	¥	Form 37 is attached	Code	Tax	P&I	Payment		Date	Received	t
	¥	Amended return			,		$\downarrow$			
		First return (see "J", pg. 2)				<u> </u>				
		Final return (see "K", pg. 2)				Extension	n Date	1	2	3
								→ ,	<b>↓</b>	$\downarrow$
			_							
	FORM	Orego	n S	Corpora	tion Ta	x Retur	n			
_	FORM			<del>-</del>			••	_		_
• -	<b>20</b> -	_8		Excise Tax or				.1	Q	96
<b>Y</b> 4	LU-	or other taxable year b	eginning		, 1996, ending		, 19	_ ▼	J.	<b>3</b> 0
_		Name						Employer I	D No	
	LACE	1.14					, ,	p.o, o	2	
M/	AILING									
_	<b>&gt;</b>	Mailing Address					Oregon	Filing No. (	see instru	uctions)
		† ····································				<b>\$</b>	,			,
	ABEL	City		s	tate ZIP Code		County			
H	IERE '	<b>†</b>		•	†		, ,			
					I					
		— PLEASE ATTACH A C	OMPLET	E COPY OF YOUR	FEDERAL FO	RM 1120S AND S	CHED	ULES —	-	
		S corporation	ns doing	business, or auth	orized to do b	usiness in Orego	n			
-		are sul	oject to th	ne \$10 minimum e	xcise tax (see	instructions).				
		A-1 — S CORPORATIONS V								
	-	s with federal taxable income		t-in gains, capital g	ains, or net pas	sive investment in	come s	tart on li	ne 1. <b>S</b>	corpor
atio	ns withou	it taxable income start on l	line 7.							
1 1	ncome tax	xed on federal Form 1120S f	from huilt-	in gains (a)		certain				
		ns (b), a					<b>a</b> 1	<b>+</b>		
		(see instructions)								
		ns (see instructions)								
		tion income before net loss of								
	-	is derived from sources b		•	•					
		hedule C-2 and skip line 5			iaioo, cairy ai					
	-	om prior years as C corpora		ch schedule (dedu	ctible from built	in gain income on	lv)• 5	<del> </del>		
		xable income (line 4 minus li								
		of line 6) (excise tax returns								
	-	ainst tax (see instructions)		· · · · · · · · · · · · · · · · · · ·				1		
	J	credits (line 7 minus line 8) (					_			
								<del> </del>		
10. Tax adjustment for LIFO benefit recapture (see instructions)										
					_					
		or <overpayment> (line 11 i</overpayment>								
		nd interest due with this retur								
	•	underpayment of estimated	•	•				<b>\</b>		
		due (add lines 13, 14 and 15								
			- , ··········							

FOR DEPARTMENT OF REVENUE USE ONLY

Extension is attached

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

SIGN HERE	<b>*</b>	Signature of officer	Date	Signature of preparer other than taxpayer	•
		Title		Address	

Attach payment here

17

18

19

## PLEASE COMPLETE THE FOLLOWING

<b>∲</b> В. <b>•</b> С.	Incorporated in (state of commercial domicile Date began business activity in C	regor	1			ederal employer id		cation number of pre-
E. F.	Business Activity Code from your Principal business activity	e last	year?  Yes  No	eral employe	☐ r ide	Merged or reorga	nized r of m	. Enter name and federged or reorganized
<b>▼</b> H.	List the tax years for which feder limitations are in effect and dates			Transport	atior	n District?		es in the Tri-County  Yes No s in the Lane County
<b>▼</b> 1.	List the tax years for which your f changed by an IRS audit, or by a filed during this tax year:	an am	ended federal return	Mass Tra  If (1) or (2) is the Departme	Yes	, have the correct	tax r	☐ Yes ☐ No eturns been filed with ☐ Yes ☐ No
	Send a copy of the agent's repo under separate cover, if not furnis	ort or	the amended return	M. Did your fede porate level?	eral 1	1120S return have	e inco	ome taxed at the cor-
<b>♥</b> J.	If this is your <b>first</b> return, indicatiness or Successor to previous			I		nedule A-1 on pag lle A-1, starting wit	-	starting with line 1. If 7.
1. 2. 3. 4. 5. <b>SU</b> 6. 7. 8. 9.	Interest on government bonds of One-time Oregon depreciation at Gain or loss on the sale of depre Other (attach schedule)	djustn ciable  such a djustn ciable	nent	(K-1 line) (K-1 line) (K-1 line) (K-1 line) (K-1 line) (K-1 line)	2 3 . 4  6 7 8 9 . 10			
sc	CHEDULE B — ESTIMATED TAX	PAY	MENTS OR OTHER P	REPAYMENTS (see Date of Payment	instr	ructions)		
	Voucher	<u> </u>	Month	Day	<u> </u>	Year		Amount Paid
	Voucher 1	1					1	
	Voucher 2	2					2	
_	Voucher 3	3					3	
_	Voucher 4	4					4	
	Overpayment of last year's tax ele						5	
	Payments made with extension of							
	Total prepayments (carry to line 1		·				7	
	Last year's net excise or income to				g			
9.	Check box if you are not a "high-i	ncom	e taxpayer" (see Form	31 instructions)♥	1			

