

Mercury Solar, Inc

00-0000012

FORM 1120S TEST SCENARIO 9

This ATS Scenario should only be used, if supporting Form 8975.

FORMS REQUIRED: 1120S, Schedule K-1 (1120S) (2), 1125-A, 1125-E, 4562 (2), 4797, 8453-S, 8825, 8975, Form 8975 (Schedule A)

ATTACHMENTS:

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

Additional information:

- X The Employer Identification Number (EIN) for this scenario is **00-0000012**.
- 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

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

Description	Beginning Amount
Other Investments	1,000

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

Description	Beginning Amount
Spec House	913

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

Description	Beginning Amount	Ending Amount
Spec House Loans		232,240
Payroll Tax Liabilities	2,975	4,533
Credit Card Liability	6,661	15,043
TOTAL	9,636	251,816

Attachment 7, Form 1120S, Schedule M-1, Line 2: Total Income Not Recorded on Books (*ItemizedIncomeNotRecordedOnBooksSchedule2*)

Description	Amount
Form 4797 Book/Tax Diff	2,885

Attachment 8, Form 1120S, Schedule M-1, Line 6: Total deductions (depreciation and itemized deductions) on this return not charged against book income this year. (*ItemizedDeductionsNotChargedAgainstBookSchedule 2*)

Description	Amount
Depreciation	6,082
Miscellaneous Expense	6,678
TOTAL	12,760

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

Description	Amount
Gain on Sale Sec 179 Assets	2,800
Net Rental Real Estate income (loss), Form 8825	2,725
TOTAL	5,525

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

Description	Amount
Disallowed Entertainment Expense	486
Section 179 deduction	11,463
TOTAL	11,949

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

Description	Amount
Subcontractors	334,099,000

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	06/13/2016
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	06/13/2016
Section 179 Deduction:	1,000

June 5, 2017

1120S MeF ATS Scenario 9
U.S. Income Tax Return for an S Corporation

OMB No. 1545-0123

Form 1120S

Department of the Treasury
Internal Revenue Service

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.

2016

For calendar year 2016 or tax year beginning 1/1, 2016, ending 12/31, 2016

Header section containing: A S election effective date (01/01/2015), B Business activity code number (238990), C Check if Sch. M-3 attached, D Employer identification number (00-0000012), E Date incorporated (01/01/2015), F Total assets (\$498,034), TYPE OR PRINT (Mercury Solar, Inc, 98 Galaxy Street, Honolulu, HI 96820)

G Is the corporation electing to be an S corporation beginning with this tax year?
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.

Main table with columns for Income, Deductions, and Tax and Payments. Rows include: 1a Gross receipts or sales (1,124,560,000), 1b Returns and allowances, 1c Balance (1,124,560,000), 2 Cost of goods sold (669,365,000), 3 Gross profit (455,195,000), 4 Net gain (5,179,000), 5 Other income (400,860,000), 6 Total income (861,234,000), 7 Compensation of officers (34,973,000), 8 Salaries and wages (100,531,000), 9-16 Various deductions, 17-19 Other deductions (53,856,000), 20 Total deductions (377,214,019), 21 Ordinary business income (484,019,981), 22a-22c Taxes, 23a-23d Estimated tax payments, 24-27 Tax owed and overpayment.

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: [Signature] Date: [Date]
President Title: [Signature] 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 (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)

Schedule B Other Information (see instructions)

- 1 Check accounting method: a Cash b Accrual
c Other (specify) ▶ Hybrid
- 2 See the instructions and enter the:
a Business activity ▶ Installation b Product or service ▶ Solar panels
- 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 any) a Qualified Subchapter S Subsidiary Election Was Made	Yes	No

- 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	Yes	No

- 5 a 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 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$
- 10 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.
- 11 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 \$
- 12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions
- 13 a Did the corporation make any payments in 2016 that would require it to file Form(s) 1099?
b If "Yes," did the corporation file or will it file required Forms 1099?

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	484,019,981
	2 Net rental real estate income (loss) (attach Form 8825)	2	3,535,000
	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 1120S))	7	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	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	11,463
	12a Charitable contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
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	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement)	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive category	14i	
	j General category	14j	
k Other (attach statement)	14k		
Other information			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	-354
	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	486
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	486
	d Distributions (attach statement if required) (see instructions)	16d	35,987
	e Repayment of loans from shareholders	16e	

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 14l	18	487,543,518

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

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	487,553,393	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) _____	2,885	a Tax-exempt interest \$ _____	486
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a	Depreciation \$ _____		a Depreciation \$ _____	6,082
b	Travel and entertainment \$ _____	486	_____	Miscellaneous 6,678
4	Add lines 1 through 3	487,556,764	7 Add lines 5 and 6	13,246
			8 Income (loss) (Schedule K, line 18). Line 4 less line 7	487,543,518

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
1 Balance at beginning of tax year	30,238		
2 Ordinary income from page 1, line 21	484,019,981		
3 Other additions	5,525	486	
4 Loss from page 1, line 21	()		
5 Other reductions	(11,949)	()	
6 Combine lines 1 through 5	484,043,795	486	
7 Distributions other than dividend distributions	35,987		
8 Balance at end of tax year. Subtract line 7 from line 6	484,007,808	486	

June 5, 2017

Tax Year 2017
1120S MeF ATS Scenario 9

671113

Final K-1

Amended K-1

OMB No. 1545-0123

Schedule K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

2016

For calendar year 2016, or tax
year beginning _____, 2016
ending _____, 20____

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

▶ See back of form and separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
A Corporation's employer identification number 00-000012		1 Ordinary business income (loss) 242,009,991	13 Credits
B Corporation's name, address, city, state, and ZIP code Mercury Solar, Inc 98 Galaxy Street Honolulu, HI 96820		2 Net rental real estate income (loss) 1,767,500	
		3 Other net rental income (loss)	
		4 Interest income	
C IRS Center where corporation filed return OSPC		5a Ordinary dividends	
		5b Qualified dividends	14 Foreign transactions
		6 Royalties	
Part II Information About the Shareholder		7 Net short-term capital gain (loss)	
	D Shareholder's identifying number 000-00-0005	8a Net long-term capital gain (loss)	
		8b Collectibles (28%) gain (loss)	
E Shareholder's name, address, city, state, and ZIP code Issa Salesbury 49 Any Street Anytown, PA 19561		8c Unrecaptured section 1250 gain	
		9 Net section 1231 gain (loss)	
		10 Other income (loss)	15 Alternative minimum tax (AMT) items A (177)
F Shareholder's percentage of stock ownership for tax year 50 %			
		11 Section 179 deduction 5,731	16 Items affecting shareholder basis A 243
		12 Other deductions	C 243 D 17,994
For IRS Use Only			17 Other information K 1,400
	* See attached statement for additional information.		

Final K-1

Amended K-1

OMB No. 1545-0123

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2016

For calendar year 2016, or tax
year beginning _____, 2016
ending _____, 20____

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

▶ See back of form and separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
A Corporation's employer identification number 00-000012		1 Ordinary business income (loss) 242,009,990	13 Credits
B Corporation's name, address, city, state, and ZIP code Mercury Solar, Inc 98 Galaxy Street Honolulu, HI 96820		2 Net rental real estate income (loss) 1,767,500	
		3 Other net rental income (loss)	
		4 Interest income	
C IRS Center where corporation filed return OSPC		5a Ordinary dividends	
		5b Qualified dividends	14 Foreign transactions
		6 Royalties	
Part II Information About the Shareholder		7 Net short-term capital gain (loss)	
	D Shareholder's identifying number 000-00-0001	8a Net long-term capital gain (loss)	
		8b Collectibles (28%) gain (loss)	
E Shareholder's name, address, city, state, and ZIP code Mak A Desision 45 Any Street Anytown, NY 10005	8c Unrecaptured section 1250 gain		
	F Shareholder's percentage of stock ownership for tax year 50 %	9 Net section 1231 gain (loss)	
For IRS Use Only		10 Other income (loss)	15 Alternative minimum tax (AMT) items A (177)
		11 Section 179 deduction 5,732	16 Items affecting shareholder basis A 243
		12 Other deductions	C 243
			D 17,993
			17 Other information K 1,400
* See attached statement for additional information.			

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.

Name: Mercury Solar, Inc. Employer identification number: 00-0000012. Table with 8 rows for inventory and cost calculations. Total cost of goods sold: 669,365,000.

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.

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.

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)).

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)).

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.

1120S MeF ATS Scenario 9
Depreciation and Amortization
(Including Information on Listed Property)

June 5, 2017
Form 4562

Department of the Treasury
Internal Revenue Service (99)

Attach to your tax return.
Information about Form 4562 and its separate instructions is at www.irs.gov/form4562.

Table with 3 columns: Name(s) shown on return, Business or activity to which this form relates, Identifying number. Values: Mercury Solar, Inc; Solar Panel Installation; 00-0000012

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.

Table with 5 columns: Line number, Description, (b) Cost, (c) Elected cost, Total. Lines 1-13 detailing property costs and deductions.

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.)

Table with 2 columns: Line number, Description. Lines 14-16 detailing special depreciation allowance.

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

Section A

Table with 2 columns: Line number, Description. Lines 17-18 detailing MACRS deductions.

Section B - Assets Placed in Service During 2016 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification, (b) Month and year, (c) Basis, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-i detailing asset depreciation.

Section C - Assets Placed in Service During 2016 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) 12-year, (c) 40-year, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 20a-c detailing alternative depreciation.

Part IV Summary (See instructions.)

Table with 2 columns: Line number, Description. Lines 21-23 summarizing depreciation amounts.

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? 24b If "Yes," is the evidence written?

Table with columns (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

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.

Table with columns (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Rows 30-36 for miles driven and availability questions.

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).

Table with columns Yes, No. Rows 37-41 for policy statements and requirements.

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

Table with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Rows 42-44.

1120S MeF ATS Scenario 9
Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

Attach to your tax return.
Information about Form 4562 and its separate instructions is at www.irs.gov/form4562.

Table with 3 columns: Name(s) shown on return, Business or activity to which this form relates, Identifying number. Values: Mercury Solar, Inc; Solar Panel Installation; 00-000012

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.

Table with 5 main rows for calculations and 13 rows for property details. Includes columns for description, cost, and elected cost.

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.)

Table with 3 rows for special depreciation allowance, section 168(f)(1) election, and other depreciation.

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

Section A

Table with 2 rows for MACRS deductions and a checkbox for grouping assets.

Section B - Assets Placed in Service During 2016 Tax Year Using the General Depreciation System

Table with 7 columns: Classification, Month and year placed in service, Basis for depreciation, Recovery period, Convention, Method, Depreciation deduction. Includes rows for 3-year through 25-year property and residential/nonresidential real property.

Section C - Assets Placed in Service During 2016 Tax Year Using the Alternative Depreciation System

Table with 7 columns: Class life, Month and year placed in service, Basis for depreciation, Recovery period, Convention, Method, Depreciation deduction. Includes rows for 12-year and 40-year class life.

Part IV Summary (See instructions.)

Table with 3 rows for summary calculations: Listed property amount, Total depreciation, and Section 263A costs.

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? 24b If "Yes," is the evidence written?

Table with 10 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

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.

Table with 6 main columns: (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Includes rows 30-36.

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).

Table with 2 columns: Yes, No. Includes rows 37-41.

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

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44.

1120S MeF ATS Scenario 9
Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

OMB No. 1545-0184

2016

Attachment Sequence No. 27

June 5, 2017
Form 4797

Department of the Treasury
Internal Revenue Service

Attach to your tax return.

Information about Form 4797 and its separate instructions is at www.irs.gov/form4797.

Name(s) shown on return: Mercury Solar, Inc
Identifying number: 00-0000012

1 Enter the gross proceeds from sales or exchanges reported to you for 2016 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions. 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed or allowable since acquisition, (f) Cost or other basis, plus improvements and expense of sale, (g) Gain or (loss). Rows 2-6 are empty.

3 Gain, if any, from Form 4684, line 39
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824
6 Gain, if any, from line 32, from other than casualty or theft
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.
Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years. See instructions
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed or allowable since acquisition, (f) Cost or other basis, plus improvements and expense of sale, (g) Gain or (loss). Rows 10-11 are empty.

