

# C Corporation Tax Return 2009

North Carolina Department of Revenue

For calendar year **2009**, or other tax year beginning (MM-DD) \_\_\_\_\_ - \_\_\_\_\_ - **09** and ending (MM-DD-YY) \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Legal Name (First 35 Characters) (USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

► Fill in circle if Amended Return   
► Federal Employer ID Number  
\_\_\_\_\_  
► Secretary of State ID ► NAICS Code  
\_\_\_\_\_

► Fill in all applicable circles:  Initial Filer  NC-478 is attached  Captive REIT  
 Fed Schedule M-3 is attached  Final Return  CD-479 is attached  Foreign Corp (See instructions)  
 Has Escheatable Property  Nonprofit/Tax Exempt  LLC Taxed as Corp

► Gross Receipts / Sales  
\_\_\_\_\_  
► Total Assets per Balance Sheet  
\_\_\_\_\_ .00

► Is this corporation related to another corporation as:  Parent  Subsidiary  Affiliate  
(Attach a copy of the appropriate federal income tax schedule reflecting the relationship)

**Computation of Franchise Tax**

1. **Capital Stock, Surplus, and Undivided Profits**  
(From Schedule C, Line 13) \_\_\_\_\_ .00

2. **Investment in N.C. Tangible Property**  
(From Schedule D, Line 8) \_\_\_\_\_ .00

3. **Appraised Value of N.C. Tangible Property**  
(From Schedule E, Line 2) \_\_\_\_\_ .00

4. **Taxable Amount**  
Line 1, 2, or 3, whichever is greatest \_\_\_\_\_ .00

5. **Total Franchise Tax Due**  
Multiply Line 4 by .0015 (\$1.50 per \$1,000.00 - minimum \$35.00) \_\_\_\_\_ .00

6. **Payment with Application for Franchise Tax Extension**  
(From Form CD-419, Line 9) \_\_\_\_\_ .00

7. **Tax Credits** (From Form CD-425, Part 2, Line 12) \_\_\_\_\_ .00  
*If a tax credit is claimed on Line 7, Form CD-425 MUST be attached.*

8. **Franchise Tax Due** - If the sum of Line 6 plus 7 is less than Line 5, enter difference here and on Page 2, Line 35  
\$ \_\_\_\_\_ .00

9. **Franchise Tax Overpaid** - If the sum of Line 6 plus 7 is more than Line 5, enter difference here and on Page 2, Line 35  
\_\_\_\_\_ .00

**Holding Company Exception**  
(See instructions)

**Computation of Corporate Income Tax**

10. **Federal Taxable Income Before NOL**  
(From Schedule G, Line 30 or Federal Form 1120, Line 28 minus 29b) \_\_\_\_\_ .00

11. **Adjustments to Federal Taxable Income**  
(From Schedule H, Line 5) \_\_\_\_\_ .00

12. **Net Income Before Contributions**  
Add (or subtract) Lines 10 and 11 \_\_\_\_\_ .00

13. **Contributions to Donees Outside N.C.**  
(From Schedule I, Line 1c) \_\_\_\_\_ .00

14. **N.C. Taxable Income**  
Line 12 minus Line 13 \_\_\_\_\_ .00

15. **Nonapportionable Income**  
(From Schedule N, Line 1) \_\_\_\_\_ .00

16. **Apportionable Income**  
Line 14 minus Line 15 \_\_\_\_\_ .00

17. **Apportionment Factor** - Enter to four decimal places  
(From Schedule O, Part 1; Part 2 - Line 15; Part 3; or Part 4) \_\_\_\_\_ %

18. **Income Apportioned to N.C.**  
Multiply Line 16 by factor on Line 17 \_\_\_\_\_ .00

19. **Nonapportionable Income Allocated to N.C.**  
(From Schedule N, Line 2) \_\_\_\_\_ .00

20. **Income Subject to N.C. Tax**  
Add Lines 18 and 19 \_\_\_\_\_ .00

21. **Percentage Depletion over Cost Depletion on N.C. Property**  
(See Instructions) \_\_\_\_\_ .00

If amount on Line 10-12, 14-16, or 18-20 is negative, fill in circle.

