• Includes Forms 512-S, 512-S-SUP and 512-SA

2014 Oklahoma Small Business Corporation Income Tax Forms and Instructions

This packet contains:

- Instructions for completing Form 512-S
- 512-S: Small Business Corporation Income Tax form
- 512-S-SUP: Supplemental schedule for Form 512-S, Part 5
- 512-SA: Nonresident Shareholder Agreement Income Tax form

Filing date:

- Your Oklahoma return is generally due the 15th day of the third month following the close of the taxable year.

For assistance or forms:

- See page 12 for methods of contacting the Oklahoma Tax Commission.

www.tax.ok.gov

OKTAP
Oklahoma Taxpayer Access Point

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Download Forms 24/7

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View FAQs or Email the OTC a Question

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Latest Tax News

www.tax.ok.gov
One Site with Many Oklahoma Filing Options

What's New in the 2014 Oklahoma Tax Packet?

• When computing Oklahoma's additional depletion, only major oil companies are limited to 50% of the net income per well. See the instructions on page 3.

• Income from discharge of indebtedness which was added back to compute your Oklahoma taxable income in tax year 2010 may be partially deductible. See the instructions for Part 2, lines 1 – 21, Column B on page 5 or Part 4, line 3 on page 7 for information.

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• The Coal Credit and the Credit for Electricity Generated by Zero-Emission Facilities may be refundable. See the instructions for line 8 on page 9 and Forms 577 and 578.

Common Errors

Below are the most common errors. To aid in processing your return, please double check your return carefully.

- Refunds must be made by direct deposit. Failure to supply direct deposit information will delay the processing of the refund.
- Check your FEIN on all forms and schedules.
- Enclose a complete copy of your federal return, and all required schedules. Failure to do so can slow down the processing of your return.

Common Abbreviations Found in this Packet

IRC - Internal Revenue Code
OS - Oklahoma Statutes
OTC - Oklahoma Tax Commission
Sec. - Section(s)

2014 Oklahoma Small Business Corporate Income Tax

Who Must File

All corporations having an election in effect under Subchapter S of the Internal Revenue Code (IRC) engaged in business or deriving income from property located in Oklahoma and that are 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.

A complete copy of the federal return must be enclosed with the Oklahoma income tax return. For S corporations not required to complete the Federal Schedules L and M-1, copies of the balance sheets from their financial statement must be enclosed. Failure to enclose the required documentation may cause a delay in the processing of the S corporation's income tax return as well as the income tax returns of its shareholders.

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. 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. When the last date for filing any document or performing any act required by the Oklahoma Tax Commission (OTC) falls on a day when the offices are not open for business, the filing of the document or performance of the act shall be considered timely if it is performed by the end of the next business day.

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.

Mail your return to the Oklahoma Tax Commission, PO Box 26800, Oklahoma City, OK 73126-0800.

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.

Withholding on Nonresident Members

Pass-through entities (partnerships, S corporations, limited liability companies or trusts) are required to withhold Oklahoma income tax at a rate of 5% of the Oklahoma share of taxable income distributed to each nonresident member (partner, member, shareholder or beneficiary). A pass-through entity is **not** required to withhold income tax with regard to any nonresident member who submits Form OW-15 "Nonresident Member Withholding Exemption Affidavit". 68 Oklahoma Statutes (OS) Sec. 2385.29, 2385.30 and 2385.31.

Withholding is not required on distributions made to persons, other than individuals, who are exempt from federal income tax, organizations granted an exemption under IRC Section 501(c)(3), insurance companies subject to the Oklahoma Gross Premium Tax and therefore exempt from Oklahoma income tax under 68 OS Sec. 2359(c), and nonresident members who have filed the Form OW-15 "Nonresident Member Withholding Exemption Affidavit".

Withholding is not required on any distribution of royalty income on which the nonresident royalty interest income tax has already been withheld, on any distribution made to another pass-through entity or on any distribution of income not subject to Oklahoma income tax.

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

(continued on page 3)

Withholding on Nonresident Members: (continued)
The following pass-through entities are not required to withhold:

- An entity electing to be treated as a disregarded entity for federal income tax purposes. A disregarded entity is an eligible entity that is treated as an entity that is not separate from its single owner.
- An entity that does not have a requirement, or properly elects out of the requirement, to file a federal income tax return.
- An entity making distributions of income not subject to Oklahoma income tax.

Distributions made from the S Corporation
S corporations that make distributions subject to Oklahoma withholding must register with the OTC. Register by completing Form OW-11 "Registration for Oklahoma Withholding for Nonresident Members". This form may be obtained from our website at **www.tax.ok.gov**.

Distributions made from the S Corporation (continued)
To file and pay the income tax withheld, the S corporation must complete Form WTP10003 "Oklahoma Nonresident Distributed Income Withholding Tax Annual Return". The S corporation will file Form WTP10003 on or before the due date (including extensions) of the S corporation's income tax return.

The S corporation must provide nonresident shareholders a Form 500-B, by the due date (including extensions) of its income tax return, showing their respective amount of income and tax withheld. Copies of Form 500-Bs, along with the cover Form 501, must be sent to the OTC by the same date. Each nonresident shareholder must enclose a copy of the Form 500-B with their Oklahoma income tax return as verification for this withholding.

