

Form: 20C

Test Number: 3

Company Name: 20C Test 3

Filing Type: 2 – Multistate Corp, Calendar Year Filer

Items for testing:

1. Address change checkbox
2. Tax payments, credits & deferral section on page 1
3. Amount due/electronic payment with return
4. Schedule A
5. Schedule BC
6. Schedule D-1 – Apportionment Schedule
7. Schedule E



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**, 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						Column E	Column F
Enter Column E total ((income)/loss) on line 5 of page 1. Enter Column F total (income/(loss)) on line 9 of page 1						●	

Schedule D-1 Apportionment Factor Schedule – Use only if you checked Filing Status 2, page 1 – Amounts must be Positive (+) Values

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	● 15,000	17,000	700,000	750,000
2 Land	● 7,000	10,000	15,000	20,000
3 Furniture and fixtures	● 900	1,000	1,200	1,300
4 Machinery and equipment	● 1,000	1,500	5,000	5,500
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	● 23,900	29,500	721,200	776,800
11 Average owned property (BOY + EOY ÷ 2)		● 26,700		● 749,000
12 Annual rental expense	● 500 x8 =	4,000	5,000 x8 =	40,000
13 Total average property (add line 11 and line 12)		13a ● 30,700		13b ● 789,000
14 Alabama property factor — 13a ÷ 13b = line 14				14 ● 3.8910 %
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	●		90,000	0.0000 %
SALES		ALABAMA	EVERYWHERE	
16 Destination sales (see instructions)	●			
17 Origin sales (see instructions)	●			
18 Total gross receipts from sales	●			
19 Dividends	●			
20 Interest	●	12,000	15,000	
21 Rents	●			
22 Royalties	●	9,000	10,000	
23 Gross proceeds from capital and ordinary gains	●	500	700	
24 Other ● (Federal 1120, line ●)	●			
25 Alabama sales factor — 25a ÷ 25b = line 25c	25a ●	21,500	25b 25,700	25c 83.6576 %
26 Alabama sales factor (Enter the same factor as on line 25c)				26 ● 83.6576 %
27 Sum of lines 14, 15c, 25c, and 26 ÷ 4 = ALABAMA APPORTIONMENT FACTOR (Enter here and on line 7, page 1)				27 ● 42.8016 %

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 15)	●		



Schedule E Federal Income Tax (FIT) Deduction/(Refund)

(a) If this corporation is an accrual-basis taxpayer and files a separate (nonconsolidated) federal income tax return with the IRS, skip to line 6 and enter the amount of federal income tax liability shown on Form 1120. Cash-basis taxpayers filing separate (nonconsolidated) federal returns should enter on line 6 below the amount of federal income tax actually paid during the year.

(b) Methods 1552(a)(1) or 1552(a)(2), enter on line 6 the amount of the consolidated tax liability allocated to this corporation from line 5.

(c) If using Method 1552(a)(3), enter on line 6 the amount of the consolidated tax allocated to this corporation. Attach a schedule of your computations. Ignore any supplemental elections under IRC §1502.

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 _____

1552(a)(1) enter separate company income from line 30 of the proforma 1120 for this company on line 1.

1552(a)(2) enter separate company tax liability from line 31 of the proforma 1120 for this company on line 1.

1	This company's separate federal taxable (income/tax)	1	•	
2	Total positive consolidated federal taxable (income/tax)	2	•	
3	This company's percentage (divide line 1 by line 2)	3	•	%
4	Consolidated federal income tax (liability/payment)	4	•	
5	Federal income tax for this company (multiply line 3 by line 4)	5	•	
6	Federal income tax to be apportioned	6	•	20,000,000
7	Alabama income, page 1, line 10	7	•	40,667,534
8	Adjusted total income, page 1, line 4	8	•	95,014,050
9	Federal income tax ratio (divide line 7 by line 8)	9	•	42.8016 %
10	Federal income tax apportioned to Alabama (multiply line 6 by line 9)	10	•	8,560,320
11	Less refunds or adjustments	11	•	
12	Net federal income tax deduction / <refund>	12	•	8,560,320

Schedule F Credits/Exemptions *Caution – See Schedule BC* **Schedule BC must be attached to claim business credit(s)**

1	Capital Tax Credit	1	•	7,000
2	Alabama New Market Development Act	2	•	2,000
3	Alabama Accountability Act	3	•	100,000
4	Other Credits	4	•	427,000
5	TOTAL (add lines 1 through 4). Enter here and on line 16f, page 1	5	•	536,000

