

ALABAMA DEPARTMENT OF REVENUE
S Corporation Information/Tax Return

For the year January 1 – December 31, 1996, or other tax year beginning _____, 1996, ending _____, 19____

<p>► Important</p> <p>Check applicable box:</p> <p><input type="checkbox"/> Initial Return</p> <p><input type="checkbox"/> Final Return</p> <p><input type="checkbox"/> Amended Return</p>	<p>FEDERAL BUSINESS CODE NUMBER</p> <p>▶</p>	<p>FEDERAL EMPLOYER IDENTIFICATION NUMBER</p> <p>▶</p>	<p>DEPARTMENT USE ONLY</p> <p>Edited By _____</p> <p>NRA's _____</p> <p>K-1's _____</p> <p>Reviewed By _____</p> <p>CN _____</p>	
	<p>NAME</p> <p>▶</p>			
	<p>ADDRESS</p> <p>▶</p>			
	<p>CITY, STATE, COUNTRY (IF NOT U.S.)</p> <p>▶</p>	<p>9-DIGIT ZIP CODE</p> <p>▶</p>		
	<p>STATE OF INCORPORATION</p>	<p>NATURE OF BUSINESS</p>		<p>DATE QUALIFIED IN ALABAMA</p>
	<p>DOES THIS COMPANY OPERATE IN MORE THAN ONE STATE? (If yes, complete Schedules B, C, D & E) ▶ <input type="checkbox"/> YES <input type="checkbox"/> NO</p>			<p>If you filed a return for 1995, and above address is different, check here ▶ <input type="checkbox"/></p>
	<p>DOES THIS COMPANY QUALIFY FOR THE ALABAMA ENTERPRISE ZONE CREDIT? (If yes, attach required certificates and forms.) ▶ <input type="checkbox"/> YES <input type="checkbox"/> NO</p>			

UNLESS A COPY OF FORM 1120S IS ATTACHED, THIS RETURN IS INCOMPLETE

SCHEDULE A – Computation of Separately Stated and Nonseparately Stated Income / Tax

<p>Attach Check or Money Order Here</p>	<p>1 Federal Ordinary Income (Loss) from trade or business activities ▶</p>	1		
	2 Reconciliations to Alabama Basis: (see instructions)			
	a. Local net income taxes paid/refunded..... ▶	2a		
	b. Net income (loss) from rental real estate activities..... ▶	2b		
	c. Net income (loss) from other rental activities..... ▶	2c		
	d. Net gain (loss) under I.R.C. § 1231 (other than casualty losses)..... ▶	2d		
	e. Salaries not deducted on Federal Form 1120S..... ▶	2e	()	
	f. Depreciation on I.R.C. § 179 property placed in service prior to 1990..... ▶	2f	()	
	g. Other (attach schedule)..... ▶	2g		
	3 Net Reconciliations (add lines 2a-2g)..... ▶	3		
	4 Net Alabama nonseparately stated income or (loss) (add lines 3 and 1)..... ▶	4		
	(If this corporation operates in more than one state, carry the amount from line 4 to Schedule E, line 1.)			
	5 Separately stated items (business):			
	a. Income taxes paid U.S. possessions..... ▶	5a	()	
	b. Contributions..... ▶	5b	()	
c. Oil and gas depletion..... ▶	5c	()		
d. Portfolio income (loss) net of expenses (attach schedule)..... ▶	5d			
e. Casualty losses..... ▶	5e	()		
f. I.R.C. § 179 expense deduction..... ▶	5f	()		
g. Other items..... ▶	5g			
6 Net separately stated items (add lines 5a-5g)..... ▶	6			
7 Total separately stated and nonseparately stated income (add lines 4 and 6)..... ▶	7			
8 ALABAMA INCOME TAX (see instructions and attach schedule(s))..... ▶	8			
9 Tax Payments, Credits, and Deferrals:				
a. 1996 estimated tax payments and amounts applied from 1995 return..... ▶	9a			
b. Payments made with extension..... ▶	9b			
c. Payments prior to amendment (original return or Department adjustment)..... ▶	9c			
d. Tax Credits (from line 4, Schedule G) (see instructions)..... ▶	9d			
e. Total payments (add lines 9a, 9b, 9c, and 9d)..... ▶	9e			
10 NET TAX DUE (subtract line 9e from line 8)..... ▶	10			
11 OVERPAYMENT (subtract line 8 from line 9e)..... ▶	11			
a. Amount to be credited to 1997 estimated tax..... ▶	11a			
b. Amount to be refunded..... ▶	11b			
REFUND WARRANT NUMBER (DEPARTMENT USE ONLY)				
12 Penalty for late filing and/or late payment (see instructions)..... ▶	12			
13 Interest due (Internal Revenue Code rate from unextended due date)..... ▶	13			
14 TOTAL AMOUNT DUE (add lines 10, 12, and 13)..... ▶	14			
15 AMOUNT REMITTED WITH THIS RETURN..... ▶	15			
<p>a. If payment made through Electronic Funds Transfer (EFT) check this box..... <input type="checkbox"/></p>				

