

Form 1120S

U.S. Small Business Corporation Income Tax Return for calendar year 1976 or

1976 -77

Department of the Treasury Internal Revenue Service

other taxable year beginning September 1, 1976, ending August 31, 1977 (PLEASE TYPE OR PRINT)

A Date of election as small business corporation Sept. 3, 1972

B Business Code No. (see page 7 of instructions)

8599

Name H. Tracy Hall, Incorporated

Number and street 1190 Columbia Lane

City or town, State, and ZIP code Provo, Utah 84601

C Employer identification no. 87-0293951

D Date incorporated August 30, 1972

E Enter total assets from line 14, column D, Schedule L \$ 29,835

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instruction N. Note: If section 465 (deductions limited to amount at-risk) applies, see instruction for line 28.

Table with columns for Gross Income, Deductions, and Tax. Rows include Gross receipts, Less: Cost of goods sold, Gross profit, Dividends, Interest, Rents, Royalties, Gains and losses, Other income, Compensation of officers, Salaries and wages, Repairs, Bad debts, Rents, Taxes, Interest, Contributions, Amortization, Depreciation, Depletion, Advertising, Pension, Employee benefit programs, Other deductions, Total deductions, Taxable income, Income tax on capital gains, Minimum tax, Total tax, Credits, Tax due, and Overpayment.

Under penalties of perjury, 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. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

31 Oct 1977 H. Tracy Hall Date Signature of officer

Preparer's signature (and employer's name, if any) Date

President Title 48-0581199 Identifying number (see instructions) 1675 North 200 West Provo, Utah 84601 Address and ZIP Code Elmer Fox, Westheimer & Co. Certified Public Accountants

Method of inventory valuation (specify)   
 Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory?  Yes  No. If "Yes," attach explanation.

<b>1</b> Inventory at beginning of year . . . . .	<b>5</b> Total of lines 1 through 4 . . . . .
<b>2</b> Merchandise bought for manufacture or sale . . . . .	<b>6</b> Less: Inventory at end of year . . . . .
<b>3</b> Salaries and wages . . . . .	<b>7</b> Cost of goods sold—Enter here and on line
<b>4</b> Other costs (attach schedule) . . . . .	2, page 1 . . . . .

**Schedule E Compensation of Officers (See instruction 12)**

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business	5. Percent- age of cor- poration stock owned	6. Amount of compensation	7. Expense account allowances

Total compensation of officers—Enter here and on line 12, page 1 . . . . .

**Schedule F Bad Debts—Reserve Method (See instruction 15)**

1. Year	2. Trade notes and accounts re- ceivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1971						
1972						
1973						
1974						
1975						
1976						

**Schedule G Depreciation (See instruction 21). Note: If depreciation is computed by using the Class Life (ADR) System or the Guideline Class Life System, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System) with your return.**

Check box(es) if you made an election this taxable year to use  Class Life (ADR) System and/or  Guideline Class Life System. See Publication 534.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
<b>1</b> Total additional first-year depreciation (do not include in items below) <span style="float:right">➔</span>						
<b>2</b> Depreciation from Form 4832 . . . . .						
<b>3</b> Depreciation from Form 5006 . . . . .						
<b>4</b> Other depreciation:						
Buildings . . . . .						
Furniture and fixtures . . . . .						
Transportation equipment . . . . .						
Machinery and other equipment . . . . .		32,501	10,812	Var.	Var.	5,262
Other (specify).....						
<b>5</b> Totals . . . . .		32,501				5,262
<b>6</b> Less: Amount of depreciation claimed in Schedule A . . . . .						
<b>7</b> Balance—Enter here and on line 21, page 1 . . . . .						5,262

**Schedule J Tax Computation (See instructions)**

<b>1</b> Taxable income (line 28, page 1) . . . . .	
<b>2</b> Enter \$25,000. (Members of a controlled group, see instructions) . . . . .	
<b>3</b> Line 1 less line 2 . . . . .	
<b>4</b> Enter line 3 or \$25,000, whichever is lesser (Members of a controlled group, see instructions) . . . . .	
<b>5</b> Line 3 less line 4 . . . . .	
<b>6</b> Enter 20% of line 2 . . . . .	
<b>7</b> Enter 22% of line 4 . . . . .	
<b>8</b> Enter 48% of line 5 . . . . .	
<b>9</b> Add lines 6, 7, and 8 . . . . .	
<b>10</b> Net long-term capital gain reduced by net short-term capital loss (from line 9(b), page 1) . . . . .	
<b>11</b> Subtract \$25,000. (Statutory minimum) . . . . .	\$25,000.00
<b>12</b> Balance (line 10 less line 11). (See instructions) . . . . .	
<b>13</b> Enter 30% of line 12. (See instructions) . . . . .	
<b>14</b> Income tax on capital gains (line 9 or line 13, whichever is lesser). Enter here and on line 29, page 1 . . . . .	

TAX PAYER COPY

**SCHEDULE K-1**  
**(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 1977  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

**Part I Income**

- 1 Undistributed taxable income—ordinary income or (loss) . . . . .
- 2 Undistributed taxable income—long-term capital gain after tax . . . . .

(a) Amount

(250)

(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.

Sch. E, Part III  
Sch. D, Part II

**Part II Losses from Section 465 Activities**

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .

**Part III Interest on Investment Indebtedness**

- 1(a) Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .
- (b) Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .
- 2 Net investment income or (loss) . . . . .
- 3 Excess expenses from "net lease property" . . . . .
- 4 Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .

Form 4952 line reference

line 14  
line 3  
line 7(a)  
line 8 and 19  
line 20

**Part IV Items of Tax Preference**

- 1 Excess itemized deductions . . . . .
- 2 Accelerated depreciation on: (a) Low income rental housing . . . . .
- (b) Other real property . . . . .
- (c) Personal property subject to a lease . . . . .
- 3 Amortization of: (a) Certified pollution control facilities . . . . .
- (b) Railroad rolling stock . . . . .
- (c) On-the-job training facilities . . . . .
- (d) Child care facilities . . . . .
- 4 Reserves for losses on bad debts of financial institutions . . . . .
- 5 Depletion . . . . .
- 6 Intangible drilling costs . . . . .
- 7 Net long-term capital gain (after tax) . . . . .

