

1997

• Form 512S



Oklahoma Small Business Corporate Income Tax Forms and Instructions

This packet includes:

- Instructions for completing the Form 512S
- Two 512S small business corporation income tax forms
- One return envelope

Filing date:

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



Oklahoma Tax Commission

2501 North Lincoln Boulevard
Oklahoma City, Oklahoma 73194

For information regarding assistance with your tax return, please see page six.

1997 Oklahoma Corporate Income Tax

Dear Oklahoma Taxpayer,

Enclosed within this booklet is the Form 512S: Oklahoma Small Business Corporation Income Tax Return, instructions and a return envelope. If you need a different or additional form, please contact us in one of the ways listed on page six.

If you have any questions about filing your Oklahoma corporation income tax return, please call one of our Corporate Representatives at **(405) 521-3126**. Our newly structured **Taxpayer Assistance Division**, available at all of our locations, is also ready to assist you with your tax needs. Also, be sure and visit our web site next time you are online. Many common tax questions can be answered on our site. Our web address is **www.oktax.state.ok.us** and e-mail options are also available on our site.

Before You Begin



You must complete your Federal income tax return before you begin your 1997 Oklahoma small business corporation income tax return. You will use the information entered on your Federal return to complete the Oklahoma return.

Remember, when completing your Oklahoma return, round all amounts to the nearest dollar.

Example:

\$2.01 to \$2.49 - round down to \$2.00
\$2.50 to \$2.99 - round up to \$3.00

Also, be sure and read all instructions before you begin.

Sincerely,

A handwritten signature in cursive script, reading "Robert E. Anderson".

Robert E. Anderson, Chairman
Oklahoma Tax Commission

Helpful Hints

- File your return on time to avoid costly penalty and interest. Your Oklahoma small business corporation income tax return is due on the same date as your Federal return.
- Be sure to sign and date the return.
- If you have any questions, please do not hesitate to contact us in one of the ways listed on page six of this booklet.

1997 Form 512S: General Filing Information

• Who Must File...

All corporations having an election in effect under Subchapter S of the Internal Revenue Code engaged in business or deriving income from property located in Oklahoma and required to file a Federal income tax return using Form 1120-S, must file a return on Form 512-S. Do not use Form 512.

• 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, with the Oklahoma Tax Commission, P.O. 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.

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 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 the return and no interest will accrue on any refund pending.

• Agricultural Commodity Processing Facility Exclusion

Owners of agricultural commodity processing facilities may exclude fifteen percent (15%) of their investment 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 the shareholder's taxable income below zero. In the event the exclusion does exceed income, any unused portion may be carried over for a period not to exceed six (6) years.

Attach a separate schedule showing the type of investment(s), the date placed in service, the cost,
(Continued on page 2)

1997 Form 512S: General Filing Information

the total exclusion and the exclusion available for each shareholder. Do not include this exclusion in the Oklahoma distributive income, each shareholder shall report their allowable share of the exclusion on the designated line of their individual return. For a non-resident who does not file a non-resident agreement, include the shareholder's allowable share in Part III, line 8.

• Oklahoma Depletion In Lieu of Federal Depletion

Oklahoma depletion on oil and gas well production, at the option of the taxpayer, may be computed at twenty-two percent (22%) of gross income derived from each Oklahoma property during the taxable year. Major oil companies, as defined in Section 288.2 of Title 52 of the Oklahoma Statutes, when computing Oklahoma depletion shall be limited to fifty percent (50%) of the net income (computed without the allowance for depletion) from each property. Any depletion deduction allowable is the amount so computed minus Federal depletion claimed. If Oklahoma options are exercised, the Federal depletion not used due to 65% limit may not be carried over. Lease bonus received is considered income subject to depletion. If depletion is claimed on a lease bonus and no income is received as a result of non-producing properties, upon expiration of the lease, such depletion must be restored. A complete schedule by property must be furnished.

