

## Form 1120S Test Scenario 4

**Great Atomic Pyrotechnics & Design, Inc.**

**00-0000006**

**FORMS REQUIRED:** 1120S, Schedule K-1 (1120S) (2), 1125-A, 1125-E, 4562 (2), 4797, 8453-S, 8825

### **ATTACHMENTS:**

ItemizedOtherIncomeSchedule2  
ItemizedOtherDeductionsSchedule2  
ItemizedOtherCurrentAssetsSchedule  
ItemizedOtherInvestmentSchedule  
ItemizedOtherAssetsSchedule  
ItemizedOtherCurrentLiabilitiesSchedule  
ItemizedIncomeNotRecordedonBooksSchedule2  
ItemizedDeductionsNotChargedAgainstBooksSchedule2  
AccumulatedAdjustmentsAccountOtherAdditionsSchedule  
AccumulatedAdjustmentsAccountOtherReductionsSchedule  
ItemizedOtherCostsSchedule  
DispositionOfPropWithSect179DeductionsStatement (2)

### **Additional information:**

- X The Employer identification number (EIN) was changed to **00-0000006** for this example.
- X The entry in Schedule K-1 (Form 1120S), Part I, Box C, "IRS Center where corporation filed return," should be "OSPC".

**BINARY ATTACHMENT:** Scanned Form 8453-C (8453 Signature Document)

**HEADER INFO:** Not on the actual return

**Multiple Software Packages Used:** No

**Originator:** **EFIN:** Self-select  
**Type:** ERO  
**Practitioner PIN:** None  
**PIN entered by:** N/A

**Signature Option:** Binary attachment 8453 signature document

## Form 1120S Test Scenario 4

**Officer:** **Name:** Carmen Sandiego  
**Title:** President  
**Taxpayer PIN:** N/A  
**Phone:** 703-555-1515  
**Email Address:** [carmensandiego@greatatomic.com](mailto:carmensandiego@greatatomic.com)  
**Date Signed:** 01/25/16

**Preparer:** **Name:** Johnny Appleseed  
**Email Address:** [johnny.appleseed@greatatomic.com](mailto:johnny.appleseed@greatatomic.com)  
**Date Prepared:** 01/20/2016

**Name Control:** Form 1120 Great Atomic Pyrotechnics & Designs, Inc – GRE A Sch K-1  
Shareholder Issa Salesbury – SALE  
Sch K-1 Shareholder Mak A Desision – DESI IP

**Address:** 112.112.112.112

### Great Atomic Pyrotechnics & Design, Inc

**Attachment 1, F1120S,** Line 5: Other Income (Loss) (ItemizedOtherIncomeSchedule 2)

Miscellaneous Income	4,860
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**Attachment 2, F1120S,** Line 19, Other Deductions (ItemizedOtherDeductionsSchedule2)

Vehicle expenses	19,567
Charges-Bank & Financial	415
Dues & Subscriptions	200
Insurance	22,232
Miscellaneous	255
Office Supplies	1,220
Postage & Delivery	207
Printing & Reproduction	158
Professional Fees	620
Repairs to Equipment	679
Small Tools	3,247
Utilities	3,651
Amortization	918
50% of Meals & Entertainment	<u>487</u>
<b>Total</b>	<b>53,856</b>

## Form 1120S Test Scenario 4

**Attachment 3, Form 1120S**, Sch L, Balance Sheets per Books, Line 6(d): Other current assets at end of tax year. (*ItemizedOtherCurrentAssetsSchedule*)

	<b>Ending</b>
Employee Loans	2,950
Spec House Costs	<u>275,026</u>
<b>Total</b>	<b>277,976</b>

**Attachment 4, Form 1120S, Schedule L** Balance Sheets per Books, Line 9(b): Other investments at beginning of tax year. (*ItemizedOtherInvestmentsSchedule*)

	<b>Beginning</b>
Other Investments	<b>1,000</b>

**Attachment 5, Form 1120S**, Sch L Balance Sheets per Books, Line 14 (b): Other assets at beginning of tax year

(*ItemizedOtherAssetsSchedule*)

	<b>Beginning</b>
Spec House	<b>913</b>

**Attachment 6, Form 1120S**, Sch L Balance Sheets per Books, Line 18 (b) & (d): Other current Liabilities at beginning and end of tax year. (*ItemizedOtherCurrentLiabilitiesSchedule*)

	<b>Beginning</b>	<b>Ending</b>
Spec House Loans		232,240
Payroll Tax Liabilities	2,975	4,533
Credit Card Liability	<u>6,661</u>	<u>15,043</u>
<b>Total</b>	<b>9,636</b>	<b>251,816</b>

**Attachment 7, Form 1120S**, Sch M-1, Line 2: Total Income Not Recorded on Books

(*ItemizedIncomeNotRecordedOnBooksSchedule2*)

Form 4797 Book/Tax Diff	<b>2,885</b>
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**Attachment 8, Form 1120S**, Sch M-1, Line 6: Total deductions (depreciation and itemized deductions) on this return not charged against book income this year.

