

ALABAMA DEPARTMENT OF REVENUE Corporation Income Tax Return

For the year January 1 - December 31, 1996, or other tax year beginning 1996, ending 19

Important

FEDERAL BUSINESS CODE NUMBER, FEDERAL EMPLOYER IDENTIFICATION NUMBER, NAME, ADDRESS, CITY, STATE, COUNTRY, 9-DIGIT ZIP CODE, STATE OF INCORPORATION, DATE OF INCORPORATION, DATE QUALIFIED IN ALABAMA, NATURE OF BUSINESS IN ALABAMA, FEIN

Will this corporation file as an S Corporation with the IRS next year?

Yes No

Was federal form 1120-REIT filed?

Yes No

DEPARTMENT USE ONLY

ADDITIONAL TAX

PENALTY/INT.

DATE

REFUND

REV. BY

- Initial return, Final return, Amended return

- Filing Status: Corporation operating only in Alabama, Multistate Corporation - Apportionment, Multistate Corporation - Percentage of Sales, Multistate Corporation - Separate (Direct) Accounting

ATTACH CHECK OR MONEY ORDER HERE

Table with 23 rows for tax calculations: 1 FEDERAL NET INCOME, 2 Reconciliation adjustments, 3 Total net income adjusted, 4 Net nonbusiness, 5 Special deductions, 6 Apportionable income, 7 Alabama apportionment factor, 8 Income apportioned to Alabama, 9 Net nonbusiness income/loss, 10 Special deductions (10a, 10b, 10c), 11 Alabama income before federal income tax deduction, 12 Federal income tax deduction, 13 Alabama income before net operating loss (NOL) carryforward, 14 Alabama NOL deduction, 15 Alabama taxable income, 16 ALABAMA INCOME TAX, 17 Tax Payments, Credits, Exemptions, and Deferral (17a-17e, 17f), 18 NET TAX DUE, 19 OVERPAYMENT (19a-19c), 20 Penalty for late filing, 21 Interest due, 22 TOTAL AMOUNT DUE, 23 AMOUNT REMITTED WITH THIS RETURN

UNLESS A COPY OF THE FEDERAL RETURN IS ATTACHED, THIS RETURN IS INCOMPLETE

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.

Paid Preparer's Use Only

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

**Schedule A**

**Reconciliation Adjustments of Federal Net Income to Alabama Net Income**

The taxpayer should use this schedule to compute its entire net income ("everywhere" net income) applying Alabama tax laws and regulations. A list of items frequently encountered in reconciling federal net income before net operating loss and special deductions to total income from all locations on an Alabama basis before federal income tax and net operating loss carryforward is provided below. Blank lines are provided for additional items.

**Multistate corporations should make adjustments to income for nonapportionable items in Schedule C.**

**ADDITIONS**

1	State and local income taxes	1		
2	Foreign taxes deducted on the federal return	2		
3	Total amounts of depletion deducted on the federal return (cost or percentage)	3		
4	Federally tax exempt state, county, and municipal bond interest earned everywhere	4		
5	The balance of capital losses carried over <b>TO</b> this year on the federal return	5		
6	Charitable contributions deducted on the federal return in excess of the amount allowable for Alabama	6		
7	Federal depreciation taken in excess of Alabama depreciation	7		
8	Alabama taxable income resulting from the change in method of accounting for bad debts (see instructions)	8		
9	Increase to Alabama net income resulting from IRS audit adjustments	9		
10	Federal depreciation on pollution control items included on Schedule B	10		
11	Handicapped barrier depreciation on property located in Alabama deducted on the federal return	11		
12	Expense attributed to exempt interest income on line 20 below	12		
13	LIFO reserve recapture (see instructions)	13		
14	Net income from foreclosure property (real estate investment trust)	14		
15		15		
16	<b>Total additions</b> (add lines 1 through 15)	16		