Other Information

- Briefly describe your Alabama operations. • Pecan Shelling and Supplies
- List locations of property within Alabama (cities and counties). • Montgomery, AL
- List other states in which corporation operates, if applicable. • FL, GA, MS
- 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) **Signed copy of consolidated Federal Form 1120, pages 1-5,** as filed with the IRS.
 (c) **Copy of the spreadsheet of income statements; all supporting schedules for all legal entities that file as part of the consolidated federal group** including (but not limited to) a copy of the spreadsheet of income statements (which includes a separate column that identifies the eliminations and adjustments used in completing the federal consolidated return), beginning and ending balance sheets, Schedule M-3 for the entire federal consolidated group.
 (d) **Copy of federal Schedule K-1** for each tax entity that the corporation holds an interest in at any time during the taxable year.
 (e) **Copy of federal Schedule(s) UTP.**
- Enter this corporation's federal net income (see instructions for page 1, line 1) for the last three (3) years, as last determined (e.g.: per amended federal return or IRS audit).
 2012 • 784,111 2011 • 874,197,841 2010 • 115,411
- Check if currently being audited by the IRS. •
- Location of the corporate records: Street address: • 579 Pecan Orchard Lane
 City: • Montgomery State: • AL ZIP: • 36108
- Person to contact for information concerning this return:
 Name: • W.F. Adams Email Address: • wfadams@email.com Telephone: • (334) 555-5555
- 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: • _____

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

Payment returns, mail with payment voucher (Form BIT-V) to: Alabama Department of Revenue
 Individual and Corporate Tax Division
 Corporate Tax Section
 PO Box 327435
 Montgomery, AL 36132-7435



Business Credits
ATTACH TO FORM 20C OR ET-1

NAME(S) AS SHOWN ON FORM 20C OR ET-1 W.F. Pecan Shelling and Supplies	FEDERAL EMPLOYER IDENTIFICATION NUMBER
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PART A – Capital Credit

You must attach Form AR and Form K-RCC to your Alabama return.

1 Enter your Project Number(s) assigned by the Alabama Department of Revenue	1a ●	100		
	1b ●	101		
	1c ●	102		
	1d ●	103		
	1e ●	104		
	1f ●	105		
	1g ●	106		
2 Name(s) of the project entity entitled to the Capital Credit: <u>W.F. Pecan Sheling and Supplies</u>				
3 Enter tax due from Form 20C, page 1, line 15 or Form ET-1, page 1, line 32	3	2,086,969		
4 Enter Capital Credit available from Schedule K-RCC, line 7 here and on Form 20C, page 4 Schedule F, line 1 or Form ET-1, page 2, Schedule G, line 1				
	4 ●		7,000	

PART B – Alabama New Markets Development Credit

You must attach your approved certification notice issued by the Alabama Development Office.

1 CREDIT ALLOWABLE. Enter the amount from Notice of Certification here and on Form 20C, page 4, Schedule F, line 2 or Form ET-1, page 2, Schedule G, line 2	1 ●			
			2,000	

PART C – Alabama Accountability Tax Credit

1 Name of Scholarship Granting Organization: <u>Catholic High School</u>				
2 Address of Scholarship Granting Organization: <u>111 Adams Avenue, Montgomery AL 36104</u>				
3 Amount contributed for scholarship(s)	3	100,000		
4 Enter the tax from Form 20C, page 1, line 15	4	2,086,969		
5 Multiply line 4 by 50% (.50)	5	1,043,495		
6 CREDIT ALLOWABLE. Enter the lesser of line 3 or line 5 here and on Form 20C, page 4, Schedule F, line 3				
	6 ●		100,000	
7 Credit carryforward. If line 3 is larger than line 5 then subtract line 5 from line 3				
	7	943,495		

OTHER CREDITS

PART D – Alabama Enterprise Zone Act Credit

1 CREDIT ALLOWABLE. Enter the amount from Schedule EZK1, Part II, page 2, line 13, or Schedule EZ, Part IV, page 2, line 13	1 ●			
			10,000	

PART E – Basic Skills Education Credit

You must attach your approved certification notice issued by the Alabama Department of Education.