11 Loss, if any, from line 7
12 Gain, if any, from line 7 or amount from line 8, if applicable
13 Gain, if any, from line 31
14 Net gain or (loss) from Form 4684, lines 31 and 38a
15 Ordinary gain from installment sales from Form 6252, line 25 or 36
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824.
17 Combine lines 10 through 16

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 130861

Form 4797 (2016)

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	01/19/2016
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 (Note: See line 1 before completing.)	20	9,000,000		
21	Cost or other basis plus expense of sale	21	15,307,000		
22	Depreciation (or depletion) allowed or allowable	22	11,486,000		
23	Adjusted basis. Subtract line 22 from line 21	23	3,821,000		
24	Total gain. Subtract line 23 from line 20	24	5,179,000		
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a	11,486,000		
b	Enter the smaller of line 24 or 25a	25b	5,179,000		
26 If section 1250 property: 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 smaller of line 24 or line 26a. See instructions	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you didn't 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 smaller of line 24 or 27b	27c			
28 If section 1254 property:					
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 smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126. See instructions	29a			
b	Enter the smaller 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	5,179,000
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	5,179,000
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	

June 5, 2017

1120S MeF ATS Scenario 9

Form 8453-S

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

OMB No. 1545-0123

2016

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.

For calendar year 2016, or tax year beginning , 2016, and ending , 20

Name of corporation

Mercury Solar, Inc

Employer identification number

00-0000012

Part I Tax Return Information (Whole dollars only)

Table with 5 rows: 1 Gross receipts or sales less returns and allowances (Form 1120S, line 1c) 1,124,560,000; 2 Gross profit (Form 1120S, line 3) 455,195,000; 3 Ordinary business income (loss) (Form 1120S, line 21) 484,019,981; 4 Net rental real estate income (loss) (Form 1120S, Schedule K, line 2) 3,535,000; 5 Income (loss) reconciliation (Form 1120S, Schedule K, line 18) 487,543,518

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 2016 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.

If the corporation is filing a balance due return, I understand that if the IRS doesn't 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'm an officer of the above corporation and that the information I've 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 2016 federal income tax return.

Sign Here Signature of officer Date Title President

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

I declare that I've 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'm only a collector, I'm not responsible for reviewing the return and only declare that this form accurately reflects the data on the return.

ERO's Use Only ERO's signature Date Check if also paid preparer Check if self-employed ERO's SSN or PTIN P444444444 Firm's name (or yours if self-employed), address, and ZIP code Electronic 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've 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've 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 address Firm's EIN Phone no.

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

Form 8825 (Rev. December 2010) Department of the Treasury Internal Revenue Service

OMB No. 1545-1186

See instructions on back. Attach to Form 1065, Form 1065-B, or Form 1120S.

Name: Mercury Solar, Inc Employer identification number: 00-0000012

Table with 4 columns: Physical address, Type, Fair Rental Days, Personal Use Days. Row A: 8510 Particle Drive, Anytown, OK 74002, Type 4, Fair Rental Days 0, Personal Use Days 0.

Main calculation table with columns for Properties (A, B, C, D) and rows for Rental Real Estate Income (Gross rents: 7,200,000) and Rental Real Estate Expenses (Total: 3,665,000). Net gain (loss) is 3,535,000.

Form **8975**

(June 2017)

Department of the Treasury
Internal Revenue Service

Tax Year 2017

1120S MeF ATS Scenario 9
Country-by-Country Report

For reporting period beginning _____, 20____, and ending _____, 20____

OMB No. 1545-2272

▶ Information about Form 8975 and its separate instructions is at www.irs.gov/form8975.

If this is an amended report, check here

Enter the number of Schedules A (Form 8975) attached to this Form 8975 ▶

2

Part I Identification of Filer

1a Name of the reporting entity Mercury Solar, Inc.	1b Reporting role code ULT	1c EIN 00-0000012
2 Number, street, and room or suite no. (if P.O. box, see instructions) 98 Galaxy Street		
3a City or town Honolulu	3b State or province HI	3c Country, and ZIP or foreign postal code 96820

Part II Additional Information

Enter any additional information related to the multinational enterprise group.

World-Wide Company that designs and installs solar panels for residential and commercial customers.

(June 2017)

Department of the Treasury
 Internal Revenue Service

Name of the reporting entity

Mercury Solar, Inc.

Part I Tax Jurisdiction Information. All financial amounts must be stated in U.S. dollars. See instructions.

Tax jurisdiction

US

1. Revenues			2. Profit (loss) before income tax	3. Income tax paid (on cash basis)	4. Income tax accrued—current year	5. Stated capital	6. Accumulated earnings	7. Number of employees	8. Tangible assets other than cash and cash equivalents
(a) Unrelated party	(b) Related party	(c) Total							
461,234,000	400,000,000	861,234,000	753,000,000	345,895,000	98,432,114	752,500,000	248,432,497	600	800,900,000

Part II Constituent Entity Information

1. Constituent entities resident in the tax jurisdiction	2. TIN	3. Tax jurisdiction of organization or incorporation if different from tax jurisdiction of residence	4. Main business activities		
			(a) Activity code	(b) If you entered the code for "Other," describe the business activity	
Mercury Solar, Inc	00-000012		CBC513		Installation of Solar Panels

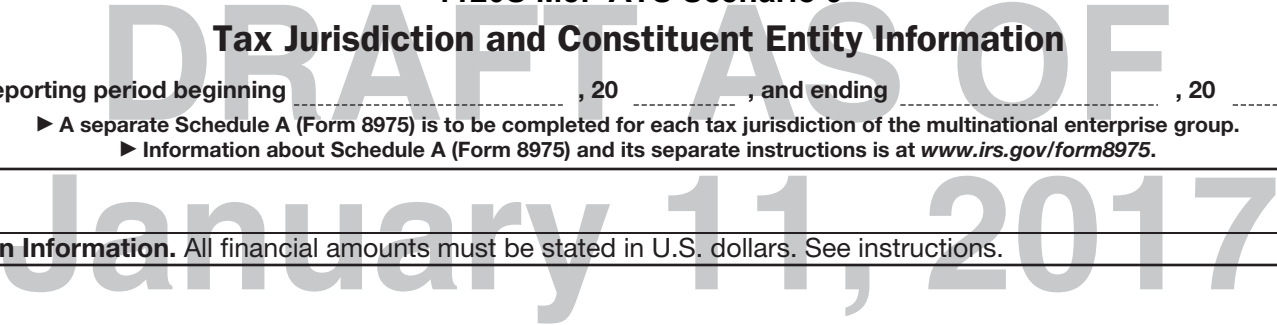
Tax Year 2017
1120S MeF ATS Scenario 9
Tax Jurisdiction and Constituent Entity Information

For reporting period beginning _____, 20____, and ending _____, 20____

▶ A separate Schedule A (Form 8975) is to be completed for each tax jurisdiction of the multinational enterprise group.
 ▶ Information about Schedule A (Form 8975) and its separate instructions is at www.irs.gov/form8975.

OMB No. 1545-2272

EIN
 00-000012



(June 2017)

Department of the Treasury
 Internal Revenue Service

Name of the reporting entity

Mercury Solar, Inc.

Part I Tax Jurisdiction Information. All financial amounts must be stated in U.S. dollars. See instructions.

Tax jurisdiction

CJ

1. Revenues			2. Profit (loss) before income tax	3. Income tax paid (on cash basis)	4. Income tax accrued—current year	5. Stated capital	6. Accumulated earnings	7. Number of employees	8. Tangible assets other than cash and cash equivalents
(a) Unrelated party	(b) Related party	(c) Total							
400,000,000	461,234,000	861,234,000	753,000,000	345,895,000	98,432,114	752,500,000	248,432,497	600	800,900,000

Part II Constituent Entity Information

1. Constituent entities resident in the tax jurisdiction	2. TIN	3. Tax jurisdiction of organization or incorporation if different from tax jurisdiction of residence	4. Main business activities		
			(a) Activity code	(b) If you entered the code for "Other," describe the business activity	
Mercury Solar, Inc.- Cayman Islands	NOTIN		CBC513		Installation of Solar Panels

Tax Year 2017
 1120S MeF ATS Scenario 9
Tax Jurisdiction and Constituent Entity Information
 For reporting period beginning _____, 20____, and ending _____, 20____
 ▶ A separate Schedule A (Form 8975) is to be completed for each tax jurisdiction of the multinational enterprise group.
 ▶ Information about Schedule A (Form 8975) and its separate instructions is at www.irs.gov/form8975.

OMB No. 1545-2272

EIN

00-0000012

