

Form **1120S**
Department of the Treasury
Internal Revenue Service

**U.S. Small Business Corporation
Income Tax Return** for calendar year 1977 or

1977-78

other taxable year beginning September 1, 1977, ending August 31, 1978.

A Date of election as small business corporation

Sept. 3, 1972

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

8599

Use IRS label. Otherwise, print or type.

Name

H. Tracy Hall, Inc.

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 (See instruction R)

\$ 29,060

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.

GROSS INCOME	1	Gross receipts or gross sales	8,652	Less: Returns and allowances		1	8,652
	2	Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)				2	
	3	Gross profit				3	8,652
	4	(a)	Domestic dividends			4(a)	
		(b)	Foreign dividends			4(b)	
	5	Interest on obligations of the U.S. and U.S. instrumentalities			5		
	6	Other interest			6	171	
	7	Gross rents			7		
	8	Gross royalties			8		
	9		Gains and losses (attach separate Schedule D (Form 1120S) and/or Form 4797):				
		(a)	Net short-term capital gain reduced by any net long-term capital loss			9(a)	
(b)		Net capital gain (if more than \$25,000, see instructions)			9(b)		
	(c)	Ordinary gain or (loss) from Part II, Form 4797			9(c)		
10	Other income (see instructions—attach schedule)			10			
11	TOTAL income—Add lines 3 through 10			11	8,823		
DEDUCTIONS	12	Compensation of officers (Schedule E)			12		
	13	Salaries and wages (not deducted elsewhere)			13		
	14	Repairs (see instructions)			14		
	15	Bad debts (Schedule F if reserve method is used)			15		
	16	Rents			16	97	
	17	Taxes (attach schedule)			17	6	
	18	Interest			18	1,005	
	19	Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)			19		
	20	Amortization (attach schedule)			20	5	
	21	Depreciation from Form 4562 (attach Form 4562) 4,377, less depreciation claimed in Schedule A and elsewhere on return, Balance			21	4,377	
	22	Depletion (attach schedule)			22		
	23	Advertising			23		
	24	Pension, profit-sharing, etc. plans (see instructions) (enter number of plans)			24		
	25	Employee benefit programs (see instructions)			25		
	26	Other deductions (attach schedule)			26	4,108	
	27	TOTAL deductions—Add lines 12 through 26			27	9,598	
	28	Taxable income (line 11 less line 27) (see instructions)			28	(775)	
	TAX	29	Income tax on capital gains (Schedule J)			29	NONE
30		Minimum tax (see instructions—attach Form 4626)			30		
31		Total tax (add lines 29 and 30)			31		
32		(a)	Tax deposited with Form 7004 (attach copy)		32(a)		
		(b)	Tax deposited with Form 7005 (attach copy)		32(b)		
		(c)	Credit for U.S. tax on special fuels, nonhighway gas, and lubricating oil (attach Form 4136)		32(c)		
33		TAX DUE (line 31 less line 32). See instruction G for depository method of payment			33	NONE	
34	OVERPAYMENT (line 32 less line 31)			34			

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.

H. Tracy Hall 27 Oct 1978
Signature of officer Date

Elmer Fox, Westheimer & Co. 529-14-2208
Paid preparer's signature and identifying number (see Instructions)

President
Title

Elmer Fox, Westheimer & Co. 48-0581199
Certified Public Accountants
Paid preparer's address (or employer's name, address, and identifying number)

1675 North 200 West
Provo, Utah 84601

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable
Income, etc.—1977**

For calendar year 1977 or other taxable year
beginning September 1, 1977, ending August 31, 1978

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

(54)

(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 on investment indebtedness incurred prior to December 17, 1969
- (b) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969
- (c) Interest on investment indebtedness incurred after September 10, 1975
- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Form 4952 line reference

line 1
line 19
line 7
line 2 or 12(a)
line 13 and 24
line 25

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
- (b) Other real property
- (c) Personal property subject to a lease
- 2 Amortization: (a), (b), (c), (d)
- 3 Reserves for losses on bad debts of financial institutions
- 4 Depletion
- 5 Intangible drilling costs
- 6 Net capital gain (after tax)

Form 4625 line reference

line 1(b)(1)
line 1(b)(2)
line 1(c)
line 1(d), (e), (f) and (g)
line 1(h)
line 1(j)
line 1(l)

Part V Property Eligible for Investment Credit

- | | | |
|----------------------------------|-----------------------------------------------|-------------------------------|
| Basis of new investment property | (a) 3 or more but less than 5 years | 41 |
| | (b) 5 or more but less than 7 years | |
| | (c) 7 or more years | |
| Qualified progress expenditures | 1974, 1975, and 1976 | (d) 7 or more years |
| | 1977 | (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

Part VII New Jobs Credit

- 1 Shareholder's distributive share of new jobs credit

(a) Amount

Form 5884 line reference
line 18

Part VIII Other Shareholder Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership			4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held			
			Date acquired	Date of disposition		
Nancy Hall Provo, Utah	529-94-9795	1,750	9/1/74		NONE	NONE

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

H. Tracy Hall, Inc. 87-0293951
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.—1977

For calendar year 1977 or other taxable year beginning September 1, 1977, ending August 31, 1978.

