TAX PAYER COPY

	rtment of the Treasury nal Revenue Service	_	taxable year beginning September 1, 1977, e	nding August 31 ,	19.7.8.	The same and the same and
	te of election as small	Use IRS label. Otherwise, print or type.	Name	A STATE OF THE STA	4.00	C Employer identification no.
Ī	- 2 1072	pr pr	H. Tracy Hall, Inc.		V. 1818	87-0293951
-	pt. 3, 1972 siness Code No. (see	RS vise typ	Number and street			D Date incorporated
1	ge 7 of instructions)	ery or	1190 Columbia Lane City or town, State, and ZIP code		N. N. Shah	August 30, 197
	8599	oth Oth	Provo, Utah 84601			E Enter total assets from line
_			schedules must be filled in. If the lines on the schedule	s are not sufficient see inst	truction N.	14 column (D) Schedule I
			65 (deductions limited to amount at-risk) applie			\$ 29,060
	Charles and the County of the		sales 8,652 Less: Returns and allo			8,652
			ld (Schedule A) and/or operations (attach sch			0,052
	3 Gross profit .				3	8,652
	The state of the s		s		4(a)	0,002
					4(b)	
					5	
			of the U.S. and U.S. instrumentalities		6	171
	7 Gross rents .				7	
					8	
			h separate Schedule D (Form 1120S) and/or			The way of the
			tal gain reduced by any net long-term capital lo			
	(b) Net capita	gain (if	more than \$25,000, see instructions)	A CONTRACT OF THE PARTY OF THE	9(b)	
	(c) Ordinary g	ain or (I	oss) from Part II, Form 4797		9(c)	·
			ructions—attach schedule)		10	
	11 TOTAL	income-	-Add lines 3 through 10		11	8,823
	12 Compensation	of offic	ers (Schedule E)		12	
			ot deducted elsewhere)		13	
			ns)		14	
			if reserve method is used)		15	
					16	97
)		17	6
					18	1,005
			5% of line 28 adjusted per instructions—atta		19	
	The second secon		chedule)	Management of the Control of the Con	20	5
			4562 (attach Form 4562)4.377		-20	
					21	4,377
			e A and elsewhere on return	, Balance	22	
	22 Depletion (atta				23	
	23 Advertising .		and the second of the contract of the second			
			etc. plans (see instructions) (enter number of	plans)	24	
	THE RESIDENCE OF THE PARTY OF	Designation of the last of the	ams (see instructions)		25	/ 100
		and the second	h schedule)		26	4,108
			ns—Add lines 12 through 26		27	9,598
		was a start	less line 27) (see instructions)	THE STATE OF THE S	28	(775)
			ains (Schedule J)		29	NONE
			uctions—attach Form 4626)	199	30	
			and 30)		31	
		The second second	ted with Form 7004 (attach copy)	32(a)		
	(b) Ta	x depos	ited with Form 7005 (attach copy)	32(b)		A No.
	(c) Cr	edit for	J.S. tax on special fuels, nonhighway gas, and	32(c)	1 4 5	
			oil (attach Form 4136)	(0)		William S. Market Age .
			line 32). See instruction G for depositary met	nod of payment>	33	NONE
	34 OVERPAYMENT				34	
	nder penalties of perjury,	I declare t	nat I have examined this return, including accompanying schedurer (other than taxpayer) is based on all information of which	les and statements, and to the	best of my	knowledge and belief it is true,
	t, and complete. Declarat	ion of prep	arer (other than taxpayer) is based on all information of which	the preparer has any knowledge		
	7. Ina	·11 -	Jell 27 pet 1978 1	and a comment		529-14-2
	1 000	h	100-1110	s signature and identifying		

Paid preparer's address (or employer's name, address, and identifying number)
1675 North 200 West
Provo, Utah 84601