• Estimated Tax Penalty and Interest

All Sub-chapter S corporations, which are paying tax at the corporate level, are required to make estimated tax payments when the tax for the taxable year can reasonably be expected to be five hundred dollars (\$500) or more. The estimated tax payments shall be not less than seventy percent (70%) of the amount of tax due, (tax liability less all credits except amounts paid on estimated tax and extension payments) or 100% of the prior years tax liability. Should deficiencies occur, the amount of underpayment shall be subject to penalty and interest at an annual rate of 20%, or fraction thereof, for the period of underpayment. (Enclose Form OW-8-P.)

• **Adjustments by Internal Revenue Service**
Taxpayers who file "consents" extending the time for making Federal adjustments automatically extends the time for making State adjustments. Also, the taxpayer is required to file an amended return reporting all Internal Revenue Agents' adjustments. A copy of the finalized RAR must be furnished.

• Amended Returns

Use Form 512-S for all amended returns. Place an X in the space provided, in the upper right hand corner of the form, next to the form number (512-S X). Enclose Federal Amended Form 1120's when applicable.

When amending Form 512-S for Subchapter S Corporations which are paying tax at the corporate level, line 9 (tax paid on 1997 estimate) must be adjusted by subtracting previous overpayments or adding tax previously paid. 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 can not be adjusted.

• Income Computation

Reporting of Allocable and/or Apportionable Income

Part Two, Column A and Part Five, Column A is to be completed by Sub-Chapter S Corporations, beginning with Part Five.

Part Two, Column B, lines 1 through 14 and Part Five, Column B is to be completed by Sub-S Corporations deriving all of their income from within Oklahoma or by Sub-S Corporations whose business is oil and gas production, mining, farming, or rental within and without Oklahoma. This should be completed using the direct accounting method.

Part Four is to be completed by Sub-Chapter S Corporations conducting a business of a unitary nature.

Part Two • Distributive Share Items

Lines 1-15, Column A:

Part Two, Column A is to be used by all Small Business Corporations. List exact figures as reported on your Federal 1120-S, Schedule K.

Lines 1-15, Column B:

Part Two, Column B is to be used by all Small Business Corporations deriving all of their income from within Oklahoma. This will be the same as in Column A except for lines 4b and 4c.

Lines 1-15, Column B:

Small Business Corporations whose business is oil and gas production, mining, farming, or rental within and without Oklahoma shall complete this column on a direct accounting basis.

1997 Form 512S: General Filing Information

Specific Line Instructions - Column B:

Line 1

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. Use Page 4, Part Five or enclose a schedule.

Lines 2 & 3

Income (loss) from real and tangible personal property shall be allocated in accordance with the situs of such property.

Line 4

Accounts receivable interest income shall be allocated to Oklahoma on the basis of direct expense; see line 1 above.

All other intangible income (loss) shall be allocated in accordance with the situs of the Small Business Corporation except gains or losses from the sale of leases and gains or losses from the sale of real and tangible personal property, which shall be allocated in accordance with the situs of the property.

Line 4b - State and Municipal Interest:

Small Business Corporations domiciled in Oklahoma who 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, the total of such income shall be added to arrive at Oklahoma income. Income from Oklahoma municipal bonds is exempt only if so provided by the statute authorizing their issuance. All out of state municipals are taxable.

Line 4c - 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 1099's showing the amount of interest income and the name of the obligation from which the interest is earned. If the interest is from a mutual fund which invests in government obligations, enclose a detailed schedule from the mutual fund showing the amount of monies received from each obligation or the percentage of funds received from each obligation. Interest from entities such as FNMA & GNMA does not qualify.

Line 5 -

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

Lines 8 through 13 -

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

Part Three

All Small Business Corporations must complete Part Three.

Shareholders Distribution of Income

Enter the names, Social Security Numbers and addresses of the shareholders, and extend in proper column each shareholder's distribution of net income whether distributed or not.

Notice:

The amount shown on Part Three may not be the amount to be entered on the shareholders Oklahoma income tax return. This amount includes all allowable Small Business Corporation income, losses and deductions; however, some of these items may be limited on the Federal individual return. If these items are allowed in full or in part on your Federal Income Tax Return, they will be allowed to the same extent on your Oklahoma Return.