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**(C) Capital Stock, Surplus, and Undivided Profits**

|   |   |
|---|---|
| 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. <b>Capital Stock, Surplus, and Undivided Profits</b><br>Multiply Line 11 by factor on Line 12 and enter result here and on Schedule A, Line 1.<br>If amount on Line 13 is less than zero, enter zero on Schedule A, Line 1. | 13. <span style="border: 1px solid black; padding: 2px;">_____</span> .00 |

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

|  |  |
|--|--|
| <i>Inventory valuation method:</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. <small>(LIFO valuation not permitted)</small>   | 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   |
| 7. Debts existing for the purchase or improvement of N.C. real estate  | 7. _____ .00   |
| 8. <b>Investment in N.C. Tangible Property</b><br>Line 5 minus Lines 6 and 7; enter amount here and on Schedule A, Line 2          | 8. <span style="border: 1px solid black; padding: 2px;">_____</span> .00 |

**(E) Appraised Value of N.C. Tangible Property**

|  |  |
|--|--|
| 1. Total appraised value of all N.C. tangible property, including motor vehicles<br><i>(If tax year ends December 31, 2009 through September 30, 2010, enter the appraised county tax value of all real and tangible property located in N.C. as of January 1, 2009, including any motor vehicles assessed during the tax year. Otherwise, enter value as of January 1, 2010.)</i> | 1. _____ .00   |
| 2. <b>Appraised Value of N.C. Tangible Property</b><br>Multiply Line 1 by 55%; enter here and on Schedule A, Line 3  | 2. <span style="border: 1px solid black; padding: 2px;">_____</span> .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 \_\_\_\_\_

| <b>Ⓒ Federal Taxable Income Before NOL Deduction</b><br><i>Complete this schedule if you do not attach a copy of your federal income tax return.</i> |            |
|--|------------|
| 1. a. Gross receipts or sales  | .00        |
| b. Returns and allowances  | .00        |
| c. Balance <i>(Line 1a minus Line 1b)</i>  | .00        |
| 2. Cost of goods sold <i>(Attach schedule)</i>   | .00        |
| 3. Gross Profit <i>(Line 1c minus Line 2)</i>  | .00        |
| 4. Dividends <i>(Attach schedule)</i>  | .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 <i>(Attach schedule)</i>  | .00        |
| 9. Net gain (loss) <i>(Attach schedule)</i>  | .00        |
| 10. Other income <i>(Attach schedule)</i>  | .00        |
| <b>11. Total Income</b><br>Add Lines 3 through 10  | <b>.00</b> |
| 12. Compensation of officers <i>(Attach schedule)</i>  | .00        |
| 13. Salaries and wages <i>(Less employment credits)</i>  | .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 <i>(Line 20a minus Line 20b)</i>  | .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 <i>(Attach schedule)</i>  | .00        |
| <b>27. Total Deductions</b><br>Add Lines 12 through 26   | <b>.00</b> |
| <b>28. Taxable Income per Federal Return Before NOL and Special Deductions</b><br>Line 11 minus Line 27  | <b>.00</b> |
| <b>29. Special Deductions</b><br><i>(From Federal Form 1120, Line 29b)</i>   | <b>.00</b> |
| <b>30. Federal Taxable Income Before NOL</b><br>Line 28 minus Line 29; enter amount here and on Schedule B, Line 10                                  | <b>.00</b> |

| <b>Ⓓ Adjustments to Federal Taxable Income</b>   |            |
|--|------------|
| <b>1. Additions:</b>   |            |
| a. Taxes based on net income   | .00        |
| b. Dividends paid by captive REITs   | .00        |
| c. Contributions   | .00        |
| d. Royalties paid to related members <i>(See instructions)</i>   | .00        |
| e. Expenses attributable to income not taxed <i>(See instructions)</i>   | .00        |
| f. Domestic production activities deduction <i>(From Schedule G, Line 25)</i>  | .00        |
| g. Bonus depreciation <i>(See instructions)</i>  | .00        |
| h. Other <i>(Attach explanation or schedule)</i>   | .00        |
| <b>2. Total Additions</b> <i>(Add Lines 1a-1h)</i>   | <b>.00</b> |
| <b>3. Deductions:</b>  |            |
| a. U.S. obligation interest <i>(net of expenses)</i>   | .00        |
| b. Other deductible dividends <i>(See instructions)</i>  | .00        |
| c. Dividends received from captive REITs   | .00        |
| d. Royalties received from related members <i>(See instructions)</i>   | .00        |
| e. Interest on deposits with FHLB <i>(net of expenses)</i> <b>S&amp;L's only</b>                                     | .00        |
| f. Additional first-year depreciation <i>(See instructions)</i>  | .00        |
| g. Other <i>(Attach explanation or schedule)</i>   | .00        |
| <b>4. Total Deductions</b> <i>(Add Lines 3a-3g)</i>  | <b>.00</b> |
| <b>5. Adjustments to Federal Taxable Income</b><br>Line 2 minus Line 4, enter amount here and on Schedule B, Line 11 | <b>.00</b> |
| <b>Ⓔ Contributions</b>   |            |
| <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%  | .00        |
| <b>c. Amount Deductible</b><br>Enter the lesser of Line 1a or 1b here and on Schedule B, Line 13                     | <b>.00</b> |
| <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 Schedule B, Line 23 by 5%  | .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><br>Add Lines 2c and 2d; enter total here and on Schedule B, Line 24                      | <b>.00</b> |
| <b>Ⓕ Explanation of Changes for Amended Return</b><br><i>Attach additional sheets if necessary</i>                   |            |
|  |            |
|  |            |
|  |            |

