

Schedule G—COMPUTATION OF STATE NET INCOME

1. Taxable Income Per Federal Return Before Net Operating Loss Deduction and Special Deductions		1	
2. Additions:			
a. State income taxes and other taxes based on net income	▶ 2a		
b. Capital loss carry-over	▶ 2b		
c. Contributions	▶ 2c		
d. Percentage depletion in excess of cost depletion (See Instructions)	▶ 2d		
e. Other	▶ 2e		
3. Total (Line 1 plus Items under line 2)		3	
4. Deductions:			
a. Interest—U. S. obligations - Net of expenses	▶ 4a		
b. Deductible portion of dividends (attach schedule)	▶ 4b		
c. Capital loss not deducted on Federal return	▶ 4c		
d. Adjustment to property basis required by federal tax credit (See Instructions)	▶ 4d		
e. Other	▶ 4e		
5. Net Income Before Contributions		5	
6. Less: Contributions to donees outside N. C. (Limited to 5% of Line 5)(From Sch. H, Line 3)	▶ 6		
7. Total State Net Income (To Page 1, Schedule B, Line 11)		7	

Schedule H—CONTRIBUTIONS

1. Total contributions to donees outside N. C. (attach schedule)	1	
2. 5% of Line 5, Schedule G	2	
3. Amount deductible (Lesser of Lines 1 & 2) (To Schedule G, Line 6)	3	
4. Total contributions to N. C. donees other than those in item 7 below (attach schedule)	4	
5. 5% of Line 19, Schedule B, Page 1	5	
6. Amount deductible (Lesser of Lines 4 & 5)	6	
7. Total contributions to State of N. C., any N. C. county or municipality or their institutions, instrumentalities or agencies and to qualified educational institutions located in N. C. (attach schedule)	7	
8. Total amount deductible (Add Lines 6 & 7) (To Page 1, Schedule B, Line 20)	8	

Schedule I—COMPUTATION OF APPORTIONMENT FACTORS

Property—(use original cost)	In North Carolina		Total Everywhere		
	Beginning of taxable year	End of taxable year	Beginning of taxable year	End of taxable year	
Land					
Buildings					
Inventories					
Other Property					
Total			In North Carolina	Total	
PROPERTY VALUES (average value of property above)					
Add: Rentals (attach schedule)					
1. PROPERTY FACTOR					1 ▶ _____ %
Total Compensation					
Less: Compensation to general executive officers					
2. PAYROLL FACTOR					2 ▶ _____ %
3. SALES FACTOR (attach schedule)					3 ▶ _____ %
4. SALES FACTOR (same as line 3)					4 ▶ _____ %
5. TOTAL OF FACTORS (lines 1, 2, 3 & 4)					5 ▶ _____ %
6. ARITHMETICAL AVERAGE OF FACTORS (To Pages 1 & 2)					6 ▶ _____ %
The sales factor alone may be used only by an "excluded corporation", railroads and certain public utilities. See Instructions and G.S. 105-130.4) Such corporations need not complete the property and payroll factor sections of Schedule I.					
			In North Carolina	Total	
7. SALES FACTOR (attach schedule) (To Pages 1 & 4)					7 ▶ _____ %

NOTE: Calculate apportionment factors to 4 places to the right of the decimal.
 Example: 9 9 . 9 9 9 9 %

ALL TAXPAYERS ANSWER QUESTIONS A, B & C		YES	NO
▶ A. Escheats and Abandoned property – Does this corporation hold property including wages, accounts payable, dividends, etc., belonging to another person or persons which has been unclaimed pursuant to G.S. 116B?			
▶ B. Is this corporation a shareholder of an FSC, or a shareholder of a corporation that owns a FSC?			
▶ C. Does this corporation finance/discount its receivables through a related or affiliated company?			

INSTRUCTIONS FOR REPORTING NET TAXABLE INCOME

When Copy of Federal Return is Attached

A corporation may attach a copy of its Federal return and use Federal net income as a beginning point in Schedule G, Page 5 in computing its net taxable income for North Carolina tax purposes, in which case it need not complete Schedule F below. However, adjustments for additions to and deductions from Federal net income are required in Schedule G because of the differences in Federal and North Carolina laws concerning income and deductions.

When Copy of Federal Return is Not Attached

Instead of attaching a copy of the Federal return, a corporation may report its net income to this State by itemizing its income and deductions in Schedule F and completing all schedules on other pages of this return.

Other Requirements and Instructions

Regardless of which of the above procedures is followed, there must be included with the return the itemized income and deduction schedules called for in Schedule F.

A corporation having income from business activity which is taxable both within and without this State is required to allocate and apportion its net income or net loss as provided in G.S. 105-130.4.

For more information about typical income and deduction items which must be accounted for in Schedule G and for additional instructions for preparing and filing corporation income tax returns, refer to Instructions Form CD-415 and to Article 4 of the Revenue Laws of North Carolina.