Form 4625 line reference

line 1(a)  
line 1(b)(1)  
line 1(b)(2)  
line 1(c)  
line 1(d)  
line 1(e)  
line 1(f)  
line 1(g)  
line 1(i)  
line 1(j)  
line 1(l)

**Part V Property Eligible for Investment Credit**

Property Qualified for Investment Credit			
Basis of new investment property	(a) 3 or more but less than 5 years . . . . .		
	(b) 5 or more but less than 7 years . . . . .		
	(c) 7 or more years . . . . .		
Qualified progress expenditures	1974 and 1975	(d) 7 or more years . . . . .	
	1976	(e) 7 or more years . . . . .	
Cost of used investment property	(f) 3 or more but less than 5 years . . . . .		
	(g) 5 or more but less than 7 years . . . . .		
	(h) 7 or more years . . . . .		

Form 3468 line reference

line 1(a)  
line 1(b)  
line 1(c)  
line 1(d)  
line 1(e)  
line 1(f)  
line 1(g)  
line 1(h)

**Part VI Property Used in Recomputing a Prior Year Investment Credit**

(1) Description of property (Indicate whether new or used)					(2) Date placed in service	(3) Cost or basis
A						
B						
C						
(4) Estimated useful life	(5) Applica- ble per- centage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be in- vestment credit property	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)

Column numbers and headings correspond to those on Form 4255

Shareholder's name, identifying number, and address (including ZIP code)

Nancy Hall  
1711 North Lambert Lane  
Provo, Utah 84601

529-94-9795

Corporation's name, identifying number, and address (including ZIP code)

H. Tracy Hall, Incorporated  
1190 Columbia Lane  
Provo, Utah 84601

87-0293951

**SCHEDULE K-1**  
**(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 1977.  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

<b>Part I Income</b>		(a) Amount	(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.
1	Undistributed taxable income—ordinary income or (loss) . . . . .	(250)	Sch. E, Part III
2	Undistributed taxable income—long-term capital gain after tax . . . . .		Sch. D, Part II
<b>Part II Losses from Section 465 Activities</b>			
1	Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .		
<b>Part III Interest on Investment Indebtedness</b>			Form 4952 line reference
1(a)	Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .		line 14
	(b) Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .		line 3
2	Net investment income or (loss) . . . . .		line 7(a)
3	Excess expenses from "net lease property" . . . . .		line 8 and 19
4	Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .		line 20
<b>Part IV Items of Tax Preference</b>			Form 4625 line reference
1	Excess itemized deductions . . . . .		line 1(a)
2	Accelerated depreciation on: (a) Low income rental housing . . . . .		line 1(b)(1)
	(b) Other real property . . . . .		line 1(b)(2)
	(c) Personal property subject to a lease . . . . .		line 1(c)
3	Amortization of: (a) Certified pollution control facilities . . . . .		line 1(d)
	(b) Railroad rolling stock . . . . .		line 1(e)
	(c) On-the-job training facilities . . . . .		line 1(f)
	(d) Child care facilities . . . . .		line 1(g)
4	Reserves for losses on bad debts of financial institutions . . . . .		line 1(i)
5	Depletion . . . . .		line 1(j)
6	Intangible drilling costs . . . . .		line 1(l)
7	Net long-term capital gain (after tax) . . . . .		
<b>Part V Property Eligible for Investment Credit</b>			Form 3468 line reference
Property Qualified for Investment Credit			
Basis of new investment property	(a) 3 or more but less than 5 years . . . . .		line 1(a)
	(b) 5 or more but less than 7 years . . . . .		line 1(b)
	(c) 7 or more years . . . . .		line 1(c)
Qualified progress expenditures	1974 and 1975 (d) 7 or more years . . . . .		line 1(d)
	1976 (e) 7 or more years . . . . .		line 1(e)
Cost of used investment property	(f) 3 or more but less than 5 years . . . . .		line 1(f)
	(g) 5 or more but less than 7 years . . . . .		line 1(g)
	(h) 7 or more years . . . . .		line 1(h)
<b>Part VI Property Used in Recomputing a Prior Year Investment Credit</b>			Column numbers and headings correspond to those on Form 4255
(1) Description of property (Indicate whether new or used)		(2) Date placed in service	(3) Cost or basis
A			
B			
C			
(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be investment credit property
			(9) Actual useful life
			(10) Applicable percentage
			(11) Qualified investment (Col. 3 x col. 10)
Shareholder's name, identifying number, and address (including ZIP code) 528-80-8152		Corporation's name, identifying number, and address (including ZIP code) 87-0293951	
Charlotte Hall 1711 North Lambert Lane Provo, Utah 84601		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	

U.S. GOVERNMENT PRINTING OFFICE : 1976 - 218-121 - EI 36-2441915

**SCHEDULE K-1  
(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 19 77  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

**Part I Income**

- 1 Undistributed taxable income—ordinary income or (loss) . . . . .
- 2 Undistributed taxable income—long-term capital gain after tax . . . . .

(a) Amount

(250)

(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.

Sch. E, Part III  
Sch. D, Part II

**Part II Losses from Section 465 Activities**

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .

**Part III Interest on Investment Indebtedness**

- 1(a) Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .
- (b) Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .
- 2 Net investment income or (loss) . . . . .
- 3 Excess expenses from "net lease property" . . . . .
- 4 Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .

Form 4952 line reference

line 14  
line 3  
line 7(a)  
line 8 and 19  
line 20

**Part IV Items of Tax Preference**

- 1 Excess itemized deductions . . . . .
- 2 Accelerated depreciation on: (a) Low income rental housing . . . . .
- (b) Other real property . . . . .
- (c) Personal property subject to a lease . . . . .
- 3 Amortization of: (a) Certified pollution control facilities . . . . .
- (b) Railroad rolling stock . . . . .
- (c) On-the-job training facilities . . . . .
- (d) Child care facilities . . . . .
- 4 Reserves for losses on bad debts of financial institutions . . . . .
- 5 Depletion . . . . .
- 6 Intangible drilling costs . . . . .
- 7 Net long-term capital gain (after tax) . . . . .

