Form 512-S Test Scenario 3

Tree Fixr Upper, Inc. 11-0000009

Test Scenario 3 uses the Federal Form 1120S Test Scenario 6.

Deviations from Test Package Federal form 1120S:

- 1120S, page 1: Change the Federal Employer Identification Number to 11-0000009.

- 1120S, page 1: Change the corporation's City, State and Zip to:
  Oklahoma City OK 73110

- 1120S – Schedule K: Number of Shareholders changed from one to three.

  Shareholder Information:

	Name & Address	SSN	Shareholder's %
1.	Rose B Trim 57 Any Street Anytown PA 17201	514-06-0014	40%
2.	Bobby Sue 98 Backstreet Hot Springs AR 33121	514-06-0015	30%
3.	Billy Bob Trim 78 Boo Street Shawnee OK 73132	514-06-0016	30%

Form Required: 512-S

Binary Attachments: Signed Form 512-SA for Rose B Trim. (Form must contain hand-written signature)
Form 504

Misc. Additional Information –

- The area code for the corporation's phone number is 405.
- Incorporated under the laws of – Oklahoma.
- An extension payment of $3,000 was made.
- The interest income is reported as 'other interest income' in Part 3.
- The partnership loss was not from a partnership doing business in Oklahoma.
- No underpayment of estimated interest (Form OW-8-P) is due. Tax year 2013 tax liability was zero.

Form 512-S Test Scenario 3

Tree Fixr Upper, Inc. 11-0000009

Information needed to complete the **Apportionment Formula, Column A** -

- Inventories – 26,276,810
- Depreciable property = 12,762,589
- Rented property (capitalized) = 21,732,126
- Payroll = 77,631,482
- Officer's salaries = 4,575,125
- Sales shipped to Oklahoma from within Oklahoma = 336,891,527
- Sales shipped from Oklahoma to purchasers where the corporation is not taxable = 76,832,961

Information needed to complete **Part 6: Additional Information** –

- The location of principal accounting records is the paid preparers address.
- The Internal Revenue Service has not redetermined the company's tax liability for any prior year.
- The statute of limitations was not extended by consent for any prior year.
- The business name is the same as on the tax return.
- The principal location in Oklahoma is the same as on the tax return.
- The date business began in Oklahoma was 11/19/1957.

Additional Schedule: UnallowableDeductionAddSch (Form 512S, Part 4, Line 2b)

ScheduleName - Unallowable Deduction

Charitable contributions	500,000
TOTAL	**500,000**

Form 512-S
2015

OKLAHOMA SMALL BUSINESS CORPORATION INCOME TAX RETURN

This form must be filed on or before the 15th day of the third month after the close of the taxable year.

For the year January 1 - December 31, 2015, or other taxable year
beginning: , 2015 ending: ,

AMENDED RETURN! If this is an Amended Return place an 'X' here →

Corporate Name: TREE FIXR UPPER, INC

Street Address: 39 ANY STREET

City, State or Province, Country and ZIP or Foreign Postal Code: OKLAHOMA CITY OK 73110

Telephone Number and Area Code: 405-555-1212

Date of Incorporation: 11/19/1957

Under the Laws of: OKLAHOMA

Federal Employer Identification Number: 11-0000009

Business Code Number: 541320

Type of Business: ARCHITECTURE

If this is a final return, place an 'X' here:

The Oklahoma Tax Commission is not required to give actual notice to taxpayers of changes in any state tax law.

Part 1: Tax Computation Schedule for Nonresident Shareholders Who Do Not File Form 512-SA and for a Corporation Claiming the Refundable Credits from Form 577 or 578.

1a	Nonresident share of income from Page 4, Part 5, line 14	1a	60,677 00		
1b	Nonresident share of deductions (see instructions)	1b	00		
1	Nonresident share of taxable income (line 1a minus line 1b)			1	60,677 00
2	Tax: 6% of line 1			2	3,641 00
3	Other Credits Form (see instructions) (enclose Form 511CR)			3	00
4	Balance of tax due (line 2 minus line 3, but not less than zero)			4	3,641 00
5	2015 Oklahoma estimated tax payments (i.e. Form(s) OW-8-ESC)	5	00		
6	Amount paid with extension request	6	3,000 00		
7	Okla. withholding (enclose Form 1099, 500-A, 500-B or other withholding statement)	7	00		
8	Refundable Credits from Form a) ☐ 577 b) ☐ 578	8	00		
9	Amount paid with original return and amount paid after it was filed (amended return only)	9	00		
10	Any refunds or overpayment applied (amended return only)	10	( ) 00		
11	Total of lines 5 through 10			11	3,000 00
12	Overpayment (line 11 minus line 4)			12	00
13	Amount of line 12 to be credited to 2016 estimated tax **(original return only)**	13	00		

Line 14 instructions provide you the opportunity to make a financial gift from your refund to a variety of Oklahoma organizations. Place the line number of the organization from the line 14 instructions in the box below and enter the amount you are donating. If giving to more than one organization, put a "99" in the box and attach a schedule showing how you would like your donation split.

