Appendix IX Test 8

Goldplated Detailing Service, Inc.

Schedules tested within Form 20S:

Schedule A
Schedule F
Schedule H
Schedule K
Other Information

Required Attachments:
AL8453C.pdf
OtherSeparatelyStatedItems.pdf
ALScheduleK-1.pdf
Federal1120S.pdf

FORM **20S**

ALABAMA DEPARTMENT OF REVENUE

S Corporation Information/Tax Return

CY ☑ FY ☐ SY ☐ **2006**

For the year January 1 – December 31, 2006, or other tax year beginning _____, 2006, ending _____, _____

▶ **Important**	FEDERAL BUSINESS CODE NUMBER ▶ 811190	FEDERAL EMPLOYER IDENTIFICATION NUMBER ▶ 11-0000008	**Data Summary**
Check applicable box:	NAME ▶ Goldplated Detailing Service, Inc.		Total federal income 51,614
☑ Initial Return	ADDRESS ▶ 36 Any Street		Total federal deductions 5,073,993
☐ Final Return	CITY, STATE, COUNTRY (IF NOT U.S.) ▶ Anytown, CA	9-DIGIT ZIP CODE ▶ 90062-0000	Total assets as shown on Form 1120S 6,688,675
☐ Amended Return	STATE OF INCORPORATION DE / NATURE OF BUSINESS Auto Maintenance	DATE QUALIFIED IN ALABAMA 01/02/2006	Alabama Apportionment Factor from Schedule C, line 25
	CHECK IF THE CORPORATION OPERATES IN MORE THAN ONE STATE ▶ ☐	IF YOU FILED A RETURN FOR 2005 AND THE ABOVE NAME AND ADDRESS IS DIFFERENT, CHECK HERE ▶ ☐	**CN**

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

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

	1 Federal Ordinary Income or (Loss) from trade or business activities ▶				1	(5,022,379)	00
Adjustments to Federal Ordinary Income (Loss)	**Reconciliation to Alabama Basis** ***(see instructions)***						
	2 Net short-term and long-term capital gains – income or (loss)	2	5,583,551	00			
	3 Salaries and wages reduced for federal employment credits	3	(	00)			
	4 State and local net income taxes paid/refund	4		00			
	5 Net income or (loss) from rental real estate activities	5	63,932	00			
	6 Net income or (loss) from other rental activities	6		00			
	7 Net gain or (loss) under **I.R.C. §1231** *(other than casualty losses)*	7		00			
	8 Depreciation on **I.R.C. §179** property placed in service prior to 1990	8	(	00)			
	9 Other reconciliation items *(attach schedule)*	9		00			
	10 Net reconciling items *(add lines 2 through 9)* ▶				10	5,647,483	00
	11 Net Alabama nonseparately stated income or (loss) *(add line 1 and line 10)* ▶				11	625,104	00
	Separately Stated Items (Related to Business Income)						
	12 Contributions ▶	12	(5,931	00)			
	13 Oil and gas depletion ▶	13	(	00)			
	14 **I.R.C. §179** expense deduction ▶	14	(	00)			
	15 Casualty losses ▶	15	(	00)			
	16 Portfolio income less expenses *(complete Schedule K)* ▶	16	3,271,368	00			
	17 Other separately stated items *(attach schedule)* ▶	17	377,465	00			
	18 Net separately stated items *(add line 12 through 17)* ▶				18	3,642,902	00
	19 Total separately stated and nonseparately stated items *(add line 11 and line 18)* ▶				19	4,268,006	00
	20 Nonseparately Stated Income Allocated and Apportioned to Alabama from Schedule E, line 7 ▶				20		00
Tax Due, Payments, and Credits	21 ALABAMA INCOME TAX *(see instructions and attach schedule)*				21		00
	22 Tax Payments, Credits, and Deferrals:						
	a. 2006 estimated tax payments and amounts applied from 2005 return	22a		00			
	b. Payments made with extension *(see instructions)*	22b		00			
	c. Payments prior to amendment *(original return or Department adjustment)*	22c		00			
	d. Tax credits *(from line 3, Schedule G) (see instructions)*	22d		00			
	e. Total payments *(add lines 22a, 22b, 22c, 22d)*				22e		00
	23 **NET TAX DUE** *(subtract line 22e from line 21)*				23		00
	24 **OVERPAYMENT** *(subtract line 21 from 22e)*				24		00
	a. Amount to be credited to 2007 estimated tax	24a		00			
	b. Amount to be refunded	24b		00			
	25 Penalties *(see instructions)*				25		00
	26 Interest due *(Internal Revenue Code rate from unextended due date)*				26		00
	27 TOTAL AMOUNT DUE *(add lines 23, 25, and 26)*				27		00
	28 **AMOUNT REMITTED WITH THIS RETURN**	28		00			
	a. If payment made through Electronic Funds Transfer (EFT) check this box ☐						

