

- INCLUDES FORM 512
AND FORM 512-TI



2010 OKLAHOMA CORPORATION INCOME TAX FORMS AND INSTRUCTIONS

This packet contains:

- Instructions for completing the Form 512
- 512 corporation income tax form
- Form 512-TI Computation of Oklahoma Consolidated Taxable Income

Filing date:

- Your Oklahoma return is due the same date as your Federal return.

For assistance or forms:

- See page 16 for methods of contacting the Oklahoma Tax Commission.

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WHAT'S NEW IN THE 2010 OKLAHOMA PACKET?

- See page 4 for information concerning Real Estate Investment Trusts.
- See instructions on page 8 for information on a captive real estate investment trust's required add back of the dividends-paid deduction.
- The requirement to add back expenses paid to a captive real estate investment trust may no longer apply, see instructions for Schedule A, line 10 on page 9 or Schedule B, line 2 on page 10 for information.
- See instructions for Schedule A, line 9 or Schedule B, line 2 on page 10 for information on the required add back of income from discharge of indebtedness which has been deferred and not included in Federal income.

- There are new credits on the Form 511CR:
 - Wire Transfer Fee Credit Title (Title 68 O.S. Section 2357.401)
 - Credit for Manufacturers of Electric Vehicles (Title 68 O.S. 2357.402)
- A moratorium has been placed on many Oklahoma credits. For more information see Form 511CR and, when applicable, the specific form for a particular credit.

COMMON ERRORS

Below are the most common errors on last year's returns. To aid in processing your return, please double check your return carefully.

- Check your FEIN on all forms and schedules.
- Fiscal year dates are a common problem. If you file based on a fiscal year, please list dates on top of form where indicated.
- Enclose a complete copy of your Federal return.
- Enclose all required schedules.

TABLE OF CONTENTS

General Filing Information	2-4
Estimated Income Tax Information	3
Amended Returns.....	3
Line by Line Instructions.....	5-14
General Instructions for Determining Oklahoma Taxable Income	5-8
Schedule A Instructions	8-9
Schedule B Instructions.....	9-10
Page One of Form 512 Instructions.....	10-14
QuickTax Information.....	14
Direct Deposit Information	15
When You Are Finished	15
How to Contact the OTC	16

GENERAL FILING INFORMATION

WHO MUST FILE...

Every resident or foreign corporation subject to taxation under Oklahoma statutes shall make a return, whether or not it shall have any net income.

NOTE: Small Business Corporations (Subchapter S) must use Form 512-S.

Time and Place for Filing...

The return must be filed on or before the 15th day of the third month following the close of the taxable year. Paper returns should be mailed to the Oklahoma Tax Commission, PO Box 26800, Oklahoma City, Oklahoma 73126-0800. A valid extension of time in which to file your Federal return automatically extends the due date of your Oklahoma return if no Oklahoma liability is owed. A copy of the Federal extension must be enclosed with your Oklahoma return. If your Federal return is not extended, or an Oklahoma liability is owed, an extension of time to file your Oklahoma return may be granted on Form 504. The Form 504 must be filed on or before the due date of the return.

90% of the tax liability must be paid with the extension to avoid delinquent penalty for late payment. 100% of tax liability must be paid with the extension to avoid delinquent interest for late payment.

In the case of complete liquidation or the dissolution of a corporation, the return shall be made on or before the 15th day of the fourth month following the month in which the corporation is completely liquidated (or the Federal due date).

Fiscal Year and Short Period Returns...

For all fiscal year and short period returns, the beginning and ending dates of the tax year must be shown on the top portion of the return where indicated. Omission of this information may cause a significant delay in the processing of the return and no interest will accrue on any refund pending.

Consolidated Returns...

If a Federal consolidated return is filed, an Oklahoma consolidated return may be required or permitted under certain circumstances.

An election to file a separate or consolidated return is made with the timely filing of the return. If an affiliated group of corporations elects to file a consolidated Oklahoma income tax return, such election shall be binding. The affiliated group of corporations shall be required to file a consolidated Oklahoma income tax return for all future tax years unless the Oklahoma Tax Commission releases the affiliated group of corporations from such election.

In filing a Consolidated Income Tax Return for Oklahoma, the Oklahoma taxable income for each corporation is computed separately on its own factors and then combined for one total income upon which the tax is computed. Complete **Form 512-TI: *Computation of Oklahoma Consolidated Taxable Income*** to determine the combined taxable income to report on page 1, line 1 of Form 512. Submit a separate Schedule A and Schedule B, if applicable, for each company within the consolidation.

Enclose a copy of the Federal consolidated return with an income statement, balance sheet, M-1, M-2, M-3 and supporting schedules for each member of the consolidated group. Title 68 O.S. Section 2367.

Special Instructions Regarding Form 512, Page 4...

Complete Page 4 or attach a copy of the Federal Form 1120 Schedules L, M-1 and M-2. Corporations that are not required to complete Federal Form 1120 Schedules L, M-1 and M-2 are still required to complete the Oklahoma Form 512, Page 4 - Balance Sheets, Reconciliation of Income per Books with Income per Return (OK M-1) and Analysis of Unappropriated Retained Earnings per Books (OK M-2).

Corporations that are not required to complete Federal Form 1120 Schedule M-1 due to the requirement to complete Schedule M-3 must either complete the Oklahoma Schedule M-1 or enclose a copy of the Federal Schedule M-3.

Declaration of Estimated Tax...

Corporations must make estimated tax payments when the tax liability for the current year can reasonably be expected to be \$500 or more. The estimated tax payments shall be the lesser of 70% of your current year's tax liability or 100% of the tax liability shown on your return for the preceding taxable year of 12 months.

The estimated tax payments shall be paid in four equal* installments of:

- one-quarter on or before the 15th day of the fourth month of the taxable year;
- one-quarter on or before the 15th day of the sixth month of the taxable year;
- one-quarter on or before the 15th day of the ninth month of the taxable year;
- one-quarter on or before the 15th day of the first month of the succeeding taxable year.

Amended declarations may be filed on any of the payment dates. The Form OW-8-ESC, for filing estimated payments, can be obtained from our website at www.tax.ok.gov.

*For purposes of determining the amount of tax due on any of the respective dates, taxpayers may compute the tax by placing taxable income on an annualized basis as prescribed in Rule 710:50-13-9.

Estimated payments can be made electronically through the Oklahoma Tax Commission website. Visit the "Payment Options" page on the web at www.tax.ok.gov for further information.

There is no provision in the present law for tentative returns.

Amended Returns...

Use Form 512X for all amended returns. Enclose federal Forms 1120X or 1139 and proof of disposition by the Internal Revenue Service when applicable.

An overpayment on an amended return may not be credited to estimated tax, but will be refunded. The amount applied to estimated tax on the original return cannot be adjusted.

GENERAL FILING INFORMATION

Adjustments by Internal Revenue Service...

Taxpayers who file “consents” extending the time for making Federal adjustments automatically extend the time for making state adjustments. The taxpayer is also required to file an amended return reporting all Internal Revenue Service adjustments. A copy of the finalized RAR must be furnished.

Banks and Credit Unions...