Copy A
File with
Form 1120S

Part I Income

	(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)	(54)	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)		
-------------------------------------------------------------------------------------------------------	--	--

Part III Interest on Investment Indebtedness

		Form 4952 line reference
1(a) Interest on investment indebtedness incurred prior to December 17, 1969		line 1
(b) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969		line 19
(c) Interest on investment indebtedness incurred after September 10, 1975		line 7
2 Net investment income or (loss)		line 2 or 12(a)
3 Excess expenses from "net lease property"		line 13 and 24
4 Net capital gain attributable to investment property		line 25

Part IV Items of Tax Preference (See Instructions)

		Form 4625 line reference
1 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)
2 Amortization: (a), (b), (c), (d)		line 1(d), (e), (f) and (g)
3 Reserves for losses on bad debts of financial institutions		line 1(h)
4 Depletion		line 1(j)
5 Intangible drilling costs		line 1(l)
6 Net capital gain (after tax)		

Part V Property Eligible for Investment Credit

			Form 3468 line reference
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	41	line 1(c)
Qualified progress expenditures	1974, 1975, and 1976	(d) 7 or more years	line 1(d)
	1977	(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)

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	Column numbers and headings correspond to those on Form 4255
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)	

Part VII New Jobs Credit

	(a) Amount	Form 5884 line reference
1 Shareholder's distributive share of new jobs credit		line 18

Part VIII Other Shareholder Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership			4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held			
			Date acquired	Date of disposition		
Charlotte Hall Provo, Utah	528-80-8152	1,750	9/1/74		NONE	NONE

Corporation's name, identifying number, and address (including ZIP code)
H. Tracy Hall, Inc. 87-0293951
1190 Columbia Lane
Provo, Utah 84601

DATAFOLD FORMS, INC., N

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable
Income, etc.—1977**

For calendar year 1977 or other taxable year
beginning September 1, 1977, ending August 31, 1978

Copy A
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Part I Income

	(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)	(54)	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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Part III Interest on Investment Indebtedness

		Form 4952 line reference
1(a) Interest on investment indebtedness incurred prior to December 17, 1969		line 1
(b) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969		line 19
(c) Interest on investment indebtedness incurred after September 10, 1975		line 7
2 Net investment income or (loss)		line 2 or 12(a)
3 Excess expenses from "net lease property"		line 13 and 24
4 Net capital gain attributable to investment property		line 25

Part IV Items of Tax Preference (See Instructions)

		Form 4625 line reference
1 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)
2 Amortization: (a), (b), (c), (d)		line 1(d), (e), (f) and (g)
3 Reserves for losses on bad debts of financial institutions		line 1(h)
4 Depletion		line 1(j)
5 Intangible drilling costs		line 1(l)
6 Net capital gain (after tax)		

Part V Property Eligible for Investment Credit

		Form 3468 line reference
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	41 line 1(c)
Qualified progress expenditures	1974, 1975, and 1976	(d) 7 or more years line 1(d)
	1977	(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)

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	Column numbers and headings correspond to those on Form 4255
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)	

Part VII New Jobs Credit

	(a) Amount	Form 5884 line reference
1 Shareholder's distributive share of new jobs credit		line 18

Part VIII Other Shareholder Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership			4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held			
			Date acquired	Date of disposition		
Virginia Hall Provo, Utah	528-78-8080	1,750	9/1/74		NONE	NONE

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

H. Tracy Hall, Inc. 87-0293951
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.—1977**

For calendar year 1977 or other taxable year
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Part I Income		(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)	(54)	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)		

Part III Interest on Investment Indebtedness			Form 4952 line reference
1(a)	Interest on investment indebtedness incurred prior to December 17, 1969		line 1
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3	Excess expenses from "net lease property"		line 13 and 24
4	Net capital gain attributable to investment property		line 25