SCHEDULE B – Allocation of Nonbusiness Income, Loss, and Expense

Identify by account name and amount all items of nonbusiness income, loss, and expense removed from apportionable income and those items which are directly allocable to Alabama. Adjustment(s) must also be made for any proration of expenses under Alabama Income Tax Regulation 810-

27-1-4-.01(d), which states, "Any allowable deduction that is applicable to both business and nonbusiness income of the taxpayer shall be prorated to each class of income in determining income subject to tax as provided..." (See instructions).

DIRECTLY ALLOCABLE ITEMS	ALLOCABLE GROSS INCOME OR (LOSS)		RELATED EXPENSE		NET OF RELATED EXPENSE	
	Column A Everywhere	Column B Alabama	Column C Everywhere	Column D Alabama	Column E Everywhere (Col. A less Col. C)	Column F Alabama (Col. B less Col. D)
Nonseparately stated items						
a						
b						
c						
d						
Separately stated items						
e						
f						
g						
h						

NOTE: If the corporation has only Alabama resident shareholders, Schedules C and E do not need to be completed.

SCHEDULE C – Apportionment Schedule

TANGIBLE PROPERTY AT COST FOR PRODUCTION OF BUSINESS INCOME	ALABAMA		EVERYWHERE	
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR
1 Inventories				
2 Land				
3 Furniture and fixtures				
4 Machinery and equipment				
5 Buildings and leasehold improvements				
6 IDB / IRB property (at cost)				
7 Government property (at FMV)				
8				
9				
10 Less construction in progress (if included above)				
11 Totals				
12 Average owned property (BOY + EOY ÷ 2)				
13 Annual rental expense for this year		x8 =		x8 =
14 Total average property		14a		14b
15 Alabama property factor 14a ÷ 14b = Line 15				15 ▶ %

SALARIES, WAGES, COMMISSIONS & OTHER COMPENSATION RELATED TO THE PRODUCTION OF BUSINESS INCOME	16a ALABAMA	16b EVERYWHERE	16c
16 Alabama payroll factor 16a ÷ 16b = 16c			▶ %

SALES	ALABAMA		EVERYWHERE	
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR
17 Destination sales (see instructions)				
18 Origin sales (see instructions)				
19 Total gross receipts from sales				
20 Capital and ordinary gains gross proceeds				
21 Interest				
22 Rents				
23 Other (Federal 1120S, line)				
24 Alabama gross receipts factor 24a ÷ 24b = 24c		24a		24b
				24c ▶ %
25 Sum of lines 15, 16c, and 24c ÷ 3 = ALABAMA APPORTIONMENT FACTOR (enter here and on line 5, Schedule E)				25 ▶ %

SCHEDULE D – Apportionment of Federal Income Tax

1 Enter the federal income tax from Federal Form 1120S				1
2 Enter the Alabama income from line 8, Schedule E below, if applicable. (If corporation operates exclusively in Alabama and has only resident shareholders do not complete lines 2-12.)	2			
3 Separately stated items apportioned 3a _____ 3b x _____ % = 3c _____ <small>(line 6, Schedule A) Apportionment Factor (Line 25, Sch. C)</small>	3c			
4 Separately stated items allocated to Alabama (Column F, lines e, f, g, and h, Schedule B)	4			
5 State/local/franchise/excise taxes 5a _____ 5b x _____ % = 5c _____ <small>Measured by income only (Do not include amount from line 2a, Schedule A) Apportionment Factor (Line 25, Sch. C)</small>	5c			
6 Total (add lines 2, 3c, 4, and 5c)	6			
7 Adjusted total income (add line 7, Sch. A and lines e, f, g, h, Col. E, Sch. B)	7			
8 Enter the amount from line 5a above	8			
9 Enter the amount from line 3, Schedule E	9			
10 Total (add lines 7, 8, and 9)	10			
11 Federal income tax apportionment factor Line 6 ÷ Line 10 =	11		%	
12 Federal income tax apportioned to Alabama (multiply line 1 by the percent on line 11)	12			