State and national banks and state credit unions are subject to an “In Lieu” tax. See Title 68 O.S. Section 2370 and Title 68 O.S. Section 1201 et seq. (Franchise Tax). When reporting income on Schedule A, line(s) 5 and/or 6b, please furnish a detailed schedule of the interest income by source and amount. Expense deductions claimed in arriving at taxable income shall be reduced by an amount equal to 50% of excluded interest income on obligations of the United States government or agencies thereof and obligations of the State of Oklahoma or political subdivisions thereof.

Real Estate Investment Trusts...

A real estate investment trust that does not become regularly traded on an established securities market within one year of the date on which it first becomes a real estate investment trust shall be deemed not to have been regularly traded on an established securities market, retroactive to the date it first became a real estate investment trust, and shall file an amended return reflecting such retroactive designation for any tax year or part year occurring during its initial year of status as a real estate investment trust. For purposes of this paragraph, a real estate investment trust becomes a real estate investment trust on the first day it has both met the requirements of Section 856 of the Internal Revenue Code and has elected to be treated as a real estate investment trust pursuant to Section 856(c)(1) of the Internal Revenue Code. Title 68 O.S. Section 2358.

Oklahoma Net Operating Loss Deduction...

Notice: The amount of any net operating loss deduction claimed on Schedule A, line 29a or Schedule B, line 6d, must also be entered on the front of Form 512 in the space provided at the top of the form.

Oklahoma Net Operating Loss Deduction (continued)

The amount of any Federal net operating loss deduction shall be adjusted as follows:

The amount of any net operating loss deduction allowed for the taxable year shall be an amount equal to the aggregate of the Oklahoma net operating loss carryovers and carrybacks to such year. Oklahoma net operating losses shall be separately determined by reference to Section 172 of the Internal Revenue Code as modified by the Oklahoma Income Tax Act and shall be allowed without regard to the existence of a Federal net operating loss. For tax years 1996-2000, net operating losses may not be carried back but may be carried forward for a period of time not to exceed 15 years. **For tax years 2001 – 2007 and tax years 2009 and subsequent, the years to which such losses may be carried shall be determined solely by reference to Section 172 of the Internal Revenue Code. For tax year 2008, years to which such losses may be carried back shall be limited to two years.** Title 68 O.S. Section 2358 (A)(3).

A detailed schedule must be furnished for any net operating loss carried forward to the current tax year.

An election may be made to forego the carryback period. A written statement of the election must be part of the original timely filed Oklahoma loss-year return. If the corporation timely filed its return for the loss-year without making the election, it may make the election on an amended return filed within 6 months of the due date of the loss year return (excluding extensions). Attach the election to the amended return. Once made, the election is irrevocable.

Refundable Credit...

A refundable credit is available for qualified capital expenditures, wages and training expenses incurred by a business enterprise whose principal activity is data processing services, computer systems design services or other computer related services that, as of July 1, 2005, maintains an Oklahoma annual payroll of at least \$85 million and an Oklahoma labor force of 1,000 or more persons. The Computer Industry Credit may be claimed by filing Form 580 at any time. Or, the credit may be claimed on the estimated tax line of the income tax return, in which case, Form 580 must be enclosed with the return. Title 68 O.S. Section 2357.201 and Rule 710:50-15-100.

LINE BY LINE INSTRUCTIONS

GENERAL INSTRUCTIONS FOR DETERMINING OKLAHOMA TAXABLE INCOME

INCOME COMPUTATION...

Beginning with Federal taxable income, proper adjustments are to be made to arrive at Oklahoma taxable income. Some of the adjustments may be to add interest income from obligations of state and political sub-divisions thereof, and to deduct interest from U.S. obligations. Oil and mining production or royalties and gain or loss from disposition of such property shall be allocated according to their situs. General and administrative expenses, such as interest expense, etc., will ordinarily be allocated on the basis of Oklahoma direct expense to total direct expense.

SAFETY PAYS OSHA CONSULTATION SERVICE EXEMPTION:

(Schedule A, Line 26, column B or Schedule B, Line 3)

An employer that is eligible for and utilizes the Safety Pays OSHA Consultation Service provided by the Oklahoma Department of Labor shall receive a \$1,000 exemption for the tax year the service is utilized. Employers must be able to substantiate their participation in the Oklahoma Department of Labor's Safety Pays Consultation Service upon request.

QUALIFIED REFINERY PROPERTY:

(Title 68 O.S. Section 2357.204)

• **The election to expense instead of depreciate**

A refinery may elect to treat 100% of the cost of qualified refinery property located in Oklahoma as an expense that is not chargeable to a capital account. Any cost so treated is allowed as a deduction for the year in which the qualified refinery property expense is incurred. Once made, the election is irrevocable without the consent of the Oklahoma Tax Commission. The depreciation deducted on the Federal return for such property must be added back in this and in all subsequent years.

Note: A report must be attached to certify that the provisions of Title 68 O.S. Section 2357.204(E) & (F) have been met. No deduction allowed under this section will be allowed unless this certification is enclosed with the refinery's income tax return.

If you are the Refinery -

(Schedule A, Line 26, column B or Schedule B, Line 3 - as a deduction)

To make the election to expense the cost of qualified refinery property located in Oklahoma in the tax year in which the expense is incurred, deduct the cost of the property on a timely filed return, unless a second election is made by the refinery to allocate all or a portion of the deduction to its owners. If the second election is made, do not deduct such portion on Form 512. Each owner will report their allowable share of the deduction on their own income tax return; see "The election to allocate expense to owners" below.

If you are the Refinery -

(Schedule A, Line 10, column B or Schedule B, Line 2 - as an addition)

If the election was made to expense the cost of qualified refinery property located in Oklahoma on this year's or on a previous year's Oklahoma return, the depreciation deduction claimed on the Federal return for such property must be added back to arrive at Oklahoma taxable income. This addition must be made regardless of whether the expense is claimed on the corporate return or allocated to its owners.

• **The election to allocate expense to owners**

The refinery may elect to allocate all or a portion of the deduction to its owners. The allocation for each person is equal to the ratable share of the total amount allocated, determined on the basis of the ownership interest of the person. If this election is made, such portion of the cost of the qualified refinery property is not deducted as an expense on Form 512. Each owner reports their allowable share of the deduction on the designated line on their own income tax return. The refinery must attach a schedule stating the qualified refinery property(ies), the date(s) placed in service, the total cost being expensed, and the portion of such expense allocated to each owner, including the owner's name and Federal Identification Number.

**Don't forget to copy
your return for your files
before mailing.**

LINE BY LINE INSTRUCTIONS

GENERAL INSTRUCTIONS FOR DETERMINING OKLAHOMA TAXABLE INCOME, CONTINUED

If you are the Owner -

(Schedule A, Line 26, column B or Schedule B, Line 6 - as a deduction)

Deduct the portion of the cost of the qualified refinery property allocated to you as an owner in the refinery. Attach a schedule stating your corporate name and FEI number, the refinery/ company name and FEI number, the qualified refinery property(ies), the date(s) placed in service, and the portion of cost allocated to you.

COST OF COMPLYING WITH SULFUR

REGULATIONS: (Title 68 O.S. Section 2357.205)

A qualified refinery may make an irrevocable election to allocate all or a portion of the cost of complying with sulfur regulations issued by the Environmental Protection Agency as a deduction allowable to its owners. The allocation for each person is equal to the ratable share of the total amount allocated, determined on the basis of the ownership interest of the person. The taxable income of the refinery shall not be reduced by the reason of any amount allowed under this section.

