

## Form 512-S Test Scenario 2

WorkNAIIday, Inc.

11-0000007

Test Scenario 2 uses the Federal Form 1120S Test Scenario 5

Deviations from Test Package Federal form 1120S:

- 1120S, page 1 - Change the corporation's State to OK and the ZIP to 73025
- 1120S – Schedule K, Line 10 – Other Income to be changed to \$0.
- 1120S – Schedule K, Line 8a to be changed to \$10,000.
- 1120S - Schedule D & Form 8949 to be changed to include a long term capital gain of \$10,000 on the sale of stock in an Oklahoma Company. The stock in 'Oklahoma Company' was acquired on 04/01/05 for \$20,000 and sold on 07/15/14 for \$30,000. Oklahoma Company's FEI is 11-0000914.

**Forms Required:** 512-S, 561S

**Binary Attachments:** Signed Form 512-SA for Bin Exempt.

### **Misc. Additional Information –**

- The area code for the corporation's phone number is 405.
- Incorporated under the laws of – Oklahoma.
- Estimated tax payments of \$1,500 were made in four equal installments.
- Apply \$50 of the overpayment to next year's estimated tax.
- The refund should be by direct deposit to a checking account in an Oklahoma credit union:
  - Routing Number – 303085829
  - Account Number – 10023456
- Check the box to allow the Oklahoma Tax Commission to speak to the paid preparer.
- The income for WorkNAIIday, Inc. is all within Oklahoma.
- The interest income is reported as 'other interest income' in Part 3.
- Carrie Ortiz acquired ownership in the S Corporation on 3/8/1992.

### **Information needed to complete Part 6: Additional Information –**

- The location of principal accounting records is the same as the address on the return.
- The Internal Revenue Service has not redetermined the company's tax liability for any prior year.
- The statute of limitations was not extended by consent for any prior year.
- The business name is the same as on the tax return.
- The principal location in Oklahoma is the same as on the tax return.
- The date business began in Oklahoma was 3/8/1992.



# OKLAHOMA SMALL BUSINESS CORPORATION INCOME TAX RETURN

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

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

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

**DRAFT  
9/23/14**

Corporate Name:

Street Address:

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

Federal Employer Identification Number:  Business Code Number:

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

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

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

1a	Nonresident share of income from Page 4, Part 5, line 14.....	1a	<input type="text"/>	00	
1b	Nonresident share of deductions (see instructions) .....	1b	<input type="text"/>	00	
1	Nonresident share of taxable income (line 1a minus line 1b).....	1			00
2	Tax: 6% of line 1 .....	2			00
3	Other Credits Form (see instructions) (enclose Form 511CR) .....	3	<input type="text"/>		00
4	Balance of tax due (line 2 less line 3, but not less than zero) .....	4			00
5	2014 Oklahoma estimated tax payments (i.e. Form(s) OW-8-ESC) .....	5	<input type="text"/>	00	
6	Amount paid with extension request.....	6		00	
7	Okla. withholding (enclose Form 1099, 500-A, 500-B or other withholding statement) .....	7		00	
8	Refundable Credits from Form .....	8	a) <input type="checkbox"/> 577 .....	b) <input type="checkbox"/> 578 .....	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	( <input type="text"/> )	00	
11	Total of lines 5 through 10 .....	11			00
12	Overpayment (line 11 minus line 4) .....	12			00
13	Amount of line 12 to be credited to 2015 estimated tax (original return only).....	13	<input type="text"/>	00	
14	Donations from your refund.....	14	<input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$ _____	<input type="text"/>	00
15	Total (add lines 13 and 14) .....	15			00
16	Amount of line 12 to be refunded to you (line 12 minus line 15) .....	16	Refund →		00

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

14	Donations from your refund.....	14	<input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$ _____	<input type="text"/>	00
15	Total (add lines 13 and 14) .....	15			00
16	Amount of line 12 to be refunded to you (line 12 minus line 15) .....	16	Refund →		00

#### Direct Deposit Note:

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

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

Deposit my refund in my:  checking account  savings account

Routing Number:  Account Number:

17	Tax Due (line 4 minus line 11) .....	Tax Due →	17	<input type="text"/>	00
18	Donation: Public School Classroom Support Fund .....	18	<input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$ _____		00
19	Underpayment of estimated tax interest.....	Annualized	19	<input type="checkbox"/>	00
20	For delinquent payment add penalty of 5% .....	plus	20		00
21	interest of 1.25% per month .....	21			00
21	Total tax, donation, penalty and interest (add lines 17 - 20).....	Balance Due →	21	<input type="text"/>	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

<b>Corporate Seal</b>	Signature of Officer <input type="text"/> Date <input type="text"/>	Signature of Preparer <input type="text"/> Date <input type="text"/>
	Printed Name of Officer <input type="text"/>	Preparer's Address <input type="text"/>
	Title <input type="text"/>	Area Code and Phone Number <input type="text"/> Preparer's PTIN <input type="text"/>

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

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



**DRAFT**  
**9/23/14**

**PART 2: ORDINARY INCOME FROM TRADE OR BUSINESS**

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

		Column A As reported on Federal Return		Column B Total applicable to Oklahoma	
1	a. Gross receipts or sales ..... \$ _____		00		00
	b. <b>Minus</b> returns and allowances ..... \$ _____				
2	Cost of goods sold and/or operations.....		00		00
3	Gross profit (subtract line 2 from line 1) .....		00		00
4	Net gain (loss) (Form 4797 Part II, line 17) .....		00		00
5	Other income (loss) (enclose schedule) .....		00		00
6	<b>Total income</b> (loss) (add lines 3 through 5).....		00		00
7	Compensation of officers.....		00		00
8	Salaries and wages .....		00		00
9	Repairs and maintenance.....		00		00
10	Bad debts .....		00		00
11	Rent .....		00		00
12	Taxes and licenses .....		00		00
13	Interest.....		00		00
14	Depreciation .....		00		00
15	Depletion (do not deduct oil and gas depletion) .....		00		00
16	Advertising.....		00		00
17	Pension, profit-sharing, etc. plans .....		00		00
18	Employee benefit programs.....		00		00
19	Other deductions (enclose schedule) .....		00		00
20	<b>Total deductions</b> (add lines 7 through 19) .....		00		00
21	<b>Ordinary Income (Loss) from trade or business:</b>				
	Subtract line 20 from line 6. Enter here and below on Part 3, line 1 .....		00		00

**PART 3: SHAREHOLDERS' PRO RATA SHARE ITEMS**

**Income (lines 1 through 11)**

		Column A As reported on Federal Return		Column B Total applicable to Oklahoma	
1	Ordinary income (loss) from trade or business (from above on Part 2, line 21) ..		00		00
2	Net income (loss) from rental real estate activity(ies) (enclose schedule) .....		00		00
3	Net income (loss) from other rental activity(ies) (enclose schedule).....		00		00
4	Interest income				
	a: Interest on loans, notes, mortgages, bonds, etc. ....		00		00
	b: Interest on obligations of a state or political subdivision .....				00
	c: Interest on obligations of the United States .....		00		
	d: Other interest income.....		00		00
5	Dividend income .....		00		00
6	Royalties.....		00		00
7	Net short-term capital gain (loss) (Schedule D, 1120-S) .....		00		00
8	Net long-term capital gain (loss) (Schedule D, 1120-S) .....		00		00
9	Net gain (loss) under Section 1231 (other than due to casualty or theft) .....		00		00
10	Other (enclose schedule) .....		00		00
11	<b>Total income</b> (add lines 1 through 10).....		00		00

**Deductions (lines 12 through 17)**

12	Section 179 deduction (enclose schedule).....		00		00
13	Contributions .....		00		00
14	Deductions related to portfolio income .....		00		00
15	Intangible drilling costs .....		00		00
16	Other deductions authorized by law (enclose schedule) .....		00		00
17	<b>Total Deductions</b> (add lines 12 through 16).....		00		00

**Total (line 18)**

18	Net distributable income (line 11 minus line 17) .....		00		00
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If Federal and Oklahoma distributable net incomes are the same, please see instructions on page 5 of packet.



