



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
- Two 512SA Nonresident Shareholder Agreement income tax forms
- One return envelope

Filing date:

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

A stylized map of the state of Oklahoma is shown in the bottom left corner, pointing towards the right.

OKLAHOMA TAX COMMISSION

2501 North Lincoln Boulevard
Oklahoma City, Oklahoma 73194



1999 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 seven.

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.

Sincerely,



Robert E. Anderson, Chairman
Oklahoma Tax Commission

1999 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

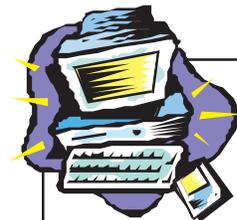
For all fiscal year and short period returns, the beginning and ending dates of the tax year must be shown on the top portion of the return where indicated. Omission of this information may cause a significant delay in the processing of the return and no interest will accrue on any refund pending.

• 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, the total exclusion and the exclusion available for each shareholder. Do not include this exclusion in the Oklahoma distributive income; each shareholder shall report his/her 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 III, column 8.

(Continued on page 2)



TAX QUESTIONS?
VISIT THE OKLAHOMA TAX COMMISSION ONLINE.
(SEE PAGE 7 FOR DETAILS)

• **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 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 year's 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.)

• **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 S Corporations which are paying tax at the corporate level, line 9 (tax paid on 1999 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.

• **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.

• **BANK AND CREDIT UNIONS**

Per 68 § 2370 (D) (2) State and National Banks and State Credit Unions must make the following adjustments when determining a bank's taxable or distributive income:

- Part five, column B, line 13 - reduce by an amount equal to 50% of excluded interest income on obligations of the U.S. government or agencies thereof and obligations of the State of Oklahoma or political subdivisions thereof.
- Part two, line 4b - only interest from non-Oklahoma state and municipal bonds are reported. However, furnish a detailed schedule of all state and municipal interest by source and amount. This schedule should correspond to the "Tax-exempt interest" reported on the Federal M-1.

State and National Banks and State Credits Unions shall pay an "In Lieu" tax of 6% per 68 § 2370. With respect to those state and national banks and state credit unions making a federal subchapter S election, none of the income or loss of that entity shall be reported at the shareholder level.



HAVING TROUBLE? CALL US!

At the Oklahoma Tax Commission, we are committed to quality customer service. Whether you have a quick question or are confused beyond recognition, we can help.

Call our Taxpayer Assistance Team and request assistance with which specific tax type or form you are having difficulting completing.

We are here to help. Give us a call.

(405) 521-3160

1999 LINE BY LINE INSTRUCTIONS FOR DETERMINING OKLAHOMA DISTRIBUTIVE INCOME

COMPUTATION OF ALLOCABLE AND/OR APPORTIONABLE INCOME

Part Two, Column A and Part Five, Column A are to be completed by all S Corporations. All S Corporations start with Part Five.

Part Two, Column B, lines 1 through 14 and Part Five, Column B is 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 Four 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.

PART FIVE

To compute Oklahoma distributive income, All S Corporations start with Part Five.

Lines 1-21, Column A:

Part Five, Column A must be completed by all S Corporations. List exact figures as reported on the front page of your Federal 1120-S.

Lines 1-21, Column B:

Part Five, Column B is to be used by all 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.

State and National Banks and State Credit Unions: refer to "Banks and Credit Unions" in the General Filing Information.

PART TWO

Lines 1-15, Column A:

Part Two, Column A is to be used by all S 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 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.

S Corporations whose business within and without Oklahoma is oil and gas production, mining, farming, or rental shall 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 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 and interest income from investments held to generate working capital 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 S Corporation. 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:

S 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, shall add the total of such income to arrive at Oklahoma income. Income from an Oklahoma municipal bond is exempt only if so provided by the statute authorizing its issuance. All out of state municipals are taxable.

