



1996

Publication 1407-A

Federal Tax Forms Advance Proof Copies

These advance proofs are subject to change and OMB approval before they are released for printing later this year.

Attached are advance proof copies of the following 1996 and 1997 Federal tax forms and schedules for businesses:

- Form W-2, Copy A
- Form W-3
- Form 940
- Form 940-EZ
- Form 941
- Form 945
- Form 1041 and its Schedule K-1
- Form 1065 and its Schedule K-1
- Form 1099-C
- Form 1120 (We removed line 9b of the 1995 revision because of the expiration of the Environmental Tax.)
- Form 1120-A
- Form 1120S and its Schedule K-1
- Form 4626 (We removed line 2q of the 1995 revision to reflect section 1616(b) of the Small Business Job Protection Act of 1996 and line 16 of the 1995 revision because of the expiration of the Environmental Tax.)

We have circled major changes on each item in this package. If you have comments about these items, please let us know by October 11, 1996. Write to: Tax Forms Committee, Early Release, Internal Revenue Service, Room 5577, 1111 Constitution Ave., NW, Washington, DC 20224. Although we may be unable to give detailed responses to your comments, we will carefully consider each suggestion.

If you need additional copies of this package, please write to: Internal Revenue Service, P.O. Box 25866, Richmond, VA 23289-5866.

OR use IRS Electronic Information Services:

Internet: World Wide Web - <http://www.irs.ustreas.gov>
FTP - <ftp.irs.ustreas.gov>
Telnet - <iris.irs.ustreas.gov>

Modem: IRIS at FedWorld - 703-321-8020



a Control number		22222	Void <input type="checkbox"/>	For Official Use Only ▶ OMB No. 1545-0008					
b Employer's identification number			1 Wages, tips, other compensation	2 Federal income tax withheld					
c Employer's name, address, and ZIP code			3 Social security wages	4 Social security tax withheld					
			5 Medicare wages and tips	6 Medicare tax withheld					
			7 Social security tips	8 Allocated tips					
d Employee's social security number			9 Advance EIC payment	10 Dependent care benefits					
e Employee's name (first, middle initial, last)			11 Nonqualified plans	12 Benefits included in box 1					
			13 See Instrs. for box 13	14 Other					
f Employee's address and ZIP code			15 Statutory employee <input type="checkbox"/>	Deceased <input type="checkbox"/>	Pension plan <input type="checkbox"/>	Legal rep. <input type="checkbox"/>	Hshld. emp. <input type="checkbox"/>	Subtotal <input type="checkbox"/>	Deferred compensation <input type="checkbox"/>
16 State	Employer's state I.D. No.	17 State wages, tips, etc.	18 State income tax	19 Locality name	20 Local wages, tips, etc.	21 Local income tax			

Proof as of August 1996 (subject to change)

Cat. No. 10134D

Department of the Treasury—Internal Revenue Service

Form **W-2** Wage and Tax Statement **1997**
Copy A For Social Security Administration

For Paperwork Reduction Act Notice, see separate instructions.

Do NOT Cut or Separate Forms on This Page

DO NOT STAPLE

a Control number		33333		For Official Use Only ▶ OMB No. 1545-0008	
b Kind of Payer ▶	941	Military	943	1 Wages, tips, other compensation	2 Federal income tax withheld
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3 Social security wages	4 Social security tax withheld
	CT-1	Hshld.	Medicare govt. emp.	5 Medicare wages and tips	6 Medicare tax withheld
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		7 Social security tips	8 Allocated tips
c Total number of statements		d Establishment number		9 Advance EIC payments	10 Dependent care benefits
e Employer's identification number				11 Nonqualified plans	12 Deferred compensation
f Employer's name				13	
				14	
g Employer's address and ZIP code				15 Income tax withheld by third-party payer	
h Other EIN used this year					
i Employer's state I.D. No.					

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶ _____ Title ▶ _____ Date ▶ _____

Telephone number () _____

Form **W-3** Transmittal of Wage and Tax Statements **1997**

Department of the Treasury
Internal Revenue Service

Employer's Annual Federal Unemployment (FUTA) Tax Return

▶ **For Paperwork Reduction Act Notice, see separate instructions.**

1996

Name (as distinguished from trade name) Calendar year
 Trade name, if any _____
 Address and ZIP code _____ Employer identification number

T	
FF	
FD	
FP	
I	
T	

- A** Are you required to pay unemployment contributions to only one state? (If no, skip questions B and C.) Yes No
- B** Did you pay all state unemployment contributions by January 31, 1997? (If a 0% experience rate is granted, check "Yes.") (If no, skip question C.) Yes No
- C** Were all wages that were taxable for FUTA tax also taxable for your state's unemployment tax? Yes No
- If you answered "No" to any of these questions, you must file Form 940. If you answered "Yes" to all the questions, you may file Form 940-EZ, which is a simplified version of Form 940. You can get Form 940-EZ by calling 1-800-TAX-FORM (1-800-829-3676).

If you will not have to file returns in the future, check here, complete, and sign the return ▶
 If this is an Amended Return, check here ▶

Part I Computation of Taxable Wages

1 Total payments (including exempt payments) during the calendar year for services of employees	1		
2 Exempt payments. (Explain each exemption shown, attach additional sheets if necessary.) ▶ _____	Amount paid		
	2		
3 Payments of more than \$7,000 for services. Enter only amounts over the first \$7,000 paid to each employee. Do not include payments from line 2. The \$7,000 amount is the Federal wage base. Your state wage base may be different. Do not use the state wage limitation	3		
4 Total exempt payments (add lines 2 and 3) ▶	4		
5 Total taxable wages (subtract line 4 from line 1) ▶	5		

Be sure to complete both sides of this return and sign in the space provided on the back. Cat. No. 112340 Form **940** (1996)

DETACH HERE

Form 940 Payment Voucher

▶ **For Paperwork Reduction Act Notice, see Form 940 instructions.**

1996

Complete boxes 1,2,3, and 4. Make your check or money order payable to the **Internal Revenue Service**. Include your employer identification number on your check or money order. Do not send cash.

1 Enter the amount of the payment you are making ▶ \$ _____	2 Enter the first four characters of your business name _____	3 Enter your employer identification number _____
4 Enter your name _____ Enter your address _____ Enter your city, state, and ZIP code _____		

Do not staple your check or money order to the voucher or the return.

Part II Tax Due or Refund

1	Gross FUTA tax. Multiply the wages in Part I, line 5, by .062	1							
2	Maximum credit. Multiply the wages in Part I, line 5, by .054	2							
3	Computation of tentative credit (Note: All taxpayers must complete the applicable columns.)								
(a) Name of state	(b) State reporting number(s) as shown on employer's state contribution returns	(c) Taxable payroll (as defined in state act)	(d) State experience rate period		(e) State ex- perience rate	(f) Contributions if rate had been 5.4% (col. (c) x .054)	(g) Contributions payable at experience rate (col. (c) x col. (e))	(h) Additional credit (col. (f) minus col.(g)). If 0 or less, enter -0-.	(i) Contributions actually paid to state
			From	To					
3a	Totals ▶								
3b	Total tentative credit (add line 3a, columns (h) and (i) only—see instructions for limitations on late payments) ▶								
4									
5									
6	Credit: Enter the smaller of the amount in Part II, line 2, or line 3b							6	
7	Total FUTA tax (subtract line 6 from line 1)							7	
8	Total FUTA tax deposited for the year, including any overpayment applied from a prior year							8	
9	Balance due (subtract line 8 from line 7). This should be \$100 or less. Pay to the Internal Revenue Service. See page 3 of the Instructions for Form 940 for details ▶							9	
10	Overpayment (subtract line 7 from line 8). Check if it is to be: <input type="checkbox"/> Applied to next return, or <input type="checkbox"/> Refunded ▶							10	

Part III Record of Quarterly Federal Unemployment Tax Liability (Do not include state liability)

Quarter	First	Second	Third	Fourth	Total for year
Liability for quarter					

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was or is to be deducted from the payments to employees.

