2001 OKLAHOMA SMALL BUSINESS CORPORATE INCOME TAX FORMS AND INSTRUCTIONS

Packet contains:

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

Filing date:

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

Need assistance or have a tax question?

- Phone, fax, e-mail, web or in-person, there are many ways to reach us!

Check out page 8 for all the options!

Visit our web site!

Download income and business tax forms anytime day or night!

Many common tax questions can also be answered via the web site.

You also can e-mail in tax questions.

Check it out today!

www.oktax.state.ok.us

2001 Oklahoma Small Business Corporate Income Tax

Dear Oklahoma Taxpayer,

Enclosed within this booklet is the 2001 Form 512S: Oklahoma Small Business Corporation Income Tax Return, Form 512-SA: Nonresident Shareholder Agreement, instructions and a return envelope. If you need a different or additional form, please contact us in one of the ways listed on page eight.

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 **Taxpayer Assistance Division**, available at all of our locations, is also ready to assist you with your tax needs. 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.

Sincerely,

Thomas E. Kemp, Jr., Chairman
Oklahoma Tax Commission

2001 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).

Need a form or have a tax question after hours? No problem.
Visit our web site at
www.oktax.state.ok.us
for all your tax needs 24 hours a day, seven days a week.

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 3, column 8.

(Continued on page 3)

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 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 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.

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 be not 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.

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 2000 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 extend 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.

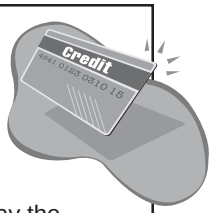
BANK AND CREDIT UNIONS

State and National Banks and State Credits Unions, making a Federal Subchapter S election, shall not pay an "In Lieu" tax of 6% per 68 § 2370. The income or loss of that entity shall be reported at the shareholder level.

INDIAN EMPLOYMENT EXCLUSION

(Part 5, line 19, column B or Part 4 line 3.)
All qualified wages equal to the Federal Indian Employment Credit set forth in 26 U.S.C.A., Section 45A, shall be deducted from taxable income. Deduct on the Oklahoma return, an amount equal to the reduction of salaries and wages reported on the Federal return as a result of the Form 8845 "Indian Employment Credit". The deduction allowed shall only be permitted for the tax years in which the Federal credit is allowed, even if not used in such year because of tax liability limit. Enclose a copy of the Federal return, Form 8845 and if applicable, Form 3800.

INTERESTED IN PAYING YOUR BALANCE DUE BY CREDIT CARD?



As continued service this year, you can pay the balance due on your income tax by credit card. Accepted cards include MasterCard, American Express or Discover. Payments can be made one of two ways:

You can log on to our web site at www.oktax.state.ok.us. Click on the "Payment Options" link and pay your balance due online.

or

You can call toll-free

1-800-2PAY-TAX

to pay your balance due over the phone.

Please keep in mind that there is a convenience fee of 2.5% charged for utilizing this service, based on the amount of the charged balance due. For more information regarding this service, please visit our web site at www.oktax.state.ok.us.

2001 Form 512S: Line by Line Instructions for Determining Oklahoma Distributive Income

Computation of Allocable and/or Apportionable Income

Part 2, Column A and Part 5, Column A are to be completed by all S Corporations. All S Corporations start with Part 5.

Part 2, Column B, lines 1 through 14 and Part 5, 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 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.

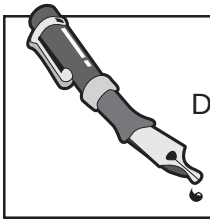
Part 5

To compute Oklahoma distributive income, All S Corporations start with Part 5.

Lines 1-21, Column A:
Part 5, 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 5, 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.

Corporations with the Federal Indian Employment Credit" refer to "Indian Employment Exclusion" in the General Filing Information on page 3 of this booklet.



Tax Tip:
Don't forget to sign your tax return.
Always copy your return for your records.

Part 2

Lines 1-15, Column A:
Part 2, Column A is to be used by all S Corporations. List exact figures as reported on your Federal 1120-S, Sch. K.

