

S Corporation Tax Return 2003

North Carolina Department of Revenue

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

For calendar year **2003**, or other tax year beginning (MM-DD) _____ - _____ - **03** 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)

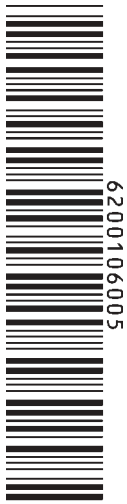
Address

City _____ **State** _____ **Zip Code** _____

Federal Employer ID Number
▶ _____
Secretary of State ID _____ **NAICS Code** _____

Gross Receipts / Sales _____ **Total Assets per Balance Sheet** _____
▶ _____ .00 _____ .00

▶ **Fill in all applicable circles:**
 Amended Return CD-479 is attached
 Initial Filer NC-478 is attached
 Final Return QSSS or Parent QSSS
 LLC Has Escheatable Property



(A) Computation of Franchise Tax

- 1. **Capital Stock, Surplus, and Undivided Profits** (From Schedule C, Line 13) ▶ 1. _____ .00
- 2. **Investment in N.C. Tangible Property** (From Schedule D, Line 8) ▶ 2. _____ .00
- 3. **Appraised Value of N.C. Tangible Property** (From Schedule E, Line 2) ▶ 3. _____ .00
- 4. **Taxable Amount** Line 1, 2, or 3, whichever is greatest ▶ 4. _____ .00
- 5. **Total Franchise Tax Due** Multiply Line 4 by .0015 (\$1.50 per \$1,000.00 - minimum \$35.00) ▶ 5. _____ .00
- 6. **a. Payment with Application for Franchise Tax Extension** (From Form CD-419, Line 1) ▶ 6a. _____ .00
- b. Tax Credits** (Complete Form CD-425 and enter amount from Part 2, Line 10) ▶ 6b. _____ .00
- 7. **Franchise Tax Due** - If the sum of Line 6a plus 6b is less than Line 5, enter difference here and on Page 2, Line 31 ▶ 7. \$ _____ .00
- 8. **Franchise Tax Overpaid** - If the sum of Line 6a plus 6b is more than Line 5, enter difference here and on Page 2, Line 31 ▶ 8. _____ .00

(B) Computation of Corporate Income Tax

- 9. **Shareholders' Shares of Corporation Income (Loss)** (From Schedule H, Line 7 or Federal Schedule K, Lines 1-6) ▶ 9. _____ .00
- 10. **Adjustments to Corporation Income (Loss)** (From Schedule I, Line 5) ▶ 10. _____ .00
- 11. **N.C. Taxable Income** Add (or subtract) Lines 9 and 10 ▶ 11. _____ .00
- 12. **Nonapportionable Income** (From Schedule N, Line 1) ▶ 12. _____ .00
- 13. **Apportionable Income** Line 11 minus Line 12 ▶ 13. _____ .00
- 14. **Apportionment Factor** - Enter to four decimal places (From Schedule O, Part 1; Part 2 - Line 15; Part 3; or Part 4) ▶ 14. _____ %
- 15. **Income Apportioned to N.C.** Multiply Line 13 by factor on Line 14 ▶ 15. _____ .00
- 16. **Nonapportionable Income Allocated to N.C.** (From Schedule N, Line 2) ▶ 16. _____ .00
- 17. **Income Subject to N.C. Tax** Add Lines 15 and 16 ▶ 17. _____ .00
- 18. **Percentage Depletion over Cost Depletion on N.C. Property** ▶ 18. _____ .00
- 19. **Total Net Taxable Income** - Line 17 minus Line 18 (Composite filers complete Lines 20 through 24; all others skip to Line 25) ▶ 19. _____ .00
- 20. **Amount of Line 19 Attributable to Nonresidents Filing Composite** ▶ 20. _____ .00
- 21. **North Carolina Income Tax** (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

If amount on Line 9-13, 15-17, or 19-20 is negative, fill in circle.
Example:



Legal Name _____

FEIN _____

B Computation of Corporate Income Tax

22. Enter amount from Line 21	22.		.00
23. Tax Credits Attributable to Nonresidents Filing Composite <i>(Complete Form CD-425 and enter amount from Part 4, Line 27)</i>	▶ 23.		.00
24. Net Tax Due for Nonresidents Filing Composite Line 22 minus Line 23	24.		.00
25. Annual Report Fee (\$20.00)	▶ 25.		.00
26. Add Lines 24 and 25	26.		.00
27. Payments			
a. Application for Income Tax Extension <i>(From Form CD-419, Line 5)</i>	▶ a.		.00
b. 2003 Estimated Tax <i>(When filing an amended return, enter previous payments)</i>	▶ b.		.00
c. Partnership <i>(Include Form D-403, NC K-1)</i>	▶ c.		.00
d. Nonresident Withholding <i>(Include copy of 1099 or W-2)</i>	▶ d.		.00
28. Add Lines 27a through 27d	28.		.00
29. Income Tax Due - If Line 28 is less than Line 26, enter difference here and on Line 32	29.	\$.00
30. Income Tax Overpaid - If Line 28 is more than Line 26, enter difference here and on Line 32	▶ 30.		.00

Tax Due or Refund

31. Franchise Tax Due or Overpayment <i>(From Schedule A, Line 7 or 8)</i>	31.	<input type="radio"/>	.00
32. Income Tax Due or Overpayment <i>(From Schedule B, Line 29 or 30)</i>	32.	<input type="radio"/>	.00
33. Balance of Tax Due or Overpayment Add (or subtract) Lines 31 and 32	33.	<input type="radio"/>	.00
34. Penalties and Interest <i>(See instructions)</i>	34.		.00
35. Total Due - Add Lines 33 and 34 and enter result here, but not less than zero. If less than zero, enter amount on Line 36	35.	Pay This Amount	.00
36. Overpayment	36.		.00
37. Amount of Line 36 applied to 2004 Estimated Income Tax	▶ 37.		.00
38. Amount to be Refunded Line 36 minus Line 37	▶ 38.		.00

If amount on Line 31-33 is an overpayment fill in circle.
Example:

Sign Here

Signature and Title of Officer: _____	Date: _____	Corporate Telephone Number: _____	▶ _____ <i>(Important: Include Area Code)</i>
I certify that, to the best of my knowledge, this return is accurate and complete.			
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. 27640-0530. Returns are due by the 15th day of the 3rd month after the end of the income year.

6200206005



CD-401S
Web
11-03

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. _____ %
13. Capital Stock, Surplus, and Undivided Profits 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="0"/> .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

<i>Inventory valuation method: (LIFO valuation not permitted)</i>	
1. Total value of inventories located in N.C. <input type="radio"/> FIFO <input type="radio"/> Lower of cost or market Other _____	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	6. _____ .00
7. Debts existing for the purchase or improvement of N.C. real estate	7. _____ .00
8. Investment in N.C. Tangible Property Line 5 minus Lines 6 and 7; enter amount here and on Schedule A, Line 2	8. <input type="text" value="0"/> .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, 2003 through September 30, 2004, enter the appraised county tax value of all real and tangible property located in N.C. as of January 1, 2003, including any motor vehicles assessed during the tax year. Otherwise, enter value as of January 1, 2004.)</i>	1. _____ .00
2. Appraised Value of N.C. Tangible Property Multiply Line 1 by 55%; enter here and on Schedule A, Line 3	2. <input type="text" value="0"/> .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
6. 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 (Attach detailed explanation) <input type="radio"/> No



G 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. 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. Net gain (loss) (Attach schedule)	_____	.00
5. Other income (loss) (Attach schedule)	_____	.00
6. Total Income (Loss) Add Lines 3 through 5	_____	.00
7. Compensation of officers (Attach schedule)	_____	.00
8. Salaries and wages (Less employment credits)	_____	.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 (Line 14a minus 14b)	_____	.00
15. Depletion	_____	.00
16. Advertising	_____	.00
17. Pension, profit-sharing, and similar plans	_____	.00
18. Employee benefit programs	_____	.00
19. Other deductions (Attach schedule)	_____	.00
20. Total Deductions Add the amounts shown in the far right column for Lines 7 through 19	_____	.00
21. Ordinary Income (Loss) from Trade or Business Activities Line 6 minus Line 20; enter amount here and on Schedule H, Line 1	_____	.00

H Computation of Income (Loss)