If you are the Refinery -

To make the election, attach a schedule stating your corporate name and FEI number, a list of the costs of complying with sulfur regulations some or all of which are being allocated to your owners, and the portion of such costs allocated to each owner, including the owner's name and Federal Identification Number. You shall also provide each owner with written notice of the amount of the allocation. The notice must include your corporate name and FEI number and the owner's name and Federal Identification Number.

If you are the Owner -

(Schedule A, Line 26, column B or Schedule B, Line 6)

Deduct the portion of the cost of complying with sulfur regulations which have been allocated to you. Attach the written notice of the allocation received from the refinery.

OKLAHOMA CAPITAL GAIN DEDUCTION:

(Schedule A, Line 26, column B or Schedule B, Line 6)

Corporations can deduct qualifying gains receiving capital treatment which are included in Federal taxable income. "Qualifying gains receiving capital treatment" means the amount of the net capital gains, as defined under the Internal Revenue Code Section 1222(11). The qualifying gain must:

- 1) Be earned on real or tangible personal property located within Oklahoma that you have owned, either directly or indirectly, for at least five uninterrupted years prior to the date of the sale;
- 2) Be earned on the sale of stock or ownership interest in an Oklahoma headquartered company, limited liability company, or partnership where such stock or ownership interest has been owned, either directly or indirectly, by you for at least three uninterrupted years prior to the date of the sale; or
- 3) Be earned on the sale of real property, tangible personal property or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets on an Oklahoma company, limited liability company, or partnership where such property has been directly or indirectly owned by such entity or owned by the owners of such entity, and used in or derived from such entity for a period of at least three uninterrupted years prior to the date of the sale.

Enclose Form 561-C and a copy of your Federal Schedule D.

EMPLOYERS PROVIDING CHILD CARE PROGRAMS FOR THEIR EMPLOYEES:

(Schedule A, Line 10, column B or Schedule B, Line 6 as an addition)

Employers incurring expenses to provide Oklahoma child care services for children of their employees may be allowed a credit. If allowed, the eligible expenses upon which the credit is based must be added back to arrive at Oklahoma taxable income. See Form 511CR, Number 12 for the credit. Enclose a schedule of eligible expenses and the computation of the credit. Title 68 O.S. Section 2357.26 and Rule 710:50-15-91.

**Electronic Payment
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LINE BY LINE INSTRUCTIONS

GENERAL INSTRUCTIONS FOR DETERMINING OKLAHOMA TAXABLE INCOME, CONTINUED

AGRICULTURAL COMMODITY PROCESSING FACILITY EXCLUSION:

(Schedule A, Line 26, column B or Schedule B, Line 6)

Owners of agricultural commodity processing facilities may exclude 15% of their investment costs in a new or expanded agricultural commodity processing facility located within Oklahoma. Agricultural commodity processing facility means building, structures, fixtures and improvements used or operated primarily for the processing or production of agricultural commodities to marketable products.

The investment is deemed made when the property is placed in service.

Under no circumstances shall this exclusion lower your taxable income below zero. In the event the exclusion does exceed taxable income, any unused portion may be carried over for a period not to exceed six years. A schedule must be enclosed showing the type of investment(s), the cost of the investment, and the date placed in service.

FIRST YEAR BONUS DEPRECIATION:

• 50% First Year Bonus Depreciation...

Federal taxable income shall be increased by 80% of any amount of bonus depreciation received under the Federal Economic Stimulus Act of 2008 or Federal American Recovery and Reinvestment Act of 2009. Any amount added back can be reclaimed in later years. In the first taxable year beginning after the bonus depreciation was added back, and for the next three taxable years, subtract 25% of the amount added back.

Schedule A, Line 20, column B or Schedule B, line 6 as a deduction.

If the bonus depreciation was claimed on a previous year's Federal return, subtract 25% of the amount of bonus depreciation added back in such year. Subtract the depreciation on Schedule A, Line 20, column B or on Schedule B, line 6. For corporations filing schedule B in the initial year, 25% of the bonus depreciation apportioned to Oklahoma is subtracted.

Enclose a schedule of your computation.

Note: Limited Liability Companies are not corporations subject to this adjustment.

50% Bonus Depreciation Example:

Schedule A Filers		2008	2009	2010	2011	2012
Bonus Depreciation Claimed on Federal Return		100,000				
Add Back to Oklahoma Income	80%	80,000				
Subsequent Year Subtraction	25%		20,000	20,000	20,000	20,000
			Claimed on Schedule A, Line 20 (Attach Statement)			

Schedule B Filers		2008	2009	2010	2011	2012
Bonus Depreciation Claimed on Federal Return		100,000				
Add Back to Federal Income	80%	80,000				
Oklahoma Apportionment Percentage for 2008 (Year of the Add Back)		40%				
Apportioned Amount of Add Back		32,000				
Subsequent Year Subtraction	25%		8,000	8,000	8,000	8,000
			Claimed on Schedule B, Line 6 (Attach Statement)			

LINE BY LINE INSTRUCTIONS

GENERAL INSTRUCTIONS FOR DETERMINING OKLAHOMA TAXABLE INCOME, CONTINUED

CAPTIVE REAL ESTATE INVESTMENT TRUSTS:

(Schedule A, Line 10, column B or Schedule B, Line 2)

A captive real estate investment trust, which is subject to federal income tax, is required to add-back the dividends-paid deduction otherwise allowed by federal law in computing net income. Title 68 O.S. Section 2358.

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on our website at www.tax.ok.gov.**

PAGE TWO - SCHEDULE A

Schedule A, Column A is to be completed by all corporations. All corporations start with Schedule A.

Schedule A, Column B is to be used by all corporations domesticated in Oklahoma deriving all of their income within Oklahoma or by corporations whose business within and without Oklahoma is oil and gas production, mining, farming, or rental. This should be completed using the direct accounting method.

Income (loss) shall be allocated in accordance with the situs of such property. Overhead expense shall be allocated on the basis of direct expense in Oklahoma to the total direct expense everywhere.

Line 5 -

Interest on U.S. Government Obligations

If you report interest on bonds, notes, and other obligations of the U.S. on your Federal return, it may be excluded from your Oklahoma income if a detailed schedule is furnished, accompanied with 1099s showing the amount of interest income and the name of the obligation from which the interest is earned. If the income is from a mutual fund which invests in U.S. Government obligations, enclose documentation from the mutual fund to substantiate the percentage of income derived from obligations exempt from Oklahoma tax. **Interest from entities such as FNMA & GNMA does not qualify.**

Line 6a - Other Interest

Accounts receivable interest income and interest income from investments held to generate working capital shall be allocated to Oklahoma on the basis of direct expense.

All other intangible income (loss) shall be allocated in accordance with the situs of the corporation.

Line 6b - State and Municipal Interest

Corporations domiciled in Oklahoma that receive income on bonds issued by any state or political subdivision thereof, exempt from Federal taxation but not exempt from taxation by the laws of the State of Oklahoma, shall add the total of such income to arrive at Oklahoma income.

