

CD-405 C-Corporation Tax Return 2018

For calendar year 2018 or other tax year beginning (MM-DD) - - 18 and ending (MM-DD-YY) - - -

DOR Use Only

Legal Name, Address, City, State, Zip Code, Federal Employer ID Number, Secretary of State ID, NAICS Code, Gross Receipts / Sales, Total Assets per Balance Sheet, and various return type checkboxes.

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund.

Section A: Computation of Franchise Tax. Includes lines 1-9 for Net Worth, Investment in N.C. Tangible Property, Appraised Value, Taxable Amount, Total Franchise Tax Due, Payment with Franchise Tax Extension, Tax Credits, Franchise Tax Due, and Franchise Tax Overpaid.

Section B: Computation of Corporate Income Tax. Includes lines 10-21 for Federal Taxable Income Before NOL, Adjustments to Federal Taxable Income, Net Income Before Contributions, Contributions to Donees Outside N.C., N.C. Taxable Income, Nonapportionable Income, Apportionable Income, Apportionment Factor, Income Apportioned to N.C., Nonapportionable Income Allocated to N.C., Income Subject to N.C. Tax, and Percentage Depletion over Cost Depletion on N.C. Property.

Computation of Corporate Income Tax

- 22. **State Net Loss** (Attach schedule)
- 23. **Income Before Contributions to N.C. Donees**
Line 20 minus Lines 21 and 22
- 24. **Contributions to N.C. Donees**
(From Schedule I, Line 2e)
- 25. **Net Taxable Income**
Line 23 minus Line 24
- 26. **N.C. Net Income Tax**
Multiply Line 25 by 3.0%
- 27. **Payments and Credits**
When filing an amended return, see instructions.
 - a. **Income Tax Extension**
(From Form CD-419, Line 10)
 - b. **2018 Estimated Tax**
 - c. **Partnership** (If a partnership payment is taken on Line 27c, a copy of Form D-403 NC K-1 **MUST** be attached.)
 - d. **Nonresident Withholding**
(Include copy of 1099 or W-2)
 - e. **Tax Credits** (From Form CD-425, Part 4, Line 30)
If a tax credit is taken on Line 27e, Form CD-425 **MUST** be attached.
- 28. **Add Lines 27a through 27e**
- 29. **Income Tax Due** - If Line 28 is less than Line 26, enter difference here and on Line 32, below
- 30. **Income Tax Overpaid** - If Line 28 is more than Line 26, enter difference here and on Line 32, below

If amount on Line 23 or 25 is negative fill in circle.
Example:



22. _____ .00

23. _____ .00

24. _____ .00

25. _____ .00

26. _____ .00

27a. _____ .00

27b. _____ .00

27c. _____ .00

27d. _____ .00

27e. _____ .00

28. _____ .00

29. \$ _____ .00

30. _____ .00

Tax Due or Refund

- 31. **Franchise Tax Due or Overpayment**
(From Schedule A, Line 8 or 9)
- 32. **Income Tax Due or Overpayment**
(From Schedule B, Line 29 or 30)
- 33. **Balance of Tax Due or Overpayment**
Add (or subtract) Lines 31 and 32
- 34. **Underpayment of Estimated Income Tax**
(Enter letter in exceptions box, if applicable. See instructions.)
- 35. **a. Interest** **b. Penalties**
 _____ .00 _____ .00
 (Add Lines 35a and 35b and enter the total on Line 35c)
- 36. **Total Due** - Add Lines 33, 34, and 35c and enter result here, but not less than zero. If less than zero, enter amount on Line 37. **Pay your tax online. See instructions.**
- 37. **Overpayment**
- 38. **Amount of Line 37 applied to 2019 Estimated Income Tax**
- 39. **Amount of Line 37 contributed to N.C. Nongame and Endangered Wildlife Fund**
- 40. **Amount of Line 37 contributed to N.C. Education Endowment Fund**
- 41. **Amount to be Refunded**
Line 37 minus Lines 38, 39, and 40

If amount on Line 31-33 is an overpayment fill in circle.
Example:

Exception to Underpayment of Estimated Tax

31. _____ .00

32. _____ .00

33. _____ .00

34. _____ .00

35c. _____ .00

36. _____ .00

37. _____ .00

38. _____ .00

39. _____ .00

40. _____ .00

41. _____ .00

I certify that, to the best of my knowledge, this return is accurate and complete.

Signature and Title of Officer: _____ Date _____ Corporate Phone Number (Include area code) _____

Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID PREPARER USE ONLY

If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge.