State and National Banks and State Credit Unions: refer to "Banks and Credit Unions" in the General Filing Information.

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.

State and National Banks and State Credit Unions: refer to "Banks and Credit Unions" in the General Filing Information.

Line 5

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.

Lines 8 through 13 -

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

PART THREE

All S Corporations must complete Part Three.

If your business is either wholly Oklahoma or of an allocable nature, complete Part Three now. If your business is of a unitary nature, complete Part Four before completing Part Three.

Shareholders Distribution of Income

Enter the names, social security numbers and addresses of the shareholders, and write in the applicable 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 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 individual 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 must be shown for the agreement to be valid.

PART FOUR

Part Four 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 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 allocable shall not be allowed as apportionable and will be entered here.

Line 3 -

Income from U.S. obligations (see Part Two, 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.

(Continued on page 5)

1999 FORM 512S: LINE BY LINE INSTRUCTIONS

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. Then complete Part three.

PART ONE

• OKLAHOMA CREDITS

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

Line 3 - 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.

Line 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).

Line 5 - 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.

Line 6 - Other Credits

(Form 511CR)

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 Title 68 O.S. 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 to the citizens or state of Oklahoma or burn coal to generate heat, light or power for use in manufacturing operations in Oklahoma. See Title 45 O.S., Section 939, and Title 68 O.S. Section 2357.11 and Rule 710:50-15-76.

• SOLAR ENERGY CREDIT WIND OR PHOTOVOLTAIC ENERGY SYSTEMS

This credit is limited to Wind or Photovoltaic Systems installed after December 31, 1992. Credit for 1999 is limited to the carryover only of this credit claimed and allowed in prior years. Enclose Form 508. Title 68 O.S. Section 2357.32.

• ENERGY ASSISTANCE FUND CONTRIBUTION

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

(Continued on page 6)

1999 FORM 512S: LINE BY LINE INSTRUCTIONS

- **SMALL BUSINESS CAPITAL CREDIT**
(Enclose Form 527-A)
There shall be allowed a credit equal to 20% of the cash invested in, or in conjunction with, a qualified Small Business Capital Company. Title 68 O.S. Section 2357.60 - 2357.65.
- **OKLAHOMA AGRICULTURAL PRODUCERS CREDIT**
(Enclose Form 520)
There shall be allowed a credit equal to 30% of the amount directly invested in Oklahoma producer-owned agricultural processing cooperatives, ventures or marketing associations by Oklahoma agricultural producers. Title 68 O.S. Section 2357.25.
- **CREDIT FOR QUALIFIED RECYCLING FACILITY**
Any person who invests in a new qualified recycling facility, the total cost of which exceeds \$20,000,000 and employs at least 75 full-time-equivalent employees, shall be allowed a credit of 15% of the investment cost. Title 68 O.S. Section 2357.59.
- **SMALL BUSINESS GUARANTY FEE CREDIT**
Every small business operating within this state shall be entitled to claim as a credit any amount paid to the U.S. Small Business Administration as a guaranty fee pursuant to the obtaining of financing guaranteed by the Small Business Administration. Please enclose Form 529. Title 68 O.S. Section 2357.30.
- **CREDIT FOR EMPLOYERS PROVIDING CHILD CARE PROGRAMS**
Employers providing accredited child care programs for the children of their employees will be allowed a 20% credit for the amount paid to provide such programs. The credit will not be allowed for any amount for which the employee claims or receives an income tax credit, exemption or deduction. Any credit allowed but not used will have a 4-year carryover provision. Title 68 O.S. Section 2357.26.
- **CREDIT FOR ENTITIES IN THE BUSINESS OF PROVIDING CHILD CARE SERVICES**
Entities primarily engaged in the business of providing child care services will be allowed a 20% credit for eligible expenses. Eligible expenses are amounts incurred to comply with the standards promulgated by a national accrediting association recognized by the Department of Human Services and which would not have been incurred to comply with the Oklahoma Child Care Facilities Licensing Act. The credit will not be allowed for any amounts for which the entity claims or receives an income tax credit, exemption or deduction. Any credit allowed but not used will have a 4-year carryover provision. Title 68 O.S. Section 2357.27.

