

U.S. Income Tax Return for an S Corporation

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

▶ See separate instructions.

2002

For calendar year 2002, or tax year beginning , 2002, and ending , 20

A Effective date of election as an S corporation	Use IRS label. Otherwise, print or type.	Name	C Employer identification number
		Number, street, and room or suite no. (If a P.O. box, see page 11 of the instructions.)	D Date incorporated
B Business code no. (see pages 29-31)		City or town, state, and ZIP code	E Total assets (see page 11) \$

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

G 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 page 11 of 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 18 (attach Form 4797)					4		
	5 Other income (loss) (attach schedule)					5		
	6 Total income (loss). Combine lines 3 through 5					▶	6	
Deductions (see page 12 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					
	b Depreciation claimed on Schedule A and elsewhere on return		14b					
	c Subtract line 14b from line 14a					14c		
	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					
	b Tax from Schedule D (Form 1120S)		22b					
	c Add lines 22a and 22b (see page 16 of the instructions for additional taxes)					22c		
	23 Payments: a 2002 estimated tax payments and amount applied from 2001 return		23a					
	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					▶ <input type="checkbox"/>	24	
	25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 4 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 2003 estimated tax ▶					Refunded ▶	27		

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

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Preparer's

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

EIN

Use Only

Phone no. ()

Schedule A Cost of Goods Sold (see page 17 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 pages 29 through 31 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 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"/>		
6 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.		
7 If the corporation: (a) 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 (b) 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 17 of the instructions) ▶ \$ _____		
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 18 of the instructions) ▶ <input type="checkbox"/>		
9 Are the corporation's total receipts (see page 29 of the instructions) for the tax year and total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

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	Ordinary dividends	4b	
	c	Royalty income	4c	
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1120S)).	4d	
	e	(1) Net long-term capital gain (loss) (attach Schedule D (Form 1120S)).	4e(1)	
	(2) 28% rate gain (loss) ▶ _____ (3) Qualified 5-year gain ▶ _____			
f	Other portfolio income (loss) (attach schedule)	4f		
5	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	5		
6	Other income (loss) (attach schedule)	6		

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

	(a) Pro rata share items	(b) Total amount	
Deductions	7 Charitable contributions (<i>attach schedule</i>)	7	
	8 Section 179 expense deduction (<i>attach Form 4562</i>)	8	
	9 Deductions related to portfolio income (loss) (itemize)	9	
	10 Other deductions (<i>attach schedule</i>)	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 (<i>attach Form 6478</i>)	12a	
	b Low-income housing credit:		
	(1) From partnerships to which section 42(j)(5) applies	12b(1)	
	(2) Other than on line 12b(1).	12b(2)	
	c Qualified rehabilitation expenditures related to rental real estate activities (<i>attach Form 3468</i>)	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 (<i>attach schedule</i>)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ►		
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (<i>attach schedule</i>)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
(2) Listed categories (<i>attach schedule</i>)	15f(2)		
(3) General limitation	15f(3)		
g Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g		
h Reduction in taxes available for credit (<i>attach schedule</i>)	15h		
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 (<i>attach schedule</i>)		
	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, 15g, and 16b	23	

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

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				
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 Additional paid-in capital				
24 Retained earnings				
25 Adjustments to shareholders' equity (<i>attach schedule</i>)				
26 Less cost of treasury stock		()		()
27 Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

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, 15g, and 16b (itemize):		6 Deductions included on Schedule K, lines 1 through 11a, 15g, 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 26 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			