14	Donations from your refund ☐ $2 ☐ $5 ☐ $_____ ☐	14	00		
15	Total (add lines 13 and 14)			15	00
16	Amount of line 12 to be refunded to you (line 12 minus line 15) Refund →			16	00

Direct Deposit Note:

All refunds must be by direct deposit. See Direct Deposit Information on page 12 of the 512-S Packet for details.

Is this refund going to or through an account that is located outside of the United States? ☐ Yes ☐ No

Deposit my refund in my: ☐ **checking account** ☐ **savings account**

Routing Number: Account Number:

17	Tax Due (line 4 minus line 11) Tax Due →			17	641 00
18	Donation: Public School Classroom Support Fund ☐ $2 ☐ $5 ☐ $ _____			18	00
19	Underpayment of estimated tax interest Annualized ☐			19	00
20	**For delinquent payment** add penalty of 5% $_____ plus interest of 1.25% per month $_____			20	00
21	Total tax, donation, penalty and interest (add lines 17 - 20) Balance Due →			21	641 00

If the Oklahoma Tax Commission may discuss this return with your tax preparer, place an 'X' here:

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

Make check payable to the Oklahoma Tax Commission

Corporate Seal

Signature of Officer Date

Printed Name of Officer: TALBERT OAKS

Title

Signature of Preparer Date

Preparer's Address: 100 EFILE DRIVE ANYTOWN TX 78621

Area Code and Phone Number: 512-555-1212

Preparer's PTIN: P6666666

Must enclose a copy of Federal return - Remit to Oklahoma Tax Commission - Post Office Box 26800 - Oklahoma City, OK 73126-0800

Part 2: Ordinary Income from Trade or Business

Complete Column A. Column B should be completed by S Corporations whose income is all within Oklahoma and/or by those whose income is partly within and partly without Oklahoma (not of a unitary nature).
CAUTION: Include only trade or business income and expenses on lines 1a through 21 below.

		Column A As reported on Federal Return			Column B Total applicable to Oklahoma	
1	a. Gross receipts or sales ..... $ 1,900,670,400					
	b. **Minus** returns and allowances ..... $ _____	1,900,670,400	00	1		00
2	Cost of goods sold and/or operations	1,860,100,750	00	2		00
3	Gross profit (subtract line 2 from line 1)	40,569,650	00	3		00
4	Net gain (loss) (Form 4797 Part II, line 17)		00	4		00
5	Other income (loss) (enclose schedule)	420,200	00	5		00
6	**Total income** (loss) (add lines 3 through 5)	40,989,850	00	6		00
7	Compensation of officers	8,500,400	00	7		00
8	Salaries and wages	6,372,055	00	8		00
9	Repairs and maintenance	500,101	00	9		00
10	Bad debts		00	10		00
11	Rent	6,650,188	00	11		00
12	Taxes and licenses	13,980,990	00	12		00
13	Interest	120,100	00	13		00
14	Depreciation	26,234	00	14		00
15	Depletion (do not deduct oil and gas depletion)		00	15		00
16	Advertising	890,700	00	16		00
17	Pension, profit-sharing, etc. plans	1,300,000	00	17		00
18	Employee benefit programs		00	18		00
19	Other deductions (enclose schedule)	20,140,029	00	19		00
20	**Total deductions** (add lines 7 through 19)	58,480,797	00	20		00
21	**Ordinary Income (Loss) from trade or business:** Subtract line 20 from line 6. Enter here and below on Part 3, line 1	(17,490,947)	00	21		00