Line 14 - 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**

Line 15 - 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.

Line 16 - Oklahoma Breast Cancer Research Contribution

If you wish to donate from your tax refund for Oklahoma Breast Cancer Research, enter the amount. The donation will be forwarded to the State Department of Health.

WHEN YOU ARE FINISHED...

- 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.
- 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.
- Return must be signed.
- 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 seven are several ways of contacting us.

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 tax questions can be directed to **(405) 521-3126**.

If you would like to request a form be mailed to you, please call our forms line at **(405) 521-3108**. The in-state toll free number is **(800) 522-8165, extension 1-3160** for general assistance, **extension 1-3126** for corporate tax assistance, and **extension 1-3108** for forms orders. Also see below for other location phone numbers.

FAXBACK SERVICE!

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

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**

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.

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Oklahoma Tax Commission
Income Tax
2501 North Lincoln Boulevard
Oklahoma City, OK 73194-0009

Bulk Rate
U.S. Postage Paid
Oklahoma City, OK 73194
Permit Number 548
Pre-Sorted

STATE OF OKLAHOMA SMALL BUSINESS CORPORATION INCOME TAX RETURN

1999 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 or other taxable year beginning ending

Name _____ Employer's I.D. No. _____
 Street Address _____ Business Code _____
 City _____ State _____ Zip _____ Type of Business _____
 Date of Incorporation _____ Under the Laws of _____
 Telephone Number and Area Code (_____) _____

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_).

NOTE: ALL CORPORATIONS MUST BEGIN ON PART FIVE AND THEN 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 NONRESIDENT SHAREHOLDERS
WHO DO NOT FILE A NONRESIDENT SHAREHOLDER AGREEMENT (512-SA)**

1	Nonresident 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 1999 Estimate	9		00
10	1999 Payment with Extension	10		00
11	Total (Add Lines 9 and 10)	11		00
12	Overpayment (Line 11 less line 8)	12		00
13	Amount of Line 12 to be Credited on 2000 Estimated Tax	13		00
Deductions from Refund:				
If you wish to donate from your tax refund, mark and enter amount:				
14	Oklahoma Wildlife Diversity Program <input type="checkbox"/> \$2 <input type="checkbox"/> \$5, or <input type="checkbox"/> \$ _____	14		00
15	Veterans Affairs Capital Improvement Program <input type="checkbox"/> \$2 <input type="checkbox"/> \$5, or <input type="checkbox"/> \$ _____	15		00
16	Oklahoma Breast Cancer Program <input type="checkbox"/> \$2 <input type="checkbox"/> \$5, or <input type="checkbox"/> \$ _____	16		00
17	Total (Add lines 13, 14, 15 and 16)	17		00
18	Amount of Line 12 to be REFUNDED TO YOU (subtract Line 17 from Line 12)	18		00
19	Tax Due (Line 8 less line 11)	19		00
20	Underpayment of Estimated Tax, Penalty and Interest	20		00
21	For delinquent payment, add Penalty of 5% _____ plus Interest at 1 1/4% per month _____	21		00
22	TOTAL PENALTY AND INTEREST (Add lines 20 and 21)	22		00
23	TOTAL TAX, PENALTY, AND INTEREST (Add lines 19 and 22) BALANCE DUE	23		00