(*ItemizedDeductionsNotChargedAgainstBookSchedule2*)

Depreciation	<b>6,082</b>
Miscellaneous Expense	<b>6,768</b>

## Form 1120S Test Scenario 4

**Attachment 9, Form 1120S**, Page 5, Sch M-2, Line 3: Other Additions, (Total of all other additions)  
(AccumulatedAdjustmentsAccountOtherAdditionsSchedule)

Gain on Sale Sec 179 Assets	2,800
Net Rental Real Estate income (loss), Form 8825	2,725

**Attachment 10, Form 1120S**, Sch M-2, Line 5a: Total of itemized other reductions  
(AccumulatedAdjustmentsAccountOtherReductionsSchedule)

Disallowed Entertainment Expense	486
Section 179 deduction	11,463
<b>Total</b>	<b>11,949</b>

**Attachment 11, Form 1125-A**, Line 5: Other Costs (ItemizedOtherCostsSchedule)

Subcontractors	334,099
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**Attachment 12, Schedule K-1 (000-00-0005)** Line 17: Other Information  
(DispositionOfPropWithSect179DeductionsStatement)

Description of Property:	Dodge 1987 Red Pickup Truck
Gross Sales Price:	1,400
Cost or Expense of Sale:	1,000
Date Property was Acquired:	07/29/2004
Date Property was Sold:	06/13/2015
Section 179 Deduction:	1,000

**Attachment 13, Schedule K-1 (000-00-0001)** Line 17: Other Information  
(DispositionOfPropWithSect179DeductionsStatement)

Description of Property:	Dodge 1987 Red Pickup Truck
Gross Sales Price:	1,400
Cost or Expense of Sale:	1,000
Date Property was Acquired:	07/29/2004
Date Property was Sold:	06/13/2015
Section 179 Deduction:	1,000

Form **1120S**Department of the Treasury  
Internal Revenue Service**Form 1120S Test Scenario 4**  
**U.S. Income Tax Return for an S Corporation**

OMB No. 1545-0123

**2015**▶ Do not file this form unless the corporation has filed or is  
attaching Form 2553 to elect to be an S corporation.▶ Information about Form 1120S and its separate instructions is at [www.irs.gov/form1120s](http://www.irs.gov/form1120s).

For calendar year 2015 or tax year beginning , 2015, ending , 20

<b>A</b> S election effective date 01/01/1990	<b>TYPE</b> <b>OR</b> <b>PRINT</b>	Name Great Atomic Pyrotechnics & Design, Inc.	<b>D</b> Employer identification number 00-0000006
<b>B</b> Business activity code number (see instructions) 325100		Number, street, and room or suite no. If a P.O. box, see instructions. 36 Any Street	<b>E</b> Date incorporated 01/01/1990
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code Boomtown, CA 90062	<b>F</b> Total assets (see instructions) \$ 498,034

**G** Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☐ No If "Yes," attach Form 2553 if not already filed**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation**I** Enter the number of shareholders who were shareholders during any part of the tax year . . . . . 2**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales . . . . .	<b>1a</b>	1,124,560	
	<b>b</b> Returns and allowances . . . . .	<b>1b</b>		
	<b>c</b> Balance. Subtract line 1b from line 1a . . . . .	<b>1c</b>	1,124,560	
	<b>2</b> Cost of goods sold (attach Form 1125-A) . . . . .	<b>2</b>	669,365	
	<b>3</b> Gross profit. Subtract line 2 from line 1c . . . . .	<b>3</b>	455,195	
	<b>4</b> Net gain (loss) from Form 4797, line 17 (attach Form 4797) . . . . .	<b>4</b>	5,179	
<b>5</b> Other income (loss) (see instructions—attach statement) . . . . .	<b>5</b>	4,860		
<b>6</b> <b>Total income (loss).</b> Add lines 3 through 5 . . . . . ▶	<b>6</b>	465,234		
<b>Deductions</b> (see instructions for limitations)	<b>7</b> Compensation of officers (see instructions—attach Form 1125-E) . . . . .	<b>7</b>	34,973	
	<b>8</b> Salaries and wages (less employment credits) . . . . .	<b>8</b>	100,531	
	<b>9</b> Repairs and maintenance . . . . .	<b>9</b>		
	<b>10</b> Bad debts . . . . .	<b>10</b>		
	<b>11</b> Rents . . . . .	<b>11</b>	156,855	
	<b>12</b> Taxes and licenses . . . . .	<b>12</b>	13,685	
	<b>13</b> Interest . . . . .	<b>13</b>	13,220	
	<b>14</b> Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) . . . . .	<b>14</b>	1,019	
	<b>15</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> ) . . . . .	<b>15</b>		
	<b>16</b> Advertising . . . . .	<b>16</b>	4,093	
	<b>17</b> Pension, profit-sharing, etc., plans . . . . .	<b>17</b>		
	<b>18</b> Employee benefit programs . . . . .	<b>18</b>		
	<b>19</b> Other deductions (attach statement) . . . . .	<b>19</b>	53,856	
	<b>20</b> <b>Total deductions.</b> Add lines 7 through 19 . . . . . ▶	<b>20</b>	378,232	
	<b>21</b> <b>Ordinary business income (loss).</b> Subtract line 20 from line 6 . . . . .	<b>21</b>	87,002	
<b>Tax and Payments</b>	<b>22a</b> Excess net passive income or LIFO recapture tax (see instructions) . . . . .	<b>22a</b>		
	<b>b</b> Tax from Schedule D (Form 1120S) . . . . .	<b>22b</b>		
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes) . . . . .	<b>22c</b>		
	<b>23a</b> 2015 estimated tax payments and 2014 overpayment credited to 2015 . . . . .	<b>23a</b>		
	<b>b</b> Tax deposited with Form 7004 . . . . .	<b>23b</b>		
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136) . . . . .	<b>23c</b>		
	<b>d</b> Add lines 23a through 23c . . . . .	<b>23d</b>		
	<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . ▶ <input type="checkbox"/>	<b>24</b>		
	<b>25</b> <b>Amount owed.</b> If line 23d is smaller than the total of lines 22c and 24, enter amount owed . . . . .	<b>25</b>		
	<b>26</b> <b>Overpayment.</b> If line 23d is larger than the total of lines 22c and 24, enter amount overpaid . . . . .	<b>26</b>		
<b>27</b> Enter amount from line 26 <b>Credited to 2016 estimated tax</b> ▶ <b>Refunded</b> ▶	<b>27</b>			