Sch	edule A Cost of Good	s Sold (See inst	ruction 2)	-100 -			4
2 Me 3 Sa 4 Ot 5 To 6 Le 7 Co 8 (a) (b)	rentory at beginning of year erchandise bought for manufalaries and wages	and on line 2, page used for total closing n) r LIFO inventory me do was used for this LIFO	thod was adopted and staxable year, enter	percentag ordance wi	th section	1.471–11 of the	
Colo		of Officers (See in	estruction 12)		N. RAS	44.6	12 25 37
Scil	1. Name of officer		2. Social security number	3. Time devoted to business	4. Percent- age of cor- poration stock owned	5. Amount of compensation	6. Expense account allowances
185	otal compensation of officers	Enter here and or eserve Method (Se					
1. Year	Trade notes and accounts re- ceivable outstanding at end of year	3. Sales on account	A STATE OF THE STA	5. Rec	overies	6. Amount charged against reserve	7. Reserve for bad debts at end of year
1972 1973 1974 1975 1976 1977				138			
	edule J Tax Computat	ion (See instruction	ons)		- 100		
2 En 3 Lir 4 En 5 Lir 6 En 7 En 8 En 9 Ad	xable income (line 28, page 1) ter \$25,000. (Members of a cone 1 less line 2 ter line 3 or \$25,000, whichever a less line 4 ter 20% of line 2 ter 22% of line 4 ter 48% of line 5 d lines 6, 7, and 8 ter capital gain (from line 9(b))	er is lesser. (Membe		up, see ins	tructions)		
11 Su12 Ba13 En	btract \$25,000. (Statutory min lance (line 10 less line 11). (Ster 30% of line 12. (See ins-	nimum)	ever is lesser) Enter l	nere and o	n line 29 n	age 1	\$25,000.00



Department of the Treasury Internal Revenue Service

Provo, Utah

84601

Shareholder's Share of Undistributed Taxable Income, etc.—1977 For calendar year 1977 or other taxable year August 31 19.78

Part I	Income		The state of the s			(a) Amount	amount as ind	filers enter col. (a) licated below. Form or col. (a) amount in tine of that form.
1 Undistril	buted taxable	e income—ordi	nary income or (loss)		(54)	Sch. E, Par	t III
			g-term capital ga				Sch. D, Par	t II
Part II	Losses fro	m Section 4	65 Activities			100		
1 Shareholde	er's distributive	share of losses fro	om section 465 activi	ities (see instru	ictions)	L. C. O. L. R. C.		
Part III	Interest or	Investment	Indebtedness				Form 4952 I	ine reference
1(a) Interest	on investme	nt indebtednes	s incurred prior to	o December	17. 1969		line 1	
			s incurred prior to			KIND BIRT	- 1970	
					The state of the s		line 19	
			incurred after S				line 7	
							line 2 or 12	(a)
		and the second s	perty"				line 13 and	And the second s
			estment property			ALCOHOLD BY	line 25	
			e (See Instruc		041736		Form 4625 lin	ne reference
			come rental housi			TALL STREET	line 1(b)(1	
			· · · · ·				line 1(b)(2	
							line 1(c)	
			9					e), (f) and (g)
			, (c)				line 1(h)	e), (i) and (g)
		and the second s	ncial institutions		The second secon		line 1(i)	150
							line 1(l)	
							//////////////////////////////////////	
			vestment Cred					
	-						Form 3468 li	ne reterence
Basis of new nvestment								
property	(b) 5 or more bu	it less than 7 year	ers			line 1(b)	
Description In	(c) 7 or more ye	ears			41	line 1(c)	
I OBI COO							line 1(d)	
expenditures	1977	(e)	7 or more years					
Cost of used	(f)	3 or more bu	it less than 5 year	rs			line 1(f)	Control of the last
property			it less than 7 year				line 1(g)	
	(h	7 or more ye	ars			1'4	line 1(h)	
Part VI		Sed in Recoi	mputing a Price	or Year In		(3) Cost	Column numbe	ers and headings
	(Inc	dicate whether new or	used)	A Same	(2) Date placed in service	or basis	correspond to th	ose on Form 4255
1	1 1						_	
3		1000		A13 (1)			_	
3 1 6		1 1150		2 7 7 8 2 118		alternation of the same	_	
(4) Estimated useful life	(5) Applica- ble per- centage	(6) Original qualit investment (Col 3 x col, 5)	to be in-	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)		
			credit property				-	
	1 2		T D. CAR	1. 1. 1. 1. 1. 1.			-	
	17						-	
D- 4 VII 1	law Jaha C							
Part VII						(a) Amount	Form 5884 line	e reference
			w jobs credit .				l line 18	
Part VIII	Other Shar	eholder Info	rmation	1 1 1 1 1 1 1 1			THE STATE OF	
1. N	ame and address	of	2. Social security	Number o	3. Stock owner	ship eriod held	4. Compensation	5. Percentage of time devoted
	shareholder	8. Y 11 9.	number	shares	Date acquired			to business
Nancy Ha	all		529-94-9795	1,750	9/1/74		NONE	NONE

