refundable Credits, and Payments	25	**Taxable income.** Add lines 23 and 24 (see instructions)	25	
	26	**Total tax** (Schedule K, line 10)	26	
	27	Reserved for future use	27	
	28a	2021 overpayment credited to 2022 — 28a		Line 28b is reserved.
	c	2022 estimated tax payments — 28c		
	d	Less 2022 refund applied for on Form 4466 — 28d ( )	28e	
	f	Tax deposited with Form 7004	28f	
	g	Credits: **(1)** Form 2439 _____ **(2)** Form 4136 _____	28g	
	h	U.S. income tax paid or withheld at source (attach Form 1042-S)	28h	
	i	Reserved for future use	28i	
	j	Reserved for future use	28j	28k
	29	Estimated tax penalty. Check if Form 2220 is attached ☐	29	
	30	**Amount owed.** If line 28k is smaller than the total of lines 26 and 29, enter amount owed	30	
	31	**Overpayment.** If line 28k is larger than the total of lines 26 and 29, enter amount overpaid	31	
	32	Enter amount from line 31: **Credited to 2023 estimated tax** **Refunded**	32	

Sign Here

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

May the IRS discuss this return with the preparer shown below? See instructions. ☐ **Yes** ☐ **No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11480E Form **1120-L** (2022)

Form 1120-L (2022) Page **2**

Schedule A **Dividends, Inclusions, Dividends-Received Deduction, and Other Special Deductions** (see instructions)

			(a) Dividends and inclusions	(b) %	(c) Deductions ((a) times (b))
	Dividends subject to proration				
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	1		50	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	2		65	
3	Dividends on certain debt-financed stock of domestic and foreign corporations	3		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	4		23.3	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	5		26.7	
6	Dividends from less-than-20%-owned foreign corporations and certain foreign sales corporations (FSCs)	6		50	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	7		65	
8	Dividends from wholly owned foreign subsidiaries and certain FSCs	8		100	
9	Dividends from certain affiliated companies	9		100	
10	Gross dividends-received deduction. Add lines 1 through 9	10			
11	Company share percentage	11			0.7
12	Prorated amount. Line 10 times line 11	12			
	Dividends not subject to proration				
13	Affiliated company dividends	13		see instructions	
14	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	14		100	
15	Dividends from foreign corporations not included on line 3, 6, 7, 8, or 14 (including hybrid dividends)	15			
16	Reserved for future use	16			
17a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	17a		100	
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	17b			
c	Other inclusions from CFCs under subpart F not included on line 17a, 17b, or 18 (attach Form(s) 5471) (see instructions)	17c			
18	Global intangible low-taxed income (GILTI) (attach Form(s) 5471 and 8992)	18			
19	Other corporate dividends	19			
20	**Total dividends and inclusions.** Add lines 1 through 19, column (a). Enter here and on Schedule B, line 2	20			
21	Section 250 deduction (attach Form 8993)	21			
22	**Total deductions.** Add lines 12, 13, 14, 17a, and 21, column (c). Enter here and on page 1, line 21a	22			

Schedule B **Investment Income** (see instructions)

1	Interest (excluding tax-exempt interest)	1	
2	Total dividends and inclusions (Schedule A, line 20, column (a))	2	
3	Rents	3	
4	Royalties	4	
5	Leases, terminations, etc.	5	
6	Investment income. Add lines 1 through 5. Enter here and on page 1, line 4	6	

Form **1120-L** (2022)

Form 1120-L (2022) Page 3

Schedule F Increase (Decrease) in Reserves (section 807) (see instructions)

			(a) Beginning of tax year	(b) End of tax year
1	Life insurance reserves	1		
2	Unearned premiums and unpaid losses	2		
3	Supplementary contracts	3		
4	Dividend accumulations and other amounts	4		
5	Advance premiums	5		
6	Special contingency reserves	6		
7	Add lines 1 through 6	7		
8	Increase (decrease) in reserves under section 807. Subtract line 7, column (a), from line 7, column (b)	8		
9a	Tax-exempt interest	9a		
b	Increase in policy cash value of section 264(f) policies as defined in section 805(a)(4)(F)	9b		
c	Add lines 9a and 9b	9c		
10	**Policyholders' share percentage**	10		30%
11	Policyholders' share of tax-exempt interest and the increase in policy cash value of section 264(f) policies as defined in section 805(a)(4)(F). Multiply line 9c by line 10	11		
12	**Net increase (decrease) in reserves.** Subtract line 11 from line 8. If an increase, enter here and on page 1, line 10. If a decrease, enter here and on page 1, line 2	12		

Schedule G Policy Acquisition Expenses (section 848) (see instructions)

			(a) Annuity	(b) Group life insurance	(c) Other
1	Gross premiums and other consideration	1			
2	Return premiums and premiums and other consideration incurred for reinsurance	2			
3	**Net premiums.** Subtract line 2 from line 1	3			
4	Net premium percentage (see instructions)	4			
5	Multiply line 3 by line 4	5			
6	Combine line 5, columns (a), (b), and (c), and enter here. If zero or less, enter -0- on lines 7 and 8	6			
7	Unused balance of negative capitalization amount from prior years	7			( )
8	Combine lines 6 and 7. If zero or less, enter -0-	8			
9	General deductions (attach statement)	9			
10	Enter the lesser of line 8 or line 9	10			
11	Deductible general deductions. Subtract line 10 from line 9. Enter here and include on page 1, line 18	11			
12	If the amount on line 6 is negative, enter it as a positive amount. If the amount on line 6 is positive, enter -0-	12			
13	Unamortized specified policy acquisition expenses from prior years	13			
14	Deductible negative capitalization amount. Enter the lesser of line 12 or line 13	14			
15a	Tentative 60-month specified policy acquisition expenses. Enter amount from line 10, but not more than $5 million	15a			
b	Limitation	15b	$10,000,000		
16	Phase-out amount. Subtract line 15b from line 10. If zero or less, enter -0-	16			
17a	Current year 60-month specified policy acquisition expenses. Subtract line 16 from line 15a. If zero or less, enter -0-	17a			
b	Enter 10% (0.10) of line 17a	17b			
18a	Current year 180-month specified policy acquisition expenses. Subtract line 17a from line 10	18a			
b	Enter 3.34% (0.0334) of line 18a	18b			
19	Enter the applicable amount of amortization from specified policy acquisition expenses capitalized in prior years and deductible this year. Attach statement	19			
20	**Deductible policy acquisition expenses.** Add lines 14, 17b, 18b, and 19. Enter here and on page 1, line 16	20			

Form **1120-L** (2022)

Schedule K Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) ☐				
2	Income tax			2	
3	Base erosion minimum tax amount (attach Form 8991)			3	
4	Add lines 2 and 3			4	
5a	Foreign tax credit (attach Form 1118)	5a			
b	Credit from Form 8834 (attach Form 8834)	5b			
c	General business credit (attach Form 3800)	5c			
d	Credit for prior year minimum tax (attach Form 8827)	5d			
e	Bond credits from Form 8912	5e			
6	**Total credits.** Add lines 5a through 5e			6	
7	Subtract line 6 from line 4			7	
8	Foreign corporations—tax on income not effectively connected with U.S. business			8	
9	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Other (attach statement)			9	
10	**Total tax.** Add lines 7 through 9. Enter here and on page 1, line 26			10	

Schedule L Part I—Total Assets (see instructions)

			(a) Beginning of tax year	(b) End of tax year
1	Real property	1		
2	Stocks	2		
3	Proportionate share of partnership and trust assets	3		
4	Other assets (attach statement)	4		
5	**Total assets.** Add lines 1 through 4	5		

Part II—Total Assets and Total Insurance Liabilities (section 842(b)(2)(B)(i)) (see instructions)

Note: The information provided in Part II should conform with the "Assets" and "Liabilities, Surplus, and Other Funds" sections of the NAIC Annual Statement.

			(a) Beginning of tax year	(b) End of tax year
1	Subtotals for assets	1		
2	**Total assets**	2		
3	Reserve for life policies and contracts	3		
4	Reserve for accident and health policies	4		
5	Liability for deposit-type contracts	5		
6	Life policy and contract claims	6		
7	Accident and health policy and contract claims	7		
8	Policyholder's dividend and coupon accumulations	8		
9	Premiums and annuity considerations received in advance less discount	9		
10	Surrender values on canceled policies	10		
11	Part of other amounts payable on reinsurance assumed	11		
12	Part of aggregate write-ins for liabilities. (Only include items or amounts includible in "total insurance liabilities on U.S. business" as defined in section 842(b)(2)(B)(i))	12		
13	Separate accounts statement	13		
14	**Total insurance liabilities.** Add lines 3 through 13	14		

Form 1120-L (2022) Page **5**

Schedule M **Other Information** (see instructions)

		Yes	No
1	Check accounting method:		
a	☐ Accrual		
b	☐ Other (specify) _____		
2	Check if the corporation is a:		
a	☐ Legal reserve company—if checked		
	Kind of company:		
	(1) ☐ Stock		
	(2) ☐ Mutual		
	Principal business:		
	(1) ☐ Life insurance		
	(2) ☐ Health and accident insurance		
b	☐ Fraternal or assessment association		
c	☐ Burial or other insurance company		
3	Enter the percentage that the total of the corporation's life insurance reserves (section 816(b)) plus unearned premiums and unpaid losses (whether or not ascertained) on noncancelable life, health, or accident policies not included in life insurance reserves bears to the corporation's total reserves (section 816(c)) . . . _____ %. Attach a statement showing the computation.		
4	Does the corporation have any variable annuity contracts outstanding?		
5	At the end of the tax year, did the corporation 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 statement showing **(a)** name and employer identification number (EIN), **(b)** percentage owned, and **(c)** taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
6	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . .		
	If "Yes," enter name and EIN of the parent corporation. _____		
7	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)		
	If "Yes," complete **a** and **b** below.		
a	Attach a statement showing name and identifying number. (Do not include any information already entered on line **6** above.)		
b	Enter percentage owned. _____		
8	At any time during the year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of stock of the corporation entitled to vote, or **(b)** the total value of all classes of stock of the corporation? . . .		
	If "Yes," enter:		
	a Percentage owned and _____		
	b Owner's country.		