Note: The letter K is not used to designate a schedule.

|  |   | Beginning of Tax Year |   | End of Tax Year  |                |
|--|---|-----------------------|---|--|----------------|
| <b>L Balance Sheet per Books</b>                                 | <b>Assets</b>   |                       |   |  |                |
|  | 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. <b>Total Assets</b>  |   |                       |   |  |                |
|  | <b>Liabilities and Shareholders' Equity</b>   |                       |   |  |                |
|  | 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: a. Preferred Stock   |                       |   |  |                |
|  | b. Common Stock   |                       |   |  |                |
|  | 23. Additional paid-in capital  |                       |   |  |                |
|  | 24. Retained earnings – Appropriated ( <i>Attach schedule</i> )                         |                       |   |  |                |
|  | 25. Retained earnings – Unappropriated  |                       |   |  |                |
|  | 26. Adjustments to shareholders' equity ( <i>Attach schedule</i> )                      |                       |   |  |                |
|  | 27. Less cost of treasury stock   |                       | (            )  |  | (            ) |
|  | 28. <b>Total Liabilities and Shareholders' Equity</b>                                   |                       |   |  |                |
| <b>M-1 Reconciliation of Income (Loss) per Books With Return</b> | 1. Net income (loss) per books  |                       |   | 7. Income recorded on books this year not included on this return ( <i>itemize</i> ):      |                |
|  | 2. Federal income tax   |                       |   | Tax-exempt interest \$ _____   |                |
|  | 3. Excess of capital losses over capital gains  |                       |   | _____  |                |
|  | 4. Income subject to tax not recorded on books this year ( <i>itemize</i> ): _____      |                       |   | 8. Deductions on this return not charged against book income this year ( <i>itemize</i> ): |                |
|  | 5. Expenses recorded on books this year not deducted on this return ( <i>itemize</i> ): |                       |   | 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 ( <i>Line 6 minus Line 9</i> )             |  |                |
| <b>M-2 Retained Earnings Analysis</b>                            | 1. Balance at beginning of year   |                       |   | 5. Distributions: a. Cash  |                |
|  | 2. Net income (loss) per books  |                       |   | b. Stock   |                |
|  | 3. Other increases ( <i>itemize</i> ): _____  |                       |   | c. Property  |                |
|  | 4. Add Lines 1, 2, and 3  |                       |   | 6. Other decreases ( <i>itemize</i> ): _____   |                |
|  |   |                       | 7. Add Lines 5 and 6                                  |  |                |
|  |   |                       | 8. End of Year Balance ( <i>Line 4 minus Line 7</i> ) |  |                |

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<br>(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.

Computation of Apportionment Factor

**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 12

**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:  %

|                          | 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)   %

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** (Attach schedule) Divide Column 1 by Column 2 and enter factor   %

13. **Sales Factor** (Enter the same factor as on Line 12)  %

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

15. **N.C. Apportionment Factor** (Divide Line 14 by the number of factors present; enter result here, on Schedule B, Line 17, and Schedule C, Line 12)  %

**Part 3. Excluded Corporations and Public Utilities, 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, on Schedule B, Line 17, and Schedule C, Line 12  %

**Part 4. Telephone Companies, Motor Carriers, and Railroad Companies**  
Enter the computed apportionment factor here, on Schedule B, Line 17, and Schedule C, Line 12 (See instructions and G.S.105-130.4 for more information.)