

NORTH CAROLINA **MULTISTATE CORPORATION**
FRANCHISE AND INCOME TAX RETURN

For use by Corporations allocating income within and without North Carolina



1996

1996

or fiscal year beginning _____ 1996, ending _____

Check if address has changed since prior year's return.
 Check if corporation is a first time filer in N.C.

Check if a — <input type="checkbox"/> Final return <input type="checkbox"/> Foreign Sales Corp (FSC) <input type="checkbox"/> Affiliate of a FSC	Name _____ Address _____ City, State and Zip Code _____	Federal ID Number _____ Sec of State ID Number _____ DUE DATE Returns are due on the 15th day of 3rd month after end of income year.
Date Incorporated _____ State of Incorporation _____ Total assets per Bal. Sheet \$ _____ Gross receipts/sales \$ _____	Principal place from which business is directed or managed _____ Date qualified in N. C. _____ Regular or principal trade or business everywhere _____ Regular or principal trade or business in N. C. _____ Have federal income tax returns for any prior year been examined by the IRS? <input type="checkbox"/> Yes <input type="checkbox"/> No (latest year(s) adjusted. _____) If yes, have all corresponding State returns been adjusted accordingly? <input type="checkbox"/> Yes <input type="checkbox"/> No If not adjusted, file amended returns.	
Schedule A—COMPUTATION OF FRANCHISE TAX		
1. Capital Stock, Surplus and Undivided Profits (From Page 4, Schedule C, Line 11 or 13) _____		1
2. Investment in Tangible Property in N.C. (From Page 4, Schedule D, Line 3) _____		2
3. Appraised Valuation of Property in N.C. (From Page 4, Schedule E, Line 1) _____		3
4. Taxable Amount (Line 1, 2, or 3 whichever is greatest) _____		4
5. Total Tax (\$1.50 per \$1,000 of item 4)—(Minimum \$35) _____		5
6. Less: a. Business Property Tax Credit _____ 6a		
b. Other Credits (Attach Schedule) _____ 6b		
c. Tax Paid with Application for Extension _____ 6c		
7. Balance of Tax Due (If overpayment, enter in brackets) _____		7
8. Interest (Due on all Extended Payments) _____ 9. Penalty _____		8&9
10. Total Franchise Tax Due (Overpayment) (Add lines 7, 8 and 9.) _____ Franchise		10
Schedule B—COMPUTATION OF INCOME TAX		
11. Total State net Income (From Page 2, Schedule G, Line 7) _____		11
12. Less: Nonbusiness income (From Page 5, Schedule M, Line 8) _____		12
13. Total business income subject to apportionment _____		13
14. Apportionment factor (From Page 2, Schedule I) _____ %		14
15. Business income Apportioned to N.C. (Multiply amount on line 13 by above factor) _____		15
16. Add: a. Nonbusiness income - N.C. (From Page 5, Schedule M, Line 9) _____ 16a		
b. Tax credits claimed _____ 16b		
17. Total income allocated to N.C. _____		17
18. Less: a. Percentage Depletion over Cost Depletion on N. C. Property _____ 18a		
b. Net economic loss (See instructions) (Attach Schedule) _____ 18b		
19. Total income allocated to N. C. before contributions to N. C. donees _____		19
20. Less: Contributions to N. C. donees (From Page 2, Schedule H, Line 8) _____		20
21. Net taxable income _____		21
22. Income Tax (7.75% of line 21) _____		22
23. Less: a. Business Property Tax Credit _____ 23a		
b. Other Credits (Attach Schedule) _____ 23b		
24. Net Tax Due _____		24
25. Less: a. Tax paid with application for extension _____ 25a		
b. Tax paid with declaration of estimated tax _____ 25b		
26. Balance of tax due (Enter overpayment in brackets) _____		26
27. Interest (Due on all Extended Payments) _____ 28. Penalty _____		27&28
29. Total Income Tax Due (Overpayment) (Add lines 26, 27, and 28) _____ Income		29
30. TOTAL TAX PAID (OVERPAID) (Line 10 plus line 29) Remit to N. C. Department of Revenue. TOTAL		30
31. Amount of Overpayment Applied to 1997 Estimated Tax _____		31
32. Amount of Overpayment Donated to Wildlife Fund _____		32
33. Amount of Overpayment to be Refunded _____		33

AFFIRMATION OF TAXPAYER: Under penalties prescribed by law, I hereby affirm that to the best of my knowledge and belief this return, including any accompanying schedules and statements, is true and complete. If prepared by a person other than taxpayer, his affirmation is based on all information of which he has any knowledge.

Date _____ Signature and title of officer _____ Date _____ Signature of preparer other than taxpayer _____

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 a 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 <i>Schedule</i>) _____	2
	3.	Gross profit _____	3
	4.	Dividends (Attach <i>Schedule</i>) _____	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 <i>Schedule</i>) _____	9
	10.	Other income (Attach <i>Schedule</i>) _____	10
	11.	Total Income—Add lines 3 through 10	11
DEDUCTIONS	12.	Compensation of officers (Attach <i>Schedule</i>) _____	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 <i>Schedule</i>) _____	15
	16.	Rents _____	16
	17.	Taxes (Attach <i>Schedule</i>) _____	17
	18.	Interest (Attach <i>Schedule</i>) _____	18
	19.	Contributions (Attach <i>Schedule</i>) _____	19
	20.	Losses by fire, storm, shipwreck, other casualty, or theft (Attach <i>Schedule</i>) _____	20
	21.	Amortization (Attach <i>Schedule</i>) _____	21
	22.	Depreciation (Attach <i>Schedule</i>) _____	22
	23.	Depletion (Attach <i>Schedule</i>) _____	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 <i>Schedule</i>) _____	26
	27.	Total Deductions—Add lines 12 through 26	27
	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	XXXXXXXXXXXXXX

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, 1997 or November 30, 1997 show values as of January 1, 1997 otherwise show values of January 1, 1996.)</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 <i>(Total of Line 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) _____		8. Deductions in this tax return not charged against book income this year (itemize)	
		(a) Depreciation _____	
5. Expenses recorded on books this year not deducted in this return (itemize)		(b) Depletion _____	
(a) Depreciation _____			
(b) Depletion _____			
		9. Total of lines 7 and 8 _____	
6. Total of lines 1 through 5 _____		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) _____	
		7. Total of Lines 5 and 6 _____	
4. Total of lines 1, 2, and 3 _____		8. Balance at end of year (line 4 less 7) _____	