Line 6b - State and Municipal Interest (continued)

- 1) Income from all bonds, notes or other obligations issued by the State of Oklahoma, the Oklahoma Capital Improvement Authority, the Oklahoma Municipal Power Authority, the Oklahoma Student Loan Authority, and the Oklahoma Transportation Authority (formerly Turnpike Authority) is exempt from Oklahoma income tax. The profit from the sale of such bond, note or other obligations shall be free from taxation.
- 2) Income from local Oklahoma governmental obligations issued after July 1, 2001, other than those provided for in 1, is exempt from Oklahoma income tax. The exceptions are those obligations issued for the purpose of providing financing for projects for nonprofit corporations. Local governmental obligations shall include bonds or notes issued by, or on behalf of, or for the benefit of Oklahoma educational institutions, cities, towns, or counties or by public trusts of which any of the foregoing is a beneficiary.
- 3) Income from Oklahoma State and Municipal Bonds issued prior to July 2, 2001, other than those provided for in 1, is exempt from Oklahoma income tax only if so provided by the statute authorizing their issuance.

LINE BY LINE INSTRUCTIONS

PAGE TWO - SCHEDULE A, CONTINUED

Line 6b - State and Municipal Interest (continued)

- 4) Income on bonds issued by another state or political subdivision thereof (non-Oklahoma), exempt from Federal taxation, is taxable for Oklahoma income tax.

Enclose a schedule of all municipal interest received by source and amount. If the income is from a mutual fund which invests in state and local government obligations, enclose documentation from the mutual fund to substantiate the percentage of income derived from obligations exempt from Oklahoma tax.

Note: If the interest is exempt, the capital gain/loss from the sale of the bond may also be exempt. The gain/loss from sale of a state or municipal bond, other than those provided for in 1, is exempt only if so provided by the statute authorizing its issuance.

Line 7 and 8 - Rents and Royalties

Income from real or tangible personal property, lease royalty or bonus shall be allocated in accordance with the situs of the property.

Line 9 - Gains or Losses

Gains or losses from the sale of leases and gains or losses from the sale of real and tangible personal property, shall be allocated in accordance with the situs of the property.

Line 10 - Other Income (Column B)

Rents and interest expenses paid to a captive real estate investment trust and deducted on your Federal return must be added back to compute Oklahoma taxable income. Such add-back is not required if the captive real estate investment trust is subject to the add-back for the dividends-paid deduction, see "Captive Real Estate Investment Trusts" on page 8.

Income from discharge of indebtedness deferred under Section 108 (i)(1) of the Internal Revenue Code, as provided for in the American Recovery and Reinvestment Act of 2009, must be added back to compute Oklahoma taxable income. Such income will be deducted from Oklahoma taxable income when ratably included in Federal income over five subsequent tax years.

Line 12 through 26 - Expenses

Expenses relative to the income above shall be allocated directly to that income.

PAGE THREE - SCHEDULE B

Schedule B is to be used by corporations conducting a business of a unitary nature. A unitary business is one whose income is derived from the conduct in more than one state of a single business enterprise, all the factors of which are essential to the realization of an ultimate gain derived from the enterprise as a whole, and not from its component parts which are too closely connected and necessary to each other to justify division or separate allocation.

Generally the resulting amount is apportioned to Oklahoma based on the 3-factor formula. The basis of the apportionment is the arithmetical average of three factors consisting of property, payroll and sales. If less than 3 factors are present, the resulting amount is apportioned to Oklahoma on a 2-factor or single factor formula consisting of the arithmetical average of the factors present. A factor is considered present if there is a denominator.

NOTE: FACTORS ARE NOT COMPUTED FROM THE CONSOLIDATED TOTALS. Each factor is a ratio of the total within Oklahoma to the total everywhere. For income apportioned to Oklahoma, there is to be added all income separately allocated to Oklahoma with the result being Oklahoma taxable income. Title 68 O.S. Section 2358.

Line 1 - Federal Taxable Income

Enter Net Taxable Income from Schedule A, Column A, line 30.

Electronic Payments

Log on to www.tax.ok.gov and visit the "Payment Options" link to make a payment electronically. All electronic payment methods provide you with a confirmation number and the peace of mind in knowing your payment was received.

LINE BY LINE INSTRUCTIONS

PAGE THREE - SCHEDULE B, CONTINUED

Line 2 - Additions

Deductions relating to income which is separately allocated shall not be allowed and will be entered here.

Rents and interest expenses paid to a captive real estate investment trust and deducted on your Federal return must be added back to compute Oklahoma taxable income. Such add-back is not required if the captive real estate investment trust is subject to the add-back for the dividends-paid deduction, see "Captive Real Estate Investment Trusts" on page 8.

Income from discharge of indebtedness deferred under Section 108 (i)(1) of the Internal Revenue Code, as provided for in the American Recovery and Reinvestment Act of 2009, must be added back to compute Oklahoma taxable income. Such income will be deducted from Oklahoma taxable income when ratably included in Federal income over five subsequent tax years.

Line 3 - Deductions

Income from U.S. obligations (see page 8, Schedule A instructions) and net income separately allocated (oil and gas production, mining, farming, or rentals) will be entered here. Gains or losses from sale of intangible personal property which is directly allocated should also be entered here.

Line 6 - Oklahoma Additions and Deductions

Income separately allocated to Oklahoma should be entered here. (Examples: interest income from state obligations or political subdivisions, oil and gas production, mining, farming or rentals, etc.).

Line 8 - Oklahoma Accrued Tax

Oklahoma accrued tax is computed by dividing line 7 (Oklahoma Net Income before Oklahoma Income Tax) by the number 17.6667.

When filing a consolidated return, complete Form 512-TI. The accrual of Oklahoma state income tax must be made after the combination of the income and loss from all companies included in the combination. The accrued tax cannot be less than zero.

When credits are allowed, the accrual of Oklahoma tax will not be allowed on the amount of Oklahoma taxable income that is covered by the credit. Tax accrual is allowed on the amount of income for which tax is actually paid. The following example shows how the accrual should be calculated. A schedule, such as the example below, should be enclosed and submitted with Form 512.

Computation of Tax Accrual When Tax Credits Are Allowable

1. Oklahoma income before tax accrual	100,000
2. Allowable Oklahoma credits	2,000
<u>Computation of accrued tax allowed</u>	
A. Oklahoma income (Line 1 above)	100,000
B. Line 2 above divided by 6%	33,333
C. Subtract Line B from Line A	66,667
D. Divide Line C by 17.6667	3,774
(If Line D is less than 0, enter 0)	
3. Subtract Line D from Line 1 above.	96,226

**(Enter Line 3 above on Line 1, page 1 of your
Oklahoma corporation income tax Form 512)**

Total tax due	5,774
Tax accrual allowed	3,774
Tax credit allowed	2,000

PAGE ONE

Line 3 - Other Credits

The amount of other credits as claimed on Form 511CR should be entered on this line. Enter in the box the number that corresponds with the credit to which you are entitled. Enter "99" if entitled to more than one credit. See pages 10 and 11 for a list of the credits available on Form 511CR. If you are claiming any of the credits on Form 511CR, enclose the form, and any applicable forms or schedules, with your Form 512 return.

The Form 511CR can be obtained from our website at www.tax.ok.gov.