Signature ▶ Title (Owner, etc.) ▶ Date ▶

**Employer's Annual Federal
 Unemployment (FUTA) Tax Return**

Name (as distinguished from trade name) _____ Calendar year _____

Trade name, if any _____

Address and ZIP code _____ Employer identification number _____

Follow the chart under **Who May Use Form 940-EZ** on page 2. If you cannot use Form 940-EZ, you must use Form 940 instead.

A Enter the amount of contributions paid to your state unemployment fund. (See instructions for line A on page 4.) ▶ \$ _____

B (1) Enter the name of the state where you have to pay contributions ▶ _____

(2) Enter your state reporting number as shown on state unemployment tax return. ▶ _____

If you will not have to file returns in the future, check here (see **Who Must File** on page 2) and complete and sign the return ▶

If this is an Amended Return, check here ▶

Part I Taxable Wages and FUTA Tax

1 Total payments (including payments shown on lines 2 and 3) during the calendar year for services of employees	1	
2 Exempt payments. (Explain all exempt payments, attaching additional sheets if necessary.) ▶ _____	Amount paid	
3 Payments for services of more than \$7,000. Enter only amounts over the first \$7,000 paid to each employee. Do not include any exempt payments from line 2. Do not use your state wage limitation. The \$7,000 amount is the Federal wage base. Your state wage base may be different		
4 Total exempt payments (add lines 2 and 3)	4	
5 Total taxable wages (subtract line 4 from line 1) ▶	5	
6 FUTA tax. Multiply the wages on line 5 by .008 and enter here. (If the result is over \$100, also complete Part II.)	6	
7 Total FUTA tax deposited for the year, including any overpayment applied from a prior year (from your records)	7	
8 Amount you owe (subtract line 7 from line 6). This should be \$100 or less. Pay to "Internal Revenue Service." ▶	8	
9 Overpayment (subtract line 6 from line 7). Check if it is to be: <input type="checkbox"/> Applied to next return, or <input type="checkbox"/> Refunded ▶	9	

Part II Record of Quarterly Federal Unemployment Tax Liability (Do not include state liability.) Complete only if line 6 is over \$100.

Quarter	First (Jan. 1 – Mar. 31)	Second (Apr. 1 – June 30)	Third (July 1 – Sept. 30)	Fourth (Oct. 1 – Dec. 31)	Total for year
Liability for quarter					

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees.

Signature ▶ _____ Title (Owner, etc.) ▶ _____ Date ▶ _____

DETACH HERE Cat. No. 10983G Form **940-EZ** (1996)

Form 940-EZ Payment Voucher
 For Paperwork Reduction Act Notice, see instructions.

Complete boxes 1, 2, 3, and 4. Do not send cash and do not staple your payment to this voucher. Make your check or money order, with your employer identification number written on it, payable to the **Internal Revenue Service**.

1 Enter the amount of the payment you are making ▶ \$ _____	2 Enter the first four characters of your business name _____	3 Enter your employer identification number _____
Do not staple your payment to this voucher.	4 Enter your name _____	
	Enter your address _____	
	Enter your city, state, and ZIP code _____	

For calendar year 1996 or fiscal year beginning , 1996, and ending , 19

OMB No. 1545-0092

A Type of entity: <input type="checkbox"/> Decedent's estate <input type="checkbox"/> Simple trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate—Ch. 7 <input type="checkbox"/> Bankruptcy estate—Ch. 11 <input type="checkbox"/> Pooled income fund	Name of estate or trust (If a grantor type trust, see page 7 of the instructions.)	C Employer identification number D Date entity created
	Name and title of fiduciary	
B Number of Schedules K-1 attached (see instructions) ▶	Number, street, and room or suite no. (If a P.O. box, see page 7 of the instructions.)	E Nonexempt charitable and split-interest trusts, check applicable boxes (see page 9 of the instructions): <input type="checkbox"/> Described in section 4947(a)(1) <input type="checkbox"/> Not a private foundation <input type="checkbox"/> Described in section 4947(a)(2)
	City or town, state, and ZIP code	

F Check applicable boxes: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Change in fiduciary's name <input type="checkbox"/> Change in fiduciary's address	G Pooled mortgage account (see page 9 of the instructions): <input type="checkbox"/> Bought <input type="checkbox"/> Sold Date:
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Income	1 Interest income	1		
	2 Dividends	2		
	3 Business income or (loss) (attach Schedule C or C-EZ (Form 1040))	3		
	4 Capital gain or (loss) (attach Schedule D (Form 1041))	4		
	5 Rents, royalties, partnerships, other estates and trusts, etc. (attach Schedule E (Form 1040))	5		
	6 Farm income or (loss) (attach Schedule F (Form 1040)).	6		
	7 Ordinary gain or (loss) (attach Form 4797)	7		
	8 Other income. List type and amount	8		
	9 Total income. Combine lines 1 through 8 ▶	9		
Deductions	10 Interest. Check if Form 4952 is attached ▶ <input type="checkbox"/>	10		
	11 Taxes	11		
	12 Fiduciary fees	12		
	13 Charitable deduction (from Schedule A, line 7)	13		
	14 Attorney, accountant, and return preparer fees	14		
	15a Other deductions NOT subject to the 2% floor (attach schedule)	15a		
	b Allowable miscellaneous itemized deductions subject to the 2% floor	15b		
	16 Total. Add lines 10 through 15b	16		
	17 Adjusted total income or (loss). Subtract line 16 from line 9. Enter here and on Schedule B, line 1 ▶	17		
	18 Income distribution deduction (from Schedule B, line 17) (attach Schedules K-1 (Form 1041))	18		
	19 Estate tax deduction (including certain generation-skipping taxes) (attach computation)	19		
20 Exemption	20			
21 Total deductions. Add lines 18 through 20 ▶	21			
Tax and Payments	22 Taxable income. Subtract line 21 from line 17. If a loss, see page 13 of the instructions	22		
	23 Total tax (from Schedule G, line 8)	23		
	24 Payments: a 1996 estimated tax payments and amount applied from 1995 return	24a		
	b Estimated tax payments allocated to beneficiaries (from Form 1041-T)	24b		
	c Subtract line 24b from line 24a	24c		
	d Tax paid with extension of time to file: <input type="checkbox"/> Form 2758 <input type="checkbox"/> Form 8736 <input type="checkbox"/> Form 8800	24d		
	e Federal income tax withheld. If any is from Form(s) 1099, check ▶ <input type="checkbox"/>	24e		
	Other payments: f Form 2439 ; g Form 4136 ; Total ▶	24h		
	25 Total payments. Add lines 24c through 24e, and 24h ▶	25		
	26 Estimated tax penalty (see page 14 of the instructions)	26		
27 Tax due. If line 25 is smaller than the total of lines 23 and 26, enter amount owed	27			
28 Overpayment. If line 25 is larger than the total of lines 23 and 26, enter amount overpaid	28			
29 Amount of line 28 to be: a Credited to 1997 estimated tax ▶ ; b Refunded ▶	29			

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than fiduciary) is based on all information of which preparer has any knowledge.		
	Signature of fiduciary or officer representing fiduciary	Date	EIN of fiduciary if a financial institution (see page 3 of the instructions)
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/> Preparer's social security no.
	Firm's name (or yours if self-employed) and address	EIN	
		ZIP code	

Schedule A Charitable Deduction. Do not complete for a simple trust or a pooled income fund.

