

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

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Deviations from Test Package Federal Form 1120S:

1. 1120S – Schedule K, Line 10 – Other Income to be changed to \$0. 1120S – Schedule K, Line 8a to be changed to \$10,000.
2. Federal Schedule D (1120S) to be changed to include a long term capital gain of \$10,000 on the sale of stock in an Oklahoma company.

Forms Required: 512-S, 561S

Binary Attachments: Form 512-SA (Bin Xempt)

**SCHEDULE D
(Form 1120S)**

Capital Gains and Losses and Built-in Gains

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1120S.**
▶ **See separate instructions.**

2011

Name	Employer identification number
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Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2 Short-term capital gain from installment sales from Form 6252, line 26 or 37					2
3 Short-term capital gain or (loss) from like-kind exchanges from Form 8824					3
4 Combine lines 1 through 3 in column (f)					4
5 Tax on short-term capital gain included on line 21 below					5 ()
6 Net short-term capital gain or (loss). Combine lines 4 and 5. Enter here and on Form 1120S, Schedule K, line 7 or 10					6

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
7					
8 Long-term capital gain from installment sales from Form 6252, line 26 or 37					8
9 Long-term capital gain or (loss) from like-kind exchanges from Form 8824					9
10 Capital gain distributions					10
11 Combine lines 7 through 10 in column (f)					11
12 Tax on long-term capital gain included on line 21 below					12 ()
13 Net long-term capital gain or (loss). Combine lines 11 and 12. Enter here and on Form 1120S, Schedule K, line 8a or 10					13

Part III Built-in Gains Tax (See instructions before completing this part.)

14 Excess of recognized built-in gains over recognized built-in losses (attach computation schedule)	14
15 Taxable income (attach computation schedule)	15
16 Net recognized built-in gain. Enter the smallest of line 14, line 15, or line 6 of Schedule B	16
17 Section 1374(b)(2) deduction	17
18 Subtract line 17 from line 16. If zero or less, enter -0- here and on line 21	18
19 Enter 35% of line 18	19
20 Section 1374(b)(3) business credit and minimum tax credit carryforwards from C corporation years	20
21 Tax. Subtract line 20 from line 19 (if zero or less, enter -0-). Enter here and on Form 1120S, page 1, line 22b	21



#1695#



OKLAHOMA SMALL BUSINESS CORPORATION INCOME TAX RETURN

Form 512-S - 2011

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, 2011, or other taxable year beginning: , 2011 ending: ,

AMENDED RETURN!
If this is an Amended Return check here

Corporate Name:
Street Address:
City, State and Zip:
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, please check here:

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

1a	Nonresident share of income from Page 4, Part 5, column 7	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	Amount paid on 2011 estimate (i.e. Form(s) OW-8-ESC)	5	<input type="text"/>	00
6	Amount paid with extension request	6	<input type="text"/>	00
7	Okla. withholding (enclose Form 1099, 500-A, 500-B or other withholding statement)	7	<input type="text"/>	00
8	Total credits (add lines 5, 6 and 7)	8		00
9	Overpayment (line 8 minus line 4)	9		00
10	Amount of line 9 to be credited on 2012 estimated tax	10	<input type="text"/>	00
<p>Line 11 instructions provide you with the opportunity to make a financial gift from your refund to a variety of Oklahoma organizations. Please place the line number of the organization from line 11 instructions in the box below. If you give to more than one organization, put a "99" in the box and attach a schedule showing how you would like your donation split.</p>				
11	Donations from your refund (total from line 11 instructions)	11	<input type="text"/>	00
12	Total (add lines 10 and 11)	12		00
13	Amount of line 9 to be refunded to you (line 9 minus line 12)	Refund	➔	13

Direct Deposit Note: All refunds issued on or after January 1, 2012 must be by direct deposit. See Direct Deposit Information on page 12 of the instructions for details.

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

Deposit refund in my:

checking account Routing Number:

savings account Account Number:

14	Tax due (line 4 minus line 8)	Tax Due	➔	14	<input type="text"/>	00
15	Underpayment of estimated tax interest (enclose Form OW-8-P)	15				00
16	For delinquent payment: Add penalty of 5% \$_____ plus interest of 1.25% per month \$_____	16				00
17	Total tax, penalty and interest (add lines 14, 15 and 16)	Balance Due	➔	17	<input type="text"/>	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 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.