Instructions for Form 20-S.

If the amount on line 11, page 1 is \$500 or more, see the instructions for interest on underpayment of estimated tax, page 2 of

## **SCHEDULE C** — **APPORTIONMENT OF INCOME** (see instructions on reverse side)

- Describe the nature and location(s) of your Oregon business activities
- 2. Enter the address and telephone number of the office where Oregon tax records are maintained\_

SCHEDIII	F C-1	— APPORTIONMENT FORMULA	Ĺ
JUILDUL		— ALLONIONINIENI I ONINOLA	٨

OCHESCE OF ALTOKHOLINE FORMOLA					
<ol> <li>Property Factor         Value of real and tangible personal property used in the unitary business (owned, at average value; rented, at capitalized value):         <ul> <li>a. Owned property (at original cost; see instructions)</li> </ul> </li> </ol>	(A) Total Within Oregon	(B) Total Within and Without Oregon	(C) Percent Within Oregon (A ÷ B) × 100		
Inventories					
<ul><li>b. Rented property (capitalize at 8 times the rental paid)</li><li>c. Total owned and rented property</li></ul>	\$ \$	\$	%		
2. Payroll Factor Wages, salaries, commissions, and other compensation to employees: a. Compensation of officers b. Other wages, salaries, and commissions c. Total wages and salaries	\$ \$	\$	%		
3. Sales Factor  a. Sales delivered or shipped to Oregon purchasers:  (1) Shipped from outside Oregon	<b>*</b>				
d. Total sales and other business gross receipts	\$	\$	%		
4. Sales factor (same as line 3d)	\$	\$	%		
<ul> <li>5. Total percent (add lines 1, 2, 3, and 4, column C)</li> <li>6. Average percent (divide line 5 by the number of factors Schedule C-2) (compute percent to 4 decimal places</li> </ul>	s in column B) (enter on lin	e 4,	% %		
SCHEDULE C-2 — COMPUTATION OF TAXABLE INC	OME				
<ol> <li>Income from business both in Oregon and other states</li> <li>Minus: Net nonbusiness income and gains from prior y included in line 1. Attach schedule (see instructions)</li> </ol>	ear installment sales		,		
3. Income subject to apportionment (line 1 minus line 2)		3			
4. Oregon apportionment percentage (from line 6, Schedule C-1)					
<ul> <li>5. Income apportioned to Oregon (line 4 times line 3)</li> <li>6. Add: Net nonbusiness income allocated entirely to Ore installment sales apportioned to Oregon. Attach sche</li> </ul>	egon and gains from prior y	5 rear			
7. Total of lines 5 and 6					
Minus: Oregon apportioned net loss from prior years (s			•		
9. Oregon taxable income (line 7 minus line 8) (carry to li	·				
3. Oregon taxable income (line / militus line 6) (caffy to li	⊓⊏ 0, pay∈ 1)	9			

150-102-025 (Rev. 9-96)

## INSTRUCTIONS — SCHEDULE C, C-1, AND C-2 — APPORTIONMENT OF INCOME

**Consolidated Returns.** S corporations can't be included in consolidated federal returns. IRC 1361(b) provides that an S corporation may not be a member of an affiliated group of corporations.

**Apportionment and Allocation.** Apportionment is dividing business income between the states by use of a formula. Allocation is the assignment of specific nonbusiness income to a state. A corporation having business activities both inside and outside Oregon must use the apportionment and allocation methods provided under the Uniform Division of Income for Tax Purposes Act (ORS 314.605 through 314.670), ORS 314.680 through 314.690, and the rules under ORS 314.280.