Part IV Items of Tax Preference (See Instructions)			Form 4625 line reference
1	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)
2	Amortization: (a), (b), (c), (d)		line 1(d), (e), (f) and (g)
3	Reserves for losses on bad debts of financial institutions		line 1(h)
4	Depletion		line 1(j)
5	Intangible drilling costs		line 1(l)
6	Net capital gain (after tax)		

Part V Property Eligible for Investment Credit			Form 3468 line reference
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	41	line 1(c)
Qualified progress expenditures	1974, 1975, and 1976	(d) 7 or more years	line 1(d)
	1977	(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)

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

Part VII New Jobs Credit		(a) Amount	Form 5884 line reference
1	Shareholder's distributive share of new jobs credit		line 18

Part VIII Other Shareholder Information					
1. Name and address of shareholder	2. Social security number	3. Stock ownership		4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held Date acquired Date of disposition		
J. Martin Neil San Jose, California	529-66-7245	1,750	9/1/74	NONE	NONE

Corporation's name, identifying number, and address (including ZIP code)
 H. Tracy Hall, Inc. 87-0293951
 1190 Columbia Lane
 Provo, Utah 84601

DATAFOLD FORMS, INC., N

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable
Income, etc.—1977**

For calendar year 1977 or other taxable year
beginning September 1, 1977, ending August 31, 1978

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Part I Income

	(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)	(54)	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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Part III Interest on Investment Indebtedness

		Form 4952 line reference
1(a) Interest on investment indebtedness incurred prior to December 17, 1969		line 1
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Part IV Items of Tax Preference (See Instructions)

		Form 4625 line reference
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3 Reserves for losses on bad debts of financial institutions		line 1(h)
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5 Intangible drilling costs		line 1(l)
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Part V Property Eligible for Investment Credit

			Form 3468 line reference
Basis of new investment property	(a) 3 or more but less than 5 years		line 1(a)
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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	Column numbers and headings correspond to those on Form 4255
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C							
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Part VII New Jobs Credit

	(a) Amount	Form 5884 line reference
1 Shareholder's distributive share of new jobs credit		line 18

Part VIII Other Shareholder Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership		4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held		
David R. Hall Princeton, NJ	528-66-4787	1,750	Date acquired: 9/1/74 Date of disposition:	NONE	NONE

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

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

DATAFOLD FORMS, INC., N

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable
Income, etc.—1977**

For calendar year 1977 or other taxable year
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(54)

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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

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- 4 Net capital gain attributable to investment property

Form 4952 line reference

line 1
line 19
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line 13 and 24
line 25

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- 5 Intangible drilling costs
- 6 Net capital gain (after tax)

Form 4625 line reference

line 1(b)(1)
line 1(b)(2)
line 1(c)
line 1(d), (e), (f) and (g)
line 1(h)
line 1(j)
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Part V Property Eligible for Investment Credit

- | | | |
|----------------------------------|-----------------------------------------------|-------------------------------|
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| | 1977 | (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

Part VII New Jobs Credit

- 1 Shareholder's distributive share of new jobs credit

(a) Amount

Form 5884 line reference
line 18

Part VIII Other Shareholder Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership			4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held			
			Date acquired	Date of disposition		
Daniel Bartholomew White Plains, NY	529-56-9730	1,750	9/1/74		NONE	NONE

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

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

87-0293951

DATAFOLD FORMS, INC., N

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable
Income, etc.—1977**

For calendar year 1977 or other taxable year
beginning September 1, 1977, ending August 31, 1978

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Part I Income		(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.
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2	Undistributed taxable income—long-term capital gain after tax		Sch. D, Part II

Part II Losses from Section 465 Activities		Form 4952 line reference
1	Shareholder's distributive share of losses from section 465 activities (see instructions)	line 1

Part III Interest on Investment Indebtedness		Form 4952 line reference
1(a)	Interest on investment indebtedness incurred prior to December 17, 1969	line 19
(b)	Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969	line 7
(c)	Interest on investment indebtedness incurred after September 10, 1975	line 2 or 12(a)
2	Net investment income or (loss)	line 13 and 24
3	Excess expenses from "net lease property"	line 25
4	Net capital gain attributable to investment property	

Part IV Items of Tax Preference (See Instructions)		Form 4625 line reference
1	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)
2	Amortization: (a), (b), (c), (d)	line 1(d), (e), (f) and (g)
3	Reserves for losses on bad debts of financial institutions	line 1(h)
4	Depletion	line 1(j)
5	Intangible drilling costs	line 1(l)
6	Net capital gain (after tax)	

Part V Property Eligible for Investment Credit		Form 3468 line reference
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	41 line 1(c)
Qualified progress expenditures	1974, 1975, and 1976 (d) 7 or more years	line 1(d)
	1977 (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)

