

Form 512 Test Scenario 1

Help for All, Inc.

11-0000001

Test Scenario 1 uses the Federal Form 1120 Test Scenario 1.

Corrections to Balance Sheet -

Line Reference	Correct Amount	Incorrect Amount
Form 1120, Schedule L, Line 3, Column D	94,676	0
Form 1120, Schedule L, Line 10b, Column D	207,477,609	225,477,609
Form 1120, Schedule L, Line 15, Column D	3,751,608,959	3,769,608,959

Modifications Required

Modify the Form 1120, Schedule D & Form 8949 by adding a Long Term Capital Gain from Sale of Oklahoma rental Real Estate. The rental property is located at 3216 Easy Street in Mytown OK. It was purchased on 1/15/04 for 1 million and sold on 12/15/14 for 2 million. Reduce the short-term gain by the same dollar amount so the capital gain net income reported on Form 1120, line 8 does not change.

Forms Required: 512, 561-C

Binary Attachments: Form 504

Misc. Additional Information –

- An extension payment of \$2,250,000 was made.
- Oklahoma withholding = \$1,000,000.
- Apply \$250,000 of the overpayment to next year's estimated tax.
- The refund should be by direct deposit into a checking account in an Oklahoma credit union:
 - Routing Number – 303085829
 - Account Number 12345678

Information needed to complete the **Additional Information** section –

- The location of principal accounting records is the same as the address on the return.
- The Internal Revenue Service redetermined the company's 2010 tax liability.
- An Oklahoma amended return was filed for 2010.
- The 2005 statute of limitations was extended by consent.
- The business name is the same as on the tax return.
- The principal location in Oklahoma is 34 N Broadway, Edmond OK 73034.
- The date business began in Oklahoma was 5/30/1983.

Form 512 Test Scenario 1

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Information needed to complete the **Apportionment Formula, Column A** -

- Depreciable property = 119,229,266
- Payroll = 1,526,834
- Sales shipped to Oklahoma from outside Oklahoma = 244,650

Additional Schedules:

1. OtherAdditions - Interest Expense Allocation
2. DeductedAllocatedItems - Net Rental Income - Everywhere
3. OKAllocatedItems - See Schedule

AdditionalSchedule 1 for OtherAdditions (Form 512, Schedule B, Line 2d)

ScheduleName - Interest Expense Allocation

Investments – Beg of Year	1,170,917,682
Investments – End of Year	1,230,810,633
Average Investment	1,200,864,158
Total Assets – Beg of Year	4,117,170,449
Total Assets – End of Year	3,751,608,959
Average Total Assets	3,934,389,704
Ratio of Investments / Total Assets	30.53%
Interest Expense per Federal Return	2,716,219
Expenses Allocated to Non-Taxable Income	829,262

AdditionalSchedule 2 for DeductedAllocatedItems (Form 512, Schedule B, Line 3b)

ScheduleName - Net Rental Income - Everywhere

Gross Rents	265,386
Property Tax	(10,000)
Depreciation	(5,000)
Net Rental Income	250,386

AdditionalSchedule 3 for OKAllocatedItems (Form 512, Schedule B, Line 6a)

ScheduleName - See Schedule

Oklahoma Partnership Income	115,854,452
Net Rental Income – Oklahoma	250,386
Oklahoma Capital Gain	1,000,000
Oklahoma Capital Gain Deduction (See Form 561-C)	(1,000,000)
TOTAL	116,104,838



CORPORATION INCOME TAX RETURN

State of Oklahoma

If this is a final return, place an 'X' here:

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
See Schedule 512-X on page 5.

