

# C Corporation Tax Return 2007

North Carolina Department of Revenue

Submit forms in the following order: CD-V, NC-478V, CD-479, NC-478, NC-478 series, CD-405, followed by CD-425

For calendar year 2007, or other tax year beginning (MM-DD) \_\_\_\_ - \_\_\_\_ - 07 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)  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City State Zip Code  
\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_

Federal Employer ID Number  
\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
Secretary of State ID NAICS Code  
\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_ ▶ \_\_\_\_\_

▶ Fill in all applicable circles:  Initial Filer  NC-478 is attached  Nonprofit  
 Fed Schedule M-3 is attached  Final Return  CD-479 is attached  Captive REIT  
 Has Escheatable Property  Amended Return  LLC Taxed as C Corp  Foreign Corp (See instructions)

Gross Receipts / Sales  
\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_ .00

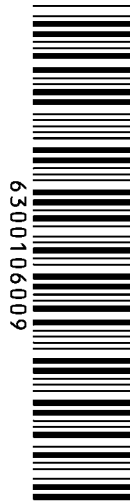
▶ Is this corporation related to another corporation as:  Parent  Subsidiary  Affiliate  
(Attach a copy of the appropriate federal income tax schedule reflecting the relationship)

Total Assets per Balance Sheet  
\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_ .00

**(A) Computation of Franchise Tax**

1. Capital Stock, Surplus, and Undivided Profits (From Schedule C, Line 13)
2. Investment in N.C. Tangible Property (From Schedule D, Line 8)
3. Appraised Value of N.C. Tangible Property (From Schedule E, Line 2)
4. Taxable Amount  
Line 1, 2, or 3, whichever is greatest
5. Total Franchise Tax Due  
Multiply Line 4 by .0015 (\$1.50 per \$1,000.00 - minimum \$35.00)
6. Payment with Application for Franchise Tax Extension (From Form CD-419, Line 9)
7. Tax Credits (From Form CD-425, Part 2, Line 12)  
If a tax credit is claimed on Line 7, Form CD-425 MUST be attached.
8. Franchise Tax Due - If the sum of Line 6 plus 7 is less than Line 5, enter difference here and on Page 2, Line 35
9. Franchise Tax Overpaid - If the sum of Line 6 plus 7 is more than Line 5, enter difference here and on Page 2, Line 35

Holding Company Exception (See instructions)



▶ 1.	_____	.00
▶ 2.	_____	.00
▶ 3.	_____	.00
▶ 4.	_____	.00
▶ 5.	_____	.00
▶ 6.	_____	.00
▶ 7.	_____	.00
▶ 8.	\$ _____	.00
▶ 9.	_____	.00

**(B) Computation of Corporate Income Tax**

10. Federal Taxable Income Before NOL (From Schedule G, Line 30 or Federal Form 1120, Line 28 minus 29b)
11. Adjustments to Federal Taxable Income (From Schedule H, Line 5)
12. Net Income Before Contributions  
Add (or subtract) Lines 10 and 11
13. Contributions to Donees Outside N.C. (From Schedule I, Line 1c)
14. N.C. Taxable Income  
Line 12 minus Line 13
15. Nonapportionable Income (From Schedule N, Line 1)
16. Apportionable Income  
Line 14 minus Line 15
17. Apportionment Factor - Enter to four decimal places (From Schedule O, Part 1; Part 2 - Line 15; Part 3; or Part 4)
18. Income Apportioned to N.C.  
Multiply Line 16 by factor on Line 17
19. Nonapportionable Income Allocated to N.C. (From Schedule N, Line 2)
20. Income Subject to N.C. Tax  
Add Lines 18 and 19
21. Percentage Depletion over Cost Depletion on N.C. Property (See Instructions)

If amount on Line 10-12, 14-16, or 18-20 is negative, fill in circle.  
Example:

▶ 10.	<input type="radio"/>	_____	.00
▶ 11.	<input type="radio"/>	_____	.00
▶ 12.	<input type="radio"/>	_____	.00
▶ 13.		_____	.00
▶ 14.	<input type="radio"/>	_____	.00
▶ 15.	<input type="radio"/>	_____	.00
▶ 16.	<input type="radio"/>	_____	.00
▶ 17.		_____	%
▶ 18.	<input type="radio"/>	_____	.00
▶ 19.	<input type="radio"/>	_____	.00
▶ 20.	<input type="radio"/>	_____	.00
▶ 21.		_____	.00

Legal Name \_\_\_\_\_

FEIN \_\_\_\_\_

Computation of Corporate Income Tax

**22. Net Economic Loss** (Attach schedule) ▶ 22. \_\_\_\_\_ .00

**23. Income Before Contributions to N.C. Donees**  
Line 20 minus Lines 21 and 22 23. ○ \_\_\_\_\_ .00

**24. Contributions to N.C. Donees** (From Schedule I, Line 2e) ▶ 24. \_\_\_\_\_ .00

**25. Net Taxable Income**  
Line 23 minus Line 24 25. ○ \_\_\_\_\_ .00

**26. N.C. Net Income Tax**  
Multiply Line 25 by 6.90% 26. \_\_\_\_\_ .00

**27. Tax Credits** (From Form CD-425, Part 4, Line 34) ▶ 27. \_\_\_\_\_ .00  
*If a tax credit is claimed on Line 27, Form CD-425 MUST be attached.*

**28. Net Tax Due**  
Line 26 minus Line 27 28. \_\_\_\_\_ .00

**29. Annual Report Fee** ▶ 29. \_\_\_\_\_ .00  
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.)

**30. Add Lines 28 and 29** 30. \_\_\_\_\_ .00

**31. Payments**

- a. Application for Income Tax Extension (From Form CD-419, Line 10) ▶ 31a. \_\_\_\_\_ .00
- b. 2007 Estimated Tax (When filing an amended return, enter previous payments here.) ▶ 31b. \_\_\_\_\_ .00
- c. Partnership (If a partnership payment is claimed on Line 31c, a copy of the NC K-1 MUST be attached.) ▶ 31c. \_\_\_\_\_ .00
- d. Nonresident Withholding (Include copy of 1099 or W-2) ▶ 31d. \_\_\_\_\_ .00

**32. Add Lines 31a through 31d** 32. \_\_\_\_\_ .00

**33. Income Tax Due** - If Line 32 is less than Line 30, enter difference here and on Line 36, below 33. \$ \_\_\_\_\_ .00

**34. Income Tax Overpaid** - If Line 32 is more than Line 30, enter difference here and on Line 36, below ▶ 34. \_\_\_\_\_ .00

Tax Due or Refund

**35. Franchise Tax Due or Overpayment** (From Schedule A, Line 8 or 9) 35. ○ \_\_\_\_\_ .00

**36. Income Tax Due or Overpayment** (From Schedule B, Line 33 or 34) 36. ○ \_\_\_\_\_ .00

**37. Balance of Tax Due or Overpayment**  
Add (or subtract) Lines 35 and 36 37. ○ \_\_\_\_\_ .00

**38. Underpayment of Estimated Income Tax** (Enter letter in exceptions box, if applicable. See instructions.) ▶ 38. \_\_\_\_\_ .00  
Exception to Underpayment of Estimated Tax

**39. Interest and Penalties** (See instructions) 39. \_\_\_\_\_ .00

**40. Total Due** - Add Lines 37, 38, and 39 and enter result here, but not less than zero. If less than zero, enter amount on Line 41. Pay online. Go to [www.dornc.com](http://www.dornc.com) and click on [Electronic Services](#). Pay in U.S. Currency From a Domestic Bank 40. \_\_\_\_\_ .00

**41. Overpayment** 41. \_\_\_\_\_ .00

**42. Amount of Line 41 applied to 2008 Estimated Income Tax** ▶ 42. \_\_\_\_\_ .00

**43. Amount of Line 41 contributed to N.C. Nongame and Endangered Wildlife Fund** ▶ 43. \_\_\_\_\_ .00

**44. Amount to be Refunded**  
Line 41 minus Lines 42 and 43 ▶ 44. \_\_\_\_\_ .00

Signature and Title of Officer: \_\_\_\_\_ Date: \_\_\_\_\_ Corporate Telephone Number: \_\_\_\_\_

I certify that, to the best of my knowledge, this return is accurate and complete. (Important: Include Area Code)

Signature of Paid Preparer: \_\_\_\_\_ Preparer's FEIN, SSN, or PTIN: \_\_\_\_\_

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

MAIL TO: N.C. Dept. of Revenue, P.O. Box 25000, Raleigh, N.C. 27640-0500. Returns are due by the 15th day of the 3rd month after the end of the income year.