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

1	Net distributable income from Page 2, Part 3, Column A, line 18.....		1
2	Add: (a) Taxes based on income .....2a		
	(b) Unallowable deduction (enclose schedule) .....2b		
	(c) Other income (enclose schedule).....2c		
	(d) Total of lines 2a through 2c.....		2d
3	Deduct all items separately allocated:		
	(a) Interest on obligations of the United States.....3a		
	(b) .....3b		
	(c) .....3c		
	(d) Total of lines 3a through 3c.....		3d
	(Note: Items listed in 2 and 3 above must be net amounts supported by schedules showing source, location, expenses, etc.)		
4	Net apportionable income (line 1 plus line 2d, minus line 3d) .....	<b>DRAFT 9/23/14</b>	4
5	Oklahoma's portion thereof _____%, from schedule below .....		5
6	Add items separately allocated to Oklahoma:		
	(a) ..... 6a		
	(b) ..... 6b		
	(c) ..... 6c		
	(d) ..... 6d		
	(e) Total of lines 6a through 6d.....		6e
7	Oklahoma net distributable income (add lines 5 and 6e; enter here and on Page 2, Part 3, Column B, line 18) ...		7

**APPORTIONMENT FORMULA**

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

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

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

### NONRESIDENT SHAREHOLDER

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

### TOTAL: NONRESIDENT SHARE OF INCOME TO TAX

14	Add amounts shown in line 13 above for all Shareholders, and if applicable, from Form 512-S-SUP. Enter here and on Page 1, Part 1, line 1a.....\$	
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**\*\*NOTE:** The amount shown in Part 3, Column B, line 18, Oklahoma net distributable income, may not be the amount to be entered on the shareholder's Oklahoma income tax return. This amount includes all allowable shareholder's income, losses, and deductions. Some of these items may be limited on the Federal return. If these items are allowed in full or part on your Federal income tax return, they will be allowed to the same extent on your Oklahoma return.

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

**NOTE: ENCLOSE A COMPLETE COPY OF YOUR FEDERAL RETURN.**

## PART 6: ADDITIONAL INFORMATION

### Location of Principal Accounting Records

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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

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

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

Business name \_\_\_\_\_ Date business began in Oklahoma \_\_\_\_\_

Principal location(s) in Oklahoma \_\_\_\_\_

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

# OKLAHOMA CAPITAL GAIN DEDUCTION

FOR THE NONRESIDENT SHAREHOLDER WHOSE INCOME IS REPORTED ON FORM 512-S, PART 1

(Qualifying Assets Held for the Applicable Holding Period)



FORM **561S** 2014

**DRAFT**  
**9/26/14**

Corporate Name as Shown on Return	Federal Employer Identification Number	
Name of Nonresident Shareholder	Social Security Number/Federal Employer Identification Number	

Enter the Date(s) the Nonresident Shareholder Acquired Ownership in the S Corporation:

**1. List qualifying Oklahoma capital gains and losses, not included on lines 2 and 3 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	Shareholder's Share
					F. Gain or (loss) Allocated / Apportioned to Oklahoma
A2. Oklahoma Location/Address or Federal ID Number					
A1)					
A2)					
A1)					
A2)					
A1)					
A2)					
A1)					
A2)					

2. Qualifying Oklahoma capital gain from installment sales reported on Federal Schedule D, line 11. Enclose a copy of Federal Form 6252.....	2	
3. Qualifying Oklahoma net capital gain or (loss) from like-kind exchanges reported on Federal Schedule D, line 12. Enclose a copy of Federal Form 8824 .....	3	
4. Qualifying Oklahoma net capital gain. Add amounts in column F on lines 1, 2 and 3. (If zero or less, enter "0") .....	4	
5. Nonresident shareholder's share of the net capital gain apportioned and allocated to Oklahoma ...	5	
6. <b>Oklahoma Capital Gain Deduction.</b> Enter the smaller of lines 4 or 5 here and on Form 512-S, Part 1, line 1b. (Do not enter less than zero) .....	6	

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



**DRAFT**  
**6/26/14**

# NONRESIDENT SHAREHOLDER AGREEMENT

FORM **512-SA** 2014

I, BIN XEMPT, the undersigned, do agree I will file an Oklahoma Income Tax Return for the taxable year ending 12/31/2014.

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

Corporation WORKNALLDAY, INC  
Street Address or Post Office Box 37 ANY STREET  
City ANYTOWN State OK ZIP 73025  
Federal Employer Identification Number 11-0000008

Signature 000-00-0005  
Signature of Shareholder Executing Agreement Social Security Number or Federal Employer Identification Number

Dated this 15TH day of MARCH, 2015.

### 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.