Form 4625 line reference

line 1(a)  
line 1(b)(1)  
line 1(b)(2)  
line 1(c)  
line 1(d)  
line 1(e)  
line 1(f)  
line 1(g)  
line 1(i)  
line 1(j)  
line 1(l)

**Part V Property Eligible for Investment Credit**

Property Qualified for Investment Credit

- |                                  |   |       |       |
|----------------------------------|---|-------|-------|
| Basis of new investment property | (a) 3 or more but less than 5 years . . . . . | ----- |       |
|                                  | (b) 5 or more but less than 7 years . . . . . |       | ----- |
|                                  | (c) 7 or more years . . . . .                 |       |       |
| Qualified progress expenditures  | 1974 and 1975 (d) 7 or more years . . . . .   | ----- |       |
|                                  | 1976 (e) 7 or more years . . . . .            |       |       |
| Cost of used investment property | (f) 3 or more but less than 5 years . . . . . | ----- |       |
|                                  | (g) 5 or more but less than 7 years . . . . . |       | ----- |
|                                  | (h) 7 or more years . . . . .                 |       |       |

Form 3468 line reference

line 1(a)  
line 1(b)  
line 1(c)  
line 1(d)  
line 1(e)  
line 1(f)  
line 1(g)  
line 1(h)

**Part VI Property Used in Recomputing a Prior Year Investment Credit**

(1) Description of property (Indicate whether new or used)					(2) Date placed in service	(3) Cost or basis
A						
B						
C						
(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be investment credit property	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)

Column numbers and headings correspond to those on Form 4255

Shareholder's name, identifying number, and address (including ZIP code)

528-78-8080  
Virginia Hall  
1711 North Lambert Lane  
Provo, Utah 84601

Corporation's name, identifying number, and address (including ZIP code)

87-0293951  
H. Tracy Hall, Incorporated  
1190 Columbia Lane  
Provo, Utah 84601

**SCHEDULE K-1**  
**(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 19 77  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

**Part I Income**

- 1 Undistributed taxable income—ordinary income or (loss) . . . . .
- 2 Undistributed taxable income—long-term capital gain after tax . . . . .

(a) Amount  
(250)

(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.

Sch. E, Part III  
Sch. D, Part II

**Part II Losses from Section 465 Activities**

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .

**Part III Interest on Investment Indebtedness**

- 1(a) Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .
- (b) Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .
- 2 Net investment income or (loss) . . . . .
- 3 Excess expenses from "net lease property" . . . . .
- 4 Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .

Form 4952 line reference  
line 14  
line 3  
line 7(a)  
line 8 and 19  
line 20

**Part IV Items of Tax Preference**

- 1 Excess itemized deductions . . . . .
- 2 Accelerated depreciation on: (a) Low income rental housing . . . . .
- (b) Other real property . . . . .
- (c) Personal property subject to a lease . . . . .
- 3 Amortization of: (a) Certified pollution control facilities . . . . .
- (b) Railroad rolling stock . . . . .
- (c) On-the-job training facilities . . . . .
- (d) Child care facilities . . . . .
- 4 Reserves for losses on bad debts of financial institutions . . . . .
- 5 Depletion . . . . .
- 6 Intangible drilling costs . . . . .
- 7 Net long-term capital gain (after tax) . . . . .

Form 4625 line reference  
line 1(a)  
line 1(b)(1)  
line 1(b)(2)  
line 1(c)  
line 1(d)  
line 1(e)  
line 1(f)  
line 1(g)  
line 1(i)  
line 1(j)  
line 1(l)

**Part V Property Eligible for Investment Credit**

Property Qualified for Investment Credit

- Basis of new investment property
  - (a) 3 or more but less than 5 years . . . . .
  - (b) 5 or more but less than 7 years . . . . .
  - (c) 7 or more years . . . . .
- Qualified progress expenditures
  - 1974 and 1975 (d) 7 or more years . . . . .
  - 1976 (e) 7 or more years . . . . .
- Cost of used investment property
  - (f) 3 or more but less than 5 years . . . . .
  - (g) 5 or more but less than 7 years . . . . .
  - (h) 7 or more years . . . . .

Form 3468 line reference  
line 1(a)  
line 1(b)  
line 1(c)  
line 1(d)  
line 1(e)  
line 1(f)  
line 1(g)  
line 1(h)

**Part VI Property Used in Recomputing a Prior Year Investment Credit**

(1) Description of property (Indicate whether new or used)					(2) Date placed in service	(3) Cost or basis
A						
B						
C						
(4) Estimated useful life	(5) Applica- ble per- centage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be in- vestment credit property	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)

Column numbers and headings  
correspond to those on Form 4255

Shareholder's name, identifying number, and address (including ZIP code)

529-66-7245  
J. Martin and Elizabeth H. Neil  
1319 Poppy Way  
San Jose, California 95129

Corporation's name, identifying number, and address (including ZIP code)

87-0293951  
H. Tracy Hall, Incorporated  
1190 Columbia Lane  
Provo, Utah 84601

**SCHEDULE K-1**  
**(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 19 77  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

<b>Part I Income</b>		(a) Amount	(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.
1	Undistributed taxable income—ordinary income or (loss) . . . . .	(250)	Sch. E, Part III
2	Undistributed taxable income—long-term capital gain after tax . . . . .		Sch. D, Part II
<b>Part II Losses from Section 465 Activities</b>			
1	Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .		
<b>Part III Interest on Investment Indebtedness</b>			Form 4952 line reference
1(a)	Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .		line 14
(b)	Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .		line 3
2	Net investment income or (loss) . . . . .		line 7(a)
3	Excess expenses from "net lease property" . . . . .		line 8 and 19
4	Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .		line 20
<b>Part IV Items of Tax Preference</b>			Form 4625 line reference
1	Excess itemized deductions . . . . .		line 1(a)
2	Accelerated depreciation on: (a) Low income rental housing . . . . .		line 1(b)(1)
	(b) Other real property . . . . .		line 1(b)(2)
	(c) Personal property subject to a lease . . . . .		line 1(c)
3	Amortization of: (a) Certified pollution control facilities . . . . .		line 1(d)
	(b) Railroad rolling stock . . . . .		line 1(e)
	(c) On-the-job training facilities . . . . .		line 1(f)
	(d) Child care facilities . . . . .		line 1(g)
4	Reserves for losses on bad debts of financial institutions . . . . .		line 1(i)
5	Depletion . . . . .		line 1(j)
6	Intangible drilling costs . . . . .		line 1(l)
7	Net long-term capital gain (after tax) . . . . .		
<b>Part V Property Eligible for Investment Credit</b>			Form 3468 line reference
Property Qualified for Investment Credit			
Basis of new investment property	(a) 3 or more but less than 5 years . . . . .		line 1(a)
	(b) 5 or more but less than 7 years . . . . .		line 1(b)
	(c) 7 or more years . . . . .		line 1(c)
Qualified progress expenditures	1974 and 1975	(d) 7 or more years . . . . .	line 1(d)
	1976	(e) 7 or more years . . . . .	line 1(e)
Cost of used investment property	(f) 3 or more but less than 5 years . . . . .		line 1(f)
	(g) 5 or more but less than 7 years . . . . .		line 1(g)
	(h) 7 or more years . . . . .		line 1(h)
<b>Part VI Property Used in Recomputing a Prior Year Investment Credit</b>			Column numbers and headings correspond to those on Form 4255
(1) Description of property (Indicate whether new or used)		(2) Date placed in service	(3) Cost or basis
A			
B			
C			
(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be investment credit property
			(9) Actual useful life
			(10) Applicable percentage
			(11) Qualified investment (Col. 3 x col. 10)
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
528-66-4787		87-0293951	
David R. and Karen V. Hall 4235 Province Line Road Princeton, NJ 08540		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	

**SCHEDULE K-1  
(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 19 77  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

**Part I Income**

- 1 Undistributed taxable income—ordinary income or (loss) . . . . .
- 2 Undistributed taxable income—long-term capital gain after tax . . . . .

(a) Amount  
(250)

(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.  
Sch. E, Part III  
Sch. D, Part II

**Part II Losses from Section 465 Activities**

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .

**Part III Interest on Investment Indebtedness**

- 1(a) Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .
- (b) Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .
- 2 Net investment income or (loss) . . . . .
- 3 Excess expenses from "net lease property" . . . . .
- 4 Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .

Form 4952 line reference  
line 14  
line 3  
line 7(a)  
line 8 and 19  
line 20

**Part IV Items of Tax Preference**

- 1 Excess itemized deductions . . . . .
- 2 Accelerated depreciation on: (a) Low income rental housing . . . . .
- (b) Other real property . . . . .
- (c) Personal property subject to a lease . . . . .
- 3 Amortization of: (a) Certified pollution control facilities . . . . .
- (b) Railroad rolling stock . . . . .
- (c) On-the-job training facilities . . . . .
- (d) Child care facilities . . . . .
- 4 Reserves for losses on bad debts of financial institutions . . . . .
- 5 Depletion . . . . .
- 6 Intangible drilling costs . . . . .
- 7 Net long-term capital gain (after tax) . . . . .

Form 4625 line reference  
line 1(a)  
line 1(b)(1)  
line 1(b)(2)  
line 1(c)  
line 1(d)  
line 1(e)  
line 1(f)  
line 1(g)  
line 1(i)  
line 1(j)  
line 1(l)

**Part V Property Eligible for Investment Credit**

Property Qualified for Investment Credit			
Basis of new investment property	(a) 3 or more but less than 5 years . . . . .		line 1(a)
	(b) 5 or more but less than 7 years . . . . .		line 1(b)
	(c) 7 or more years . . . . .		line 1(c)
Qualified progress expenditures	1974 and 1975	(d) 7 or more years . . . . .	line 1(d)
	1976	(e) 7 or more years . . . . .	line 1(e)
Cost of used investment property	(f) 3 or more but less than 5 years . . . . .		line 1(f)
	(g) 5 or more but less than 7 years . . . . .		line 1(g)
	(h) 7 or more years . . . . .		line 1(h)

Form 3468 line reference  
line 1(a)  
line 1(b)  
line 1(c)  
line 1(d)  
line 1(e)  
line 1(f)  
line 1(g)  
line 1(h)

**Part VI Property Used in Recomputing a Prior Year Investment Credit**

(1) Description of property (Indicate whether new or used)					(2) Date placed in service	(3) Cost or basis
A						
B						
C						
(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be investment credit property	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)

Column numbers and headings correspond to those on Form 4255

Shareholder's name, identifying number, and address (including ZIP code)

529-56-9730  
Daniel and Sherlene Bartholomew  
80 Greenridge Avenue  
White Plains, NY 10605

Corporation's name, identifying number, and address (including ZIP code)

87-0293951  
H. Tracy Hall, Incorporated  
1190 Columbia Lane  
Provo, Utah 84601



**SCHEDULE K-1**  
**(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 19 77  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

<b>Part I Income</b>		(a) Amount	(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.
1	Undistributed taxable income—ordinary income or (loss) . . . . .	(250)	Sch. E, Part III
2	Undistributed taxable income—long-term capital gain after tax . . . . .		Sch. D, Part II

<b>Part II Losses from Section 465 Activities</b>			
1	Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .		

<b>Part III Interest on Investment Indebtedness</b>			Form 4952 line reference
1(a)	Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .		line 14
(b)	Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .		line 3
2	Net investment income or (loss) . . . . .		line 7(a)
3	Excess expenses from "net lease property" . . . . .		line 8 and 19
4	Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .		line 20

<b>Part IV Items of Tax Preference</b>			Form 4625 line reference
1	Excess itemized deductions . . . . .		line 1(a)
2	Accelerated depreciation on: (a) Low income rental housing . . . . .		line 1(b)(1)
	(b) Other real property . . . . .		line 1(b)(2)
	(c) Personal property subject to a lease . . . . .		line 1(c)
3	Amortization of: (a) Certified pollution control facilities . . . . .		line 1(d)
	(b) Railroad rolling stock . . . . .		line 1(e)
	(c) On-the-job training facilities . . . . .		line 1(f)
	(d) Child care facilities . . . . .		line 1(g)
4	Reserves for losses on bad debts of financial institutions . . . . .		line 1(i)
5	Depletion . . . . .		line 1(j)
6	Intangible drilling costs . . . . .		line 1(l)
7	Net long-term capital gain (after tax) . . . . .		

<b>Part V Property Eligible for Investment Credit</b>			Form 3468 line reference
Property Qualified for Investment Credit			
Basis of new investment property	(a)	3 or more but less than 5 years . . . . .	line 1(a)
	(b)	5 or more but less than 7 years . . . . .	line 1(b)
	(c)	7 or more years . . . . .	line 1(c)
Qualified progress expenditures	1974 and 1975	(d) 7 or more years . . . . .	line 1(d)
	1976	(e) 7 or more years . . . . .	line 1(e)
Cost of used investment property	(f)	3 or more but less than 5 years . . . . .	line 1(f)
	(g)	5 or more but less than 7 years . . . . .	line 1(g)
	(h)	7 or more years . . . . .	line 1(h)

<b>Part VI Property Used in Recomputing a Prior Year Investment Credit</b>							Column numbers and headings correspond to those on Form 4255
(1) Description of property (Indicate whether new or used)				(2) Date placed in service	(3) Cost or basis		
A							
B							
C							
(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be investment credit property	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)	

Shareholder's name, identifying number, and address (including ZIP code) <b>528-66-3544</b> H. Tracy, Jr. and Elizabeth H. Hall 786 East Meadow Drive Palo Alto, California 94303	Corporation's name, identifying number, and address (including ZIP code) <b>87-0293951</b> H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601
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U.S. GOVERNMENT PRINTING OFFICE : 1976 - 218-121 - EI 36-2441915

**SCHEDULE K-1**  
**(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 19 77  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

<b>Part I Income</b>		(a) Amount	(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.
1	Undistributed taxable income—ordinary income or (loss) . . . . .	(856)	Sch. E, Part III
2	Undistributed taxable income—long-term capital gain after tax . . . . .		Sch. D, Part II

**Part II Losses from Section 465 Activities**

1	Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .		
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<b>Part III Interest on Investment Indebtedness</b>		Form 4952 line reference
1(a)	Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .	line 14
(b)	Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .	line 3
2	Net investment income or (loss) . . . . .	line 7(a)
3	Excess expenses from "net lease property" . . . . .	line 8 and 19
4	Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .	line 20

<b>Part IV Items of Tax Preference</b>		Form 4625 line reference
1	Excess itemized deductions . . . . .	line 1(a)
2	Accelerated depreciation on: (a) Low income rental housing . . . . .	line 1(b)(1)
	(b) Other real property . . . . .	line 1(b)(2)
	(c) Personal property subject to a lease . . . . .	line 1(c)
3	Amortization of: (a) Certified pollution control facilities . . . . .	line 1(d)
	(b) Railroad rolling stock . . . . .	line 1(e)
	(c) On-the-job training facilities . . . . .	line 1(f)
	(d) Child care facilities . . . . .	line 1(g)
4	Reserves for losses on bad debts of financial institutions . . . . .	line 1(i)
5	Depletion . . . . .	line 1(j)
6	Intangible drilling costs . . . . .	line 1(l)
7	Net long-term capital gain (after tax) . . . . .	

<b>Part V Property Eligible for Investment Credit</b>		Form 3468 line reference
Property Qualified for Investment Credit		
Basis of new investment property	(a) 3 or more but less than 5 years . . . . .	line 1(a)
	(b) 5 or more but less than 7 years . . . . .	line 1(b)
	(c) 7 or more years . . . . .	line 1(c)
Qualified progress expenditures	1974 and 1975 (d) 7 or more years . . . . .	line 1(d)
	1976 (e) 7 or more years . . . . .	line 1(e)
Cost of used investment property	(f) 3 or more but less than 5 years . . . . .	line 1(f)
	(g) 5 or more but less than 7 years . . . . .	line 1(g)
	(h) 7 or more years . . . . .	line 1(h)

<b>Part VI Property Used in Recomputing a Prior Year Investment Credit</b>							Column numbers and headings correspond to those on Form 4255
(1) Description of property (Indicate whether new or used)					(2) Date placed in service	(3) Cost or basis	
A							
B							
C							
(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be investment credit property	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)	

Shareholder's name, identifying number, and address (including ZIP code) <p style="text-align: center;">529-10-1716 Ida Rose Hall 1711 North Lambert Lane Provo, Utah 84601</p>	Corporation's name, identifying number, and address (including ZIP code) <p style="text-align: center;">87-0293951 H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601</p>
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U.S. GOVERNMENT PRINTING OFFICE : 1976 - 218-121 - EI 36-2441915

**SCHEDULE K-1**  
**(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1976**

For calendar year 1976 or other taxable year  
beginning September 1, 1976, ending August 31, 1977  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

<b>Part I Income</b>		(a) Amount	(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.
1	Undistributed taxable income—ordinary income or (loss) . . . . .	(961)	Sch. E, Part III
2	Undistributed taxable income—long-term capital gain after tax . . . . .		Sch. D, Part II
<b>Part II Losses from Section 465 Activities</b>			
1	Shareholder's distributive share of losses from section 465 activities (see instructions) . . . . .		
<b>Part III Interest on Investment Indebtedness</b>			
1(a) Interest expense on investment indebtedness incurred prior to September 11, 1975 . . . . .			Form 4952 line reference
(b) Interest expense on investment indebtedness incurred after September 10, 1975 . . . . .			line 14
2 Net investment income or (loss) . . . . .			line 3
3 Excess expenses from "net lease property" . . . . .			line 7(a)
4 Excess net long-term capital gain over net short-term capital loss attributable to investment property . . . . .			line 8 and 19
<b>Part IV Items of Tax Preference</b>			
1 Excess itemized deductions . . . . .			Form 4625 line reference
2 Accelerated depreciation on: (a) Low income rental housing . . . . .			line 1(a)
(b) Other real property . . . . .			line 1(b)(1)
(c) Personal property subject to a lease . . . . .			line 1(b)(2)
3 Amortization of: (a) Certified pollution control facilities . . . . .			line 1(c)
(b) Railroad rolling stock . . . . .			line 1(d)
(c) On-the-job training facilities . . . . .			line 1(e)
(d) Child care facilities . . . . .			line 1(f)
4 Reserves for losses on bad debts of financial institutions . . . . .			line 1(g)
5 Depletion . . . . .			line 1(i)
6 Intangible drilling costs . . . . .			line 1(j)
7 Net long-term capital gain (after tax) . . . . .			line 1(l)
<b>Part V Property Eligible for Investment Credit</b>			
Property Qualified for Investment Credit			
Basis of new investment property	(a) 3 or more but less than 5 years . . . . .		line 1(a)
	(b) 5 or more but less than 7 years . . . . .		line 1(b)
	(c) 7 or more years . . . . .		line 1(c)
Qualified progress expenditures	1974 and 1975	(d) 7 or more years . . . . .	line 1(d)
	1976	(e) 7 or more years . . . . .	line 1(e)
Cost of used investment property	(f) 3 or more but less than 5 years . . . . .		line 1(f)
	(g) 5 or more but less than 7 years . . . . .		line 1(g)
	(h) 7 or more years . . . . .		line 1(h)
<b>Part VI Property Used in Recomputing a Prior Year Investment Credit</b>			
(1) Description of property (Indicate whether new or used)		(2) Date placed in service	(3) Cost or basis
A			
B			
C			
(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (Col. 3 x col. 5)	(8) Date item ceased to be investment credit property
			(9) Actual useful life
			(10) Applicable percentage
			(11) Qualified investment (Col. 3 x col. 10)
Column numbers and headings correspond to those on Form 4255			
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
529-07-9801		87-0293951	
H. Tracy Hall 1711 North Lambert Lane Provo, Utah 84601		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	

U.S. GOVERNMENT PRINTING OFFICE : 1974 - 218-121-EI 36-2441915

## AMORTIZATION OF ORGANIZATION EXPENSES

Fiscal year ended August 31, 1977

An election has been made under the provisions of Sec. 248 of the Internal Revenue Code of 1954 to amortize organization expenses ratably over a 60-month period beginning October 1, 1972:

Total organization expenses	\$325
Prior years' amortization	<u>255</u>
Unamortized balance August 31, 1976	70
Amortization for the fiscal year ended August 31, 1977	<u>65</u>
Unamortized balance August 31, 1977	<u><u>\$ 5</u></u>

H. TRACY HALL, INCORPORATED

87-0293951

SCHEDULE OF TAXES AND LICENSES

Fiscal year ended August 31, 1977

Property taxes	\$ 25
Use taxes	33
Licenses	<u>12</u>
Total	<u>\$ 70</u>

SCHEDULE OF OTHER DEDUCTIONS

Freight and express	\$ 67
Insurance	366
Dues and subscriptions	124
Professional fees	910
Supplies	296
Travel expense	136
Automotive expense	78
Office expense	157
Utilities	<u>765</u>
Total	<u>\$2,899</u>

## SUMMARY OF DISTRIBUTIONS AND OTHER ITEMS

Fiscal year ended August 31, 1977

	Social Security number	Stock Ownership Number of shares	Period held		Compensation
			From	To	
H. Tracy Hall 1711 North Lambert Lane Provo, Utah 84601	529-07-9801	6,750	9/1/74	8/31/77	NONE
Ida Rose Hall 1711 North Lambert Lane Provo, Utah 84601	529-10-1716	6,000	9/1/74	8/31/77	NONE
H. Tracy and Elizabeth H. Hall, Jr. 786 East Meadow Drive Palo Alto, California 94303	528-66-3544	1,750	9/1/74	8/31/77	NONE
Daniel and Sherlene Bartholomew 80 Greenridge Avenue White Plains, NY 10605	529-56-9730	1,750	9/1/74	8/31/77	NONE
David R. and Karen V. Hall 4235 Province Line Road Princeton, NJ 08540	528-66-4787	1,750	9/1/74	8/31/77	NONE
J. Martin and Elizabeth H. Neil 1319 Poppy Way San Jose, California 95129	529-66-7245	1,750	9/1/74	8/31/77	NONE
Virginia Hall 1711 North Lambert Lane Provo, Utah 84601	528-78-8080	1,750	9/1/74	8/31/77	NONE
Charlotte Hall 1711 North Lambert Lane Provo, Utah 84601	528-80-8152	1,750	9/1/74	8/31/77	NONE
Nancy Hall 1711 North Lambert Lane Provo, Utah 84601	529-94-9795	1,750	9/1/74	8/31/77	NONE
Totals		<u>25,000</u>			<u>NONE</u>

**Schedule K** Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

Computation of Corporation's Undistributed Taxable Income

1 Taxable income (line 28, page 1)	(3,567)
2 Less: (a) Money distributed as dividends out of earnings and profits of the taxable year	
(b) Tax imposed on certain capital gains (line 31, page 1)	
3 Corporation's undistributed taxable income	(3,567)

Summary of Distributions and Other Items (attach additional sheets if necessary)

1. Name and address of each shareholder	2. Social security number	3. Stock ownership		4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held From To		
Schedule Attached					
A					
B					

4 Actual dividend distributions taxable as ordinary income (Do not include amounts shown on line 6)	
5 Actual dividend distributions taxable as long-term capital gains (after tax)	
6 Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion	
7 Nondividend distributions	
8 Undistributed taxable income—taxable as ordinary income or (loss)	
9 Undistributed taxable income—taxable as long-term capital gain (after tax)	

10 Investment credit property		Cost or basis		
Property Qualified for Investment Credit	Basis of new investment property	(a) 3 or more but less than 5 years		
		(b) 5 or more but less than 7 years		
		(c) 7 or more years		
	Qualified progress expenditures	1974 and 1975	(d) 7 or more years	
		1976	(e) 7 or more years	
	Cost of used investment property	(f) 3 or more but less than 5 years		
		(g) 5 or more but less than 7 years		
		(h) 7 or more years		

11 Interest on investment indebtedness:	
(a) (1) Interest expense on investment indebtedness incurred prior to September 11, 1975	
(2) Interest expense on investment indebtedness incurred after September 10, 1975	
(b) Net investment income or (loss)	
(c) Excess expenses from "net lease property"	
(d) Excess of net long-term capital gain over net short-term capital loss attributable to investment property	

12 Items of tax preference:		(e) Amortization of:	
(a) Excess itemized deductions		(1) Certified pollution control facilities	
(b) Accelerated depreciation on:		(2) Railroad rolling stock	
(1) Low income rental housing		(3) On-the-job training facilities	
(2) Other real property		(4) Child care facilities	
(3) Personal property subject to a lease		(f) Reserves for losses on bad debts of financial institutions	
(c) Intangible drilling costs		(g) Depletion	
(d) Net long-term capital gain (after tax)			