Corporate Seal	Signature of Officer	Date	Signature of Preparer	Date
	Printed Name of Officer		Preparer's Address	
	Title	Area Code and Phone Number	Preparer's ID Number	

MUST ENCLOSE A COPY OF FEDERAL RETURN
The Oklahoma Tax Commission is not required to give actual notice to taxpayers of changes in any state tax law.
Remit to Oklahoma Tax Commission - Post Office Box 26800 - Oklahoma City, OK 73126-0800



PART 2: ORDINARY INCOME FROM TRADE OR BUSINESS

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

		Column A As reported on Federal Return	Column B Total applicable to Oklahoma
1	a. Gross receipts or sales (Form 1120-S, line 1c) \$ _____	00	00
	b. Minus returns and allowances \$ _____ = _____	00	00
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	Total income (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	Total deductions (add lines 7 through 19)	00	00
21	Ordinary Income (Loss) from trade or business: Subtract line 20 from line 6. Enter here and below on Part 3, line 1	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	Total income (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	Total Deductions (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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PART 4: COMPUTATION OF OKLAHOMA TAXABLE INCOME OF A UNITARY ENTERPRISE WHOSE INCOME IS PARTLY WITHIN AND PARTLY WITHOUT OKLAHOMA

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

APPORTIONMENT FORMULA

		Column A Total Within Oklahoma	Column B Total Within and Without Oklahoma	A divided by B Percent Within Oklahoma
1	Value of real and tangible personal property used in the unitary business (by averaging the values at the beginning and ending of the tax period).			
	(a) Owned property (at original cost):			
	(i) Inventories			
	(ii) Depreciable property.....			
	(iii) Land.....			
	(iv) Total of section "a"			
	(b) Rented property (capitalize at 8 times net rental paid)			
	(c) Total of sections "a" and "b" above.....	\$	\$	%
2	(a) Payroll			
	(b) Less: Officer's salaries			
	(c) Total (subtract officer's salaries from payroll).....	\$	\$	%
3	Sales :			
	(a) Sales delivered or shipped to Oklahoma purchasers:			
	(i) Shipped from outside Oklahoma.....			
	(ii) Shipped from within Oklahoma.....			
	(b) Sales shipped from Oklahoma to:			
	(i) The United States Government			
	(ii) Purchasers in a state or country where the corporation is not taxable (i.e. under Public Law 86-272) .			
	(c) Total of sections "a" and "b".....	\$	\$	%
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

1 Name and address of shareholder	Check if non- resident	2 SSN or FEIN	3 Number of Shares	4 Shareholders applicable %	5 Net distributable income as reported on Federal return (Part 3, Column A, line 18, times Part 5, Column 4**)
(a)					
(b)					
(c)					
(d)					
(e)					
(f)					

6 Share of Oklahoma net distributable income (Part 3, Column B, line 18 times Part 5, Column 4**)	7 If nonresident agreement (Form 512- SA) is NOT attached, check box and enter the amount shown in Column 6. The S corporation will be taxed on the income reported in this column.	8 Allowable Oil and Gas Depletion (Federal)	9 Allowable Oil and Gas Depletion (Oklahoma)	10 Shareholder's portion of Okla- homa credit or withholding	11 Type of Credit or Withholding
(a)	<input type="checkbox"/>				
(b)	<input type="checkbox"/>				
(c)	<input type="checkbox"/>				
(d)	<input type="checkbox"/>				
(e)	<input type="checkbox"/>				
(f)	<input type="checkbox"/>				

← **Total: Nonresident share of income to tax (add amounts shown in column 7).
Enter here and on Page 1, Part 1, line 1a**

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

Enclose a copy of your Federal return.

PART 6: ADDITIONAL INFORMATION

1. Kind of Business: _____
2. Is this return on cash or accrual basis? _____
3. Name of Business (if different from that of corporation): _____
4. Corporation books are kept by: _____
5. Address at which books are kept: _____
6. Date business began in Oklahoma: _____
7. Did you make a return of information on Oklahoma Forms 500, 500-A or 500-B for the calendar year 2011?

(Forms 500/500-A may be filed in lieu of the Federal Form 1099) yes no
 (Form 500-B is filed when there is a distribution to a nonresident shareholder)
8. Were you notified this year of a change in your Federal taxable income for prior year(s)? yes no
 If you answered "yes" to #8, please list the year(s) here: _____
9. Did you file amended returns for the years stated above? yes no



OKLAHOMA CAPITAL GAIN DEDUCTION

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

FORM **561S** 2011

(Qualifying Assets Held for the Applicable Holding Period)

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 (mm/dd/yy)	D. Sales Price	E. Cost or Other Basis	Shareholder's Share
A2. Oklahoma Location/Address or Federal ID Number					F. Gain or (loss) Allocated /Apportioned to Oklahoma
A1)					
A2)					
A1)					
A2)					
A1)					
A2)					
A1)					
A2)					

2. Qualifying Oklahoma capital gain from installment sales reported on Federal Schedule D, line 8. 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 9. 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. Oklahoma Capital Gain Deduction. 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



NONRESIDENT SHAREHOLDER AGREEMENT

FORM **512-SA** 2011

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

Corporation _____

Street Address or Post Office Box _____

City _____ State _____ Zip _____

Federal Employer Identification Number _____

Dated at _____ this _____ day of _____, _____.

Signature of Shareholder Executing Agreement Social Security Number or
Federal Employer
Identification 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.