For S corporations paying the tax on behalf of nonresident shareholders, the nonresident shareholder's withholding may be claimed on Form 512-S, part 1, line 7. A copy of the nonresident shareholder's Form 500-B must be enclosed with the Form 512-S.

General Filing Information

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 buildings, 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 years.

Attach a separate schedule showing the type of investment(s), the date placed in service, the cost, the total exclusion and the exclusion available for each shareholder. Do not include this exclusion in the Oklahoma net distributable income; each shareholder shall report their allowable share of the exclusion on the designated line of their individual return. For a nonresident who does not file a nonresident agreement, include the shareholder's allowable share in Part 5, line 13.

OkTAP: More than your Filing Solution

Access to file, pay, update, interact...all on your time, anytime!

See page 11 for more information.

www.tax.ok.gov/OkTAP

Oklahoma Depletion In Lieu of Federal Depletion (Part 5)

Oklahoma depletion on oil and gas well production, at the option of the taxpayer, 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 OS Sec. 288.2, when computing Oklahoma depletion, shall be limited to 50% of the net income (computed without the allowance for depletion) from each property. 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.

Note: For each nonresident shareholder whose income is reported in Part 1, line 1a, the depletion is reported in Part 1, line 1b.

Underpayment of Estimated Tax Interest

All 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 $500 or more. The estimated tax payments shall not be less than 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 year's tax liability. Should deficiencies occur, the amount of underpayment shall be subject to interest at an annual rate of 20%, or fraction thereof, for the period of underpayment. Enclose Form OW-8-P.

Note: No underpayment of estimated tax interest shall be imposed if the tax liability shown on the return is less than $1,000.

General Filing Information

Amended Returns

The Form 512-S is used for amended returns also. If this is an amended return, place an 'X' in the box located in the upper left section of Form 512-S, page 1. Enclose Federal Amended Form 1120-S when applicable.

When amending Form 512-S for S corporations which are paying tax at the corporate level, enter on line 9 any amount paid with the original return plus any amount paid after it was filed. Enter on line 10 any refund previously received or overpayment applied. 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.

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, making a Federal Subchapter S election, shall not pay an "In Lieu" tax of 6% per 68 OS Sec. 2370. The income or loss of that entity shall be reported at the shareholder level.

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. An amended return shall be filed 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 met the requirements of IRC Section 856 and has elected to be treated as a real estate investment trust pursuant to IRC Section 856(c)(1). 68 OS Sec. 2358.

Don't forget to sign and make a copy of your return before mailing!

Forms, FAQs and the tax information you need...
www.tax.ok.gov

Line by Line Instructions for Determining Oklahoma Net Distributable Income

Computation of Allocable and/or Apportionable Income

Part 2, Column A and Part 3, Column A are to be completed by all S corporations. All S corporations start with Part 2.

Part 2, Column B and Part 3, Column B, are to be completed by S corporations deriving all of their income from within Oklahoma or by S 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.

Part 4 is to be completed by S 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.

Safety Pays OSHA Consultation Service Exemption:

(Part 2, Column B, line 19 or Part 4, 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:

(Part 2, Column B, Line 5 or Part 4, Line 2)
If the election was made to expense the cost of qualified Oklahoma refinery property placed in service before January 1, 2012 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 was claimed on the corporate return or allocated to its owners. 68 OS Sec. 2357.204.

Cost of Complying with Sulfur Regulations: (68 OS Sec. 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 Federal Employer Identification 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 Federal Employer Identification Number and the owner's name and federal identification number.

If you are the Owner -
(Part 2, Column B, line 19, or Part 4, 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.

Captive Real Estate Investment Trusts:

(Part 2, Column B, line 5 or Part 4, 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. 68 OS Sec. 2358.

Make Your Payments by Credit Card...

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 "Online Services" link to pay online.

A convenience fee will be added to credit and debit card transactions. 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.

Part 2

To compute Oklahoma net distributable income, All S corporations start with Part 2.

Lines 1-21, Column A:
Part 2, Column A must be completed by all S corporations. List exact figures as reported on the front page of your Federal Form 1120-S.

Lines 1-21, Column B:
Part 2, Column B is to be used by S corporations deriving all of their income from within Oklahoma. This column is also to be used by all S corporations whose business, both within and without Oklahoma, is oil and gas production, mining, farming, or rental. This should be completed using the direct accounting method. S corporations conducting business of a unitary nature do not complete Column B.

Rents and interest expenses paid to a captive real estate investment trust and deducted on your federal return must be added back on Column B, line 5 to compute Oklahoma distributable 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 the "Captive Real Estate Investment Trusts" section.

Income from discharge of indebtedness deferred under IRC Section 108(i)(1), which was added back to compute Oklahoma taxable income in tax year 2010, may be partially deducted. In Column B, line 19, deduct an amount equal to the portion of such deferred income included in federal taxable income for tax year 2014.

Part 3

If federal and Oklahoma net distributable incomes are the same, you may complete line 18 of Part 3, then complete Part 5. A copy of your Federal Form 1120-S and K-1 must be enclosed with your Oklahoma return. An Oklahoma return must be filed.

Lines 1-18, Column A:
Part 3, Column A is to be used by all S corporations. List figures as reported on your Federal Form 1120-S, Sch. K.