Part 3: Shareholders' Pro Rata Share Items

		Column A As reported on Federal Return			Column B Total applicable to Oklahoma	
	Income (lines 1 through 11)					
1	Ordinary income (loss) from trade or business (from above on Part 2, line 21)	(17,490,947)	00	1		00
2	Net income (loss) from rental real estate activity(ies) (enclose schedule)		00	2		00
3	Net income (loss) from other rental activity(ies) (enclose schedule)		00	3		00
4	Interest income					
	a: Interest on loans, notes, mortgages, bonds, etc.		00	4a		00
	b: Interest on obligations of a state or political subdivision			4b		00
	c: Interest on obligations of the United States		00	4c		
	d: Other interest income	2,500,000	00	4d		00
5	Dividend income	2,480,000	00	5		00
6	Royalties		00	6		00
7	Net short-term capital gain (loss) (Schedule D, 1120-S)		00	7		00
8	Net long-term capital gain (loss) (Schedule D, 1120-S)		00	8		00
9	Net gain (loss) under Section 1231 (other than due to casualty or theft)		00	9		00
10	Other (enclose schedule)		00	10		00
11	**Total income** (add lines 1 through 10)	(12,510,947)	00	11		00
	Deductions (lines 12 through 17)					
12	Section 179 deduction (enclose schedule)		00	12		00
13	Contributions	500,000	00	13		00
14	Deductions related to portfolio income	340	00	14		00
15	Intangible drilling costs		00	15		00
16	Other deductions authorized by law (enclose schedule)	320,210	00	16		00
17	**Total Deductions** (add lines 12 through 16)	820,550	00	17		00
	Total (line 18)					
18	Net distributable income (line 11 minus line 17)	(13,331,497)	00	18	202,255	00

If Federal and Oklahoma distributable net incomes are the same, please see instructions on page 5 of packet.

PART 4: COMPUTATION OF OKLAHOMA TAXABLE INCOME OF A UNITARY ENTERPRISE WHOSE INCOME IS PARTLY WITHIN AND PARTLY WITHOUT OKLAHOMA

1	Net distributable income from Page 2, Part 3, Column A, line 18			1	(13,331,497)
2	Add: (a) Taxes based on income	2a			
	(b) Unallowable deduction (enclose schedule)	2b	500,000		
	(c) Other income (enclose schedule)	2c			
	(d) Total of lines 2a through 2c			2d	500,000
3	Deduct all items separately allocated:				
	(a) Interest on obligations of the United States	3a			
	(b) DIVIDEND AND INTEREST INCOME	3b	4,980,000		
	(c) PARTNERSHIP LOSS	3c	(320,210)		
	(d) Total of lines 3a through 3c			3d	4,659,790
	(Note: Items listed in 2 and 3 above must be net amounts supported by schedules showing source, location, expenses, etc.)				
4	Net apportionable income (line 1 plus line 2d, minus line 3d)			4	(17,491,287)
5	Oklahoma's portion thereof _____%, from schedule below			5	(4,777,745)
6	Add items separately allocated to Oklahoma:				
	(a) DIVIDEND INCOME	6a	2,480,000		
	(b) INTEREST INCOME	6b	2,500,000		
	(c)	6c			
	(d)	6d			
	(e) Total of lines 6a through 6d			6e	4,980,000
7	Oklahoma net distributable income (add lines 5 and 6e; enter here and on Page 2, Part 3, Column B, line 18)			7	202,255

APPORTIONMENT FORMULA

			Column A Total Within Oklahoma	Column B Total Within and Without Oklahoma		Column C (A divided by B) Percent Within Oklahoma
1	Value of real and tangible personal property used in the unitary business (by averaging the values at the beginning and ending of the tax period).					
	(a) Owned property (at original cost):					
	(i) Inventories	1ai	26,276,810	91,640,661		
	(ii) Depreciable property	1aii	12,762,589	40,270,500		
	(iii) Land	1aiii		1,100,450		
	(iv) Total of section "a"	1aiv	39,039,399	133,011,611		
	(b) Rented property (capitalize at 8 times net rental paid)	1b	21,732,126	53,201,504		
	(c) Total of sections "a" and "b" above		$ 60,771,525	$ 186,213,115	1c	32.6355 %
2	(a) Payroll	2a	77,631,482	273,751,850		
	(b) Less: Officer's salaries	2b	4,575,125	8,500,400		
	(c) Total (subtract officer's salaries from payroll)		$ 73,056,357	$ 265,251,450	2c	27.5423 %
3	Sales :					
	(a) Sales delivered or shipped to Oklahoma purchasers:					
	(i) Shipped from outside Oklahoma	3ai				
	(ii) Shipped from within Oklahoma	3aii	336,891,527			
	(b) Sales shipped from Oklahoma to:					
	(i) The United States Government	3bi				
	(ii) Purchasers in a state or country where the corporation is not taxable (i.e. under Public Law 86-272)	3bii	76,832,961			
	(c) Total of sections "a" and "b"		$ 413,724,488	$ 1,900,670,400	3c	21.7673 %
4	If Revenue, Traffic Units or Miles Traveled is used rather than Sales, indicate here: _____					
5	Total percent (sum of items 1, 2 and 3)				5	81.9451 %
6	Average percent (1/3 of total percent) (Carry to Part 4, line 5 above)				6	27.3150 %