Corporations Please Note:

Non-resident shareholders must enclose Form 512-SA indicating that an individual income tax form will be filed with Oklahoma reporting their income or loss. This agreement must be enclosed with the original small business corporation income tax return, Form 512-S, for each non-resident shareholder; otherwise the corporation shall be taxed on that part of the corporation's net income allocable to the shares of stock owned by the non-resident shareholder. Once the agreement has been signed, it is irrevocable for this tax year. If a signed agreement is not submitted with the original filed return, the tax on the corporation is binding. Shareholders Social Security Number must be shown for the agreement to be valid.

Part Four

Part Four is to be used by Small Business Corporations conducting a business of 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.

1997 Form 512S: General Filing Information

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. Each factor is a ratio of the total within Oklahoma to the total everywhere. To the 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 -

Enter Net Distributable income from Page 2, Part Two, Column A, Line 15.

Line 2 -

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

Line 3 -

Income from U.S. obligations (see Part Two, line 4c instructions) and income separately allocated (oil and gas production, mining, farming, or rentals and other Small Business Corporation income or loss) will be entered here. Gains or losses from sale of intangible personal property which is directly allocated should also be entered here.

Line 4 -

Total apportionable income.

Line 5 -

Apportionment Factor from Apportionment Schedule.

Line 6 -

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

Line 7 -

Oklahoma distributable income. Place this figure on Page 2, Part Two, Column B, Line 15.

• Oklahoma Credits

Enclose a copy of the credit form or schedule. Complete the schedule showing each shareholder's distributive share of credit.

Oklahoma Investment/New Jobs Credit

Those engaged in manufacturing or processing (including partnership or Sub-S pass through) who are entitled to Oklahoma Investment/New Jobs Credit enclose Form 506. (This credit has no relationship to Federal Investment Credit) Title 68 O.S. Section 2357.4.

Gas Used in Manufacturing Credit

A credit is available at the rate of three mills per thousand cubic feet of gas used or consumed during each taxable year when such is used in manufacturing. This shall not apply to the first twenty-five thousand MCF used or consumed. Title 68 O.S. Section 2357 (C).

Hazardous Waste Disposal Credit

Enclose verification certificate from the Oklahoma Department of Environmental Quality. The credit is limited to 20% of amount certified or actual cost, whichever is less. Title 27A O.S. Section 2-11-303.

• Other Credits

Enter the amount of credit allowed for conversion of vehicles to clean burning fuels, coal credit, solar energy credit, and energy assistance fund contributions on this line.

Credit for Conversion of a Motor Vehicle to Clean Burning Fuels or for Investments in Qualified Electric Motor Vehicle Property

There shall be a one time credit allowed for the conversion of a vehicle which is propelled by gasoline or diesel to being propelled by compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or M-85, and for investments in qualified electric property. The credit shall be fifty percent (50%) of the cost of qualified clean-burning motor fuel property or qualified electric motor vehicle property as defined in O.S. Title 68, Supp. 1996, Section 2357.22. The term "qualified electric motor vehicle property" shall not apply to vehicles which are manufactured principally for use off the streets and highways. In the case where such clean-burning equipment or qualified electric motor vehicle property is installed by the manufacturer of the vehicle and the taxpayer is unable or elects not to determine the exact basis of such equipment, the credit shall be the lesser of 10% of the cost of the vehicle or \$1,500. If all of the credit is not used, in the year of conversion, it may be carried over for a period not to exceed three years. A copy of a paid invoice itemizing the cost of equipment and installation must be furnished when the credit is claimed on Form 511CR.

Coal Credit

The Coal Credit is available to Corporations providing water, heat, light or power from coal. See Title 45 O.S., Section 939, and Title 68 O.S. Supp. 1996, Section 2357.11 and Rule 710 :50-15-76.

Solar Energy Credit Wind or Photovoltaic Energy Systems

(Title 68 O.S. Sect. 2357.32) Enclose Form 508.

This credit is limited to Wind or Photovoltaic Systems installed after December 31, 1992. Credit for 1997 is limited to the carryover only of this credit claimed and allowed in prior years.

Energy Assistance Fund Contribution

(Enclose Proof)

Any corporation contributing monies to the Oklahoma Energy Assistance Fund is entitled to a non-refundable income tax credit against its State Corporate

1997 Form 512S: General Filing Information

Income Tax Liability of 50% of the amount contributed for the taxable year in which it was made. This credit may not be carried forward or back. A copy of your canceled check or receipt must be enclosed with your return. Title 68 O.S. Section 2357.6.