**ROUND TO THE
NEAREST DOLLAR**

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

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		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	Portfolio income (loss)				
	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
	e. Dividend income	4e	00		00
	f. Royalty income (Patent or Copyright)	4f	00		00
	g. Net short-term capital gain (loss) (Schedule D, 1120-S)	4g	00		00
	h. Net long-term capital gain (loss) (Schedule D, 1120-S)	4h	00		00
	i. Other portfolio income (loss) (Enclose Schedule)	4i	00		00
5	Net gain (loss) under Section 1231 (other than due to casualty or theft)	5	00		00
6	Other (Enclose Schedule)	6	00		00
7	TOTAL INCOME (Add lines 1 through 6)	7	00		00
DEDUCTIONS					
8	Contributions	8	00		00
9	Expense deductions for recovery property (section 179) (Enclose Schedule)	9	00		00
10	Deductions related to portfolio income	10	00		00
11	Depletion (Enclose Schedule)	11	00		00
12	Intangible drilling costs	12	00		00
13	Other deductions authorized by law (Enclose Schedule)	13	00		00
14	TOTAL DEDUCTIONS (Add lines 8 through 13)	14	00		00
15	Net distributive income (Line 7 minus line 14)	15	00		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 nonresident	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. Nonresident share of Oklahoma Net Distributive Income (Part Two, Column B, Line 15 times Part Three, Column 4.**)	8. If nonresident agreement is NOT attached, check box and enter the amount shown in column 7.
(a) _____			[...] \$ _____
(b) _____			[...] \$ _____
(c) _____			[...] \$ _____
(d) _____			[...] \$ _____
TOTAL Nonresident 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.

ALL S CORPORATIONS START HERE 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.		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
2	Cost of goods sold and/or operations	2	00
3	Gross profit (subtract line 2 from line 1)	3	00
4	Net gain (loss) (Form 4797, Line 20)	4	00
5	Other income (loss) (Enclose Schedule)	5	00
6	TOTAL income (loss) (Add lines 3 through 5)	6	00
7	Compensation of officers	7	00
8	Salaries and wages	8	00
9	Repairs	9	00
10	Bad debts	10	00
11	Rent	11	00
12	Taxes	12	00
13	Interest	13	00
14	Depreciation	14	00
15	Depletion (do not deduct oil and gas depletion)	15	00
16	Advertising	16	00
17	Retirement plans, etc.	17	00
18	Employee Benefit Programs	18	00
19	Other deductions (Enclose Schedule)	19	00
20	TOTAL deductions (add lines 7 through 19)	20	00
21	ORDINARY INCOME (LOSS) From trade or Business (subtract line 20 from line 6) Enter here and on Page 2, Part Two, Line 1	21	00

NOTE: ENCLOSE A COMPLETE COPY OF YOUR FEDERAL RETURN

Kind of Business _____ Is this return on Cash or Accrual Basis? _____
 Name of Business if different from that of Corporation _____
 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 1999? (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 _____

FORM 512-SA

NONRESIDENT SHAREHOLDER AGREEMENT

I, _____, the undersigned, do agree that I will file an Oklahoma Income Tax Return for the taxable year ending _____, and 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 that such income, gain or loss, is at the corporate level, derived from sources within Oklahoma. I further state that 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 _____ City _____ State _____ Zip _____

Federal Identification Number _____

Dated at _____ this _____ day of _____, _____.

Signature of Person Executing Agreement _____

Social Security Number _____

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.

OKLAHOMA SMALL BUSINESS CORPORATION CREDITS

Credits available for pass through to shareholders allowed by Oklahoma statutes. Attach a schedule if more space is needed for additional shareholders or credits.

Name of Shareholder	Percent of Shares owned	Amount of Credit	Type of Credit	Amount of Credit	Type of Credit
	%				
	%				
	%				
	%				
	%				
	%				
	%				
	%				
	%				
	%				
TOTAL	100				

NOTICE:

Forms required to compute credit for Investment/New Jobs Credit (Form 506), Solar Energy Device (Form 508), Small Business Capital Credit (Form 527-A), and Small Business Guaranty Fee Credit (Form 529) must be enclosed with Small Business Corporation Return (Form 512-S). Schedules or authorization must be furnished to claim any of the other credits.