**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 <input type="checkbox"/> if self-employed	PTIN P4444444
Firm's name ▶ Electronic Tax Filers, Inc.			Firm's EIN ▶	00-0000011
Firm's address ▶ 100 Efile Drive, Anytown, TX 78621			Phone no.	512-555-1212

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11510H

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## Schedule B Other Information (see instructions)

<b>1</b>	Check accounting method: <b>a</b> <input type="checkbox"/> Cash <b>b</b> <input type="checkbox"/> Accrual <b>c</b> <input checked="" type="checkbox"/> Other (specify) ▶ <u>Hybrid</u>	Yes	No																				
<b>2</b>	See the instructions and enter the: <b>a</b> Business activity ▶ <u>Construction</u> <b>b</b> Product or service ▶ <u>Pyrotechnics</u>																						
<b>3</b>	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 . . .		✓																				
<b>4</b>	At the end of the tax year, did the corporation: <b>a</b> 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 . . .		✓																				
<table border="1"> <tr> <td>(i) Name of Corporation</td> <td>(ii) Employer Identification Number (if any)</td> <td>(iii) Country of Incorporation</td> <td>(iv) Percentage of Stock Owned</td> <td>(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>		(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 any) a Qualified Subchapter S Subsidiary Election Was Made																	
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<b>b</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 . . .		✓																				
<table border="1"> <tr> <td>(i) Name of Entity</td> <td>(ii) Employer Identification Number (if any)</td> <td>(iii) Type of Entity</td> <td>(iv) Country of Organization</td> <td>(v) Maximum Percentage Owned in Profit, Loss, or Capital</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>		(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																	
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<b>5 a</b>	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. <b>(i)</b> Total shares of restricted stock . . . ▶ <b>(ii)</b> Total shares of non-restricted stock . . . ▶		✓																				
<b>b</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. <b>(i)</b> Total shares of stock outstanding at the end of the tax year ▶ <b>(ii)</b> Total shares of stock outstanding if all instruments were executed ▶		✓																				
<b>6</b>	Has this corporation filed, or is it required to file, <b>Form 8918</b> , Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . .		✓																				
<b>7</b>	Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . <input type="checkbox"/> If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.																						
<b>8</b>	If the corporation: <b>(a)</b> was a C corporation before it elected to be an S corporation <b>or</b> 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 <b>and</b> <b>(b)</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) . . . ▶ \$																						
<b>9</b>	Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$																						
<b>10</b>	Does the corporation satisfy <b>both</b> of the following conditions? <b>a</b> The corporation's total receipts (see instructions) for the tax year were less than \$250,000 . . . <b>b</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.		✓																				
<b>11</b>	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 \$		✓																				
<b>12</b>	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions .		✓																				
<b>13 a</b>	Did the corporation make any payments in 2015 that would require it to file Form(s) 1099? . . .		✓																				
<b>b</b>	If "Yes," did the corporation file or will it file required Forms 1099? . . .																						

