Form 512-S Test Scenario 2

WorkNAllDay, Inc. 11-0000007

Test Scenario 2 uses the Federal Form 1120S Test Scenario 5

Deviations from Test Package Federal form 1120S:

- 1120S, page 1 – Change the Federal Employer Identification Number to 11-0000007.
- 1120S, page 1 - Change the corporation's State to OK and the ZIP to 73025.
- 1120S – Schedule K, Line 10 – Other Income to be changed to $0.
- 1120S – Schedule K, Line 8a to be changed to $10,000.
- 1120S - Schedule D & Form 8949 to be changed to include a long term capital gain of $10,000 on the sale of stock in an Oklahoma Company. The stock in 'Oklahoma Company' was acquired on 04/01/05 for $20,000 and sold on 07/15/15 for $30,000. Oklahoma Company's FEI is 11-0000914.

Forms Required: 512-S, 561S

Binary Attachments: Signed Form 512-SA for Bin Exempt. (Form must contain hand-written signature.)

Misc. Additional Information –

- The area code for the corporation's phone number is 405.
- Incorporated under the laws of – Oklahoma.
- Estimated tax payments of $1,500 were made in four equal installments.
- Apply $50 of the overpayment to next year's estimated tax.
- The refund should be by direct deposit to a checking account in an Oklahoma credit union:
    - Routing Number – 303085829
    - Account Number – 10023456
- Check the box to allow the Oklahoma Tax Commission to speak to the paid preparer.
- The income for WorkNAllDay, Inc. is all within Oklahoma.
- The interest income is reported as 'other interest income' in Part 3.
- Carrie Ortiz acquired ownership in the S Corporation on 3/8/1992.

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

- The location of principal accounting records is the same as the address on the return.
- 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 3/8/1992.

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: WORKNALLDAY, INC

Street Address: 37 ANY STREET

City, State or Province, Country and ZIP or Foreign Postal Code: ANYTOWN, OK 73025

Telephone Number and Area Code: 405-555-1212

Date of Incorporation: 3/8/1992

Under the Laws of: OKLAHOMA

Federal Employer Identification Number: 11-0000007

Business Code Number: 32190

Type of Business: MANUFACTURING

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	28,273 00		
1b	Nonresident share of deductions (see instructions)	1b	5,000 00		
1	Nonresident share of taxable income (line 1a minus line 1b)			1	23,273 00
2	Tax: 6% of line 1			2	1,396 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	1,396 00
5	2015 Oklahoma estimated tax payments (i.e. Form(s) OW-8-ESC)	5	1,500 00		
6	Amount paid with extension request	6	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	1,500 00
12	Overpayment (line 11 minus line 4)			12	104 00
13	Amount of line 12 to be credited to 2016 estimated tax **(original return only)**	13	50 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	50 00
16	Amount of line 12 to be refunded to you (line 12 minus line 15) Refund →			16	54 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: 303085829 Account Number: 10023456

17	Tax Due (line 4 minus line 11) Tax Due →			17	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	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: KHIRY U FARR

Title: CEO

Signature of Preparer Date

Preparer's Address: 100 EFILE DRVIE ANYTOWN TX 78621

Area Code and Phone Number: 512-555-1212

Preparer's PTIN: P55555555

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 ..... $ 11,468,259					
	b. **Minus** returns and allowances ..... $ _____	11,468,259	00	1	11,468,259	00
2	Cost of goods sold and/or operations	10,061,879	00	2	10,061,879	00
3	Gross profit (subtract line 2 from line 1)	1,406,380	00	3	1,406,380	00
4	Net gain (loss) (Form 4797 Part II, line 17)	14,433	00	4	14,433	00
5	Other income (loss) (enclose schedule)		00	5		00
6	**Total income** (loss) (add lines 3 through 5)	1,1420,813	00	6	1,420,813	00
7	Compensation of officers	161,698	00	7	161,698	00
8	Salaries and wages	196,941	00	8	196,941	00
9	Repairs and maintenance	17,760	00	9	17,760	00
10	Bad debts		00	10		00
11	Rent	160,574	00	11	160,574	00
12	Taxes and licenses	36,594	00	12	36,594	00
13	Interest	26,103	00	13	26,103	00
14	Depreciation	6,726	00	14	6,726	00
15	Depletion (do not deduct oil and gas depletion)		00	15		00
16	Advertising	8,257	00	16	8,257	00
17	Pension, profit-sharing, etc. plans	14,715	00	17	14,715	00
18	Employee benefit programs		00	18		00
19	Other deductions (enclose schedule)	367,327	00	19	367,327	00
20	**Total deductions** (add lines 7 through 19)	996,695	00	20	996,695	00
21	**Ordinary Income (Loss) from trade or business:** Subtract line 20 from line 6. Enter here and below on Part 3, line 1	424,118	00	21	424,118	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)	424,118	00	1	424,118	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	71,147	00	4d	71,147	00
5	Dividend income		00	5		00
6	Royalties		00	6		00
7	Net short-term capital gain (loss) (Schedule D, 1120-S)	78,649	00	7	78,649	00
8	Net long-term capital gain (loss) (Schedule D, 1120-S)	10,000	00	8	10,000	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)	583,914	00	11	583,914	00
	Deductions (lines 12 through 17)					
12	Section 179 deduction (enclose schedule)	25,000	00	12	25,000	00
13	Contributions		00	13		00
14	Deductions related to portfolio income		00	14		00
15	Intangible drilling costs		00	15		00
16	Other deductions authorized by law (enclose schedule)	502,369	00	16	502,369	00
17	**Total Deductions** (add lines 12 through 16)	527,369	00	17	527,369	00
	Total (line 18)					
18	Net distributable income (line 11 minus line 17)	56,545	00	18	56,545	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	
2	Add: (a) Taxes based on income	2a			
	(b) Unallowable deduction (enclose schedule)	2b			
	(c) Other income (enclose schedule)	2c			
	(d) Total of lines 2a through 2c			2d	
3	Deduct all items separately allocated:				
	(a) Interest on obligations of the United States	3a			
	(b) _____	3b			
	(c) _____	3c			
	(d) Total of lines 3a through 3c			3d	
	(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	
5	Oklahoma's portion thereof _____%, from schedule below			5	
6	Add items separately allocated to Oklahoma:				
	(a) _____	6a			
	(b) _____	6b			
	(c) _____	6c			
	(d) _____	6d			
	(e) Total of lines 6a through 6d			6e	
7	Oklahoma net distributable income (add lines 5 and 6e; enter here and on Page 2, Part 3, Column B, line 18)			7	