		Yes	No
8c	The corporation may have to file **Form 5472,** Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached. _____		
9	Does the corporation discount any of the loss reserves shown on its annual statement? . . .		
10a	Enter the total unpaid losses shown on the corporation's annual statement:		
	(1) For the current year: $ _____		
	(2) For the previous year: $ _____		
b	Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement:		
	(1) For the current year: $ _____		
	(2) For the previous year: $ _____		
11	Enter the available net operating loss carryover from prior tax years. (Do not reduce it by any deduction on page 1, line 21b.) . . $ _____		
12a	Enter the corporation's state of domicile. _____		
b	Was the annual statement used to prepare the tax return filed with the state of domicile?		
	If "No," complete **c** below.		
c	Enter the state where the annual statement used to prepare the tax return was filed. _____		
13	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions		
	If "Yes," complete and attach Schedule UTP.		
14	Does the corporation have gross receipts of at least $500 million in any of the 3 preceding tax years? (See section 59A(e)(2) and (3).)		
	If "Yes," complete and attach Form 8991.		
15	During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		
	If "Yes," enter the total amount of the disallowed deductions . . . . . $ _____		
16	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		
17	Is the corporation required to file Form 8990, Limitation on Business Interest Expense Under Section 163(j), to calculate the amount of deductible business interest? See instructions		

Form **1120-PC**

Department of the Treasury
Internal Revenue Service

U.S. Property and Casualty Insurance Company Income Tax Return

For calendar year 2022, or tax year beginning _____ , 2022, ending _____, 20_____

Go to *www.irs.gov/Form1120PC* for instructions and the latest information.

OMB No. 1545-0123

2022

A Check if:
1 Consolidated return (attach Form 851) ☐
2 Life-nonlife consolidated return ☐
3 Schedule M-3 (Form 1120-PC) attached ☐

Please print or type

Name

B Employer identification number

Number, street, and room or suite no. If a P.O. box, see instructions.

C Date incorporated

City or town, state or province, country, and ZIP or foreign postal code

D Check applicable box if an election has been made under section(s):

E Check if: **(1)** ☐ Final return **(2)** ☐ Name change **(3)** ☐ Address change **(4)** ☐ Amended return ☐ 831(b) ☐ 953(c)(3)(C) ☐ 953(d)

Tax Computation and Payments

1	Taxable income (Schedule A, line 37)				1	
2	Taxable investment income for electing small companies (Schedule B, line 21)				2	
3	Check if a member of a controlled group (attach Schedule O (Form 1120)) ☐					
4	Income tax (see instructions)				4	
5	Enter amount of tax that a reciprocal must include (see instructions)				5	
6	Base erosion minimum tax amount (attach Form 8991)				6	
7	Add lines 4 through 6				7	
8a	Foreign tax credit (attach Form 1118)	8a				
b	Credit from Form 8834 (attach Form 8834)	8b				
c	General business credit (attach Form 3800)	8c				
d	Credit for prior year minimum tax (attach Form 8827)	8d				
e	Bond credits from Form 8912	8e				
f	**Total credits.** Add lines 8a through 8e				8f	
9	Subtract line 8f from line 7				9	
10	Foreign corporations—Tax on income not connected with U.S. business				10	
11	Personal holding company tax (attach Schedule PH (Form 1120))				11	
12	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Other (attach statement)				12	
13	**Total tax.** Add lines 9 through 12				13	
14	Reserved for future use				14	
15a	2021 overpayment credited to 2022	15a				
b	Reserved for future use	15b				
c	2022 estimated tax payments (see instructions)	15c				
d	Reserved for future use	15d				
e	Less 2022 refund applied for on Form 4466	15e	( )			
f	Enter the total of lines 15a and 15c, less line 15e			15f		
g	Tax deposited with Form 7004			15g		
h	Credit by reciprocal for tax paid by attorney-in-fact under section 835(d)			15h		
i	Other credits and payments			15i		
j	Reserved for future use			15j		
					15k	
16	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐				16	
17	**Amount owed.** If line 15k is smaller than the total of lines 13 and 16, enter amount owed				17	
18	**Overpayment.** If line 15k is larger than the total of lines 13 and 16, enter amount overpaid				18	
19	Enter amount from line 18: **Credited to 2023 estimated tax**		**Refunded**		19	

Sign Here

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

May the IRS discuss this return with the preparer shown below? See instructions. ☐**Yes** ☐**No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 64270Q Form **1120-PC** (2022)

Form 1120-PC (2022) Page **2**

Schedule A **Taxable Income—Section 832** (see instructions)

Income

1	Premiums earned (Schedule E, line 7)			1	
2	Dividends and inclusions (Schedule C, line 17)			2	
		(a) Interest received	**(b)** Amortization of premium		
3a	Interest (including tax-exempt interest)				
b	Interest exempt under section 103				
c	Subtract line 3b from line 3a				
d	Taxable interest. Subtract line 3c, column (b), from line 3c, column (a)			3d	
4	Rents			4	
5	Royalties			5	
6	Capital gain net income (see instructions) (attach Schedule D (Form 1120))			6	
7	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			7	
8	Certain mutual fire or flood insurance company premiums (section 832(b)(1)(D))			8	
9	Income on account of special income and deduction accounts			9	
10	Income from protection against loss account (see instructions)			10	
11	Mutual interinsurers or reciprocal underwriters—decrease in subscriber accounts			11	
12	Reserved for future use			12	
13	Other income (attach statement)			13	
14	Gross income. Add lines 1 through 13			14	

Deductions (See instructions for limitations on deductions.)

15	Compensation of officers (see instructions) (attach statement)			15	
16	Salaries and wages (less employment credits)			16	
17	Agency balances and bills receivable that became worthless during the tax year			17	
18	Rents			18	
19	Taxes and licenses			19	
20a	Interest	**b** Less tax-exempt interest exp.	**c** Bal.	20c	
21	Charitable contributions			21	
22	Depreciation (attach Form 4562)			22	
23	Depletion			23	
24	Pension, profit-sharing, etc., plans			24	
25	Employee benefit programs			25	
26	Losses incurred (Schedule F, line 14)			26	
27	Reserved for future use			27	
28	Other capital losses (Schedule G, line 12, column (g))			28	
29	Dividends to policyholders			29	
30	Mutual interinsurers or reciprocal underwriters—increase in subscriber accounts			30	
31	Other deductions (see instructions) (attach statement)			31	
32	**Total deductions.** Add lines 15 through 31			32	
33	**Subtotal.** Subtract line 32 from line 14			33	
34a	Special deduction for section 833 organizations (Schedule H, line 6)	34a			
b	Deduction on account of special income and deduction accounts	34b			
c	**Total.** Add lines 34a and 34b			34c	
35	**Subtotal.** Subtract line 34c from line 33			35	
36a	Dividends received and other special deductions (Schedule C, line 30)	36a			
b	Net operating loss deduction	36b			
c	**Total.** Add lines 36a and 36b			36c	
37	**Taxable income.** Subtract line 36c from line 35. Enter here and on page 1, line 1			37	

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Schedule B **Part I—Taxable Investment Income of Electing Small Companies** (section 834) (see instructions)

			(a) Interest received	(b) Amortization of premium		
Income	1a	Interest (including tax-exempt interest)				
	b	Interest exempt under section 103				
	c	Subtract line 1b from line 1a				
	d	Taxable interest. Subtract line 1c, column (b), from line 1c, column (a)			1d	
	2	Dividends and inclusions (Schedule C, line 17)			2	
	3	Rents			3	
	4	Royalties			4	
	5	Gross income from a trade or business, other than an insurance business, and from Form 4797			5	
	6	Income from leases described in sections 834(b)(1)(B) and 834(b)(1)(C)			6	
	7	Capital gain net income from Schedule D (Form 1120), line 18			7	
	8	Gross investment income. Add lines 1d through 7			8	
Deductions	9	Real estate taxes			9	
	10	Other real estate expenses			10	
	11	Depreciation (attach Form 4562)			11	
	12	Depletion			12	
	13	Trade or business deductions as provided in section 834(c)(8) (attach statement)			13	
	14	Interest			14	
	15	Other capital losses (Schedule G, line 12, column (g))			15	
	16	**Total.** Add lines 9 through 15			16	
	17	Investment expenses (see instructions) (attach statement)			17	
	18	**Total deductions.** Add lines 16 and 17			18	
	19	Subtract line 18 from line 8			19	
	20	Dividends received and other special deductions (Schedule C, line 30)			20	
	21	**Taxable investment income.** Subtract line 20 from line 19. Enter here and on page 1, line 2			21	

Part II—Invested Assets Book Values

Note: Complete only if claiming a deduction for general expenses allocated to investment income.