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<b>Schedule K Shareholders' Pro Rata Share Items</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	<b>1</b> Ordinary business income (loss) (page 1, line 21)	<b>1</b>	87,002
	<b>2</b> Net rental real estate income (loss) (attach Form 8825)	<b>2</b>	2,725
	<b>3a</b> Other gross rental income (loss)	<b>3a</b>	
	<b>b</b> Expenses from other rental activities (attach statement)	<b>3b</b>	
	<b>c</b> Other net rental income (loss). Subtract line 3b from line 3a	<b>3c</b>	
	<b>4</b> Interest income	<b>4</b>	
	<b>5</b> Dividends: <b>a</b> Ordinary dividends	<b>5a</b>	
	<b>b</b> Qualified dividends	<b>5b</b>	
	<b>6</b> Royalties	<b>6</b>	
	<b>7</b> Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	<b>7</b>	
<b>Income (Loss)</b>	<b>8a</b> Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	<b>8a</b>	
	<b>b</b> Collectibles (28%) gain (loss)	<b>8b</b>	
	<b>c</b> Unrecaptured section 1250 gain (attach statement)	<b>8c</b>	
	<b>9</b> Net section 1231 gain (loss) (attach Form 4797)	<b>9</b>	
<b>10</b> Other income (loss) (see instructions) Type ▶	<b>10</b>		
<b>Deductions</b>	<b>11</b> Section 179 deduction (attach Form 4562)	<b>11</b>	11,463
	<b>12a</b> Charitable contributions	<b>12a</b>	
	<b>b</b> Investment interest expense	<b>12b</b>	
	<b>c</b> Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	<b>12c(2)</b>	
<b>d</b> Other deductions (see instructions) Type ▶	<b>12d</b>		
<b>Credits</b>	<b>13a</b> Low-income housing credit (section 42(j)(5))	<b>13a</b>	
	<b>b</b> Low-income housing credit (other)	<b>13b</b>	
	<b>c</b> Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	<b>13c</b>	
	<b>d</b> Other rental real estate credits (see instructions) Type ▶	<b>13d</b>	
	<b>e</b> Other rental credits (see instructions) Type ▶	<b>13e</b>	
	<b>f</b> Biofuel producer credit (attach Form 6478)	<b>13f</b>	
	<b>g</b> Other credits (see instructions) Type ▶	<b>13g</b>	
<b>Foreign Transactions</b>	<b>14a</b> Name of country or U.S. possession ▶		
	<b>b</b> Gross income from all sources	<b>14b</b>	
	<b>c</b> Gross income sourced at shareholder level	<b>14c</b>	
	Foreign gross income sourced at corporate level		
	<b>d</b> Passive category	<b>14d</b>	
	<b>e</b> General category	<b>14e</b>	
	<b>f</b> Other (attach statement)	<b>14f</b>	
	Deductions allocated and apportioned at shareholder level		
	<b>g</b> Interest expense	<b>14g</b>	
	<b>h</b> Other	<b>14h</b>	
	Deductions allocated and apportioned at corporate level to foreign source income		
	<b>i</b> Passive category	<b>14i</b>	
	<b>j</b> General category	<b>14j</b>	
	<b>k</b> Other (attach statement)	<b>14k</b>	
Other information			
<b>l</b> Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	<b>14l</b>		
<b>m</b> Reduction in taxes available for credit (attach statement)	<b>14m</b>		
<b>n</b> Other foreign tax information (attach statement)			
<b>Alternative Minimum Tax (AMT) Items</b>	<b>15a</b> Post-1986 depreciation adjustment	<b>15a</b>	-354
	<b>b</b> Adjusted gain or loss	<b>15b</b>	
	<b>c</b> Depletion (other than oil and gas)	<b>15c</b>	
	<b>d</b> Oil, gas, and geothermal properties—gross income	<b>15d</b>	
	<b>e</b> Oil, gas, and geothermal properties—deductions	<b>15e</b>	
	<b>f</b> Other AMT items (attach statement)	<b>15f</b>	
<b>Items Affecting Shareholder Basis</b>	<b>16a</b> Tax-exempt interest income	<b>16a</b>	486
	<b>b</b> Other tax-exempt income	<b>16b</b>	
	<b>c</b> Nondeductible expenses	<b>16c</b>	486
	<b>d</b> Distributions (attach statement if required) (see instructions)	<b>16d</b>	35,987
	<b>e</b> Repayment of loans from shareholders	<b>16e</b>	

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<b>Schedule K</b>		<b>Shareholders' Pro Rata Share Items</b> (continued)	<b>Total amount</b>	
<b>Other Information</b>	<b>17a</b>	Investment income . . . . .	<b>17a</b>	
	<b>b</b>	Investment expenses . . . . .	<b>17b</b>	
	<b>c</b>	Dividend distributions paid from accumulated earnings and profits . . . . .	<b>17c</b>	
	<b>d</b>	Other items and amounts (attach statement)		

<b>Reconciliation</b>	<b>18</b>	<b>Income/loss reconciliation.</b> 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 14i	<b>18</b>	78,264
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<b>Schedule L</b>		<b>Balance Sheets per Books</b>		Beginning of tax year		End of tax year	
		<b>Assets</b>		(a)	(b)	(c)	(d)
<b>1</b>	Cash . . . . .				37,504		9,214
<b>2a</b>	Trade notes and accounts receivable . . . . .			73,320		164,008	
<b>b</b>	Less allowance for bad debts . . . . .			( )	73,320	( )	164,008
<b>3</b>	Inventories . . . . .						
<b>4</b>	U.S. government obligations . . . . .						
<b>5</b>	Tax-exempt securities (see instructions) . . . . .						
<b>6</b>	Other current assets (attach statement) . . . . .						277,976
<b>7</b>	Loans to shareholders . . . . .						
<b>8</b>	Mortgage and real estate loans . . . . .						
<b>9</b>	Other investments (attach statement) . . . . .				1,000		
<b>10a</b>	Buildings and other depreciable assets . . . . .			69,032		69,395	
<b>b</b>	Less accumulated depreciation . . . . .			( 18,478 )	50,554	( 22,583 )	46,812
<b>11a</b>	Depletable assets . . . . .						
<b>b</b>	Less accumulated depletion . . . . .			( )		( )	
<b>12</b>	Land (net of any amortization) . . . . .						
<b>13a</b>	Intangible assets (amortizable only) . . . . .			90		90	
<b>b</b>	Less accumulated amortization . . . . .			( 48 )	42	( 66 )	24
<b>14</b>	Other assets (attach statement) . . . . .				913		
<b>15</b>	Total assets . . . . .				163,333		498,034
		<b>Liabilities and Shareholders' Equity</b>					
<b>16</b>	Accounts payable . . . . .				8,891		75,087
<b>17</b>	Mortgages, notes, bonds payable in less than 1 year . . . . .						
<b>18</b>	Other current liabilities (attach statement) . . . . .				9,636		251,816
<b>19</b>	Loans from shareholders . . . . .						
<b>20</b>	Mortgages, notes, bonds payable in 1 year or more . . . . .				47,999		36,971
<b>21</b>	Other liabilities (attach statement) . . . . .						
<b>22</b>	Capital stock . . . . .				1,325		1,325
<b>23</b>	Additional paid-in capital . . . . .				95,482		132,835
<b>24</b>	Retained earnings . . . . .						
<b>25</b>	Adjustments to shareholders' equity (attach statement) . . . . .						
<b>26</b>	Less cost of treasury stock . . . . .				( )		( )
<b>27</b>	Total liabilities and shareholders' equity . . . . .				163,333		498,034