Line 3 - Other Credits

- Oklahoma Investment/New Jobs Credit
Enclose Form 506.
Title 68 O.S. Section 2357.4
and Rule 710:50-15-74.
- Coal Credit
Title 68 O.S. Section 2357.11
and Rule 710:50-15-76.
- Credit for Energy Assistance Fund Contribution
Title 68 O.S. Section 2357.6.
- Venture Capital Credit
Title 68 O.S. Section 2357.7,8
and Rule 710:50-15-77,78.

LINE BY LINE INSTRUCTIONS

PAGE ONE, CONTINUED

Line 3 - Other Credits (continued)

- Credit for Investment in Clean-Burning Motor Vehicle Property or Credit for Investment in Qualified Electric Motor Vehicle Property
Title 68 O.S. Section 2357.22
and Rule 710:50-15-81.
- Credit for Hazardous Waste Disposal
Title 27A O.S. Section 2-11-303
and Rule 710:50-15-75.
- Credit for Qualified Recycling Facility
Title 68 O.S. Section 2357.59
and Rule 710:50-15-84.
- Small Business Capital Credit
Enclose Form 527-A.
Title 68 O.S. Section 2357.60 - 2357.65
and Rule 710:50-15-86.
- Oklahoma Agricultural Producers Credit
Enclose Form 520.
Title 68 O.S. Section 2357.25
and Rule 710:50-15-85.
- Small Business Guaranty Fee Credit
Enclose Form 529.
Title 68 O.S. Section 2357.30.
- Credit for Employers Providing Child Care Programs
Title 68 O.S. Section 2357.26
and Rule 710:50-15-91.
- Credit for Entities in the Business of Providing Child Care Services
Title 68 O.S. Section 2357.27.
- Credit for Food Service Establishments that Pay for Hepatitis A Vaccination for their Employees
Title 68 O.S. Section 2357.33.
- Credit for Commercial Space Industries
Title 68 O.S. Section 2357.13.
- Credit for Nonstop Air Service from Oklahoma to the Coast
Title 68 O.S. Section 2357.28.
- Credit for Tourism Development or Qualified Media Production Facility
Title 68 O.S. Section 2357.34 - 2357.40.
- Oklahoma Local Development and Enterprise Zone Incentive Leverage Act Credit
Title 68 O.S. Section 2357.81.
- Credit for Qualified Rehabilitation Expenditures
Title 68 O.S. Section 2357.41
and Rule 710:50-15-108.
- Credit for Space Transportation Vehicle Provider
Title 68 O.S. Section 2357.42
and Rule 710:50-15-93.
- Rural Small Business Capital Credit
Enclose Form 526-A.
Title 68 O.S. Section 2357.71 - 2357.76
and Rule 710:50-15-87.
- Credit for Electricity Generated by Zero-Emission Facilities
Title 68 O.S. Section 2357.32A.
- Credit for Financial Institutions Making Loans under the Rural Economic Development Loan Act
Title 68 O.S. Section 2370.1.
- Credit for Manufacturers of Small Wind Turbines
Title 68 O.S. Section 2357.32B
and Rule 710:50-15-92.
- Credit for Qualified Ethanol Facilities
Title 68 O.S. Section 2357.66
and Rule 710:50-15-106.
- Poultry Litter Credit
Title 68 O.S. Section 2357.100
and Rule 710:50-15-95.
- Credit for Qualified Biodiesel Facilities
Title 68 O.S. Section 2357.67
and Rule 710:50-15-98.
- Film or Music Project Credit
Enclose Form 562.
Title 68 O.S. Section 2357.101
and Rule 710:50-15-101.
- Credit for Breeders of Specially Trained Canines
Title 68 O.S. Section 2357.203
and Rule 710:50-15-97.
- Credit for Wages Paid to an Injured Employee
Title 68 O.S. Section 2357.47
and Rule 710:50-15-107.
- Credit for Modification Expenses Paid for an Injured Employee
Title 68 O.S. Section 2357.47
and Rule 710:50-15-107.
- Dry Fire Hydrant Credit
Title 68 O.S. Section 2357.102
and Rule 710:50-15-99.
- Credit for the Construction of Energy Efficient Homes
Title 68 O.S. Section 2357.46
and Rule 710:50-15-104.
- Credit for Railroad Modernization
Title 68 O.S. Section 2357.104
and Rule 710:50-15-103.
- Research and Development New Jobs Credit
Enclose Form 563.
Title 68 O.S. Section 54006
and Rule 710:50-15-105.
- Credit for Stafford Loan Origination Fee
(available for banks and credit unions)
Title 68 O.S. Section 2370.3.
- Gas Used in Manufacturing Credit
Title 68 O.S. Section 2357(C).
- Credit for Biomedical Research Contribution
Title 68 O.S. Section 2357.45.
- Credits for Employers in the Aerospace Sector
Enclose Form 565
Title 68 O.S. Sections 2357.301, 2357.302 & 2357.303
and Rule 710:50-15-109.
- Wire Transfer Fee Credit
Title 68 O.S. Section 2357.401.
- Credit for Manufacturers of Electric Vehicles
Title 68 O.S. 2357.402.

LINE BY LINE INSTRUCTIONS

PAGE ONE, CONTINUED

Line 7 - Oklahoma Withholding

1. Enter the Oklahoma income tax withheld from your royalty payments.
2. Oklahoma income tax is withheld from distributions made by pass-through entities to nonresident members, unless such nonresident member has filed a withholding exemption affidavit (Form OW-15). If you are a nonresident member of a pass-through entity who has not filed an affidavit, Oklahoma income tax should have been withheld on distributions of Oklahoma taxable income. Enter the Oklahoma income tax withheld on your distribution.

Enclose the Form 500-A, Form 1099-MISC, Form 500-B, Form K-1 or other documentation to substantiate Oklahoma withholding.

Line 11 -

You have the opportunity to make a financial gift from your refund to a variety of Oklahoma organizations. Enter the amount of your donation and place the line number of the organization in the box on line 11 of Form 512. If you give to more than one organization, put a "99" in the box and attach a schedule showing how you would like your donation split.

1 Oklahoma Wildlife Diversity Program

The Oklahoma Wildlife Diversity Program is funded primarily by concerned Oklahomans. All donations provide for a variety of projects, including research on Texas horned lizards and other rare wildlife, wildlife observation activities such as winter Bald Eagle Tours and spring Watchable Wildlife Weekends, statewide educational workshops, informational brochures and posters, and management of a bat cave purchased with previous program donations.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Wildlife Diversity Program
1801 North Lincoln
Oklahoma City, OK 73105**

**www.tax.ok.gov
Oklahoma tax
assistance available 24/7.**

2 Oklahoma Breast and Cervical Cancer Fund

You may donate for the benefit of breast and cervical cancer early detection, public education and research. Your donation will be placed in a fund to be used for the purpose of funding programs to increase knowledge of breast and cervical cancer risk and prevention and provide mammograms, pap tests and biopsies for low income women.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Oklahoma State Department of Health
Breast and Cervical Cancer
Revolving Fund
1000 NE 10th St.
Oklahoma City, OK 73152**

3 Oklahoma Silver Haired Legislature and Alumni Association Programs

You may donate from your tax refund for the benefit of Oklahoma Silver Haired Legislature and their Alumni Association activities. The Oklahoma Silver Haired Legislature was created in 1981 as a forum to educate senior citizens in the legislative process and to highlight the needs of older persons to the Oklahoma State Legislature. Monies generated from donations will be used to fund expenses of the Silver Haired Legislators, training sessions, interim studies and advocacy activities.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Oklahoma Silver Haired Legislature
and Alumni
c/o Division of Aging Services
312 NE 28th Street
Oklahoma City, OK 73105**

Credit Card Payments

You can pay the balance due by credit card. Payments can be made for any tax year. Estimated income tax payments are also accepted.

