

Attach Annual Report Here

1998 NORTH CAROLINA

CORPORATE FRANCHISE AND INCOME TAX RETURN

Form CD-405

For the year January 1 - December 31, 1998, or other tax year beginning / / 98, ending / / 99

Check if a - <input type="checkbox"/> Final return <input type="checkbox"/> Foreign Sales <input type="checkbox"/> Corp (FSC) <input type="checkbox"/> Affiliate of a FSC	Name	Federal ID Number
	Address	Sec of State ID Number
Total assets per Bal. Sheet	City, State, and Zip Code	Enter the cost of business property placed in service in the current tax year
\$ 00	Is this the first time you have filed a North Carolina tax return? Yes <input type="checkbox"/> No <input type="checkbox"/> Is the name and/or address on this return different from last year's return? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Gross receipts/sales	NAICS Code Indicate If: QSSS <input type="checkbox"/> Parent of QSSS <input type="checkbox"/> LLC <input type="checkbox"/> Non-profit <input type="checkbox"/>	Returns are due on the 15th day of 3rd month after end of income year. Mail to: N. C. Dept. of Revenue P.O. Box 25000 Raleigh, N. C. 27640-0500
\$ 00	<input type="checkbox"/> Have federal tax returns for any prior year been examined by the IRS? Yes <input type="checkbox"/> No (latest year(s) adjusted _____)	
	<input type="checkbox"/> If yes, have all State returns been adjusted accordingly? Yes <input type="checkbox"/> No (If yes, enter date of N. C. Amendments) _____	

Schedule A - COMPUTATION OF FRANCHISE TAX

1. Capital Stock, Surplus, and Undivided Profits (page 2, schedule C, line 13)	1	00
2. Investment in Tangible Property in N.C. (page 2, schedule D, line 2)	2	00
3. Appraised Valuation of Property in N.C. (page 2, schedule E)	3	00
4. Taxable Amount (Line 1, 2, or 3 whichever is greatest)	4	00
5. Total Tax (\$1.50 per \$1,000 of item 4)--(minimum \$35)	5	00
6. Less: a. New and Expanding Tax Credits (attach schedule)	6a	00
b. Business Property Tax Credit (attach schedule)	6b	00
c. Other tax credits (attach schedule)	6c	00
d. Tax paid with application for extension	6d	00
7. Balance of tax due (if overpayment, enter in brackets)	7	00
8. Interest (due on all extended payments)	8	00
9. Penalties	9	00
10. TOTAL FRANCHISE TAX DUE (overpayment) (add lines 7, 8, and 9)	FRANCHISE 10	00

Schedule B - COMPUTATION OF INCOME TAX

11. Total State net income (page 3, schedule G, line 7)	11	00
12. Less: Nonbusiness income (page 6, schedule M, line 7)	12	00
13. Total business income subject to apportionment	13	00
14. Apportionment factor (page 4, schedule I)	14	_____ %
15. Business income apportioned to N.C. (multiply amount on line 13 by above factor)	15	00
16. Add: a. Nonbusiness income-N.C. (page 6, schedule M, line 8)	16a	00
b. Tax credits claimed	16b	00
17. Total income to N.C.	17	00
18. Less: a. Percentage depletion over cost depletion on N.C. property	18a	00
b. Net economic loss (see instructions) (attach schedule)	18b	00
19. Total income to N.C. before contributions	19	00
20. Less: Contributions (page 4, schedule H, line 4e or 5h)	20	00
21. Total Net Taxable Income (line 19 less line 20)	21	00
22. Income Tax (7.25% of line 21)	22	00
23. Less: a. New and Expanding Tax Credits (attach schedule)	23a	00
b. Business Property Tax Credit (attach schedule)	23b	00
c. Other tax credits (attach schedule)	23c	00
24. Net Tax Due	24	00
25. Add: Annual Report Fee (\$20.00)	25	00
26. Less: a. Tax paid with application for extension	26a	00
b. Tax paid with declaration of estimated tax	26b	00
c. Tax paid with partnership return (attach schedule)	26c	00
d. Tax paid with nonresident withholding (attach schedule)	26d	00
27. Balance of tax due (enter overpayment in brackets)	27	00
28. Interest (due on all extended payments)	28	00
29. Penalties	29	00
30. TOTAL INCOME TAX DUE (overpayment) (add lines 27, 28, and 29)	INCOME 30	00
31. TOTAL TAX DUE (overpaid) (line 10 plus (or minus) line 30)	If balance due, remit to N. C. Dept. of Revenue. TOTAL 31	00
	If overpayment, complete lines 32-34.	
32. Amount of overpayment applied to 1999 estimated tax	32	00
33. Amount of overpayment to be donated to wildlife fund.	33	00
34. Amount of overpayment to be refunded	34	00