Form **1120S** (2015)



# Form 1120S Test Scenario 4

Form 1120S (2015)

Page **5**

## 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)

<b>1</b>	Net income (loss) per books . . . . .	88,229	<b>5</b>	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
<b>2</b>	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) . . . . .	2,885	<b>a</b>	Tax-exempt interest \$ . . . . .	486
<b>3</b>	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		<b>6</b>	Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
<b>a</b>	Depreciation \$ . . . . .		<b>a</b>	Depreciation \$ . . . . .	6,082
<b>b</b>	Travel and entertainment \$ . . . . .	486		Miscellaneous . . . . .	6,678
		486	<b>7</b>	Add lines 5 and 6 . . . . .	13,336
<b>4</b>	Add lines 1 through 3 . . . . .	91,600	<b>8</b>	Income (loss) (Schedule K, line 18). Line 4 less line 7	78,264

## Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
<b>1</b>	Balance at beginning of tax year . . . . .	30,238	
<b>2</b>	Ordinary income from page 1, line 21 . . . . .	87,002	
<b>3</b>	Other additions . . . . .	5,525	486
<b>4</b>	Loss from page 1, line 21 . . . . .	( )	
<b>5</b>	Other reductions . . . . .	(11,949)	( )
<b>6</b>	Combine lines 1 through 5 . . . . .	110,816	486
<b>7</b>	Distributions other than dividend distributions . . . . .	35,987	
<b>8</b>	Balance at end of tax year. Subtract line 7 from line 6 . . . . .	74,829	486

Form **1120S** (2015)

## Form 1120S Test Scenario 4

671113

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Schedule K-1  
(Form 1120S)**Department of the Treasury  
Internal Revenue Service

2015

For calendar year 2015, or tax  
year beginning \_\_\_\_\_, 2015  
ending \_\_\_\_\_, 20\_\_\_\_**Shareholder's Share of Income, Deductions,  
Credits, etc.**

▶ See back of form and separate instructions.

**Part III Shareholder's Share of Current Year Income,  
Deductions, Credits, and Other Items****Part I Information About the Corporation****A** Corporation's employer identification number  
00-0000006**B** Corporation's name, address, city, state, and ZIP code  
Great Atomic Pyrotechnics and Designs, Inc  
36 Any Street  
Boomtown, CA 90062**C** IRS Center where corporation filed return  
OSPC**Part II Information About the Shareholder****D** Shareholder's identifying number  
000-00-0005**E** Shareholder's name, address, city, state, and ZIP code  
Issa Salesbury  
49 Any Street  
Anytown, PA 19561**F** Shareholder's percentage of stock  
ownership for tax year \_\_\_\_\_ 50 %

<b>1</b>	Ordinary business income (loss)	<b>13</b>	Credits
	43,501		
<b>2</b>	Net rental real estate income (loss)		
	1,362		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
		<b>A</b>	(177)
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
	5,731	<b>A</b>	243
<b>12</b>	Other deductions	<b>C</b>	243
		<b>D</b>	17,994
		<b>17</b>	Other information
		<b>K</b>	1,400

\* See attached statement for additional information.

For IRS Use Only

# Form 1120S Test Scenario 4

671113

☐ Final K-1

☐ Amended K-1

OMB No. 1545-0123

## Schedule K-1 (Form 1120S)

Department of the Treasury  
Internal Revenue Service

2015

For calendar year 2015, or tax  
year beginning \_\_\_\_\_, 2015  
ending \_\_\_\_\_, 20 \_\_\_\_\_

## Shareholder's Share of Income, Deductions, Credits, etc.

▶ See back of form and separate instructions.

### Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

### Part I Information About the Corporation

**A** Corporation's employer identification number  
00-0000006

**B** Corporation's name, address, city, state, and ZIP code  
Great Atomic Pyrotechnics and Designs, Inc  
36 Any Street  
Boomtown, CA 90062

**C** IRS Center where corporation filed return  
OSPC

### Part II Information About the Shareholder

**D** Shareholder's identifying number  
000-00-0001

**E** Shareholder's name, address, city, state, and ZIP code  
Mak A Desision  
45 Any Street  
Anytown, NY 10005

**F** Shareholder's percentage of stock ownership for tax year . . . . . 50 %

<b>1</b>	Ordinary business income (loss)	<b>13</b>	Credits
	43,501		
<b>2</b>	Net rental real estate income (loss)		
	1,362		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
		<b>A</b>	(177)
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
	5,732	<b>A</b>	243
<b>12</b>	Other deductions	<b>C</b>	243
		<b>D</b>	17,993
		<b>17</b>	Other information
		<b>K</b>	1,400

\* See attached statement for additional information.