MAIL TO: Alabama Department of Revenue, Pass Through Entity Section, P.O. Box 327441, Montgomery, AL 36132

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 Rule 810-27-1-4-.01, 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 / 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						
1a						
1b						
1c						
1d Total *(add lines 1a, 1b, and 1c)*						
Separately stated items						
1e						
1f						
1g						
1h Total *(add lines 1e, 1f, and 1g)*						

SCHEDULE C – Apportionment Factor 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
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)		
	24a	**24b**
24 **Alabama gross receipts factor** 24a ÷ 24b = 24c		**24c** ▶ %
25 Sum of lines 15, 16c, and 24c ÷ 3 = **ALABAMA APPORTIONMENT FACTOR** (enter here and on line 4, Schedule E)..... **25**		▶ %

In accordance with Alabama Income Tax Regulation Number 810-27-1-4-.09, if a factor on line 15, 16c, or 24c is zero, the factor shall be eliminated and the denominator reduced accordingly.

SCHEDULE D – Apportionment of Federal Income Tax

1	Enter the federal income tax from Federal Form 1120S ▶			1	00
2	Enter the Alabama income from line 7, Schedule E below, if applicable. (If corporation operates exclusively in Alabama, do not complete lines 2-8.)	2			
3	Apportionment of separately stated items 3a _____ 3b x _____ % = (Apportionment Factor (line 25, Schedule C))	3c			
	Enter in line 3a the amount from line 18, Schedule A				
4	Separately stated items allocated to Alabama (line 1h, Column F, Schedule B)	4			
5	Total *(add lines 2, 3c and 4)* ▶	5			
6	Adjusted total income *(add line 19, Schedule A to line 1h, Column E, Schedule B)*	6			
7	Federal income tax apportionment factor (line 5 divided by line 6)			7	%
8	Federal income tax apportioned to Alabama *(multiply line 1 by the percent on line 7)*			8	00

SCHEDULE E – Apportionment and Allocation of Income to Alabama

1	Net Alabama nonseparately stated income or (loss) from line 11, Schedule A	1	00
2	Nonseparately stated (income) or loss treated as nonbusiness income (line 1d, Column E, Schedule B) – please enter income as a negative amount and losses as a positive amount	2	00
3	Apportionable income or (loss) *(add line 1 and line 2)*	3	00
4	Apportionment ratio from line 25, Schedule C	4	%
5	Income or (loss) apportioned to Alabama *(multiply amount on line 3 by percent on line 4)*	5	00
6	Nonseparately stated income or (loss) allocated to Alabama as nonbusiness income *(Column F, line 1d, Schedule B)*	6	00
7	Nonseparately Stated Income Allocated and Apportioned to Alabama *(add lines 5 and 6)*. Also enter this amount on line 2, Schedule D; line 20, Schedule A; and line 1, Schedule K ▶	7	00

SCHEDULE F – Alabama Accumulated Adjustments Account

1	Beginning balance (prior year ending balance)	1	50,000	00
2	Net Alabama nonseparately stated income or (loss) (line 11, Schedule A)	2	625,104	00
3	Net separately stated items (line 18, Schedule A)	3	3,642,902	00
4	Federal income tax deduction *(line 1, Schedule D)*	4		00
5	Separately stated nonbusiness items *(line 1h, Column E, Schedule B)*	5		00
6	Other additions/(reductions) *(Do not include tax exempt income and related expenses)*	6		00
7	Less distributions	7		00
8	Ending balance *(total appropriate lines)* ▶	8	4,318,006	00

SCHEDULE G – Tax Credits *(Caution – See Instructions)*

1	Employer Education Tax Credit	1		00
2	Coal Credit	2		00
3	TOTAL *(add lines 1 and 2)*. Enter here and on line 22d, Schedule A	3		00

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

1 Indicate tax accounting method used: ☐ Cash ☑ Accrual ☐ Other

2 Briefly describe your Alabama operations: Auto maintenance/car wash detailing

3 Enter this company's Alabama Withholding Tax Account No.: 0000034567

4 Person to contact for information concerning this return:

Name Buff Ann Shine

Telephone Number (800) 555-1212

5 Location of the corporate records: 36 Any Street, Anytown, CA 90062

6 Check if an Alabama business privilege tax return was filed for this entity: ☑

7 If the privilege tax return was filed using a different FEIN, please provide the name and FEIN used to file the return:

FEIN: NAME:

SCHEDULE K – Distributive Share Items

		Federal Amount	Apportionment Factor	Alabama Amount	Enter on Alabama Schedule K-1
1	Alabama Nonseparately Stated Income (Schedule E, line 7)			625,104	Part III, Line M
	Separately Stated Items:				
2	Contributions	5,931	100.0000	5,931	Part III, Line S
3	Oil and gas depletion				Part III, Line Z
4	**I.R.C. §179** expense deduction				Part III, Line O
5	Casualty losses				Part III, Line W
6	Portfolio income	3,271,368	100.0000	3,271,368	Part III, Line Q
7	Interest expense related to portfolio income				Part III, Line P
8	Other expenses related to portfolio income (attach schedule)				Part III, Line R
9	Other separately stated business items (attach explanation)	377,465	100.0000	377,465	Part III, Line T
10	Separately stated nonbusiness items (attach schedule)				Part III, Line AA
11	Composite payment made on behalf of owner/shareholder				Part III, Line U
12	U.S. taxes paid (attach explanation)				Part III, Line V
13	Alabama exempt income (attach explanation)				Part III, Line AB
	Transactions with Owners:				
14	Property distributions to owners				Part III, Line X

Please Sign Here

☑ I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.

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.

Signature	Date	Daytime Telephone No.	Social Security No.
Buff Ann Shine	3/15/2007	(800) 555-1212	999 06 0099

Paid Preparer's Use Only

Preparer's Signature	Telephone No.	Date	Preparer's Social Security No.
Johnny Appleseed	(512) 555-1212	3/10/2007	999 06 0007

Firm's Name (or yours if self-employed) and address	E.I. No.
Electronic Tax Filers, Inc	110000011
100 Efile Drive, Anytown, TX	ZIP Code 78621

CHECK LIST

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

- ☐ ALABAMA SCHEDULE K-1 (one for each shareholder)
- ☐ ALABAMA SCHEDULE NRA (if applicable)
- ☐ FEDERAL FORM 1120S (entire form as filed with IRS)
- ☐ FEDERAL FORM 1120S PROFORMA (if applicable)
- ☐ FEDERAL FORM 7004 (if applicable)

AL8453C.pdf

FORM

AL8453-C

ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL & CORPORATE TAX DIVISION

2006

Corporation/Partnership Income Tax Declaration for Electronic Filing

To be filed electronically with the company's tax return. Do not send paper copies.

For calendar year 2006, or tax year beginning 01/01 **, 2006, ending** 12/31 **, 20**06

NAME OF COMPANY	FEDERAL EMPLOYER IDENTIFICATION NUMBER
Goldplated Detailing Service, Inc.	110000008
ADDRESS OF COMPANY 36 Any Street Anytown, CA 90062 0000	TELEPHONE NUMBER 8005551212

PART I Tax Return Information (*Whole Dollars Only*)

1 Alabama taxable income (Form 20C, line 14); or Non Separately Stated Income (Forms 20S/65, line 20)	1	0.00
2 Total tax liability (Form 20C, line 15c; Form 20S, line 21)	2	0.00
3 Total payments and credits (Form 20C, line 16h; Form 20S, line 22e)	3	0.00
4 Refund (negative number reported on Form 20C, line 18; Form 20S, line 24b)	4	0.00
5 Amount you owe (positive number reported on Form 20C, line 18; Form 20S, line 27)	5	0.00
6 Amount of payment remitted electronically	6	0.00

