**CD-401S**
Web
10-04

# S Corporation Tax Return *2004*
North Carolina Department of Revenue

For calendar year **2004,** or other tax year beginning *(MM-DD)* _____ - _____ - 0 4 and ending *(MM-DD-YY)* _____ - _____ - _____

▶ Fill in circle if tax year is less than 12 months ◯

**Legal Name** *(First 35 Characters)* *(USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)*
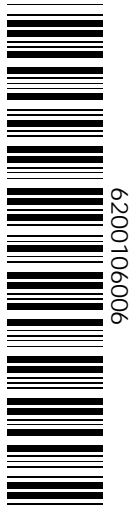
**Federal Employer ID Number**
▶ _____ - _____

**Address**

**Secretary of State ID**     **NAICS Code**
▶ _____     ▶ _____

**City**     **State**     **Zip Code**

▶ **Fill in all applicable circles:**
◯ Amended Return   ◯ CD-479 is attached
◯ Initial Filer     ◯ NC-478 is attached
◯ Final Return      ◯ QSSS or Parent QSSS
◯ LLC               ◯ Has Escheatable Property

**Gross Receipts / Sales**     **Total Assets per Balance Sheet**
▶ _____ .00     ▶ _____ .00

## A — Computation of Franchise Tax

**1. Capital Stock, Surplus, and Undivided Profits**
*(From Schedule C, Line 13)*

**Holding Company Exception**
*(See instructions)*
◯

▶ 1. _____ .00

**2. Investment in N.C. Tangible Property**
*(From Schedule D, Line 8)*
▶ 2. _____ .00

**3. Appraised Value of N.C. Tangible Property**
*(From Schedule E, Line 2)*
▶ 3. _____ .00

**4. Taxable Amount**
Line 1, 2, or 3, whichever is greatest
4. _____ .00

**5. Total Franchise Tax Due**
Multiply Line 4 by .0015 ($1.50 per $1,000.00 - minimum $35.00)
▶ 5. _____ .00

**6. a. Payment with Application for Franchise Tax Extension**
*(From Form CD-419, Line 9)*
▶ 6a. _____ .00

**b. Tax Credits**
*(Complete Form CD-425 and enter amount from Part 2, Line 9)*
▶ 6b. _____ .00

**7. Franchise Tax Due** - If the sum of Line 6a plus 6b is less than Line 5, enter difference here and on Page 2, Line 31
7. $ _____ .00

**8. Franchise Tax Overpaid** - If the sum of Line 6a plus 6b is more than Line 5, enter difference here and on Page 2, Line 31
▶ 8. _____ .00

## B — Computation of Corporate Income Tax

**9. Shareholders' Shares of Corporation Income (Loss)**
*(From Schedule H, LIne 7 or Federal Schedule K, Lines 1-10)*
▶ 9. ◯ _____ .00

**10. Adjustments to Corporation Income (Loss)**
*(From Schedule I, Line 5)*

If amount on Line 9-13, 15-17, or 19-20 is negative, fill in circle.

Example:
⬤

▶ 10. ◯ _____ .00

**11. N.C. Taxable Income**
Add (or subtract) Lines 9 and 10
11. ◯ _____ .00

**12. Nonapportionable Income**
*(From Schedule N, Line 1)*
▶ 12. ◯ _____ .00

**13. Apportionable Income**
Line 11 minus Line 12
13. ◯ _____ .00

**14. Apportionment Factor** - Enter to four decimal places
*(From Schedule O, Part 1; Part 2 - Line 15; Part 3; or Part 4)*
▶ 14. _____._____ %

**15. Income Apportioned to N.C.**
Multiply Line 13 by factor on Line 14
15. ◯ _____ .00

**16. Nonapportionable Income Allocated to N.C.**
*(From Schedule N, Line 2)*
▶ 16. ◯ _____ .00

**17. Income Subject to N.C. Tax**
Add Lines 15 and 16
▶ 17. ◯ _____ .00

**18. Percentage Depletion over Cost Depletion on N.C. Property**
▶ 18. _____ .00

**19. Total Net Taxable Income -** Line 17 minus Line 18
*(Composite filers complete Lines 20 through 24; all others skip to Line 25)*
19. ◯ _____ .00