Health Insurance Credit

Tax credits or refunds may be granted to employers who, prior to July 1, 1995, were covered under a state-certified, basic health benefits plan. This credit is available for a maximum of 24 consecutive months. OTC Form 534 must be enclosed with your income tax return.

- **Oklahoma Wildlife Diversity Program...**

The Oklahoma Wildlife Diversity Program (formerly Nongame Wildlife Program) is funded primarily by concerned Oklahomans. All donations provide for a variety of projects. If you are not receiving a refund, you may still support Oklahoma wildlife by sending a

donation to:

Wildlife Diversity Program
1801 N. Lincoln
Oklahoma City, OK 73105

- **Department of Veterans Affairs Contribution...**

You may donate from your tax refund to help the Department of Veterans Affairs to purchase equipment, develop capital improvement projects and to acquire properties for expanding or improving existing projects.

- **Oklahoma Breast Cancer Research Contribution...**

If you wish to donate from your tax refund for Oklahoma Breast Cancer Research, enter the amount on line 14. The donation will be forwarded to the Advancement of Science and Technology for Breast Cancer Research.

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.

- When complete, make copies of all the documents for your records.

- Be sure to use the pre-addressed return envelope provided.

- If for some reason you do not have a pre-addressed return envelope, please mail the originals, along with any payment due, to:

Oklahoma Tax Commission
Income Tax
P.O. Box 26800
Oklahoma City, OK 73126-0800

- If you have any questions about your return, please contact us. Listed on page six are several ways of contacting us.



Check out the Oklahoma Tax Commission's FaxBack Service!

From individual and corporate income tax forms to common business tax forms, and everything in between, they are all available 24 hours a day, seven days a week from the Oklahoma Tax Commission's FaxBack system.

All you need is a telephone and a fax machine. Just call **(405) 522-0465**. Your requested forms will arrive within 30 minutes. No kidding. It is that simple.

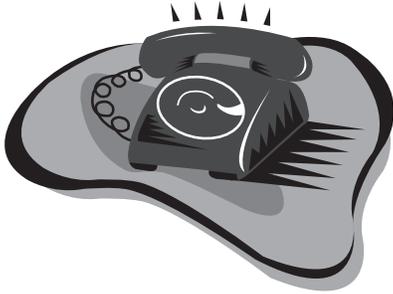
Not sure of the exact name or number of the form you need? No problem! Call the number and request the catalog of forms and other documents available. This will also come as a fax. It will list all the names, form numbers and instructions available via the system.

This automated system is available anytime.

Remember this number: **(405) 522-0465**.

Need Assistance? How to Reach Us...

Whether you need a tax form, have a question or need further information, there are many ways to reach us. The opportunities for assistance are just a phone call away or even right around the corner!



Call Us!

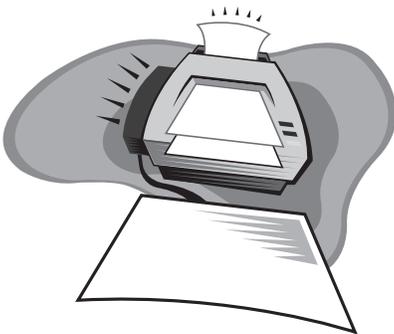
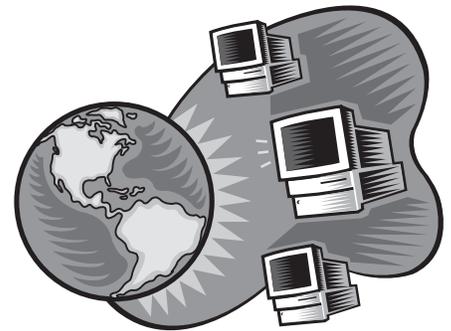
The Oklahoma Tax Commission can be reached at **(405) 521-3160**. Corporate income tax questions can be directed to **(405) 521-3126**. The in-state toll free number is **(800) 522-8165, extension 1-3160** for general assistance and **extension 1-3126** for corporate income tax assistance. The Taxpayer Assistance Representative on the other end of the line is ready to assist you with all your tax needs. Also see below for other location phone numbers.