Preparer's FEIN, SSN, or PTIN _____ Preparer's Contact Phone Number (Include area code) _____

Signature of Paid Preparer: _____ Date _____

Fill in applicable circle: FEIN SSN PTIN

(C) Net Worth

1. Total assets <i>(See instructions for definition)</i>	1. _____ .00
2. Total liabilities	2. _____ .00
3. Line 1 minus Line 2	3. _____ .00
4. Accumulated depreciation, depletion, and amortization permitted for income tax purposes <i>(Attach Schedule)</i>	4. _____ .00
5. Line 3 minus Line 4	5. _____ .00
6. Affiliated indebtedness <i>(Attach schedule)</i> _____	6. _____ .00
7. Line 5 plus (or minus) Line 6	7. _____ .00
8. Apportionment factor <i>(From Schedule O, Part 1; Part 2 - Line 9; or Part 3)</i>	8. _____ %
9. Net Worth Multiply Line 7 by factor on Line 8 and enter result here and on Schedule A, Line 1. If amount on Line 9 is less than zero, enter zero on Schedule A, Line 1.	9. _____ .00

(D) Investment in N.C. Tangible Property

<p style="text-align: center;"><i>Inventory valuation method:</i></p> 1. Total value of inventories located in N.C. <input type="radio"/> FIFO <input type="radio"/> Lower of cost or market <input type="radio"/> Other _____ <small><i>(LIFO valuation not permitted)</i></small>	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 with respect to N.C. tangible property	6. _____ .00
7. Investment in N.C. Tangible Property Line 5 minus Line 6; enter amount here and on Schedule A, Line 2	7. _____ .00

(E) Appraised Value of N.C. Tangible Property

1. Total appraised value of all N.C. tangible property, including motor vehicles <i>(If tax year ends December 31, 2018 through September 30, 2019, enter the appraised county tax value of all real and tangible property located in N.C. as of January 1, 2018, including any motor vehicles assessed during the tax year. Otherwise, enter value as of January 1, 2019.)</i>	1. _____ .00
2. Appraised Value of N.C. Tangible Property Multiply Line 1 by 55%; enter here and on Schedule A, Line 3	2. _____ .00

(F) 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? _____

6. Were the adjustments reported to N.C.? Yes No If so, when? _____

7. Does this corporation finance or discount its receivables through a related or an affiliated company? Yes No

8. 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? *(Attach detailed explanation)* Yes No

9. Officers' names and addresses:

President _____ Secretary _____

Vice-President _____ Treasurer _____

Ⓒ Federal Taxable Income Before NOL Deduction

Complete this schedule 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. Dividends (Attach schedule)	_____	.00
5. a. Interest on obligations of the United States and its instrumentalities	_____	.00
b. Other interest	_____	.00
6. Gross rents	_____	.00
7. Gross royalties (Attach schedule)	_____	.00
8. Capital gain net income (Attach schedule)	_____	.00
9. Net gain (loss) (Attach schedule)	_____	.00
10. Other income (Attach schedule)	_____	.00
11. Total Income Add Lines 3 through 10	_____	.00
12. Compensation of officers (Attach schedule, including addresses)	_____	.00
13. Salaries and wages (Less employment credits)	_____	.00
14. Repairs and maintenance	_____	.00
15. Bad debts	_____	.00
16. Rents	_____	.00
17. Taxes and licenses	_____	.00
18. Interest	_____	.00
19. Charitable contributions	_____	.00
20. a. Depreciation _____		
b. Depreciation included in cost of goods sold _____		
c. Balance (Line 20a minus Line 20b)	_____	.00
21. Depletion	_____	.00
22. Advertising	_____	.00
23. Pension, profit-sharing, and similar plans	_____	.00
24. Employee benefit programs	_____	.00
25. Domestic production activities deduction	_____	.00
26. Other deductions (Attach schedule)	_____	.00
27. Total Deductions Add Lines 12 through 26	_____	.00
28. Taxable Income per Federal Return Before NOL and Special Deductions Line 11 minus Line 27	_____	.00
29. Special Deductions (From Federal Form 1120, Line 29b)	_____	.00
30. Federal Taxable Income Before NOL Line 28 minus Line 29; enter amount here and on Schedule B, Line 10	_____	.00

Ⓓ Adjustments to Federal Taxable Income

1. Additions:		
a. Taxes based on net income	_____	.00
b. Contributions	_____	.00
c. Royalties to related members	_____	.00
d. Net interest expense to related members	_____	.00
e. Expenses attributable to income not taxed	_____	.00
f. Domestic production activities deduction (From Schedule G, Line 25)	_____	.00
g. Bonus depreciation	_____	.00
h. Section 179 expense deduction	_____	.00
i. Other (Attach explanation or schedule)	_____	.00
2. Total Additions (Add Lines 1a-1i)	_____	.00
3. Deductions:		
a. U.S. obligation interest (net of expenses) (Attach schedule)	_____	.00
b. Other deductible dividends	_____	.00
c. Royalties from related members	_____	.00
d. Qualified interest expense to related members	_____	.00
e. Bonus depreciation	_____	.00
f. Section 179 expense deduction	_____	.00
g. Other (Attach explanation or schedule)	_____	.00
4. Total Deductions (Add Lines 3a-3g)	_____	.00
5. Adjustments to Federal Taxable Income Line 2 minus Line 4, enter amount here and on Schedule B, Line 11	_____	.00

Ⓔ Contributions

1. Contributions to Donees Outside N.C.		
a. Enter total contributions to donees outside N.C.	_____	.00
b. Multiply the amount shown on Schedule B, Line 12 by 5% if Line 12 is greater than zero. Otherwise, enter zero here.	_____	.00
c. Amount Deductible Enter the lesser of Line 1a or 1b here and on Schedule B, Line 13	_____	.00
2. Contributions to N.C. Donees		
a. Enter total contributions to N.C. donees other than those listed in Line 2d, below	_____	.00
b. Multiply the amount shown on Schedule B, Line 23 by 5% if Line 23 is greater than zero. Otherwise, enter zero here.	_____	.00
c. Enter the lesser of Line 2a or 2b	_____	.00
d. Enter total contributions to the State of N.C. and its political subdivisions	_____	.00
e. Amount Deductible Add Lines 2c and 2d; enter total here and on Schedule B, Line 24	_____	.00

Ⓕ Explanation of Changes for Amended Return

Attach additional sheets if necessary

		Beginning of Tax Year		End of Tax Year	
L Balance Sheet per Books	Assets				
	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 <i>(Attach end of year schedule)</i>				
	7. Loans to shareholders				
	8. Mortgage and real estate loans				
	9. Other investments <i>(Attach end of year schedule)</i>				
	10. a. Buildings and other depreciable assets				
	b. Less accumulated depreciation	()		()	
	11. a. Depletable assets				
b. Less accumulated depletion	()		()		
12. Land <i>(net of any amortization)</i>					
13. a. Intangible assets <i>(amortizable only)</i>					
b. Less accumulated amortization	()		()		
14. Other assets <i>(Attach end of year schedule)</i>					
15. Total Assets					
	Liabilities and Shareholders' Equity				
	16. Accounts payable				
	17. Mortgages, notes, and bonds payable in less than 1 year				
	18. Other current liabilities <i>(Attach end of year schedule)</i>				
	19. Loans from shareholders				
	20. Mortgages, notes, and bonds payable in 1 year or more				
	21. Other liabilities <i>(Attach end of year schedule)</i>				
	22. Capital stock: a. Preferred Stock				
	b. Common Stock				
	23. Additional paid-in capital				
	24. Retained earnings – Appropriated <i>(Attach end of year schedule)</i>				
	25. Retained earnings – Unappropriated				
	26. Adjustments to shareholders' equity <i>(Attach end of year schedule)</i>				
	27. Less cost of treasury stock	()		()	
	28. Total Liabilities and Shareholders' Equity				
M-1 Reconciliation of Income (Loss) per Books With Return	1. Net income (loss) per books			7. Income recorded on books this year not included on this return <i>(itemize)</i> :	
	2. Federal income tax			Tax-exempt interest \$ _____	
	3. Excess of capital losses over capital gains				
	4. Income subject to tax not recorded on books this year <i>(itemize)</i> : _____			8. Deductions on this return not charged against book income this year <i>(itemize)</i> :	
	5. Expenses recorded on books this year not deducted on this return <i>(itemize)</i> :			a. Depreciation \$ _____	
	a. Depreciation \$ _____			b. Charitable Contributions \$ _____	
	b. Charitable Contributions \$ _____				
	c. Travel and entertainment \$ _____			9. Add Lines 7 and 8	
	6. Add Lines 1 through 5			10. Income <i>(Line 6 minus Line 9)</i>	
M-2 Retained Earnings Analysis	1. Balance at beginning of year			5. Distributions: a. Cash	
	2. Net income (loss) per books			b. Stock	
	3. Other increases <i>(itemize)</i> : _____			c. Property	
	4. Add Lines 1, 2, and 3			6. Other decreases <i>(itemize)</i> : _____	
			7. Add Lines 5 and 6		
			8. Balance at End of Year <i>(Line 4 minus Line 7)</i>		

Complete this schedule if 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 15) .00

2. **Nonapportionable Income Allocated to N.C.** (Enter the total of Column E here and on Schedule B, Line 19) .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. 100.0000 %
 Enter 100% on Schedule B, Line 17 and Schedule C, Line 8

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

	1. Within North Carolina	2. Total Everywhere
1. Gross Receipts Subject to Apportionment		
2. Gross Rents Subject to Apportionment		
3. Gross Royalties Subject to Apportionment		
4. Dividends Subject to Apportionment		
5. Interest Subject to Apportionment		
6. Other Apportionable Income		
7. Share of Receipts from Noncorporate Entities Subject to Apportionment		
8. Total (Add Lines 1 through 7 for each column)		

9. N.C. Apportionment Factor %
 (Divide Line 8 Column 1 by Line 8 Column 2; enter the factor here, on Schedule B, Line 17, and Schedule C, Line 8. See instructions and G.S. 105-130.4 for more information.)

Part 3. Special Apportionment %
 Special apportionment formulas apply to certain types of corporations such as air transportation companies, water transportation companies, pipeline companies, and railroad companies. If you use a special apportionment formula, enter the computed apportionment factor here, on Schedule B, Line 17, and on Schedule C, Line 8. (See instructions and G.S. 105-130.4 for more information.)