1	Amounts paid for charitable purposes from gross income	1		
2	Amounts permanently set aside for charitable purposes from gross income	2		
3	Add lines 1 and 2	3		
4	Tax-exempt income allocable to charitable contributions (see page 15 of the instructions)	4		
5	Subtract line 4 from line 3	5		
6	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	6		
7	Charitable deduction. Add lines 5 and 6. Enter here and on page 1, line 13	7		

Schedule B Income Distribution Deduction

1	Adjusted total income (from page 1, line 17) (see page 15 of the instructions).	1		
2	Adjusted tax-exempt interest	2		
3	Total net gain from Schedule D (Form 1041), line 17, column (a) (see page 15 of the instructions)	3		
4	Enter amount from Schedule A, line 6	4		
5	Long-term capital gain for the tax year included on Schedule A, line 3	5		
6	Short-term capital gain for the tax year included on Schedule A, line 3	6		
7	If the amount on page 1, line 4, is a capital loss, enter here as a positive figure	7		
8	If the amount on page 1, line 4, is a capital gain, enter here as a negative figure	8		
9	Distributable net income (DNI). Combine lines 1 through 8. If zero or less, enter -0-	9		
10	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	10		
11	Income required to be distributed currently	11		
12	Other amounts paid, credited, or otherwise required to be distributed	12		
13	Total distributions. Add lines 11 and 12. If greater than line 10, see page 16 of the instructions	13		
14	Enter the amount of tax-exempt income included on line 13	14		
15	Tentative income distribution deduction. Subtract line 14 from line 13	15		
16	Tentative income distribution deduction. Subtract line 2 from line 9. If zero or less, enter -0-	16		
17	Income distribution deduction. Enter the smaller of line 15 or line 16 here and on page 1, line 18	17		

Schedule G Tax Computation (see page 16 of the instructions)

1	Tax: a <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	1a			
	b Other taxes	1b			
	c Total. Add lines 1a and 1b			1c	
2a	Foreign tax credit (attach Form 1116)	2a			
b	Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> Form 8834	2b			
c	General business credit. Enter here and check which forms are attached: <input type="checkbox"/> Form 3800 or <input type="checkbox"/> Forms (specify) ▶	2c			
d	Credit for prior year minimum tax (attach Form 8801)	2d			
3	Total credits. Add lines 2a through 2d			3	
4	Subtract line 3 from line 1c			4	
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611			5	
6	Alternative minimum tax (from Schedule I, line 41)			6	
7	Household employment taxes. Attach Schedule H (Form 1040)			7	
8	Total tax. Add lines 4 through 7. Enter here and on page 1, line 23			8	

Other Information

	Yes	No
1 Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$		
2 Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		
3 At any time during calendar year 1996, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 18 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶		
4 Was the estate or trust the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the estate or trust has any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926		
5 Did the estate or trust receive, or pay, any seller-financed mortgage interest? If "Yes," see page 18 of the instructions for required attachment		
6 If this is a complex trust making the section 663(b) election, check here (see page 18 of the instructions) ▶ <input type="checkbox"/>		
7 To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here (see page 18) ▶ <input type="checkbox"/>		
8 If the decedent's estate has been open for more than 2 years, check here ▶ <input type="checkbox"/>		

Schedule I **Alternative Minimum Tax** (see pages 18 through 22 of the instructions)

Part I—Estate's or Trust's Share of Alternative Minimum Taxable Income

1	Adjusted total income or (loss) (from page 1, line 17)		1
2	Net operating loss deduction. Enter as a positive amount		2
3	Add lines 1 and 2		3
4	Adjustments and tax preference items:		
a	Interest	4a	
b	Taxes	4b	
c	Miscellaneous itemized deductions (from page 1, line 15b)	4c	
d	Refund of taxes	4d ()	
e	Depreciation of property placed in service after 1986	4e	
f	Circulation and research and experimental expenditures paid or incurred after 1986	4f	
g	Mining exploration and development costs paid or incurred after 1986	4g	
h	Long-term contracts entered into after February 28, 1986	4h	
i	Pollution control facilities placed in service after 1986	4i	
j	Installment sales of certain property	4j	
k	Adjusted gain or loss (including incentive stock options)	4k	
l	Certain loss limitations	4l	
m	Tax shelter farm activities	4m	
n	Passive activities	4n	
o	Beneficiaries of other trusts or decedent's estates	4o	
p	Tax-exempt interest from specified private activity bonds	4p	
q	Depletion	4q	
r	Accelerated depreciation of real property placed in service before 1987	4r	
s	Accelerated depreciation of leased personal property placed in service before 1987	4s	
t	Intangible drilling costs	4t	
u	Other adjustments	4u	9
5	Combine lines 4a through 4u		5
6	Add lines 3 and 5		6
7	Alternative tax net operating loss deduction (see page 21 of the instructions for limitations)		7
8	Adjusted alternative minimum taxable income. Subtract line 7 from line 6. Enter here and on line 13		8
	Note: Complete Part II before going to line 9.		
9	Income distribution deduction from line 27		
10	Estate tax deduction (from page 1, line 19)	10	
11	Add lines 9 and 10		11
12	Estate's or trust's share of alternative minimum taxable income. Subtract line 11 from line 8		12
	If line 12 is:		
	• \$22,500 or less, stop here and enter -0- on Schedule G, line 6. The estate or trust is not liable for the alternative minimum tax.		
	• Over \$22,500, but less than \$165,000, go to line 28.		
	• \$165,000 or more, enter the amount from line 12 on line 34 and go to line 35.		

(continued on page 4)

Part II—Income Distribution Deduction on a Minimum Tax Basis

13	Adjusted alternative minimum taxable income (from line 8)	13	
14	Adjusted tax-exempt interest (other than amounts included on line 4p)	14	
15	Total net gain from Schedule D (Form 1041), line 17, column (a). If a loss, enter -0-	15	
16	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes (from Schedule A, line 6)	16	
17	Capital gains paid or permanently set aside for charitable purposes from current year's income (see page 22 of the instructions)	17	
18	Capital gains computed on a minimum tax basis included on line 8	18	()
19	Capital losses computed on a minimum tax basis included on line 8. Enter as a positive amount	19	
20	Distributable net alternative minimum taxable income (DNAMTI). Combine lines 13 through 19	20	
21	Income required to be distributed currently (from Schedule B, line 11)	21	
22	Other amounts paid, credited, or otherwise required to be distributed (from Schedule B, line 12)	22	
23	Total distributions. Add lines 21 and 22	23	
24	Tax-exempt income included on line 23 (other than amounts included on line 4p)	24	
25	Tentative income distribution deduction on a minimum tax basis. Subtract line 24 from line 23	25	
26	Tentative income distribution deduction on a minimum tax basis. Subtract line 14 from line 20	26	
27	Income distribution deduction on a minimum tax basis. Enter the smaller of line 25 or line 26. Enter here and on line 9	27	

Part III—Alternative Minimum Tax

28	Exemption amount	28	\$22,500
29	Enter the amount from line 12	29	
30	Phase-out of exemption amount	30	\$75,000
31	Subtract line 30 from line 29. If zero or less, enter -0-	31	
32	Multiply line 31 by 25% (.25)	32	
33	Subtract line 32 from line 28. If zero or less, enter -0-	33	
34	Subtract line 33 from line 29	34	
35	If line 34 is: <ul style="list-style-type: none"> • \$175,000 or less, multiply line 34 by 26% (.26). • Over \$175,000, multiply line 34 by 28% (.28) and subtract \$3,500 from the result 	35	
36	Alternative minimum foreign tax credit (see page 22 of instructions)	36	
37	Tentative minimum tax. Subtract line 36 from line 35	37	
38	Regular tax before credits (see page 22 of instructions)	38	
39	Section 644 tax included on Schedule G, line 1b	39	
40	Add lines 38 and 39	40	
41	Alternative minimum tax. Subtract line 40 from line 37. If zero or less, enter -0-. Enter here and on Schedule G, line 6	41	



**SCHEDULE K-1
(Form 1041)**

Beneficiary's Share of Income, Deductions, Credits, etc.