Visit Us on the Web!

Downloadable forms, answers to common questions, and a variety of other tax information is available on our web site.

You can even e-mail us from any location on our site.

Direct e-mails should be sent to: **otcmaster@oktax.state.ok.us**
Our web site address is **www.oktax.state.ok.us**



FaxBack Service!

Various forms can be automatically faxed to you 24 hours a day, 7 days a week, by calling **(405) 522-0465**.

Assistance Is Around the Corner ... Come See Us!

Oklahoma City: 2501 North Lincoln Boulevard **(405) 521-3160**
Oklahoma City: Shepherd Mall, NW 23rd and Villa **(405) 522-0789**
Tulsa: 440 South Houston, 5th Floor **(918) 581-2399**
Ardmore: 301 West Main, Suite 316 **(580) 226-4636**
Lawton: 1602 NW Lawton Ave., Suite B **(580) 248-8440**
McAlester: 1533 South Main **(918) 426-0777**



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

State of Oklahoma Small Business Corporation Income Tax Return

1997
FORM
512-S__

To be filed not later than the 15th day of the third month after the close of taxable year.
OKLAHOMA TAX COMMISSION, P.O. BOX 26800, Oklahoma City, Oklahoma 73126-0800

For the year 01-01-1997-12-31-1997 or other taxable year beginning - -1997 ending - -1997

Name _____ Employer's I.D. No. _____
 Street Address _____ Business Code _____
 City _____ State _____ Zip _____ Type of Business _____
 Date of Incorporation _____ Under the Laws of _____
Amended Returns
 If filing an amended return, place an X in the space provided, in the upper right hand corner of this form, next to the form number (512-S__).
 Telephone Number and Area Code (_____) _____

NOTE: All corporations must complete Page 2, Part II, Column A

Page 2, Part Two of Form 512-S must be completed from information contained on Schedule K of the Federal 1120-S return. The Federal column must be completed before Page 3, Part Four can be completed. Small Business Corporations other than OIL AND GAS PRODUCTION, MINING, RENTS AND FARMS, doing business in more than one state, should use the three factor formula on Page 3, Part Four.

Part One • Tax Computation Schedule for Non-Resident Shareholders Who Do not File a Non-Resident Shareholder Agreement

1	Non-resident Share of Income (Total of Page 2, Part Three, Column 8).....	1		00
2	Tax at 6%	2		00
Less Credits:				
3	Investment/New Jobs Credit (Enclose Form 506)	3		00
4	Gas Used in Manufacturing (See Instructions)	4		00
5	Hazardous Waste Disposal (See Instructions)	5		00
6	Other Credits (See Instructions) (Enclose Form 511-CR) ...	6		00
7	Total (Add Lines 3, 4, 5, and 6)	7		00
8	Balance of Tax Due (Line 2 less line 7, not less than zero)	8		00
9	Tax Paid on 1997 Estimate	9		00
10	1997 Payment with Extension	10		00
11	Health Insurance Credit (Enclose Form 534)	11		00
12	Total (Add Lines 9, 10, and 11)	12		00
13	Overpayment (Line 12 less line 8)	13		00
14	Amount of Line 13 to be Credited on 1998 Estimated Tax	14		00
Deductions from Refund:				
If you wish to donate from your tax refund, mark and enter amount:				
15	Oklahoma Wildlife Diversity Program <input type="checkbox"/> \$2 <input type="checkbox"/> \$5, or <input type="checkbox"/> \$ _____	15		00
16	Veterans Affairs Capital Improvement Program <input type="checkbox"/> \$2 <input type="checkbox"/> \$5, or <input type="checkbox"/> \$ _____	16		00
17	Oklahoma Breast Cancer Program <input type="checkbox"/> \$2 <input type="checkbox"/> \$5, or <input type="checkbox"/> \$ _____	17		00
18	Total (Add lines 14, 15, 16 and 17)	18		00
19	Amount of Line 13 to be REFUNDED TO YOU (subtract Line 18 from Line 13)	19		00
20	Tax Due (Line 8 less line 12)	20		00
21	Underpayment of Estimated Tax, Penalty _____, Interest _____	21		00
22	For delinquent payment, add Penalty of 5% _____ plus Interest at 1 1/4% per month _____	22		00
23	TOTAL PENALTY AND INTEREST (Add lines 21 and 22)	23		00
24	TOTAL TAX, PENALTY, AND INTEREST (Add lines 20 and 23) BALANCE DUE	24		00

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

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

Please make checks payable to the Oklahoma Tax Commission.