Lines 1-15, Column B:
Part 2, 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 5 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.

(Continued on page 5)

Line 4c - Interest on U.S. Government Obligations:
If you report interest on bonds, notes, and other obligations of the U.S. on your Federal return, it may be excluded from your Oklahoma income if a detailed schedule is furnished, accompanied with 1099's showing the amount of interest income and the name of the obligation from which the interest is earned. If the interest is from a mutual fund which invests in government obligations, enclose a detailed schedule from the mutual fund showing the amount of monies received from each obligation or the percentage of funds received from each obligation. Interest from entities such as FNMA & GNMA does not qualify.

Line 5
Gains or losses from 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 3

All S Corporations must complete Part 3.

If your business is either wholly Oklahoma or of an allocable nature, complete Part 3 now. If your business is of a unitary nature, complete Part 4 before completing Part 3.

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 3 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.

Oklahoma Credits and Withholding
Oklahoma withholding is withheld from royalty paid to nonresident Subchapter S Corporations. Enter each shareholder's portion of such withholding.

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 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 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 2, 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 2, 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.

Corporations with the Federal Indian Employment Credit" refer to "Indian Employment Exclusion" in the General Filing Information on page 3 of this booklet.

(Continued on page 6)

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 2, Column B, line 15. Then complete Part 3.

Part 1

• 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
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 by calling our forms request line at (405) 521-3108 or from our website at ***www.oktax.state.ok.us***.

- Credit for Conversion of a Motor Vehicle to Clean Burning Fuels or for Investments in Qualified Electric Motor Vehicle Property
  Title 68 O.S. Section 2357.22.
- Coal Credit
  Title 68 O.S. Section 2357.11 and Rule 710:50-15-76.
- Energy Assistance Fund Contribution
  Title 68 O.S. Section 2357.6.
- Small Business Capital Credit
  Enclose Form 527-A. Title 68 O.S. Section 2357.60 - 2357.65.
- Oklahoma Agricultural Producers Credit
  Enclose Form 520. Title 68 O.S. Section 2357.25.
- Credit for Qualified Recycling Facility
  Title 68 O.S. Section 2357.59.
- Small Business Guaranty Fee Credit
  Enclose Form 529. Title 68 O.S. Section 2357.30 or Title 68 O.S. Section 2370.1.
- Credit for Employers Providing Child Care Programs
  Title 68 O.S. Section 2357.26.
- Credit for Entities in the Business of Providing Child Care Services
  Title 68 O.S. Section 2357.27.
- Credit for Food Service Establishments that Pay for Hepatitis A Vaccinations for their Employees
  Title 68 O.S. Section 2357.33.
- Credit for Commercial Space Industries
  Title 68 O.S. Section 2357.13.
- Credit for Nonstop Air Service from Oklahoma to the Coast
  Title 68 O.S. Section 2357.28.
- Oklahoma Local Development and Enterprise Zone Incentive Leverage Act Credit
  Title 68 O.S. Section 2357.81.

(Continued on page 7)

- **Credit for Qualified Rehabilitation Expenditures Incurred with any Certified Historical or Historical Newspaper Plant Building**
  Title 68 O.S. Section 2357.41.

- **Credit for Tourism Development**
  Title 68 O.S. Section 2357.34 - 2357.40.

- **Credit for Space Transportation Vehicle Provider**
  Title 68 O.S. Section 2357.42.

- **Rural Small Business Capital Credit**
  Title 68 O.S. Section 2357.71 - 2357.76.

Line 11
Oklahoma Withholding
Oklahoma withholding is withheld from royalty payments paid to nonresident Subchaper S corporations. Enter that portion of such withholding attributable to the nonresident shareholders who do not file a nonresident shareholders agreement (Form 512-SA).

Line 15
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 16
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.

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

Department of Veteran Affairs
P.O. Box 53067
Oklahoma City, OK 73152

Line 17
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.

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

State Department of Health
1000 Northeast 10th Street
Oklahoma City, OK 73152

Line 18
Oklahoma City Bombing Memorial Fund
You may donate to remember the victims of the April 19, 1995 bombing of the Alfred P. Murrah Federal Building. Donations will help defray the expense to construct and maintain the National Memorial created to honor the victims of the bombing.

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

Oklahoma City National Memorial Foundation
P. O. Box 323
Oklahoma City, OK 73101-0323

When You Are Finished...

- In the event that you owe taxes, please enclose a check or money order payable to "Oklahoma Tax Commission". The taxpayer identification number and the tax year should be on your check or money order for your payment to be properly credited.

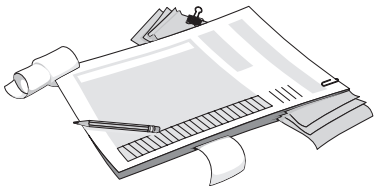
- When complete, make copies of all the documents for your records.

- Do not enclose any other tax reports or correspondence in this envelope.

- Return must be signed.

- 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

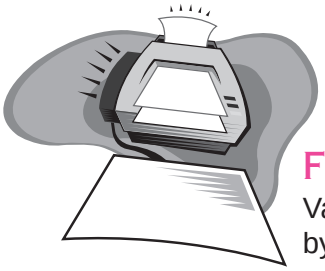


Need Assistance? How to Reach Us...

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**. The in-state toll free number is **(800) 522-8165, extension 1-3160** for general assistance and **extension 1-3126** for corporate tax assistance. The Taxpayer Assistance Representative on the other end of the line is ready to assist you with all your tax needs. Also see below for other location phone numbers.



FaxBack Service!

Various forms can be 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
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.

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

Bulk Rate
U.S. Postage Paid
Oklahoma Tax Commission

State of Oklahoma

SMALL BUSINESS CORPORATION INCOME TAX RETURN

TAX YEAR 2001

FORM 512S__

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, 2001, or other taxable year beginning _____, 2001 ending _____, _____.

Corporate Name:

Street Address:

City, State and Zip:

A. Federal I.D. Number

B. Business Code Number

C. Type of Business

Telephone Number and Area Code:

Date of Incorporation:

Under the Laws of:

Important Notice

All corporations must begin on part 5 and then complete page 2, part 2, column A. Page 2, part 2 of Form 512-S must be completed from information contained on Sch. K of the Federal 1120-S return. The Federal column must be completed before page 3, part 4 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 4.

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 as shown here: "512sX"

Part 1: Tax Computation Schedule for Nonresident Shareholders Who Do Not File a Nonresident Shareholders Agreement (512-SA)

1	Nonresident Share of Income *(total of page 2, part 3, column 8)*			1		00
2	Tax: 6% of line 1			2		00
3	Less: (lines 3-6) Investment/New Jobs Credit *(enclose Form 506)*	3	00			
4	Gas Used in Manufacturing *(see instructions and enclose schedule)*	4	00			
5	Hazardous Waste Control *(see instructions)*	5	00			
6	Other Credits *(see instructions) (enclose Form 511CR)*	6	00			
7	Total (add lines 3, 4, 5 and 6)			7		00
8	Balance of tax due (line 2 less line 7, but not less than zero)			8		00
9	Amount paid on 2001 estimate	9	00			
10	Amount paid with extension request	10	00			
11	Oklahoma withholding (enclose Form 1099)	11	00			
12	Total credits (add lines 9, 10 and 11)			12		00
13	Overpayment (line 12 minus line 8)			13		00
14	Amount of line 13 to be credited on 2002 estimated tax	14	00			
	Deductions from refund: If you wish to donate from your tax refund, mark and enter amount.					
15	Oklahoma Wildlife Diversity Program: ❒ $2 ❒ $5 ❒ $_____	15	00			
16	Veterans Affairs Capital Improvement: ❒ $2 ❒ $5 ❒ $_____	16	00			
17	Breast Cancer Research Program: ❒ $2 ❒ $5 ❒ $_____	17	00			
18	Okla. City Bombing Memorial Fund: ❒ $2 ❒ $5 ❒ $_____	18	00			
19	Total (add lines 14, 15, 16, 17 and 18)			19		00
20	Amount of line 13 to be refunded to you (line 13 minus line 19) . . . . . Refund ☞			20		00
21	Tax Due (line 8 minus line 12)			21		00
22	Underpayment of estimated tax interest (enclose Form OW-8-P)			22		00
23	For delinquent payment, add penalty of 5% $_____ plus interest of 1.25% per month $_____			23		00
24	Total tax, penalty and interest (add lines 21, 22 and 23) . . . . . Balance Due ☞			24		00

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

Make check payable to the Oklahoma Tax Commission

Under penalties of perjury, I declare that 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, his/her declaration is based on all information of which he/she has any knowledge.

Corporate Seal

signature of officer — date

title

signature of preparer — date

preparer's address

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

PART 2: DISTRIBUTIVE SHARE ITEMS

		Column A As reported on Federal Return	Column B Total applicable to Oklahoma
Income *(lines 1 through 7)*			
1	Ordinary income (loss) from trade or business (from page 4, part 5, line 21) . . 1	00	00
2	Net income (loss) from rental 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 *(lines 8 through 14)*			
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 (oil and gas, 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
Total *(line15)*			
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 2, then complete part 3. 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 3: SHAREHOLDERS DISTRIBUTION OF INCOME

1 Name and address of shareholder	Check if non-resident	2 Social Security Number	3 Number of Shares	4 Shareholders applicable %	5 Net distributive income as reported on Federal return (part 2, column A, line 15, above, times part 3, column 4**)
(a)					
(b)					
(c)					
(d)					

6 Resident share of Oklahoma net distributive income (part 2, column B, line 15 times part 3, column 4**)	7 Nonresident share of Okla. net distributive income (part 2, column B, line 15 times part 3, column 4**)	8 If nonresident agreement (Form 512-SA) is NOT attached, check box and enter the amount shown in column 7. The S corporation will be taxes on the income reported in this column.	9 Shareholder's portion of Oklahoma credit or withholding	10 Withholding or type of credit
(a)		☐		
(b)		☐		
(c)		☐		
(d)		☐		

Total: Nonresident share of income to tax (add amounts shown in column 8) . Enter here and on page 1, part 1, line1 .

**NOTE: The amount shown in part 3, 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 part on your Federal income tax return, they will be allowed to the same extent on your Okla. return.

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 2, column A, line 15		1
2	Add: (a) Taxes based on income	2a	
	(b) Unallowable deduction (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
	(Notes: 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 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 2, column B, line 15)		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):			
	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 (subtract officer salaries from payroll)	$	$	%
3	Sales :			
	(a) Sales delivered or shipped to Oklahoma purchasers:			
	(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 corporation is not taxable (i.e. under Public Law 86-272)			
	Total of sections "a" and "b"	$	$	%
	If Revenue, 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 4, line 5 above)			%

Note: Enclose a complete copy of your Federal return.

PART 5: 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).

		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 18). 4	00	00
5	Other income (loss) (enclose schedule) 5	00	00
6	**Total income** (loss) (add lines 3 through 5) 6	00	00
7	Compensation of officers 7	00	00
8	Salaries and wages 8	00	00
9	Repairs 9	00	00
10	Bad debts 10	00	00
11	Rent 11	00	00
12	Taxes 12	00	00
13	Interest 13	00	00
14	Depreciation 14	00	00
15	Depletion (do not deduct oil and gas depletion) 15	00	00
16	Advertising 16	00	00
17	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 on page 2, part 2, line 1 21	00	00

Enclose a 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 at which books are kept: _____
Date domesticated in Oklahoma: _____
Did you make a return of information on Forms 500 and 501 for the calendar year 2001? ☐ yes ☐ no
Were you notified this year of a change in your Federal taxable income for prior year(s)? ☐ yes ☐ no
Did you file amended returns for the years stated above? ☐ yes ☐ no
What year(s) ☐

Nonresident Shareholder Agreement

Tax Year 2001

Form 512SA

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.