OMB No. 1545-0092

Department of the Treasury
Internal Revenue Service

for the calendar year 1996, or fiscal year
beginning _____, 1996, ending _____, 19 _____

1996

▶ **Complete a separate Schedule K-1 for each beneficiary.**

Name of trust or decedent's estate

Amended K-1
 Final K-1

Beneficiary's identifying number ▶

Estate's or trust's EIN ▶

Beneficiary's name, address, and ZIP code

Fiduciary's name, address, and ZIP code

(a) Allocable share item		(b) Amount	(c) Calendar year 1996 Form 1040 filers enter the amounts in column (b) on:
1	Interest	1	Schedule B, Part I, line 1
2	Dividends	2	Schedule B, Part II, line 5
3a	Net short-term capital gain	3a	Schedule D, line 5, column (g)
b	Net long-term capital gain	3b	Schedule D, line 13, column (g)
4a	Annuities, royalties, and other nonpassive income before directly apportioned deductions	4a	Schedule E, Part III, column (f)
b	Depreciation	4b	
c	Depletion	4c	
d	Amortization	4d	
5a	Trade or business, rental real estate, and other rental income before directly apportioned deductions (see instructions)	5a	Schedule E, Part III
b	Depreciation	5b	
c	Depletion	5c	
d	Amortization	5d	
6	Income for minimum tax purposes	6	
7	Income for regular tax purposes (add lines 1 through 3b, 4a, and 5a)	7	
8	Adjustment for minimum tax purposes (subtract line 7 from line 6)	8	Form 6251, line 12
9	Estate tax deduction (including certain generation-skipping transfer taxes)	9	Schedule A, line 27
10	Foreign taxes	10	Form 1116 or Schedule A (Form 1040), line 8
11	Adjustments and tax preference items (itemize):		
a	Accelerated depreciation	11a	} Include on the applicable line of Form 6251
b	Depletion	11b	
c	Amortization	11c	
d	Exclusion items	11d	1997 Form 8801
12	Deductions in the final year of trust or decedent's estate:		
a	Excess deductions on termination (see instructions)	12a	Schedule A, line 22
b	Short-term capital loss carryover	12b	Schedule D, line 5, column (f)
c	Long-term capital loss carryover	12c	Schedule D, line 13, column (f)
d	Net operating loss (NOL) carryover for regular tax purposes	12d	Form 1040, line 21
e	NOL carryover for minimum tax purposes	12e	See the instructions for Form 6251, line 20
f	.....	12f	} Include on the applicable line of the appropriate tax form
g	.....	12g	
13	Other (itemize):		
a	Payments of estimated taxes credited to you	13a	Form 1040, line 53
b	Tax-exempt interest	13b	Form 1040, line 8b
c	.....	13c	} Include on the applicable line of the appropriate tax form
d	.....	13d	
e	.....	13e	
f	.....	13f	
g	.....	13g	
h	.....	13h	

U.S. Partnership Return of Income

OMB No. 1545-0099

For calendar year 1996, or tax year beginning _____, 1996, and ending _____, 19 _____
▶ See separate instructions.

1996

A Principal business activity	Use the IRS label. Otherwise, please print or type.	Name of partnership	D Employer identification number
B Principal product or service		Number, street, and room or suite no. If a P.O. box, see page 10 of the instructions.	E Date business started
C Business code number		City or town, state, and ZIP code	F Total assets (see page 10 of the instructions) \$

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return
H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ _____

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a				
	b Less returns and allowances	1b				1c
	2 Cost of goods sold (Schedule A, line 8)					2
	3 Gross profit. Subtract line 2 from line 1c					3
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)					4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))					5
	6 Net gain (loss) from Form 4797, Part II, line 20					6
	7 Other income (loss) (attach schedule)					7
8 Total income (loss). Combine lines 3 through 7					8	
Deductions <small>(see page 11 of the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)					9
	10 Guaranteed payments to partners					10
	11 Repairs and maintenance					11
	12 Bad debts					12
	13 Rent					13
	14 Taxes and licenses					14
	15 Interest					15
	16a Depreciation (if required, attach Form 4562)	16a				
	b Less depreciation reported on Schedule A and elsewhere on return	16b				16c
	17 Depletion (Do not deduct oil and gas depletion.)					17
	18 Retirement plans, etc.					18
	19 Employee benefit programs					19
	20 Other deductions (attach schedule)					20
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20					21	
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8					22	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member	Date
Preparer's signature	Date
Firm's name (or yours if self-employed) and address	Check if self-employed <input type="checkbox"/>
EIN	Preparer's social security no.
ZIP code	

Schedule A Cost of Goods Sold (see page 13 of the instructions)

1 Inventory at beginning of year	1		
2 Purchases less cost of items withdrawn for personal use	2		
3 Cost of labor	3		
4 Additional section 263A costs (<i>attach schedule</i>)	4		
5 Other costs (<i>attach schedule</i>).	5		
6 Total. Add lines 1 through 5	6		
7 Inventory at end of year	7		
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) . . . ▶

c Check this box if the LIFO inventory method was adopted this tax year for any goods (*if checked, attach Form 970*) . ▶

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? . . . **Yes** **No**

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? **Yes** **No**
If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the applicable box: a <input type="checkbox"/> General partnership b <input type="checkbox"/> Limited partnership c <input type="checkbox"/> Limited liability company d <input type="checkbox"/> Other ▶		
2 Are any partners in this partnership also partnerships?		
3 Is this partnership a partner in another partnership?		
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		
5 Does this partnership meet ALL THREE of the following requirements? a The partnership's total receipts for the tax year were less than \$250,000; b The partnership's total assets at the end of the tax year were less than \$600,000; AND c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1.		
6 Does this partnership have any foreign partners?		
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		
8 Has this partnership filed, or is it required to file, Form 8264 , Application for Registration of a Tax Shelter?		
9 At any time during calendar year 1996, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country. ▶		
10 Was the partnership the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the partnership or any partner has any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926		
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 5 of the instructions		

Designation of Tax Matters Partner (see page 14 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Identifying number of TMP ▶
Address of designated TMP ▶	

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

		(a) Distributive share items		(b) Total amount				
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)		1				
	2	Net income (loss) from rental real estate activities (attach Form 8825)		2				
	3a	Gross income from other rental activities		3a				
		3b	Expenses from other rental activities (attach schedule)		3b			
	3c		Net income (loss) from other rental activities. Subtract line 3b from line 3a		3c			
	4	Portfolio income (loss): a Interest income		4a				
		b Dividend income		4b				
c Royalty income		4c						
d Net short-term capital gain (loss) (attach Schedule D (Form 1065))		4d						
e Net long-term capital gain (loss) (attach Schedule D (Form 1065))		4e						
f Other portfolio income (loss) (attach schedule)		4f						
	5	Guaranteed payments to partners		5				
	6	Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)		6				
	7	Other income (loss) (attach schedule)		7				
Deductions	8	Charitable contributions (attach schedule)		8				
	9	Section 179 expense deduction (attach Form 4562)		9				
	10	Deductions related to portfolio income (itemize)		10				
	11	Other deductions (attach schedule)		11				
Investment Interest	12a	Interest expense on investment debts		12a				
	12b(1)	(1) Investment income included on lines 4a, 4b, 4c, and 4f above		12b(1)				
	12b(2)	(2) Investment expenses included on line 10 above		12b(2)				
Credits	13a	Low-income housing credit:						
	13a(1)	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990		13a(1)				
	13a(2)	(2) Other than on line 13a(1) for property placed in service before 1990		13a(2)				
	13a(3)	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989		13a(3)				
	13a(4)	(4) Other than on line 13a(3) for property placed in service after 1989		13a(4)				
	13b	b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)		13b				
	13c	c Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities		13c				
	13d	d Credits related to other rental activities		13d				
	14	Other credits		14				
Self-Employment	15a	Net earnings (loss) from self-employment		15a				
	15b	b Gross farming or fishing income		15b				
	15c	c Gross nonfarm income		15c				
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986		16a				
	16b	b Adjusted gain or loss		16b				
	16c	c Depletion (other than oil and gas)		16c				
	16d(1)	d (1) Gross income from oil, gas, and geothermal properties		16d(1)				
	16d(2)	(2) Deductions allocable to oil, gas, and geothermal properties		16d(2)				
	16e	e Other adjustments and tax preference items (attach schedule)		16e				
Foreign Taxes	17a	Type of income ▶	b Foreign country or U.S. possession ▶					
	17c	c Total gross income from sources outside the United States (attach schedule)		17c				
	17d	d Total applicable deductions and losses (attach schedule)		17d				
	17e	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		17e				
	17f	f Reduction in taxes available for credit (attach schedule)		17f				
	17g	g Other foreign tax information (attach schedule)		17g				
		18b	18 Section 59(e)(2) expenditures: a Type ▶		b Amount ▶			
Other	19	Tax-exempt interest income		19				
	20	Other tax-exempt income		20				
	21	Nondeductible expenses		21				
	22	Distributions of money (cash and marketable securities)		22				
	23	Distributions of property other than money		23				
	24	Other items and amounts required to be reported separately to partners (attach schedule)						
Analysis	25a	Income (loss). Combine lines 1 through 7 in column (b). From the result, subtract the sum of lines 8 through 12a, 17e, and 18b		25a				
	b	Analysis by type of partner:	(a) Corporate	(b) Individual		(c) Partnership	(d) Exempt organization	(e) Nominee/Other
				i. Active	ii. Passive			
			(1) General partners					
(2) Limited partners								

Note: If Question 5 of Schedule B is answered "Yes," the partnership is not required to complete Schedules L, M-1, and M-2.