Note: Enclose a complete copy of your Federal return.

PART 5: SHAREHOLDERS' PRO RATA SHARE OF INCOME

Enter the information for each shareholder. If there are more than 3 shareholders, use Form 512-S-SUP to enter the additional shareholders. Use as many Forms 512-S-SUP as needed.

		SHAREHOLDER 1	SHAREHOLDER 2	SHAREHOLDER 3
1	Name and address of each shareholder — Name:	ROSE B. TRIM	BOBBY SUE	BILLY BOB TRIM
	Address:	57 ANY STREET	98 BACKSTREET	78 BOO STREET
	City, State, ZIP:	ANYTOWN PA 17201	HOT SPRINGS AR 33121	SHAWNEE OK 73132
2	SSN or FEIN	514-06-0014	514-06-0015	514-06-0016
3	Ownership Percentage	40%	30%	30%
4	Distributable Federal Income (Part 3, Column A, line 18 times Part 5 line 3)	(5,332,599)	(3,999,449)	(3,999,449)
5	Distributable Oklahoma Income (Part 3, Column B, line 18 times Part 5 line 3**)	80,902	60,677	60,676
6	Oil and Gas Depletion (Federal)			
7	Oil and Gas Depletion (Oklahoma)			
8	Amount of Credit			
9	Type of Credit			
10	Amount of Withholding			
11	Type of Withholding			

NONRESIDENT SHAREHOLDER

12	Is a signed Form 512-SA attached? If nonresident agreement (Form 512-SA) is NOT attached, the S Corporation will be taxed on the income reported in line 13.	☒ Yes ☐ No	☐ Yes ☒ No	☐ Yes ☐ No
13	Nonresident Share of Income to Tax if line 12 is NO (enter the distributable Oklahoma income from line 5)		60,677	

TOTAL: NONRESIDENT SHARE OF INCOME TO TAX

14	Add amounts shown in line 13 above for all Shareholders, and if applicable, from Form 512-S-SUP. Enter here and on Page 1, Part 1, line 1a ..... $	60,677

**NOTE: The amount shown in Part 3, Column B, line 18, Oklahoma net distributable income, may not be the amount to be entered on the shareholder's Oklahoma income tax return. This amount includes all allowable shareholder's income, losses, and deductions. Some of these items may be limited on the Federal return. If these items are allowed in full or part on your Federal income tax return, they will be allowed to the same extent on your Oklahoma return.

Notice: Forms required to compute withholding and credits must be enclosed with corporate return. Examples of these include: Form 1099 MISC, Form 500A: Non-resident Royalty Withholding, Form 511CR: Other Credits, Form 506: Investment/New Jobs Credit and Form 529: Small Business Guaranty Fee Credit. Schedules or authorization must be furnished.

NOTE: ENCLOSE A COMPLETE COPY OF YOUR FEDERAL RETURN.

PART 6: ADDITIONAL INFORMATION

Location of Principal Accounting Records

Address	City	State	Zip
100 EFILE DRIVE	ANYTOWN	OK	78621

Has the Internal Revenue Service redetermined your tax liability for prior years? ☐ Yes ☒ No What years? _____

Did you file amended returns for the years stated above? ☐ Yes ☐ No ☒ N/A

Has the statute of limitations been extended by consent for any prior years? ☐ Yes ☒ No What years? _____

Business name TREE FIXR UPPER, INC Date business began in Oklahoma 11/19/1957

Principal location(s) in Oklahoma 39 ANY STREET, OKLAHOMA CITY OK 73110

Mail to: Oklahoma Tax Commission, PO Box 26800, Oklahoma City, Oklahoma 73126-0800

NONRESIDENT SHAREHOLDER AGREEMENT

FORM 512-SA 2015

I, ROSE B. TRIM, the undersigned, do agree I will file an Oklahoma Income Tax Return for the taxable year ending 12/31/2015. I will include, in Oklahoma adjusted gross income, my share of distributed or undistributed taxable income or net operating loss of the corporation named below to the extent such income, gain or loss, is at the corporate level, derived from sources within Oklahoma. I further state I made and executed this agreement for the purpose of filing it with the following named corporation to be submitted with the Oklahoma Small Business Corporation Income Tax Return, Form 512-S, filed by the corporation for the taxable year indicated above.