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 August 31 1978

Part I	Income							(a) Amount	amount as ind 1041 filers ente	filers enter col. (a) icated below. Form r col. (a) amount inne of that form.
1 Undistri	buted taxabl	e income—or	dinary inco	me or (loss)			(54)	Sch. E, Part	t III
2 Undistri	buted taxabl	e income—lo	ng-term ca	pital gai				ar Chec	Sch. D, Par	t II
Part II	Losses fro	m Section	465 Activ	vities		110		W. TP ASSESS		
		share of losses			ties (see instru	uctions) .		型。即是被制		
Part III	Interest or	n Investmen	t Indebte	dness	THIE				Form 4952 I	ine reference
1(a) Interest	on investme	nt indebtedne	ess incurred	prior to	December	17, 1969			line 1	
(b) Interest	on investme	nt indebtedne	ss incurred	prior to	September	11, 1975	5, but			
after De	cember 16,	1969						<u> </u>	line 19	
		nt indebtedne							line 7	
and the second s		me or (loss)							line 2 or 12	(a)
		n "net lease p							line 13 and	24
4 Net capi	tal gain attr	ibutable to in	vestment p	property					line 25	
Part IV	Items of 7	Tax Preferen	nce (See	Instruc	ctions)	1700	-		Form 4625 lin	ne reference
1 Accelerated	depreciation	on: (a) Low i	ncome rent	tal housi	ng	1. 1			line 1(b)(1)).
								TO PART OF	line 1(b)(2))
		ubject to a lea						THE BUT IN	line 1(c)	THE REAL PROPERTY.
2 Amortization:										e), (f) and (g)
3 Reserves fo						,		- 120-54	line 1(h)	77. (7
2 -0.110.0							-		line 1(j)	K CLASS
4 Depletion 5 Intangible of							-	THE COURSE	line 1(l)	
6 Net capital							-			
		ligible for				- U.S.	• • •		Form 3468 li	
	-						1		line 1(a)	no reference
Basis of new investment		a) 3 or more							line 1(b)	
property		b) 5 or more						41	line 1(c)	
Qualified 1		c) 7 or more							line 1(d)	
bioRissa		and 1976 (c	The second second second			Contract to the second			line 1(e)	
expenditures	1977								line 1(f)	
Cost of used	10.7	3 or more							-	
investment property		s) 5 or more l							line 1(g)	
	Droporty I	7 or more	years	o Deia	v Voor In		A Cund	4	line 1(h)	
Part VI		Ised in Rec		a Pric	r rear in	(2) Date		(3) Cost		ers and headings
The second second	(In	dicate whether new	or used)			in serv		or basis	correspond to th	ose on Form 4255
A		- 198							-	
В			1.00							
С				1				A TAXABLE		
(4) Estimated useful life	(5) Applica- ble per- centage	(6) Original qua investment (0 3 x col. 5)	ol. item	Date ceased be in-	(9) Actual useful life	(10) Appl percent	icable age	(11) Qualified investment (Col. 3 x col. 10)		
**	Je 10 10	1 1	THE PARTY	51	*	BH ALL		(Var. Barrier		
7 Flg. 1	(1) P		C. I I		0.14314	May or an		S ST. C. SPACE OF		
Allega All	Sec. 12. 12. 5	F & 7 W	7.7				703		-	
Part VII	New Jobs C	redit		18	1 (6.00)	10.76		(a) Amount	Form 5884 line	
the same of the sa		ve share of n	ew jobs cr	redit .		100	-	(a) ranount	line 18	
		reholder Inf		ouit .			- 10			
						3. Sto	ock owners	hip		5. Percentage of
1. N	ame and address shareholder	of	2. Social :		Number o			iod held	4. Compensation	time devoted to business
Charlot	to Uoll				shares	Date	acquired	_ Date of disposition		- to business
*************			528-80	-8152	1,75	0 9	/1/74		NONE	NONE
Corporation's H. Trac	, Utah name, ident y Hall, lumbia L	Inc.	r, and add		cluding ZIP 293951	code)				

Department of the Treasury Internal Revenue Service

> 1190 Columbia Lane Provo, Utah 84601

Shareholder's Share of Undistributed Taxable Income, etc.—1977 beginning September 1 1977 or other taxable year August 31 19 78