For IRS Use Only

Form **1125-A**

(Rev. December 2012)

Department of the Treasury  
Internal Revenue Service**Cost of Goods Sold**

OMB No. 1545-2225

► **Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.**  
 ► **Information about Form 1125-A and its instructions is at [www.irs.gov/form1125a](http://www.irs.gov/form1125a).**

Name <b>Great Atomic Pyrotechnics &amp; Designs</b>		Employer identification number <b>00-0000006</b>	
<b>1</b>	Inventory at beginning of year . . . . .	<b>1</b>	
<b>2</b>	Purchases . . . . .	<b>2</b>	<b>335,266</b>
<b>3</b>	Cost of labor . . . . .	<b>3</b>	
<b>4</b>	Additional section 263A costs (attach schedule) . . . . .	<b>4</b>	
<b>5</b>	Other costs (attach schedule) . . . . .	<b>5</b>	<b>334,099</b>
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	<b>6</b>	<b>669,365</b>
<b>7</b>	Inventory at end of year . . . . .	<b>7</b>	
<b>8</b>	<b>Cost of goods sold.</b> 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) . . . . .	<b>8</b>	<b>669,365</b>

**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.

**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, 1065, or 1065-B, 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.** If you are a qualifying taxpayer or a qualifying small business taxpayer (defined below), you can adopt or change your accounting method to account for inventoriable items in the same manner as materials and supplies that are not incidental.

Under this accounting method, inventory costs for raw materials purchased for use in producing finished goods and merchandise purchased for resale are deductible in the year the finished goods or merchandise are sold (but not before the year you paid for the raw materials or merchandise, if you are also using the cash method).

If you account for inventoriable items in the same manner as materials and supplies that are not incidental, you can currently deduct expenditures for direct labor and all indirect costs that would otherwise be included in inventory costs. See the instructions for lines 2 and 7.

For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on adopting or changing to this method of accounting, see Form 3115, Application for Change in Accounting Method, and its instructions.

**Qualifying taxpayer.** A qualifying taxpayer is a taxpayer that, (a) for each prior tax year ending after December 16, 1998, has average annual gross receipts of \$1 million or less for the 3 prior tax years and (b) its business is not a tax shelter (as defined in section 448(d)(3)). See Rev. Proc. 2001-10, 2001-2 I.R.B. 272.

**Qualifying small business taxpayer.** A qualifying small business taxpayer is a taxpayer that, (a) for each prior tax year

ending on or after December 31, 2000, has average annual gross receipts of \$10 million or less for the 3 prior tax years, (b) whose principal business activity is not an ineligible activity, and (c) whose business is not a tax shelter (as defined in section 448(d)(3)). See Rev. Proc. 2002-28, 2002-18 I.R.B. 815.

**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 by a corporation for use in its trade or business or in an activity engaged in for profit.

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 (99)**Form 1120S Test Scenario 4  
Depreciation and Amortization  
(Including Information on Listed Property)**

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).

OMB No. 1545-0172

**2015**  
Attachment  
Sequence No. **179**

Name(s) shown on return

Great Atomic Pyrotechnics &amp; Design, Inc.

Business or activity to which this form relates

Pyrotechnics Design and Display

Identifying number

00-0000006

**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.

<b>1</b>	Maximum amount (see instructions)	<b>1</b>	11,579
<b>2</b>	Total cost of section 179 property placed in service (see instructions)	<b>2</b>	11,579
<b>3</b>	Threshold cost of section 179 property before reduction in limitation (see instructions)	<b>3</b>	200,000
<b>4</b>	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	<b>4</b>	0
<b>5</b>	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	<b>5</b>	11,579
<b>6</b>	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	Level	550	550
	Compressor	10,449	10,449
<b>7</b>	Listed property. Enter the amount from line 29	<b>7</b>	464
<b>8</b>	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	<b>8</b>	11,463
<b>9</b>	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8	<b>9</b>	11,463
<b>10</b>	Carryover of disallowed deduction from line 13 of your 2014 Form 4562	<b>10</b>	
<b>11</b>	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	<b>11</b>	11,579
<b>12</b>	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	<b>12</b>	11,463
<b>13</b>	Carryover of disallowed deduction to 2016. Add lines 9 and 10, less line 12 ▶	<b>13</b>	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

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

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)****Section A**

<b>17</b>	MACRS deductions for assets placed in service in tax years beginning before 2015	<b>17</b>	1,019
<b>18</b>	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2015 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
<b>19a</b> 3-year property						
<b>b</b> 5-year property						
<b>c</b> 7-year property						
<b>d</b> 10-year property						
<b>e</b> 15-year property						
<b>f</b> 20-year property						
<b>g</b> 25-year property			25 yrs.		S/L	
<b>h</b> Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
<b>i</b> Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C—Assets Placed in Service During 2015 Tax Year Using the Alternative Depreciation System**

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

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

<b>21</b>	Listed property. Enter amount from line 28	<b>21</b>	
<b>22</b>	<b>Total.</b> 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	<b>22</b>	1,019
<b>23</b>	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	<b>23</b>	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 12906N

Form **4562** (2015)

# Form 1120S Test Scenario 4

Form 4562 (2015)

Page **2**

## Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, certain computers, 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
<b>25</b> 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)							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
Computer	01/15/15	80 %	580		5	200 DB/HY		464
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1							<b>29</b>	464