**20. Amount of Line 19 Attributable to Nonresidents Filing Composite**
▶ 20. ◯ _____ .00

**21. Separately Stated Items of Income Attributable to Nonresidents Filing Composite** *(See Instructions)*
▶ 21. _____ .00

■ ▶

**Legal Name** _____     **FEIN** _____

## Ⓑ Computation of Corporate Income Tax

**22. North Carolina Income Tax -** Add Lines 20 and 21, calculate the tax for each nonresident shareholder filing composite using the Income Tax Rate Schedule on Page 8. Total the amounts for all composite filers and enter sum.
▶ 22. _____.00

**23. Tax Credits Attributable to Nonresidents Filing Composite**
_(Complete Form CD-425 and enter amount from Part 4, Line 26)_
▶ 23. _____.00

**24. Net Tax Due for Nonresidents Filing Composite**
Line 22 minus Line 23
24. _____.00

**25. Annual Report Fee** _(Include $20.00 **ONLY** if filing report with the Department of Revenue. See instructions for additional electronic filing option.)_
▶ 25. _____.00

**26. Add** Lines 24 and 25
26. _____.00

**27. Payments**

  a. Application for Income Tax Extension
  _(From Form CD-419, Line 10)_
  ▶ a. _____.00

  b. 2004 Estimated Tax _(When filing an amended return, enter previous payments)_
  ▶ b. _____.00

  c. Partnership
  _(Include Form D-403, NC K-1)_
  ▶ c. _____.00

  d. Nonresident Withholding
  _(Include copy of 1099 or W-2)_
  ▶ d. _____.00

**28. Add** Lines 27a through 27d
28. _____.00

**29. Income Tax Due -** If Line 28 is less than Line 26, enter difference here and on Line 32
29. $ _____.00

**30. Income Tax Overpaid -** If Line 28 is more than Line 26, enter difference here and on Line 32
▶ 30. _____.00
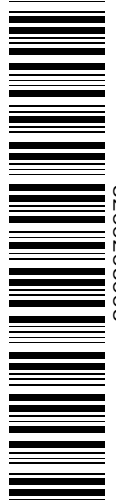
## Tax Due or Refund

**31. Franchise Tax Due or Overpayment**
_(From Schedule A, Line 7 or 8)_
31. ○ _____.00

**32. Income Tax Due or Overpayment**
_(From Schedule B, Line 29 or 30)_
32. ○ _____.00

**33. Balance of Tax Due or Overpayment**
Add (or subtract) Lines 31 and 32
33. ○ _____.00

_If amount on Line 31-33 is an overpayment fill in circle._
_Example:_
●

**34. Penalties and Interest** _(See instructions)_
34. _____.00

**35. Total Due -** Add Lines 33 and 34 and enter result here, but not less than zero. If less than zero, enter amount on Line 36
**Pay This Amount**
35. _____.00

**36. Overpayment**
36. _____.00

**37.** Amount of Line 36 applied to **2005 Estimated Income Tax**
▶ 37. _____.00

**38. Amount to be Refunded**
Line 36 minus Line 37
▶ 38. _____.00

## Sign Here

Signature and Title of Officer: _____     Date: _____
I certify that, to the best of my knowledge, this return is accurate and complete.

Corporate Telephone ▶ Number: ____ - ____ - _____
_(Important: Include Area Code)_

Signature of Paid Preparer: _____
I certify that, to the best of my knowledge, this return is accurate and complete.

Preparer's FEIN, SSN, or PTIN: ▶ _____

**MAIL TO:    N.C. Dept. of Revenue, P.O. Box 25000, Raleigh, N.C. 27640-0530. Returns are due by the 15th day of the 3rd month after the end of the income year.**

620020600б

**Legal Name** _____  **FEIN** _____

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**Ⓒ  Capital Stock, Surplus, and Undivided Profits -** *Enter amounts from book balance sheet as of the end of the tax year*