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

Part VII New Jobs Credit		(a) Amount	Form 5884 line reference
1	Shareholder's distributive share of new jobs credit		line 18

Part VIII Other Shareholder Information		3. Stock ownership			4. Compensation	5. Percentage of time devoted to business
1. Name and address of shareholder	2. Social security number	Number of shares	Period held			
			Date acquired	Date of disposition		
H. Tracy Hall, Jr. Palo Alto, California	528-66-3544	1,750	9/1/74		NONE	NONE
Corporation's name, identifying number, and address (including ZIP code)						
H. Tracy Hall, Inc. 87-0293951 1190 Columbia Lane Provo, Utah 84601						

DATAFOLD FORMS, INC., N

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable
Income, etc.—1977**

For calendar year 1977 or other taxable year
beginning September 1, 1977, ending August 31, 1978

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

(186)

(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 on investment indebtedness incurred prior to December 17, 1969
- (b) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969
- (c) Interest on investment indebtedness incurred after September 10, 1975
- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Form 4952 line reference

line 1

line 19

line 7

line 2 or 12(a)

line 13 and 24

line 25

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
- (b) Other real property
- (c) Personal property subject to a lease
- 2 Amortization: (a), (b), (c), (d)
- 3 Reserves for losses on bad debts of financial institutions
- 4 Depletion
- 5 Intangible drilling costs
- 6 Net capital gain (after tax)

Form 4625 line reference

line 1(b)(1)

line 1(b)(2)

line 1(c)

line 1(d), (e), (f) and (g)

line 1(h)

line 1(j)

line 1(l)

Part V Property Eligible for Investment Credit

- | | | |
|----------------------------------|-----------------------------------------------|-------------------------------|
| Basis of new investment property | (a) 3 or more but less than 5 years | 142 |
| | (b) 5 or more but less than 7 years | |
| | (c) 7 or more years | |
| Qualified progress expenditures | 1974, 1975, and 1976 | (d) 7 or more years |
| | 1977 | (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

Part VII New Jobs Credit

- 1 Shareholder's distributive share of new jobs credit

(a) Amount

Form 5884 line reference

line 18

Part VIII Other Shareholder Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership			4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held			
			Date acquired	Date of disposition		
Ida Rose Hall Provo, Utah 84601	529-10-1716	6,000	8/30/72		NONE	NONE

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

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

DATAFOLD FORMS, INC. H

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable
Income, etc.—1977**

beginning September 1, 1977, ending August 31, 1978
For calendar year 1977 or other taxable year

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

(211)

(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 on investment indebtedness incurred prior to December 17, 1969
- (b) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969
- (c) Interest on investment indebtedness incurred after September 10, 1975
- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Form 4952 line reference

line 1

line 19

line 7

line 2 or 12(a)

line 13 and 24

line 25

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
- (b) Other real property
- (c) Personal property subject to a lease
- 2 Amortization: (a), (b), (c), (d)
- 3 Reserves for losses on bad debts of financial institutions
- 4 Depletion
- 5 Intangible drilling costs
- 6 Net capital gain (after tax)

Form 4625 line reference

line 1(b)(1)

line 1(b)(2)

line 1(c)

line 1(d), (e), (f) and (g)

line 1(h)

line 1(j)

line 1(l)

Part V Property Eligible 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, 1975, and 1976 (d) 7 or more years
 - 1977 (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)

163

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

Part VII New Jobs Credit

- 1 Shareholder's distributive share of new jobs credit

(a) Amount

Form 5884 line reference

line 18

Part VIII Other Shareholder Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership			4. Compensation	5. Percentage of time devoted to business
		Number of shares	Period held			
			Date acquired	Date of disposition		
H. Tracy Hall Provo, Utah 84601	529-07-9801	6,750	8/30/72		NONE	

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

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

H. TRACY HALL, INC.

87-0293951

SCHEDULE OF TAXES

Fiscal year ended August 31, 1978

Property taxes

\$ 6

SCHEDULE OF OTHER DEDUCTIONS

Freight and express

\$ 284

Insurance

92

Professional fees

380

Supplies

2,725

Utilities

602

Miscellaneous expense

25

Total

\$4,108

AMORTIZATION OF ORGANIZATION EXPENSES

Fiscal year ended August 31, 1978

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>320</u>
Unamortized balance August 31, 1977	5
Amortization for the fiscal year ended August 31, 1978	5