### 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	
<b>30</b> Total business/investment miles driven during the year (do not include commuting miles)												
<b>31</b> Total commuting miles driven during the year												
<b>32</b> Total other personal (noncommuting) miles driven												
<b>33</b> Total miles driven during the year. Add lines 30 through 32												
<b>34</b> Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person?												
<b>36</b> 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 are not more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
<b>38</b> 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		
<b>39</b> Do you treat all use of vehicles by employees as personal use?		
<b>40</b> 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?		
<b>41</b> 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," do not 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
<b>42</b> Amortization of costs that begins during your 2015 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2015 tax year				<b>43</b>	18
<b>44</b> Total. Add amounts in column (f). See the instructions for where to report				<b>44</b>	18

Form **4562** (2015)



Form **4562**Department of the Treasury  
Internal Revenue Service (99)**Form 1120S Test Scenario 4  
Depreciation and Amortization  
(Including Information on Listed Property)**

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).

OMB No. 1545-0172

**2015**  
Attachment  
Sequence No. **179**

Name(s) shown on return

Great Atomic Pyrotechnics &amp; Design, Inc.

Business or activity to which this form relates

Pyrotechnics Design and Display

Identifying number

00-0000006

**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	25,000
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	200,000
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	25,000
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 <b>smaller</b> of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2014 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 do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2016. Add lines 9 and 10, less line 12 ▶	13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not 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	800

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2015	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 <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2015 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 2015 Tax Year Using the Alternative Depreciation System**

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

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

21	Listed property. Enter amount from line 28	21	
22	<b>Total.</b> 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	800
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	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 12906N

Form **4562** (2015)



# Form 1120S Test Scenario 4

Form 4562 (2015)

Page **2**

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, certain computers, 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
<b>25</b> 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) .							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%			S/L -			
		%			S/L -			
		%			S/L -			
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 .							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1 .								<b>29</b>

## 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	
<b>30</b> Total business/investment miles driven during the year ( <b>do not</b> include commuting miles) .												
<b>31</b> Total commuting miles driven during the year												
<b>32</b> Total other personal (noncommuting) miles driven . . . . .												
<b>33</b> Total miles driven during the year. Add lines 30 through 32 . . . . .												
<b>34</b> Was the vehicle available for personal use during off-duty hours? . . . . .	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . . .												
<b>36</b> 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 **are not** more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
<b>38</b> 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 . . . . .		
<b>39</b> Do you treat all use of vehicles by employees as personal use? . . . . .		
<b>40</b> 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? . . . . .		
<b>41</b> 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," do not 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
<b>42</b> Amortization of costs that begins during your 2015 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2015 tax year . . . . .					<b>43</b> 900
<b>44</b> <b>Total.</b> Add amounts in column (f). See the instructions for where to report . . . . .					<b>44</b> 900



## Form 1120S Test Scenario 4

Form 4797 (2015)

Page **2****Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A	Equipment	Various	01/19/2015
B			
C			
D			

  

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price ( <b>Note:</b> See line 1 before completing.) . . . . .	20	9,000		
21	Cost or other basis plus expense of sale . . . . .	21	15,307		
22	Depreciation (or depletion) allowed or allowable. . . . .	22	11,486		
23	Adjusted basis. Subtract line 22 from line 21. . . . .	23	3,821		
24	Total gain. Subtract line 23 from line 20 . . . . .	24	5,179		
25	<b>If section 1245 property:</b>				
a	Depreciation allowed or allowable from line 22 . . . . .	25a	11,486		
b	Enter the <b>smaller</b> of line 24 or 25a . . . . .	25b	5,179		
26	<b>If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975 (see instructions) . . . . .	26a			
b	Applicable percentage multiplied by the <b>smaller</b> of line 24 or line 26a (see instructions) . . . . .	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e . . . . .	26c			
d	Additional depreciation after 1969 and before 1976. . . . .	26d			
e	Enter the <b>smaller</b> of line 26c or 26d . . . . .	26e			
f	Section 291 amount (corporations only) . . . . .	26f			
g	Add lines 26b, 26e, and 26f. . . . .	26g			
27	<b>If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses . . . . .	27a			
b	Line 27a multiplied by applicable percentage (see instructions) . . . . .	27b			
c	Enter the <b>smaller</b> of line 24 or 27b . . . . .	27c			
28	<b>If section 1254 property:</b>				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions) . . . . .	28a			
b	Enter the <b>smaller</b> of line 24 or 28a . . . . .	28b			
29	<b>If section 1255 property:</b>				
a	Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .	29a			
b	Enter the <b>smaller</b> of line 24 or 29a (see instructions) . . . . .	29b			

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24 . . . . .	30	5,179
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	5,179
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years. . . . .	33	
34 Recomputed depreciation (see instructions) . . . . .	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	

## Form 1120S Test Scenario 4

Form **8453-S****U.S. S Corporation Income Tax Declaration  
for an IRS e-file Return**

OMB No. 1545-0123

Department of the Treasury  
Internal Revenue Service

- File electronically with the corporation's tax return. Do not file paper copies.  
► Information about Form 8453-S and its instructions is at [www.irs.gov/form8453s](http://www.irs.gov/form8453s).

**2015**

For calendar year 2015, or tax year beginning , 2015, and ending , 20

Name of corporation

Great Atomic Pyrotechnics &amp; Design, Inc.