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
(see page 23 of the instructions)

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 12a, 17e, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 12a, 17e, and 18b (itemize):		a Depreciation \$	
a Depreciation \$		b Travel and entertainment \$	
b Travel and entertainment \$		8 Add lines 6 and 7	
5 Add lines 1 through 4		9 Income (loss) (Schedule K, line 25a). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		6 Distributions: a Cash	
2 Capital contributed during year		b Property	
3 Net income (loss) per books		7 Other decreases (itemize):	
4 Other increases (itemize):			
5 Add lines 1 through 4		8 Add lines 6 and 7	
		9 Balance at end of year. Subtract line 8 from line 5	



▶ See separate instructions.

1996

For calendar year 1996 or tax year beginning , 1996, and ending , 19

<p>Partner's identifying number ▶</p> <p>Partner's name, address, and ZIP code</p>	<p>Partnership's identifying number ▶</p> <p>Partnership's name, address, and ZIP code</p>
---	---

<p>A This partner is a <input type="checkbox"/> general partner <input type="checkbox"/> limited partner <input type="checkbox"/> limited liability company member</p> <p>B What type of entity is this partner? ▶</p> <p>C Is this partner a <input type="checkbox"/> domestic or a <input type="checkbox"/> foreign partner?</p> <p>D Enter partner's percentage of:</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">(i) Before change or termination</td> <td style="text-align: center;">(ii) End of year</td> </tr> <tr> <td>Profit sharing</td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> <tr> <td>Loss sharing</td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> <tr> <td>Ownership of capital</td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> </table> <p>E IRS Center where partnership filed return:</p>		(i) Before change or termination	(ii) End of year	Profit sharing	%	%	Loss sharing	%	%	Ownership of capital	%	%	<p>F Partner's share of liabilities (see instructions):</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td>Nonrecourse</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Qualified nonrecourse financing</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">\$</td> </tr> </table> <p>G Tax shelter registration number. ▶</p> <p>H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) <input type="checkbox"/></p> <p>I Check applicable boxes: (1) <input type="checkbox"/> Final K-1 (2) <input type="checkbox"/> Amended K-1</p>	Nonrecourse	\$	Qualified nonrecourse financing	\$	Other	\$
	(i) Before change or termination	(ii) End of year																	
Profit sharing	%	%																	
Loss sharing	%	%																	
Ownership of capital	%	%																	
Nonrecourse	\$																		
Qualified nonrecourse financing	\$																		
Other	\$																		

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See pages 5 and 6 of Partner's Instructions for Schedule K-1 (Form 1065).	
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			
	a Interest	4a		Sch. B, Part I, line 1
	b Dividends	4b		Sch. B, Part II, line 5
	c Royalties	4c		Sch. E, Part I, line 4
d Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f) or (g)		
e Net long-term capital gain (loss)	4e	Sch. D, line 13, col. (f) or (g)		
f Other portfolio income (loss) (attach schedule)	4f	Enter on applicable line of your return.		
	5 Guaranteed payments to partner	5	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.	
	6 Net gain (loss) under section 1231 (other than due to casualty or theft)	6		
	7 Other income (loss) (attach schedule)	7		
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8	Sch. A, line 15 or 16	
	9 Section 179 expense deduction	9	See page 7 of Partner's Instructions for Schedule K-1 (Form 1065).	
	10 Deductions related to portfolio income (attach schedule)	10		
	11 Other deductions (attach schedule)	11		
Investment Interest	12a Interest expense on investment debts.	12a	Form 4952, line 1	
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	See page 7 of Partner's Instructions for Schedule K-1 (Form 1065).	
	b (2) Investment expenses included on line 10 above	b(2)		
Credits	13a Low-income housing credit:		Form 8586, line 5	
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)		
	(2) Other than on line 13a(1) for property placed in service before 1990	a(2)		
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)		
	(4) Other than on line 13a(3) for property placed in service after 1989	a(4)		
	b Qualified rehabilitation expenditures related to rental real estate activities	13b	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).	
	c Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities	13c		
	d Credits related to other rental activities	13d		
14 Other credits	14			

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Self-employment	15a	Net earnings (loss) from self-employment	15a	Sch. SE, Section A or B See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	See pages 8 and 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d (1)	Gross income from oil, gas, and geothermal properties	d(1)	
	(2)	Deductions allocable to oil, gas, and geothermal properties	d(2)	
e	Other adjustments and tax preference items (<i>attach schedule</i>)	16e		
Foreign Taxes	17a	Type of income ▶		Form 1116, check boxes
	b	Name of foreign country or U.S. possession ▶		
	c	Total gross income from sources outside the United States (<i>attach schedule</i>)	17c	Form 1116, Part I
	d	Total applicable deductions and losses (<i>attach schedule</i>)	17d	
	e	Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part II
	f	Reduction in taxes available for credit (<i>attach schedule</i>)	17f	Form 1116, Part III
	g	Other foreign tax information (<i>attach schedule</i>)	17g	See Instructions for Form 1116.
Other	18	Section 59(e)(2) expenditures: a Type ▶		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	Amount	18b	
	19	Tax-exempt interest income	19	Form 1040, line 8b
	20	Other tax-exempt income	20	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses	21	
	22	Distributions of money (cash and marketable securities)	22	
	23	Distributions of property other than money	23	
	24	Recapture of low-income housing credit:		Form 8611, line 8
a	From section 42(j)(5) partnerships	24a		
b	Other than on line 24a	24b		
Supplemental Information	25	Supplemental information required to be reported separately to each partner (<i>attach additional schedules if more space is needed</i>):		



8585

VOID CORRECTED

CREDITOR'S name, street address, city, state, and ZIP code		OMB No. 1545-1424
		1997
		Form 1099-C

**Cancellation
of Debt**

CREDITOR'S Federal identification number	DEBTOR'S identification number	1 Date canceled	2 Amount of debt canceled \$
DEBTOR'S name		3 Interest (if) included in box 2 \$	4 
Street address (including apt. no.)	5 Debt description		
City, state, and ZIP code			
Account number (optional)	6 Check for bankruptcy <input type="checkbox"/>	7 Fair market value of property \$	

Copy A
For
Internal Revenue
Service Center
File with Form 1096.

For Paperwork
Reduction Act
Notice and
instructions for
completing this form,
see **Instructions for**
Forms 1099, 1098,
5498, and W-2G.