- Log on to our website at www.tax.ok.gov. Click on the "Payment Options" link to pay online.



A convenience fee of \$3.95 will be added to Visa and MasterCard DEBIT transactions. For all other credit and debit card transactions, a convenience fee of 2.5% will be added. For more information regarding this service, please visit our website at www.tax.ok.gov or call our Taxpayer Assistance Office at (405) 521-3160.

LINE BY LINE INSTRUCTIONS

PAGE ONE, CONTINUED

4 Support of Programs for Volunteers to Act as Court Appointed Special Advocates for Abused or Neglected Children

You may donate from your tax refund to support programs for volunteers to act as Court Appointed Special Advocates for abused or neglected children. Donations will be placed in the Income Tax Check Off Revolving Fund for Court Appointed Special Advocates. Monies will be expended by the Office of the Attorney General for the purpose of providing recruitment, training, and supervision of the special advocates. All Court Appointed Special Advocate programs in the state shall receive a portion of this money.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Oklahoma CASA Association, Inc.
PO Box 54946
Oklahoma City, OK 73154**

5 Oklahoma Pet Overpopulation Fund

You may donate from your tax refund for the benefit of the Oklahoma Pet Overpopulation Fund. Monies placed in this fund will be expended by the Department of Agriculture, Food and Forestry for the purpose of developing educational programs on pet overpopulation and for implementing spay/neuter efforts in this state.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Oklahoma Department of Agriculture,
Food and Forestry
Animal Industry Division
2800 North Lincoln Blvd.
Oklahoma City, OK 73105**

6 Support of the Oklahoma National Guard

You have the opportunity to donate from your tax refund for the benefit of providing financial relief to qualified members of the Oklahoma National Guard and their families. Donations will be placed in the Income Tax Check Off Revolving Fund for the Support of the Oklahoma National Guard Relief Program. Monies, to assist Oklahoma National Guard members and their families with approved hardship expenses, will be expended by the Military Department.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Operation Homefront Task Force
3501 Military Circle
Oklahoma City, OK 73111-4398**

7 Oklahoma Leukemia and Lymphoma Fund

You have the opportunity to donate from your tax refund for the benefit of the Oklahoma Leukemia and Lymphoma Revolving Fund. Monies from the fund will be used by the State Department of Health for the purpose of supporting voluntary health agencies dedicated to curing Leukemia, Lymphoma, Hodgkin's Disease, and Myeloma and to improving the quality of life of patients and their families.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**State Department of Health
Oklahoma Leukemia and Lymphoma
Revolving Fund - 228
PO Box 268823
Oklahoma City, OK 73152-8823**

8 Support of Programs for Regional Food Banks in Oklahoma

You may donate from your tax refund for the benefit of the Regional Food Bank of Oklahoma and the Community Food Bank of Eastern Oklahoma (Oklahoma Food Banks). The Oklahoma Food Banks are the largest hunger-relief organizations in the state - distributing food to charitable and faith-based feeding programs throughout all 77 counties in Oklahoma. Your donation will be used to help provide food to the more than 500,000 Oklahomans at risk of hunger on a daily basis.

If you are not receiving a refund, you may still donate by mailing your contribution to:

**Oklahoma Department of Human Services
Revenue Processing Unit
Re: Programs for OK Food Banks
PO Box 53306
Oklahoma City OK 73152**

Want a Form that Does the Math?

The Oklahoma Tax Commission has just the form for you. Visit our website at www.tax.ok.gov. Download the "2-D Calculating Form 512" from the income tax forms area of the website.

As you fill in your form on your computer screen, this form will be doing the calculating for you. Once finished, simply print out two copies before closing the document. Mail one to the OTC and keep the other for your files.

By using this form type, your return will have a 2-D barcode at the top and will be processed faster. Faster processing means a faster refund to you.

9 Support of Folds of Honor Scholarship Program

You have the opportunity to donate from your tax refund to support the Folds of Honor Foundation. Folds of Honor is a 501(c)(3) charitable organization that provides post-secondary educational scholarships for children and spouses of military service men and women killed or disabled while serving in the war in Iraq or Afghanistan.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Folds of Honor Foundation
5800 North Patriot Drive
Owasso OK 74055**

10 Y.M.C.A. Youth and Government Program

You have the opportunity to donate up to \$25 from your tax refund for the benefit of the Oklahoma chapter of the Y.M.C.A. Youth and Government program. Monies donated will be expended by the State Department of Education for the purpose of providing grants to the Program so young people may be educated regarding government and the legislative process.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Oklahoma State Department of Education
YMCA Youth and Government Program
Fiscal Services, Room 112
2500 North Lincoln Boulevard
Oklahoma City OK 73105-4599**

11 Multiple Sclerosis Society Fund

You may donate, up to \$25, for the benefit of research toward a cure for Multiple Sclerosis. Your donation will be placed in a fund for the purpose of providing grants to the Multiple Sclerosis Society for purposes of mobilizing people and resources to drive research for a cure and to address the challenges of everyone affected by multiple sclerosis.

If you are not receiving a refund, you may still donate. Mail your contribution to:

**Oklahoma State Department of Health
Multiple Sclerosis Society Revolving Fund
Post Office Box 268823
Oklahoma City OK 73126-8823**

Line 15 - Underpayment of Estimated Tax Interest

All corporations are required to make estimated tax payments if the tax liability is \$500 or more. To avoid the 20% Underpayment of Estimated Tax Interest, timely filed estimated tax payments are required to be equal to the smaller of 70% of the current year tax liability **or** 100% of your prior year tax. The tax liability is the tax due less all credits except amounts paid on estimated tax and extension payments.

Note: No Underpayment of Estimated Tax Interest shall be imposed if the tax liability shown on the return is less than \$1,000. Enclose Form OW-8-P.

Line 16 - Delinquent Penalty and Interest

Interest at the rate of 1 1/4% per month shall be paid on the tax due from the original due date until paid. 90% of the tax liability must be paid by the original due date of the return to avoid a delinquent penalty charge of 5% for late payment.



The Oklahoma Tax Commission's QuickTax system is available for your business tax filing needs. This online system will accept returns and payments for the following tax types:

- Sales Tax • Use Tax (vendor and consumer)
- Withholding Tax • Mixed Beverage Tax
- Waste Tire Tax
- Nonresident Royalty Withholding Tax
- Estimated Income Tax

Payment options include ACH debit, ACH credit, and credit card. Set up just like your paper forms, the QuickTax system is faster and much easier than the paper method. Also, when you finish, you will receive a confirmation number, giving you the peace of mind in knowing your report and payment have been received.