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

Date

Signature and title of officer

Date

Signature of preparer other than taxpayer

Schedule H- CONTRIBUTIONS		
1. Total contributions to donees outside N.C. (attach schedule)	1	00
2. 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 North Carolina (attach schedule)	2	00
3. Total contributions to N.C. donees other than those listed in item 2 above (attach schedule)	3	00
4. Amount deductible for Corporations Not Apportioning Income Outside of North Carolina		
a. Add line 1 and line 3	4a	00
b. Multiply page 1, schedule B, line 19, by 5%(.05)	4b	00
c. Enter the lessor of line 4a or 4b	4c	00
d. Enter amount of line 2 (unlimited contributions)	4d	00
e. Add lines 4c and 4d. (enter the total here and on page 1, schedule B, line 20)	4e	00
5. Amount Deductible for Corporations Apportioning Income to North Carolina and to Other States		
a. Enter amount of line 1	5a	00
b. Multiply page 3, schedule G, line 5, by 5%(.05)	5b	00
c. Enter the lessor of line 5a or 5b here and on page 3, schedule G, line 6	5c	00
d. Enter amount of line 3	5d	00
e. Multiply page 1, schedule B, line 19 by 5%(.05)	5e	00
f. Enter the lessor of line 5d or 5e	5f	00
g. Enter the amount of line 2 (unlimited contributions)	5g	00
h. Add lines 5f and 5g. (enter the total here and on page 1, schedule B, line 20)	5h	00

Schedule I- COMPUTATION OF APPORTIONMENT FACTORS						
Part I	<u>Domestic Corporations and Other Corporations Not Apportioning Franchise or Income Outside of North Carolina</u> (enter 100.0000% here and on page 1, schedule B, line 14)					▶ _____ %
Part II	<u>Corporations Apportioning Franchise or Income to North Carolina and to Other States</u> compute the following:					
		In North Carolina		Total Everywhere		
Property (use original cost)	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 (enter the amount of line 3)					4	▶ _____ %
5. TOTAL OF FACTORS (sum of lines 1, 2, 3 and 4)					5	_____ %
6. ARITHMETICAL AVERAGE OF FACTORS (enter here and on page 1, schedule B, line 14 - see instructions).					6	_____ %
Part III	<u>Excluded Corporations and Public Service Corporations Other Than Those Companies Listed in Part IV</u> The sales factor alone must be used by "excluded corporations". See instructions and G. S. 105-130.4 for definition of excluded corporation. These corporations need not complete the property and payroll factor sections of schedule I. Enter the sales factor computed on line 3 here and on page 1, schedule B, line 14.					▶ _____ %
Part IV	<u>Telephone Companies and Motor Carriers</u> Enter the apportionment factor computed on the worksheet found on page 8 of the instructions here and on page 1, schedule B, line 14.					▶ _____ %

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

Schedule J-BALANCE SHEETS

Assets	BEGINNING OF TAXABLE YEAR		END OF TAXABLE YEAR	
	(a)	(b)	(c)	(d)
1. Cash				
2. a. Trade notes and accounts receivable				
b. Less allowance for bad debts	()		()	
3. Inventories				
4. Government Obligations a. U. S. & instrumentalities				
b. State and others				
5. Tax-exempt securities				
6. Other current assets (attach schedule)				
7. Loans to stockholders				
8. Mortgage and real estate loans				
9. Other investments (attach schedule)				
10. a. Buildings and other depreciable assets				
b. Less accumulated depreciation	()		()	
11. a. Depletable assets				
b. Less accumulated depletion	()		()	
12. Land (net of any amortization)				
13. a. Intangible assets (amortizable only)				
b. Less accumulated amortization	()		()	
14. Other assets (attach schedule)				
15. Total assets				
Liabilities and Stockholders' Equity				
16. Accounts payable				
17. Mtges., notes, bonds payable in less than 1 yr.				
18. Other current liabilities (attach schedule)				
19. Loans from stockholders				
20. Mtges., notes, bonds payable in 1 yr. or more				
21. Other liabilities (attach schedule)				
22. Capital stock a. Preferred stock				
b. Common stock				
23. Additional paid-in capital				
24. Retained earnings-Appropriated (attach schedule)				
25. Retained earnings-Unappropriated				
26. Adjustments to shareholders' equity (attach schedule)				
27. Less cost of treasury stock	()		()	
28. Total liabilities and stockholders' equity				