The following businesses use modified or different apportionment factors as provided in the following Oregon Administrative Rules (OARs) and laws:

Domestic insurance companies	ORS 317.660
Title insurance companies incorporated in Oregon	OAR 150-314.280-(E)
Health care service contractors	OAR 150-314.280-(E)
Financial corporations	OAR 150-314.280-(N)
Railroads	OAR 150-314.280-(H)
Airlines	OAR 150-314.280-(I)
Trucking companies	OAR 150-314.280-(J)
Sea transportation companies	OAR 150-314.280-(K)
Interstate river transportation companies	OAR 150-314.280-(L)
Long term construction contractors	OAR 150-314.615-(F)
Movie and television production companies	OAR 150-314.615-(H)
Interstate broadcasters	ORS 314.682 OAR 150-314.684 (4) OAR 150-314.686

Oregon income is the total of the corporation's apportioned and allocated income assigned to Oregon.

Schedule C must be completed by each corporation carrying on a unitary business both inside and outside Oregon. If another method of assigning income is proposed, Schedule C still must be completed. A full explanation of the other method must be made.

An S corporation that is a member of a partnership (or unincorporated joint venture) which is part of the corporation's overall business operations, shall include its share of the partnership property, payroll, and sales in the apportionment factors. The corporation's share of the partnership property, payroll, and sales shall be based on its percentage of ownership in the partnership. See OAR 150-314.650.

**Property Factor.** (1) Value owned property at original cost. Show the average value during the taxable year of real and tangible personal property used in the business. This is the average of property values at the beginning and end of the tax period. An average of the monthly values may be required if a more reasonable value results.

(2) Value rented property at eight times the annual rental value. Reduce the annual rental value by nonbusiness subrentals.

Enter all owned or rented business property in Column B of Schedule C-1. Enter business property within Oregon in Column A. See ORS 314.655 and the rules thereunder.

Payroll Factor. Assign payroll to Oregon if:

- The services are performed entirely inside Oregon; or
- The services are both inside and outside Oregon but those services outside are only incidental; or
- Some of the services are performed in Oregon and (a) the base of operation or control is located in Oregon, or (b) the base of operation or control is not in any state in which the services are performed and the employee's residence is in Oregon.

See ORS 314.660 and the rules thereunder.

Sales Factor. Assign sales to Oregon if:

- The property is shipped or delivered to a purchaser in Oregon other than the United States government; **or**
- The property is shipped from a warehouse or other place of storage in Oregon; and (a) the purchaser is the United States government or (b) the corporation is not taxable in the state of the purchaser. See ORS 314.665(3) for exception.

See ORS 314.620 and Public Law 86-272 to determine if a corporation is taxable in another state.

Charges for services are Oregon sales to the extent the services are performed in Oregon. See ORS 314.665 and the rules thereunder.

**Line 5. Average percent.** Divide the sum of the property factor, the payroll factor, and two times the sales factor by 4 if the corporation had all of these factors. Reduce the denominator of 4 by the number of factors with a zero denominator. Example: If a unitary group of corporations had no payroll anywhere, the payroll factor would have a zero denominator and the sum of the factors would be divided by 3 (if no sales factor, divide by 2).

**Business and Nonbusiness Income.** "Business income" is income arising from transactions and activities in the regular course of the taxpayer's business. It includes income from tangible and intangible property related to the regular business operation.

Examples of business income are:

- Sales of products or services;
- Rents if property rental is a related business activity;
- Royalties if the patent, processes, etc., were developed by or used in the business operation;
- · Gain or loss on the disposal of business property;
- Interest income on trade receivables or installment contracts arising out of the business or from the investment of working capital.

"Nonbusiness income" means all income other than business income. Rents, royalties, gains or losses, and interest can also be nonbusiness income if they arise from investments not related to the taxpayer's business. Nonbusiness income is allocated to a particular state based upon the source of the income. Gain or loss from the sale of a partnership interest may be allocable to Oregon. See ORS 314.635(4). A schedule of nonbusiness income must be attached to the return. The amounts allocable to Oregon must be added to Oregon's apportioned income. See ORS 314.610 and the rules thereunder.