**DEDUCTIONS**

17	Refunds of state and local income taxes (due to overpayment or overaccrual on the federal return)	17		
18	Cost depletion on <b>NON</b> oil and gas property per Alabama § 40-18-15(a)(9) and applicable regulations	18		
19	27-1/2% or cost depletion on oil and gas property per Alabama § 40-18-16 and applicable regulations	19		
20	State, county, and municipal bond interest income earned in Alabama	20		
21	Interest income earned on U.S. government obligations	21		
22	Dividends which qualify under Alabama Code § 40-18-35 (14) or § 40-18-35(15) (see instructions)	22		
23	The balance of capital losses carried over <b>FROM</b> this year on the federal return	23		
24	Alabama depreciation taken in excess of federal depreciation	24		
25	Alabama depreciation allowable on IRC Section 179 property expensed on the federal return prior to 1990	25		
26	Wages not deducted on the federal return due to jobs credit	26		
27	Decrease to Alabama net income resulting from IRS audit adjustments	27		
28	Pollution control expenditures made within Alabama (line 4, Schedule B)	28		
29	Expense attributed to interest income on line 4 above	29		
30	Expense of removing barriers to the handicapped from property in Alabama	30		
31	Charitable contributions deduction allowable for Alabama in excess of amount deducted on federal return	31		
32	Contributions to Alabama Industrial Development Authority	32		
33	Deduction for dividends paid by a real estate investment trust	33		
34		34		
35		35		
36	<b>Total deductions</b> (add lines 17 through 35)	36		
37	<b>TOTAL RECONCILIATION ADJUSTMENTS</b> (subtract line 36 from line 16 above) Enter here and on line 2, page 1 (enclose a negative amount in parentheses)	37		

**Schedule B**

**Pollution Control Election** NOTE: This election may **NOT** be made or changed **AFTER** the due date of this (original) return

Pursuant to Alabama Section 40-18-35, Code of Alabama 1975, taxpayer hereby elects to expense or amortize the amounts invested during the taxable year in all devices, facilities, or structures and all identifiable components thereof or materials for use therein, used or placed in operation within the State of Alabama, acquired or constructed primarily for the control, reduction or elimination of air or water pollution as set out below.

1	Total amount of pollution control expenditures made in Alabama during the tax year (attach itemized supporting schedule) This above amount is to be: <input type="checkbox"/> Expensed <input type="checkbox"/> Amortized over _____ years	1		
2	Amount from line 1 expensed or amortized this year	2		
3	Amount amortized this year for prior period expenditures (attach itemized supporting schedule)	3		
4	<b>TOTAL POLLUTION CONTROL</b> deduction on Alabama facilities (add lines 2 and 3). Enter amount here and on line 28, Schedule A. Also, Multistate Corporations apportioning income enter this amount on line 10a, page 1	4		

**Schedule C**

**Allocation of Nonbusiness Income, Loss, and Expense – Use only if you checked Filing Status 2, page 1**

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 OF NONBUSINESS INCOME OR LOSS	ALLOCABLE GROSS INCOME / LOSS		RELATED EXPENSE		NET OF RELATED EXPENSE	
	Column A Everywhere	Column B Alabama	Column C Everywhere	Column D Alabama	Column E Everywhere	Column F Alabama
1a						
b						
c						
d						
e						
f						
g						
h						
i						
j						
<b>2 NET NONBUSINESS INCOME / LOSS</b> Enter Column E total ((income)/loss) on line 4 of page 1. Enter Column F total (income/(loss)) on line 9 of page 1 .....					Column E	Column F

**Schedule D-1**

**Apportionment Factor – Use only if you checked Filing Status 2, page 1**

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 Less Construction in progress (if included)					
10 Totals					
11 Average owned property (BOY + EOY ÷ 2)					
12 Annual rental expense	\$	x8 = \$		x8 =	
13 Total average property .....	<b>13a</b>		<b>13b</b>		
14 Alabama property factor — 13a ÷ 13b = line 14 .....			<b>14</b> ▶ %		
<b>SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION RELATED TO THE PRODUCTION OF BUSINESS INCOME</b>	<b>15a</b>	<b>ALABAMA</b>	<b>15b</b>	<b>EVERYWHERE</b>	<b>15c</b>
15 Alabama payroll factor — 15a ÷ 15b = 15c .....					▶ %
<b>SALES</b>		<b>ALABAMA</b>		<b>EVERYWHERE</b>	
16 Destination sales (see instructions) .....					
17 Origin sales (see instructions) .....					
18 Total gross receipts from sales .....					
19 Dividends .....					
20 Interest .....					
21 Rents .....					
22 Royalties .....					
23 Gross proceeds from capital and ordinary gains .....					
24 Other _____ (Federal 1120, line _____)					
25 Alabama sales factor — 25a ÷ 25b = line 25c .....	<b>25a</b>		<b>25b</b>		<b>25c</b> ▶ %
26 Sum of lines 14, 15c, and 25c ÷ 3 = <b>ALABAMA APPORTIONMENT FACTOR</b> (Enter here and on line 7, page 1) .....					<b>26</b> ▶ %

**Schedule D-2**

**Percentage of Sales – Use only if you checked Filing Status 3, page 1**

	ALABAMA	EVERYWHERE
1 Destination Sales .....		
2 Origin Sales .....		
3 Total gross receipts from sales .....		
4 Tax due (multiply line 3, Alabama by .0025) (enter here and on page 1, line 16) .....		