Log on to our website at www.tax.ok.gov. Give QuickTax a try with your next business tax filing, because you didn't go into business to file tax forms!

DIRECT DEPOSIT INFORMATION

GET YOUR REFUND FASTER - USE DIRECT DEPOSIT!

Please complete the direct deposit box on the tax return if you want us to directly deposit the amount shown on the refund line of the return into your account at a bank or other financial institution instead of sending you a check.

- 1** Check the appropriate box as to whether the check will be going into a checking or savings account. Please keep in mind you will not receive notification of the deposit.
- 2** Fill out the routing number. The routing number must be nine digits. If the first two digits are not 01 through 12 or 21 through 32, the direct deposit will be rejected and a check will be issued instead. Using the sample check shown below, the routing number is **120120012**.
- 3** Enter your account number. The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check shown below, the account number is **2020268620**.

Please Note: The Oklahoma Tax Commission is not responsible if a financial institution refuses a direct deposit. If a direct deposit is refused, a check will be issued to the address shown on your tax return. Also note, the Oklahoma Tax Commission will only issue one payment per bank account number. Therefore, if more than one refund is requested for direct deposit to the same bank account, the second and subsequent payments will be issued by paper check to the address shown on the tax return(s).

WARNING! Due to changes in the electronic banking rules, the Oklahoma Tax Commission will no longer allow direct deposits to or through foreign financial institutions. If you use a foreign financial institution, or have a foreign address on your income tax return, you will be issued a paper check. If you have an address with an APO, FPO or DPO you are not considered to have a foreign address; your refund is eligible for direct deposit.

The image shows a sample check form with the following details:

- Payor:** ABC Corporation, 123 Main Street, Anyplace, OK 00000
- Routing Number:** 1234 (15-0000/0000)
- Payee:** PAY TO THE ORDER OF **SAMPLE**
- Amount:** \$ [] DOLLARS
- Bank:** ANYPLACE BANK, Anyplace, OK 00000
- For:** []
- Account Number:** 1234
- Routing and Account Numbers:** | : 120120012 | : 2020268620 |

Callouts indicate that the routing number is 120120012 and the account number is 2020268620. A note states: "Note: The routing and account numbers may appear in different places on your check."

WHEN YOU ARE FINISHED...

- In the event that you owe taxes, please enclose a check or money order payable to "Oklahoma Tax Commission". The taxpayer identification number and the tax year should be on your check or money order for your payment to be properly credited.
- Payments may also be made electronically online. Visit our website for more information at www.tax.ok.gov.
- When complete, make copies of all the documents for your records.
- Do not enclose any correspondence other than those documents and schedules required for your return.
- For proper account application, please do not enclose any estimated payments and/or vouchers with this return. Mail 2011 estimated payments separately.
- Return must be signed.

- Please mail the originals, along with any payment due, to:

**Oklahoma Tax Commission
Income Tax
PO Box 26800
Oklahoma City, OK 73126-0800**

HOW TO CONTACT THE OKLAHOMA TAX COMMISSION

Whether you need a tax form,
have a question or need further information,
there are many ways to reach us.

VISIT US ON THE WEB!

You'll find a wealth of information on our website, including downloadable tax forms, answers to common questions, and online filing options for both income and business taxes!

www.tax.ok.gov

OFFICE LOCATIONS!

Oklahoma City

2501 North Lincoln Boulevard
(405) 521-3160

Tulsa

440 South Houston, 5th Floor
(918) 581-2399

GIVE US A CALL!

The Oklahoma Tax Commission can be reached at (405) 521-3160.

The in-state toll free number is (800) 522-8165.

Press "0" to speak to a representative.

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

State of Oklahoma
CORPORATION INCOME TAX RETURN



Form 512- 2010

For the year January 1 - December 31, 2010, or other taxable year beginning [] , 2010 ending [] , [] .

Name of Corporation
 Street Address
 City, State and Zip

If this is a final return, please check here:

A. Federal I.D. Number []

B. Business Code Number []

Extension
 If you have applied for an extension from the IRS, check here and enclose a copy.

Type of Return Filed
 Separate Consolidated
 Oklahoma or (page 3 of instructions)
 Federal or

➔ **Notice:** Enter the amount of net operating loss as shown on Sch. A, line 29(a) or Sch. B, line 6(d) \$ [] .00

1	Oklahoma taxable income (as shown on Schedule A or B or, if consolidated, from Form 512-TI)	1	[]	00
2	Tax: 6% of line 1	2	[]	00
3	Less: Other Credits Form (total from Form 511CR) (see instructions) []	3	[]	00
4	Balance of tax due (line 2 minus line 3, but not less than zero)	4	[]	00
5	Amount paid on 2010 estimate 5	[]	[]	00
6	Amount paid with extension request 6	[]	[]	00
7	Oklahoma withholding (enclose Form 1099, 500-A or other withholding statement) 7	[]	[]	00
8	Total payments (add lines 5, 6 and 7) 8	[]	[]	00
9	Overpayment (line 8 minus line 4) 9	[]	[]	00
10	Amount of line 9 to be credited on 2011 estimated tax 10	[]	[]	00
Line 11 instructions provide you with the opportunity to make a financial gift from your refund to a variety of Oklahoma organizations. Please place the line number of the organization from the line 11 instructions in the box below. If you give to more than one organization, please put a "99" in the box and attach a schedule showing how you would like your donation split.				
11	Donations from your refund (total from line 11 instructions) [] 11	[]	[]	00
12	Total (add lines 10 and 11) 12	[]	[]	00
13	Amount of line 9 to be refunded to you (line 9 minus line 12) Refund ➔ 13	[]	[]	00

Want a Faster Refund? ➔
 Elect to have your refund directly deposited into your checking or savings account. Only one refund can be deposited per account per tax season. For Direct Deposit information, see page 15 of instructions.

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 Routing Number: []

savings account Account Number: []

14	Tax Due (line 4 minus line 8) Tax Due ➔ 14	[]	[]	00
15	Underpayment of estimated tax interest (enclose Form OW-8-P) 15	[]	[]	00
16	For delinquent payment add penalty of 5% \$ _____ plus interest of 1.25% per month \$ _____ 16	[]	[]	00
17	Total tax, penalty and interest (add lines 14, 15 and 16) Balance Due ➔ 17	[]	[]	00

If the Oklahoma Tax Commission may discuss this return with your tax preparer, please check 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.

Enclose a copy of Federal return

Corporate Seal

Signature of Officer _____ Date _____
 Title _____
 Phone Number _____

Signature of Preparer _____ Date _____
 Preparer's Address _____
 Phone Number _____ Preparer's ID Number _____

SCHEDULE A

Schedule A, Column B is for corporations whose income is all within Oklahoma and/or for corporations whose income is partly within and partly without Oklahoma (not unitary). Enclose a complete copy of your Federal return.



Important: All applicable lines and schedules must be filled in.