Form **1099-C**

Cat. No. 26280W

Department of the Treasury - Internal Revenue Service

Do NOT Cut or Separate Forms on This Page

Proof as of
August 1996
(subject to change)

U.S. Corporation Income Tax Return

For calendar year 1996 or tax year beginning _____, 1996, ending _____, 19____
▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

1996

A Check if a: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T—see instructions) <input type="checkbox"/>	Use IRS label. Otherwise, print or type.	Name _____ Number, street, and room or suite no. (If a P.O. box, see page 6 of instructions.) _____ City or town, state, and ZIP code _____	B Employer identification number _____ C Date incorporated _____ D Total assets (see page 6 of instructions) _____
---	---	---	---

E Check applicable boxes: (1) Initial return (2) Final return (3) Change of address \$ _____

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal		1c		
	2	Cost of goods sold (Schedule A, line 8)								2		
	3	Gross profit. Subtract line 2 from line 1c								3		
	4	Dividends (Schedule C, line 19)								4		
	5	Interest								5		
	6	Gross rents								6		
	7	Gross royalties								7		
	8	Capital gain net income (attach Schedule D (Form 1120))								8		
	9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)								9		
	10	Other income (see page 7 of instructions—attach schedule)								10		
	11	Total income. Add lines 3 through 10								11		
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)								12		
	13	Salaries and wages (less employment credits)								13		
	14	Repairs and maintenance								14		
	15	Bad debts								15		
	16	Rents								16		
	17	Taxes and licenses								17		
	18	Interest								18		
	19	Charitable contributions (see page 9 of instructions for 10% limitation)								19		
	20	Depreciation (attach Form 4562)			20							
	21	Less depreciation claimed on Schedule A and elsewhere on return			21a						21b	
	22	Depletion								22		
	23	Advertising								23		
	24	Pension, profit-sharing, etc., plans								24		
	25	Employee benefit programs								25		
	26	Other deductions (attach schedule)								26		
	27	Total deductions. Add lines 12 through 26								27		
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11								28		
	29	Less: a Net operating loss deduction (see page 11 of instructions)			29a							
b Special deductions (Schedule C, line 20)				29b						29c		
Tax and Payments	30	Taxable income. Subtract line 29c from line 28								30		
	31	Total tax (Schedule J, line 10)								31		
	32	Payments: a 1995 overpayment credited to 1996	32a									
		b 1996 estimated tax payments	32b									
	32c	Less 1996 refund applied for on Form 4466 ()										
	d	Bal	32d									
	e	Tax deposited with Form 7004	32e									
	f	Credit from regulated investment companies (attach Form 2439)	32f									
	g	Credit for Federal tax on fuels (attach Form 4136). See instructions.	32g							32h		
	33	Estimated tax penalty (see page 12 of instructions). Check if Form 2220 is attached <input type="checkbox"/>								33		
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed								34			
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid								35			
36	Enter amount of line 35 you want: Credited to 1997 estimated tax ▶ Refunded ▶								36			

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer _____	Date _____	Title _____
	Preparer's signature _____	Date _____	Check if self-employed <input type="checkbox"/> Preparer's social security number _____
Paid Preparer's Use Only	Firm's name (or yours if self-employed) and address _____	EIN _____	ZIP code _____

Schedule A Cost of Goods Sold (See page 12 of instructions.)

1 Inventory at beginning of year	1		
2 Purchases	2		
3 Cost of labor	3		
4 Additional section 263A costs (attach schedule)	4		
5 Other costs (attach schedule)	5		
6 Total. Add lines 1 through 5	6		
7 Inventory at end of year	7		
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** |

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (See page 13 of instructions.)

	(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 Total. Add lines 1 through 8. See page 14 of instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11.			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1 . . . ▶			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶			

Schedule E Compensation of Officers (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

Schedule J Tax Computation (See page 15 of instructions.)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563). . . . **Important:** Members of a controlled group, see instructions on page 15.

2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
 (1) \$ _____ (2) \$ _____ (3) \$ _____

b Enter the corporation's share of:
 (1) Additional 5% tax (not more than \$11,750) \$ _____
 (2) Additional 3% tax (not more than \$100,000) \$ _____

3 Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 15) **3**

4a Foreign tax credit (attach Form 1118) **4a**

b Possessions tax credit (attach Form 5735) **4b**

c Check: Nonconventional source fuel credit QEV credit (attach Form 8834) **4c**

d General business credit. Enter here and check which forms are attached:
 3800 3468 5884 6478 6765 8586 8830
 8826 8835 8844 8845 8846 8820 8847 **4d**

e Credit for prior year minimum tax (attach Form 8827) **4e**

5 **Total credits.** Add lines 4a through 4e **5**

6 Subtract line 5 from line 3 **6**

7 Personal holding company tax (attach Schedule PH (Form 1120)) **7**

8 Recapture taxes. Check if from: Form 4255 Form 8611 **8**

9 Alternative minimum tax (attach Form 4626) **9**

10 **Total tax.** Add lines 6 through 9. Enter here and on line 31, page 1 **10**

Schedule K Other Information (See page 17 of instructions.)

		Yes	No			Yes	No
1	Check method of accounting: a <input type="checkbox"/> Cash			7	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)		
	b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____				If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶ _____		
2	See page 19 of the instructions and state the principal:			8	At any time during the 1996 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country?		
	a Business activity code no. ▶ _____				If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country ▶ _____		
	b Business activity ▶ _____			9	Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 926, 3520, or 3520-A		
	c Product or service ▶ _____			10	Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"		
3	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)				a Enter percentage owned ▶ _____		
	If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.				b Enter owner's country ▶ _____		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?				c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶ _____		
	If "Yes," enter employer identification number and name of the parent corporation ▶ _____			11	Check this box if the corporation issued publicly offered debt instruments with original issue discount . <input type="checkbox"/>		
	_____				If so, the corporation may have to file Form 8281.		
5	Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)			12	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____		
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ _____			13	If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶ _____		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316.)			14	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>		
	If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.			15	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$ _____		

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to stockholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule)				
15	Total assets				
Liabilities and Stockholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from stockholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock				
23	Paid-in or capital surplus				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated				
26	Less cost of treasury stock		()		()
27	Total liabilities and stockholders' equity				

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See page 18 of instructions.)			
1	Net income (loss) per books		
2	Federal income tax		
3	Excess of capital losses over capital gains		
4	Income subject to tax not recorded on books this year (itemize):		
5	Expenses recorded on books this year not deducted on this return (itemize):		
a	Depreciation \$		
b	Contributions carryover \$		
c	Travel and entertainment \$		
6	Add lines 1 through 5		
7	Income recorded on books this year not included on this return (itemize):		
	Tax-exempt interest \$		
8	Deductions on this return not charged against book income this year (itemize):		
a	Depreciation \$		
b	Contributions carryover \$		
9	Add lines 7 and 8		
10	Income (line 28, page 1)—line 6 less line 9		

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)			
1	Balance at beginning of year		
2	Net income (loss) per books		
3	Other increases (itemize):		
4	Add lines 1, 2, and 3		
5	Distributions:		
	a Cash		
	b Stock		
	c Property		
6	Other decreases (itemize):		
7	Add lines 5 and 6		
8	Balance at end of year (line 4 less line 7)		



A Check this box if the corp. is a personal service corp. (as defined in Temporary Regs. section 1.441-4T—see instructions)

Use IRS label. Otherwise, print or type.

Name _____
Number, street, and room or suite no. (If a P.O. box, see page 6 of instructions.) _____
City or town, state, and ZIP code _____

B Employer identification number _____
C Date incorporated _____
D Total assets (see page 6 of instructions) _____

E Check applicable boxes: (1) Initial return (2) Change of address

F Check method of accounting: (1) Cash (2) Accrual (3) Other (specify) _____

Income	1a Gross receipts or sales		b Less returns and allowances		c Balance ▶	1c		
	2 Cost of goods sold (see page 12 of instructions)					2		
	3 Gross profit. Subtract line 2 from line 1c					3		
	4 Domestic corporation dividends subject to the 70% deduction					4		
	5 Interest					5		
	6 Gross rents					6		
	7 Gross royalties					7		
	8 Capital gain net income (attach Schedule D (Form 1120))					8		
	9 Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)					9		
	10 Other income (see page 7 of instructions)					10		
	11 Total income. Add lines 3 through 10						11	
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (see page 8 of instructions)					12		
	13 Salaries and wages (less employment credits)					13		
	14 Repairs and maintenance					14		
	15 Bad debts					15		
	16 Rents					16		
	17 Taxes and licenses					17		
	18 Interest					18		
	19 Charitable contributions (see page 9 of instructions for 10% limitation)					19		
	20 Depreciation (attach Form 4562)		20					
	21 Less depreciation claimed elsewhere on return		21a			21b		
	22 Other deductions (attach schedule)					22		
23 Total deductions. Add lines 12 through 22						23		
24 Taxable income before net operating loss deduction and special deductions. Subtract line 23 from line 11						24		
25 Less: a Net operating loss deduction (see page 11 of instructions)		25a						
b Special deductions (see page 11 of instructions)		25b				25c		
26 Taxable income. Subtract line 25c from line 24						26		
27 Total tax (from page 2, Part I, line 7)						27		
Tax and Payments	28 Payments:							
	a 1995 overpayment credited to 1996	28a						
	b 1996 estimated tax payments	28b						
	c Less 1996 refund applied for on Form 4466	28c	(		)	Bal ▶ 28d	
	e Tax deposited with Form 7004	28e						
	f Credit from regulated investment companies (attach Form 2439)	28f						
	g Credit for Federal tax on fuels (attach Form 4136). See instructions	28g						
	h Total payments. Add lines 28d through 28g						28h	
	29 Estimated tax penalty (see page 12 of instructions). Check if Form 2220 is attached						29	
	30 Tax due. If line 28h is smaller than the total of lines 27 and 29, enter amount owed						30	
31 Overpayment. If line 28h is larger than the total of lines 27 and 29, enter amount overpaid						31		
32 Enter amount of line 31 you want: Credited to 1997 estimated tax ▶						32	Refunded ▶	

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed Preparer's social security number _____

Firm's name (or yours if self-employed) and address _____ EIN _____ ZIP code _____

Part I Tax Computation (See page 14 of instructions.)

1	Income tax. If the corporation is a qualified personal service corporation (see page 15), check here <input type="checkbox"/>	1		
2a	General business credit. Check if from Form(s): <input type="checkbox"/> 3800 <input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826 <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input checked="" type="checkbox"/> 8820 <input type="checkbox"/> 8847	2a		
b	Credit for prior year minimum tax (attach Form 8827)	2b		
3	Total credits. Add lines 2a and 2b	3		
4	Subtract line 3 from line 1	4		
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5		
6	Alternative minimum tax (attach Form 4626)	6		
7	Total tax. Add lines 4 through 6. Enter here and on line 27, page 1	7		

Part II Other Information (See page 17 of instructions.)

1	See page 19 of the instructions and state the principal: a Business activity code no. <input type="checkbox"/> b Business activity <input type="checkbox"/> c Product or service <input type="checkbox"/>	5a	If an amount is entered on line 2, page 1, see the worksheet on page 12 for amounts to enter below: (1) Purchases, (2) Additional sec. 263A costs (attach schedule), (3) Other costs (attach schedule) .	
2	Did any individual, partnership, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach a schedule showing name and identifying number.	b	If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? <input type="checkbox"/> Yes <input type="checkbox"/> No	
3	Enter the amount of tax-exempt interest received or accrued during the tax year. <input type="checkbox"/> \$	6	At any time during the 1996 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," the corporation may have to file Form TD F 90-22.1 If "Yes," enter the name of the foreign country <input type="checkbox"/>	
4	Enter amount of cash distributions and the book value of property (other than cash) distributions made in this tax year. <input type="checkbox"/> \$			

Part III Balance Sheets per Books

		(a) Beginning of tax year	(b) End of tax year
Assets	1 Cash		
	2a Trade notes and accounts receivable		
	b Less allowance for bad debts	()	()
	3 Inventories		
	4 U.S. government obligations		
	5 Tax-exempt securities (see instructions)		
	6 Other current assets (attach schedule)		
	7 Loans to stockholders		
	8 Mortgage and real estate loans		
	9a Depreciable, depletable, and intangible assets		
	b Less accumulated depreciation, depletion, and amortization	()	()
	10 Land (net of any amortization)		
11 Other assets (attach schedule)			
12 Total assets			
Liabilities and Stockholders' Equity	13 Accounts payable		
	14 Other current liabilities (attach schedule)		
	15 Loans from stockholders		
	16 Mortgages, notes, bonds payable		
	17 Other liabilities (attach schedule)		
	18 Capital stock (preferred and common stock)		
	19 Paid-in or capital surplus		
	20 Retained earnings		
	21 Less cost of treasury stock	()	()
	22 Total liabilities and stockholders' equity		

Part IV Reconciliation of Income (Loss) per Books With Income per Return (You are not required to complete Part IV if the total assets on line 12, column (b), Part III are less than \$25,000.)

1	Net income (loss) per books			6	Income recorded on books this year not included on this return (itemize)		
2	Federal income tax			7	Deductions on this return not charged against book income this year (itemize)		
3	Excess of capital losses over capital gains			8	Income (line 24, page 1). Enter the sum of lines 1 through 5 less the sum of lines 6 and 7.		
4	Income subject to tax not recorded on books this year (itemize)						
5	Expenses recorded on books this year not deducted on this return (itemize)						



Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has timely filed
Form 2553 to elect to be an S corporation.

▶ See separate instructions.

1996

For calendar year 1996, or tax year beginning _____, 1996, and ending _____, 19

A Date of election as an S corporation	Use IRS label. Otherwise, please print or type.	Name	C Employer identification number
		Number, street, and room or suite no. (If a P.O. box, see page 9 of the instructions.)	D Date incorporated
		City or town, state, and ZIP code	E Total assets (see Specific Instructions) \$ _____

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

G Check this box if this S corporation is subject to the consolidated audit procedures of sections 6241 through 6245 (see instructions before checking this box) . ▶

H Enter number of shareholders in the corporation at end of the tax year ▶ _____

Caution: Include *only* trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	b Less returns and allowances	c Bal ▶	1c
	2 Cost of goods sold (Schedule A, line 8)			2
	3 Gross profit. Subtract line 2 from line 1c.			3
	4 Net gain (loss) from Form 4797, Part II, line 20 (attach Form 4797)			4
	5 Other income (loss) (attach schedule).			5
	6 Total income (loss). Combine lines 3 through 5			6
Deductions (see page 10 of the instructions for limitations)	7 Compensation of officers			7
	8 Salaries and wages (less employment credits)			8
	9 Repairs and maintenance			9
	10 Bad debts			10
	11 Rents			11
	12 Taxes and licenses			12
	13 Interest			13
	14a Depreciation (if required, attach Form 4562)	14a		14c
	b Depreciation claimed on Schedule A and elsewhere on return	14b		
	c Subtract line 14b from line 14a.			
	15 Depletion (Do not deduct oil and gas depletion.)			15
	16 Advertising			16
	17 Pension, profit-sharing, etc., plans			17
	18 Employee benefit programs			18
	19 Other deductions (attach schedule)			19
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19			20	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6.			21	
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule)	22a		22c
	b Tax from Schedule D (Form 1120S)	22b		
	c Add lines 22a and 22b (see page 13 of the instructions for additional taxes)			
	23 Payments: a 1996 estimated tax payments and amount applied from 1995 return	23a		23d
	b Tax deposited with Form 7004	23b		
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c		
	d Add lines 23a through 23c			23d
	24 Estimated tax penalty. Check if Form 2220 is attached			24
	25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 3 of the instructions for depository method of payment			25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26
27 Enter amount of line 26 you want: Credited to 1997 estimated tax ▶ Refunded ▶			27	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here	Signature of officer	Date	Title	
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security number
Paid Preparer's Use Only	Firm's name (or yours if self-employed) and address	EIN		
		ZIP code		

Schedule A Cost of Goods Sold (see page 14 of the instructions)

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5.	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8		

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation) ▶

b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list on page 24 of the instructions and state the corporation's principal: (a) Business activity ▶ (b) Product or service ▶		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.		
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		
5 At any time during calendar year 1996, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		
6 Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation had any beneficial interest in it? If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926		
7 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 14 of the instructions) ▶ \$ _____		
10 Check this box if the corporation had subchapter C earnings and profits at the close of the tax year (see page 15 of the instructions) ▶ <input type="checkbox"/>		

Designation of Tax Matters Person (see page 15 of the instructions)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return:

Name of designated TMP ▶ Identifying number of TMP ▶

Address of designated TMP ▶

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

		(a) Pro rata share items	(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)	1	
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a	Gross income from other rental activities	3a	
	b	Expenses from other rental activities (attach schedule)	3b	
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4	Portfolio income (loss):		
	a	Interest income	4a	
	b	Dividend income	4b	
	c	Royalty income	4c	
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4d	
e	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	4e		
f	Other portfolio income (loss) (attach schedule)	4f		
	5	Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)	5	
	6	Other income (loss) (attach schedule)	6	
Deductions	7	Charitable contributions (attach schedule)	7	
	8	Section 179 expense deduction (attach Form 4562)	8	
	9	Deductions related to portfolio income (loss) (itemize)	9	
	10	Other deductions (attach schedule)	10	
Investment Interest	11a	Interest expense on investment debts	11a	
	b (1)	Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	
	(2)	Investment expenses included on line 9 above	11b(2)	
Credits	12a	Credit for alcohol used as a fuel (attach Form 6478)	12a	
	b	Low-income housing credit:		
	(1)	From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12b(1)	
	(2)	Other than on line 12b(1) for property placed in service before 1990	12b(2)	
	(3)	From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b(3)	
	(4)	Other than on line 12b(3) for property placed in service after 1989	12b(4)	
	c	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12c	
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
e	Credits related to other rental activities	12e		
	13	Other credits	13	
Adjustments and Tax Preference Items	14a	Depreciation adjustment on property placed in service after 1986	14a	
	b	Adjusted gain or loss	14b	
	c	Depletion (other than oil and gas)	14c	
	d (1)	Gross income from oil, gas, or geothermal properties	14d(1)	
	(2)	Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e	Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a	Type of income ▶		
	b	Name of foreign country or U.S. possession ▶		
	c	Total gross income from sources outside the United States (attach schedule)	15c	
	d	Total applicable deductions and losses (attach schedule)	15d	
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f	Reduction in taxes available for credit (attach schedule)	15f	
	g	Other foreign tax information (attach schedule)	15g	
Other	16	Section 59(e)(2) expenditures: a Type ▶		
	b	Amount	16b	
	17	Tax-exempt interest income	17	
	18	Other tax-exempt income	18	
	19	Nondeductible expenses	19	
	20	Total property distributions (including cash) other than dividends reported on line 22 below	20	
	21	Other items and amounts required to be reported separately to shareholders (attach schedule)		
	22	Total dividend distributions paid from accumulated earnings and profits	22	
	23	Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b	23	

Schedule L	Balance Sheets	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. Government 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>)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation.				
11a	Depletable assets				
b	Less accumulated depletion.				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization.				
14	Other assets (<i>attach schedule</i>)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (<i>attach schedule</i>)				
19	Loans from shareholders.				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (<i>attach schedule</i>)				
22	Capital stock				
23	Paid-in or capital surplus.				
24	Retained earnings				
25	Less cost of treasury stock		()		()
26	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books.		5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6.	
4	Add lines 1 through 3.		8	Income (loss) (Schedule K, line 23). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 22 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21.		
3	Other additions		
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions.		
8	Balance at end of tax year. Subtract line 7 from line 6		

**SCHEDULE K-1
(Form 1120S)**

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
For calendar year 1996 or tax year
, 1996, and ending , 19

1996

Shareholder's identifying number ▶	Corporation's identifying number ▶
Shareholder's name, address, and ZIP code	Corporation's name, address, and ZIP code

- A** Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ %
- B** Internal Revenue Service Center where corporation filed its return ▶
- C** Tax shelter registration number (see Instructions for Schedule K-1) ▶
- D** Check applicable boxes: (1) Final K-1 (2) Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:	
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	2	Net income (loss) from rental real estate activities	2		
	3	Net income (loss) from other rental activities	3		
	4	Portfolio income (loss):			
	a	Interest	4a		Sch. B, Part I, line 1
	b	Dividends	4b		Sch. B, Part II, line 5
	c	Royalties	4c		Sch. E, Part I, line 4
	d	Net short-term capital gain (loss)	4d		Sch. D, line 5, col. (f) or (g)
	e	Net long-term capital gain (loss)	4e		Sch. D, line 13, col. (f) or (g)
	f	Other portfolio income (loss) (attach schedule)	4f		(Enter on applicable line of your return.)
	5	Net gain (loss) under section 1231 (other than due to casualty or theft)	5	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	6	Other income (loss) (attach schedule)	6	(Enter on applicable line of your return.)	
Deductions	7	Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16	
	8	Section 179 expense deduction	8	See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	9	Deductions related to portfolio income (loss) (attach schedule)	9		
	10	Other deductions (attach schedule)	10		
Investment Interest	11a	Interest expense on investment debts	11a	Form 4952, line 1	
	b(1)	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	b(2)	(2) Investment expenses included on line 9 above	b(2)		
Credits	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10	
	b	Low-income housing credit:		Form 8586, line 5	
	(1)	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)		
	(2)	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)		
	(3)	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)		
	(4)	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)		
	c	Qualified rehabilitation expenditures related to rental real estate activities	12c	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d		
e	Credits related to other rental activities	12e			
13	Other credits	13			
Adjustments and Tax Preference Items	14a	Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251	
	b	Adjusted gain or loss	14b		
	c	Depletion (other than oil and gas)	14c		
	d(1)	(1) Gross income from oil, gas, or geothermal properties	d(1)		
	d(2)	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)		
e	Other adjustments and tax preference items (attach schedule)	14e			

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes Form 1116, Part I Form 1116, Part II Form 1116, Part III See Instructions for Form 1116
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (<i>attach schedule</i>)	15c	
	d Total applicable deductions and losses (<i>attach schedule</i>).	15d	
	e Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f Reduction in taxes available for credit (<i>attach schedule</i>)	15f	
	g Other foreign tax information (<i>attach schedule</i>)	15g	
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S). Form 1040, line 8b See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S). Form 8611, line 8
	b Amount	16b	
	17 Tax-exempt interest income	17	
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (<i>attach additional schedules if more space is needed</i>):		
		
		
		
		
		
		
		
		
		
		
		
		
		
		
		
		
		
		

Proof as of August 1996 (subject to change)



Name	Employer identification number :
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1 Taxable income or (loss) before net operating loss deduction				1
2 Adjustments and preferences:				
a Depreciation of post-1986 property	2a			
b Amortization of certified pollution control facilities	2b			
c Amortization of mining exploration and development costs	2c			
d Amortization of circulation expenditures (personal holding companies only)	2d			
e Adjusted gain or loss	2e			
f Long-term contracts	2f			
g Installment sales	2g			
h Merchant marine capital construction funds	2h			
i Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i			
j Tax shelter farm activities (personal service corporations only)	2j			
k Passive activities (closely held corporations and personal service corporations only)	2k			
l Loss limitations	2l			
m Depletion	2m			
n Tax-exempt interest from specified private activity bonds	2n			
o Charitable contributions	2o			
p Intangible drilling costs	2p			
q Accelerated depreciation of real property (pre-1987)	2q			
r Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)	2r			
s Other adjustments	2s			
t Combine lines 2a through 2s				2t
3 Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2t				3
4 Adjusted current earnings (ACE) adjustment:				
a Enter the corporation's ACE from line 10 of the worksheet on page 8 of the instructions	4a			
b Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see page 4 of the instructions for examples).	4b			
c Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c			
d Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 5 of the instructions). Note: You <i>must</i> enter an amount on line 4d (even if line 4b is positive)	4d			
e ACE adjustment:				
• If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.				4e
• If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.				
5 Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax				5
6 Alternative tax net operating loss deduction (see page 5 of the instructions)				6
7 Alternative minimum taxable income. Subtract line 6 from line 5				7

8 Enter the amount from line 7 (alternative minimum taxable income)	8	
9 Exemption phase-out computation (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-	9a	
b Multiply line 9a by 25% (.25)	9b	
c Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-	9c	
10 Subtract line 9c from line 8. If zero or less, enter -0-	10	
11 Multiply line 10 by 20% (.20)	11	
12 Alternative minimum tax foreign tax credit. See page 5 of the instructions for limitations	12	
13 Tentative minimum tax. Subtract line 12 from line 11	13	
14 Regular tax liability before all credits except the foreign tax credit and possessions tax credit	14	
15 Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9a). If zero or less, enter -0-	15	

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