

# S Corporation Tax Return 2011

North Carolina Department of Revenue

Submit forms in the following order: CD-V, NC-478VJ, CD-479, NC-478, NC-478 series, CD-401S, followed by CD-425

For calendar year 2011, or other tax year beginning (MM-DD)      -      - 11 and ending (MM-DD-YY)      /      /      DOR Use Only

Legal Name (First 35 Characters) USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS _____ Address _____ City _____ State _____ Zip Code _____	<b>Federal Employer ID Number</b> _____ <b>Secretary of State ID</b> <b>NAICS Code</b> _____
Fill in applicable circles: <input type="radio"/> Initial Filer <input type="radio"/> NC-478 is attached <input type="radio"/> Limited Liability Company <input type="radio"/> Fed Schedule M-3 is attached <input type="radio"/> Final Return <input type="radio"/> CD-479 is attached <input type="radio"/> Amended Return <input type="radio"/> Qualified Subchapter S Subsidiary (Enter parent's name and FEIN below) Parent Name _____ FEIN _____	<b>Gross Receipts / Sales</b> _____ .00 <b>Total Assets per Balance Sheet</b> _____ .00
Enter the amount of bonus depreciation from Schedule K, Line 6 for nonresident shareholders filing composite _____ .00	

<b>(A)</b>	<b>Computation of Franchise Tax</b>	<ol style="list-style-type: none"> <li><b>1. Capital Stock, Surplus, and Undivided Profits</b> (From Schedule C, Line 13)</li> <li><b>2. Investment in N.C. Tangible Property</b> (From Schedule D, Line 8)</li> <li><b>3. Appraised Value of N.C. Tangible Property</b> (From Schedule E, Line 2)</li> <li><b>4. Taxable Amount</b> Line 1, 2, or 3, whichever is greatest</li> <li><b>5. Total Franchise Tax Due</b> Multiply Line 4 by .0015 (\$1.50 per \$1,000.00 - minimum \$35.00)</li> <li><b>6. Payment with Application for Franchise Tax Extension</b> (From Form CD-419, Line 9)</li> <li><b>7. Tax Credits</b> (From Form CD-425, Part 2, Line 12) If a tax credit is claimed on Line 7, Form CD-425 <b>MUST</b> be attached.</li> <li><b>8. Franchise Tax Due</b> - If the sum of Line 6 plus 7 is less than Line 5, enter difference here and on Page 2, Line 28</li> <li><b>9. Franchise Tax Overpaid</b> - If the sum of Line 6 plus 7 is more than Line 5, enter difference here and on Page 2, Line 28</li> </ol>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <b>Holding Company Exception</b> (See instructions)   <input type="radio"/> </div>	1. _____ .00 2. _____ .00 3. _____ .00 4. _____ .00 5. _____ .00 6. _____ .00 7. _____ .00 8. \$ _____ .00 9. _____ .00
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<b>(B)</b>	<b>Computation of Corporate Income Tax</b>	<ol style="list-style-type: none"> <li><b>10. Shareholders' Shares of Corporation Income (Loss)</b> (From Schedule H, Line 11 or Federal Schedule K, Lines 1-10)</li> <li><b>11. Adjustments to Corporation Income (Loss)</b> (From Schedule I, Line 5)</li> <li><b>12. N.C. Taxable Income</b> Add (or subtract) Lines 10 and 11</li> <li><b>13. Nonapportionable Income</b> (From Schedule N, Line 1)</li> <li><b>14. Apportionable Income</b> Line 12 minus Line 13</li> <li><b>15. Apportionment Factor</b> - Enter to four decimal places (From Schedule O, Part 1; Part 2 - Line 15; Part 3; or Part 4)</li> <li><b>16. Income Apportioned to N.C.</b> Multiply Line 14 by factor on Line 15</li> <li><b>17. Nonapportionable Income Allocated to N.C.</b> (From Schedule N, Line 2)</li> <li><b>18. Total Net Taxable Income</b> - Add Lines 16 and 17 (Composite filers complete Lines 19 - 23; all others skip to Line 24)</li> <li><b>19. Amount of Line 18 Attributable to Nonresidents Filing Composite</b></li> <li><b>20. Separately Stated Items of Income Attributable to Nonresidents Filing Composite</b> (See instructions)</li> </ol>	 6200106013	10. <input type="radio"/> _____ .00 11. <input type="radio"/> _____ .00 12. <input type="radio"/> _____ .00 13. <input type="radio"/> _____ .00 14. <input type="radio"/> _____ .00 15. _____ % 16. <input type="radio"/> _____ .00 17. <input type="radio"/> _____ .00 18. <input type="radio"/> _____ .00 19. <input type="radio"/> _____ .00 20. <input type="radio"/> _____ .00
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Computation of Corporate Income Tax

**21. North Carolina Income Tax** - Add Lines 19 and 20; 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. ▶ 21. \_\_\_\_\_ .00

**22. Annual Report Fee**  
 Include \$25.00 *ONLY* if filing report with the Department of Revenue. (Pay online. Go to [www.sosnc.com](http://www.sosnc.com) for an electronic filing option.) ▶ 22. \_\_\_\_\_ .00

**23. Add Lines 21 and 22** ▶ 23. \_\_\_\_\_ .00

**24. Payments and Credits**

a. Application for Income Tax Extension (From Form CD-419, Line 10) ▶ 24a. \_\_\_\_\_ .00

b. 2011 Estimated Tax (When filing an amended return, enter previous payments) ▶ 24b. \_\_\_\_\_ .00

c. Partnership (If a partnership payment is claimed on Line 24c, a copy of the NC K-1 **MUST** be attached.) ▶ 24c. \_\_\_\_\_ .00

d. Nonresident Withholding (Include copy of 1099 or W-2) ▶ 24d. \_\_\_\_\_ .00

e. Tax Credits Attributable to Nonresidents Filing Composite (From Form CD-425, Part 4, Line 34) If a tax credit is claimed on Line 24e, Form CD-425 **MUST** be attached. ▶ 24e. \_\_\_\_\_ .00

**25. Add Lines 24a through 24e** ▶ 25. \_\_\_\_\_ .00

**26. Income Tax Due** - If Line 25 is less than Line 23, enter difference here and on Line 29 ▶ 26. \$ \_\_\_\_\_ .00

**27. Income Tax Overpaid** - If Line 25 is more than Line 23, enter difference here and on Line 29 ▶ 27. \_\_\_\_\_ .00



Tax Due or Refund

**28. Franchise Tax Due or Overpayment** (From Schedule A, Line 8 or 9) ▶ 28.  \_\_\_\_\_ .00

**29. Income Tax Due or Overpayment** (From Schedule B, Line 26 or 27) ▶ 29.  \_\_\_\_\_ .00

**30. Balance of Tax Due or Overpayment** Add (or subtract) Lines 28 and 29 ▶ 30.  \_\_\_\_\_ .00

**31. a. Interest** (See instructions) ▶ 31a. \_\_\_\_\_ .00

**b. Penalties** (See instructions) ▶ 31b. \_\_\_\_\_ .00

**32. Total Due** - Add Lines 30 through 31b and enter result here, but not less than zero. If less than zero, enter amount on Line 33. Pay in U.S. Currency From a Domestic Bank ▶ 32. \_\_\_\_\_ .00

**33. Overpayment** ▶ 33. \_\_\_\_\_ .00

**34. Amount of Line 33 applied to 2012 Estimated Income Tax** ▶ 34. \_\_\_\_\_ .00

**35. Amount to be Refunded** Line 33 minus Line 34 ▶ 35. \_\_\_\_\_ .00

If amount on Line 28-30 is an overpayment fill in circle.  
 Example:

Signature and Title of Officer: \_\_\_\_\_ Date: \_\_\_\_\_ Corporate Telephone Number: \_\_\_\_\_ (Important: Include Area Code)

Signature of Paid Preparer: \_\_\_\_\_ Preparer's  FEIN  SSN  PTIN: \_\_\_\_\_ (Fill in applicable circle)

**(C) Capital Stock, Surplus, and Undivided Profits**

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 <i>(Attach schedule)</i>	8. _____ .00
9. Add Lines 1 through 8 and enter total	9. _____ .00
10. Affiliated indebtedness <i>(Attach schedule)</i> _____	10. _____ .00
11. Line 9 plus (or minus) Line 10	11. _____ .00
12. Apportionment factor <i>(From Schedule O, Part 1; Part 2 - Line 15; Part 3; or Part 4)</i>	12. _____ %
<b>13. Capital Stock, Surplus, and Undivided Profits</b> Multiply Line 11 by factor on Line 12 and enter result here and on Schedule A, Line 1. If amount on Line 13 is less than zero, enter zero on Schedule A, Line 1.	13. <input type="text" value=""/> .00

**(D) Investment in N.C. Tangible Property**

<i>Inventory valuation method:</i>	
1. Total value of inventories located in N.C. <input type="radio"/> FIFO <input type="radio"/> Lower of cost or market 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. Debts existing for the purchase or improvement of N.C. real estate	7. _____ .00
<b>8. Investment in N.C. Tangible Property</b> Line 5 minus Lines 6 and 7; enter amount here and on Schedule A, Line 2	8. <input type="text" value=""/> .00

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

1. Total appraised value of all N.C. tangible property, including motor vehicles <small><i>(If tax year ends December 31, 2011 through September 30, 2012, enter the appraised county tax value of all real and tangible property located in N.C. as of January 1, 2011, including any motor vehicles assessed during the tax year. Otherwise, enter value as of January 1, 2012.)</i></small>	1. _____ .00
<b>2. Appraised Value of N.C. Tangible Property</b> Multiply Line 1 by 55%; enter here and on Schedule A, Line 3	2. <input type="text" value=""/> .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? _____ Were the adjustments reported to N.C.? <input type="radio"/> Yes <input type="radio"/> No If so, when? _____
6. Does this corporation have escheatable property? <input type="radio"/> Yes <input type="radio"/> No
7. 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? <input type="radio"/> Yes <i>(Attach detailed explanation)</i> <input type="radio"/> No

**Ⓒ 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. Merchant card and third-party payments	_____	.00
b. Gross receipts or sales	_____	.00
c. Returns and allowances	_____	.00
d. Balance <i>(Line 1a plus 1b minus Line 1c)</i>	_____	.00
2. Cost of goods sold <i>(Attach schedule)</i>	_____	.00
3. Gross profit <i>(Line 1d minus Line 2)</i>	_____	.00
4. Net gain (loss) <i>(Attach schedule)</i>	_____	.00
5. Other income (loss) <i>(Attach schedule)</i>	_____	.00
<b>6. Total Income (Loss)</b> Add Lines 3 through 5	_____	.00

7. Compensation of officers <i>(Attach schedule)</i>	_____	.00
8. Salaries and wages <i>(Less employment credits)</i>	_____	.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 <i>(Line 14a minus 14b)</i>	_____	.00
15. Depletion	_____	.00
16. Advertising	_____	.00
17. Pension, profit-sharing, and similar plans	_____	.00
18. Employee benefit programs	_____	.00
19. Other deductions <i>(Attach schedule)</i>	_____	.00
<b>20. Total Deductions</b> Add the amounts shown in the far right column for Lines 7 through 19	_____	.00

<b>21. Ordinary Business Income (Loss)</b> Line 6 minus Line 20; enter amount here and on Schedule H, Line 1	_____	.00
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**Ⓓ 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) <i>(Attach schedule)</i>	_____	.00
<b>11. Total Income (Loss)</b> Add Lines 1 through 10 and enter amount here and on Schedule B, Line 10	_____	.00

**Ⓔ Adjustments to Income (Loss)**

<b>1. Additions to Income (Loss):</b>		
a. Taxes based on net income	_____	.00
b. Interest on non-N.C. obligations	_____	.00
c. Bonus depreciation	_____	.00
d. Other additions to federal taxable income <i>(See Form D-401, Individual Income Tax Instructions, for other additions that may be applicable to S-Corporations.)</i>	_____	.00
<b>2. Total Additions</b> Add Lines 1a through 1d	_____	.00
<b>3. Deductions from Income (Loss):</b>		
a. U.S. obligation interest <i>(net of expenses)</i>	_____	.00
b. Bonus depreciation <i>(See instructions)</i>	_____	.00
c. Other deductions from federal taxable income <i>(See Form D-401, Individual Income Tax Instructions, for other deductions that may be applicable to S-Corporations.)</i>	_____	.00
<b>4. Total Deductions</b> Add Lines 3a through 3c	_____	.00
<b>5. Adjustments to Income (Loss)</b> Line 2 minus Line 4; enter result here and on Schedule B, Line 11	_____	.00

**Ⓙ Explanation of Changes for Amended Return**

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

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**Ⓚ Shareholders' Pro Rata Share Items**

	Shareholder 1	Shareholder 2	Shareholder 3
1. Identifying Number	_____	_____	_____
2. Name	_____	_____	_____
3. Address	_____	_____	_____
4. Percentage of ownership	_____ %	_____ %	_____ %
5. Share of income (loss) <i>(From Schedule H, Line 11)</i>	_____	_____	_____
6. Additions to income (loss) <i>(From Schedule I, Line 2)</i>	_____	_____	_____
7. Deductions from income (loss) <i>(From Schedule I, Line 4)</i>	_____	_____	_____
8. Income subject to N.C. tax Add (subtract) Lines 5, 6, and 7	_____	_____	_____
9. Share of tax credits <i>(See instructions)</i>	_____	_____	_____
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) <i>(From Schedule H, Line 11)</i>	_____	_____	_____
6. Additions to income (loss) <i>(From Schedule I, Line 2)</i>	_____	_____	_____
7. Deductions from income (loss) <i>(From Schedule I, Line 4)</i>	_____	_____	_____
8. Income subject to N.C. tax Add (subtract) Lines 5, 6, and 7	_____	_____	_____
9. Share of tax credits <i>(See instructions)</i>	_____	_____	_____
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)	_____	_____	_____

		Beginning of Tax Year		End of Tax Year	
<b>L</b>	<b>Assets</b>				
	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 schedule)</i>				
	7. Loans to shareholders				
	8. Mortgage and real estate loans				
	9. Other investments <i>(Attach 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 schedule)</i>					
15. <b>Total Assets</b>					
<b>Liabilities and Shareholders' Equity</b>					
16. Accounts payable					
17. Mortgages, notes, and bonds payable in less than 1 year					
18. Other current liabilities <i>(Attach schedule)</i>					
19. Loans from shareholders					
20. Mortgages, notes, and bonds payable in 1 year or more					
21. Other liabilities <i>(Attach schedule)</i>					
22. Capital stock					
23. Additional paid-in capital					
24. Retained earnings					
25. Adjustments to shareholders' equity <i>(Attach schedule)</i>					
26. Less cost of treasury stock		(            )		(            )	
27. <b>Total Liabilities and Shareholders' Equity</b>					
<b>M-1</b>	<b>Federal Schedule</b>				
	1. Net income (loss) per books			5. Income recorded on books this year not included on Federal Schedule K, Lines 1 through 10 <i>(itemize)</i> :	
	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 <i>(itemize)</i> :			Tax-exempt interest \$ _____	
	3. Expenses recorded on books this year not included on Federal Schedule K, Lines 1 through 12, and 14i <i>(itemize)</i> :			6. Deductions included on Federal Schedule K, Lines 1 through 12, and 14i not charged against book income this year <i>(itemize)</i> :	
a. Depreciation \$ _____			Depreciation \$ _____		
b. Travel and entertainment \$ _____			7. Add Lines 5 and 6		
4. Add Lines 1 through 3			8. Income (Loss) (Federal Schedule K, Line 18) Line 4 minus Line 7		
<b>M-2</b>	<b>Analysis of N.C. AAA</b>	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 <i>(Line 6 minus Line 7)</i>					

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 13)

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

**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% on Schedule B, Line 15 and Schedule C, Line 12

**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:  %

	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)

8. **Property Factor** (Add Lines 6 and 7; divide Column 1 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 B, Line 15 and Schedule C, Line 12)  %

**Part 3. Corporations Apportioning Franchise or Income to N.C. and to Other States Using Single Sales Factor**  
 Excluded corporations, qualified capital intensive corporations, and certain public utilities must apportion North Carolina franchise and corporate income tax using the sales factor alone. These corporations need not complete the property and payroll factor sections of this Schedule. Enter the sales factor from Line 12 here, on Schedule B, Line 15, and on Schedule C, Line 12. (See instructions and G.S.105-130.4 for more information.)  %

**Part 4. Special Apportionment**  
 Special apportionment formulas apply to certain types of corporations such as telephone companies, motor carriers, and railroad companies. If you use a special apportionment formula, enter the computed apportionment factor here, on Schedule B, Line 15, and on Schedule C, Line 12. (See Form CD-405 instructions and G.S.105-130.4 for more information.)  %