**C 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.	_____ %
<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** - Enter amounts from book balance sheet as of the end of the tax year on N.C. property

1. Total value of inventories located in N.C. <small>Inventory valuation method: <input type="radio"/> FIFO <input type="radio"/> Lower of cost or market Other _____ (LIFO valuation not permitted)</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 <i>(If tax year ends December 31, 2007 through September 30, 2008, enter the appraised county tax value of all real and tangible property located in N.C. as of January 1, 2007, including any motor vehicles assessed during the tax year. Otherwise, enter value as of January 1, 2008.)</i>	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? \_\_\_\_\_

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	_____	.00
8. Capital gain net income (Attach schedule)	_____	.00
9. Net gain (loss) (Attach schedule)	_____	.00
10. Other income (Attach schedule)	_____	.00
<b>11. Total Income</b> Add Lines 3 through 10	_____	.00
12. Compensation of officers (Attach schedule)	_____	.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
<b>27. Total Deductions</b> Add Lines 12 through 26	_____	.00
<b>28. Taxable Income per Federal Return Before NOL and Special Deductions</b> Line 11 minus Line 27	_____	.00
<b>29. Special Deductions</b> (From Federal Form 1120, Line 29b)	_____	.00
<b>30. Federal Taxable Income Before NOL</b> Line 28 minus Line 29; enter amount here and on Schedule B, Line 10	_____	.00

**Ⓓ Adjustments to Federal Taxable Income**

<b>1. Additions:</b>		
a. Taxes based on net income	_____	.00
b. Dividends paid by captive REITs	_____	.00
c. Contributions	_____	.00
d. Royalties paid to related members (See instructions)	_____	.00
e. Expenses attributable to income not taxed (See instructions)	_____	.00
f. Domestic production activities deduction (From Schedule G, Line 25)	_____	.00
g. Other (Attach explanation or schedule)	_____	.00
<b>2. Total Additions (Add Lines 1a-1g)</b>	_____	.00
<b>3. Deductions:</b>		
a. U.S. obligation interest (net of expenses)	_____	.00
b. Other deductible dividends (See instructions)	_____	.00
c. Dividends received from captive REITs	_____	.00
d. Royalties received from related members (See instructions)	_____	.00
e. Interest on deposits with FHLB (net of expenses) <b>S&amp;L's only</b>	_____	.00
f. Additional first-year depreciation (See instructions)	_____	.00
g. Other (Attach explanation or schedule)	_____	.00
<b>4. Total Deductions (Add Lines 3a-3g)</b>	_____	.00
<b>5. Adjustments to Federal Taxable Income</b> Line 2 minus Line 4, enter amount here and on Schedule B, Line 11	_____	.00

**Ⓔ Contributions**

<b>1. Contributions to Donees Outside N.C.</b>		
a. Enter total contributions to donees outside N.C.	_____	.00
b. Multiply the amount shown on Schedule B, Line 12 by 5%	_____	.00
<b>c. Amount Deductible</b> Enter the lesser of Line 1a or 1b here and on Schedule B, Line 13	_____	.00
<b>2. Contributions to N.C. Donees</b>		
a. Enter total contributions to N.C. donees other than those listed in Line 2d, below	_____	.00
b. Multiply Schedule B, Line 23 by 5%	_____	.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
<b>e. Amount Deductible</b> 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

_____
_____
_____
_____

Note: The letter K is not used to designate a schedule.

		Beginning of Tax Year		End of Tax Year	
<b>Balance Sheet per Books</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: a. Preferred Stock				
	b. Common Stock				
	23. Additional paid-in capital				
	24. Retained earnings – Appropriated <i>(Attach schedule)</i>				
	25. Retained earnings – Unappropriated				
	26. Adjustments to shareholders' equity <i>(Attach schedule)</i>				
27. Less cost of treasury stock		(            )		(            )	
28. <b>Total Liabilities and Shareholders' Equity</b>					
<b>M-1 Reconciliation of Income (Loss) per Books With Return</b>	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. Contributions carryover \$ _____	
b. Contributions carryover \$ _____			_____		
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>		
<b>M-2 Retained Earnings Analysis</b>	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. End of Year Balance <i>(Line 4 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 15)  %

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

Explanation

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.

**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 17  %

**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:  %

Computation of Apportionment Factor

	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 C, Line 12, and Schedule B, Line 17)  %

**Part 3. Excluded Corporations and Public Utilities, 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 17  %

**Part 4. Telephone Companies, Motor Carriers, and Railroad Companies**  
 Enter the computed apportionment factor here, on Schedule C, Line 12, and Schedule B, Line 17 (See instructions and G.S.105-130.4 for more information.)  %