PART II Declaration of Officer *(Sign only after Part I is completed.)*

Under penalties of perjury, I declare that I am an officer of the above company 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 company's 2006 Alabama income tax return. To the best of my knowledge and belief, the company's return is true, correct, and complete. I consent to my ERO, transmitter, and/or ISP sending the company's return, this declaration, and accompanying schedules and statements to the Alabama Department of Revenue. I also consent to the Alabama Department of Revenue sending my ERO, transmitter, and/or ISP an acknowledgment of receipt of transmission and an indication of whether or not the company's return is accepted, and, if rejected, the reason(s) for the rejection.

☑ I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.

Sign Here ▶ Buff Ann Shine | 03/15/2007 | ▶ Chief Executive Officer

Signature of Officer | Date | Title

PART III Declaration of Electronic Return Originator (ERO) and Paid Preparer *(See Instructions)*

I declare that I have reviewed the above company's return and that the entries on Form AL8453-C 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 company's 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 Alabama Department of Revenue, and have followed all other requirements in Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File Information for Authorized IRS e-file Providers and Pub. AL4164 Software Developers and Transmitters Guidelines and Schemas for Alabama Corporation and Partnership Income Tax Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above company'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 ▶ Johnny Appleseed	Date 03/15/2007	Check if also paid preparer ☑	Check if self-employed ☑	ERO's SSN or PTIN 999060007
Firm's name (or yours if self-employed), address and ZIP code ▶ Electronic Tax Filers, Inc. 100 Efile Drive, Anytown, Tx 78621			EIN 110000011 Phone No. (512) AL8453C.pdf	

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				
Preparer's signature ▶ Johnny Appleseed	Date 03/10/2007		Check if self-employed ☑	Preparer's SSN or PTIN 999060007
Firm's name (or yours if self-employed), address and ZIP code ▶ Electronic Tax Filers, Inc. 100 Efile Drive, Anytown, Tx 78621			EIN 110000011 Phone No. (512) 5551212	

OtherSeparatelyStatedItems.pdf

This PDF must clearly explain the nature and amounts of the other separately stated items.

For sample purposes this document will represent:

The explanation of the nature and amounts of other separately stated items claimed.

ALScheduleK-1.pdf

SCHEDULE

K-1

(Form 65 and Form 20S)

ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL & CORPORATE TAX DIVISION

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

2006

SEE INSTRUCTIONS

☐ Subchapter K entity

☑ S corporation

Tax year beginning 01/01, 2006 and ending 12/31, 20 06

☐ Final K-1

☐ Amended K-1

PART I Information About the Pass Through Entity

A	Entity's Federal Employer Identification Number 11-0000008
B	Entity's name, address, city, state, and ZIP code Godlplated Detailing Service, Inc. 36 Any Street, Anytown, CA 9062

PART II Information About the Owner/Shareholder

C	Owner's/Shareholder's identifying number 999060010
D	Owner's/Shareholder's name Tajh Mahal Shadrock
E	Owner's/Shareholder's street address 53 Any Street
F	Owner's/Shareholder's city, state, ZIP code Anytown, CO 81601
G	☐ General partner or LLC member manager ☐ Limited partner or other LLC member
H	What type of entity is this owner/shareholder?
I	Owner's/Shareholder's percentage of profit and (loss) sharing 50.0000
J	Check if owner/shareholder is a nonresident ☐ Nonresident If a nonresident, provide state of legal residence: If a nonresident, check if an Alabama Schedule NRA, nonresident agreement, has been filed for the owner/shareholder. ☐ Schedule NRA filed
K	Owner's/Shareholder's basis in entity
L	Notes:

PART III Owner's/Shareholder's Share of Current Year Alabama Income, Deductions, Credit, and Other Items

M	Nonseparately Stated Income Allocated and Apportioned to Alabama 312,552.00
N	Amount of Guaranteed Payments to Partner to be Reported by the Partner as Alabama Source Income (see instructions)
O	Section 179 Expense
P	Investment Interest Expense Related to Portfolio Income
Q	Portfolio Income 1,635,684.00
R	Other Expenses Related to Portfolio income – Do not include interest expense
S	Charitable Contributions 2,966.00
T	Other Separately Stated business Items (attach schedule) 188,733.00
U	Composite Payment made on behalf of owner/shareholder (see instructions)
V	U.S. Income Taxes Paid (see instructions)
W	Casualty Losses (see instructions)
X	Withdrawals and Distributions*
Y	Additional Information:
Z	Oil and Gas Depletion
AA	Separately Stated Nonbusiness Items (attach schedule)
AB	Alabama Exempt Income (attach explanation)

A completed Alabama Schedule K-1 for each member in the Subchapter K entity/S corporation must be attached to Form 65/Form 20S.

ALScheduleK-1.pdf

SCHEDULE

K-1

(Form 65 and Form 20S)

ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL & CORPORATE TAX DIVISION

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

2006

SEE INSTRUCTIONS

☐ Subchapter K entity

☑ S corporation

Tax year beginning 01/01, 2006 and ending 12/31, 20 06

☐ Final K-1

☐ Amended K-1

PART I Information About the Pass Through Entity

A	Entity's Federal Employer Identification Number 11-0000008
B	Entity's name, address, city, state, and ZIP code Godlplated Detailing Service, Inc. 36 Any Street, Anytown, CA 9062

PART II Information About the Owner/Shareholder

C	Owner's/Shareholder's identifying number 999060009
D	Owner's/Shareholder's name Waxer A. Cleanowski
E	Owner's/Shareholder's street address 52 Any Street
F	Owner's/Shareholder's city, state, ZIP code Anytown, MO 64113
G	☐ General partner or LLC member manager ☐ Limited partner or other LLC member
H	What type of entity is this owner/shareholder?
I	Owner's/Shareholder's percentage of profit and (loss) sharing 50.0000
J	Check if owner/shareholder is a nonresident ☐ Nonresident If a nonresident, provide state of legal residence: If a nonresident, check if an Alabama Schedule NRA, nonresident agreement, has been filed for the owner/shareholder. ☐ Schedule NRA filed
K	Owner's/Shareholder's basis in entity
L	Notes:

PART III Owner's/Shareholder's Share of Current Year Alabama Income, Deductions, Credit, and Other Items

M	Nonseparately Stated Income Allocated and Apportioned to Alabama 312,552.00
N	Amount of Guaranteed Payments to Partner to be Reported by the Partner as Alabama Source Income (see instructions)
O	Section 179 Expense
P	Investment Interest Expense Related to Portfolio Income
Q	Portfolio Income 1,635,684.00
R	Other Expenses Related to Portfolio income – Do not include interest expense
S	Charitable Contributions 2,966.00
T	Other Separately Stated business Items (attach schedule) 188,733.00
U	Composite Payment made on behalf of owner/shareholder (see instructions)
V	U.S. Income Taxes Paid (see instructions)
W	Casualty Losses (see instructions)
X	Withdrawals and Distributions*
Y	Additional Information:
Z	Oil and Gas Depletion
AA	Separately Stated Nonbusiness Items (attach schedule)
AB	Alabama Exempt Income (attach explanation)

A completed Alabama Schedule K-1 for each member in the Subchapter K entity/S corporation must be attached to Form 65/Form 20S.

Federal1120S.pdf

Form **1120S**

Department of the Treasury
Internal Revenue Service (77)

U.S. Income Tax Return for an S Corporation

▶ **Do not file this form unless the corporation has filed Form 2553 to elect to be an S corporation.**

▶ **See separate instructions.**

OMB No. 1545-0130

2006

For calendar year 2006 or tax year beginning , 2006, ending , 20

A Effective date of S election: 08/20/1998	**Use IRS label. Otherwise, print or type.** Name: Goldplated Detailing Service, Inc	**C** Employer identification number: 11 0000008
B Business activity code number (see instructions): 811190	Number, street, and room or suite no. If a P.O. box, see instructions.: 36 Any Street	**D** Date incorporated: 08/27/1985
	City or town, state, and ZIP code: Anytown, CA 90062	**E** Total assets *(see instructions)*: $ 6688675

F Check if: **(1)** ☐ Initial return **(2)** ☐ Final return **(3)** ☐ Name change **(4)** ☐ Address change **(5)** ☐ Amended return

G Enter the number of shareholders in the corporation at the end of the tax year . . . ▶ 2

H Check if Schedule M-3 is required *(attach Schedule M-3)* . . . ▶ ☐

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

Income	**1a** Gross receipts or sales 13724661 **b** Less returns and allowances **c** Bal ▶		1c	13724661	
	2 Cost of goods sold (Schedule A, line 8)		2	10400672	
	3 Gross profit. Subtract line 2 from line 1c		3	3323989	
	4 Net gain (loss) from Form 4797, Part II, line 17 *(attach Form 4797)*		4		
	5 Other income (loss) *(see instructions—attach statement)*		5	(3272375)	
	6 **Total income (loss).** Add lines 3 through 5 ▶		6	51614	
Deductions (see instructions for limitations)	**7** Compensation of officers		7	600394	
	8 Salaries and wages (less employment credits)		8	790556	
	9 Repairs and maintenance		9	186826	
	10 Bad debts		10		
	11 Rents		11	138516	
	12 Taxes and licenses		12	162254	
	13 Interest		13	2547	
	14 Depreciation not claimed on Schedule A or elsewhere on return *(attach Form 4562)*		14	142900	
	15 Depletion **(Do not deduct oil and gas depletion.)**		15		
	16 Advertising		16		
	17 Pension, profit-sharing, etc., plans		17	800000	
	18 Employee benefit programs		18	250000	
	19 Other deductions *(attach statement)*		19	2000000	
	20 **Total deductions.** Add lines 7 through 19 ▶		20	5073993	
	21 **Ordinary business income (loss).** Subtract line 20 from line 6		21	(5022379)	
Tax and Payments	**22a** Excess net passive income or LIFO recapture tax *(see instructions)*	22a			
	b Tax from Schedule D (Form 1120S)	22b			
	c Add lines 22a and 22b *(see instructions for additional taxes)*		22c		
	23a 2006 estimated tax payments and 2005 overpayment credited to 2006	23a			
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels *(attach Form 4136)*	23c			
	d Credit for federal telephone excise tax paid *(attach Form 8913)*	23d			
	e Add lines 23a through 23d		23e		
	24 Estimated tax penalty *(see instructions)*. Check if Form 2220 is attached ▶ ☐		24		
	25 **Amount owed.** If line 23e is smaller than the total of lines 22c and 24, enter amount owed		25		
	26 **Overpayment.** If line 23e is larger than the total of lines 22c and 24, enter amount overpaid		26		
	27 Enter amount from line 26 **Credited to 2007 estimated tax** ▶ **Refunded** ▶		27		

Sign Here

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

Buff Ann Shine — Signature of officer | 3/15/2007 — Date | Chief Executive Officer — Title

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

Paid Preparer's Use Only

Preparer's signature ▶ Johnny Appleseed	Date 3/10/2007	Check if self-employed ☑	Preparer's SSN or PTIN 999-06-0007
Firm's name (or yours if self-employed), address, and ZIP code ▶ Electronic Tax Filers, Inc 100 EFILE DRIVE, ANYTOWN, TX 78621		EIN 11 0000011 Phone no. (512) 555-1212	

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11510H Form **1120S** (2006)

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	92281
2	Purchases	2	8753370
3	Cost of labor	3	1001648
4	Additional section 263A costs *(attach statement)*	4	
5	Other costs *(attach statement)*	5	698745
6	**Total.** Add lines 1 through 5	6	10546044
7	Inventory at end of year	7	145372
8	**Cost of goods sold.** Subtract line 7 from line 6. Enter here and on page 1, line 2	8	10400672

9a Check all methods used for valuing closing inventory: *(i)* ☐ Cost as described in Regulations section 1.471-3
(ii) ☑ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

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 percentage (or amounts) 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 corporation? ☐ Yes ☑ No

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

Schedule B Other Information (see instructions)

		Yes	No
1	Check accounting method: a ☐ Cash b ☑ Accrual c ☐ Other (specify) ▶		
2	See the instructions and enter the: a Business activity ▶ Auto Maintenance b Product or service ▶ Car Wash/Detailing		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: **(a)** name and employer identification number (EIN), **(b)** percentage owned, and **(c)** if 100% owned, was a QSub election made?		✓
4	Was the corporation a member of a controlled group subject to the provisions of section 1561?		✓
5	Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		
6	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.		
7	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 its basis (or the basis of any other property) in the hands of a C corporation **and (b)** has net unrealized built-in gain (defined in section 1374(d)(1)) 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 ▶ $		
8	Enter the accumulated earnings and profits of the corporation at the end of the tax year. $		
9	Are the corporation's total receipts *(see instructions)* for the tax year **and** its total assets at the end of the tax year less than $250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		✓

Note: *If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach* ***Schedule N (Form 1120),*** *Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.*

Schedule K Shareholders' Pro Rata Share Items

				Total amount
Income (Loss)	1	Ordinary business income (loss) (page 1, line 21)	1	(5022379)
	2	Net rental real estate income (loss) *(attach Form 8825)*	2	63932
	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	2510363
	5	Dividends: a Ordinary dividends	5a	
		b Qualified dividends	5b 761005	
	6	Royalties	6	
	7	Net short-term capital gain (loss) *(attach Schedule D (Form 1120S))*	7	(259012)
	8a	Net long-term capital gain (loss) *(attach Schedule D (Form 1120S))*	8a	5842563
	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	

	Shareholders' Pro Rata Share Items (continued)		Total amount
Deductions	11 Section 179 deduction *(attach Form 4562)*	11	
	12a Contributions	12a	5931
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
	d Other deductions *(see instructions)* Type ▶ Portfolio	12d	377465
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)*	13c	
	d Other rental real estate credits *(see instructions)* Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Credit for alcohol used as fuel *(attach Form 6478)*	13f	
	g Other credits *(see instructions)* Type ▶	13g	500
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	14d	
	e Listed categories *(attach statement)*	14e	
	f General limitation	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	14i	
	j Listed categories *(attach statement)*	14j	
	k General limitation	14k	
	Other information		
	l Total foreign taxes (check one): ▶ ☐ Paid ☐ 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	-50466
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties—gross income	15d	
	e Oil, gas, and geothermal properties—deductions	15e	
	f Other AMT items *(attach statement)*	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	18005
	d Property distributions	16d	5500000
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	3271368
	b Investment expenses	17b	377465
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts *(attach statement)*		
Recon-ciliation	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	3512576

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
	Assets	(a)	(b)	(c)	(d)
1	Cash		211035		84106
2a	Trade notes and accounts receivable	744659		852560	
b	Less allowance for bad debts	( )	744659	( )	852560
3	Inventories		92281		145372
4	U.S. government obligations				
5	Tax-exempt securities *(see instructions)*				
6	Other current assets *(attach statement)*		856007		4419811
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments *(attach statement)*				
10a	Buildings and other depreciable assets	3235804		3410332	
b	Less accumulated depreciation	(2039227)	1196577	(2261506)	1148826
11a	Depletable assets				
b	Less accumulated depletion	( )		( )	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	80000		80000	
b	Less accumulated amortization	(39000)	41000	(42000)	38000
14	Other assets *(attach statement)*				
15	Total assets		3411559		6688675
	Liabilities and Shareholders' Equity				
16	Accounts payable		442820		418547
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities *(attach statement)*		465978		854509
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities *(attach statement)*				
22	Capital stock		8866		8866
23	Additional paid-in capital		848000		848000
24	Retained earnings		2243245		5426103
25	Adjustments to shareholders' equity *(attach statement)*				
26	Less cost of treasury stock		(867350)		(867350)
27	Total liabilities and shareholders' equity		3141559		6688675

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

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

1	Net income (loss) per books	3390661	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):	946363	a	Tax-exempt interest $	
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 $ 80275		a	Depreciation $	
b	Travel and entertainment $ 18005			See Attachment 11 - 1368088	1368088
	See Attachment 10 - 445360	543640	7	Add lines 5 and 6	1368088
4	Add lines 1 through 3	4880664	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	3512576

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	104845406		
2	Ordinary income from page 1, line 21			
3	Other additions	9177863		
4	Loss from page 1, line 21	(5022379)		
5	Other reductions	(660913)	( )	
6	Combine lines 1 through 5	108339977		
7	Distributions other than dividend distributions	5500000		
8	Balance at end of tax year. Subtract line 7 from line 6	102839977		