Corporate Seal	Signature of Officer _____ Date _____	Signature of Preparer _____ Date _____
	Title _____	Preparer's Address _____

PART TWO - DISTRIBUTIVE SHARE ITEMS		AS REPORTED FEDERAL RETURN COLUMN A	TOTAL APPLICABLE TO OKLAHOMA COLUMN B
1	Ordinary income (loss) from trade or business. (From Page 4, Part Five, Line 21)	1	00
2	Net income (loss) from rental real estate activity(ies) (Enclose Schedule)	2	00
3	Net income (loss) from other rental activity(ies) (Enclose Schedule)	3	00
4	Portfolio income (loss)		
	a. Interest on loans, notes, mortgages, bonds, etc.	4a	00
	b. Interest on obligations of a State or political subdivision	4b	00
	c. Interest on obligations of the United States	4c	00
	d. Other interest income	4d	00
	e. Dividend income	4e	00
	f. Royalty income (Patent or Copyright)	4f	00
	g. Net short-term capital gain (loss) (Schedule D, 1120-S)	4g	00
	h. Net long-term capital gain (loss) (Schedule D, 1120-S)	4h	00
	i. Other portfolio income (loss) (Enclose Schedule)	4i	00
5	Net gain (loss) under Section 1231 (other than due to casualty or theft)	5	00
6	Other (Enclose Schedule)	6	00
7	TOTAL INCOME (Add lines 1 through 6)	7	00
DEDUCTIONS			
8	Contributions	8	00
9	Expense deductions for recovery property (section 179) (Enclose Schedule)	9	00
10	Deductions related to portfolio income	10	00
11	Depletion (See instructions) (Enclose Schedule)	11	00
12	Intangible drilling costs	12	00
13	Other deductions authorized by law (Enclose Schedule)	13	00
14	TOTAL DEDUCTIONS (Add lines 8 through 13)	14	00
15	Net distributive income (Line 7 minus line 14)	15	00

If Federal and Oklahoma distributive net income are the same, you may complete line 15 of Part Two, then complete Part Three. A copy of your Federal Form 1120-S and K-1's must be enclosed with your Oklahoma Return. An Oklahoma return must be filed.

PART THREE - SHAREHOLDERS DISTRIBUTION OF INCOME				
1. Name and address of shareholder	Check if non-resident	2. Social security number	3. Number of shares	4. Shareholders applicable percentage
(a) _____	[...]			
(b) _____	[...]			
(c) _____	[...]			
(d) _____	[...]			

CONTINUATION OF PART THREE			
5. Net Distributive Income as reported on Federal return (Part Two, Column A, Line 15, above, times Part Three, Column 4.**)	6. Resident share of Oklahoma Net Distributive Income (Part Two, Column B, Line 15 times Part Three, Column 4.**)	7. Non-resident share of Oklahoma Net Distributive Income (Part Two, Column B, Line 15 times Part Three, Column 4.**)	8. If non-resident agreement is NOT attached, check box and enter the amount shown in column 7.
(a) _____			[...] \$ _____
(b) _____			[...] \$ _____
(c) _____			[...] \$ _____
(d) _____			[...] \$ _____
TOTAL Non-resident Share of Income to Tax (add amounts shown in column 8). Enter here and on Page 1, Part One, Line 1			➔ \$ _____

****NOTE: The amount shown on Part Three, Column B, line 15, distributable Oklahoma income, may not be the amount to be entered on the shareholders Oklahoma income tax return. This amount includes all allowable shareholders income, losses, and deductions; however, some of these items may be limited on the Federal Return. If these items are allowed in full or in part on your Federal Income Tax Return, they will be allowed to the same extent on your Oklahoma Return.**