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				
	(ii) Depreciable property	1aii				
	(iii) Land	1aiii				
	(iv) Total of section "a"	1aiv				
	(b) Rented property (capitalize at 8 times net rental paid)	1b				
	(c) Total of sections "a" and "b" above		$	$	1c	%
2	(a) Payroll	2a				
	(b) Less: Officer's salaries	2b				
	(c) Total (subtract officer's salaries from payroll)		$	$	2c	%
3	Sales :					
	(a) Sales delivered or shipped to Oklahoma purchasers:					
	(i) Shipped from outside Oklahoma	3ai				
	(ii) Shipped from within Oklahoma	3aii				
	(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				
	(c) Total of sections "a" and "b"		$	$	3c	%
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	%
6	Average percent (1/3 of total percent) (Carry to Part 4, line 5 above)				6	%

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:	CARRIE ORTIZ	BIN XEMPT	
	Address:	55 ANY STREET	55 ANY STREET	
	City, State, ZIP:	ANYTOWN, WI 53201	ANYTOWN, WI 53201	
2	SSN or FEIN	000-00-0006	000-00-0008	
3	Ownership Percentage	50	50	
4	Distributable Federal Income (Part 3, Column A, line 18 times Part 5 line 3)	28,273	28,272	
5	Distributable Oklahoma Income (Part 3, Column B, line 18 times Part 5 line 3**)	28,273	28,272	
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)	28,273		

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 ..... $	28,273

**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: Nonresident 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
37 ANY STREET	ANYTOWN	OK	73025

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 WORKNALLDAY, INC Date business began in Oklahoma 3/8/1992

Principal location(s) in Oklahoma 37 ANY STREET, ANYTOWN OK 73025

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

State of Oklahoma

Oklahoma Capital Gain Deduction

for the Nonresident Shareholder Whose Income Is Reported on Form 512-S, Part 1

(Qualifying Assets Held for the Applicable Holding Period)

FORM **561S** 2015

Corporate Name as Shown on Return	Federal Employer Identification Number	
WORKNALLDAY, INC	11	0000007
Name of Nonresident Shareholder	Social Security Number/Federal Employer Identification Number	
CARRIE ORTIZ	000-00-0006	

Enter the Date(s) the Nonresident Shareholder Acquired Ownership in the S Corporation:

1. List qualifying Oklahoma capital gains and losses, not included on lines 2 and 3 below.

A1. Description of Property / A2. Oklahoma Location/Address or Federal ID Number	B. Date Acquired (mm/dd/yy)	C. Date Sold or Disposed (mm/dd/yy)	D. Proceeds (Sales Price)	E. Cost or Other Basis Minus Adjustments to Gain or Loss	Shareholder's Share F. Gain or (loss) Allocated / Apportioned to Oklahoma
A1) SHARES IN OKLAHOMA COMPANY A2) 11-0000914	04/01/05	07/15/15	30,000	20,000	5,000
A1) A2)					
A1) A2)					
A1) A2)					

2. Qualifying Oklahoma capital gain from installment sales reported on Federal Schedule D, line 11. Enclose a copy of Federal Form 6252	2	
3. Qualifying Oklahoma net capital gain or (loss) from like-kind exchanges reported on Federal Schedule D, line 12. Enclose a copy of Federal Form 8824	3	
4. Qualifying Oklahoma net capital gain. Add amounts in column F on lines 1, 2 and 3. (If zero or less, enter "0")	4	5,000
5. Nonresident shareholder's share of the net capital gain apportioned and allocated to Oklahoma	5	5,000
6. **Oklahoma Capital Gain Deduction**. Enter the smaller of lines 4 or 5 here and on Form 512-S, Part 1, line 1b. (Do not enter less than zero)	6	5,000

Enclose Federal Form 1120S, Schedule D and Form(s) 8949

NONRESIDENT SHAREHOLDER AGREEMENT

FORM 512-SA 2015

I, BIN XEMPT, 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 WORKNALLDAY, INC

Street Address or Post Office Box 37 ANY STREET

City ANYTOWN State OK ZIP 73025

Federal Employer Identification Number 11-0000008

Signature

Signature of Shareholder Executing Agreement

000-00-0005

Social Security Number or Federal Employer Identification Number

Dated this 4TH 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.