Additional Information Required	F Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation?	Yes	No		
	(For rules of attribution, see section 267(c.) If the answer is "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		X		
	G Taxable income or (loss) from line 28, page 1, Form 1120S for your taxable year beginning in: 1973 59,000; 1974 20,587; 1975 (4,158)				
	H Refer to page 7 of instructions and state the principal: Business activity Research and engineering; Product or service				
	I Were you a member of a controlled group subject to the provisions of section 1561?	Yes	No		
	J Did you claim a deduction for expenses connected with:				
	(1) Entertainment facility (boat, resort, ranch, etc.)?		X		
	(2) Living accommodations (except for employees on business)?		X		
	(3) Employees' families at conventions or meetings?		X		
		(4) Employee or family vacations not reported on Form W-2?			
	K Did you file all required Forms 1087, 1096, and 1099?	X			
	L Answer only if (1) this is the first 1120S return filed since your election to be treated as a small business corporation and (2) the corporation was in existence for the taxable year prior to the election and had investment credit property: Was an agreement filed under section 1.47-4(b) of the regulations?				
	M Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," attach Form 4683. (For definitions, see Form 4683.)				X
	N Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," attach Form 4683. (For definitions, see Form 4683.)				X

**Schedule K-1** Shareholder's Share of Undistributed Taxable Income, etc. (Complete a separate Schedule K-1 (Form 1120S) for each shareholder. See page 5 of instructions, and also back of Copy C, Schedule K-1 (Form 1120S).)

**Schedule L** Balance Sheets

	Beginning of Taxable year		End of Taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
<b>ASSETS</b>				
1 Cash . . . . .		6,643		4,240
2 Trade notes and accounts receivable . . . . .				
(a) Less allowances for bad debts . . . . .				
3 Inventories . . . . .				
4 Gov't obligations: (a) U.S. and instrumentalities . . . . .				
(b) State, subdivisions thereof, etc. . . . .				
5 Other current assets (attach schedule) . . . . .				9,163
6 Loans to shareholders . . . . .				
7 Mortgage and real estate loans . . . . .				
8 Other investments (attach schedule) . . . . .				
9 Buildings and other fixed depreciable assets . . . . .	32,501		32,501	
(a) Less accumulated depreciation . . . . .	10,812	21,689	16,074	16,427
10 Depletable assets . . . . .				
(a) Less accumulated depletion . . . . .				
11 Land (net of any amortization) . . . . .				
12 Intangible assets (amortizable only) . . . . .	325		325	
(a) Less accumulated amortization . . . . .	255	70	320	5
13 Other assets (attach schedule) . . . . .				
14 Total assets . . . . .		28,402		29,835
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
15 Accounts payable . . . . .				
16 Mtges, notes, bonds payable in less than 1 year . . . . .		5,000		10,000
17 Other current liabilities (attach schedule) . . . . .				
18 Loans from shareholders . . . . .		11,426		11,426
19 Mtges, notes, bonds payable in 1 year or more . . . . .		2,500		2,500
20 Other liabilities (attach schedule) . . . . .				
21 Capital stock . . . . .		25,000		25,000
22 Paid-in or capital surplus . . . . .				
23 Retained earnings—appropriated (attach schedule) . . . . .				
24 Retained earnings—unappropriated . . . . .		(523)		(523)
25 Shareholders' undistributed taxable income previously taxed . . . . .		(15,001)		(18,568)
26 Less cost of treasury stock . . . . .		( )		( )
27 Total liabilities and shareholders' equity . . . . .		28,402		29,835

**Schedule M-1** Reconciliation of Income Per Books With Income Per Return

1 Net income per books . . . . .	(3,567)	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax . . . . .		(a) Tax-exempt interest \$ . . . . .	
3 Excess of capital losses over capital gains . . . . .		8 Deductions in this tax return not charged against book income this year (itemize) . . . . .	
4 Income subject to tax not recorded on books this year (itemize) . . . . .		9 Total of lines 7 and 8 . . . . .	
5 Expenses recorded on books this year not deducted in this return (itemize) . . . . .		10 Income (line 28, page 1)—line 6 less line 9 . . . . .	(3,567)
6 Total of lines 1 through 5 . . . . .	(3,567)		

**Schedule M-2** Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

1 Balance at beginning of year . . . . .	(523)	5 Distributions out of current or accumulated earnings and profits: (a) Cash . . . . .	
2 Net income per books . . . . .	(3,567)	(b) Stock . . . . .	
3 Other increases (itemize) . . . . .		(c) Property . . . . .	
		6 Current year's undistributed taxable income or net operating loss (total of lines 8 and 9, Schedule K) . . . . .	(3,567)
		7 Other decreases (itemize) . . . . .	
		8 Total of lines 5, 6, and 7 . . . . .	(3,567)
4 Total of lines 1, 2, and 3 . . . . .	(4,090)	9 Balance at end of year (line 4 less line 8) . . . . .	(523)



Form TC-20S

Completed Return is to be filed with or mailed to  
**STATE TAX COMMISSION OF UTAH**  
 State Office Building  
 Salt Lake City, Utah 84134

**UTAH SMALL BUSINESS CORPORATION FRANCHISE TAX RETURN**  
 For Calendar Year 1976

# 1976

or other taxable year beginning 9/1, 1976, ending 8/31, 1977

Federal Identification Number  
87-0293951  
 Utah Sec. of State Number  
57676

Returns made on the basis of the calendar year 1976 shall be filed with the State Tax Commission, State Office Bldg., Salt Lake City, Utah 84134, on or before April 15, 1977. Returns made on the basis of a fiscal year shall be filed on or before the fifteenth day of the fourth month following the close of the fiscal year.

H. Tracy Hall, Incorporated  
 1190 Columbia Lane  
 Provo, Utah 84601

(If name, address and zip code are incorrectly printed in above space, please correct)

**SUPPLEMENTAL INFORMATION (To be supplied by all corporations)**

A. Distributions to shareholders out of earnings accumulated prior to January 1, 1973, \$ NONE.

past examinations still pending? NONE

B. What is the latest year or years for which a Federal Examination has been completed? NONE. Attach a summary of the Federal adjustments and the adjusted Federal tax liability for each year for which Federal audit adjustments have not already been reported to the Tax Commission, and indicate date of final determination.

(2) With respect to what year or years have extensions for period of proposing additional assessments of Federal tax been agreed to with the Internal Revenue Service? NONE. Attach schedule giving complete details.