Schedule K- RECONCILIATION OF INCOME (LOSS) PER BOOKS WITH INCOME (LOSS) PER RETURN

Complete this schedule only if the total assets on schedule J, line 15, column d exceed \$25,000

1. Net income (loss) per books		7. Income recorded on books this year not included in this return (itemize):	
2. Federal income tax		(a) Tax-exempt interest \$ _____	
3. Excess of capital losses over capital gains		_____	
4. Income subject to tax not recorded on books this year (itemize): _____		8. Deductions in this tax return not charged against book income this year (itemize):	
5. Expenses recorded on books this year not deducted in this return (itemize):		(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 (page 3, line 28) - line 6 less line 9	

Schedule L-ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS

1. Balance at beginning of year		5. Distributions: (a) Cash	
2. Net income (loss) per books		(b) Stock	
3. Other increases (itemize): _____		(c) Property	
_____		6. Other decreases (itemize): _____	
4. Add lines 1, 2, and 3		7. Add lines 5 and 6	
		8. Balance at end of year (line 4 less line 7)	

Schedule M- NONBUSINESS INCOME

Complete this schedule only if you apportion income to North Carolina and to other states
AND if you have income classified as nonbusiness income.

Rents and royalties from real or tangible 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 must be reported in this schedule.

General Statute 105-130.4 defines: 'Business income' as "income arising from transactions and activity in the regular course of the corporation's trade or business and includes income from tangible and intangible property if the acquisition, management, and/or disposition of the property constitute integral parts of the corporation's regular trade or business operations."

'Nonbusiness income' as "all income other than business income."

(Additional information concerning business/nonbusiness income is contained in booklet, "Franchise Tax and Corporate Income Tax Rules and Bulletins," available upon request.)

For each item for which an amount is reported, describe the source of income and explain why the income does not constitute business income as defined by law.	(a) Gross Amounts	(b) *Less Related Expenses and Dividends Deductible under G. S. 105-130.7	(c) Net Amounts (subtract amount of column b from column a)	(d) Net Amounts Allocated Directly to N. C.
1.				
2.				
3.				
4.				
5.				
6.				
7. Total nonbusiness income allocated directly to N. C. and other states (enter the total of column c here and on page 1, schedule B, line 12)			00	
8. Nonbusiness income allocated directly to N. C. (enter the total of column d here and on page 1, schedule B, line 16)				00

Explanation:

(Attach additional information if needed.)

***NOTE:** For an acceptable means of computing related expenses, see Rule T17: 05C .0304, Attribution of Expenses, Nontaxable Income, and Nonbusiness Income and Property.

Schedule N- OTHER GENERAL CORPORATE INFORMATION

1. Date incorporated
2. State of incorporation
3. Date qualified in N. C. (date of Certificate of Authority obtained from N.C. Secretary of State)
4. Regular or principal trade or business in N. C. _____
5. Regular or principal trade or business everywhere _____
6. Principal place from which business is directed or managed _____
7. Escheats and abandoned property - Does this corporation hold unclaimed property including wages, accounts payable, dividends, etc., that is subject to G. S. 116B? Yes No
8. Is this corporation a shareholder of a FSC, or a shareholder of a corporation that owns a FSC? Yes No
9. Does this corporation finance/discount its receivables through a related or affiliated company? Yes No
10. Is this corporation submitting only a franchise tax return because its activities are limited to solicitation of sales inside this State, and therefore protected for income tax purposes under P.L. 86-272? Yes No
11. Is this corporation connected with another corporation as: Parent Subsidiary Affiliate
 (Attach a copy of the appropriate federal income tax schedule reflecting any such connection.)
12. Officers' names and addresses:

President:
Vice-President:
Secretary:
Treasurer:
Name and address of process agent in North Carolina: