

CD-405 C-Corporation Tax Return 2016

For calendar year 2016 or other tax year beginning (MM-DD) - - 16 and ending (MM-DD-YY) DOR Use Only

Legal Name, Address, City, State, Zip Code, Federal Employer ID Number, Secretary of State ID, NAICS Code, Gross Receipts / Sales, Total Assets per Balance Sheet, and return type selection (Initial, Final, Short Year, Amended, etc.).

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of \$ . To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 42. See instructions for information about the Fund.

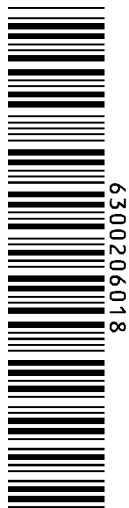
Section A: Computation of Franchise Tax. Includes lines 1-9 for Net Worth, Investment in N.C. Tangible Property, Appraised Value, Taxable Amount, Total Franchise Tax Due, Payment with Franchise Tax Extension, Tax Credits, Franchise Tax Due, and Franchise Tax Overpaid.

Section B: Computation of Corporate Income Tax. Includes lines 10-21 for Federal Taxable Income Before NOL, Adjustments to Federal Taxable Income, Net Income Before Contributions, Contributions to Donees Outside N.C., N.C. Taxable Income, Nonapportionable Income, Apportionable Income, Apportionment Factor, Income Apportioned to N.C., Nonapportionable Income Allocated to N.C., Income Subject to N.C. Tax, and Percentage Depletion over Cost Depletion on N.C. Property.

Computation of Corporate Income Tax

- 22. **State Net Loss** (Attach schedule)
- 23. **Income Before Contributions to N.C. Donees**  
Line 20 minus Lines 21 and 22
- 24. **Contributions to N.C. Donees**  
(From Schedule I, Line 2e)
- 25. **Net Taxable Income**  
Line 23 minus Line 24
- 26. **N.C. Net Income Tax**  
Multiply Line 25 by 4.0%
- 27. **Annual Report Fee** (Include \$25.00 only if Form CD-479 is attached in paper form; otherwise, enter zero.)
- 28. **Add Lines 26 and 27**
- 29. **Payments and Credits**  
When filing an amended return, see instructions.
  - a. **Income Tax Extension**  
(From Form CD-419, Line 10)
  - b. **2016 Estimated Tax**
  - c. **Partnership** (If a partnership payment is taken on Line 29c, a copy of Form D-403 NC K-1 MUST be attached.)
  - d. **Nonresident Withholding**  
(Include copy of 1099 or W-2)
  - e. **Tax Credits** (From Form CD-425, Part 4, Line 30)  
If a tax credit is taken on Line 29e, Form CD-425 MUST be attached.
- 30. **Add Lines 29a through 29e**
- 31. **Income Tax Due** - If Line 30 is less than Line 28, enter difference here and on Line 34, below
- 32. **Income Tax Overpaid** - If Line 30 is more than Line 28, enter difference here and on Line 34, below

If amount on Line 23 or 25 is negative fill in circle.  
Example:



22. \_\_\_\_\_ .00

23.  \_\_\_\_\_ .00

24. \_\_\_\_\_ .00

25.  \_\_\_\_\_ .00

26. \_\_\_\_\_ .00

27. \_\_\_\_\_ .00

28. \_\_\_\_\_ .00

29a. \_\_\_\_\_ .00

29b. \_\_\_\_\_ .00

29c. \_\_\_\_\_ .00

29d. \_\_\_\_\_ .00

29e. \_\_\_\_\_ .00

30. \_\_\_\_\_ .00

31. \$ \_\_\_\_\_ .00

32. \_\_\_\_\_ .00

Tax Due or Refund

- 33. **Franchise Tax Due or Overpayment**  
(From Schedule A, Line 8 or 9)
- 34. **Income Tax Due or Overpayment**  
(From Schedule B, Line 31 or 32)
- 35. **Balance of Tax Due or Overpayment**  
Add (or subtract) Lines 33 and 34
- 36. **Underpayment of Estimated Income Tax**  
(Enter letter in exceptions box, if applicable. See instructions.)
- 37. **a. Interest**      **b. Penalties**  
 \_\_\_\_\_ .00      \_\_\_\_\_ .00  
 (Add Lines 37a and 37b and enter the total on Line 37c)
- 38. **Total Due** - Add Lines 35, 36, and 37c and enter result here, but not less than zero. If less than zero, enter amount on Line 39.  
Pay your tax online. See instructions.
- 39. **Overpayment**
- 40. **Amount of Line 39 applied to 2017 Estimated Income Tax**
- 41. **Amount of Line 39 contributed to N.C. Nongame and Endangered Wildlife Fund**
- 42. **Amount of Line 39 contributed to N.C. Education Endowment Fund**
- 43. **Amount to be Refunded**  
Line 39 minus Lines 40, 41, and 42

If amount on Line 33-35 is an overpayment fill in circle.  
Example:

Exception to Underpayment of Estimated Tax

33.  \_\_\_\_\_ .00

34.  \_\_\_\_\_ .00

35.  \_\_\_\_\_ .00

36. \_\_\_\_\_ .00

37c. \_\_\_\_\_ .00

38. \_\_\_\_\_ .00

39. \_\_\_\_\_ .00

40. \_\_\_\_\_ .00

41. \_\_\_\_\_ .00

42. \_\_\_\_\_ .00

43. \_\_\_\_\_ .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  PTIN: \_\_\_\_\_  
I certify that, to the best of my knowledge, this return is accurate and complete. (Fill in applicable circle)

**(C) Net Worth**

1. Total assets <i>(See instructions for definition)</i>	1. _____ .00
2. Total liabilities	2. _____ .00
3. Line 1 minus Line 2	3. _____ .00
4. Treasury Stock	4. _____ .00
5. Accumulated depreciation, depletion, and amortization permitted for income tax purposes	5. _____ .00
6. Line 3 minus Lines 4 and 5	6. _____ .00
7. Affiliated indebtedness <i>(Attach schedule)</i> _____	7. _____ .00
8. Line 6 plus (or minus) Line 7	8. _____ .00
9. Apportionment factor <i>(From Schedule O, Part 1; Part 2 - Line 14; Part 3; or Part 4)</i>	9. _____ %
<b>10. Net Worth</b> Multiply Line 8 by factor on Line 9 and enter result here and on Schedule A, Line 1. If amount on Line 10 is less than zero, enter zero on Schedule A, Line 1.	10. <input type="text" value=""/> .00

**(D) Investment in N.C. Tangible Property**

1. Total value of inventories located in N.C. <i>Inventory valuation method:</i> <input type="radio"/> FIFO <input type="radio"/> Lower of cost or market <i>Other</i> _____ <small><i>(LIFO valuation not permitted)</i></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
<b>7. Investment in N.C. Tangible Property</b> Line 5 minus Line 6; enter amount here and on Schedule A, Line 2	7. <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, 2016 through September 30, 2017, enter the appraised county tax value of all real and tangible property located in N.C. as of January 1, 2016, including any motor vehicles assessed during the tax year. Otherwise, enter value as of January 1, 2017.)</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. Contributions	_____	.00
c. Royalties to related members	_____	.00
d. Net interest expense to related members	_____	.00
e. Expenses attributable to income not taxed	_____	.00
f. Domestic production activities deduction (From Schedule G, Line 25)	_____	.00
g. Bonus depreciation	_____	.00
h. Section 179 expense deduction	_____	.00
i. Other (Attach explanation or schedule)	_____	.00
<b>2. Total Additions</b> (Add Lines 1a-1i)	_____	.00
<b>3. Deductions:</b>		
a. U.S. obligation interest (net of expenses)	_____	.00
b. Other deductible dividends	_____	.00
c. Royalties from related members	_____	.00
d. Qualified interest expense to related members	_____	.00
e. Bonus depreciation	_____	.00
f. Section 179 expense deduction	_____	.00
g. Other (Attach explanation or schedule)	_____	.00
<b>4. Total Deductions</b> (Add Lines 3a-3g)	_____	.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% if Line 12 is greater than zero. Otherwise, enter zero here.	_____	.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 the amount shown on Schedule B, Line 23 by 5% if Line 23 is greater than zero. Otherwise, enter zero here.	_____	.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




Complete this schedule if 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** 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% on Schedule B, Line 17 and Schedule C, Line 9

**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)  **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** (Divide Column 1 by Column 2; multiply the result by 3 and enter factor)

13. **Total of Factors** (Add Lines 8, 11, and 12)

14. **N.C. Apportionment Factor** (Divide Line 13 by 5 or the number of factors present; enter result here, on Schedule B, Line 17, and Schedule C, Line 9. See instructions and G.S.105 -130.4 for more information.)

**Part 3. Corporations Apportioning Franchise or Income to N.C. and to Other States Using Single Sales Factor**

Excluded corporations, qualified capital intensive corporations, and certain public utilities must apportion North Carolina franchise and corporate income tax using the sales factor alone. These corporations need not complete the property and payroll factor sections of this Schedule. Divide column 1 of Line 12 by column 2 of Line 12. Enter factor here, on Schedule B, Line 17, and on Schedule C, Line 9.  
(See instructions and G.S.105 -130.4 for more information.)

**Part 4. Special Apportionment**

Special apportionment formulas apply to certain types of corporations such as telephone companies, motor carriers, and railroad companies. If you use a special apportionment formula, enter the computed apportionment factor here, on Schedule B, Line 17, and on Schedule C, Line 9.  
(See instructions and G.S.105 -130.4 for more information.)