SCHEDULE E – Apportionment and Allocation of Income to Alabama (Complete only if corporation operates in other states)

1 Income or (loss) from line 4, Schedule A				1
2 Nonseparately stated (income) or loss (Column E, lines a, b, c, and d, Schedule B)	2			
3 Taxes paid/(refunded) to other states/territory/foreign jurisdiction (see instructions)	3			
4 Apportionable income or (loss) (add lines 1, 2, and 3)	4			
5 Apportionment ratio from line 25, Schedule C	5		%	
6 Income or (loss) apportioned to Alabama (multiply amount on line 4 by percent on line 5)	6			
7 Nonseparately stated income or (loss) apportioned to Alabama (Column F, lines a, b, c, and d, Schedule B)	7			
8 Alabama Income (add lines 6 and 7). Enter here and also on line 2, Schedule D	8			

SCHEDULE F – Alabama Accumulated Adjustments Account

1 Beginning balance				1
2 S corporation operating exclusively in Alabama:				
a Income or (loss) (line 4, Schedule A)	2a			
b Separately stated items (line 6, Schedule A)	2b			
c Federal income tax deduction (line 1, Schedule D)	2c			
3 S corporations operating in other states:				
RESIDENT SHAREHOLDERS				
a Income or (loss) _____ Line 4, Schedule A X _____ Total residents share-day percentage	3a			
b Separately stated items _____ Line 6, Schedule A X _____ Total residents share-day percentage	3b			
c Federal income tax deduction _____ Line 1, Schedule D X _____ Total residents share-day percentage	3c			
d Separately stated nonbusiness items _____ Lines e, f, g, h, Col. E., Sch. B X _____ Total residents share-day percentage	3d			
NONRESIDENT SHAREHOLDERS				
e Income or (loss) _____ Line 8, Schedule E X _____ Total nonresidents share-day percentage	3e			
f Separately stated items _____ Line 6, Schedule A X _____ Apportionment Factor Line 25, Schedule C X _____ Total nonresidents share-day percentage	3f			
g Federal income tax deduction _____ Line 12, Schedule D X _____ Total nonresidents share-day percentage	3g			
h Separately stated nonbusiness items _____ Lines e, f, g, h, Col. F, Sch. B X _____ Total nonresidents share-day percentage	3h			
4 Other additions/(reductions) (Do not include tax exempt income and related expenses)	4			
5 Less distributions	5			
6 Ending balance (total appropriate lines)	6			

SCHEDULE G – Tax Credits (Caution – See Instructions)

1	Employer Education Tax Credit	1		
2	Coal Credit	2		
3	Capital Credit (Project Number(s) _____, _____)	3		
4	TOTAL (add lines 1, 2, and 3). Enter here and on line 9d, Schedule A.	4		

SCHEDULE H – The Following Information Must Be Entered For This Return To Be Considered Complete

Indicate tax accounting method used: Cash Accrual Other

Briefly describe your Alabama operations: _____

Enter this company's Alabama Withholding Tax Account # _____ Person to contact for information concerning this return:

Location of the corporate records: _____ Name _____

Telephone (_____) _____

Please Sign Here  Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Title or Position Date

Paid Preparer's Use Only 

Preparer's signature	Date	Preparer's social security no.
Firm's name (or yours if self-employed) and address	E.I. No.	ZIP Code

CHECK LIST

HAVE THE FOLLOWING FORMS BEEN ATTACHED TO THE FORM 20S:

- ALABAMA SCHEDULE K-1 (for all shareholders)
- ALABAMA SCHEDULE NRA (if applicable)
- FEDERAL FORM 1120S (entire form as filed with IRS)