Lines 1-18, Column B:
Part 3, Column B is to be used by S corporations deriving all of their income from within Oklahoma. This will be the same as in Column A, except for lines 4b and 4c.

This column is also used by S corporations whose business within and without Oklahoma is oil and gas production, mining, farming, or rental. Complete this column on a direct accounting basis as follows:

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 2, Part 2 or enclose a schedule.

Lines 2 and 3 -
Income (loss) from real and tangible personal property shall be allocated in accordance with the situs of such property.

(continued on page 6)

Part 3, continued...

Line 4 -
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. See Part 3, Line 1.

All other intangible income (loss) shall be allocated in accordance with the situs of the S corporation. 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 4b -
State and Municipal Bond Interest:
S 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.

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 bonds, notes 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 line 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 line 1, is exempt from Oklahoma income tax only if so provided by the statute authorizing their issuance.

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.

State and Municipal Bond Interest: (continued)
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 line 1, is exempt only if so provided by the statute authorizing its issuance.

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 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.

Lines 7 through 9 -
Gains or losses from the sale of the following shall be allocated in accordance with the situs of the property:
- real or tangible personal property,
- lease, royalty or bonus income from oil and gas properties.

Line 10 -
The gain on property, for which a section 179 expense deduction was passed through to shareholders and which is reported as Supplemental Information on the Federal K-1, is to be reported on this line for Oklahoma purposes. Enclose the following: description of the property, date the property was acquired, date the property was sold, gross sales price, cost or other basis plus expense of sale (including the S corporation's basis reduction in the property due to the section 179 expense deduction), depreciation allowed or allowable (not including the section 179 expense deduction), and amount of section 179 expense deduction (if any) passed through to each shareholder for the property and the S corporation's tax year(s) in which the amount was passed through.

Lines 12 through 17 -
Expenses relative to the income above shall be allocated directly to that income.

Electronic Payments

Visit **www.tax.ok.gov** and click on the **"Online Services"** 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.

Part 4

Part 4 is to be used by S 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.

Generally, the resulting amount is apportioned to Oklahoma based on the 3-factor formula. The basis of the apportionment is the 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. 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. 68 OS Sec. 2358.

Line 1 - Enter net distributable income from Page 2, Part 3, Column A, line 18.

Line 2 - Deductions relating to income which is separately allocable shall not be allowed as apportionable 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 distributable 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 5.

Line 3 - Income from U.S. obligations (see Part 3, line 4c instructions) and net income separately allocated (oil and gas production, mining, farming, or rentals and other 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.

Income from discharge of indebtedness deferred under IRC Section 108(i)(1), which was added back to compute Oklahoma taxable income in tax year 2010, may be partially deducted. Deduct an amount equal to the portion of such deferred income included in federal taxable income for tax year 2014.

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 net distributable income. Place this figure on Page 2, Part 3, Column B, line 18. Then complete Part 5.

Part 5

All S corporations must complete Part 5. If filing by paper, complete Form 512-S-SUP if there are more than 3 shareholders. Complete as many Form(s) 512-S-SUP as needed to list all shareholders.

If your business is either wholly Oklahoma or of an allocable nature, complete Part 5 after you complete Part 3. If your business is of a unitary nature, complete Part 5 after you complete Part 4.

Shareholder's Pro Rata Share of Income
Enter the names, addresses and Social Security Numbers or Federal Employer Identification Numbers of the shareholders, and each shareholder's pro rata share of net income, whether distributed or not.

Notice:
The amount shown on Part 5 may not be the amount to be entered on the shareholder's Oklahoma income tax return. This amount includes all allowable S 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:
Nonresident shareholders must enclose Form 512-SA indicating that an income tax form will be filed with Oklahoma reporting their income or loss. This agreement must be enclosed with the original S corporation income tax return, Form 512-S, for each nonresident shareholder, otherwise the corporation shall be taxed on that part of the corporation's net income allocable to the shares of stock owned by the nonresident 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. Shareholder's social security number or federal identification number must be shown for the agreement to be valid.

Depletion

Enter each shareholder's allowable depletion. Enclose a detailed schedule.

Withholding

Oklahoma income tax is withheld from oil and gas royalties paid to nonresident S corporations. Enter each shareholder's portion of such withholding. The S corporation must enclose its Form 500-A, Form 1099-MISC, Form K-1 or other documentation to substantiate any Oklahoma withholding passing through to its shareholders.

Note: If you have any nonresident shareholders who have not filed a withholding exemption affidavit (Form OW-15), Oklahoma income tax should have been withheld on any distribution of Oklahoma taxable income. Such withholding is not reported here, instead you should have issued a Form 500-B to your nonresident shareholder.

(continued on page 8)

PART 5, CONTINUED...

Credits

Enter and describe each shareholder's portion of credits. Enclose all forms required to substantiate the credit(s). See the instructions for Part 1 "Oklahoma Credits" for more detail on the credits available.

PART 1

Part 1 is to be completed:

- for those nonresident shareholders for whom the Nonresident Shareholder Agreement (Form 512-SA) is not enclosed. The S corporation will be taxed on the non-resident's share of income.
- if claiming the Refundable Coal Credit or the Refundable Credit for Electricity Generated by Zero-Emission Facilities.