Employer identification number

00-0000006

**Part I Tax Return Information** (Whole dollars only)

<b>1</b>	Gross receipts or sales less returns and allowances (Form 1120S, line 1c)	<b>1</b>	1,124,560
<b>2</b>	Gross profit (Form 1120S, line 3)	<b>2</b>	455,195
<b>3</b>	Ordinary business income (loss) (Form 1120S, line 21)	<b>3</b>	87,002
<b>4</b>	Net rental real estate income (loss) (Form 1120S, Schedule K, line 2)	<b>4</b>	2,725
<b>5</b>	Income (loss) reconciliation (Form 1120S, Schedule K, line 18)	<b>5</b>	78,264

**Part II Declaration of Officer** (see instructions) **Be sure to keep a copy of the corporation's tax return.**

- 6a** ☐ I consent that the corporation's refund be directly deposited as designated on the **Form 8050**, Direct Deposit of Corporate Tax Refund, that will be electronically transmitted with the corporation's 2015 federal income tax return.
- b** ☒ I do not want direct deposit of the corporation's refund or the corporation is not receiving a refund.
- c** ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If the corporation is filing a balance due return, I understand that if the IRS does not receive full and timely payment of its tax liability, the corporation will remain liable for the tax liability and all applicable interest and penalties.

Under penalties of perjury, I declare that I am an officer of the above corporation and that the information I have given my electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) and the amounts in Part I above agree with the amounts on the corresponding lines of the corporation's 2015 federal income tax return. To the best of my knowledge and belief, the corporation's return is true, correct, and complete. I consent to my ERO, transmitter, and/or ISP sending the corporation's return, this declaration, and accompanying schedules and statements to the IRS. I also consent to the IRS sending my ERO, transmitter, and/or ISP an acknowledgement of receipt of transmission and an indication of whether or not the corporation's return is accepted and, if rejected, the reason(s) for the rejection. If the processing of the corporation's return or refund is delayed, I authorize the IRS to disclose to my ERO, transmitter, and/or ISP the reason(s) for the delay, or when the refund was sent.

**Sign  
Here**

Signature of officer

Date

President

Title

**Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer** (see instructions)

I declare that I have reviewed the above corporation's return and that the entries on Form 8453-S are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The corporate officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

**ERO's  
Use  
Only**ERO's  
signature

Date

Check if  
also paid  
preparer ☐Check if  
self-  
employed ☐

ERO's SSN or PTIN

P44444445

Firm's name (or  
yours if self-employed),  
address, and ZIP codeElectronic Tax Filers, Inc.  
100 Efile Drive, Anytown, Tx 78621

EIN 00-0000011

Phone no. 512-555-1212

Under penalties of perjury, I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This declaration is based on all information of which I have any knowledge.

**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 Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 644221

Form **8453-S** (2015)

Form 1120S Test Scenario 4  
**Rental Real Estate Income and Expenses of a  
Partnership or an S Corporation**  
▶ See instructions on back.  
▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

Name Great Atomic Pyrotechnics & Design, Inc. Employer identification number 00-0000006

<b>1</b>	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
<b>A</b>	<u>8510 Particle Drive</u> <u>Anytown, OK 74002</u>	<u>4</u>	<u>0</u>	<u>0</u>
<b>B</b>				
<b>C</b>				
<b>D</b>				

		Properties				
		A	B	C	D	
<b>Rental Real Estate Income</b>						
<b>2</b> Gross rents . . . . .	<b>2</b>	<u>7,200</u>				
<b>Rental Real Estate Expenses</b>						
<b>3</b> Advertising . . . . .	<b>3</b>					
<b>4</b> Auto and travel . . . . .	<b>4</b>					
<b>5</b> Cleaning and maintenance . .	<b>5</b>					
<b>6</b> Commissions . . . . .	<b>6</b>					
<b>7</b> Insurance . . . . .	<b>7</b>	<u>250</u>				
<b>8</b> Legal and other professional fees	<b>8</b>	<u>300</u>				
<b>9</b> Interest . . . . .	<b>9</b>	<u>1,500</u>				
<b>10</b> Repairs . . . . .	<b>10</b>	<u>125</u>				
<b>11</b> Taxes . . . . .	<b>11</b>	<u>175</u>				
<b>12</b> Utilities . . . . .	<b>12</b>	<u>325</u>				
<b>13</b> Wages and salaries . . . . .	<b>13</b>					
<b>14</b> Depreciation (see instructions)	<b>14</b>	<u>800</u>				
<b>15</b> Other (list) ▶ <u>amortization</u>	<b>15</b>	<u>900</u>				
<u>Bank Charges</u>		<u>50</u>				
<u>Licenses and Permits</u>		<u>50</u>				
<b>16</b> Total expenses for each property. Add lines 3 through 15 . . . . .	<b>16</b>	<u>4,475</u>				
<b>17</b> Income or (Loss) from each property. Subtract line 16 from line 2	<b>17</b>	<u>2,725</u>				
<b>18a</b> Total gross rents. Add gross rents from line 2, columns A through H . . . . .	<b>18a</b>	<u>7,200</u>				
<b>b</b> Total expenses. Add total expenses from line 16, columns A through H . . . . .	<b>18b</b>	<u>(4,475)</u>				
<b>19</b> Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities . . . . .	<b>19</b>					
<b>20a</b> 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) . . . . .	<b>20a</b>					
<b>b</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					
<b>21</b> Net rental estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4	<b>21</b>	<u>2,725</u>				