

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

2005

Department of the Treasury
Internal Revenue Service

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

Name of corporation (common parent, if consolidated return)

Employer identification number

Part I Financial Information and Net Income (Loss) Reconciliation

- 1a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 - Yes.** Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 - No.** Go to line 1b.
- b Did the corporation prepare a certified audited income statement for that period?
 - Yes.** Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 - No.** Go to line 1c.
- c Did the corporation prepare an income statement for that period?
 - Yes.** Complete lines 2a through 11 with respect to that income statement.
 - No.** Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4.
- 2a Enter the income statement period: Beginning / / Ending / /
- b Has the corporation's income statement been restated for the income statement period on line 2a?
 - Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
 - No.**
- c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 - Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
 - No.**
- 3a Is any of the corporation's voting common stock publicly traded?
 - Yes.**
 - No.** If "No," go to line 4.
- b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

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- c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

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- 4 Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1

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| 4 | |
|----------|--|
- 5a Net income from nonincludible foreign entities (attach schedule)

| | |
|-----------|----------------|
| 5a | () |
|-----------|----------------|
- b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)

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| 5b | |
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- 6a Net income from nonincludible U.S. entities (attach schedule)

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| 6a | () |
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- b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)

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| 6b | |
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- 7a Net income of other includible corporations (attach schedule)

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| 7a | |
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- b Net loss of other includible corporations (attach schedule)

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| 7b | () |
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- 8 Adjustment to eliminations of transactions between includible corporations and nonincludible entities (attach schedule)

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- 9 Adjustment to reconcile income statement period to tax year (attach schedule)

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- 10 Other adjustments to reconcile to amount on line 11 (attach schedule)

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| 10 | |
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- 11 **Net income (loss) per income statement of includible corporations.** Combine lines 4 through 10

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| 11 | |
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| Name of corporation (common parent, if consolidated return) | Employer identification number ⋮ |
| If consolidated return, check applicable box: (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corporation (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corporation | |
| 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

| | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|---|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed . . . | | | | |
| 3 Subpart F, QEF, and similar income inclusions . . . | | | | |
| 4 Section 78 gross-up | | | | |
| 5 Gross foreign distributions previously taxed . . . | | | | |
| 6 Income (loss) from equity method U.S. corporations . . . | | | | |
| 7 U.S. dividends not eliminated in tax consolidation . . . | | | | |
| 8 Minority interest for includible corporations . . . | | | | |
| 9 Income (loss) from U.S. partnerships (attach schedule) . . . | | | | |
| 10 Income (loss) from foreign partnerships (attach schedule) | | | | |
| 11 Income (loss) from other pass-through entities (attach schedule) | | | | |
| 12 Items relating to reportable transactions (attach details) | | | | |
| 13 Interest income | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold | | | | |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest | | | | |
| 23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| 23b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| 23c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| 23d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| 23e Abandonment losses | | | | |
| 23f Worthless stock losses (attach details) | | | | |
| 23g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Disallowed capital loss in excess of capital gains | | | | |
| 25 Utilization of capital loss carryforward | | | | |
| 26 Other income (loss) items with differences (attach schedule) | | | | |
| 27 Total income (loss) items. Combine lines 1 through 26 | | | | |
| 28 Total expense/deduction items (from Part III, line 36) | | | | |
| 29 Other income (loss) and expense/deduction items with no differences | | | | |
| 30 Reconciliation totals. Combine lines 27 through 29 | | | | |

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.

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| Name of corporation (common parent, if consolidated return) | Employer identification number ⋮ |
| If consolidated return, check applicable box: (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corporation (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corporation | |
| 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

| | (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 | | | | |
| 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 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 28 | | | | |