Line 1b - Nonresident Share of Deductions

• Share of Net Operating Loss Carryover

Enter the amount of Net Operating Loss carryover which is attributable to those nonresidents who did not file a nonresident shareholder agreement (Form 512-SA) in the loss year. Enclose a detailed schedule.

• Oklahoma Capital Gain Deduction:

Taxpayers 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 IRC 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, directly or indirectly, by you for at least three uninterrupted years (two for individuals) 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 of 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 (two for individuals) prior to the date of the sale.

Form 561-S is used to determine the qualifying Oklahoma net capital gain of the nonresident shareholders whose income is reported on Form 512-S, Part 1. Form 512-S, Part 1 is for those who did not file a nonresident shareholder agreement (Form 512-SA). Enclose Form 561-S and a copy of your Federal Schedule D.

• Oklahoma Depletion:

For each nonresident shareholder whose income is reported in Part 1, line 1a, Oklahoma depletion on oil and gas well production, at the option of the taxpayer, 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 OS Sec. 288.2, when computing Oklahoma depletion, shall be limited to 50% of the net income (computed without the allowance for depletion) from each property.

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.

Oklahoma Credits...

Enclose a copy of the credit form or schedule. Complete the schedule showing each shareholder's pro rata share of credit. For each credit, enter that portion attributable to the nonresident shareholders who do not file a nonresident shareholder agreement (Form 512-SA).

Line 3 - Other Credits:

The amount of other credits claimed on Form 511CR should be entered on this line. Enter in the box the number that corresponds with the credit to which the taxpayer is entitled. If you are entitled to more than one credit, enter "99" in the box. See the following for a list of credits available on Form 511CR. Enclose Form 511CR and any applicable forms or schedules. This form can be obtained from our website at **www.tax.ok.gov**.

Tax credits transferred or allocated must be reported on OTC Form 569. Failure to file Form 569 will result in the affected credits being denied by the OTC pursuant to 68 OS Sec. 2357.1A-2.

- Oklahoma Investment/New Jobs Credit
  Enclose Form 506.
  68 OS Sec. 2357.4 and Rule 710:50-15-74.
- Coal Credit
  68 OS Sec. 2357.11 and Rule 710:50-15-76.
- Credit for Investment in a Clean-Burning Motor Fuel Property or Investment in Qualified Electric Motor Vehicle Property
  68 OS Sec. 2357.22 and Rule 710:50-15-81.
- Credit for Qualified Recycling Facility
  68 OS Sec. 2357.59 and Rule 710:50-15-84.
- Small Business Capital Credit
  Enclose Form 527-A.
  68 OS Sec. 2357.60 - 2357.65 and Rule 710:50-15-86.
- Oklahoma Agricultural Producers Credit
  Enclose Form 520.
  68 OS Sec. 2357.25 and Rule 710:50-15-85.
- Small Business Guaranty Fee Credit
  Enclose Form 529.
  68 OS Sec. 2357.30.
- Credit for Employers Providing Child Care Programs
  68 OS Sec. 2357.26 and Rule 710:50-15-91.

(continued on page 9)

Line 3 - Other Credits: (continued)

- Credit for Entities in the Business of Providing Child Care Services
  68 OS Sec. 2357.27.
- Credit for Commercial Space Industries
  68 OS Sec. 2357.13.
- Credit for Tourism Development or Qualified Media Production Facility
  68 OS Sec. 2357.34 - 2357.40.
- Oklahoma Local Development and Enterprise Zone Incentive Leverage Act Credit
  68 OS Sec. 2357.81.
- Credit for Qualified Rehabilitation Expenditures
  68 OS Sec. 2357.41 and Rule 710:50-15-108.
- Rural Small Business Capital Credit
  Enclose Form 526-A.
  68 OS Sec. 2357.71 - 2357.76 and Rule 710:50-15-87.
- Credit for Electricity Generated by Zero-Emission Facilities
  68 OS Sec. 2357.32A.
- Credit for Financial Institutions Making Loans under the Rural Economic Development Loan Act
  68 OS Sec. 2370.1.
- Credit for Manufacturers of Small Wind Turbines
  68 OS Sec. 2357.32B and Rule 710:50-15-92.
- Credit for Qualified Ethanol Facilities
  68 OS Sec. 2357.66 and Rule 710:50-15-106.
- Poultry Litter Credit
  68 OS Sec. 2357.100 and Rule 710:50-15-95.
- Credit for Qualified Biodiesel Facilities
  68 OS Sec. 2357.67 and Rule 710:50-15-98.
- Film or Music Project Credit
  Enclose Form 562.
  68 OS Sec. 2357.101 and Rule 710:50-15-101.
- Credit for Breeders of Specially Trained Canines
  68 OS Sec. 2357.203 and Rule 710:50-15-97.
- Credit for Wages Paid to an Injured Employee
  68 OS Sec. 2357.47 and Rule 710:50-15-107.
- Credit for Modification Expenses Paid for an Injured Employee
  68 OS Sec. 2357.47 and Rule 710:50-15-107.
- Dry Fire Hydrant Credit
  68 OS Sec. 2357.102 and Rule 710:50-15-99.
- Credit for the Construction of Energy Efficient Homes
  68 OS Sec. 2357.46 and Rule 710:50-15-104.
- Credit for Railroad Modernization
  68 OS Sec. 2357.104 and Rule 710:50-15-103.
- Research and Development New Jobs Credit
  Enclose Form 563.
  68 OS Sec. 54006 and Rule 710:50-15-105.
- Credit for Biomedical Research Contribution
  68 OS Sec. 2357.45 and Rule 710:50-15-113.
- Credits for Employers in the Aerospace Sector
  Enclose Form 565.
  68 OS Sec. 2357.301, 2357.302 & 2357.303 and Rule 710:50-15-109.