| | |
|---|---|
| **1.** Total capital stock outstanding less cost of treasury stock | 1. _____ .00 |
| **2.** Paid-in or capital surplus | 2. _____ .00 |
| **3.** Retained earnings *(earned surplus and undivided profits)* | 3. _____ .00 |
| **4.** Other surplus | 4. _____ .00 |
| **5.** Deferred or unearned income | 5. _____ .00 |
| **6.** Allowance for bad debts | 6. _____ .00 |
| **7.** LIFO reserves | 7. _____ .00 |
| **8.** Other reserves that do not represent definite and accrued legal liabilities | 8. _____ .00 |
| **9.** Add Lines 1 through 8 and enter total | 9. _____ .00 |
| **10.** Affiliated indebtedness *(See instructions)* _____ | 10. _____ .00 |
| **11.** Line 9 plus (or minus) Line 10 | 11. _____ .00 |
| **12.** Apportionment factor *(From Schedule O, Part 1; Part 2 - Line 15; Part 3; or Part 4)* | 12. _ _ _ . _ _ _ _ % |
| **13. Capital Stock, Surplus, and Undivided Profits**<br>Multiply Line 11 by factor on Line 12 and enter result here and on Schedule A, Line 1.<br>If amount on Line 13 is less than zero, enter zero on Schedule A, Line 1 | 13. _____ .00 |

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**Ⓓ  Investment in N.C. Tangible Property -** *Enter amounts from book balance sheet as of the end of the tax year on N.C. property*

| | |
|---|---|
| *Inventory valuation method:*      *(LIFO valuation not permitted)*<br>**1.** Total value of inventories located in N.C.  ○ FIFO   ○ Lower of cost or market   Other_____ | 1. _____ .00 |
| **2.** Total value of furniture, fixtures, and machinery and equipment located in N.C. | 2. _____ .00 |
| **3.** Total value of land and buildings located in N.C. | 3. _____ .00 |
| **4.** Total value of leasehold improvements and other tangible property located in N.C. | 4. _____ .00 |
| **5.** Add Lines 1 through 4 and enter total | 5. _____ .00 |
| **6.** Accumulated depreciation, depletion, and amortization | 6. _____ .00 |
| **7.** Debts existing for the purchase or improvement of N.C. real estate | 7. _____ .00 |
| **8. Investment in N.C. Tangible Property**<br>Line 5 minus Lines 6 and 7; enter amount here and on Schedule A, Line 2 | 8. _____ .00 |

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**Ⓔ  Appraised Value of N.C. Tangible Property**

| | |
|---|---|
| **1.** Total appraised value of all N.C. tangible property, including motor vehicles<br>*(If tax year ends December 31, 2004 through September 30, 2005, enter the appraised county tax value of all real and tangible property located in N.C. as of January 1, 2004, including any motor vehicles assessed during the tax year.  Otherwise, enter value as of January 1, 2005.)* | 1. _____ .00 |
| **2. Appraised Value of N.C. Tangible Property**<br>Multiply Line 1 by 55%; enter here and on Schedule A, Line 3 | 2. _____ .00 |

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**Ⓕ  Other Information - All Taxpayers Must Complete this Schedule**

**1.** State of incorporation _____ Date incorporated _____

**2.** Date Certificate of Authority was obtained from N.C. Secretary of State _____

**3.** Regular or principal trade or business in N.C. _____ Everywhere _____

**4.** Principal place from which business is directed or managed _____

**5.** What was the last year the IRS redetermined the corporation's federal taxable income? _____
Were the adjustments reported to N.C.?        ○ **Yes**        ○ **No**

**6.** Is this corporation subject to franchise tax but not N.C. income tax because the corporation's income tax activities are protected under P.L. 86-272?        ○ **Yes** *(Attach detailed explanation)*        ○ **No**

**Legal Name** _____   **FEIN** _____

## Ⓖ Ordinary Income (Loss) from Trade or Business Activities

*(Complete this schedule only if you do not attach a copy of your federal income tax return.)*

| | |
|---|---|
| **1.** a. Gross receipts or sales | _____ .00 |
| b. Returns and allowances | _____ .00 |
| c. Balance *(Line 1a minus Line 1b)* | _____ .00 |
| **2.** Cost of goods sold *(Attach schedule)* | _____ .00 |
| **3.** Gross profit *(Line 1c minus Line 2)* | _____ .00 |
| **4.** Net gain (loss) *(Attach schedule)* | _____ .00 |
| **5.** Other income (loss) *(Attach schedule)* | _____ .00 |
| **6. Total Income (Loss)** Add Lines 3 through 5 | _____ .00 |
| **7.** Compensation of officers *(Attach schedule)* | _____ .00 |
| **8.** Salaries and wages *(Less employment credits)* | _____ .00 |
| **9.** Repairs and maintenance | _____ .00 |
| **10.** Bad debts | _____ .00 |
| **11.** Rents | _____ .00 |
| **12.** Taxes and licenses | _____ .00 |
| **13.** Interest | _____ .00 |
| **14.** a. Depreciation _____ | |
| b. Depreciation included in cost of goods sold _____ | |
| c. Balance *(Line 14a minus 14b)* | _____ .00 |
| **15.** Depletion | _____ .00 |
| **16.** Advertising | _____ .00 |
| **17.** Pension, profit-sharing, and similar plans | _____ .00 |
| **18.** Employee benefit programs | _____ .00 |
| **19.** Other deductions *(Attach schedule)* | _____ .00 |
| **20. Total Deductions** Add the amounts shown in the far right column for Lines 7 through 19 | _____ .00 |
| **21. Ordinary Business Income (Loss)** Line 6 minus Line 20; enter amount here and on Schedule H, Line 1 | _____ .00 |

## Ⓗ Computation of Income (Loss)

| | |
|---|---|
| **1.** Ordinary business income (loss) | _____ .00 |
| **2.** Net rental real estate income (loss) | _____ .00 |
| **3.** Other net rental income (loss) | _____ .00 |
| **4.** Interest income | _____ .00 |
| **5.** Ordinary dividends | _____ .00 |
| **6.** Royalties | _____ .00 |
| **7.** Net short-term capital gain (loss) | _____ .00 |
| **8.** Net long-term capital gain (loss) | _____ .00 |
| **9.** Net section 1231 gain (loss) | _____ .00 |
| **10.** Other income (loss) *(Attach schedule)* | _____ .00 |
| **11. Total Income (Loss)** Add Lines 1 through 10 and enter amount here and on Schedule B, Line 9 | _____ .00 |

## Ⓘ Adjustments to Income (Loss)

| | |
|---|---|
| **1. Additions to Income (Loss):** a. Taxes based on net income | _____ .00 |
| b. Interest on non-N.C. obligations | _____ .00 |
| c. Capital loss carry-over | _____ .00 |
| d. Royalty paid to related members *(See instructions)* | _____ .00 |
| e. Expenses attributable to income not taxed *(See instructions)* | _____ .00 |
| f. Additional first-year depreciation *(See instructions)* | _____ .00 |
| g. Other *(Attach schedule)* | _____ .00 |
| **2. Total Additions** *(Add Lines 1a-1g)* | _____ .00 |
| **3. Deductions from Income (Loss):** a. U.S. obligation interest *(net of expenses)* | _____ .00 |
| b. Deductible dividends *(See instructions)* | _____ .00 |
| c. Capital loss not deducted on federal return | _____ .00 |
| d. Royalty received from related members *(See instructions)* | _____ .00 |
| e. Other *(Attach schedule)* | _____ .00 |
| **4. Total Deductions** Add Lines 3a through 3e | _____ .00 |
| **5. Adjustments to Income (Loss)** Line 2 minus Line 4; enter result here and on Schedule B, Line 10 | _____ .00 |

## Ⓙ Explanation of Changes for Amended Return

*(Additional space for explanation of changes provided on Page 8.)*

_____

_____

_____

_____

**Legal Name** _____ **FEIN** _____

**Shareholders' Shares of Income, Adjustments, and Credits** Ⓚ

| | Shareholder 1 | Shareholder 2 | Shareholder 3 |
|---|---|---|---|
| **1.** Identifying Number | | | |
| **2.** Name | | | |
| **3.** Address | | | |
| **4.** Percentage of ownership | % | % | % |
| **5.** Share of income (loss) *(From Schedule H, Line 7)* | | | |
| **6.** Additions to income (loss) *(From Schedule I, Line 2)* | | | |
| **7.** Deductions from income (loss) *(From Schedule I, Line 4)* | | | |
| **8.** Income subject to N.C. tax Add (subtract) Lines 5, 6, and 7 | | | |
| **9.** Share of tax credits *(See instructions)* | | | |
| **10.** Share of tax withheld from nonwage compensation | | | |
| **11.** Amount of Line 8 apportioned or allocated to N.C. (nonresidents only) | | | |
| **12.** Separately stated items of income (nonresidents only) | | | |
| **13.** Net tax paid for shareholder by corporation (nonresidents only) | | | |

| | Shareholder 4 | Shareholder 5 | Shareholders' Total |
|---|---|---|---|
| **1.** Identifying Number | | | |
| **2.** Name | | | |
| **3.** Address | | | |
| **4.** Percentage of ownership | % | % | % |
| **5.** Share of income (loss) *(From Schedule H, Line 7)* | | | |
| **6.** Additions to income (loss) *(From Schedule I, Line 2)* | | | |
| **7.** Deductions from income (loss) *(From Schedule I, Line 4)* | | | |
| **8.** Income subject to N.C. tax Add (subtract) Lines 5, 6, and 7 | | | |
| **9.** Share of tax credits *(See instructions)* | | | |
| **10.** Share of tax withheld from nonwage compensation | | | |
| **11.** Amount of Line 8 apportioned or allocated to N.C. (nonresidents only) | | | |
| **12.** Separately stated items of income (nonresidents only) | | | |
| **13.** Net tax paid for shareholder by corporation (nonresidents only) | | | |

*(Attach additional pages if needed.)*

**Legal Name** _____  **FEIN** _____

## (L) Balance Sheet per Books

| Assets | Beginning of Tax Year | | End of Tax Year | |
|---|---|---|---|---|
| 1. Cash | | | | |
| 2. a. Trade notes and accounts receivable | | | | |
| b. Less allowance for bad debts | ( ) | | ( ) | |
| 3. Inventories | | | | |
| 4. a. U.S. government obligations | | | | |
| b. State and other obligations | | | | |
| 5. Tax-exempt securities | | | | |
| 6. Other current assets (Attach schedule) | | | | |
| 7. Loans to shareholders | | | | |
| 8. Mortgage and real estate loans | | | | |
| 9. Other investments (Attach schedule) | | | | |
| 10. a. Buildings and other depreciable assets | | | | |
| b. Less accumulated depreciation | ( ) | | ( ) | |
| 11. a. Depletable assets | | | | |
| b. Less accumulated depletion | ( ) | | ( ) | |
| 12. Land (net of any amortization) | | | | |
| 13. a. Intangible assets (amortizable only) | | | | |
| b. Less accumulated amortization | ( ) | | ( ) | |
| 14. Other assets (Attach schedule) | | | | |
| 15. **Total Assets** | | | | |

| Liabilities and Shareholders' Equity | Beginning of Tax Year | | End of Tax Year | |
|---|---|---|---|---|
| 16. Accounts payable | | | | |
| 17. Mortgages, notes, and bonds payable in less than 1 year | | | | |
| 18. Other current liabilities (Attach schedule) | | | | |
| 19. Loans from shareholders | | | | |
| 20. Mortgages, notes, and bonds payable in 1 year or more | | | | |
| 21. Other liabilities (Attach schedule) | | | | |
| 22. Capital stock | | | | |
| 23. Additional paid-in capital | | | | |
| 24. Retained earnings | | | | |
| 25. Adjustments to shareholders' equity (Attach schedule) | | | | |
| 26. Less cost of treasury stock | ( ) | | ( ) | |
| 27. **Total Liabilities and Shareholders' Equity** | | | | |

## M-1 Federal Schedule

1. Net income (loss) per books

2. Income included on Federal Schedule K, Lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10 not recorded on books this year (itemize):

_____

3. Expenses recorded on books this year not included on Federal Schedule K, Lines 1 through 12, and 14l or (14m) (itemize):

a. Depreciation $_____

b. Travel and entertainment $_____

4. Add Lines 1 through 3

5. Income recorded on books this year not included on Federal Schedule K, Lines 1 through 6 (itemize):

Tax-exempt interest $_____

_____

6. Deductions included on Federal Schedule K, Lines 1 through 12, 14l or (14m) not charged against book income this year (itemize):

Depreciation $_____

7. Add Lines 5 and 6

8. Income (Loss) (Federal Schedule K, Line 17e) Line 4 minus Line 7

## M-2 Analysis of N.C. AAA

| | N.C. Accumulated Adjustments | N.C. Other Adjustments | Undistributed income previously taxed |
|---|---|---|---|
| 1. Balance at beginning of year | | | |
| 2. Ordinary income from Schedule G, Line 21 | | | |
| 3. Other additions | | | |
| 4. Loss from Schedule G, Line 21 | ( ) | | |
| 5. Other reductions | ( ) | ( ) | |
| 6. Combine Lines 1 through 5 | | | |
| 7. Distributions other than dividend distributions | | | |
| 8. Balance at end of tax year (Line 6 minus Line 7) | | | |