C. (1) With respect to what year or years are Federal examinations now in progress, or final determinations of

*Note: Automatic extension of statute of limitations is provided by Section 59-13-40 of the Utah Code for failure to report fully the information required by Questions (B) and (C).*

**NOTE: A copy of the Federal return (1120S) and supporting schedules must be attached to this return.**

1. Taxable income from page 1 of federal form 1120S	\$ (3,567)												
2. Deduct: Income subject to federal tax, from schedule J form 1120S													
3. Line 1 less line 2	\$ (3,567)												
4. Percentage of ownership represented by: (See instruction 5)													
(a) Resident shares	<table border="0"> <tr> <td align="right">number</td> <td align="center"><u>18,000</u></td> <td align="center">percent</td> <td align="center"><u>72</u></td> </tr> <tr> <td>    (b) Non-resident shares</td> <td align="center"><u>7,000</u></td> <td align="center"><u>28</u></td> <td></td> </tr> <tr> <td>Total - equals 100%</td> <td align="center"><u>25,000</u></td> <td align="center"><u>100</u></td> <td></td> </tr> </table>	number	<u>18,000</u>	percent	<u>72</u>	(b) Non-resident shares	<u>7,000</u>	<u>28</u>		Total - equals 100%	<u>25,000</u>	<u>100</u>	
number	<u>18,000</u>	percent	<u>72</u>										
(b) Non-resident shares	<u>7,000</u>	<u>28</u>											
Total - equals 100%	<u>25,000</u>	<u>100</u>											
5. Line 3 multiplied by percent in line 4(a)	(2,568)												
6. Line 3 less line 5	\$ (999)												
7. Amount on line 2													
8. Net Income (line 6 plus line 7)	\$ (999)												
<i>(If corporation is taxable in another state, refer to schedule N, page 2)</i>													
9. Income allocated to Utah, from line 11, Schedule N, Page 2, (Applicable only if corporation is taxable in another state)	\$												
10. Net income subject to Utah franchise tax from line 8 or 9, whichever is applicable	\$												
<b>TAX</b>	11. Tax: 6% of line 10. (No minimum tax applies)	\$ NONE											
	Penalty	\$											
	Interest	\$											
	<b>TOTAL</b>	\$ NONE											

Under penalties of perjury, 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 the taxpayer, his declaration is based on all information of which he has any knowledge.

_____	_____	_____ President
Date	Signature of officer	Title
_____	Individual or firm signature of preparer	1675 North 200 West, Provo, Utah 84601
Date	Elmer Fox, Westheimer & Co. Certified Public Accountants	Address

**SCHEDULE N – ALLOCATION OF INCOME (To be used only if taxable in another state)**

DESCRIPTION	In Utah (a)	Everywhere (b)	Fraction (a) ÷ (b)
1. Total tangible property .....	\$	\$	
2. Total expenditures for wages, salaries, commissions or other compensation .....	\$	\$	
3. Receipts and sales .....	\$	\$	
4. Total of fractions 1, 2 and 3 .....			
5. Apportionment fraction (line 4 divided by three) .....			
6. Net income (line 8, page 1) .....		\$	
7. Less: Non-business income allocated: (attach schedule)			
(a) To Utah \$ _____ X percent at line 4(b) page 1 .....	= \$		
(b) Outside Utah \$ _____ X percent at line 4(b) page 1 .....	= \$		
Total .....		\$	
8. Remainder of net income subject to apportionment (line 6 less line 7) .....		\$	
9. Portion of remainder allocated to Utah (line 8 X line 5) .....		\$	
10. Add: Non-business income allocated to Utah (line 7(a) above) .....		\$	
11. Net income subject to Utah franchise tax (enter at line 9, page 1) .....		\$	

**Non-Business Income.** Attach schedule showing gross amounts, related expenses and net amounts of each item. Also explain the nature and source of each item being specifically allocated.

**Business and Nonbusiness Income Defined.** Section 59-13-78. (a) defines "business income" as "income arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations." In essence, all income which arises from the conduct of trade or business operations of a taxpayer is business income. For purposes of administration of the Uniform Division of Income for Tax Purposes Act, the income of the taxpayer is business income unless clearly classifiable as nonbusiness income.

**GENERAL INSTRUCTIONS FORM TC-20S**

**Note: A Copy of the Federal Return and Supporting Schedules Must Be Attached to This Return.**

**1. Who Must File.** Every small business corporation (as defined at Section 1371(a) of the Internal Revenue Code) which has filed a proper and timely election under Section 1372(a) shall file form TC-20S so long as the federal election remains in effect.

**2. Time and Place for Filing.** The return must be filed with the Tax Commission on or before the fifteenth day of April following the close of the calendar year for which the return is filed; or if the return is for a fiscal year, on or before the fifteenth day of the fourth month following the close of such fiscal year. The Tax Commission may grant a reasonable extension of time not exceeding six months for filing a return, if application therefor is made before the date prescribed above for filing such return, whenever in its judgment good cause exists.

**3. Accounting Period.** The taxable year for Utah shall be the same as for Federal income tax purposes. If a small business corporation changes the federal taxable year, it must change the Utah taxable year accordingly. However, permission to change shall be requested from the Tax Commission within 30 days after the close of the new filing period.

**4. Signatures and Verification.** The return shall be signed by a responsible officer of the corporation, the signature of whom need not be notarized but when signed shall be deemed made under oath.

**5. Income Taxed to a Small Business Corporation.** Every small business corporation is subject to payment of the corporation franchise tax on any income which is subject to the federal corporation income tax, adjusted, of course, for any applicable apportionment fraction. Also, the corporation franchise tax must be paid by a small business corporation on that percentage of income (other than income subject to federal tax) that the percentage of ownership of its outstanding shares of stock owned by non-resident individuals bears to the total outstanding shares of stock as of the last day of the corporation's filing period.

**6. Dividends and Other Distributions.** Any dividends or other distributions out of the corporation's earnings must be identified as to distributions out of earnings accumulated prior to 1-1-73, and/or earnings accumulated after 12-31-72.

**7. Net Income Assignable to Business Done in Utah.** If the corporation during the taxable year was taxable in another state complete schedule N.

A corporation is taxable in another state if (1) in that state it is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax, or (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not. See Tax Commission reg. 8.