Line 3 - Other Credits: (continued)

- Wire Transfer Fee Credit
  68 OS Sec. 2357.401 and Rule 710:50-15-111.
- Credit for Manufacturers of Electric Vehicles
  68 OS 2357.402 and Rule 710:50-15-112.
- Credit for Cancer Research Contribution
  68 OS Sec. 2357.45 and Rule 710:50-15-113.
- Oklahoma Capital Investment Board Tax Credit
  74 OS Sec. 5085.7.
- Credit for Contributions to a Scholarship-Granting Organization
  68 OS Sec. 2357.206 and Rule 710:50-15-114.
- Credit for Contributions to an Educational Improvement Grant Organization
  68 OS Sec. 2357.206 and Rule 710:50-15-115.

Line 7 - Oklahoma Withholding

Enter the portion of Oklahoma withholding that is passing through the S corporation to those nonresident shareholders who did not file a nonresident shareholder agreement (Form 512-SA). The shareholder's portion of such withholding is shown on Page 4, Part 5, line 10. Enclose the Form 1099-MISC, Form 500-A, Form K-1 or other withholding statement received by the S corporation to substantiate the Oklahoma withholding.

Enter the Oklahoma income tax withheld from Oklahoma distributions made to your nonresident shareholders who did not file a nonresident shareholder agreement (Form 512-SA). The shareholder's withholding is shown on the Form 500-B. Enclose a copy of the Form 500-B for each such nonresident shareholder.

Note: Do not include the portion of the S corporation's withholding passing through to resident shareholders or to those nonresident shareholders who filed a nonresident shareholder agreement (Form 512-SA).

Line 8 – Refundable Credits

Place an "X" in the box(es) on line 8 to report any credit from Form 577 or Form 578.

If claiming the **Refundable Coal Credit**, enclose Form 577. Credits earned, but not used, based upon activity occurring on or after January 1, 2014 will be refunded at 85% of the face amount of the credits. A pass-through entity that does not file a claim for a direct refund will allocate the credit to one or more of its shareholders, partners or members.

If claiming the **Refundable Credit for Electricity Generated by Zero-Emission Facilities**, enclose Form 578. Credits generated, but not used, on or after January 1, 2014 will be refunded to the taxpayer at 85% of the face amount of the credits. A pass-through entity that does not file a claim for a direct refund will allocate the credit to one or more of its shareholders, partners or members.

Line 9 - Amounts Previously Paid

When filing an amended return, enter any amount(s) paid with the original return plus any amount(s) paid after it was filed.

(continued on page 10)

Line 10 - Refunds or Overpayment Applied
When filing an amended return, enter any refund previously received and/or overpayment previously applied.

Line 14 - Donations from Your Refund
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 number of the organization shown on pages 10-11 in the box on line 14 of Form 512-S. 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 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 Checkoff Revolving Fund for Court Appointed Special Advocates. Monies will be expended by the Office of the Attorney General for the purpose of providing grants to the Oklahoma CASA Association. 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.

2 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 Checkoff 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. Pease mail your contribution to: Operation Homefront Task Force, 3501 Military Circle, Oklahoma City, OK 73111-4398.

3 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 248893, Oklahoma City OK 73124.

Try using our fill-in forms available at
www.tax.ok.gov

4 Support Oklahoma Honor Flights
You have the opportunity to donate any amount of your tax refund to support Oklahoma Honor Flights. Oklahoma Honor Flights is a 501(c)(3) not-for-profit organization that transports Oklahoma World War II veterans to Washington, D.C. to visit the memorial dedicated to honor their service and sacrifice. If you are not receiving a refund, you may still donate. Mail your contribution to: Oklahoma Honor Flights, PO Box 10492, Midwest City OK 73140.

5 Support of Domestic Violence and Sexual Assault Services
You may donate from your tax refund for the benefit of domestic violence and sexual assault services in Oklahoma that have been certified by the Attorney General. Your donation will be used to provide grants to domestic violence and sexual assault service providers for the purpose of providing domestic violence and sexual assault services in Oklahoma. The term "services" includes but is not limited to programs, shelters or a combination thereof. If you are not receiving a refund, you may still donate. Mail your contribution to: Attorney General, Domestic Violence and Sexual Assault Services Fund, 313 NE 21st Street, Oklahoma City, OK 73105.

6 Support of Volunteer Fire Departments
You may donate from your tax refund for the benefit of volunteer fire departments in Oklahoma. Your donation will be used to provide grants to volunteer fire departments in this state for the purpose of purchasing bunker gear, wildland gear and other protective clothing. If you are not receiving a refund, you may still donate. Mail your contribution to: Oklahoma State Fire Marshal, Attn: Volunteer Fire Department Fund, 2401 NW 23rd Street, Suite 4, Oklahoma City, OK 73107.