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)		(775)	
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		(775)	
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)		(775)	
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	592	
	Qualified progress expenditures	1974, 1975 and 1976	(d) 7 or more years	
		1977	(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 on investment indebtedness incurred prior to December 17, 1969			
	(2) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969			
	(3) Interest on investment indebtedness incurred after September 10, 1975			
	(b) Net investment income or (loss)			
	(c) Excess expenses from "net lease property"			
	(d) Net capital gain attributable to investment property			
12	Item of tax preference (see instructions): (a) Accelerated depreciation on—			
	(1) Low income rental housing			
	(2) Other real property			
	(3) Personal property subjected to a lease			
	(b) Amortization: (1) _____, (2) _____, (3) _____, (4) _____			
	(c) Reserve for losses on bad debts of financial institutions			
	(d) Depletion			
	(e) Intangible drilling costs			
	(f) Net capital gain (after tax)			
13	New jobs credit (see instructions)			

Additional Information Required

	Yes	No
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? (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: 1974 20,587; 1975 (4,158); 1976 (3,567)		
H Refer to page 7 of instructions and state the principal: Business activity <u>Research and engineering</u> Product or service _____		
I Were you a member of a controlled group subject to the provisions of section 1561?		X
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?		X

	Yes	No
Enter total amount of deduction(s) on Form 1120S that are claimed under section 274 (entertainment, gifts, etc.)		
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," see Instruction R.		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," you may be required to file Forms 3520, 3520-A, or 926.		X
O Was this firm in business at the end of 1977?	X	
P How many months in 1977 was this firm in business?		12

Schedule L Balance Sheets

Assets	Beginning of Taxable year		End of Taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
1 Cash		4,240		2,070
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.		9,163		14,348
5 Other current assets (attach schedule)				
6 Loans to shareholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets	32,501		33,093	
(a) Less accumulated depreciation	16,074	16,427	20,451	12,642
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)	325		325	
(a) Less accumulated amortization	320	5	325	
13 Other assets (attach schedule)				
14 Total assets		29,835		29,060
Liabilities and Shareholders' Equity				
15 Accounts payable				
16 Mtges., notes, bonds payable in less than 1 year		10,000		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		(18,568)		(19,343)
26 Less cost of treasury stock		()		()
27 Total liabilities and shareholders' equity		29,835		29,060

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

1 Net income per books	(775)	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	(775)
6 Total of lines 1 through 5	(775)		

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	(775)	(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)	(775)
		7 Other decreases (itemize)	
		8 Total of lines 5, 6, and 7	(775)
4 Total of lines 1, 2, and 3	(1,298)	9 Balance at end of year (line 4 less line 8)	(523)

UTAH SMALL BUSINESS CORPORATION FRANCHISE TAX RETURN

1977

Completed Return is to be filed with or mailed to STATE TAX COMMISSION OF UTAH

For Calendar Year 1977 or other taxable year beginning 9/1, 1977, ending 8/31, 1978

Federal Identification Number 87-0293951

Utah Sec. of State Number 057676

Returns made on the basis of the calendar year 1977 shall be filed with the State Tax Commission, State Office Bldg., Salt Lake City, Utah 84134, on or before April 15, 1978.

H. Tracy Hall, Inc. 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.

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).

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

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

Table with 11 rows for tax calculations. Includes taxable income, deductions, ownership percentages, net income, and tax due. Final tax due is 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.

27 Oct 1978 Date H. Tracy Hall Signature of officer President Title

1675 North 200 West, Provo, Utah Address 84601 Elmer Fox, Westheimer & Co. Certified Public Accountants

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

DESCRIPTION	<i>In Utah</i> (a)	<i>Everywhere</i> (b)	<i>Fraction</i> (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. Preprinted Labels. Use tax forms with preprinted label or reproduction thereof. If the address has changed, make correction directly on the label. The Utah Secretary of State number appears in parentheses on the preprinted label.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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 state 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.

9. First Return. Upon filing as a "small business" corporation for the first time, a copy of the federal letter of authorization from the Internal Revenue Service must be attached.

10. Penalty for Under Payment of Estimated Tax. For failure to pay a least 80% of the tax due on the return with extension request, a penalty of 1% of the total additional tax due on the return will be added if the failure to pay the total tax is for one month, with an additional 1% to be added for each additional month or fraction thereof during which failure continues, not exceeding 6% in the aggregate. This penalty will not apply if payment with the application is equal to or greater than the total tax paid on prior year's return if such tax exceeds \$25.00.

11. For Failure to Make and File a Return on Time. Penalty 5% of the amount of tax if the failure is for not more than one month, with an additional 5% for each additional month or fraction thereof during which such failure continues, not exceeding 25% in the aggregate.