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9/23/14

Name of Corporation: **HELP FOR ALL, INC**
Street Address: **31 ANY STREET**
City, State or Province, Country and ZIP or Foreign Postal Code: **ANYTOWN, MD 20901**

A. Federal Employer Identification Number: **11-0000001**
B. Business Code Number: **313000**

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

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

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

1	Oklahoma taxable income (as shown on Schedule A or B or, if consolidated, from Form 512-T1)	1	38,658,838	00
2	Tax: 6% of line 1	2	2,319,530	00
3	Less: Other Credits Form (total from Form 511CR) (see instructions)..... <input type="text"/>	3		00
4	Balance of tax due (line 2 minus line 3, but not less than zero)	4	2,319,530	00
5	2014 Oklahoma estimated tax payments (i.e. Form(s) OW-8-ESC)	5		00
6	Amount paid with extension request	6	2,250,000	00
7	Oklahoma withholding (enclose Form 1099, 500-A or other withholding statement)	7	1,000,000	00
8	Refundable Credits from Form a) <input type="checkbox"/> 577 b) <input type="checkbox"/> 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	3,250,000	00
12	Overpayment (line 11 minus line 4)	12	930,470	00
13	Amount of line 12 to be credited to 2015 estimated tax (original return only) ...	13	250,000	00
14	Donations from your refund.... <input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$ 14	14		00
15	Total (add lines 13 and 14)	15	250,000	00
16	Amount of line 12 to be refunded to you (line 12 minus line 15).....Refund \rightarrow	16	680,470	00

Line 13 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.

Direct Deposit Note: \rightarrow Is this refund going to or through an account that is located outside of the United States? Yes No
All refunds must be by direct deposit. See Direct Deposit Information on page 12 of the 512 Packet for details.
Deposit my refund in my: checking account savings account
Routing Number: 303085829 Account Number: 12345678

17	Tax Due (line 4 minus line 11)	Tax Due \rightarrow	17		00
18	Donation: Public School Classroom Support Fund <input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$		18		00
19	Underpayment of estimated tax interest..... Annualized <input type="checkbox"/>		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 \rightarrow		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	Signature of Preparer	Date
	Title	CHIEF EXECUTIVE OFFICER	Preparer's Address	100 EFILE DRIVE ANYTOWN TX 75231
	Phone Number	703-555-1515	Phone Number	512-555-1212
			Preparer's PTIN	P11111111

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



SCHEDULE A

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

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

Gross Income (lines 1 through 11)		Column A As reported on Federal Return	Column B Total applicable to Oklahoma
1	Gross receipts or gross sales <u>684,525</u> (less: returns and allowances).....1	684,525	
2	Less: Cost of goods sold.....2	219,245	
3	Gross profit (line 1 minus line 2).....3	465,280	
4	Dividends.....4		
5	Interest on obligations of the United States and U.S. Instrumentalities.....5		
6	(a) Other interest.....6a	8,018,387	
	(b) Municipal interest.....6b		
7	Gross rents.....7	265,386	
8	Gross royalties.....8		
9	(a) Net capital gains.....9a	11,802,202	
	(b) Ordinary gain or [loss].....9b		
10	Other income (enclose schedule).....10	375,018,745	
11	Total income (add lines 3 through 10).....11	395,570,000	

Deductions (lines 12 through 27)			
12	Compensation of officers.....12	1,000,000	
13	Salaries and wages.....13	6,753,221	
14	Repairs.....14	225,729	
15	Bad debts.....15		
16	Rents.....16		
17	Taxes.....17	7,621,914	
18	Interest.....18	2,716,219	
19	Charitable Contributions.....19		
20	Depreciation.....20	8,961,357	
21	Depletion (see instructions below).....21		
22	Advertising.....22		
23	Pension, profit-sharing plans, etc.....23	25,701	
24	Employee benefit programs.....24	5,149	
25	Domestic production activities deduction.....25		
26	Other deductions (enclose schedule).....26	229,321,851	
27	Total Deductions (add lines 12 through 26).....27	256,631,141	

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Totals (lines 28 through 30)			
28	Taxable income before net operating loss deductions and special deductions.....28	138,938,859	
29	Less: (a) Net operating loss deduction (schedule).....29a		
	(b) Special deductions.....29b		
30	Taxable income (line 28 minus lines 29a & b). Enter Column B on page 1, line 1.....30	138,938,859	

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

OKLAHOMA DEPLETION IN LIEU OF FEDERAL DEPLETION - Oklahoma depletion on oil and gas may be computed at 22% of gross income derived from each Oklahoma property during the taxable year. Major oil companies, as defined in 52 Oklahoma Statutes Section 288.2, when computing Oklahoma depletion shall be limited to 50% of the net income (computed without the allowance for depletion) from each property. **Depletion schedule by property must be enclosed with return.**
Note: General and administrative expense (computed on basis of Oklahoma direct expense to total direct expense) must be deducted before applying the 50% test.

ADDITIONAL INFORMATION

Location of Principal Accounting Records

31 ANY STREET ANYTOWN MD 20901
 Address City State Zip

Has the Internal Revenue Service redetermined your tax liability for prior years? Yes No What years? 2010

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? 2005

Business name HELP FOR ALL, INC Date business began in Oklahoma 05/30/1983

Principal location(s) in Oklahoma 34 N BROADWAY, EDMOND OK 73034

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



SCHEDULE B

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

1	Net taxable income from Schedule A, Column A, line 30.....	1		\$	138,938,859
2	Add: (a) Taxes based on income.....	2a	\$	7,000,000	
	(b) Federal net operating loss deduction.....	2b			
	(c) Unallowable deduction (enclose schedule).....	2c			
	(d) INTEREST EXPENSE ALLOCATION.....	2d		829,262	
	(e).....	2e			
	(f) Total of lines 2a through 2e.....	2f			\$ 7,829,262
3	Deduct all items separately allocated				
	(a) PARTNERSHIP INCOME.....	3a	\$	375,018,745	
	(b) NET RENTAL INCOME - EVERYWHERE.....	3b		250,386	
	(c) CAPITAL GAIN.....	3c		11,802,202	
	(d).....	3d			
	(e).....	3e			
	(f) Total of lines 3a through 3e.....	3f			\$ 387,071,333
(Note: Items listed in 2 and 3 above must be net amounts supported by schedules showing source, location, expenses, etc.)					
4	Net apportionable income.....	4			\$ (240,303,212)
5	Oklahoma's portion thereof _____%, from schedule below.....	5			\$ (75,126,474)
6	Add or deduct items separately allocated to Oklahoma (enclose schedule)				
	(a) SEE SCHEDULE.....	6a	\$	116,104,838	
	(b).....	6b			
	(c).....	6c			
	(d) Oklahoma net operating loss deduction.....	6d			
7	Oklahoma net income before tax (add lines 5 and 6).....	7			\$ 40,978,364
8	Oklahoma accrued tax (see instructions).....	8			\$ 2,319,526
9	Oklahoma taxable income, line 7 less line 8 (enter on page 1, line 1).....	9			\$ 38,658,838

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APPORTIONMENT FORMULA

	Column A Total Within Oklahoma	Column B Total Within and Without Oklahoma	Column C (A divided by B) Percent Within Oklahoma
1	Value of real and tangible personal property used in the unitary business (by averaging the value at the beginning and ending of the tax period).		
	(a) Owned property (at original cost):		
			(i) Inventories..... 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 salaries..... 2b
			(c) Total (subtract officer 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 all 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).....		93.7896 %
6	Average percent (1/3 of total percent) (Carry to Schedule B, line 5).....		31.2632 %



BALANCE SHEETS		BEGINNING OF TAXABLE YEAR		END OF TAXABLE YEAR	
		(A) Amount	(B) Total	(C) Amount	(D) Total
1	Cash.....		940,348,325		375,724,013
2	Trade notes and accounts receivable.....	1,675,642		115,679,010	
	(a) Less allowance for bad debts.....2a	2,000	1,673,642	2,083	115,676,927
3	Inventories.....		75,770		94,676
4	Gov't obligations:				
	(a) U.S. and instrumentalities.....4a				
	(b) State, subdivision, thereof, etc.....4b				
5	Other current assets (enclose schedule).....		6,272,210		5,201,156
6	Loans to shareholders.....				
7	Mortgage and real estate loans.....				
8	Other investments (enclose schedule).....		1,170,917,682		1,230,810,633
9	Buildings and other fixed depreciable assets..	320,264,517		346,364,576	
	(a) Less accumulated depreciation.....9a	115,865,855	204,398,662	138,886,967	207,477,609
10	Depletable assets.....				
	(a) Less accumulated depletion.....10a				
11	Land (net of any amortization).....				
12	Intangible assets (amortization only).....	2,050,521,992		2,078,314,078	
	(a) Less accumulated amortization.....12a	257,037,784	1,793,484,208	261,690,133	1,816,623,945
13	Other assets (enclose schedule).....				
14	Total assets.....		4,117,170,499		3,751,608,959
15	Accounts payable.....		22,075,720		20,596,725
16	Mtgs-notes-bonds payable in less than 1 yr....				
17	Other current liabilities (enclose schedule)....		829,763,902		470,253,285
18	Loans from shareholders.....				
19	Mtgs-notes-bonds payable in 1 yr. or more....				
20	Other liabilities (enclose schedule).....		962,818,384		1,173,826,771
21	Capital stock: (a) preferred stock.....21a	308,500,000		308,500,000	
	(b) common stock.....21b	17,680,774	326,180,774	17,513,891	326,013,891
22	Paid-in capital surplus (enclose reconciliation)....		675,611,707		675,611,707
23	Retained earnings-appropriated (enclose sch.)..				
24	Retained earnings-unappropriated.....		1,300,720,012		1,085,306,580
25	Adjustments to shareholders' equity (enclose sch.)				
26	Less cost of treasury stock.....		()		()
27	Total liabilities and shareholders' equity.....		4,117,170,499		3,751,608,959

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

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

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

1	Balance at beginning of year.....	1,300,720,012	5	Distributions: (a) Cash..... 5a	1,204,763,902
2	Net income (loss) per books.....	67,250,945		(b) Stock..... 5b	
3	Other increases (enclose schedule)			(c) Property.....5c	
	MISCELLANEOUS OTHER INCREASES		6	Other decreases (enclose sch.)	
			OTHER DECREASES..... 6	882,718,261
4	Total of lines 1, 2 and 3.....	3,172,788,743	7	Total of lines 5 and 6.....	2,087,482,163
			8	Balance at end of year (line 4 less line 7).....	1,085,306,580

OKLAHOMA CAPITAL GAIN DEDUCTION

FOR CORPORATIONS FILING FORM 512

(Qualifying Assets Held for the Applicable 3 or 5 Year Period)

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9/26/14



FORM **561C** 2014

Name as Shown on Return HELP FOR ALL, INC	Federal Employer Identification Number	
	11	0000001

1. List qualifying Oklahoma capital gains and losses, not included on lines 2 through 4 below.

A1. Description of Property	B. Date Acquired (mm/dd/yy)	C. Date Sold or Disposed (mm/dd/yy)	D. Proceeds (Sales Price)	E. Cost or Other Basis Minus Adjustments to Gain or Loss	F. Gain or (loss) Allocated/ Apportioned to Oklahoma
A2) 3216 EASY STREET MYTOWN OK	01/15/04	12/15/14	2,000,000	1,000,000	1,000,000
A1) RENTAL PROPERTY					
A2)					
A1)					
A2)					
A1)					
A2)					
A1)					
A2)					

2. Qualifying Oklahoma net capital gain from sale of business property reported on Federal Schedule D, line 11. Enclose Federal Form 4797	2	
3. Qualifying Oklahoma capital gain from installment sales reported on Federal Schedule D, line 12. Enclose Federal Form 6252.....	3	
4. Qualifying Oklahoma net capital gain or (loss) from like-kind exchanges reported on Federal Schedule D, line 13. Enclose Federal Form 8824	4	
5. Add amounts in column F on line 1 and lines 2 through 4.....	5	1,000,000
6. Qualifying Oklahoma capital loss carryover reported on Federal Schedule D, line 6. (See instructions).....	6	
7. Qualifying Oklahoma net capital gain. Subtract line 6 from line 5. (If zero or less, enter "0")	7	1,000,000
8. Net capital gain apportioned and allocated to Oklahoma	8	1,000,000
9. Oklahoma Capital Gain Deduction. Enter the smaller of lines 7 or 8 here and on Form 512, Schedule A, column B, line 26 or on Schedule B, line 6. (Do not enter less than zero)	9	1,000,000

Enclose Federal Form 1120, Schedule D and Form(s) 8949



APPLICATION FOR EXTENSION OF TIME TO FILE AN OKLAHOMA INCOME TAX RETURN

(This is NOT an extension of time for payment of tax. Do NOT use this form to remit franchise tax) (See Instructions)

FORM **504** 2014

For the year January 1 - December 31, or other taxable year beginning [] , 2014 ending [] , [] .

INDIVIDUALS: Your first name, middle initial and last name		Your Social Security Number:	
INDIVIDUALS: If joint return, spouse's first name, middle initial and last name		Spouse's Social Security Number:	
CORPORATIONS: Corporate, Partnership, Trust or Estate Name HELP FOR ALL, INC		CORPORATIONS, PARTNERSHIPS, TRUSTS, ESTATES:	
Present address (number and street, including apartment number or rural route) 31 ANY STREET		Federal Employer Identification Number:	11-0000001
City, State and ZIP ANYTOWN MD 20901			

IMPORTANT: EXTENSION IS VALID ONLY IF 90% OF THE TAX LIABILITY IS PAID BY THE ORIGINAL DUE DATE.

An **Extension of Time to File** with the IRS has been granted to: **DATE** _____

Extension of Time to File with the Okla. Tax Commission is requested to: **DATE** 09/15/15

If requesting a total of more than 6 months for corporations or more than 5 months for partnerships, estates or trusts, state reason here: _____

SIGNATURE Under penalty of perjury, I declare the information contained in this document, attachments and schedules are true and correct to the best of my knowledge and belief.			
Your Signature (*If corporation, partnership, estate, or trust, see below)	Date	Paid Preparer's Signature	
Spouse's Signature (if filing jointly, BOTH must sign even if only one had income)	Date	Date	

Amount you are paying: (from line 7).

\$ 1,000,000

* If corporation, partnership, estate, or trust (officer, partner, member or fiduciary signature is required)

This is NOT an extension of time for payment of tax!

APPLICATION FOR EXTENSION OF TIME TO FILE AN OKLAHOMA INCOME TAX RETURN WORKSHEET

The bottom portion of this form is a worksheet to compute your payment. Be sure to retain for your records. Enter the total from line 7 of the worksheet on the coupon above. Return the top portion with your payment, if applicable, to: Oklahoma Tax Commission • Income Tax • P.O. Box 26890 • Oklahoma City, OK 73126-0890.

OKLAHOMA INCOME TAX COMPUTATION			
1. Total income tax liability (you may estimate this amount).....	1	3,250,000	00
<i>Note: You must enter an amount on line 1. If you do not expect to owe tax, enter zero.</i>			
2. Oklahoma income tax withheld.....	2		00
3. Estimated tax payments (include prior year overpayment allowed as a credit).....	3	2,250,000	00
4. Other payments and credits you expect to claim on your return	4		00
5. Add lines 2, 3 and 4.....	5	2,250,000	00
6. Income tax balance due (subtract line 5 from line 1).....	6	1,000,000	00
7. Amount you are paying. (Enter here and on the coupon above).....	7	1,000,000	00
Important: Extension is valid only if 90% of the tax liability is paid by the original due date			