		Column A As reported on Federal Return	Column B Total applicable to Oklahoma
Gross Income (lines 1 through 11)			
1	Gross receipts or gross sales _____ (less: returns and allowances) . . .	1	
2	Less: Cost of goods sold	2	
3	Gross profit (line 1 minus line 2)	3	
4	Dividends	4	
5	Interest on obligations of the United States and U.S. Instrumentalities	5	
6	(a) Other interest	6a	
	(b) Municipal interest	6b	
7	Gross rents	7	
8	Gross royalties	8	
9	(a) Net capital gains	9a	
	(b) Ordinary gain or [loss]	9b	
10	Other income (enclose schedule)	10	
11	Total income (add lines 3 through 10)	11	
Deductions (lines 12 through 27)			
12	Compensation of officers	12	
13	Salaries and wages	13	
14	Repairs	14	
15	Bad debts	15	
16	Rents	16	
17	Taxes	17	
18	Interest	18	
19	Charitable Contributions	19	
20	Depreciation	20	
21	Depletion (see instructions below)	21	
22	Advertising	22	
23	Pension, profit-sharing plans, etc.	23	
24	Employee benefit programs	24	
25	Domestic production activities deduction	25	
26	Other deductions (enclose schedule)	26	
27	Total Deductions (add lines 12 through 26)	27	
Totals (lines 28 through 30)			
28	Taxable income before net operating loss deductions and special deductions	28	
29	Less: (a) Net operating loss deduction (schedule)	29a	
	(b) Special deductions	29b	
30	Taxable income (line 28 minus lines 29a & b) Enter Column B on line 1, page 1.	30	

Note: Indicate method used to allocate expenses to Oklahoma and enclose schedule of computations.

Oklahoma Depletion in Lieu of Federal Depletion

Oklahoma depletion on oil and gas may be computed at 22 % of gross income derived from each Oklahoma property during the taxable year. Major oil companies, as defined in Title 52 O.S. Section 288.2, when computing Oklahoma depletion shall be limited to 50% of the net income (computed without the allowance for depletion) from each property. **Note: Depletion schedule by property must be enclosed with return.**

ADDITIONAL INFORMATION

Location of Principal Accounting Records

Address _____ City _____ State _____ Zip _____

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

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

Did you file amended returns for the years stated above? Yes No

Business name and principal locations in Oklahoma _____

Date of incorporation _____ Date business began in Oklahoma _____

Give name, address and relationship of all affiliated corporations - enclose Federal Form 851

Schedule B is for computation of Oklahoma taxable income of a unitary enterprise. [Section 2358(A) (5)] Enclose a complete copy of your Federal return.



SCHEDULE B

1	Net taxable income from Schedule A, Column A, line 30		\$
2	Add: (a) Taxes based on income	\$	
	(b) Federal net operating loss deduction		
	(c) Unallowable deduction (enclose schedule)		
	(d) _____		
	(e) _____		
	(f) Total of lines 2a through 2e		\$
3	Deduct all items separately allocated		
	(a) _____	\$	
	(b) _____		
	(c) _____		
	(d) _____		
	(e) _____		
	(f) Total of lines 3a through 3e		\$
	(Note: Items listed in 2 and 3 above must be net amounts supported by schedules showing source, location, expenses, etc.)		
4	Net apportionable income		\$
5	Oklahoma's portion thereof _____%, from schedule below		\$
6	Add or deduct items separately allocated to Oklahoma (enclose schedule)		
	(a) _____	\$	
	(b) _____		
	(c) _____		
	(d) Oklahoma net operating loss deduction		
7	Oklahoma net income before tax (add lines 5 and 6)		\$
8	Oklahoma accrued tax (see instructions)		\$
9	Oklahoma taxable income, line 7 less line 8 (enter on line 1, page 1)		\$

APPORTIONMENT FORMULA

	Column A Total Within Oklahoma	Column B Total Within and Without Oklahoma	A divided by B Percent Within Oklahoma
1	Value of real and tangible personal property used in the unitary business (by averaging the value at the beginning and ending of the tax period).		
	(a) Owned property (at original cost):		
			(I) Inventories
			(II) Depreciable property
			(III) Land
			(IV) Total of section "a"
			(b) Rented property (capitalize at 8 times net rental paid)
	\$	\$	(c) Total of sections "a" and "b" above
2			(a) Payroll
			(b) Less: Officer salaries
	\$	\$	(c) Total (subtract officer salaries from payroll)
3	Sales :		
	(a) Sales delivered or shipped to Oklahoma purchasers:		
			(I) Shipped from outside Oklahoma
			(II) Shipped from within Oklahoma
			(b) Sales shipped from Oklahoma to:
			(I) The United States Government
			(II) Purchasers in a state or country where the corporation is not taxable (i.e. under Public Law 86-272)
	\$	\$	(c) Total all of sections "a" and "b"
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)		%
6	Average percent (1/3 of total percent) (Carry to line 5, Schedule B)		%



BALANCE SHEETS		Beginning of taxable year		End of taxable year	
		(A) Amount	(B) Total	(C) Amount	(D) Total
1	Cash				
2	Trade notes and accounts receivable				
	(a) Less allowance for bad debts				
3	Inventories				
4	Gov't obligations:				
	(a) U.S. and instrumentalities				
	(b) State, subdivision, thereof, etc.				
5	Other current assets (enclose schedule)				
6	Loans to shareholders				
7	Mortgage and real estate loans				
8	Other investments (enclose schedule)				
9	Buildings and other fixed depreciable assets				
	(a) Less accumulated depreciation				
10	Depletable assets				
	(a) Less accumulated depletion				
11	Land (net of any amortization)				
12	Intangible assets (amortization only)				
	(a) Less accumulated amortization				
13	Other assets (enclose schedule)				
14	Total assets				
15	Accounts payable				
16	Mtgs-notes-bonds payable in less than 1 yr.				
17	Other current liabilities (enclose schedule)				
18	Loans from shareholders				
19	Mtgs-notes-bonds payable in 1 yr. or more				
20	Other liabilities (enclose schedule)				
21	Capital stock: (a) preferred stock				
	(b) common stock				
22	Paid-in capital surplus (enclose reconciliation)				
23	Retained earnings-appropriated (enclose sch.)				
24	Retained earnings-unappropriated				
25	Adjustments to shareholder's equity (enclose sch.)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders equity				

SCHEDULE OK M-1: RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1	Net income (loss) per books		7	Income recorded on books this year not included in this return (enclose schedule)	
2	Federal income tax			(a) Tax exempt interest \$	
3	Excess of capital losses over capital gains			(b) Other \$	
4	Taxable income not recorded on books this year (enclose schedule)			(c) Total of lines 7a and 7b	
5	Expenses recorded on books this year not deducted in this return (enclose schedule)		8	Deductions in this tax return not charged against book income this year (enclose schedule)	
	(a) Depreciation \$			(a) Depreciation \$	
	(b) Depletion \$			(b) Depletion \$	
	(c) Other			(c) Other	
	(d) Total of lines 5a, 5b and 5c			(d) Total of lines 8a, 8b and 8c	
6	Total of lines 1 through 4 and 5d		9	Total of lines 7c and 8d	
			10	Net income: line 6 less line 9	

SCHEDULE OK M-2: ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)

1	Balance at beginning of year		5	Distributions: (a) Cash	
2	Net income (loss) per books			(b) Stock	
3	Other increases (enclose schedule)			(c) Property	
			6	Other decreases (enclose sch.)	
4	Total of lines 1, 2 and 3		7	Total of lines 5 and 6	
			8	Balance at end of year (line 4 less line 7)	