1 Enter your assigned Department of Education Certification Number	1	11,001		
2 Name of employer/firm sponsoring the education program <u>Education, Inc.</u>				
3 Name of approved provider <u>ABC Learning Center</u>				
Address of approved provider <u>567 Dexter Avenue, Montgomery AL 36104</u>				
4 Were all participants for whom you are claiming a tax credit continuously employed by you for at least 16 weeks?				
			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
5 If the answer to line 4 is yes, did employee(s) work at least 24 hours each week?				
			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
6 If the answer to lines 4 and 5 above is yes, enter the total expenses available for credit (see instructions)				
	6	50,000		
7 Total maximum credit available. Multiply line 6 by 20% (.20)				
	7	10,000		
8 Tax due Alabama from Form 20C, page 1, line 15				
	8	2,086,969		
9 CREDIT ALLOWABLE. Enter the lesser of line 7 or line 8				
	9 ●		10,000	

PART F – Income Tax Credit

1 CREDIT ALLOWABLE. Enter the lesser of the tax due on Form 20C, page 1, line 15 or Form ET-1, page 1, line 32 or the amount paid pursuant to the financing agreement, corresponding to debt service on the project obligations.	1 ●			
			15,000	

PART G – Tax Increment Fund Payment Credit

1 CREDIT ALLOWABLE. Enter the lesser of the tax due on Form 20C, page 1, line 15 or the amount (exclusive of job development fees) paid into the tax increment funds	1 ●			
			100,000	

PART H – Coal Credit

1 CREDIT ALLOWABLE. Enter the amount of coal credit available	1 ●			
			25,000	



PART I – Capital Docks Credit

You must attach Form AR and Form K-RCC to your Alabama return.

1 Enter your Project Number(s) assigned by the Alabama Department of Revenue	1a ●	200		
	1b ●	201		
	1c ●	202		
	1d ●	203		
	1e ●	204		
	1f ●	205		
	1g ●	206		
2 Name of the project entity entitled to the Capital Docks Credit: <u>W.F. Pecan Shelling and Supplies</u>				
3 Enter tax due from Form 20C, page 1, line 15	3 ●	2,086,969		
4 Enter Capital Docks Credit available from Schedule K-RCC, line 7	4 ●		150,000	

PART J – Entertainment Industry Incentive Act of 2009

1 CREDIT ALLOWABLE. Enter the amount of the entertainment industry credit available	1		100,000	
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PART K – Full Employment Act of 2011 Credit

1 Number of full time employees on 12-31-2012	1	4		
2 Number of full time employees on 12-31-2011	2	3		
3 Subtract line 2 from line 1.	3	1		
4 Number of qualifying employees you are claiming credit	4	4		
5 CREDIT ALLOWABLE. Multiply line 4 by \$1,000.00. Enter the amount	5 ●		4,000	

PART L – Heroes For Hire Tax Credit Act

Employee Credit

1 Number of recently deployed unemployed veterans included in line 4, Part K	1	1		
2 CREDIT ALLOWABLE. Multiply line 1 by \$1,000.00. Enter the amount	2 ●		1,000	

PART M – Heroes For Hire Tax Credit Act

Business Start-up Expenses Credit

1 Name <u>Luke's Lawn Service</u>				
2 Enter your business ID number	2	63-1234567		
3 Enter total amount of business start-up expenses.	3	10,000		
4 Maximum credit	4	\$2,000	00	
5 CREDIT ALLOWABLE. Enter the lesser of line 3 or line 4	5 ●		2,000	

PART N – Irrigation/Reservoir System Credit

1 Purchase cost and installation costs of irrigation system	1	500,000		
2 Conversion costs to convert from fuel to electricity	2	1,000,000		
3 Add lines 1 and 2.	3	1,500,000		
4 Multiply line 3 by 20% (.20)	4	300,000		
5 Cost of irrigation equipment	5			
6 Cost of construction reservoir	6			
7 Add lines 5 and 6.	7			
8 Multiply line 7 by 20% (.20)	8			
9 Enter the amount from line 4 or line 8	9	300,000		
10 Maximum credit	10	\$10,000	00	
11 CREDIT ALLOWABLE. Enter the lesser of line 9 or line 10	11 ●		10,000	

PART O – Summary

1 *TOTAL CREDITS ALLOWABLE. Add Part D, Part E, line 9, Part F, Part G, Part H, Part I, line 4, Part J, Part K, line 5, Part L, line 2, Part M, line 5, and Part N, line 11. Enter the total here and on Form 20C, page 4, Schedule F, line 5 or Form ET-1, page 2, Schedule G, line 4.	1 ●		427,000	
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*The total of all credits claimed cannot exceed the tax due per Form 20C, page 1, line 15 or Form ET-1, page 1, line 32. However, the Entertainment Industry Incentive act of 2009 rebate may exceed the tax and is refundable.