

ALABAMA DEPARTMENT OF REVENUE Corporation Income Tax Return

For the year January 1 - December 31, 2002, or other tax year beginning _____, 2002, ending _____

Check applicable box: Initial return, Final return, Amended return, Address change. FEDERAL BUSINESS CODE NUMBER, FEDERAL EMPLOYER IDENTIFICATION NUMBER, NAME, ADDRESS, CITY, STATE, COUNTRY, 9-DIGIT ZIP CODE, STATE OF INCORPORATION, DATE OF INCORPORATION, DATE QUALIFIED IN ALABAMA, NATURE OF BUSINESS IN ALABAMA, Does this company file as part of a consolidated Federal return?, Will this corporation file as an S Corporation with the IRS next year?, Was federal form 1120-REIT filed?, Is 7004 Attached?

- Filing Status: (see instructions)
1. Corporation operating only in Alabama.
2. Multistate Corporation - Apportionment (Sch. D-1).
3. Multistate Corporation - Percentage of Sales (Sch. D-2).
4. Multistate Corporation - Separate Accounting (Prior written approval required).
5. Alabama Consolidated Return. (Caution: see instructions)

ATTACH CHECK OR MONEY ORDER HERE

1 FEDERAL TAXABLE INCOME
2 Federal Net Operating Loss (included in line 1)
3 Reconciliation adjustments (from line 27, Schedule A)
4 Federal taxable income adjusted to Alabama Basis (add lines 1, 2 and 3)
5 Net nonbusiness (income)/loss (from Schedule C)
6 Apportionable income (add lines 4 and 5)
7 Alabama apportionment factor (from line 26, Schedule D-1)
8 Income apportioned to Alabama (multiply line 6 by line 7)
9 Net nonbusiness income/(loss) (from Column F, Schedule C)
10 Alabama income before federal income tax deduction (line 8 plus line 9)
11 Federal income tax deduction/(refund) (from line 7, Schedule E)
12 Alabama income before net operating loss (NOL) carryforward (line 10 less line 11)
13 Alabama NOL deduction (see instructions)
14 Alabama taxable income (line 12 less line 13)
15 Alabama Income Tax:
a Income Tax (6.5% of line 14 or Schedule D-2, line 4)
b Consolidated Filing Fee (Schedule G)
c Total Tax (add lines 15a and 15b)
16 Tax Payments, Credits, and Deferral:
a Carryover from prior year (2001)
b 2002 estimated tax payments
c Payments made with extension (Form 20E)
d Payments prior to adjustment
e Credits (from line 7, Schedule F)
f LIFO Reserve Tax Deferral (see instructions)
g Total Payments, Credits, and Deferral (add lines 16a through 16f)
17 Reductions/applications of overpayments
a Credit to 2003 estimated tax
b Penny Trust Fund
c Penalty due (late filing and/or late payment) (see instructions)
d Interest due (tax due only)
e Total reductions (total lines 17a, b, c and d)
18 Total amount due/(refund) (line 15c less 16g, plus 17e)
19 Amount remitted with this return
a If payment made through Electronic Funds Transfer, check this box

Table with columns for line numbers and values. Includes a box: UNLESS A COPY OF THE FEDERAL RETURN IS ATTACHED, THIS RETURN WILL BE CONSIDERED INCOMPLETE

I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements and, to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here: Your signature, Title, Date. Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's social security no., Firm's name (or yours, if self-employed) and address, E.I. No., ZIP Code.

Schedule C

Allocation of Nonbusiness Income, Loss, and Expense – Use only if you checked Filing Status 2, page 1

Identify by account name and amount, all items of nonbusiness income, loss and expense removed from apportionable income and those items which are directly allocable to Alabama. **Adjustment(s) must also be made for any proration of expenses under Alabama Income Tax Rule 810-27-1-4-.01(d)**, which states, "Any allowable deduction that is applicable to both business and nonbusiness income of the taxpayer shall be prorated to each class of income in determining income subject to tax as provided..." (See instructions.)

DIRECTLY ALLOCABLE ITEMS OF NONBUSINESS INCOME OR LOSS	ALLOCABLE GROSS INCOME / LOSS		RELATED EXPENSE		NET OF RELATED EXPENSE		
	Column A Everywhere	Column B Alabama	Column C Everywhere	Column D Alabama	Column E Everywhere	Column F Alabama	
1a							
b							
c							
d							
e							
2 NET NONBUSINESS INCOME / LOSS	Enter Column E total ((income)/loss) on line 5 of page 1. Enter Column F total (income/(loss)) on line 9 of page 1					Column E	Column F

Schedule D-1

Apportionment Factor – Use only if you checked Filing Status 2, page 1

TANGIBLE PROPERTY AT COST FOR PRODUCTION OF BUSINESS INCOME	ALABAMA		EVERYWHERE	
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR
1 Inventories				
2 Land				
3 Furniture and fixtures				
4 Machinery and equipment				
5 Buildings and leasehold improvements				
6 IDB/IRB property (at cost)				
7 Government property (at FMV)				
8				
9 Less Construction in progress (if included)				
10 Totals				
11 Average owned property (BOY + EOY ÷ 2)				
12 Annual rental expense		x8 =		x8 =
13 Total average property (add line 11 and line 12)		13a		13b
14 Alabama property factor — 13a ÷ 13b = line 14				14 ▶ %

SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION RELATED TO THE PRODUCTION OF BUSINESS INCOME	15a	ALABAMA	15b	EVERYWHERE	15c
					▶ %
15 Alabama payroll factor — 15a ÷ 15b = 15c					▶ %
SALES					
	ALABAMA	EVERYWHERE			
16 Destination sales (see instructions)					
17 Origin sales (see instructions)					
18 Total gross receipts from sales					
19 Dividends					
20 Interest					
21 Rents					
22 Royalties					
23 Gross proceeds from capital and ordinary gains					
24 Other (Federal 1120, line _____)					
25 Alabama sales factor — 25a ÷ 25b = line 25c	25a		25b		25c ▶ %
26 Sum of lines 14, 15c, and 25c ÷ 3 = ALABAMA APPORTIONMENT FACTOR (Enter here and on line 7, page 1)					26 ▶ %

Schedule D-2

Percentage of Sales – Use only if you checked Filing Status 3, page 1 – See instructions

DO NOT USE THIS SCHEDULE IF ALABAMA SALES EXCEED \$100,000.

	ALABAMA	EVERYWHERE
1 Destination Sales		
2 Origin Sales		
3 Total gross receipts from sales		
4 Tax due (multiply line 3, Alabama by .0025) (enter here and on page 1, line 15a)		

Schedule E

Federal Income Tax

- (a) If this corporation is an accrual-basis taxpayer and files a separate (nonconsolidated) federal income tax return with the IRS, enter on line 1 below the amount of federal income tax liability shown on Form 1120. Cash-basis taxpayers filing separate (nonconsolidated) federal returns should enter on line 1 below the amount of federal income tax actually paid during the year.
- (b) If this corporation is a member of an affiliated group which files a

consolidated federal return, indicate the number of the election made under IRC §1552.
 1552(a)(1) 1552(a)(2) 1552(a)(3)
 No Election Made Other _____
Attach a copy of the common parent corporation's current 1552 election letter.
 Enter on line 1 the amount of the consolidated tax liability allocated to this corporation under the method indicated above. Ignore any supplemental elections under IRC §1502. **Attach a schedule of your computations.**

1	Federal income tax deduction to be apportioned..... ▶	1	
2	Alabama income (from line 10, page 1).....	2	
3	Adjusted total income (from line 4, page 1).....	3	
4	Federal income tax apportionment factor (line 2 divided by line 3).....	4	%
5	Federal income tax deduction apportioned to Alabama (multiply line 1 by line 4).....	5	
6	Refund of federal income tax deducted in prior year(s) (see instructions).....	6	
7	NET FEDERAL INCOME TAX DEDUCTION / (REFUND) (subtract line 6 from line 5). Enter here and on line 11, page 1..... ▶	7	

Schedule F

Credits/Exemptions Caution – See Instructions

1	Alabama Enterprise Zone Credit/Exemptions.....	1	
2	Employer Education Credit.....	2	
3	Income Tax Credit.....	3	
4	Tax Increment Fund Payment Credit.....	4	
5	Coal Tax Credit.....	5	
6	Capital Tax Credit (Project Number(s) _____, _____).....	6	
7	TOTAL (add lines 1 through 6). Enter here and on line 16e, page 1.....	7	

Schedule G

Consolidated Filing Fee

Other Information

Complete this schedule if the corporation has elected to file a consolidated return for Alabama. The election is made by filing Form 20C-CRE on or before the due date of the return, including extensions, for the first taxable year for which the election is made.

For tax periods beginning after December 31, 1998, an Alabama affiliated group may elect to file an Alabama consolidated return. Refer to §40-18-39(c)(1), **Code of Alabama 1975**. (See instructions.)

Mark the appropriate box below:

Total Assets of

Affiliated Group

Annual Fee

\$0 to \$2,500,000	\$5,000	<input type="checkbox"/>
\$2,500,001 to \$5,000,000	\$10,000	<input type="checkbox"/>
\$5,000,001 to \$7,500,000	\$15,000	<input type="checkbox"/>
\$7,500,001 to \$10,000,000	\$20,000	<input type="checkbox"/>
\$10,000,001 and over	\$25,000	<input type="checkbox"/>

Consolidated Filing Fee. (Enter here and on Line 15b, page 1) _____

(Note: Total assets are those assets indicated on page one of the Federal Form 1120.)

If this entity filed an Alabama Business Privilege tax return under a different FEIN than the one listed on this Form 20C, please enter that number here:

- Briefly describe your Alabama operations. _____
- List locations of property within Alabama (cities and counties).

- List other states in which corporation operates, if applicable. _____
- Indicate your tax accounting method:
 Accrual Cash Other _____
- If this corporation is a member of an affiliated group which files a consolidated federal return, the following information **must be provided**:
 (a) Copy of Federal Form 851, Affiliations Schedule. Identify by asterisk or underline the names of those corporations subject to tax in Alabama.
 (b) Copy of the spreadsheet of the income statements for EVERY corporation in the consolidated group.
 (c) Copy of consolidated Federal Form 1120, pages 1-4, as filed with the IRS.
- Enter this corporation's federal net income (shown on line 28 of Federal Form 1120) for the last three (3) years, as last determined (e.g.: per amended federal return or IRS audit).
 2001 _____ 2000 _____ 1999 _____
- (a) Are you currently being audited by the IRS? Yes No
- Location of the corporate records:
 Street address: _____
 City: _____ State: _____ ZIP: _____
- Person to contact for information concerning this return:
 Name: _____
 Telephone: (_____) _____

Mail to: Alabama Department of Revenue
 Individual and Corporate Tax Division
 Corporate Tax Section
 PO Box 327430
 Montgomery, AL 36132-7430