7 Oklahoma Lupus Revolving Fund
You may donate from your refund for the benefit of the Oklahoma Lupus Revolving Fund. Monies from the fund will be used by the State Department of Health to provide grants to the Oklahoma Medical Research Foundation for the purpose of funding research into treating and curing lupus in this state. If you are not receiving a refund, you may still donate. Mail your contribution to: State Department of Health, Lupus Revolving Fund, P.O. Box 268823, Oklahoma City, OK 73152-8823.

8 Oklahoma Sports Eye Safety Program
You may donate from your refund for the benefit of the Oklahoma Sports Eye Safety Program. Your donation will be used by the State Department of Health to establish a sports eye safety grant program for the purchase and distribution of sports eye safety programs and materials to Oklahoma classrooms and sports eye safety protective wear to children age 18 and under. Monies will also be used to explore opportunities to utilize nonprofit organizations to provide such safety information or equipment. If you are not receiving a refund, you may still donate. Mail your contribution to: State Department of Health, Sports Eye Safety Fund, P.O. Box 268823, Oklahoma City, OK 73152-8823.

(continued on page 11)

Line 14 - Donations from Your Refund (continued)

9 **Historic Greenwood District Music Festival Fund**
With part of your tax refund you can support music festivals in the Historic Greenwood District of Tulsa. Your donation will be used by the Oklahoma Historical Society to assist with music education, public concerts, and a celebration of Tulsa's and Oklahoma's musical heritage. You may also mail your contributions to: Greenwood District Music Festival Fund, Oklahoma Historical Society, 800 Nazih Zuhdi Dr., Oklahoma City, OK 73105.

10 **Public School Classroom Support Fund**
Donations to the Public School Classroom Support Revolving Fund will be used by the State Board of Education to provide one or more grants annually to public school classroom teachers. Grants will be used by the classroom teacher for supplies, materials, or equipment for the class or classes taught by the teacher. Grant applications will be considered on a statewide competitive basis. You may also mail a donation to: Oklahoma State Board of Education, Public School Classroom Support Fund, Office of the Comptroller, 2500 North Lincoln Boulevard, Room 415, Oklahoma City, OK 73105-4599.

Line 16 -
All refunds must be directly deposited into a bank account. See page 12 "Direct Deposit Information" for details.

Line 18 -
Public School Classroom Support Fund
A donation to this fund may be made on a tax due return. For information regarding this fund, see the instructions for Line 14, #10.

Line 19 -
Underpayment of Estimated Tax Interest
All S 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.

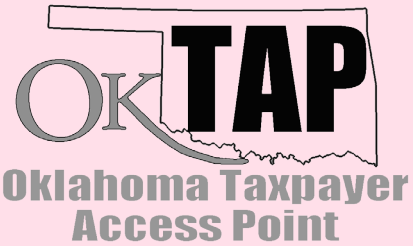
Place an "X" in the box if the underpayment of estimated tax was computed using the annualized income installment method.

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.

If an **amended return** is filed before the due date for filing the original return, including any extension, the tax shown on the amended return is used to determine the amount of underpayment. If the amended return is filed after the due date, including extension, the tax shown on the amended return will not be used to compute the amount of underpayment.

Line 20 -
Delinquent Penalty and Interest
Interest at the rate of 1.25% 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.

Use OkTAP to File and Pay your Taxes



With OkTAP you can:
- File and pay taxes for your sales, withholding, franchise and mixed beverage accounts along with many more tax types
- View OTC returns, letters and notices
- Engage in secure messaging with OTC representatives
- Order coin-operated device decals
- Register new businesses with the OTC
- Register a third-party preparer to manage your account

For more information visit www.tax.ok.gov/OkTAP

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 Federal Employer 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. Visit our website for more information, **www.tax.ok.gov.**

- When complete, make copies of all the documents for your records and do not enclose any other tax reports or correspondence in the envelope.

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

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

Direct Deposit Information

Complete the direct deposit section on the tax return to receive the refund. All refunds, with very limited exceptions*, must be by direct deposit. Corporations failing to complete the direct deposit section will be contacted and required to file the Refund Direct Deposit Form (Form ADD-100) before the refund will be issued.

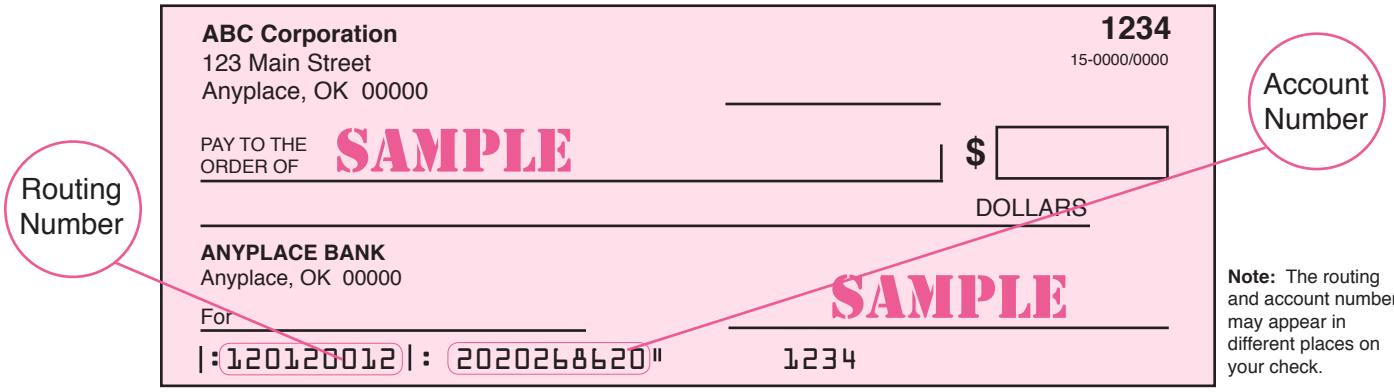
1 Place an 'X' in the appropriate box as to whether the refund will be going into a checking or savings account. Please keep in mind you will not receive notification of the deposit.

2 Fill out the routing number. The routing number must be nine digits. Using the sample check shown below, the routing number is **120120012**. If the first two digits are not 01 through 12 or 21 through 32, the direct deposit will fail to process. A letter requesting correct banking information will be mailed to the address shown on your tax return.

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: A letter requesting correct banking information will be mailed to the address shown on your tax return if the direct deposit fails to process.

*** EXCEPTION!** Due to electronic banking rules, the OTC 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 will be direct deposited.



Note: The routing and account numbers may appear in different places on your check.

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 web- site, 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.

Federal Employer Identification Number (FEIN): The request for your FEIN is authorized by Section 405, Title 42, of the United States Code. You MUST provide this information. It will be used to establish your identity for tax purposes only.

Form 512-S
2014

Oklahoma Small Business Corporation Income Tax Return

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

For the year January 1 - December 31, 2014, or other taxable year
beginning: _____ , 2014 ending: _____ , _____

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

Corporate Name:

Street Address:

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

Federal Employer Identification Number: | Business Code Number:

Telephone Number and Area Code | Date of Incorporation | Under the Laws of:

Type of Business: | If this is a final return, place an 'X' here:

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

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

1a	Nonresident share of income from Page 4, Part 5, line 14	1a	00		
1b	Nonresident share of deductions (see instructions)	1b	00		
1	Nonresident share of taxable income (line 1a minus line 1b)			1	00
2	Tax: 6% of line 1			2	00
3	Other Credits Form (see instructions) (enclose Form 511CR)			3	00
4	Balance of tax due (line 2 less line 3, but not less than zero)			4	00
5	2014 Oklahoma estimated tax payments (i.e. Form(s) OW-8-ESC)	5	00		
6	Amount paid with extension request	6	00		
7	Okla. withholding (enclose Form 1099, 500-A, 500-B or other withholding statement)	7	00		
8	Refundable Credits from Form a) ☐ 577 b) ☐ 578	8	00		
9	Amount paid with original return and amount paid after it was filed (amended return only)	9	00		
10	Any refunds or overpayment applied (amended return only)	10	( ) 00		
11	Total of lines 5 through 10			11	00
12	Overpayment (line 11 minus line 4)			12	00
13	Amount of line 12 to be credited to 2015 estimated tax **(original return only)**	13	00		

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

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

Direct Deposit Note:

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

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

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

Routing Number: _____ Account Number: _____

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

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

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

Make check payable to the Oklahoma Tax Commission

Corporate Seal

Signature of Officer | Date

Printed Name of Officer

Title

Signature of Preparer | Date

Preparer's Address

Area Code and Phone Number | Preparer's PTIN

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

Part 2: Ordinary Income from Trade or Business

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

		Column A As reported on Federal Return	Column B Total applicable to Oklahoma
1	a. Gross receipts or sales ..... $ _____		
	b. **Minus** returns and allowances ..... $ _____ 1	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 Part II, line 17) 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 and maintenance 9	00	00
10	Bad debts 10	00	00
11	Rent 11	00	00
12	Taxes and licenses 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	Pension, profit-sharing, etc. plans 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
21	**Ordinary Income (Loss) from trade or business:** Subtract line 20 from line 6. Enter here and below on Part 3, line 1 21	00	00

Part 3: Shareholders' Pro Rata Share Items

		Column A As reported on Federal Return	Column B Total applicable to Oklahoma
	Income (lines 1 through 11)		
1	Ordinary income (loss) from trade or business (from above on Part 2, line 21) .. 1	00	00
2	Net income (loss) from rental real estate activity(ies) (enclose schedule) 2	00	00
3	Net income (loss) from other rental activity(ies) (enclose schedule) 3	00	00
4	Interest income		
	a: Interest on loans, notes, mortgages, bonds, etc. 4a	00	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	00
5	Dividend income 5	00	00
6	Royalties 6	00	00
7	Net short-term capital gain (loss) (Schedule D, 1120-S) 7	00	00
8	Net long-term capital gain (loss) (Schedule D, 1120-S) 8	00	00
9	Net gain (loss) under Section 1231 (other than due to casualty or theft) 9	00	00
10	Other (enclose schedule) 10	00	00
11	**Total income** (add lines 1 through 10) 11	00	00
	Deductions (lines 12 through 17)		
12	Section 179 deduction (enclose schedule) 12	00	00
13	Contributions 13	00	00
14	Deductions related to portfolio income 14	00	00
15	Intangible drilling costs 15	00	00
16	Other deductions authorized by law (enclose schedule) 16	00	00
17	**Total Deductions** (add lines 12 through 16) 17	00	00
	Total (line 18)		
18	Net distributable income (line 11 minus line 17) 18	00	00