Schedule F—FEDERAL TAXABLE INCOME BEFORE NET OPERATING LOSS DEDUCTION AND SPECIAL DEDUCTIONS			
GROSS INCOME	1. Gross receipts or gross sales _____	1	
	2. Less: Cost of goods sold (attach schedule) _____	2	
	3. Gross profit _____	3	
	4. Dividends (attach schedule) _____	4	
	5. Interest on obligations of the United States and U. S. instrumentalities _____	5	
	6. Other interest _____	6	
	7. Gross rents _____	7	
	8. Royalties _____	8	
	9. Net gains (losses)—(attach schedule) _____	9	
	10. Other income (attach schedule) _____	10	
	11. Total Income—Add lines 3 through 10	11	XXXXXXXXXXXXXXXXXX
DEDUCTIONS	12. Compensation of officers (attach schedule) _____	12	
	13. Salaries and wages (not deducted elsewhere) _____	13	
	14. Repairs (do not include cost of improvements or capital expenditures) _____	14	
	15. Bad debts (attach schedule) _____	15	
	16. Rents _____	16	
	17. Taxes (attach schedule) _____	17	
	18. Interest (attach schedule) _____	18	
	19. Contributions (attach schedule) _____	19	
	20. Losses by fire, storm, shipwreck, other casualty, or theft (attach schedule) _____	20	
	21. Amortization (attach schedule) _____	21	
	22. Depreciation (attach schedule) _____	22	
	23. Depletion (attach schedule) _____	23	
	24. Advertising _____	24	
	25. a. Pension, profit-sharing, stock bonus, annuity plans _____	25(a)	
	b. Other employee benefit plans _____	(b)	
	26. Other deductions (attach schedule) _____	26	
	27. Total Deductions—Add lines 12 through 26	27	XXXXXXXXXXXXXXXXXX
28. Taxable income per Federal return before net operating loss deduction and special deductions (line 11 less line 27) (To Page 2, Schedule G, Line 1)	28	XXXXXXXXXXXXXXXXXX	

Schedule C—CAPITAL STOCK, SURPLUS AND UNDIVIDED PROFITS	
<i>(Enter amounts from balance sheet/books and records as of end of taxable year.)</i>	
1. Total capital stock outstanding less cost of treasury stock _____	
2. Paid-in or capital surplus _____	
3. Retained earnings (Earned surplus and undivided profits) _____	
4. Other surplus _____	
5. Deferred or unearned income _____	
6. Allowance for bad debts _____	
7. LIFO Reserves _____	
8. Other reserves that do not represent definite and accrued legal liabilities: _____	
9. Total (Add lines 1 through 8) _____	
10. Affiliated indebtedness: (see instructions) _____	
11. Total (Line 9 plus (or minus) items under line 10) <i>(Carry this amount to Page 1, Schedule A, Line 1, unless allocating business income to other states.)</i> _____	
Lines 12 and 13 to be completed only by corporations allocating business income to other states	
12. Apportionment percentage <i>(From Page 2, Schedule I)</i> _____	_____ %
13. Capital stock, surplus and undivided profits apportioned to N.C. <i>(Apply above percent to amount on line 11) (Carry this amount to Page 1, Schedule A, Line 1)</i> _____	

Schedule D—INVESTMENT IN TANGIBLE PROPERTY IN NORTH CAROLINA						
<i>(Enter amounts from balance sheet/books and records as of end of taxable year of any property located within N.C. except in column 7. Column 7—If income year ends October 31, 1996 or November 30, 1996 show values as of January 1, 1996 otherwise show values of January 1, 1995.)</i>						
(1) County in which Located	(2)* Inventories LIFO <input type="checkbox"/> FIFO <input type="checkbox"/> Lower of Cost or market <input type="checkbox"/> Other:	(3) Furniture Fixtures, Machinery & Equipment	(4) Land & Buildings	(5) Leasehold Improvements & Other Tangible Property	(6) TOTALS 2 thru 5	(7) Total Appraised Value for County Property Tax, Including Motor Vehicles**
1. Totals						
2. Less: (a) Accumulated depreciation, depletion and amortization _____						
(b) Debts existing for purchase or improvement of N. C. real estate _____						
3. Investment in tangible property in N. C. <i>(Line 1 minus line 2 to Page 1, Schedule A, Line 2)</i> _____						

*LIFO Values not permitted for Franchise Tax purposes.
 **Include the appraised value of all vehicles for which the county tax assessor has issued a billing during the income year.

Schedule E—APPRAISED VALUATION OF PROPERTY IN NORTH CAROLINA	
1. Enter 55 percent of Total of Column 7, Schedule D _____	
2. Intangible property subject to intangibles tax. <i>(If income year ends December 31, 1995 enter total "Taxable Value" from 1994 N.C. Intangibles Personal Property Tax Return, Form H-801; otherwise no amount is entered.)</i> _____	
3. Appraised Valuation Of Property In N.C. <i>(Total of Lines 1 and 2 to Page 1, Sch. A, Line 3)</i> _____	

Schedule M—NONBUSINESS INCOME

(If all income is *business income* as defined below, do not complete this schedule.)

Rents and royalties from real or tangible personal property, gains and losses, interest, dividends, patent and copyright royalties, and other kinds of income, to the extent that they constitute nonbusiness income, less related expenses are subject to direct allocation and should be reported in this schedule.

Definitions: *Business income* means income arising from transactions and activity in the regular course of the corporation's trade or business and includes rents and royalties from real or tangible personal property, gains and losses, interest, dividends, patent and copyright royalties and other kinds of income if the acquisition, management, and/or disposition of the income-producing property constitute integral (even though incidental) parts of the corporation's regular trade or business operations wherever conducted.

Nonbusiness income means all income other than business income.

Additional information concerning *business-nonbusiness income* is contained in booklet, "Franchise Tax and Corporate Income Tax Rules and Regulations," available upon request.

(See Instructions, Form CD-415, page 4, Direct Allocation of Nonbusiness Income.)

For each item for which an amount is reported, describe the source of income and explain in the space below why such income does not constitute business income as defined above.	Gross Amounts	*Less Related Expenses and Dividends Deductible under G.S. 105-130.7	Net Amounts	Net Amounts Allocated Directly to N. C.
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8. Total nonbusiness income allocated directly to N. C. and other state (To Page 1, Sch. B, Line 12)				
9. Nonbusiness income allocated directly to N. C. (To Page 1, Sch. B, Line 16)				

Describe source of nonbusiness income and explain why such income does not constitute business income as defined above.

***NOTE:** For an acceptable means of computing related expenses, see Regulation entitled, Attribution of Expenses to Nontaxable Income and to Nonbusiness Income and Property.

Schedule N—AFFILIATED CORPORATIONS

Are you connected with another corporation as: Parent Subsidiary Affiliate
 If so, attach a copy of the appropriate Federal Income Tax schedule reflecting this connection.

Schedule O—OFFICERS' NAMES AND ADDRESSES

President:

Vice-President:

Secretary:

Treasurer:

Name and Address of Process Agent in North Carolina:

Schedule J—BALANCE SHEETS

ASSETS	BEGINNING OF TAXABLE YEAR		END OF TAXABLE YEAR	
	Amount	Total	Amount	Total
1. Cash _____				
2. Trade notes and accounts receivable _____				
(a) Less allowance for bad debts _____				
3. Inventories _____				
4. Gov't. obligations: (a) U.S. & instrumentalities _____				
(b) State and others _____				
5. Other current assets (attach schedule) _____				
6. Loans to stockholders _____				
7. Mortgage and real estate loans _____				
8. Other investments (attach schedule) _____				
9. Buildings and other fixed depreciable assets _____				
(a) Less accumulated depreciation _____				
10. Depletable assets _____				
(a) Less accumulated depletion _____				
11. Land (net of any amortization) _____				
12. Intangible assets (amortizable only) _____				
(a) Less accumulated amortization _____				
13. Other assets (attach schedule) _____				
14. Total assets _____				
LIABILITIES AND CAPITAL				
15. Accounts payable _____				
16. Mtges., notes, bonds payable in less than 1 yr. _____				
17. Other current liabilities (attach schedule) _____				
18. Loans from stockholders _____				
19. Mtges., notes, bonds payable in 1 yr. or more _____				
20. Other liabilities (attach schedule) _____				
21. Capital stock: (a) Preferred stock _____				
(b) Common stock _____				
22. Paid-in or capital surplus (attach reconciliation) _____				
23. Retained earnings—Appropriated (attach schedule) _____				
24. Retained earnings—Unappropriated _____				
25. Less cost of treasury stock _____		(_____)		(_____)
26. Total liabilities and capital _____				

Schedule K—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1. Net income per books _____		7. Income recorded on books this year not included in this return (itemize)	
2. Federal income tax _____		(a) Nontaxable interest _____	
3. Excess of capital losses over capital gains _____			
4. Taxable income not recorded on books this year (itemize) _____			

5. Expenses recorded on books this year not deducted in this return (itemize)		8. Deductions in this tax return not charged against book income this year (itemize)	
(a) Depreciation _____		(a) Depreciation _____	
(b) Depletion _____		(b) Depletion _____	

6. Total of lines 1 through 5 _____		9. Total of lines 7 and 8 _____	
		10. Income (line 28, page 3)—line 6 less 9 _____	

Schedule L—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS

1. Balance at beginning of year _____		5. Distributions: (a) Cash _____	
2. Net income per books _____		(b) Stock _____	
3. Other increases (itemize) _____		(c) Property _____	

_____		6. Other decreases (itemize) _____	
4. Total of lines 1, 2, and 3 _____		_____	
		7. Total of Lines 5 and 6 _____	
		8. Balance at end of year (line 4 less 7) _____	