**Part Four - 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 Two, Column A, Line 15		1	
2. Add:			
a. Taxes Based on Income	2a		
b. Unallowable Deductions (Enclose Schedule)	2b		
c. Other Income (Enclose Schedule)	2c	2	
3. Deduct All Items Separately Allocated:			
a. Interest on Obligations of the United States	3a		
b.	3b		
c.	3c	3	
Items listed in 2 and 3 above must be net amounts supported by schedules showing sources, locations, expenses, etc.			
4. Net Apportionable Income (Line 1 plus Line 2 minus Line 3)		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	6	
7. Oklahoma Distributable Net Income (Add lines 5 and 6; enter here and on Page 2, Part Two, Column B, Line 15)		7	

APPORTIONMENT FORMULA

	TOTAL WITHIN OKLAHOMA (A)	TOTAL WITHIN AND WITHOUT OKLAHOMA (B)	PERCENT WITHIN OKLA. (A) ÷ (B)
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):			
Inventories			
Depreciable Property			
Land			
Total of Section a.			
b. Rented Property (Capitalize at 8 times net rental paid)			
TOTAL of Sections a. and b. above	\$	\$	%
2. Payroll			
Less--Officers Salaries			
TOTAL	\$	\$	%
3. Sales:			
a. Sales delivered or shipped to Oklahoma purchaser:			
(1) Shipped from outside Oklahoma			
(2) Shipped from within Oklahoma			
b. Sales shipped from Oklahoma to:			
(1) The United States Government			
(2) Purchasers in a state or country where the Corp. is not taxable (e.g. under Public Law 86-272)			
TOTAL	\$	\$	%
If Revenue or Traffic Units or Miles Traveled is used rather than Sales, so indicate in this space _____			

4. Total Percent (Sum of items 1, 2 and 3)	_____ %
5. Average percent (1/3 of total percent) (carry to Part Four, Line 5 above)	_____ %

NOTE: ENCLOSE A COMPLETE COPY OF YOUR FEDERAL RETURN

PART Five - ORDINARY INCOME FROM TRADE OR BUSINESS

CAUTION: Include ONLY trade or business income and expenses on lines 1a through 21 below.

Name of Business if different from that of Corporation _____

		As Reported on Federal Return Column A		Total Applicable to Oklahoma Column B	
1	a. Gross receipts or sales \$ _____ b. Minus returns and allowances \$ _____	1c	00		00
2	Cost of goods sold and/or operations	2	00		00
3	Gross profit (subtract line 2 from line 1)	3	00		00
4	Net gain (loss) (Form 4797, Line 20)	4	00		00
5	Other income (loss) (Enclose Schedule)	5	00		00
6	TOTAL income (loss) (Add lines 3 through 5)	6	00		00
7	Compensation of officers	7	00		00
8	Salaries and wages	8	00		00
9	Repairs	9	00		00
10	Bad debts	10	00		00
11	Rent	11	00		00
12	Taxes	12	00		00
13	Interest	13	00		00
14	Depreciation	14	00		00
15	Depletion (do not deduct oil and gas depletion)	15	00		00
16	Advertising	16	00		00
17	Retirement plans, etc.	17	00		00
18	Employee Benefit Programs	18	00		00
19	Other deductions (Enclose Schedule)	19	00		00
20	TOTAL deductions (add lines 7 through 19)	20	00		00
	ORDINARY INCOME (LOSS) From trade or Business (subtract line 20 from line 6)				
21	Enter here and on Page 2, Part Two, Line 1	21	00		00

NOTE: ENCLOSE A COMPLETE COPY OF YOUR FEDERAL RETURN

Kind of Business _____ Is this return on Cash or Accrual Basis? _____
 Corporation books are kept by _____
 Address _____
 Date Domesticated in Oklahoma _____
 Did you make a return of information on Forms 500 and 501 for the calendar year 1997 (Answer "yes" or "no") _____
 Were you notified this year of a change in your Federal taxable income for prior year(s) Yes _____ No _____ What year(s) _____
 Did you file amended returns or submit copies of the federal agent's reports? Yes _____ No _____
 If the Tax Commission may discuss this return with your tax preparer please check here.