			(a) Beginning of tax year	(b) End of tax year
22	Real estate	22		
23	Mortgage loans	23		
24	Collateral loans	24		
25	Policy loans, including premium notes	25		
26	Bonds of domestic corporations	26		
27	Stock of domestic corporations	27		
28	Government obligations, etc.	28		
29	Bank deposits bearing interest	29		
30	Other interest-bearing assets (attach statement)	30		
31	**Total.** Add lines 22 through 30	31		

32	Add columns (a) and (b), line 31		32	
33	Mean of invested assets for the tax year. Enter one-half of line 32		33	
34	Multiply line 33 by 0.0025		34	
35	Income base. Line 1b, column (a), plus line 8 less the sum of line 1b, column (b), and line 16	35		
36	Multiply line 33 by 0.0375	36		
37	Subtract line 36 from line 35. Don't enter less than zero	37		
38	Multiply line 37 by 0.25		38	
39	Limitation on deduction for investment expenses. Add lines 34 and 38		39	

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Schedule C **Dividends, Inclusions, Dividends-Received Deduction, and Other Special Deductions** (see instructions)

	Income		Dividends and Inclusions (a) Subject to section 832(b)(5)(B)	Dividends and Inclusions (b) Dividends and inclusions
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	1		
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	2		
3	Dividends on certain debt-financed stock of domestic and foreign corporations	3		
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	4		
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	5		
6	Dividends from less-than-20%-owned foreign corporations and certain foreign sales corporations (FSCs)	6		
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	7		
8	Dividends from wholly owned foreign subsidiaries and certain FSCs	8		
9	Dividends from certain affiliated companies	9		
10	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	10		
11	Dividends from foreign corporations not included on line 3, 6, 7, 8, or 10 (including any hybrid dividend)	11		
12a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	12a		
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	12b		
c	Other inclusions from CFCs under subpart F not included on line 12a, 12b, or 13 (attach Form(s) 5471)	12c		
13	Global intangible low-taxed income (GILTI) (attach Forms 5471 and 8992)	13		
14	Gross-up for foreign taxes deemed paid	14		
15	Reserved for future use	15		
16	Other dividends (attach statement)	16		
17	**Total dividends and inclusions.** Add lines 1 through 16. Enter here and on Schedule A, line 2, or Schedule B, line 2, whichever applies	17		

	Deductions		Dividends Received and Other Special Deductions (a) Subject to section 832(b)(5)(B)		Dividends Received and Other Special Deductions (b) Total dividends received and special deductions
18	Multiply line 1 by 50% (0.50)	18			
19	Multiply line 2 by 65% (0.65)	19			
20	Deduction for line 3 (see instructions)	20			
21	Multiply line 4 by 23.3% (0.233)	21			
22	Multiply line 5 by 26.7% (0.267)	22			
23	Multiply line 6 by 50% (0.50)	23			
24	Multiply line 7 by 65% (0.65)	24			
25	Enter the amount from line 8	25			
26	**Total.** Add lines 18 through 25. (See instructions for limitation.)	26			
27	**Total.** Add line 26, column (a), and line 9, column (a). Enter here and on Schedule F, line 10	27			
28	Section 250 deduction (attach Form 8993)	28			
29	Reserved for future use	29			
30	**Total deductions.** Add line 26, column (b), and lines 9, 10, 12a, and 28, column (b). Enter here and on Schedule A, line 36a, or Schedule B, line 20, whichever applies	30			

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Schedule E Premiums Earned—Section 832 (see instructions)

1	Net premiums written			1	
2	Unearned premiums on outstanding business at the end of the preceding tax year:				
a	Enter 100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and unearned premiums of section 833 organizations. See instructions	2a			
b	Enter 90% of unearned premiums attributable to insuring certain securities	2b			
c	Discounted unearned premiums attributable to title insurance	2c			
d	Enter 80% of all other unearned premiums. See instructions	2d			
e	**Total.** Add lines 2a through 2d			2e	
3	**Total.** Add lines 1 and 2e			3	
4	Unearned premiums on outstanding business at the end of the current tax year:				
a	Enter 100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and unearned premiums of section 833 organizations. See instructions	4a			
b	Enter 90% of unearned premiums attributable to insuring certain securities	4b			
c	Discounted unearned premiums attributable to title insurance	4c			
d	Enter 80% of all other unearned premiums. See instructions	4d			
e	**Total.** Add lines 4a through 4d			4e	
5	Subtract line 4e from line 3			5	
6	Transitional adjustments under section 832(b)(7)(D) (see instructions)			6	
7	**Premiums earned.** Add lines 5 and 6. Enter here and on Schedule A, line 1			7	

Schedule F Losses Incurred (section 832) (see instructions)

1	Losses paid during the tax year (attach reconciliation to annual statement)			1	
2	Balance outstanding at the end of the current tax year for:				
a	Unpaid losses on life insurance contracts	2a			
b	Discounted unpaid losses	2b			
c	**Total.** Add lines 2a and 2b			2c	
3	Add lines 1 and 2c			3	
4	Balance outstanding at the end of the preceding tax year for:				
a	Unpaid losses on life insurance contracts	4a			
b	Discounted unpaid losses	4b			
c	**Total.** Add lines 4a and 4b			4c	
5	Subtract line 4c from line 3			5	
6	Estimated salvage and reinsurance recoverable at the end of the preceding tax year			6	
7	Estimated salvage and reinsurance recoverable at the end of the current tax year			7	
8	Losses incurred (line 5 plus line 6 less line 7)			8	
9	Tax-exempt interest subject to section 832(b)(5)(B)	9			
10	Dividends-received deduction subject to section 832(b)(5)(B) (Schedule C, line 27)	10			
11	The increase in policy cash value of section 264(f) policies, as defined in section 805(a)(4)(F)	11			
12	**Total.** Add lines 9, 10, and 11			12	
13	Reduction of deduction under section 832(b)(5)(B). Multiply line 12 by applicable percentage. See instructions			13	
14	**Losses incurred deductible under section 832(c)(4).** Subtract line 13 from line 8. Enter here and on Schedule A, line 26			14	

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Schedule G Other Capital Losses (see instructions)

Note: Include capital assets sold or exchanged to meet abnormal insurance losses and to pay dividends and similar distributions to policyholders.

1	Dividends and similar distributions paid to policyholders			1	
2	Losses paid			2	
3	Expenses paid			3	
4	**Total.** Add lines 1, 2, and 3			4	
	Note: Adjust lines 5 through 8 to cash method if necessary.				
5	Interest received	5			
6	Dividends received and inclusions (Schedule C, line 17)	6			
7	Gross rents, gross royalties, lease income, etc., and gross income from a trade or business other than an insurance business including income from Form 4797 (include gains for invested assets only)	7			
8	Net premiums received	8			
9	**Total.** Add lines 5 through 8			9	
10	Limitation on gross receipts from sales of capital assets. Line 4 less line 9. If zero or less, enter -0-			10	

	(a) Description of capital asset	(b) Date acquired	(c) Gross sales price	(d) Cost or other basis	(e) Expense of sale	(f) Depreciation allowed (or allowable)	(g) Loss ((d) plus (e) less the sum of (c) and (f))
11							
12	**Totals.** Column (c) must not be more than line 10. (Enter amount from column (g) on Schedule A, line 28, or Schedule B, line 15, whichever applies.)						

Schedule H Special Deduction and Ending Adjusted Surplus for Section 833 Organizations (see instructions)

1	Healthcare claims incurred during the tax year and liabilities incurred during the tax year under cost-plus contracts	1	
2	Expenses incurred during the tax year in connection with the administration, adjustment, or settlement of healthcare claims or in connection with the administration of cost-plus contracts	2	
3	**Total.** Add lines 1 and 2	3	
4	Multiply line 3 by 0.25	4	
5	Beginning adjusted surplus	5	
6	**Special deduction.** If you checked "No" on line 13 of Schedule I, enter -0- here; you can't take the special deduction. All others subtract line 5 from line 4. If zero or less, enter -0-. Enter amount here and on Schedule A, line 34a. See instructions for limitation	6	
7	Net operating loss deduction (Schedule A, line 36b)	7	
8	Net exempt income:		
a	Adjusted tax-exempt income	8a	
b	Adjusted dividends-received deduction	8b	
9	Taxable income (Schedule A, line 37)	9	
10	**Ending adjusted surplus.** Add lines 5 through 9	10	

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Schedule I Other Information (see instructions)

		Yes	No
1	Check method of accounting:		
a	☐ Cash		
b	☐ Accrual		
c	☐ Other (specify) _____		
2	Check box for kind of company:		
a	☐ Mutual		
b	☐ Stock		
3	At the end of the tax year, did the corporation 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 statement showing **(a)** name and employer identification number (EIN), **(b)** percentage owned, and **(c)** taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		
	If "Yes," enter name and EIN of the parent corporation _____		
5	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)		
	If "Yes," attach a statement showing name and identifying number. (Don't include any information already entered on line **4** above.) Enter percentage owned _____		
6	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of stock of the corporation entitled to vote, or **(b)** the total value of all classes of stock of the corporation?		
	If "Yes," enter: **a** Percentage owned, and _____ **b** Owner's country _____		
	(c) The corporation may have to file **Form 5472,** Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached _____		

		Yes	No
7a	Enter the total unpaid losses shown on the corporation's annual statement:		
	(1) For the current tax year: $ _____		
	(2) For the previous tax year: $ _____		
b	Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement:		
	(1) For the current tax year: $ _____		
	(2) For the previous tax year: $ _____		
8	Does the corporation discount any of the loss reserves shown on its annual statement?		
9	Enter the amount of tax-exempt interest received or accrued during the tax year: $ _____		
10	If the corporation has an NOL for the tax year and is electing to forgo the carryback period, check here ☐		
	If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election won't be valid.		
11	Enter the available NOL carryover from prior tax years. (Don't reduce it by any deduction on Schedule A, line 36b.) $ _____		
12	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions. If "Yes," complete and attach Schedule UTP.		
13	If the corporation is a Blue Cross or Blue Shield organization described in section 833(c)(2), or other organization described in section 833(c)(3), did it meet the medical loss ratio (MLR) requirements of section 833(c)(5)?		
	Enter: **(a)** Section 833(c)(5) MLR numerator $ _____		
	(b) Section 833(c)(5) MLR denominator $ _____		
	(c) Section 833(c)(5) MLR % _____		
14	If the corporation is a small company as defined in section 831(b)(2) and elects under section 831(b)(2)(A)(iii) to be taxed on taxable investment income:		
	(a) Does the corporation satisfy the diversification requirements of section 831(b)(2)(B)(i)(I) because no more than 20% of the net written premiums (or, if greater, direct written premiums) of the corporation for the tax year is attributable to any one policyholder?		
	(b) If the answer to (a) is "No," does the corporation satisfy the diversification requirements of section 831(b)(2)(B)(i)(II)?		

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Schedule I Other Information (see instructions) *(continued)*

		Yes	No
15	Does the corporation have gross receipts of at least $500 million in any of the 3 preceding tax years? (See section 59A(e)(2) and (3).) If "Yes," complete and attach Form 8991.		
16	During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions. If "Yes," enter the total amount of the disallowed deductions $		
17	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		
18	Is the corporation required to file Form 8990, Limitation on Business Interest Expense Under Section 163(j), to calculate the amount of deductible business interest? See instructions		

Schedule L Balance Sheets per Books

Note: All filers are required to complete this schedule.

