

SCHEDULE M-3 (Form 1120)

Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More

OMB No. 1545-0123

2007

Department of the Treasury Internal Revenue Service

Attach to Form 1120 or 1120-C. See separate instructions.

Name of corporation (common parent, if consolidated return)

Employer identification number

- Check applicable box(es): (1) Non-Consolidated return (2) Consolidated return (Form 1120 only) (3) Mixed 1120/L/PC group (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
1b Did the corporation prepare a certified audited non-tax-basis income statement for that period?
1c Did the corporation prepare a non-tax-basis income statement for that period?
2a Enter the income statement period: Beginning / / Ending / /
2b Has the corporation's income statement been restated for the income statement period on line 2a?
2c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
3a Is any of the corporation's voting common stock publicly traded?
3b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock
3c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock
4 Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1
5a Net income from nonincludible foreign entities (attach schedule)
5b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)
6a Net income from nonincludible U.S. entities (attach schedule)
6b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)
7a Net income (loss) of other disregarded entities (attach schedule)
7b Net income (loss) of other includible entities (attach schedule)
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule)
9 Adjustment to reconcile income statement period to tax year (attach schedule)
10a Intercompany dividend adjustments to reconcile to line 11 (attach schedule)
10b Other statutory accounting adjustments to reconcile to line 11 (attach schedule)
10c Other adjustments to reconcile to amount on line 11 (attach schedule)
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10

Name of corporation (common parent, if consolidated return)	Employer identification number .....
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations	
Name of subsidiary (if consolidated return)	Employer identification number .....

**Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return** (see instructions)

	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
<b>Income (Loss) Items</b> (Attach schedules for lines 1 through 8)				
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23a				
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27				
28				
29a				
b				
c				
30				

**Note.** Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)	Employer identification number :
Check applicable box(es): <b>(1)</b> <input type="checkbox"/> Consolidated group <b>(2)</b> <input type="checkbox"/> Parent corp <b>(3)</b> <input type="checkbox"/> Consolidated eliminations <b>(4)</b> <input type="checkbox"/> Subsidiary corp <b>(5)</b> <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: <b>(6)</b> <input type="checkbox"/> 1120 group <b>(7)</b> <input type="checkbox"/> 1120 eliminations	
Name of subsidiary (if consolidated return)	Employer identification number :

**Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items** (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense . . . . .				
2 U.S. deferred income tax expense . . . . .				
3 State and local current income tax expense . . . . .				
4 State and local deferred income tax expense . . . . .				
5 Foreign current income tax expense (other than foreign withholding taxes) . . . . .				
6 Foreign deferred income tax expense . . . . .				
7 Foreign withholding taxes . . . . .				
8 Interest expense (attach Form 8916-A) . . . . .				
9 Stock option expense . . . . .				
10 Other equity-based compensation . . . . .				
11 Meals and entertainment . . . . .				
12 Fines and penalties . . . . .				
13 Judgments, damages, awards, and similar costs . . . . .				
14 Parachute payments . . . . .				
15 Compensation with section 162(m) limitation . . . . .				
16 Pension and profit-sharing . . . . .				
17 Other post-retirement benefits . . . . .				
18 Deferred compensation . . . . .				
19 Charitable contribution of cash and tangible property . . . . .				
20 Charitable contribution of intangible property . . . . .				
21 Charitable contribution limitation/carryforward . . . . .				
22 Domestic production activities deduction . . . . .				
23 Current year acquisition or reorganization investment banking fees . . . . .				
24 Current year acquisition or reorganization legal and accounting fees . . . . .				
25 Current year acquisition/reorganization other costs . . . . .				
26 Amortization/impairment of goodwill . . . . .				
27 Amortization of acquisition, reorganization, and start-up costs . . . . .				
28 Other amortization or impairment write-offs . . . . .				
29 Section 198 environmental remediation costs . . . . .				
30 Depletion . . . . .				
31 Depreciation . . . . .				
32 Bad debt expense . . . . .				
33 Corporate owned life insurance premiums . . . . .				
34 Purchase versus lease (for purchasers and/or lessees) . . . . .				
35 Other expense/deduction items with differences (attach schedule) . . . . .				
36 <b>Total expense/deduction items.</b> Combine lines 1 through 35. Enter here and on Part II, line 27 . . . . .				