**Legal Name** _____    **FEIN** _____

*Complete this schedule only if you apportion income to North Carolina and to other states **AND** you have income classified as nonapportionable income. See the instructions for an explanation of what is apportionable income and what is nonapportionable income.*

## Nonapportionable Income

| (A) Nonapportionable Income | (B) Gross Amounts | (C) Related Expenses* | (D) Net Amounts *(Column B minus Column C)* | (E) Net Amounts Allocated Directly to N.C. |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

**1.** **Nonapportionable Income** *(Enter the total of Column D here and on Schedule B, Line 12)*  _____.00

**2.** **Nonapportionable Income Allocated to N.C.** *(Enter the total of Column E here and on Schedule B, Line 16)*  _____.00

**Explanation** of why income listed in chart is nonapportionable income rather than apportionable income:




*(Attach additional sheets if necessary)*

* For an acceptable means of computing related expenses, see 17 N.C.A.C. 5C .0304.

## Computation of Apportionment Factor

**Part 1.** **Domestic and Other Corporations Not Apportioning Franchise or Income Outside N.C.**
Enter 100% here and on Schedule C, Line 12 and Schedule B, Line 14  _____ %

**Part 2.** **Corporations Apportioning Franchise or Income to N.C. and to Other States**
*Note:  Apportionment factors **must be calculated 4 places** to the right of the decimal.*  Example:  *99.9999 %*

| | 1. Within North Carolina | | 2. Total Everywhere | |
|---|---|---|---|---|
| | (a) **Beginning Period** | (b) **Ending Period** | (a) **Beginning Period** | (b) **Ending Period** |
| **1.** Land | | | | |
| **2.** Buildings | | | | |
| **3.** Inventories | | | | |
| **4.** Other property | | | | |
| **5.** Total *(Add Lines 1-4)* | | | | |

**6.** Average value of property
Add amounts on Line 5 for (a) and (b); divide by 2   _____     _____

**7.** Rented property *(Multiply annual rents by 8)*   _____     _____     **Factor**

**8.** **Property Factor** *(Add Lines 6 and 7; divide Column 2 by Column 2 and enter factor)*  _____     _____     _____ %

**9.** Gross payroll   _____     _____

**10.** Compensation of general executive officers   _____     _____

**11.** **Payroll Factor** *(Line 9 minus Line 10; divide Column 1 by Column 2 and enter factor)*  _____     _____     _____ %

**12.** **Sales Factor** *(Attach schedule)*
Divide Column 1 by Column 2 and enter factor   _____     _____     _____ %

**13.** **Sales Factor** *(Enter the same factor as on Line 12)*   _____ %

**14.** **Total of Factors** *(Add Lines 8, 11, 12, and 13)*   _____ %

**15.** **N.C. Apportionment Factor** *(Divide Line 14 by the number of factors present; enter result here and on Schedule C, Line 12, and Schedule B, Line 14)*   _____ %

**Part 3.** **Excluded Corporations and Public Service Corporations, Other Than Those Companies Listed in Part 4**
Excluded corporations must use the sales factor alone.  These corporations need not complete the property and payroll factor sections of this Schedule. *(See instructions and G.S.105 -130.4 for definition of excluded corporation.)*  Enter the sales factor from Line 12 here and on Schedule C, Line 12 and Schedule B, Line 14   _____ %

**Part 4.** **Telephone Companies and Motor Carriers**
Enter the apportionment factor computed on the worksheet in the instructions here and on Schedule C, Line 12 and Schedule B, Line 14   _____ %

**Legal Name** _____    **FEIN** _____

## Income Tax Rate Schedule

Nonresident shareholders electing to file a composite S Corporation Tax Return must use the following rates in computing the amount of income tax due:

▶ **6.00%** of the first **$12,750**
**7.00%** of the amount over **$12,750** but less than **$60,000**
**7.75%** of the amount over **$60,000** but less than **$120,000**
**8.25%** of the amount over **$120,000**

## Explanation of Changes for Amended Return
*(Attach additional sheets if necessary.)*