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				
4 U.S. Government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach statement)				
15 **Total assets**				
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Insurance liabilities (see instructions)				
19 Other current liabilities (attach statement)				
20 Loans from shareholders				
21 Mortgages, notes, bonds payable in 1 year or more				
22 Other liabilities (attach statement)				
23 Capital stock: a Preferred stock				
b Common stock				
24 Additional paid-in capital				
25 Retained earnings—appropriated (attach statement)				
26 Retained earnings—unappropriated				
27 Adjustments to shareholders' equity (attach statement)				
28 Less cost of treasury stock		( )		( )
29 **Total liabilities and shareholders' equity**				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are $10 million or more. See instructions.

1	Net income (loss) per books		7	Income recorded on books this year not included in this return (itemize):	
2	Federal income tax per books		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):		a	Depreciation $	
5	Expenses recorded on books this year not deducted in this return (itemize):		b	Charitable contributions $	
a	Depreciation $		9	Add lines 7 and 8	
b	Charitable contributions $		10	Income (Schedule A, line 35, or Schedule B, line 19, if applicable)—line 6 less line 9	
c	Travel and entertainment $				
6	Add lines 1 through 5				

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 26, Schedule L)

1	Balance at beginning of year		5	Distributions: a Cash	
2	Net income (loss) per books			b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3		8	Balance at end of year (line 4 less line 7)	

Form **1120-PC** (2022)

Form **1120-REIT**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for Real Estate Investment Trusts

For calendar year 2022 or tax year beginning _____, 2022, ending _____, 20_____

Go to *www.irs.gov/Form1120REIT* for instructions and the latest information.

OMB No. 1545-0123

2022

A Year of REIT status election	**Please Type or Print**	Name	**C Employer identification number**
B Check if a: **1** REIT with 100% owned subsidiaries (see instructions) ☐ **2** Personal holding co. (attach Sch. PH) ☐		Number, street, and room or suite no. (If a P.O. box, see instructions.)	**D** Date REIT established
		City or town, state, and ZIP code	**E** Total assets (see instructions) $
F Check applicable box(es): (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return			**H** PBA code (see instructions)
G Identify the type of REIT (see instructions): (1) ☐ Equity REIT (2) ☐ Mortgage REIT			

Part I—Real Estate Investment Trust Taxable Income (see instructions)

Income (EXCLUDING income required to be reported in Part II or Part IV)

1	Dividends	**1**	
2	Interest	**2**	
3	Gross rents from real property	**3**	
4	Other gross rents	**4**	
5	Capital gain net income (attach Schedule D (Form 1120))	**5**	
6	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	**6**	
7	Other income (see instructions—attach statement)	**7**	
8	**Total income.** Add lines 1 through 7	**8**	

Deductions (EXCLUDING deductions directly connected with income required to be reported in Part II or Part IV)

9	Compensation of officers (see instructions—attach Form 1125-E)			**9**	
10	Salaries and wages (less employment credits)			**10**	
11	Repairs and maintenance			**11**	
12	Bad debts			**12**	
13	Rents			**13**	
14	Taxes and licenses			**14**	
15	Interest (see instructions)			**15**	
16	Depreciation (attach Form 4562)			**16**	
17	Advertising			**17**	
18	Other deductions (see instructions—attach statement)			**18**	
19	**Total deductions.** Add lines 9 through 18			**19**	
20	Taxable income before net operating loss and other special deductions. Subtract line 19 from line 8			**20**	
21	**Less: a** Net operating loss deduction (see instructions)	**21a**			
	b Total deduction for dividends paid (Schedule A, line 7)	**21b**			
	c Section 857(b)(2)(E) deduction (Schedule J, lines 2c, 2e, and 2f)	**21c**		**21d**	

Sign Here

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

May the IRS discuss this return with the preparer shown below? See instructions. ☐ **Yes** ☐ **No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 64114F Form **1120-REIT** (2022)

Tax and Payments

22	**Real estate investment trust taxable income.** Subtract line 21d from line 20				22	
23	**Total tax** (Schedule J, line 8)				23	
24	Reserved for future use				24	
25	**Payments:**					
a	2021 overpayment credited to 2022	25a				
b	2022 estimated tax payments	25b				
c	Less 2022 refund applied for on Form 4466	25c	( )	d Bal 25d		
e	Tax deposited with Form 7004			25e		
f	Credits: **(1)** Form 2439 **(2)** Form 4136			25f		
g	Reserved for future use			25g		
h	Reserved for future use			25h	25i	
26	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐				26	
27	**Tax due.** If line 25i is smaller than the total of lines 23 and 26, enter amount owed				27	
28	**Overpayment.** If line 25i is larger than the total of lines 23 and 26, enter amount overpaid				28	
29	Enter amount of line 28 you want: **Credited to 2023 estimated tax** **Refunded**				29	

Part II—Tax on Net Income From Foreclosure Property (Section 856(e)) (see instructions)

1	Net gain or (loss) from the sale or other disposition of foreclosure property described in section 1221(a)(1) (attach statement)	1	
2	Gross income from foreclosure property (see instructions—attach statement)	2	
3	Total income from foreclosure property. Add lines 1 and 2	3	
4	Deductions directly connected with the production of income shown on line 3 (attach statement)	4	
5	Net income from foreclosure property. Subtract line 4 from line 3	5	
6	**Tax on net income from foreclosure property.** Multiply line 5 by 21% (0.21). Enter here and on Schedule J, line 2b	6	

Part III—Tax for Failure To Meet Certain Source-of-Income Requirements (Section 857(b)(5)) (see instructions)

1a	Enter total income from Part I, line 8	1a			
b	Enter total income from foreclosure property from Part II, line 3	1b			
c	Total. Add lines 1a and 1b			1c	
2a	Enter income from hedging transactions referred to in section 856(c)(5)(G)	2a			
b	Enter income from passive foreign exchange gain referred to in section 856(n)(3). See instructions	2b			
c	Enter income from sources referred to in section 856(c)(5)(J)(i). See instructions	2c			
d	Enter the net section 965(a) inclusion reported in Part I. See instructions	2d			
e	Subtract lines 2a, 2b, 2c, and 2d from line 1c	2e			
f	Multiply line 2e by 95% (0.95)			2f	
3	Enter income on line 1c from sources referred to in section 856(c)(2)			3	
4	Subtract line 3 from line 2f. (If zero or less, enter -0-.)			4	
5a	Enter income from hedging transactions referred to in section 856(c)(5)(G)	5a			
b	Enter income from real estate foreign exchange gain referred to in section 856(n)(2). See instructions	5b			
c	Enter income from sources referred to in section 856(c)(5)(J)(i). See instructions	5c			
d	Enter the net section 965(a) inclusion reported in Part I. See instructions	5d			
e	Subtract lines 5a, 5b, 5c, and 5d from line 1c	5e			
f	Multiply line 5e by 75% (0.75)			5f	
6	Enter income on line 1c from sources referred to in section 856(c)(3)			6	
7	Subtract line 6 from line 5f. (If zero or less, enter -0-.)			7	
8	Enter the greater of line 4 or line 7. **(If line 8 is zero, do not complete the rest of Part III.)**			8	
9	Enter the amount from Part I, line 20			9	
10	Enter the net capital gain from Schedule D (Form 1120), line 17			10	
11	Subtract line 10 from line 9			11	
12a	Enter total income from Part I, line 8	12a			
b	Enter the net short-term capital gain from Schedule D (Form 1120), line 7. (If line 7 is a loss, enter -0-.)	12b			
c	Add lines 12a and 12b			12c	
13	Enter capital gain net income from Part I, line 5			13	
14	Subtract line 13 from line 12c			14	
15	Divide line 11 by line 14. Carry the result to five decimal places			15	.
16	**Section 857(b)(5) tax.** Multiply line 8 by line 15. Enter here and on Schedule J, line 2c			16	

Form 1120-REIT (2022) Page 3

Part IV—Tax on Net Income From Prohibited Transactions (see instructions)

1	Gain from sale or other disposition of section 1221(a)(1) property (other than foreclosure property)	1	
2	Deductions directly connected with the production of income shown on line 1	2	
3	**Tax on net income from prohibited transactions.** Subtract line 2 from line 1. Enter here and on Schedule J, line 2d	3	

Schedule A Deduction for Dividends Paid (see instructions)

1	Dividends paid (other than dividends paid after the end of the tax year). Do not include dividends considered paid in the preceding tax year under section 857(b)(9) or 858(a), or deficiency dividends as defined in section 860	1	
2	Dividends paid in the 12-month period following the close of the tax year under a section 858(a) election to treat the dividends as paid during the tax year	2	
3	Dividends declared in October, November, or December deemed paid on December 31 under section 857(b)(9)	3	
4	Consent dividends (attach Forms 972 and 973)	4	
5	Deficiency dividends (section 860) (attach Form 976)	5	
6	Total dividends paid. Add lines 1 through 5	6	
7	**Total deduction for dividends paid.** If there is net income from foreclosure property on Part II, line 5, see instructions for limitation on the deduction for dividends paid. Otherwise, enter the total dividends paid from line 6 here and on line 21b of page 1	7	

Schedule J Tax Computation (see instructions)

1	Check if the REIT is a member of a controlled group (attach Schedule O (Form 1120)) ☐ **Important:** Members of a controlled group, see instructions.				
2a	Tax on REIT taxable income	2a			
b	Tax from Part II, line 6	2b			
c	Tax from Part III, line 16	2c			
d	Tax from Part IV, line 3	2d			
e	Tax imposed under section 857(b)(7)(A) (see instructions)	2e			
f	Tax imposed under sections ☐ 856(c)(7) and ☐ 856(g)(5)	2f			
g	**Income tax.** Add lines 2a through 2f			2g	
3a	Foreign tax credit (attach Form 1118)	3a			
b	Credit from Form 8834 (see instructions)	3b			
c	General business credit (attach Form 3800)	3c			
d	Other credits (attach statement—see instructions)	3d			
e	**Total credits.** Add lines 3a through 3d			3e	
4	Subtract line 3e from line 2g			4	
5	Personal holding company tax (attach Schedule PH (Form 1120))			5	
6	Interest on deferred tax liability for installment obligations under sections ☐ 453A(c) and/or ☐ 453(l)(3)			6	
7	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Other (attach statement)			7	
8	**Total tax.** Add lines 4 through 7. Enter here and on line 23, page 2			8	

Form **1120-REIT** (2022)

Form 1120-REIT (2022) Page **4**

Schedule K **Other Information** (see instructions)

		Yes	No
1	Check method of accounting:		
a	☐ Cash		
b	☐ Accrual		
c	☐ Other (specify): _____		
2	At the end of the tax year, did the REIT 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 statement showing: **(a)** name and employer identification number (EIN), **(b)** percentage owned, and **(c)** taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
3	Is the REIT a subsidiary in a parent-subsidiary controlled group?		
	If "Yes," enter the name and EIN of the parent corporation: _____		
4	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the REIT's voting stock? (For rules of attribution, see section 856(h).)		
	If "Yes," attach a statement showing name and identifying number. (Do not include any information already entered in **3** above.) Enter percentage owned _____		
5	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of: **(a)** the total voting power of all classes of stock of the REIT entitled to vote, or **(b)** the total value of all classes of stock of the REIT?		
	If "Yes," enter:		
a	Percentage owned: _____		
b	Owner's country: _____		
c	The REIT may have to file Form 5472. Enter number of Forms 5472 attached _____		
6	During this tax year, did the REIT pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the REIT's current and accumulated earnings and profits? (See sections 301 and 316.)		
	If "Yes," file Form 5452.		
7	Check this box if the REIT issued publicly offered debt instruments with original issue discount ☐		
	If so, the REIT may have to file Form 8281.		
8	Enter the amount of tax-exempt interest received or accrued during the tax year $ _____		
9	Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 21a, page 1.) $ _____		
10	Did the REIT have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		
11	Does the REIT satisfy one or more of the following? See instructions		
a	The REIT owns a pass-through entity with current or prior-year carryover excess business interest expense.		
b	The REIT's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than $27 million and the REIT has business interest expense.		
c	The REIT is a tax shelter and the REIT has business interest expense.		
	If "Yes" to any of the above, complete and attach Form 8990.		
12	Is the REIT attaching Form 8996 to certify as a Qualified Opportunity Fund?		
	If "Yes," enter amount from Form 8996, line 15 $		

Form **1120-REIT** (2022)

Form 1120-REIT (2022) Page **5**

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
Assets	(a)	(b)	(c)	(d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 U.S. Government obligations				
4 Tax-exempt securities (see instructions)				
5 Other current assets (attach statement)				
6 Loans to shareholders				
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	
10 Land (net of any amortization)				
11a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
12 Other assets (attach statement)				
13 Total assets				
Liabilities and Shareholders' Equity				
14 Accounts payable				
15 Mortgages, notes, bonds payable in less than 1 year				
16 Other current liabilities (attach statement)				
17 Loans from shareholders				
18 Mortgages, notes, bonds payable in 1 year or more				
19 Other liabilities (attach statement)				
20 Capital stock: **a** Preferred stock				
b Common stock				
21 Additional paid-in capital				
22 Retained earnings—Appropriated (attach statement)				
23 Retained earnings—Unappropriated				
24 Adjustments to shareholders' equity (see instructions—attach statement)				
25 Less cost of treasury stock		( )		( )
26 Total liabilities and shareholders' equity				

Schedule M-1 **Reconciliation of Income (Loss) per Books With Income per Return** (see instructions)

1 Net income (loss) per books		**7** Income recorded on books this year not included on this return (itemize):	
2a Federal income tax $		Tax-exempt interest $	
b Less: Section 856(c)(7) tax, 856(g)(5) tax, 857(b)(5) tax, section 857(b)(7) tax, and built-in gains tax $ ( )		**8** Deductions on this return not charged against book income this year (itemize):	
c Balance		**a** Depreciation $	
3 Excess of capital losses over capital gains		**b** Net operating loss deduction (line 21a, page 1) $	
4 Income subject to tax not recorded on books this year (itemize):		**c** Deduction for dividends paid (line 21b, page 1) $	
5 Expenses recorded on books this year not deducted on this return (itemize):		**9** Net income from foreclosure property	
a Depreciation $		**10** Net income from prohibited transactions	
b Section 4981 tax $		**11** Add lines 7 through 10	
c Travel and entertainment $		**12** REIT taxable income (line 22, page 2)—line 6 less line 11	
6 Add lines 1 through 5			

Schedule M-2 **Analysis of Unappropriated Retained Earnings per Books (Schedule L, line 23)**

1 Balance at beginning of year		**5** Distributions: **a** Cash	
2 Net income (loss) per books		**b** Stock	
3 Other increases (itemize):		**c** Property	
		6 Other decreases (itemize):	
		7 Add lines 5 and 6	
4 Add lines 1, 2, and 3		**8** Balance at end of year (line 4 less line 7)	

Form **1120-REIT** (2022)

Form **1120-RIC**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for Regulated Investment Companies

For calendar year 2022 or tax year beginning _____, 2022, and ending _____, 20 _____

Go to *www.irs.gov/Form1120RIC* for instructions and the latest information.

OMB No. 1545-0123

2022

A Year of RIC status election	**Please type or print**	Name of fund	**C Employer identification number**
B Date fund was established (see instructions)		Number, street, and room or suite no. (If a P.O. box, see instructions.)	**D** Total assets (see instructions) $
		City or town, state, and ZIP code	

E Check applicable boxes: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return

F Check if the fund is a personal holding company (attach Sch. PH) or if the fund is not in compliance with Regs. sec. 1.852-6 for this tax year ☐

Part I—Investment Company Taxable Income (see instructions)

Income	1	Dividends	1	
	2	Interest	2	
	3	Net foreign currency gain or (loss) from section 988 transactions (attach statement)	3	
	4	Payments with respect to securities loans	4	
	5	Excess of net short-term capital gain over net long-term capital loss from Schedule D (Form 1120), line 16 (attach Schedule D (Form 1120))	5	
	6	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6	
	7	Other income (see instructions—attach statement)	7	
	8	**Total income.** Add lines 1 through 7	8	
Deductions (see instructions)	9	Compensation of officers (see instructions—attach Form 1125-E)	9	
	10	Salaries and wages (less employment credits)	10	
	11	Rents	11	
	12	Taxes and licenses	12	
	13	Interest (see instructions)	13	
	14	Depreciation (attach Form 4562)	14	
	15	Advertising	15	
	16	Registration fees	16	
	17	Insurance	17	
	18	Accounting and legal services	18	
	19	Management and investment advisory fees	19	
	20	Transfer agency, shareholder servicing, and custodian fees and expenses	20	
	21	Reports to shareholders	21	
	22	Other deductions (see instructions—attach statement)	22	
	23	**Total deductions.** Add lines 9 through 22	23	
	24	Taxable income before deduction for dividends paid and deductions under sections 851(d)(2) and 851(i). Subtract line 23 from line 8	24	
	25	**Less:** **a** Deduction for dividends paid (Schedule A, line 8a) **25a**		
		b Deductions for tax imposed under sections 851(d)(2) and 851(i) (Schedule J, line 2c) **25b**	**25c**	

Sign Here

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

May the IRS discuss this return with the preparer shown below? See instructions. ☐**Yes** ☐**No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 64140B Form **1120-RIC** (2022)

Form 1120-RIC (2022) Page **2**

Part I—Investment Company Taxable Income (see instructions) *(continued)*

Tax and Payments	26	**Investment company taxable income.** Subtract line 25c from line 24				26	
	27	**Total tax.** (Schedule J, line 8)				27	
	28	Reserved for future use.				28	
	29a	2021 overpayment credited to 2022	29a				
	b	2022 estimated tax payments	29b				
	c	Less 2022 refund applied for on Form 4466	29c	( )	dBal 29d		
	e	Tax deposited with Form 7004			29e		
	f	Credit for tax paid on undistributed capital gains (attach Form 2439)			29f		
	g	Credit for federal tax paid on fuels (attach Form 4136)			29g		
	h	Reserved for future use			29h		
	i	Reserved for future use			29i	29j	
	30	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐				30	
	31	**Amount owed.** If line 29j is smaller than the total of lines 27 and 30, enter amount owed				31	
	32	**Overpayment.** If line 29j is larger than the total of lines 27 and 30, enter amount overpaid				32	
	33	Enter amount from line 32: **Credited to 2023 estimated tax** Refunded				33	

Part II—Tax on Undistributed Net Capital Gain Not Designated Under Section 852(b)(3)(D)

1	Net capital gain from Schedule D (Form 1120), line 17 (attach Schedule D (Form 1120))	1	
2	Capital gain dividends from Schedule A, line 8b	2	
3	Subtract line 2 from line 1	3	
4	**Capital gains tax.** Multiply line 3 by 21% (0.21). Enter tax here and on line 2b, Schedule J	4	

Schedule A **Deduction for Dividends Paid** (Do not include exempt-interest dividends or capital gain dividends reported on Form 2438, line 9b. See instructions.)

			(a) Ordinary dividends	(b) Capital gain dividends
1	Dividends paid (other than dividends paid after the end of the tax year). Do not include dividends deemed paid in the preceding tax year under section 852(b)(7) or 855(a), or deficiency dividends as defined in section 860(f)	1		
2	Dividends paid in the 12-month period following the close of the tax year that the fund elects to treat as paid during the tax year under section 855(a)	2		
3	Dividends declared in October, November, or December and deemed paid on December 31 under section 852(b)(7)	3		
4	Consent dividends (section 565) (attach Forms 972 and 973)	4		
5	Deficiency dividends (section 860) (attach Form 976)	5		
6	Foreign tax paid deduction (section 853(b)(1)(B)), if applicable	6		
7	Credits from tax credit bonds distributed to shareholders (see instructions)	7		
8	Deduction for dividends paid:			
a	**Ordinary dividends.** Add lines 1 through 7 of column (a). Enter here and on line 25a, Part I	8a		
b	**Capital gain dividends.** Add lines 1 through 5 of column (b). Enter here and on line 2, Part II, above	8b		

Schedule B **Information Required With Respect to Income From Tax-Exempt Obligations**

1	Did the fund qualify under section 852(b)(5) or 852(g) to pay exempt-interest dividends for 2022? ☐ Yes ☐ No If "Yes," complete lines 2 through 5.		
2	Amount of interest excludable from gross income under section 103(a)	2	
3	Amounts disallowed as deductions under sections 265 and 171(a)(2)	3	
4	Net income from tax-exempt obligations. Subtract line 3 from line 2	4	
5	Amount of line 4 designated as exempt-interest dividends	5	

Schedule J **Tax Computation** (see instructions)

1	Check if the fund is a member of a controlled group (attach Schedule O (Form 1120)) ☐				
2a	Tax on investment company taxable income	2a			
b	Tax on undistributed net capital gain (from Part II, line 4)	2b			
c	Tax imposed under sections ☐ 851(d)(2) and ☐ 851(i)	2c			
d	**Income tax.** Add lines 2a through 2c			2d	
3a	Foreign tax credit (attach Form 1118)	3a			
b	Credit from Form 8834, line 7 (attach Form 8834)	3b			
c	General business credit (attach Form 3800)	3c			
d	Other credits (attach statement—see instructions)	3d			
e	**Total credits.** Add lines 3a through 3d			3e	
4	Subtract line 3e from line 2d			4	

Form **1120-RIC** (2022)

Form 1120-RIC (2022) Page 3

Schedule J **Tax Computation** (see instructions) *(continued)*

5	Personal holding company tax (attach Schedule PH (Form 1120))	5	
6	Interest on deferred tax liability for installment obligations under sections: ☐ 453A(c) and/or ☐ 453(l)(3)	6	
7	Other taxes. Check if from: ☐ Form 4255 ☐ Other (attach statement)	7	
8	**Total tax.** Add lines 4 through 7. Enter here and on line 27	8	

Schedule K **Other Information** (see instructions)

		Yes	No
1	Check method of accounting:		
a	☐ Cash **b** ☐ Accrual **c** ☐ Other (specify):		
2	At the end of the tax year, did the RIC 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 statement showing **(a)** name and identification number, **(b)** percentage owned, and **(c)** taxable income or (loss) before a net operating loss (NOL) and special deductions of such corporation for the tax year ending with or within your tax year.		
3	Is the RIC a subsidiary in a parent-subsidiary controlled group? If "Yes," enter the employer identification number and the name of the parent corporation:		
4	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the RIC's voting stock? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing name and identification number. (Do not include any information already entered in **3** above.) Enter percentage owned:		
5	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of:		
a	The total voting power of all classes of stock of the fund entitled to vote, **or**		
b	The total value of all classes of stock of the fund? If "Yes," enter: (1) Percentage owned: (2) Owner's country: The fund may have to file Form 5472. Enter number of Forms 5472 attached:		
6	During this tax year, did the fund pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the fund's current and accumulated earnings and profits? (see sections 301 and 316) If "Yes," file Form 5452.		
7	Check this box if the fund issued publicly offered debt instruments with original issue discount ☐ If checked, the fund may have to file Form 8281.		
8	Enter the amount of tax-exempt interest received or accrued during the tax year. $		
9	If this return is being filed for a series fund (as defined in section 851(g)(2)), enter:		
a	The name of the regulated investment company in which the fund is a series:		
b	The date the regulated investment company was incorporated or organized:		
10a	**Section 853 election.** Check this box if the fund meets the requirements of section 853(a) and section 901(k) **and** elects to pass through the deduction or credit for foreign taxes it paid to its shareholders. See the instructions for additional details and requirements ☐		
b	**Section 852(g) election.** Check this box if the fund meets the requirements of section 852(g) **and** elects the application of section 853 without regards to the requirement of section 853(a)(1). See the instructions for additional details and requirements ☐		
11	**Section 853A election.** Check this box if the fund elects under section 853A to pass through credits from tax credit bonds to its shareholders. See instructions ☐		
12	**Section 852(b)(8) election.** Check this box if, for purposes of computing taxable income, the fund elects under section 852(b)(8) to defer all or part of its post-October capital loss or late-year ordinary loss for this tax year ☐ If the election is made, enter the amounts deferred:		
a	Post-October capital loss:		
b	Late-year ordinary loss:		
13	Did the RIC have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year (see instructions)?		
14	Does the RIC satisfy one or more of the following (see instructions)?		
a	The RIC owns a pass-through entity with current or prior year carryover excess business interest expense.		
b	The RIC's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than $27 million and the corporation has business interest expense.		
c	The RIC is a tax shelter and the RIC has business interest expense.		
d	The RIC paid section 163(j) interest dividends for the tax year. If "Yes" to any, complete and attach Form 8990.		
15	Is the RIC attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter amount from Form 8996, line 15		

Form **1120-RIC** (2022)

Form 1120-RIC (2022) Page **4**

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
Assets	(a)	(b)	(c)	(d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 U.S. government obligations				
4 Tax-exempt securities (see instructions)				
5 Other current assets (attach statement)				
6 Loans to shareholders				
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other fixed depreciable assets				
b Less accumulated depreciation	( )		( )	
10 Land (net of any amortization)				
11a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
12 Other assets (attach statement)				
13 Total assets				
Liabilities and Shareholders' Equity				
14 Accounts payable				
15 Mortgages, notes, bonds payable in less than 1 year				
16 Other current liabilities (attach statement)				
17 Loans from shareholders				
18 Mortgages, notes, bonds payable in 1 year or more				
19 Other liabilities (attach statement)				
20 Capital stock				
21 Additional paid-in capital				
22 Retained earnings—Appropriated (attach statement)				
23 Retained earnings—Unappropriated				
24 Adjustments to shareholders' equity (attach statement)				
25 Less cost of treasury stock		( )		( )
26 Total liabilities and shareholders' equity				

Note: The fund is not required to complete Schedules M-1 and M-2 if the total assets on Schedule L, line 13, column (d), are less than $25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)

1	Net income (loss) per books	**7**	Income recorded on books this year not included on this return (itemize): Tax-exempt interest $
2	Federal income tax (less built-in gains tax)		
3	Excess of capital losses over capital gain	**8**	Deductions on this return not charged against book income this year (itemized):
4	Income subject to tax not recorded on books this year (itemize):	**a**	Depreciation $
		b	Deduction for dividends paid (line 25a, Part I) $
5	Expenses recorded on books this year not deducted on this return (itemize):	**9**	Net capital gain from Form 2438, line 9a
a	Depreciation $	**10**	If the fund did not file Form 2438, enter the net capital gain from Schedule D (Form 1120), line 17. Otherwise, enter -0-
b	Expenses allocable to tax-exempt interest income $	**11**	Add lines 7 through 10
c	Section 4982 tax $	**12**	Investment company taxable income (line 26, Part I)—line 6 less line 11
d	Travel and entertainment $		
6	Add lines 1 through 5		

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, line 23)

1	Balance at beginning of year	**5**	Distributions: **a** Cash
2	Net income (loss) per books		**b** Stock
3	Other increases (itemize):		**c** Property
		6	Other decreases (itemize):
		7	Add lines 5 and 6
4	Add lines 1, 2, and 3	**8**	Balance at end of year (line 4 less line 7)

Form **1120-RIC** (2022)

Form **1120-S**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
Go to *www.irs.gov/Form1120S* for instructions and the latest information.

OMB No. 1545-0123

2022

For calendar year 2022 or tax year beginning , 2022, ending , 20

A S election effective date	**TYPE OR PRINT** Name	**D** Employer identification number
B Business activity code number (see instructions)	Number, street, and room or suite no. If a P.O. box, see instructions.	**E** Date incorporated
C Check if Sch. M-3 attached ☐	City or town, state or province, country, and ZIP or foreign postal code	**F** Total assets (see instructions) $

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

H Check if: **(1)** ☐ Final return **(2)** ☐ Name change **(3)** ☐ Address change **(4)** ☐ Amended return **(5)** ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year . . . . . .

J Check if corporation: **(1)** ☐ Aggregated activities for section 465 at-risk purposes **(2)** ☐ Grouped activities for section 469 passive activity purposes

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

Income	**1a**	Gross receipts or sales	**1a**			
	b	Returns and allowances	**1b**			
	c	Balance. Subtract line 1b from line 1a			**1c**	
	2	Cost of goods sold (attach Form 1125-A)			**2**	
	3	Gross profit. Subtract line 2 from line 1c			**3**	
	4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)			**4**	
	5	Other income (loss) (see instructions—attach statement)			**5**	
	6	**Total income (loss).** Add lines 3 through 5			**6**	
Deductions (see instructions for limitations)	**7**	Compensation of officers (see instructions—attach Form 1125-E)			**7**	
	8	Salaries and wages (less employment credits)			**8**	
	9	Repairs and maintenance			**9**	
	10	Bad debts			**10**	
	11	Rents			**11**	
	12	Taxes and licenses			**12**	
	13	Interest (see instructions)			**13**	
	14	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			**14**	
	15	Depletion **(Do not deduct oil and gas depletion.)**			**15**	
	16	Advertising			**16**	
	17	Pension, profit-sharing, etc., plans			**17**	
	18	Employee benefit programs			**18**	
	19	Other deductions (attach statement)			**19**	
	20	**Total deductions.** Add lines 7 through 19			**20**	
	21	**Ordinary business income (loss).** Subtract line 20 from line 6			**21**	
Tax and Payments	**22a**	Excess net passive income or LIFO recapture tax (see instructions)	**22a**			
	b	Tax from Schedule D (Form 1120-S)	**22b**			
	c	Add lines 22a and 22b (see instructions for additional taxes)			**22c**	
	23a	2022 estimated tax payments and 2021 overpayment credited to 2022	**23a**			
	b	Tax deposited with Form 7004	**23b**			
	c	Credit for federal tax paid on fuels (attach Form 4136)	**23c**			
	d	Add lines 23a through 23c			**23d**	
	24	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐			**24**	
	25	**Amount owed.** If line 23d is smaller than the total of lines 22c and 24, enter amount owed			**25**	
	26	**Overpayment.** If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			**26**	
	27	Enter amount from line 26: **Credited to 2023 estimated tax** **Refunded**			**27**	