Corporation TREE FIXR UPPER, INC

Street Address or Post Office Box 39 ANY STREET

City OKLAHOMA CITY State OK ZIP 73110

Federal Employer Identification Number 11-0000009

Signature

Signature of Shareholder Executing Agreement

514-06-0014

Social Security Number or Federal Employer Identification Number

Dated this 15TH day of MARCH, 2016.

CORPORATION PLEASE NOTE:

This agreement must be filed with the original Small Business Corporation Income Tax Return, Form 512-S, for each nonresident shareholder. Otherwise, the corporation shall be taxed on that part of the corporation's net taxable income allocable to the shares of stock owned by the nonresident shareholder. Once the agreement has been signed, it is irrevocable for this taxable year.

ITE

Application for Extension of Time to File an Oklahoma Income Tax Return

(This is NOT an extension of time for payment of tax. **Do NOT use this form to remit franchise tax**) **(See Instructions)**

FORM **504** 2015

For the year January 1 - December 31, or other taxable year beginning _____ , **2015** **ending** _____ , _____ .

INDIVIDUALS: Your first name, middle initial and last name	**Your Social Security Number:**
INDIVIDUALS: If joint return, spouse's first name, middle initial and last name	**Spouse's Social Security Number:**
CORPORATIONS: Corporate, Partnership, Trust or Estate Name TREE FIXR UPPER, INC	**CORPORATIONS, PARTNERSHIPS, TRUSTS, ESTATES:**
Present address (number and street, including apartment number or rural route) 39 ANY STREET	**Federal Employer Identification Number:** 11-0000009
City, State and ZIP OKLAHOMA CITY OK 73110	**CHECK THE FORM TYPE FOR THE RETURN THIS APPLICATION IS FOR:** ☐ Form 511 ☐ Form 512 ☐ Form 513 ☐ Form 512-E ☐ Form 511NR ☒ Form 512-S ☐ Form 513NR ☐ Form 514

Important: Extension is valid only if 90% of the tax liability is paid by the original due date.

An ***Extension of Time to File*** with the IRS has been granted to: **DATE** _____

Extension of Time to File with the Okla. Tax Commission is requested to: **DATE** 09/15/16

If requesting a total of more than 6 months for corporations or more than 5 months for partnerships, estates or trusts, state reason here: _____

Signature

Under penalty of perjury, I declare the information contained in this document, attachments and schedules are true and correct to the best of my knowledge and belief.

Your Signature (*If corporation, partnership, estate, or trust, see below) Date	Paid Preparer's Signature
Spouse's Signature (if filing jointly, BOTH must sign even if only one had income) Date	Date

Amount you are paying: (from line 7).

$ 3,000

* If corporation, partnership, estate, or trust (officer, partner, member or fiduciary signature is required)

This is NOT an extension of time for payment of tax!

Application for Extension of Time to File an Oklahoma Income Tax Return Worksheet

The bottom portion of this form is a worksheet to compute your payment. Be sure to retain for your records. Enter the total from line 7 of the worksheet on the coupon above. Return the top portion with your payment, if applicable, to: Oklahoma Tax Commission • Income Tax • P.O. Box 26890 • Oklahoma City, OK 73126-0890.

Oklahoma Income Tax Computation

1.	Total income tax liability (you may estimate this amount) ***Note:*** *You **must** enter an amount on line 1. If you do not expect to owe tax, enter zero.*			1	3,000 00
2.	Oklahoma income tax withheld	2	00		
3.	Estimated tax payments (include prior year overpayment allowed as a credit)	3	00		
4.	Other payments and credits you expect to claim on your return	4	00		
5.	Add lines 2, 3 and 4			5	00
6.	Income tax balance due (subtract line 5 from line 1)			6	3,000 00
7.	**Amount you are paying.** (Enter here and on the coupon above) **Important:** Extension is valid only if 90% of the tax liability is paid by the original due date			7	3,000 00