1. Ordinary income (loss) from trade or business activities	_____	.00
2. Net income (loss) from rental real estate activities	_____	.00
3. Net income (loss) from other rental activities	_____	.00
4. Portfolio income (loss)		
a. Interest income	_____	.00
b. Dividends	_____	.00
c. Royalty income	_____	.00
d. Capital gains (losses) from Federal Schedule D (Attach schedule)	_____	.00
e. Other portfolio income (loss) (Attach schedule)	_____	.00
5. Net gain (loss) under IRC § 1231 (other than due to casualty or theft)	_____	.00
6. Other income (loss) (Attach schedule)	_____	.00
7. Total Income (Loss) Add Lines 1 through 6 and enter amount here and on Schedule B, Line 9	_____	.00

I Adjustments to Income (Loss)

1. Additions to Income (Loss):		
a. Taxes based on net income	_____	.00
b. Interest on non-N.C. obligations	_____	.00
c. Capital loss carry-over	_____	.00
d. Royalty paid to related members (See instructions)	_____	.00
e. Expenses attributable to income not taxed (See instructions)	_____	.00
f. Additional first-year depreciation (See instructions)	_____	.00
g. Other (Attach schedule)	_____	.00
2. Total Additions (Add Lines 1a-1g)	_____	.00
3. Deductions from Income (Loss):		
a. U.S. obligation interest (net of expenses)	_____	.00
b. Deductible dividends (See instructions)	_____	.00
c. Capital loss not deducted on federal return	_____	.00
d. Royalty received from related members (See instructions)	_____	.00
e. Other (Attach schedule)	_____	.00
4. Total Deductions Add Lines 3a through 3e	_____	.00
5. Adjustments to Income (Loss) Line 2 minus Line 4; enter result here and on Schedule B, Line 10	_____	.00

J Explanation of Changes for Amended Return

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



Legal Name _____

FEIN _____

Shareholders' Shares of Income, Adjustments, and Credits

Ⓚ

	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 7)</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. 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 7)</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. Net tax paid for shareholder by corporation (nonresidents only)	_____	_____	_____

(Attach additional pages if needed.)



Legal Name _____

FEIN _____

L Balance Sheet per Books

		Beginning of Tax Year		End of Tax Year	
Assets					
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.	Total Assets				
Liabilities and Shareholders' Equity					
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.	Total Liabilities and Shareholders' Equity				
M-1 Federal Schedule					
1.	Net income (loss) per books			5. Income recorded on books this year not included on Federal Schedule K, Lines 1 through 6 (<i>itemize</i>):	
2.	Income included on Federal Schedule K, Lines 1 through 6, 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 11a, 15g, and 16b (<i>itemize</i>):			6. Deductions included on Federal Schedule K, Lines 1 through 11a, 15g, and 16b, 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,	
M-2 Analysis of N.C. AAA		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>)				



Legal Name _____

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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 12) .00

2. **Nonapportionable Income Allocated to N.C.** (Enter the total of Column E here and on Schedule B, Line 16) .00

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% here and on Schedule C, Line 12 and Schedule B, Line 14 %

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: 99.9999 %

	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)	<input type="text"/>	<input type="text"/>	<input type="text" value=""/> %
9. Gross payroll			<input type="checkbox"/>
10. Compensation of general executive officers			
11. Payroll Factor (Line 9 minus Line 10; divide Column 1 by Column 2 and enter factor)	<input type="text"/>	<input type="text"/>	<input type="text" value=""/> %
12. Sales Factor (Attach schedule) Divide Column 1 by Column 2 and enter factor	<input type="text"/>	<input type="text"/>	<input type="text" value=""/> %
13. Sales Factor (Enter the same factor as on Line 12)			<input type="text" value=""/> %
14. Total of Factors (Add Lines 8, 11, 12, and 13)			<input type="text" value=""/> %
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 14)			<input type="text" value=""/> %

Part 3. Excluded Corporations and Public Service Corporations, 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 14 %

Part 4. Telephone Companies and Motor Carriers
Enter the apportionment factor computed on the worksheet in the instructions here and on Schedule C, Line 12 and Schedule B, Line 14 %



Legal Name _____

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Income Tax Rate Schedule

Nonresident shareholders electing to file a composite S Corporation Tax Return must use the following rates in computing the amount of income tax due:



6.00% of the first \$12,750

7.00% of the amount over \$12,750 but less than \$60,000

7.75% of the amount over \$60,000 but less than \$120,000

8.25% of the amount over \$120,000

Explanation of Changes for Amended Return

(Attach additional sheets if necessary.)

Lined area for providing an explanation of changes for an amended return, containing approximately 25 horizontal lines.