Sign Here

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

May the IRS discuss this return with the preparer shown below? See instructions. ☐ **Yes** ☐ **No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form **1120-S** (2022)

Form 1120-S (2022) Page 2

Schedule B **Other Information** (see instructions)

		Yes	No
1	Check accounting method: **a** ☐ Cash **b** ☐ Accrual **c** ☐ Other (specify)		
2	See the instructions and enter the: **a** Business activity **b** Product or service		
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation		
4	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) Is 100%, Enter the Date (if applicable) a Qualified Subchapter S Subsidiary Election Was Made

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5a	At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below.		
	(i) Total shares of restricted stock		
	(ii) Total shares of non-restricted stock		
b	At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below.		
	(i) Total shares of stock outstanding at the end of the tax year		
	(ii) Total shares of stock outstanding if all instruments were executed		
6	Has this corporation filed, or is it required to file, **Form 8918,** Material Advisor Disclosure Statement, to provide information on any reportable transaction?		
7	Check this box if the corporation issued publicly offered debt instruments with original issue discount ☐ If checked, the corporation may have to file **Form 8281,** Information Return for Publicly Offered Original Issue Discount Instruments.		
8	If the corporation **(a)** was a C corporation before it elected to be an S corporation **or** the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, **and (b)** has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions $		
9	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		
10	Does the corporation satisfy one or more of the following? See instructions		
a	The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b	The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than $27 million and the corporation has business interest expense.		
c	The corporation is a tax shelter and the corporation has business interest expense. If "Yes," complete and attach **Form 8990**, Limitation on Business Interest Expense Under Section 163(j).		
11	Does the corporation satisfy **both** of the following conditions?		
a	The corporation's total receipts (see instructions) for the tax year were less than $250,000.		
b	The corporation's total assets at the end of the tax year were less than $250,000. If "Yes," the corporation is not required to complete Schedules L and M-1.		

Form **1120-S** (2022)

Form 1120-S (2022) Page 3

Schedule B	Other Information (see instructions) *(continued)*	Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		
	If "Yes," enter the amount of principal reduction . . . $		
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		
14a	Did the corporation make any payments in 2022 that would require it to file Form(s) 1099?		
b	If "Yes," did or will the corporation file required Form(s) 1099?		
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		
	If "Yes," enter the amount from Form 8996, line 15 . . . $		

Schedule K		Shareholders' Pro Rata Share Items			Total amount
Income (Loss)	1	Ordinary business income (loss) (page 1, line 21)		1	
	2	Net rental real estate income (loss) (attach Form 8825)		2	
	3a	Other gross rental income (loss)	3a		
	b	Expenses from other rental activities (attach statement)	3b		
	c	Other net rental income (loss). Subtract line 3b from line 3a		3c	
	4	Interest income		4	
	5	Dividends: **a** Ordinary dividends		5a	
		b Qualified dividends	5b		
	6	Royalties		6	
	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120-S))		7	
	8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120-S))		8a	
	b	Collectibles (28%) gain (loss)	8b		
	c	Unrecaptured section 1250 gain (attach statement)	8c		
	9	Net section 1231 gain (loss) (attach Form 4797)		9	
	10	Other income (loss) (see instructions) Type:		10	
Deductions	11	Section 179 deduction (attach Form 4562)		11	
	12a	Charitable contributions		12a	
	b	Investment interest expense		12b	
	c	Section 59(e)(2) expenditures Type:		12c	
	d	Other deductions (see instructions) Type:		12d	
Credits	13a	Low-income housing credit (section 42(j)(5))		13a	
	b	Low-income housing credit (other)		13b	
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)		13c	
	d	Other rental real estate credits (see instructions) Type:		13d	
	e	Other rental credits (see instructions) Type:		13e	
	f	Biofuel producer credit (attach Form 6478)		13f	
	g	Other credits (see instructions) Type:		13g	
International	14	Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items—International, and check this box to indicate you are reporting items of international tax relevance ☐			
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment		15a	
	b	Adjusted gain or loss		15b	
	c	Depletion (other than oil and gas)		15c	
	d	Oil, gas, and geothermal properties—gross income		15d	
	e	Oil, gas, and geothermal properties—deductions		15e	
	f	Other AMT items (attach statement)		15f	
Items Affecting Shareholder Basis	16a	Tax-exempt interest income		16a	
	b	Other tax-exempt income		16b	
	c	Nondeductible expenses		16c	
	d	Distributions (attach statement if required) (see instructions)		16d	
	e	Repayment of loans from shareholders		16e	
	f	Foreign taxes paid or accrued		16f	

Form **1120-S** (2022)

Form 1120-S (2022) Page **4**

Schedule K		**Shareholders' Pro Rata Share Items** *(continued)*	**Total amount**	
Other Information	**17a**	Investment income	**17a**	
	b	Investment expenses	**17b**	
	c	Dividend distributions paid from accumulated earnings and profits	**17c**	
	d	Other items and amounts (attach statement)		
Reconciliation	**18**	**Income (loss) reconciliation.** Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 16f	**18**	

Schedule L	**Balance Sheets per Books**	Beginning of tax year		End of tax year	
	Assets	**(a)**	**(b)**	**(c)**	**(d)**
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	( )		( )	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	( )		( )	
11a	Depletable assets				
b	Less accumulated depletion	( )		( )	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	( )		( )	
14	Other assets (attach statement)				
15	Total assets				
	Liabilities and Shareholders' Equity				
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock		( )		( )
27	Total liabilities and shareholders' equity				

Form **1120-S** (2022)

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize)		a	Tax-exempt interest $	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 16f (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 16f, not charged against book income this year (itemize):	
a	Depreciation $		a	Depreciation $	
b	Travel and entertainment $		7	Add lines 5 and 6	
4	Add lines 1 through 3		8	Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	

Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account

(see instructions)

		(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1	Balance at beginning of tax year				
2	Ordinary income from page 1, line 21				
3	Other additions				
4	Loss from page 1, line 21	( )			
5	Other reductions	( )			( )
6	Combine lines 1 through 5				
7	Distributions				
8	Balance at end of tax year. Subtract line 7 from line 6				

SCHEDULE D (Form 1120-S)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses and Built-in Gains

Attach to Form 1120-S.
Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.
Go to *www.irs.gov/Form1120S* for instructions and the latest information.

OMB No. 1545-0123

2022

Name | **Employer identification number**

Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? . . . . . ☐ **Yes** ☐ **No**
If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less (see instructions)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off the cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with **Box A** checked . .				
2 Totals for all transactions reported on Form(s) 8949 with **Box B** checked . .				
3 Totals for all transactions reported on Form(s) 8949 with **Box C** checked . .				

4	Short-term capital gain from installment sales from Form 6252, line 26 or 37	**4**	
5	Short-term capital gain or (loss) from like-kind exchanges from Form 8824	**5**	
6	Tax on short-term capital gain included on line 23 below	**6**	( )
7	**Net short-term capital gain or (loss).** Combine lines 1a through 6 in column (h). Enter here and on Form 1120-S, Schedule K, line 7 or 10	**7**	

Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year (see instructions)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off the cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with **Box D** checked . .				
9 Totals for all transactions reported on Form(s) 8949 with **Box E** checked . .				
10 Totals for all transactions reported on Form(s) 8949 with **Box F** checked . .				

11	Long-term capital gain from installment sales from Form 6252, line 26 or 37	**11**	
12	Long-term capital gain or (loss) from like-kind exchanges from Form 8824	**12**	
13	Capital gain distributions (see instructions)	**13**	
14	Tax on long-term capital gain included on line 23 below	**14**	( )
15	**Net long-term capital gain or (loss).** Combine lines 8a through 14 in column (h). Enter here and on Form 1120-S, Schedule K, line 8a or 10	**15**	

For Paperwork Reduction Act Notice, see the Instructions for Form 1120-S. Cat. No. 11516V **Schedule D (Form 1120-S) 2022**

Part III **Built-in Gains Tax** (See instructions **before** completing this part.)

16	Excess of recognized built-in gains over recognized built-in losses (attach computation statement)	**16**	
17	Taxable income (attach computation statement)	**17**	
18	Net recognized built-in gain. Enter the smallest of line 16, line 17, or line 8 of Schedule B	**18**	
19	Section 1374(b)(2) deduction	**19**	
20	Subtract line 19 from line 18. If zero or less, enter -0- here and on line 23	**20**	
21	Enter 21% (0.21) of line 20	**21**	
22	Section 1374(b)(3) business credit and minimum tax credit carryforwards from C corporation years	**22**	
23	**Tax.** Subtract line 22 from line 21 (if zero or less, enter -0-). Enter here and on Form 1120-S, page 1, line 22b	**23**	

Form **1125-A**
(Rev. November 2018)
Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

► **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
► **Go to *www.irs.gov/Form1125A* for the latest information.**

OMB No. 1545-0123

Name | **Employer identification number**

1	Inventory at beginning of year	**1**		
2	Purchases	**2**		
3	Cost of labor	**3**		
4	Additional section 263A costs (attach schedule)	**4**		
5	Other costs (attach schedule)	**5**		
6	**Total.** Add lines 1 through 5	**6**		
7	Inventory at end of year	**7**		
8	**Cost of goods sold.** Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	**8**		

9a Check all methods used for valuing closing inventory:
(i) ☐ Cost
(ii) ☐ Lower of cost or market
(iii) ☐ Other (Specify method used and attach explanation.) ►

b Check if there was a writedown of subnormal goods ► ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ► ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Small business taxpayers. For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

General Instructions

Purpose of Form

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

Who Must File

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

Inventories

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

Exception for certain taxpayers. A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are non-incidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

Small business taxpayer. A small business taxpayer is a taxpayer that (a) has average annual gross receipts of $25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.

Uniform capitalization rules. The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization

(Including Information on Listed Property)

Attach to your tax return.

Go to *www.irs.gov/Form4562* for instructions and the latest information.

OMB No. 1545-0172

2022

Attachment Sequence No. **179**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**

Part I **Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	**1**	
2	Total cost of section 179 property placed in service (see instructions)	**2**	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	**3**	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	**4**	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	**5**	

6	**(a)** Description of property	**(b)** Cost (business use only)	**(c)** Elected cost

7	Listed property. Enter the amount from line 29	**7**	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	**8**	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	**9**	
10	Carryover of disallowed deduction from line 13 of your 2021 Form 4562	**10**	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	**11**	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	**12**	
13	Carryover of disallowed deduction to 2023. Add lines 9 and 10, less line 12	**13**	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II **Special Depreciation Allowance and Other Depreciation (Don't** include listed property. See instructions.**)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	**14**	
15	Property subject to section 168(f)(1) election	**15**	
16	Other depreciation (including ACRS)	**16**	

Part III **MACRS Depreciation (Don't** include listed property. See instructions.**)**

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2022	**17**	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B—Assets Placed in Service During 2022 Tax Year Using the General Depreciation System

(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2022 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV **Summary** (See instructions.)

21	Listed property. Enter amount from line 28	**21**	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	**22**	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	**23**	

Form 4562 (2022) Page **2**

Part V **Listed Property** (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.**)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions .						**25**		
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L –		
		%				S/L –		
		%				S/L –		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 .						**28**		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**don't** include commuting miles) .												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person? . .												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . .		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2022 tax year (see instructions):					
43 Amortization of costs that began before your 2022 tax year				**43**	
44 **Total.** Add amounts in column (f). See the instructions for where to report				**44**	

Form **4562** (2022)

Form **6765**
(Rev. December 2020)
Department of the Treasury
Internal Revenue Service

Credit for Increasing Research Activities

► **Attach to your tax return.**
► **Go to *www.irs.gov/Form6765* for instructions and the latest information.**

OMB No. 1545-0619

Attachment Sequence No. **676**

Name(s) shown on return | **Identifying number**

Section A—Regular Credit. Skip this section and go to Section B if you are electing or previously elected (and are not revoking) the alternative simplified credit.

1	Certain amounts paid or incurred to energy consortia (see instructions)			**1**	
2	Basic research payments to qualified organizations (see instructions)	**2**			
3	Qualified organization base period amount	**3**			
4	Subtract line 3 from line 2. If zero or less, enter -0-			**4**	
5	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	**5**			
6	Cost of supplies	**6**			
7	Rental or lease costs of computers (see instructions)	**7**			
8	Enter the applicable percentage of contract research expenses. See instructions	**8**			
9	Total qualified research expenses. Add lines 5 through 8	**9**			
10	Enter fixed-base percentage, but not more than 16% (0.16) (see instructions)	**10**	%		
11	Enter average annual gross receipts. See instructions	**11**			
12	Multiply line 11 by the percentage on line 10	**12**			
13	Subtract line 12 from line 9. If zero or less, enter -0-	**13**			
14	Multiply line 9 by 50% (0.50)	**14**			
15	Enter the **smaller** of line 13 or line 14			**15**	
16	Add lines 1, 4, and 15			**16**	
17	Are you electing the reduced credit under section 280C? ► Yes ☐ No ☐ If "Yes," multiply line 16 by 15.8% (0.158). If "No," multiply line 16 by 20% (0.20) and see the instructions for the statement that must be attached. Members of controlled groups or businesses under common control, see instructions for the statement that must be attached			**17**	

Section B—Alternative Simplified Credit. Skip this section if you are completing Section A.

18	Certain amounts paid or incurred to energy consortia (see the line 1 instructions)			**18**	
19	Basic research payments to qualified organizations (see the line 2 instructions)	**19**			
20	Qualified organization base period amount (see the line 3 instructions)	**20**			
21	Subtract line 20 from line 19. If zero or less, enter -0-			**21**	
22	Add lines 18 and 21			**22**	
23	Multiply line 22 by 20% (0.20)			**23**	
24	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	**24**			
25	Cost of supplies	**25**			
26	Rental or lease costs of computers (see the line 7 instructions)	**26**			
27	Enter the applicable percentage of contract research expenses. See the line 8 instructions	**27**			
28	Total qualified research expenses. Add lines 24 through 27	**28**			
29	Enter your total qualified research expenses for the prior 3 tax years. If you had no qualified research expenses in any one of those years, skip lines 30 and 31	**29**			
30	Divide line 29 by 6.0	**30**			
31	Subtract line 30 from line 28. If zero or less, enter -0-	**31**			
32	Multiply line 31 by 14% (0.14). If you skipped lines 30 and 31, multiply line 28 by 6% (0.06)			**32**	
33	Add lines 23 and 32			**33**	
34	Are you electing the reduced credit under section 280C? ► Yes ☐ No ☐ If "Yes," multiply line 33 by 79% (0.79). If "No," enter the amount from line 33 and see the line 17 instructions for the statement that must be attached. Members of controlled groups or businesses under common control, see instructions for the statement that must be attached			**34**	

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 13700H Form **6765** (Rev. 12-2020)

35	Enter the portion of the credit from Form 8932, line 2, that is attributable to wages that were also used to figure the credit on line 17 or line 34 (whichever applies)	**35**	
36	Subtract line 35 from line 17 or line 34 (whichever applies). If zero or less, enter -0-	**36**	
37	Credit for increasing research activities from partnerships, S corporations, estates, and trusts	**37**	
38	Add lines 36 and 37	**38**	
	• Estates and trusts, go to line 39. • Partnerships and S corporations not electing the payroll tax credit, stop here and report this amount on Schedule K. • Partnerships and S corporations electing the payroll tax credit, complete Section D and report on Schedule K the amount on this line reduced by the amount on line 44. • Eligible small businesses, stop here and report the credit on Form 3800, Part III, line 4i. See instructions for the definition of eligible small business. • Filers other than eligible small businesses, stop here and report the credit on Form 3800, Part III, line 1c. **Note:** Qualified small business filers, other than partnerships and S corporations, electing the payroll tax credit must complete Form 3800 before completing Section D.		
39	Amount allocated to beneficiaries of the estate or trust (see instructions)	**39**	
40	Estates and trusts, subtract line 39 from line 38. For eligible small businesses, report the credit on Form 3800, Part III, line 4i. See instructions. For filers other than eligible small businesses, report the credit on Form 3800, Part III, line 1c	**40**	

Section D—Qualified Small Business Payroll Tax Election and Payroll Tax Credit. Skip this section if the payroll tax election does not apply. See instructions.

41	Check this box if you are a qualified small business electing the payroll tax credit. See instructions ☐		
42	Enter the portion of line 36 elected as a payroll tax credit (do not enter more than $250,000). See instructions	**42**	
43	General business credit carryforward from the current year (see instructions). Partnerships and S corporations, skip this line and go to line 44	**43**	
44	Partnerships and S corporations, enter the smaller of line 36 or line 42. All others, enter the smallest of line 36, line 42, or line 43. Enter here and on the applicable line of Form 8974, Part 1, column (e). Members of controlled groups or businesses under common control, see instructions for the statement that must be attached	**44**	

Form **6765** (Rev. 12-2020)

Form **8825** (Rev. November 2018)
Department of the Treasury
Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

▶ **Attach to Form 1065 or Form 1120S.**
▶ **Go to *www.irs.gov/Form8825* for the latest information.**

OMB No. 1545-0123

Name | **Employer identification number**

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.

	Physical address of each property—street, city, state, ZIP code	Type—Enter code 1–8; see page 2 for list	Fair Rental Days	Personal Use Days
A				
B				
C				
D				

			Properties A	B	C	D
	Rental Real Estate Income					
2	Gross rents	**2**				
	Rental Real Estate Expenses					
3	Advertising	**3**				
4	Auto and travel	**4**				
5	Cleaning and maintenance	**5**				
6	Commissions	**6**				
7	Insurance	**7**				
8	Legal and other professional fees	**8**				
9	Interest (see instructions)	**9**				
10	Repairs	**10**				
11	Taxes	**11**				
12	Utilities	**12**				
13	Wages and salaries	**13**				
14	Depreciation (see instructions)	**14**				
15	Other (list) ▶	**15**				
16	Total expenses for each property. Add lines 3 through 15	**16**				
17	Income or (loss) from each property. Subtract line 16 from line 2	**17**				

18a	Total gross rents. Add gross rents from line 2, columns A through H	**18a**	
b	Total expenses. Add total expenses from line 16, columns A through H	**18b**	( )
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	**19**	
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	**20a**	
b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed.		
	(1) Name / **(2)** Employer identification number		
21	Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • **Form 1065 or 1120S:** Schedule K, line 2	**21**	

For Paperwork Reduction Act Notice, see instructions. Cat. No. 10136Z Form **8825** (Rev. 11-2018)

Form 8825 (Rev. 11-2018) Page **2**

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.

	Physical address of each property—street, city, state, ZIP code	Type—Enter code 1–8; see below for list	Fair Rental Days	Personal Use Days
E				
F				
G				
H				

			Properties							
	Rental Real Estate Income		**E**		**F**		**G**		**H**	
2	Gross rents	**2**								
	Rental Real Estate Expenses									
3	Advertising	**3**								
4	Auto and travel	**4**								
5	Cleaning and maintenance	**5**								
6	Commissions	**6**								
7	Insurance	**7**								
8	Legal and other professional fees	**8**								
9	Interest (see instructions)	**9**								
10	Repairs	**10**								
11	Taxes	**11**								
12	Utilities	**12**								
13	Wages and salaries	**13**								
14	Depreciation (see instructions)	**14**								
15	Other (list) ▶	**15**								
16	Total expenses for each property. Add lines 3 through 15	**16**								
17	Income or (loss) from each property. Subtract line 16 from line 2	**17**								

Allowable Codes for Type of Property

1—Single Family Residence
2—Multi-Family Residence
3—Vacation or Short-Term Rental
4—Commercial
5—Land
6—Royalties
7—Self-Rental
8—Other (include description with the code on Form 8825 or on a separate statement)

Form **8825** (Rev. 11-2018)