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

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

1	Net distributable income from Page 2, Part 3, Column A, line 18			1	
2	Add: (a) Taxes based on income	2a			
	(b) Unallowable deduction (enclose schedule)	2b			
	(c) Other income (enclose schedule)	2c			
	(d) Total of lines 2a through 2c			2d	
3	Deduct all items separately allocated:				
	(a) Interest on obligations of the United States	3a			
	(b) _____	3b			
	(c) _____	3c			
	(d) Total of lines 3a through 3c			3d	
	(Note: Items listed in 2 and 3 above must be net amounts supported by schedules showing source, location, expenses, etc.)				
4	Net apportionable income (line 1 plus line 2d, minus line 3d)			4	
5	Oklahoma's portion thereof _____%, from schedule below			5	
6	Add items separately allocated to Oklahoma:				
	(a) _____	6a			
	(b) _____	6b			
	(c) _____	6c			
	(d) _____	6d			
	(e) Total of lines 6a through 6d			6e	
7	Oklahoma net distributable income (add lines 5 and 6e; enter here and on Page 2, Part 3, Column B, line 18)			7	

APPORTIONMENT FORMULA

			Column A Total Within Oklahoma	Column B Total Within and Without Oklahoma	A divided by B Percent Within Oklahoma
1	Value of real and tangible personal property used in the unitary business (by averaging the values at the beginning and ending of the tax period).				
	(a) Owned property (at original cost):				
	(i) Inventories	1ai			
	(ii) Depreciable property	1aii			
	(iii) Land	1aiii			
	(iv) Total of section "a"	1aiv			
	(b) Rented property (capitalize at 8 times net rental paid)	1b			
	(c) Total of sections "a" and "b" above	1c	$	$	%
2	(a) Payroll	2a			
	(b) Less: Officer's salaries	2b			
	(c) Total (subtract officer's salaries from payroll)	2c	$	$	%
3	Sales :				
	(a) Sales delivered or shipped to Oklahoma purchasers:				
	(i) Shipped from outside Oklahoma	3ai			
	(ii) Shipped from within Oklahoma	3aii			
	(b) Sales shipped from Oklahoma to:				
	(i) The United States Government	3bi			
	(ii) Purchasers in a state or country where the corporation is not taxable (i.e. under Public Law 86-272)	3bii			
	(c) Total of sections "a" and "b"	3c	$	$	%
4	If Revenue, Traffic Units or Miles Traveled is used rather than Sales, indicate here: _____				
5	Total percent (sum of items 1, 2 and 3)	5			%
6	Average percent (1/3 of total percent) (Carry to Part 4, line 5 above)	6			%

Note: Enclose a complete copy of your Federal return.

Part 5: Shareholders' Pro Rata Share of Income

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

		Shareholder 1	Shareholder 2	Shareholder 3
1	Name and address of each shareholder — Name:			
	Address:			
	City, State, ZIP:			
2	SSN or FEIN			
3	Ownership Percentage			
4	Distributable Federal Income (Part 3, Column A, line 18 times Part 5 line 3)			
5	Distributable Oklahoma Income (Part 3, Column B, line 18 times Part 5 line 3**)			
6	Oil and Gas Depletion (Federal)			
7	Oil and Gas Depletion (Oklahoma)			
8	Amount of Credit			
9	Type of Credit			
10	Amount of Withholding			
11	Type of Withholding			

Nonresident Shareholder

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

Total: Nonresident Share of Income to Tax

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

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

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

Note: Enclose a complete copy of your Federal Return.

Part 6: Additional Information

Location of Principal Accounting Records

Address City State Zip

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

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

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

Business name _____ Date business began in Oklahoma _____

Principal location(s) in Oklahoma _____

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

State of Oklahoma
Supplemental Schedule for Form 512-S, Part 5

FORM **512-S-SUP** 2014

NOTE: If the return is filed by paper, place Form(s) 512-S-SUP immediately after Form 512-S, page 4. Make note of the number of Forms 512-S-SUP that are included in the corporate return (e.g. If there are five Forms 512-S-SUP, the second Form 512-S-SUP would have 2 of 5 shown in the Page section below.)

Corporate Name	FEIN	Page
		_____ of _____

		Shareholder _____	Shareholder _____	Shareholder _____
1	Name and address of each shareholder — Name:			
	Address:			
	City, State, ZIP:			
2	SSN or FEIN			
3	Ownership Percentage			
4	Distributable Federal Income (Part 3, Column A, line 18 times Part 5 line 3)			
5	Distributable Oklahoma Income (Part 3, Column B, line 18 times Part 5 line 3**)			
6	Oil and Gas Depletion (Federal)			
7	Oil and Gas Depletion (Oklahoma)			
8	Amount of Credit			
9	Type of Credit			
10	Amount of Withholding			
11	Type of Withholding			

Nonresident Shareholder

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

Nonresident Shareholder Agreement

FORM 512-SA 2014

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

Corporation _____

Street Address or Post Office Box _____

City _____ State _____ ZIP _____

Federal Employer Identification Number _____

_____ _____

Signature of Shareholder Executing Agreement

Social Security Number or Federal Employer Identification Number

Dated this _____ day of _____ , _____ .

Corporation Please Note:

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