Schedule E

Federal Income Tax

- (a) If this corporation is an accrual-basis taxpayer and files a separate (nonconsolidated) federal income tax return with the IRS, enter on line 1 below the amount of federal income tax liability shown on Form 1120. Cash-basis taxpayers filing separate (nonconsolidated) federal returns should enter on line 1 below the amount of federal income tax actually paid during the year.
(b) If this corporation is a member of an affiliated group which files a consolidated federal return, indicate the number of the election made

under IRC Section 1552. [ ] 1552(a)(1) [ ] 1552(a)(2) [ ] 1552(a)(3)
[ ] No Election Made [ ] Other

Attach a copy of the common parent corporation's current 1552 election letter.

Enter on line 1 the amount of the consolidated tax liability allocated to this corporation under the method indicated above. Ignore any supplemental elections under IRC Section 1502. Attach a schedule of your computations.

Table with 7 rows and 2 columns. Row 1: Federal income tax deduction to be apportioned (DO NOT include IRC § 59A Environmental Tax). Row 2: Alabama income (from line 11, page 1). Row 3: Adjusted total income (from line 3, page 1). Row 4: Federal income tax apportionment factor (line 2 divided by line 3). Row 5: Federal income tax deduction apportioned to Alabama (multiply line 1 by line 4). Row 6: Refund of federal income tax deducted in prior year(s) (see instructions). Row 7: NET FEDERAL INCOME TAX DEDUCTION / (REFUND) (subtract line 6 from line 5).

Schedule F

Credits/Exemptions Caution - See Instructions

Table with 7 rows and 2 columns. Row 1: Alabama Enterprise Zone Credit/Exemptions. Row 2: Employer Education Credit. Row 3: Income Tax Credit. Row 4: Tax Increment Fund Payment Credit. Row 5: Coal Tax Credit. Row 6: Capital Tax Credit (Project Number(s)). Row 7: TOTAL (add lines 1 through 6). Enter here and on line 17d, page 1.

The following information must be entered for the Alabama return to be complete

Other Pertinent Information

- 1. Briefly describe your Alabama operations.
2. List locations of property within Alabama (cities and counties).
3. List other states in which corporation operates, if applicable.
4. Indicate your tax accounting method: [ ] Accrual [ ] Cash [ ] Other
5. Is this the corporation's final return? [ ] Yes [ ] No
If yes, check reason: [ ] Withdrawal from Alabama [ ] Dissolution [ ] Merger [ ] Reorganization
Name, address, and FEIN of the successor corporation, if any.
6. Is this corporation currently in bankruptcy, liquidation, and/or receivership? [ ] Yes [ ] No (If yes, submit complete history.)
7. (a) During this tax period, did this corporation own, directly or indirectly, 50% or more of the voting stock of any other corporation? [ ] Yes [ ] No
(b) During this tax period, did any corporation, partnership, trust, or association own directly or indirectly 50% or more of YOUR stock? [ ] Yes [ ] No

- (c) Was the owner of such voting stock other than a U.S. person? [ ] Yes [ ] No
(d) Was the corporation a U.S. shareholder of any controlled foreign corporation? [ ] Yes [ ] No
(e) At any time during the tax year did the corporation have an interest in or a signature or other authority over a financial account in a foreign country? [ ] Yes [ ] No
(f) Was the corporation the grantor of, or transferor to, a foreign trust which existed during the current tax year whether or not the corporation has any beneficial interest in it? [ ] Yes [ ] No
8. If this corporation is a member of an affiliated group which files a consolidated federal return, the following information must be provided:
(a) Copy of Federal Form 851, Affiliations Schedule.
(b) Copy of the spreadsheet of the income statements for EVERY corporation in the consolidated group.
(c) Copy of consolidated Federal Form 1120, pages 1-4, as filed with the IRS.
9. Enter this corporation's federal net income (shown on line 28 of Federal Form 1120) for the last three (3) years, as last determined (e.g.: per amended federal return or IRS audit).
10. (a) Are you currently being audited by the IRS? [ ] Yes [ ] No
11. Location of the corporate records:
12. Person to contact for information concerning this return: