

## Utah Net Loss Carryback Instructions

A Utah net loss from a regular C corporation (TC-20) or a real estate investment trust (TC-20REIT) must be carried back (subject to a \$1,000,000 limitation), unless an election is made to forego the federal loss carryback and carry the federal loss forward. If an election is made to forego the federal net operating loss carryback, the federal election is considered made also for Utah tax purposes unless the taxpayer makes a specific election to carry back the loss for Utah purposes.

For Utah returns showing a net loss filed after 2008 (including prior year returns), a Utah net loss to be carried back must be claimed on Utah form TC-20L, *Utah Application for Refund from a Corporation Loss Carryback*, available at [www.tax.utah.gov/forms](http://www.tax.utah.gov/forms).

**Do not submit an amended return for the purpose of claiming a loss carryback. TC-20L must be used.**

*Utah*  
*2006*

**Corporation  
Franchise or  
Income Tax**

**Form TC-20**

**Tax Return and Instructions**

Utah State Tax Commission • 210 North 1950 West • Salt Lake City, UT 84134  
[www.tax.utah.gov](http://www.tax.utah.gov)

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## Online Services



Visit our website for detailed tax information and all Utah State tax forms/instructions.

**tax.utah.gov**

Utah now allows electronic filing for C Corporations and S Corporations.

**tax.utah.gov/corporate/eleccorp.html**

Pay tax due and make payments online with a credit card or e-check.



**paymentexpress.utah.gov**

## References

UC: Utah Code

IRC: Internal Revenue Code

### Need forms?

Print online at **tax.utah.gov/forms**, or call (801) 297-6700 or 1-800-662-4335, ext. 6700

**File TC-20 if Corporation filed federal form 1120**

**File TC-20S if S Corporation filed federal form 1120S**

*If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunications Device for the Deaf (TDD) (801) 297-2020. Please allow three working days for a response.*

# TC-20 General Instructions and Information

## What's New?

- **Clean Fuel Vehicle Credit:** For tax years beginning after 2005, electric-hybrid vehicles no longer qualify for the clean fuel vehicle credit. See page 10.
- **Reportable Transaction Disclosure Statement:** If you filed federal form 8886, you are now required to disclose this information on your Utah return. See page 5.
- **Apportionment Sales Factor May Be Double-Weighted:** Effective for tax years beginning after 2005, an election may be made to double weight the sales factor on Schedule J for apportionment of business income. The election, if made, is irrevocable and remains in effect for five years. See specific instructions for Schedule J beginning on page 18.

## Electronic Filing for Corporation Returns

Utah corporation returns for taxable years beginning in 2006 may be filed electronically under a new joint program between the Internal Revenue Service and the Utah State Tax Commission, and called the Fed/State 1120 Program.

The program is similar to the federal/state individual electronic filing program in which both federal and state information is submitted at the same time. The IRS extracts its federal data and forwards the state data to the Tax Commission. No papers are required to be mailed to the agencies when filing electronically.

Initially, both C corporations and S corporations may file electronically. Other corporation returns will be added in the future.

Many software vendors are offering electronic corporation return filing. Check with your software provider to see if they support this new program.

To learn more about filing your corporation return electronically, go to [tax.utah.gov/corporate/eleccorp.html](http://tax.utah.gov/corporate/eleccorp.html).

## Corporation Identification Numbers

The Utah State Tax Commission uses the Federal Employer Identification Number (EIN) as the corporation's taxpayer identification number with the state. The Utah Department of Commerce also issues a registration number upon incorporation or qualification in Utah. Enter both the EIN and Utah Incorporation/Qualification number in the fields provided. These numbers are used for proper identification of the corporate tax return and any correspondence.

## Corporation Changes

Corporation changes (e.g., name change, physical and/or mailing address changes, merger, or ceasing to do business in Utah) must be reported in writing to both:

Division of Corporations  
Department of Commerce  
160 E 300 S  
PO Box 146705  
Salt Lake City, UT 84114-6705

and

Master File Maintenance  
Utah State Tax Commission  
210 N 1950 W  
Salt Lake City, UT 84134-3310

## Dissolution or Withdrawal

Corporations that cease to do business in Utah must either dissolve or withdraw the corporation.

Corporations incorporated in Utah must file Articles of Dissolution with the Department of Commerce. In addition, Utah corporations should obtain a Certificate of Tax Clearance from the Tax Commission prior to dissolution.

Corporations incorporated outside of Utah (foreign corporations) MUST obtain a Certificate of Tax Clearance from the Tax Commission before withdrawing from Utah. Foreign corporations must file an Application for Withdrawal with the Department of Commerce.

To request a Certificate of Tax Clearance, complete form TC-2001 and submit it to the attention of the Customer Services Call Unit at the Tax Commission address above. The form can be found on our website at [tax.utah.gov/forms](http://tax.utah.gov/forms).

To close related tax accounts (sales, withholding, etc.), send a letter, with the account number(s) and the last date of business, to the attention of Master File Maintenance at the Tax Commission address above.

## Rounding Off to Whole-dollar Amounts

Round off cents to the nearest whole dollar. Round down if cents are under 50 cents; round up if cents are 50 cents and above. **Do not enter cents anywhere on the return.**

## Liability for Filing and Paying Returns

### Tax Forms

The Tax Commission does not mail returns for filing corporate taxes to corporations registered with the state. If the corporation does not use software that provides the forms, you may obtain Utah forms by downloading copies from the Tax Commission website at [tax.utah.gov/forms](http://tax.utah.gov/forms) or by calling the Forms Hotline at (801) 297-6700 or 1-800-662-4335, ext. 6700.

NOTE: Review Supporting Federal Information later in these General Instructions to identify what federal information is required with the Utah return.

## Franchise Tax

Every C corporation incorporated in Utah (domestic), qualified in Utah (foreign), or doing business in Utah, whether qualified or not, must file a corporate franchise tax return. C corporation returns are filed on form TC-20. There is a minimum tax (privilege tax) of \$100 on every corporation that files form TC-20, regardless of whether or not the corporation exercises its right to do business.

## S Corporation

Every S corporation (as defined in IRC Section 1361(a)) that has filed a proper and timely election under IRC Section 1362(a) must file form TC-20S, so long as the federal election remains in effect. The minimum tax does not apply to S corporations.

## Income Tax

The only corporations required to file under the income tax provisions are those that derive income from Utah sources, but are not qualified to do business in Utah and have no regular and established place of business in Utah, either owned or rented, and do not maintain an inventory or have employees located at a place of business in Utah. For example, a foreign corporation with goods maintained in a public warehouse in Utah, or a trucking company operated in or through Utah by a foreign corporation not qualified to do business in Utah, is subject to income tax rather than franchise tax. Corporate income tax filers use form TC-20.

A \$100 minimum tax applies to the corporate income tax.

## Taxable Year

The taxable year for Utah corporation franchise or income tax purposes must match the taxable year used for federal income tax purposes. When the taxable year changes for federal purposes, the taxable year must be adjusted accordingly for Utah corporation franchise or income tax purposes. Refer to Filing Return When Period Changed below. If the taxable year is not a calendar year, enter the beginning and ending dates of the taxable year at the top of form TC-20 where indicated.

## Filing Return When Period Changed

When changes are made to the taxable year, as indicated under Taxable Year above, a short-period return is required. The short-period return must cover the period of less than 12 months between the prior taxable year-end and the new taxable year. The tax rates as provided in UC §59-7-104 and §59-7-201 apply to short-period returns, which includes a minimum tax of \$100.

## Where to File

Send the completed return and any payment to:

Utah State Tax Commission  
210 N 1950 W  
Salt Lake City, UT 84134-0300

## Due Date

A return must be filed on or before the 15th day of the fourth month following the close of the taxable year. If the due date falls on a Saturday, Sunday or legal holiday, the due date becomes the next business day.

## Filing Extension

Corporations are automatically allowed an extension of up to six months to file a return without filing an extension form. **This is an extension of time to file the return — NOT an extension of time to pay taxes.** To avoid penalty and interest, the prepayment requirements must be met on or before the original return due date and all returns must be filed within the six-month extension period.

## Prepayment Requirements

### Extension Prepayments

The required extension prepayments must equal 90 percent of the current year's tax liability (or the \$100 minimum tax, whichever is greater) or 100 percent of the previous year's tax liability. Typically, corporations that make estimated prepayments using form TC-559, Utah Corporation Franchise/Income Tax Payment Coupon, will have complied with the 90-percent requirement and may not need to make additional prepayments to avoid extension penalties.

### Quarterly Payments

Every corporation having a Utah tax liability of \$3,000 or more in the current taxable year, or a tax liability of \$3,000 or more in the previous taxable year, must make quarterly estimated tax payments. In addition, a parent company filing a combined report with affiliated companies must make the quarterly payment when the aggregate amount is \$3,000 or more for all companies listed on Schedule M, including those paying only the minimum tax.

A corporation is not subject to the estimated tax payment requirements the first year it is required to file a return in Utah if the corporation makes a payment on or before the due date, without the automatic extension, equal to or greater than the minimum tax.

Quarterly estimated tax payments are due in four equal payments on the 15th day of the 4th, 6th, 9th and 12th months of the corporation's taxable year. Corporations may elect to make the quarterly estimated tax payments equal to 90 percent of the current year's tax or 100 percent of the prior year's tax. As defined in UC 59-7-504(2), the applicable percentage of the required payment for annualized income installments, for adjusted seasonal installments, and for estimated tax payments based on the current year tax liability, is the following:

Installment	Percentage
1st	22.5
2nd	45.0
3rd	67.5
4th	90.0

If a taxpayer elects a different annualization period than the period used for federal purposes, the taxpayer must make an election with the Tax Commission at the same time as provided in IRC Section 6655. Estimated tax payments should be made with form TC-559, Utah Corporation Franchise/Income Tax Payment Coupon.

## Penalties

Utah law provides for uniform tax penalties for failure to file tax returns, failure to pay tax due and failure to file information returns or supporting schedules.

The penalty for **failure to file a tax due return** by the due date is the greater of \$20 or 10 percent of the unpaid tax.

The penalty for **failure to pay tax due** as reported on a timely filed return, or within 30 days of a notice of deficiency, is \$20 or 10 percent of the tax due, whichever is greater. If a tax balance is still unpaid 90 days after the due date on a late filed return, a second penalty of \$20 or 10 percent of the tax, whichever is greater, will be added for failure to pay timely.

The penalty for **underpayment of the extension prepayment** is 2 percent per month of the unpaid tax during the extension period. If the return is not filed by the extension due date, failure to file and failure to pay penalties will apply as if the extension had not been granted.

The penalty for **failure to file an information return** or complete supporting schedule is \$50 for each return or schedule up to a maximum of \$1,000.

The penalty for each **underpayment of required estimated tax or required quarterly installment** is determined by applying the Utah interest rate(s) in effect for the period of the underpayment, plus four percentage points, to the amount of the underpayment for the period of the underpayment.

For a list of additional penalties that may be imposed, refer to UC §59-1-401 and Pub 58.

The Tax Commission will calculate the penalty for underpayment of required prepayments. Taxpayers who would like to calculate their own penalty may contact the Tax Commission at (801) 297-7790 or 1-800-662-4335 ext. 7790 for assistance.

## Exceptions to Penalty on Estimated Tax

### Annualized Exception

A corporation may annualize its income before determining the amount of each installment. It is recommended federal guidelines be followed in determining annualized income. If the corporation meets the annualized exception at the federal level for any installment, check the appropriate box(es) on form TC-20, Schedule A, line 25.

## Recurring Seasonal Exception

A corporation with recurring seasonal income may annualize its income before determining the amount of each installment. It is recommended federal guidelines be followed in determining seasonal income. If the corporation meets the seasonal exception at the federal level for any installment, check the appropriate box(es) on form TC-20, Schedule A, line 25.

## Prepayment of Minimum Tax Requirement

Corporations that meet the prepayment requirement in the **current year** and had a tax liability of \$100 (the minimum tax) for the previous year may choose to prepay the minimum tax amount of \$100 on the 15th day of the 12th month instead of four increments of \$25.

Corporations that met the prepayment requirement in the **previous year** and have a tax liability of \$100 (the minimum tax) in the current year may choose to prepay the minimum tax amount of \$100 on the 15th day of 12th month instead of four increments of \$25. In this scenario, the corporation must pay \$100, not 90 percent.

## Interest (in addition to penalties due)

Interest will be assessed at the rate prescribed by law from the original due date until any outstanding liability is paid in full. The interest rate for most taxes and fees administered by the Tax Commission for the 2007 calendar year is **7 percent**.

Pub 58, which contains applicable interest rates, is available on the Internet at [tax.utah.gov/forms](http://tax.utah.gov/forms) or by calling or writing the Tax Commission.

## Suspension for Failure to Pay Tax Due

Utah law provides for suspension of a corporation's right to do business in Utah if it fails to pay taxes due before 5:00 p.m. on the last day of the 11th month after the due date.

If a corporation owes tax and is unable to pay all or a portion of the amount owed, the corporation may complete form TC-804B, Payment Agreement Request. The form can be obtained online at [tax.utah.gov/forms](http://tax.utah.gov/forms).

## Supporting Federal Information

Federal form 1120, pages 1 through 4, as filed with the IRS, should be attached to the Utah Corporation Franchise or Income Tax Return, TC-20. If you are required to file the form 1120, Schedule M-3 with your federal return, include a copy with your Utah return also. Other detail schedules should NOT be included with the Utah return unless otherwise specified in these instructions. The Auditing Division of the Tax Commission may request these detail schedules at a later date.

## Combined Reports

Any corporation owned by another corporation, or owning more than 50 percent of another corporation, or a group of corporations related through common ownership (i.e., certain brother/sister corporations) and engaged in unitary business activity, must file a combined report, including the combined income of all such corporations.

## Unitary Business

A unitary business exists if the activities of the corporations (subsidiary or affiliated corporations related through common ownership) are economically interdependent as demonstrated by the following factors:

- Strong centralized management
- Functional integration
- Attainment of operational economies of scale

## Water's Edge Combined Report

A unitary group is required to file on a water's edge basis unless the worldwide combination method has been elected. A water's edge combined report includes the income and activities of all members of a unitary group that are:

- Corporations organized or incorporated in the United States, including those corporations qualifying for the Puerto Rico and Possession Tax Credit as provided in IRC Section 936; and
- Corporations organized or incorporated outside of the United States meeting the threshold level of business activity.

## Water's Edge Election

A group of corporations that are not otherwise a unitary group may elect to file a water's edge combined report under UC §59-7-402(2) if each member of the group is:

- Doing business in Utah;
- Part of the same affiliated group; and
- Qualified under IRC Section 1501 to file a federal consolidated return.

Each corporation within the affiliated group doing business in Utah must consent to filing a combined report. If an affiliated group elects to file a combined report, each corporation within the affiliated group doing business in Utah must file a combined report.

Corporations that elect to file a water's edge combined report under this section may not thereafter elect to file a separate return without the consent of the Tax Commission.

## Worldwide

A unitary group may elect to file a worldwide combined report. When the worldwide combined reporting method is elected, the income/loss of each corporation within the unitary group must be included regardless of the country in which the corporations are incorporated or conduct business.

Corporations electing to file a worldwide combined report may not thereafter elect to file a return on a basis other than a worldwide combined report without the consent of the Tax Commission.

## Threshold Level of Business Activity

Foreign corporations that conduct 20 percent or more of their business activity in the United States, as measured by the average of the property and payroll factors, must be included 100 percent in a water's edge combined report. Any business activity in Utah will subject a foreign corporation to Utah franchise tax. The threshold test for purposes of combined reporting determines whether the foreign corporation is a member of a unitary group.

## Foreign Dividends

Fifty percent of unitary foreign dividends are included in adjusted income. The remaining 50 percent, less expenses, are excluded. Refer to UC §59-7-106(11)(a). Adjustment to the denominators of the apportionment fraction for each dividend-paying company is provided at the ratio that the included dividend bears to the total earnings and profits for dividend-paying companies.

## Preparation of Combined Report(s)

A group filing a combined report will calculate adjusted income of the combined group by:

1. Determining which corporations are unitary;
2. Computing unadjusted income on a separate return basis;
3. Combining income or loss of the members included in the combined report;
4. Making appropriate eliminations and adjustments between members included in the combined report to arrive at unadjusted income on a combined basis; and
5. Making additions and subtractions to unadjusted income as outlined in Schedules B, C and D to arrive at adjusted income.

A unitary group of corporations is considered a single taxpayer for purposes of the assignment of sales in the sales factor of the apportionment fraction. Therefore, sales of tangible personal property by any member of the unitary group delivered or shipped into Utah are includable in the Utah sales numerator. Conversely, such sales originating in Utah, which are delivered or shipped to another state, will not be thrown back to the Utah sales numerator if any member of the unitary group has a taxable presence (nexus) in that state. Refer to Tax Commission Rule R865-6F-24.

## IRC Sections 338, 338(h)(10), and 336(e)

An election made or considered to be made under IRC Sections 338, 338(h)(10) and 336(e) is also followed for Utah purposes.

## IRC Section 338

If a federal election is made under IRC Section 338, the target corporation must file a separate entity one-day tax return for Utah purposes, as required for federal purposes. The target corporation must include the gain or loss on the deemed sale of assets in its adjusted income. See UC §59-7-114 for further details.

Form TC-20 (338), One-day Corporation Tax Return for Target Corporation, is available at [tax.utah.gov/forms](http://tax.utah.gov/forms).

### **IRC Section 338(h)(10)**

If an election is made for federal purposes under IRC Section 338(h)(10), the following apply:

1. If the target corporation is a member of a unitary group immediately preceding the acquisition date, the target corporation must be included in a combined report to the extent of its income through the acquisition date. The gain or loss on the deemed sale of assets is included in the combined income of the unitary group.
2. If the target corporation is not a member of a unitary group immediately preceding the acquisition date, the target corporation must file a short-period return for the period ending on the acquisition date and must include the gain or loss on the deemed sale of assets in its adjusted income.
3. Any gain or loss on stock sold or exchanged by a member of a selling consolidated group (as defined in IRC Section 338) which is not recognized for federal purposes may not be included in the adjusted income of the selling corporation.
4. The target corporation is treated as a new corporation as of the day after the acquisition date.

### **IRC Section 336(e)**

If an election is made under IRC Section 336(e), the transaction must be treated as follows:

1. If the corporation is treated for federal purposes as having disposed of all of its assets and is a member of a unitary group immediately preceding the date of sale, the corporation must be included in a combined

return to the extent of its income through the date of sale. The gain or loss on the deemed disposal of assets is included in the combined income of the unitary group.

2. If the corporation is treated for federal purposes as having disposed of all of its assets and is not a member of a unitary group immediately preceding the date of sale, the corporation must file a short-period return for the period ending on the date of sale and must include the gain or loss on the deemed disposal of assets in its adjusted income.
3. Any gain or loss not recognized for federal purposes on stock sold, exchanged or distributed by a corporation pursuant to IRC Section 336(e) may not be included in adjusted income.
4. The new basis of assets of the corporation treated as having disposed of its assets is the same as determined for federal purposes.
5. The corporation treated as having disposed of its assets is treated as a new corporation as of the day after the date of sale.

### **Installment Sales**

If a corporation is no longer required to file a Utah corporate return, any taxes owed by that corporation on installment sales entered into by that corporation shall accelerate and be due on the corporation's last return filed in Utah.

### **Federal Form 8886**

If you filed federal Form 8886, Reportable Transaction Disclosure Statement, with the Internal Revenue Service, enter an "X" in the box at the top of your TC-20, as indicated.

## **Instructions for the TC-20 Tax Return**

### **Corporation Name & Address**

Enter the corporation name, address and telephone number, including area code. If the address has changed, check the physical address and/or mailing address box. To make additional changes, see Corporation Changes in the General Instructions.

If the address is in a foreign country, enter the mailing address where indicated. Enter the foreign city, state/province and postal code in the city field. Enter only the foreign country name in the field titled "foreign country."

### **EIN and Utah Charter Number**

Enter the federal Employer Identification Number (EIN) and Utah Incorporation/Qualification Number issued by the Department of Commerce in the appropriate fields.

### **Filing Period**

If the return is being filed for a period other than the calendar year ending Dec. 31, 2006, enter the beginning and ending tax period dates.

### **Amended Returns**

To amend a previously filed return, use the tax form and instructions for the year you are amending. You can obtain prior year forms and instructions at [tax.utah.gov/forms](http://tax.utah.gov/forms).

*An amended state return should be filed promptly if:*

- An error is discovered on your Utah or federal return after it has been filed; or

- Your federal return is audited or adjusted by the IRS and the audit or adjustment affects your Utah return. You must report such changes or corrected net income within 90 days of the IRS's final determination.

Do not submit an amended return for the purpose of claiming a loss carryback. The Tax Commission automatically calculates any carryback. Any refund will be mailed to the corporation.

To qualify for a refund or credit, an amended return must be filed within three years following the date the original return was filed. A return filed before the due date is considered filed on the due date.

To amend a previously filed return, enter on page 1 of the Utah return in the box titled "For Amended Return" a code number that best corresponds to your "REASON FOR AMENDING." See codes below.

### Reason-for-Amending Codes

- 1 You filed an amended return with the IRS (attach a copy of your amended federal return).
- 2 You made an error on your Utah return (attach an explanation of the adjustments made).
- 3 Federal audit adjustments that resulted in changes in federal taxable income were issued and became final (attach a copy of the IRS adjustment).
- 4 Other (attach explanation to return).

Complete the return, entering the figures as corrected. Enter other amounts as shown on the original return. If you received a refund on your original return, subtract the previous refund from the amount of any tax paid with the original return and/or subsequent payments of the tax prior to filing the amended return. Enter the net amount on Schedule A, line 19. A net refund should be entered as a negative amount.

Do not submit a copy of your original return with the amended return.

## Line-by-Line Instructions

### Line 1

Enter an "X" in the box on line 1 if this corporation conducted business in Utah during the taxable year.

### Line 2

Enter an "X" in the box on line 2 if the federal form 1120 for the same tax period was a consolidated return.

### Line 3

Enter an "X" in the appropriate box to indicate whether the return is:

- a. A water's edge combined report, or
- b. A water's edge election made under UC §59-7-402(2), or
- c. A worldwide combined report.

See Combined Reports in the General Instructions for information on the proper filing method.

### Line 4

Enter an "X" in the appropriate box(es) if an election has been made under IRC Sections 338, 338(h)(10) or 336(e). See the General Instructions for information regarding these elections.

### Line 5

Enter an "X" in the box on line 5 if this corporation is, or includes, a financial institution as defined in Tax Commission Rule R865-6F-32.

### Line 6

Enter the ultimate U.S. parent corporation's name.

### Line 7

Enter the ultimate U.S. parent corporation's federal employer identification number.

### Line 8 – Refund

Enter the amount from Schedule A, line 23.

### Line 9 – Tax Due

Enter the amount from Schedule A, line 24.

### Line 10 – Total Penalties and Interest

Enter any applicable penalty and interest amounts on the appropriate lines. Enter the total amount in box 10. The Tax Commission will calculate the penalty for underpayment of required prepayments. For help in calculating penalties and interest, contact the Tax Commission at (801) 297-7790 or 1-800-662-4335 ext. 7790.

### Line 11 – Utah Use Tax

Use tax is required on all taxable items purchased for storage, use or consumption in Utah, if Utah sales and use tax was not paid at the time of purchase. Purchases include amounts paid or charged for taxable purchases made on the Internet and through catalogs.

Credit is allowed for sales or use tax paid to another state, but not to a foreign country. If the sales tax rate in the other state is lower than Utah's sales tax rate, the consumer is required to pay the difference. If the sales tax rate in the other state is greater than Utah's sales tax rate, no sales or use tax credit or refund is allowed.

Complete the worksheet on page 7 to determine the amount of use tax due. Credit for sales tax paid to another state cannot exceed the Utah sales tax otherwise due on those items. If sales taxes were paid to more than one state, complete a worksheet for each state. Enter the sum of the use tax from each worksheet on line 11.

Sales and use tax rates vary throughout Utah. Use the chart on page 7 to find the tax rate for the Utah location where the merchandise was delivered, stored, used or consumed. If the city is not listed, use the county tax rate.

Enter use tax of \$400 or less. If the amount exceeds \$400, the purchaser is required to obtain a sales and use tax license and to pay the use tax on a Utah Sales and Use Tax Return.

**Worksheet for Computing Utah Use Tax**  
(Retain this worksheet for your records.)

1. Total amount of purchases subject to use tax.....\$ \_\_\_\_\_
2. Use tax rate (decimal) from chart .....\$ \_\_\_\_\_
3. Use tax (multiply line 1 by line 2) .....\$ \_\_\_\_\_
4. Credit for sales tax paid to another state .....\$ \_\_\_\_\_
5. Amount of use tax due (line 3 less line 4)  
*Enter ZERO if less than zero* .....\$ \_\_\_\_\_

**Use Tax Rate Chart** (Effective Dec. 31, 2006)

.0600 <b>Beaver County</b>	.0600 <b>San Juan County</b>
.0700 Beaver City	.0650 Monticello
.0600 <b>Box Elder County</b>	.0600 <b>Sanpete County</b>
.0625 Brigham City, Perry, Willard	.0625 Ephraim, Gunnison
.0700 Snowville	.0600 <b>Sevier County</b>
.0610 <b>Cache County</b>	.0610 Aurora, Redmond
.0635 Cache Valley Transit, Hyde Park, Hyrum, Logan, Millville, Nibley, N.Logan, Providence, Richmond, River Heights, Smithfield	.0625 Richfield
.0600 <b>Carbon County</b>	.0635 Salina
.0625 Price, Wellington	.0610 <b>Summit County</b>
.0600 <b>Daggett County</b>	.0735 Park City
.0650 <b>Davis County</b>	.0635 Snyderville Basin Transit
.0600 <b>Duchesne County</b>	.0600 <b>Tooele County</b>
.0635 Roosevelt	.0625 Erda, Grantsville, Lakepoint, Lincoln, Stansbury Park
.0575 <b>Emery County</b>	.0635 Tooele City
.0750 Green River	.0650 <b>Uintah County</b>
.0700 <b>Garfield County</b>	.0675 Vernal
.0800 Boulder, Panguitch, Tropic	.0600 <b>Utah County</b>
.0600 <b>Grand County</b>	.0625 Alpine, American Fork, Cedar Hills, Highland, Lehi, Lindon, Mapleton, Payson, Pleasant Grove, Provo, Provo Canyon, Salem, Spanish Fork, Springville
.0775 Moab	.0635 Orem
.0600 <b>Iron County</b>	.0600 <b>Wasatch County</b>
.0610 Cedar City	.0625 Heber
.0785 Brian Head	.0700 Midway
.0600 <b>Juab County</b>	.0725 Park City East
.0625 Nephi	.0600 <b>Washington County</b>
.0675 <b>Kane County</b>	.0625 Hurricane, Ivins, La Verkin, St. George, Santa Clara, Washington City
.0775 Kanab, Orderville	.0750 Springdale
.0575 <b>Millard County</b>	.0600 <b>Wayne County</b>
.0600 <b>Morgan County</b>	.0660 <b>Weber County</b>
.0600 <b>Piute County</b>	
.0600 <b>Rich County</b>	
.0700 Garden City	
.0660 <b>Salt Lake County</b>	
.0810 Alta	

**Line 12 – Total Refund**

Subtract lines 10 and 11 from line 8.

**Line 13 – Total Tax Due**

Add lines 9, 10 and 11. Make check payable to Utah State Tax Commission. Do not mail cash. The Tax Commission assumes no liability for the loss of cash sent through the mail.

**Signature and Date Lines**

Sign and date the return. A refund will not be granted unless the return is signed and dated.

**Paid Preparer Authorization**

If the corporation wants to allow the Tax Commission to discuss their 2006 return with the paid preparer who signed it, enter an "X" in the box on the right side of the signature area of the return where indicated. This authorization applies only to the individual whose signature appears in the Paid Preparer Section of the return. It does not apply to the firm, if any, shown in that section. If you enter an "X" in the box, the corporation is authorizing the Tax Commission to call the paid preparer to answer any questions that may arise during the processing of the return. The paid preparer is also authorized to:

- Give the Tax Commission any information that is missing from the return,
- Call the Tax Commission for information about the processing of the return or the status of any refund or payment(s), and
- Respond to certain Tax Commission notices about math errors, offsets, and return preparation.

The corporation is not authorizing the preparer to receive any refund, bind the entity to anything (including any additional tax liability), or otherwise represent the entity before the Tax Commission. If the entity wants to expand the preparer's authorization, complete and submit to the Tax Commission form TC-737, Power of Attorney and Declaration of Representative. Form TC-737 is available on our website at [tax.utah.gov/forms](http://tax.utah.gov/forms).

The authorization will automatically end no later than the due date (without regard to extensions) for filing the entity's 2007 tax return. If you wish to revoke the authorization before it ends, submit your request in writing to the Utah State Tax Commission, attention Taxpayer Services, 210 N 1950 W, SLC, UT 84134.

**Paid Preparer**

The paid preparer must enter his or her name, address, and social security number or PTIN in the section below the corporate officer's signature on the return.

**Preparer Penalties**

The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty (\$500 per document) and criminal penalties (second degree felony with a fine from \$1,500 to \$25,000). See Utah Code Sections 59-1-401(9) and (10) for specific details.

**Supplemental Information to be Supplied by All Corporations**

All corporations must complete this information located on the back of the return.

# Instructions for Schedule E – Prepayments of Any Type

## Line 1

Enter the total amount of all refunds applied from the prior year to the current year's liability.

## Line 2

List the date, check number and amount of extension prepayment.

## Line 3

List the date, check number and amount of all prepayments made for the filing period. Enter the total amount on line 3. Attach additional pages, if necessary.

## Line 4

Add lines 1, 2, and 3. Enter the total on this line and on Schedule A, line 18e.

# Instructions for Schedule A – Utah Taxable Income and Tax Due

## Line 1 – Taxable Income/Loss

Enter the federal taxable income (before net operating loss deduction and special deductions) from line 28 of federal form 1120 or line 24 of federal form 1120-A.

## Line 2 – Additions to Taxable Income

Enter the total additions from Schedule B, line 15.

## Line 3 – Subtractions from Taxable Income

Enter the total subtractions from Schedule C, line 14.

## Line 4 – Adjusted Income

Add lines 1 and 2, and then subtract line 3.

## Line 5 – Nonbusiness Income Net of Related Expenses

Add lines 5a and 5b.

## Line 5a – Utah Nonbusiness Income

Enter the Utah nonbusiness income allocated to Utah from Schedule H, line 13.

## Line 5b – Non-Utah Nonbusiness Income

Enter the non-Utah nonbusiness income allocated outside Utah from Schedule H, line 26.

## Line 6 – Apportionable Income Before Contributions Deduction

Subtract line 5 from line 4.

## Line 7 – Utah Contributions

Enter the amount of Utah contributions from Schedule D, line 8.

## Line 8 – Apportionable Income

Subtract line 7 from line 6.

## Line 9 – Apportionment Fraction (Decimal)

Enter 1.000000, or the fraction (decimal) from Schedule J, line 8 or line 12, if applicable.

## Line 10 – Apportioned Income

Multiply the amount on line 8 by the decimal on line 9.

## Line 11 – Utah Nonbusiness Income

Enter the amount shown on line 5a above.

## Line 12 – Utah Taxable Income/Loss

Add lines 10 and 11. If Utah taxable income on line 12 is a loss, the corporation may choose to: 1) carry the loss back (subject to the \$1,000,000 limitation), or 2) forego the loss carryback and carry the loss forward, if the federal election to forego was made.

If an election is made to forego the federal net operating loss carryback, a similar election is considered to be made for Utah tax purposes unless the taxpayer makes a specific election to carry back the loss for Utah purposes. Indicate in the appropriate box whether you elect to forego the Utah net loss carryback:

**Yes**, forego the loss carryback

**No**, treat the loss as a carryback

If an election is not made to forego the loss carryback, the Utah net loss will be carried back to the earliest of the three preceding tax years. If not entirely used to offset income of that year, it will be carried to the second year preceding the loss year. Any remaining loss will be carried to the taxable year immediately preceding the loss year. Any remaining loss should be carried forward.

**Do not submit an amended return for the purpose of claiming a loss carryback.** Any refund resulting from a loss carryback will be sent automatically.

**Line 13 – Utah Net Loss Carried Forward from Prior Years**

Losses incurred in years beginning on or after Jan. 1, 1994, which remain after all carrybacks have been applied, may be carried forward for fifteen taxable years following the taxable year of the loss.

Attach documentation to the return to support the loss amounts carried forward on Schedule A, line 13.

**Line 14 – Net Taxable Income**

Subtract line 13 from line 12.

**Line 15 – Calculation of Tax**

Add lines 15c and 15d.

**Line 15a**

Multiply line 14 by .05.

**Line 15b**

Multiply the number of corporations listed on Schedule M by \$100. If Schedule M is not applicable, enter \$100.

**Line 15c**

Enter the amount from line 15a or 15b, whichever is greater.

**Line 15d**

**Interest on Installment Sales**

Generally, interest must be paid on the deferred tax related to installment sales if the contract was entered into on or after Jan. 1, 1994.

The rate of interest applicable must be determined pursuant to IRC Section 453A. Enter the interest as an additional tax on Schedule A, line 15d.

The deferred tax liability for Utah purposes must be calculated in a manner similar to that outlined in IRC Section 453(A)(c), except:

1. The tax rate applied must be 5 percent; and
2. In the case of multistate corporations, the amount of Utah gain that has not been recognized must be determined by multiplying the deferred gain that has not been recognized for federal purposes by the current year apportionment fraction.

**Recapture of Low-Income Housing Credit**

Owners of a low-income housing project and other taxpayers who have taken the low-income housing credit and disposed of the building or an ownership interest may be required to recapture any credits that have reduced their tax liability in a previous year. See Utah form TC-40LIC for instructions on calculating the Low-Income Housing Credit Recapture Tax. Attach a supporting schedule showing the calculation of the credit recaptured. The form can be obtained at [tax.utah.gov/forms](http://tax.utah.gov/forms).

**Line 16 – Nonrefundable Credits**

Nonrefundable credits cannot be used to pay the minimum tax and cannot result in a refund.

If you claim any of the following nonrefundable credits, write the **code and amount** of each nonrefundable credit you are claiming on lines 16a through 16f. Enter

the sum of all nonrefundable credits on line 16. An explanation of each nonrefundable credit is listed below.

**Use these codes for lines 16a through 16f**

- 02** Qualified Sheltered Workshop Cash Contribution Credit
- 03** Renewable Energy Systems Tax Credit
- 05** Clean Fuel Vehicle Tax Credit
- 06** Historic Preservation Tax Credit
- 07** Enterprise Zone Tax Credit
- 08** Low-income Housing Tax Credit
- 09** Credit for Employers who Hire Persons with Disabilities
- 10** Recycling Market Development Zone Tax Credit
- 12** Credit for Increasing Research Activities
- 13** Credit for Machinery and Equipment Used to Conduct Research
- 14** High Technology Equipment Contribution Tax Credit
- 15** Utah Municipal, U.S. and Agency Bond Interest Tax Credit
- 16** Utah Steam Coal Credit Carryforward

**(02) Qualified Sheltered Workshop Cash Contribution Credit (UC §59-7-602)**

There is no form for this credit. Keep all related documents with your records.

Cash contributions made within the tax year to a qualified nonprofit rehabilitation sheltered workshop facility operating in Utah for persons with disabilities are eligible for a credit against Utah income taxes. Check with the workshop to make sure they have a current Day Training Provider License or Day Support Provider Certificate issued by the Department of Human Services. The credit is equal to 50 percent of the total cash contributions, and may not exceed \$1,000. If the contribution was deducted when calculating federal taxable income (federal form 1120 or 1120-A, line 19), that amount must be deducted from current year contributions (Utah Schedule D, line 5a) before the credit may be claimed on this line.

For more information, contact:

Contract Administrator  
Division of Services for People with Disabilities  
120 N 200 W #411  
SLC, UT 84103  
(801) 538-4200

**(03) Renewable Energy Systems Tax Credit (UC §59-7-614)**

Complete form TC-40E, Renewable Energy Systems Tax Credit, with the Utah Geological Survey stamp, verifying the credit has been approved. Do not send form TC-40E with your return. Keep the form and all related documents with your records.

To qualify for this credit, you must have installed or upgraded a renewable energy system, such as solar or wind generated power systems, during the tax period. Energy saving devices, such as insulation, siding, thermal windows and high efficiency furnaces do not qualify.

In order to determine if your system or system components and installation qualify for the tax credit, submit a signed application, complete with photocopies of receipts, to the Utah Geological Survey (UGS).

Application forms can be obtained from:

Utah Geological Survey  
1594 W North Temple, Suite 3110  
Box 146100  
SLC, UT 84114-6100  
(801) 538-5428  
[geology.utah.gov/sep/incentives/index.htm](http://geology.utah.gov/sep/incentives/index.htm)

If your system meets the eligibility requirements, UGS will send you form TC-40E with information on your eligible system and installation costs and the UGS stamp of approval.

#### **(05) Clean Fuel Vehicle Tax Credit (UC §59-7-605)**

Complete form TC-40V, Clean Fuel Vehicle Tax Credit with the Division of Air Quality approval stamp verifying the credit has been approved. Do not send form TC-40V with your return. Keep this form and all related documents with your records.

To qualify you must have:

- Purchased a vehicle which is registered in Utah, for which this credit has not been taken, that was manufactured to use propane, natural gas or electricity; or
- Purchased and installed equipment to convert a vehicle registered in Utah to use propane, natural gas or electricity.

**Note:** For tax years beginning after 2005, the clean fuel vehicle credit is no longer available for electric-hybrid vehicles.

To obtain form TC-40V, approval, and for additional information, contact:

Division of Air Quality  
150 N 1950 W  
SLC, UT 84116  
(801) 536-4029

#### **(06) Historic Preservation Tax Credit (UC §59-7-609)**

Complete form TC-40H, Historic Preservation Tax Credit with the State Historic Preservation Office certification verifying the credit has been approved. Do not send form TC-40H with your return. Keep this form and all related documents with your records.

The credit is for costs incurred in connection with qualified rehabilitation of any residential certified historic building. Unused credits may be carried forward five years as a credit against Utah tax due.

To obtain form TC-40H, certification, and for additional information, contact:

State Historic Preservation Office  
300 Rio Grande  
SLC, UT 84101  
(801) 533-3562  
[history.utah.gov/historic\\_preservation](http://history.utah.gov/historic_preservation)

#### **(07) Enterprise Zone Tax Credit (UC §63-38f-413)**

A business may not claim the enterprise zone credit or carry it forward into a year the business has claimed either the recycling market development zone credit (nonrefundable credit, code 10) or the targeted business income tax credit (refundable credit, code 40).

There is no form for this credit. Keep all related documents with your records.

The Enterprise Zone Credit is available for certain businesses that hire new full-time employees, rehabilitate buildings, or meet certain other requirements in a designated zone.

Any credit amount exceeding the tax owed may be carried forward for three consecutive years.

Indian tribes may apply for enterprise zone designation within an Indian reservation.

If enterprise zone credits are being taken based on your ownership in a partnership or S corporation, you must allocate the credits calculated based on your respective percentage of ownership.

For additional information, contact:

Governor's Office of Economic Development  
324 S State St, Suite 500  
SLC, UT 84111  
(801) 538-8804  
[goed.utah.gov/incentives/enterprise\\_zones](http://goed.utah.gov/incentives/enterprise_zones)

#### **(08) Low-Income Housing Tax Credit (UC §59-7-607)**

Individuals sharing in the credit must obtain form TC-40TCAC, Utah Low-Income Housing Tax Credit Allocation Certification and complete form TC-40LI, Summary of Utah Low-Income Housing Tax Credit. If you are carrying this credit forward or backward, you must also complete form TC-40LIC, Utah Low-Income Housing Tax Credit Carryback and/or Carryforward. Do not send these forms with your return. Keep the forms and all related documents with your records.

The building project owner must complete and attach form TC-40LIS, Credit Share Summary of Low-Income Housing Project to the return.

This credit is an amount determined by the Utah Housing Corporation, for owners of a low-income housing project who have received an allocation of the federal low-income housing tax credit. Unused credits may be carried back three years or carried forward five years.

When this credit is applicable, the project owner will provide form TC-40TCAC (executed by the Housing Corporation) to the taxpayer.

If the low-income housing credit was claimed and the building or ownership interest was subsequently disposed of, recapture of the credit may be required. See Recapture of Low-Income Housing Credit on page 9.

For additional information, go to the Utah Housing Corporation website at [www.utahhousingcorp.org](http://www.utahhousingcorp.org)

**(09) Credit For Employers Who Hire Persons with Disabilities (UC §59-7-608)**

Complete form TC-40HD, Employers Who Hire Persons with Disabilities Tax Credit showing the required certification. Do not send form TC-40HD with your return. Keep the form and all related documents with your records.

The credit is for employers hiring individuals with disabilities who: (1) worked in Utah for at least 6 months in a taxable year for that employer, and (2) are paid at least minimum wage by that employer.

To obtain form TC-40HD, certification or for additional information, contact:

Division of Services for People with Disabilities  
120 N 200 W, #411  
SLC, UT 84103  
(801) 538-4200

**(10) Recycling Market Development Zone Tax Credit (UC §59-7-610)**

A business may not claim the recycling market development zone credit or carry it forward into a year the business has claimed either the enterprise zone credit (nonrefundable credit, code 07) or targeted business income tax credit (refundable credit, code 40).

Complete form TC-40R, Recycling Market Development Zone Tax Credit, with the Governor's Office of Economic Development certification, verifying the credit has been approved. Do not send form TC-40R with your return. Keep the form and all related documents with your records.

The credit is available to individuals and businesses operating in a designated recycling market development zone as defined in UC §63-38f-1102.

To obtain form TC-40R, certification, and for additional information, contact:

Governor's Office of Economic Development  
324 S State St, Suite 500  
SLC, UT 84114-7360  
(801) 538-8804  
[goed.utah.gov/incentives/recycling\\_zones](http://goed.utah.gov/incentives/recycling_zones)  
email: [lprrall@utah.gov](mailto:lprrall@utah.gov)

**(12) Credit for Increasing Research Activities (UC §59-7-612)**

There is no form for this credit. Keep all related documents with your records.

The credit is for expenses incurred for increasing qualified research activities in Utah. A qualifying taxpayer may claim the credit in the taxable year immediately following the taxable year for which the taxpayer qualifies for the credit.

**(13) Credit for Machinery and Equipment Used to Conduct Research (UC §59-7-613)**

There is no form for this credit. Keep all related documents with your records.

The credit is for machinery, equipment, or both, used primarily for conducting qualified research or basic research in Utah for not less than 12 consecutive months. A qualifying taxpayer may claim the credit in the taxable year following the taxable year for which the taxpayer qualifies for the credit.

**(14) High Technology Equipment Contribution Tax Credit (UC §59-7-603)**

There is no form for this credit. Keep all related documents with your records.

A nonrefundable tax credit is allowed for 25 percent of the fair market value of high technology equipment contributions to public education, not to exceed the basis of the property contributed. If the contribution was deducted when calculating federal taxable income, that amount must be excluded from current-year contributions (Utah Schedule D, line 5b) before the credit may be claimed on this line.

**(15) Utah Municipal, U.S. and Agency Bond Interest Tax Credit (UC §59-7-601)**

Attach a schedule showing the calculation of the credit. Keep a copy of the schedule and all related documents with your records.

A credit of 1 percent of Utah municipal interest and federal interest included in Utah taxable income will be allowed. For multistate corporations, the amount of Utah municipal and federal interest included in Utah taxable income is calculated by multiplying the total amount of that interest by the current year apportionment fraction. The credit is nonrefundable but may be carried back three years and forward five years.

**(16) Utah Steam Coal Credit**

This credit was repealed for tax years beginning on or after Jan. 1, 2002. Unused credits earned prior to the repeal date may be carried forward 15 years.

**Line 17 - Net Tax**

Subtract line 16 from line 15. Enter the results, but not less than the minimum tax shown on line 15b.

**Line 18 - Refundable Credits**

Add lines 18a through 18e.

If you claim any of the following refundable credits, write the **code and amount** of each refundable credit you are claiming on lines 18a through 18d. Enter the sum of all refundable credits on line 18. An explanation of each refundable credit is listed below.

**Codes for lines 18a through 18d**

- 40** Targeted Business Tax Credit
- 46** Mineral Production Withholding Tax Credit
- 47** Agricultural Off-highway Gas/Undyed Diesel Fuel Tax Credit
- 48** Farm Operation Hand Tools

**(40) Targeted Business Income Tax Credit  
(UC §63-38f-503)**

A business may not claim the targeted business income tax credit in a year the business has claimed either the enterprise zone credit (nonrefundable credit, code 07) or recycling market development zone credit (nonrefundable credit, code 10).

A refundable credit is available to businesses providing a community investment project as defined in UC §63-38f-501 through §63-38f-503. Obtain a certified copy of form TC-40TB, Targeted Business Income Tax Credit. Keep this form and all related documents with your records.

To obtain form TC-40TB, certification, and for additional information, contact:

Governor's Office of Economic Development  
324 S State St., Suite 500  
SLC, UT 84111  
(801) 538-8804  
[goed.utah.gov/incentives/enterprise\\_zones](http://goed.utah.gov/incentives/enterprise_zones)  
email: [lprral@utah.gov](mailto:lprral@utah.gov)

**(46) Mineral Production Withholding Credit  
(UC §59-6-102(3))**

Enter the total of the mineral production tax withheld as shown on forms TC-675R or federal Schedule K-1(s) for 2006. For a fiscal year corporation, the credit is claimed on the corporate return required to be filed during the year following the December closing period of the form TC-675R.

Attach copies of form TC-675R or federal Schedule K-1(s) to the return to receive proper credit.

**(47) Agricultural Off-Highway Gas/Undyed Diesel Fuel Tax Credit (UC §59-13-202)**

There is no form for this credit. Keep all related documents with your records.

The credit is 24.5 cents per gallon only for motor fuel and undyed diesel fuel purchased in Utah to operate stationary farm engines and self-propelled farm machinery used solely for commercial nonhighway agricultural use that was taxed at the time of purchase.

Activities that **DO NOT** qualify for this credit include, but are not limited to, the following: golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, and farming for personal use.

**Credit calculation:**

Gallons \_\_\_\_\_ x .245 = Credit \_\_\_\_\_

**(48) Farm Operation Hand Tools  
(UC §59-7-614.1)**

There is no form for this credit. Keep all related documents (receipts, invoices, documents showing amount of sales or use tax paid) with your records.

The refundable credit is allowed for sales and use tax paid on hand tools purchased and used or consumed primarily and directly in a farming operation in Utah. The credit applies only if the purchase price of a tool is more than \$250.

**Line 18e – Prepayments**

A refundable credit is allowed for advance payments made as quarterly estimated tax payments, prepayments and extension payments (form TC-559). Include any overpayments from a prior year that were applied to this year. Use Schedule E to compute the total prepayment.

**Line 19 – Amended Returns Only (Previous Payments Less Previous Refunds)**

This line should only be used for amended returns. Enter the amount of tax paid with the original return and/or subsequent payments made prior to filing this amended return less any previous refunds (exclude refund interest). A net refund should be entered as a negative amount.

**Line 20 – Total Refundable Credits**

Add lines 18 and 19.

**Line 21 – Overpayment**

If line 20 is larger than line 17, subtract line 17 from line 20.

**Line 22 – Overpayment to be Applied to Next Taxable Year**

All or part of any refund shown on line 21 may be applied as an advance payment for the next tax year. Enter the amount to be applied (may not exceed the overpayment).

**Line 23 – Refund**

Subtract line 22 from line 21, and enter the amount here and on Form TC-20, line 8.

**Line 24 – Tax Due**

If line 17 is larger than line 20, subtract line 20 from line 17 and enter the amount here and on form TC-20, line 9.

**Line 25 – Quarterly Estimated Prepayments Meeting Exception**

Check any boxes corresponding to the four quarters to which a penalty exception applies. Refer to Prepayment Requirements in the General Instructions for exceptions to the penalty on underpayments. Attach supporting documentation.

# Instructions for Schedule B – Additions to Taxable Income

## Line 1 – Interest From State Obligations

Enter interest from bonds, notes and other evidences of indebtedness issued by any state of the United States, including any agency and instrumentality of a state of the United States.

## Lines 2a - 2e – Add Taxes Deducted to Determine Income

Amounts included in federal taxable income from refunds of the following taxes should be netted against similar taxes on the appropriate lines.

### Line 2a – Income Taxes Paid to Any State

Enter taxes imposed by any state that are measured by income.

### Line 2b – Franchise or Privilege Taxes Paid to Any State

Enter franchise taxes paid by a corporation to any state for taxes imposed for the privilege of doing business or exercising its corporate franchise.

### Line 2c – Corporate Stock Taxes Paid to Any State

Enter corporate stock taxes paid to any state.

### Line 2d – Foreign Taxes Paid

Enter any income, franchise, or capital stock taxes imposed by a foreign country, a United States possession or the Commonwealth of Puerto Rico.

### Line 2e – Business and Occupation Taxes

Enter business and occupation taxes deducted for federal purposes.

## Line 3 – Safe Harbor Lease (SHL) Adjustments

SHLs originated from adjustments primarily available to businesses during the years 1981 and 1982 under ERTA. These provisions allowed transfers of certain tax benefits for federal tax purposes. However, Utah did not adopt these provisions and the effects of any remaining SHL adjustments must be reversed for Utah purposes.

### Add to income:

*SHL Purchaser/Lessor*

1. Interest expense
2. Depreciation claimed on SHL property

*SHL Seller/Lessee*

1. Amount of gain on the sale of federal tax benefits
2. Rental expense on SHL property

## Line 4 – Capital Loss Carryover

Enter any capital losses deducted on a Utah corporate return in previous years, but used to offset capital gains on this year's federal return.

## Line 5 – Federal Deductions Taken Previously on a Utah Return

Enter any deduction on the federal return deducted on a prior year Utah return.

## Line 6 – Federal Charitable Contributions

Enter federal charitable contributions from federal forms 1120 or 1120-A, line 19.

## Line 7 – Gain/Loss on Sections 338(h)(10) or 336(e)

Enter the amount of gain or loss determined under UC §59-7-114(3) regarding a target corporation under IRC Section 338, if that gain or loss has not been included in income, and the amount of any gain or loss determined under UC §59-7-115 regarding corporations treated for federal purposes as having disposed of its assets under IRC Section 336(e), if that gain or loss has not been included in income.

The purpose of this addition is to make sure the gain or loss on IRC Section 338(h)(10) and 336(e) transactions are treated similarly for Utah and federal purposes as a deemed sale of assets. The gain or loss is only added if it has not already been included in income.

## Line 8 – Basis Adjustments

Utah laws generally follow the Internal Revenue Code for depreciation, amortization and basis. However, basis differences occasionally arise due to differences between state and federal laws in limited instances. Some examples include: a) an IRC Section 338 election in a tax year beginning prior to Jan. 1, 1994; and b) adjustments attributed to the federal consolidated rules under IRC Section 1502. A company may not deduct basis differences generated by errors in prior returns in years when Utah and federal depreciation or amortization amounts are required to be the same.

## Line 9 – Expenses Attributable to 50 percent Unitary Foreign Dividend Exclusion

Enter the expenses directly and indirectly attributable to the dividends from subsidiaries excluded on Schedule C, line 7 (i.e., 50 percent of the unitary foreign dividends). To calculate indirect interest expense attributable to excluded dividends:

1. Divide the taxpayer's average investment in dividend paying subsidiaries by the taxpayer's average investment in total assets.
2. Multiply the result by the total interest expense.

## Line 10 – Installment Sales Income Previously Reported for Federal but Not Utah Purposes

Add installment sales income from installment sales made in tax years beginning before Jan. 1, 1994 if the Utah installment provisions of former UC §59-7-119 were used. If the Utah installment provisions were used on the Utah return, then a timing difference was created between federal and Utah.

**Line 11 – Refund Received from Utah Educational Savings Plan (UESP)**

An account holder in the Utah Educational Savings Plan should receive a form TC-675H, Statement of Withholding for Utah Educational Savings Plan, from the UESP trustee. Any amount of principal refunded which was not used for higher education qualifying expenses and for which the account holder received a prior tax deduction, must be added back to income. Keep form TC-675H with your records. If you have any questions about UESP, call 1-800-418-2551.

**Line 12 – Income/Loss From IRC Section 936 Corporations**

IRC Section 936 corporations are fully includable in the combined report. Add income/loss from IRC Section 936 corporations.

**Line 13 – Foreign Income/Loss For Worldwide Combined Filers**

Corporations electing to file a worldwide combined report must include income and losses of each corporation

in the unitary group regardless of the country in which the corporation is incorporated or conducts business. Add any income or loss before extraordinary items and prior period adjustments and before the provision for income, war profits and excess profits taxes as reported on federal form 5471 for foreign corporations.

**Line 14 – Income/Loss of Unitary Corporations Not Included on Federal Consolidated Return**

Add income and losses of unitary corporations owned greater than 50 percent whose income or loss is not included on the federal consolidated return. Refer to Combined Reports in the General Instructions for additional information on unitary combined filings.

**Line 15 – Total Additions**

Add lines 1 through 14. Enter the result on line 15 and on Schedule A, line 2.

## Instructions for Schedule C – Subtractions from Taxable Income

**Line 1 – Intercompany Dividend Elimination**

Enter dividends received from U.S. corporations owned greater than 50 percent whose income is included on this return and whose dividend has not been previously eliminated.

**Line 2 – Foreign Dividend Gross-up**

Enter the foreign dividend gross-up included in gross income for federal income tax purposes under IRC Section 78.

**Line 3 – Net Capital Loss**

The corporation must include its capital losses on this line if an election is being made to take a deduction for capital losses incurred in the taxable year. If a current year deduction is not taken, the loss must be carried forward as provided in IRC Section 1212(a)(1)(B) and (C).

**Line 4a – Federal Jobs Credit Salary Reduction**

Enter the amount of salary expense reduction due to claiming the federal jobs credit under IRC Section 51.

**Line 4b – Federal Research and Development Credit Expense Reduction**

Enter qualified research and basic research expense reduction due to claiming the research and development credit under IRC Section 41.

**Line 4c – Federal Orphan Drug Credit Clinical Testing Expense Reduction**

Enter qualified clinical testing expense reduction due to claiming the federal orphan drug credit under IRC Section 45C.

**Line 4d – Expense Reduction for Other Federal Credits**

Enter any expense reduction attributable to claiming any other federal credit. Attach applicable federal form.

**Line 5 – Safe Harbor Lease (SHL) Adjustments**

The effects of any remaining SHL adjustments must be reversed for Utah purposes. For general SHL information, see the instructions for Schedule B, line 3.

**Subtract from income:**

*SHL Purchaser/Lessor*

1. Rental income
2. Amortization of the purchase price of tax benefits (purchase price of tax benefits must be capitalized)

*SHL Seller/Lessee*

1. Interest income
2. Depreciation on SHL property

**Line 6 – Federal Income Previously Taxed by Utah**

Enter any income on the federal corporate return, form 1120 or 1120-A that was previously taxed by Utah. Attach supporting schedules and documentation.

**Line 7 – 50 percent Exclusion for Dividends from Unitary Foreign Subsidiaries**

Enter 50 percent of the dividends deemed received or received from subsidiaries that are members of the unitary group and are organized or incorporated outside of the United States, unless those subsidiaries

are included in a combined report. In that case, the dividends are eliminated as an intercompany transaction on line 1.

For corporations filing a water's edge combined report, the 50-percent exclusion includes dividends from unitary foreign corporations, foreign sales corporations and subpart F income.

**Line 8 – 50 percent Exclusion of Foreign Operating Company Income\Loss**

Enter 50 percent of the adjusted income or loss of a foreign operating company unless the taxpayer is filing a worldwide combined report. A foreign operating company is a corporation (other than an IRC Section 936 corporation) incorporated in the United States with 80 percent or more of its business activity, based on the average of the property and payroll factors, conducted outside the United States.

In calculating this subtraction, no deduction is allowable for foreign taxes.

**Line 9 – Gain or Loss on Certain Stock Sales**

Enter the gain or loss on the sales of stock included in taxable income, yet not taxable for federal purposes because the transaction is considered to be a deemed sale of assets under IRC Sections 338(h)(10) or 336(e).

The purpose of this subtraction is to avoid the double taxation that would occur if both the gain on the stock sale and the gain on the deemed sale of assets were included in income. Utah law follows the federal statute that taxes the gain on the deemed sale of assets.

**Line 10 – Basis Adjustments**

Enter adjustments to gains, losses, depreciation expense, amortization expense and similar items due to a difference between basis for federal and Utah purposes as explained in instructions for Schedule B, line 8.

**Line 11 – Interest Expense**

Enter interest expense not deducted on the federal corporate return under IRC Sections 265(b) or 291(e).

**Line 12 – Dividends From Insurance Company Subsidiaries**

Enter dividends received from subsidiaries owned greater than 50 percent that are insurance companies taxed on their Utah premiums.

**Line 13 – Payments Made to the Utah Educational Savings Plan (UESP)**

An account holder in the Utah Educational Savings Plan should receive a form, TC-675H, Statement of Withholding for Utah Educational Savings Plan, from the UESP trustee. An amount deposited into UESP cannot be deducted on the Utah return if already taken on the federal return. Include on this line the amount on line 1 of form TC-675H. Keep form TC-675H with your records. If you have any questions about UESP, call 1-800-418-2551.

**Line 14 – Total Subtractions**

Add lines 1 through 13. Enter the result on line 14 and on Schedule A, line 3.

## Instructions for Schedule D – Utah Contributions Deduction

Compute deductions for Utah charitable contributions (UC §59-7-109(2)).

**Line 1 – Apportionable Income Before Contributions Deduction**

Enter amount from Schedule A, line 6.

**Line 2 – Utah Contribution Limitation Rate**

Charitable contributions for the current year, including excess contributions carried forward from a prior year, cannot exceed the contribution limitation. The contribution limitation percentage rate is preprinted on this line (see UC §59-7-109(2)).

**Line 3 – Utah Contribution Limitation**

Multiply line 1 by the rate on line 2 and enter the limitation amount. If line 1 is a loss, no contributions deduction is allowed.

**Line 4 – Current Year Contributions**

Enter charitable contributions for the current year.

**Line 5 – Contributions Deducted on Federal Forms 1120 or 1120-A, line 19**

Utah law precludes a deduction for the following contributions when a Utah credit is being claimed. If the contributions below were claimed as charitable deductions on federal forms 1120 or 1120-A, line 19, enter on line 5a and/or 5b the credit amount claimed on Utah Schedule A, line 16.

The current year contribution on line 4 will be reduced by any amounts entered on lines 5a and 5b.

**Line 5a – Contributions to Qualified Sheltered Workshops**

Enter the amount of the Qualified Sheltered Workshop Cash Contribution Credit (nonrefundable credit, code 02) claimed on Utah Schedule A, line 16.

**Line 5b – Deduction for High Technology Equipment**

Enter the amount of the High Technology Equipment Contribution Tax Credit (nonrefundable credit, code 14) claimed on Utah Schedule A, line 16.

**Line 6 – Utah Contribution Carryforward**

Charitable contributions which exceed the allowable deduction for Utah may be carried forward to the five succeeding taxable years in the same manner as allowed under federal law. Enter the excess contributions carried forward to this year. Attach a schedule showing contribu-

tions made that exceed the Utah contribution limitation and that have not been previously deducted and are available to be carried forward to the current year.

**Line 7 – Total Contributions Available**

Subtract lines 5a and 5b from line 4 and add line 6 to the result.

**Line 8 – Utah Allowed Contributions Deduction**

Enter the lesser of line 3 or line 7 on line 8 and on Schedule A, line 7.

## Instructions for Schedule H – Nonbusiness Income Schedule

Determine nonbusiness income allocated to Utah and outside Utah by completing this schedule. All income that arises from the conduct of the trade or business operations of a corporation is business income.

Nonbusiness income means all income other than business income and will be narrowly construed. Intangible income must be properly classified and based upon factual evidence. The burden of proof is on the corporation to justify the manner in which the income is claimed on the return.

Interest income is business income where the intangible with respect to which the interest was received arises out of or was created in the regular course of the taxpayer's trade or business operations. (Tax Commission Rule R865-6F-8(A)(3)(c))

Dividends are business income where the stock, with respect to which the dividends are received, arises out of or was acquired in the regular course of the taxpayer's trade or business operations. Because of the regularity with which most corporate taxpayers engage in investment activities, income arising from the ownership, sale or other disposition of investments is presumptively business income. (Tax Commission Rule R865-6F-8(A)(3)(d))

Gain or loss from the sale, exchange or other disposition of real or tangible or intangible personal property constitutes business income if the property, while owned by the taxpayer, was used in the taxpayer's trade or business. (Tax Commission Rule R865-6F-8(A)(3)(b))

Rental income from real and tangible property is business income if the property, with respect to which the rental income was received, is used in the taxpayer's trade or business or includable in the property factor. (Tax Commission Rule R865-6F-8(A)(3)(a))

If the corporation is claiming only Utah nonbusiness income, lines 1a through 13 must be completed. If the corporation is claiming only non-Utah nonbusiness income, lines 14a through 26 must be completed. If the corporation is claiming both Utah and non-Utah nonbusiness income, lines 1a through 26 must be completed. Use additional pages, if necessary, to provide complete information, including a description of the business purpose for making the investment, the transactions creating the non-business income, and the use of revenues generated by the non-business investment.

### Utah Nonbusiness Income

**Lines 1a-1d – Utah Nonbusiness Income**

Complete each column with the information required and show the gross Utah nonbusiness income from each class of income being specifically allocated. Use additional pages, if necessary, to provide complete information about additional sources of nonbusiness income.

**Line 2 – Total Utah Nonbusiness Income**

Add lines 1a through 1d.

**Lines 3a-3d – Direct Related Expenses**

Describe and enter amounts of direct expenses on the same letter line as the corresponding nonbusiness income is listed on lines 1a through 1d. Direct related expenses include wages, interest, depreciation, etc. (UC §59-7-101(19))

**Line 4 – Total Direct Related Expenses**

Enter the sum of direct related expenses by adding lines 3a through 3d.

**Line 5 – Utah Nonbusiness Income Net of Direct Related Expenses**

Subtract line 4 from line 2.

**Line 6 – Beginning-of-Year Assets**

Enter the total beginning-of-year value of assets used to produce Utah nonbusiness income in column A. Enter the beginning-of-year value of the corporation's total assets in column B. All assets, including Utah assets, should be included in column B.

**Line 7 – End-of-Year Assets**

Enter the end-of-year value of assets used to produce Utah nonbusiness income in column A. Enter the end-of-year value of the corporation's total assets in column B. All assets, including Utah assets, should be included in column B.

**Line 8 – Sum of Beginning- and End-of-Year Asset Values**

Add lines 6 and 7 for each respective column.

**Line 9 – Average Asset Values**

Line 8 divided by 2 for each column.

**Line 10 – Utah Nonbusiness Asset Ratio**

Line 9, column A, divided by line 9, column B.

**Line 11 – Interest Expense**

Enter the total amount of interest deducted in computing Utah taxable income.

**Line 12 – Indirect Related Expenses for Utah Nonbusiness Income**

Multiply line 10 by line 11.

**Line 13 – Total Utah Nonbusiness Income Net of Expenses**

Subtract line 12 from line 5. Enter amount here and on Schedule A, line 5a.

## **Non-Utah Nonbusiness Income**

**Lines 14a-14d – Non-Utah Nonbusiness Income**

Complete each column with the information required and show the gross non-Utah nonbusiness income from each class of income being specifically allocated. Use additional pages, if necessary, to provide complete information about additional sources of non-Utah nonbusiness income.

**Line 15 – Total Non-Utah Nonbusiness Income**

Add lines 14a through 14d.

**Lines 16a-16d – Direct Related Expenses**

Describe and enter amounts of direct expenses on the same letter line as the corresponding non-Utah nonbusiness income listed on lines 14a through 14d. Direct related expenses include wages, interest, depreciation, etc. (UC §59-7-101(19))

**Line 17 – Total Direct Related Expenses**

Enter the sum of direct related expenses by adding lines 16a through 16d.

**Line 18 – Non-Utah Nonbusiness Income Net of Direct Related Expenses**

Subtract line 17 from line 15.

**Line 19 – Beginning-of-Year Assets**

Enter the total beginning-of-year value of assets used to produce non-Utah nonbusiness income in column A. Enter the beginning-of-year value of the corporation's total assets in column B. All assets, including Utah assets, should be included in column B.

**Line 20 – End-of-Year Assets**

Enter the end-of-year value of assets used to produce non-Utah nonbusiness income in column A. Enter the end-of-year value of the corporation's total assets in column B. All assets, including Utah assets, should be included in column B.

**Line 21 – Sum of Beginning- and End-of-Year Asset Values**

Add lines 19 and 20 for each respective column.

**Line 22 – Average Asset Values**

Line 21 divided by 2 for each column.

**Line 23 – Non-Utah Nonbusiness Asset Ratio**

Line 22, column A divided by line 22, column B.

**Line 24 – Interest Expense**

Enter the total amount of interest deducted in computing Utah taxable income.

**Line 25 – Indirect Related Expenses for Non-Utah Nonbusiness Income**

Multiply line 23 by line 24.

**Line 26 – Total Non-Utah Nonbusiness Income Net of Expenses**

Subtract line 25 from line 18. Enter amount here and on Schedule A, line 5b.

# Instructions for Schedule J – Apportionment Schedule

Determine the apportionment fraction (decimal) by completing this schedule. The factors express a ratio for tangible property in Utah, for wages and salaries in Utah, and for sales in Utah. These factors are added together and divided by the number of factors present (typically 3) to arrive at the Utah apportionment fraction calculated to **six decimals**. This fraction is to be applied to the apportionable income (or loss) on Schedule A to arrive at the amount of income (or loss) apportioned to Utah. In cases where one or more of the factors is omitted due to peculiar aspects of the business operations, divide by the number of factors present.

For taxable years beginning after 2005, an election may be made to double weight the sales factor in the apportionment calculation. The election, once made, is irrevocable and must be used for five taxable years. The election is made by entering an “X” in the box on line 9 and completing lines 10 through 12 on Schedule J.

Income or loss from partnership or joint venture interests must be included in income and apportioned to Utah through application of the three-factor formula consisting of property, payroll and sales.

For apportionment purposes, the portion of partnership or joint venture property, payroll and sales to be included in the corporation’s property, payroll and sales factors must be computed on the basis of the corporation’s ownership interest in the partnership or joint venture.

Briefly describe the nature and location(s) of your Utah business activities in the space provided at the top of this schedule.

## Lines 1a - 1f – Property Factor

Show the average cost value during the taxable year of real and tangible personal property used in the business within Utah (including leased property) in column A and overall (including Utah) in column B.

Property owned by the corporation is valued at its original cost. Property rented by the corporation is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the corporation less the annual rate received by the corporation from subrentals.

The average value of property must be determined by averaging the cost values at the beginning and end of the tax period. However, monthly values may be used or required if monthly averaging more clearly reflects the average value of the corporation’s property.

A supporting schedule should be attached whenever monthly averaging is used.

Enter totals of lines 1a through 1e in their respective columns on line 1f.

## Line 2 – Property Factor Calculation

Determine the property factor (decimal) by dividing line 1f column A by line 1f column B.

## Line 3 – Payroll Factor

Wages, salaries, commissions and other includable compensation paid to employees for personal services must be included in the Utah factor to the extent the services, for which the compensation was paid, were rendered in Utah.

Compensation is paid in Utah if:

1. The individual’s service is performed entirely within Utah;
2. The individual’s service is performed both within and outside Utah, but the service performed outside Utah is incidental to the individual’s service within Utah; or
3. Some of the service is performed in Utah and:
  - a. The base of operations or, if there is no base of operations the place where the service is directed or controlled, is within Utah, or
  - b. The base of operations or the place where the service is directed or controlled is not in any state where some part of the service is performed, but the individual’s residence is in Utah.

Amounts reportable for employment security purposes may ordinarily be used to determine the wage factor.

Overall wages, including Utah, are listed in column B.

## Line 4 – Payroll Factor Calculation

Determine the payroll factor (decimal) by dividing line 3a column A by line 3a column B.

## Lines 5a - 5h – Sales Factor

The sales factor is the fraction the sales or charges for services within Utah for the taxable year bear to the overall sales for the taxable year. Gross receipts from the performance of services are in Utah to the extent the services are performed in Utah.

Sales of tangible personal property are in Utah if the property is delivered or shipped to a purchaser within Utah regardless of the F.O.B. point or other conditions of the sale, or if the property is shipped from an office, store, warehouse, factory or other place of storage in Utah and: (1) the purchaser is the United States Government, or (2) the corporation is not taxable in the state of the purchaser.

Overall sales, including Utah, are listed in column B.

**Nexus definition:** The jurisdictional link that must be present before a state may tax a corporation upon its activities within a state’s borders.

**NOTE:** Exception to the above method for securities brokerage businesses can be found in UC §59-7-319(3).

Enter totals of lines 5a through 5g in their respective columns on line 5h.

## Line 6 – Sales Factor Calculation

Determine the sales factor (decimal) by dividing line 5h column A by line 5h column B.

## Equally-Weighted Three Factor Formula

If you *are not* electing the double-weighted sales factor (see lines 9 through 12 below), complete lines 7 and 8. If you are electing the double-weighted sales factor, leave lines 7 and 8 blank.

### Line 7 – Total Factors

Enter the sum of the factors from lines 2, 4 and 6.

### Line 8 – Apportionment Fraction

Calculate the apportionment fraction to six decimals by dividing line 7 by the number of factors used (typically 3 – property, payroll and sales). If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 1f, 3a or 5h in column B), divide by the number of factors present. If the numerator is zero, but a denominator is present, include that factor in the number of factors present. Enter the apportionment fraction (decimal) here and on Schedule A, line 9, if not electing the double-weighted sales factor below.

## Double-Weighted Sales Factor Election

You may elect to give double-weight to the sales factor in the apportionment calculation. The double-weighted sales factor election is irrevocable and must be used for five years. If you elect this calculation, enter an “X” in the box on line 9 and complete lines 10 through 12.

### Line 9 – Making the Election

Enter an “X” in the box on line 9 if you elect the double-weighted sales factor.

### Line 10 – Doubled Sales Factor

Multiply the sales factor (decimal) from line 6 above by 2. This will result in the sales factor being considered twice in the calculation.

### Line 11 – Total Factors

Enter the sum of the factors from lines 2, 4 and 10.

### Line 12 – Elected Apportionment Fraction

Calculate the elected, double-weighted sales factor apportionment fraction to six decimals by dividing line 11 by the number of factors used (typically 4 – property, payroll and two times the sales factor). If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 1f or 3a in column B), divide by the number of factors present (allowing two factors for sales). If the numerator is zero, but a denominator is present, include that factor in the number of factors present. Enter the apportionment fraction (decimal) here and on Schedule A, line 9.

## Specialized Apportionment Rules

Specialized apportionment rules apply for:

- Trucking Companies (R865-6F-19)
- Railroads (R865-6F-29)
- Publishing Companies (R865-6F-31)
- Financial Institutions (R865-6F-32)
- Telecommunication (R865-6F-33)

## Instructions for Schedule M – Corporations Included in Combined Filings

Any corporation filing a combined report must complete Schedule M if one or more of the subsidiaries or affiliated corporations is incorporated, qualified, or doing business in Utah. Federal schedules are not acceptable as substitutes.

Use of any other form as a substitute for Schedule M is only acceptable with prior approval from the Tax Commission. Refer to Pub 99, Guidelines for Substitute and Copied Utah Tax Forms.

List only corporations incorporated, qualified or doing business in Utah. Corporations not listed on Schedule M will not be considered to have met the Utah filing requirements.

### Line 5 – Minimum Tax

Multiply the number of corporations (including the parent corporation if incorporated, qualified or doing business in Utah) listed on Schedule M by \$100 (the minimum tax). Also, enter this amount on Schedule A, line 15b.

## Common Return Errors

1. **Losses applied incorrectly** – For tax years beginning on or after Jan. 1, 1994, if an election is made to forego the federal net operating loss carryback, a similar election is considered to be made for Utah purposes, unless the taxpayer makes a specific election to carryback the Utah loss. Losses may be carried forward for 15 taxable years. See the instructions for Schedule A, lines 12 and 13.
2. **Unitary businesses not filing a combined report** – Groups of corporations that are engaged in an integrated unitary business must file on a combined basis. See instructions on page 4.
3. **Utah sales factor** – Out-of-state corporations qualified in Utah, but not doing business in Utah are required to file a corporate return paying the minimum tax. However, sales into Utah are not required to be included in the gross receipts numerator, except as provided under Utah Rule R865-6F-24. Conversely, corporations making sales from Utah into a state where they are qualified but not doing business are required to include such sales in the Utah gross receipts numerator as throwback sales, except as provided under Utah Rule R865-6F-24.
4. **Net capital losses may not be carried back** – Capital losses may be deducted in full in the year incurred or may be carried forward. See UC 59-7-106(2).
5. **Dissolution or withdrawal** – Corporations no longer in business or no longer doing business in Utah are required to legally dissolve or withdraw the corporation. See instructions on page 1.
6. **Nonrefundable and refundable credit codes** – Use the two-digit codes provided in the instructions, not the UC reference.



### Please compile your return in the following order:

1. Utah form TC-20
2. Utah schedules A through M (if required) in alphabetical order
3. Federal extension form, if applicable
4. First four pages of the federal return (plus Form 1120, Schedule M-3, if applicable)
5. Other supporting documentation