Part I Income					(a) Amount	(b) Form 1040 amount as ind 1041 filers ente corresponding li	filers enter col. (a) licated below. Form or col. (a) amount in ine of that form.
1 Undistributed taxable incom	ne—ordinar	v income or (loss)		(54)	Sch. E, Parl	t III
2 Undistributed taxable incor	ne-long-te	rm capital gai	n after tax			Sch. D, Par	t II
Part II Losses from Se	ction 465	Activities					
1 Shareholder's distributive share o	f losses from s	section 465 activit	ties (see instru	uctions)		-	
Part III Interest on Inve	stment In	debtedness		Relative To		THE RESERVE OF THE PARTY OF THE	ine reference
1(a) Interest on investment inde	btedness in	curred prior to	December	17. 1969	CONTRACT - INST	line 1	
(b) Interest on investment inde after December 16, 1969 (c) Interest on investment inde	btedness in	curred prior to	September 10	11, 1975, but 		line 19	
2 Net investment income or (line 2 or 12	
3 Excess expenses from "net	lease proper	ty"				line 13 and	24
4 Net capital gain attributable	e to investn	nent property				line 25	
Part IV Items of Tax Pr	eterence	(See Instruc	tions)			Form 4625 lin	ne reference
1 Accelerated depreciation on: (a) Low incom	e rental housi	ng			line 1(b)(1))
(b) Other real property						line 1(b)(2))
(c) Personal property subject t	o a lease .					line 1(c)	
2 Amortization: (a) (line 1(d), (e), (f) and (g)
3 Reserves for losses on bad deb						line 1(h)	TS ALL SALES
4 Depletion				100		line 1(j)	
5 Intangible drilling costs						line 1(l)	
6 Net capital gain (after tax) .							
Part V Property Eligible	for Inves	tment Credi	it	ALDEW T	100	Form 3468 li	ne reference
						line 1(a)	
						-	BUY V. S.
property (c) 7 or	more years	ss than 7 year	13	Maria de la Companya	41	-	
Qualified 1974, 1975, and 197	76 (d) 7	or more years				line 1(d)	
progress expenditures 1977							
						line 1(f)	
						line 1(g)	
(6) 50	more but le	ess than 7 year	rs			line 1(h)	
Part VI Property Used in	Recomp	uting a Prin	r Vear In	vestment Cre	dit	into I(ii)	
(1) Descrip	tion of property		i icai iii		(3) Cost	- Column numbe	ers and headings
(Indicate whi	ther new or use	d)	1	(2) Date placed in service	or basis	correspond to th	ose on Form 4255
A						-	
В				Park I		-	
(4) Estimated ble per- inves	ginal qualified stment (Col. 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	11 2				(a) Amount	Form 5884 line	e reference
1 Shareholder's distributive shar	e of new jo	obs credit .				line 18	
Part VIII Other Sharehold			1 10	No Charles			
1. Name and address of shareholder	2.	Social security number	Number o	3. Stock owner Date acquired	eriod held	4. Compensation	5. Percentage of time devoted to business

Department of the Treasury Internal Revenue Service

Provo, Utah 84601

Shareholder's Share of Undistributed Taxable Income, etc.—1977 beginning September 1977, ending August 31 19 7.8

				(a) Amount	1041 filers ente	filers enter col. (a) icated below. Form r col. (a) amount in ne of that form.
1 Undistributed taxable income—o	rdinary income or (I	oss)		(54)	Sch. E, Part	III
2 Undistributed taxable income—le					Sch. D, Pari	t II
Part II Losses from Section	465 Activities					
1 Shareholder's distributive share of losses	from section 465 activit	ies (see instru	ctions)	THE REAL PROPERTY.		
Part III Interest on Investme	nt Indebtedness				Form 4952 I	ine reference
1(a) Interest on investment indebtedn	ess incurred prior to	December	17. 1969		line 1	
(b) Interest on investment indebtedn after December 16, 1969	ess incurred prior to	September	11, 1975, but		line 19	
(c) Interest on investment indebtedne				Annual Review	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 it	nvestment property				line 25	HARAIT CO.
Part IV Items of Tax Prefere	ence (See Instruc	tions)			Form 4625 lin	e reference
1 Accelerated depreciation on: (a) Low	income rental housing	ng			line 1(b)(1)	
(b) Other real property					line 1(b)(2)	
(c) Personal property subject to a le	ase				line 1(c)	
2 Amortization: (a), (b)	, (c)	(d)		15 10 10 10	line 1(d), (d	e), (f) and (g)
3 Reserves for losses on bad debts of f	inancial institutions .				line 1(h)	TENANT PER
4 Depletion					line 1(j)	
5 Intangible drilling costs					line 1(l)	
6 Net capital gain (after tax)						
Part V Property Eligible for	Investment Credi	it	The hold W.		Form 3468 li	ne reference
	but less than 5 year	rs				
investment property (b) 5 or more	but less than 7 year	rs				
(c) 7 or more	years					40 m - 45
Qualified 1974, 1975, and 1976						
expenditures 1977	(e) 7 or more years.				line 1(e)	
	but less than 5 year	rs			line 1(f)	
	but less than 7 year				line 1(g)	
(n) / or more	years			l'A	line 1(h)	
Part V Property Used in Red (1) Description of (Indicate whether ne		r vear in	(2) Date placed in service	(3) Cost or basis	Column numbe correspond to th	ers and headings ose on Form 4255
A		1.0			-	
В					-	
C					-	
(4) Estimated useful life (5) Applicable percentage (6) Original quinvestment (3 x col. \$	(Col. to be in-	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)	-	
	4				-	
		4.491			-	
Part VII New Jobs Credit				(a) Amount	Form 5884 line	e reference
1 Shareholder's distributive share of Part VIII Other Shareholder In					l line 18	
1. Name and address of	2. Social security		3. Stock owner	ship eriod held	4. Compensation	5. Percentage of time devoted
shareholder	number	Number of shares	Date acquired	Date of disposition	4. Compensation	to business
J. Martin Neil			10 10 10 10		100 100	
San Jose, California	529-66-7245	1,750	9/1/74		NONE	NONE

Department of the Treasury Internal Revenue Service

Provo, Utah 84601

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

beginning September 1 1977 or other taxable year August 31 1978

Part I	Income					(a) Amount	amount as ind	filers enter col. (a) icated below. Form or col. (a) amount in the control of that form.
1 Undistri	buted taxabl	e income—ordina	ry income or (loss)		(54)	Sch. E, Parl	111
2 Undistri	buted taxabl	e income-long-te	erm capital gai			1 19 THE TOTAL	Sch. D, Par	t II
Part II	Losses fro	m Section 465	Activities					
		share of losses from		ties (see instr	uctions)			
Part III	Interest or	n Investment Ir	debtedness		100		Form 4952 1	ine reference
1(a) Interest	on investme	nt indebtedness in	ncurred prior to	o December	17, 1969		line 1	LOW TO THE
		nt indebtedness in					line 19	
		nt indebtedness in				Description :	line 7	
		me or (loss)					line 2 or 12	(a)
		n "net lease prope					line 13 and	24
4 Net capi	ital gain attr	ibutable to invest	ment property				line 25	
Part IV	Items of 7	ax Preference	(See Instruc	ctions)			Form 4625 lin	ne reference
1 Accelerated	depreciation	on: (a) Low incor	ne rental housi	ing			line 1(b)(1)
				1,343,348			line 1(b)(2))
Market Control	The second secon	ubject to a lease .					line 1(c)	
	A CONTRACT OF STREET	, (b)	No. of the control of				line 1(d), (e), (f) and (g)
		ad debts of financ					line 1(h)	
				11			line 1(j)	
							line 1(l)	
		tax)						
Part V	Property E	ligible for Inve	stment Cred	it	SIR COL		Form 3468 li	ne reference
Basis of new	l (a	a) 3 or more but I	ess than 5 year	rs	Maria de la compansa del compansa de la compansa del compansa de la compansa de l		line 1(a)	
investment) 5 or more but I					line 1(b)	
property) 7 or more year					line 1(c)	
Qualified 1		and 1976 (d) 7					line 1(d)	
progress expenditures	1977							
Cost of used	1 (5						line 1(f)	
investment							line 1(g)	
property		7 or more year					line 1(h)	
Part VI	Property U	sed in Recomp	uting a Prio	r Year In	vestment Cre	dit	0-1	as and bandines
	(10)	 Description of property dicate whether new or us 	(hed)		(2) Date placed	(3) Cost or basis	correspond to th	rs and headings ose on Form 4255
A	(iii	dicate whether new or ba	,47		III service	0, 00310	7//////////////////////////////////////	
В			1 - 1 - 1	ALL STATES	DEPLEMS 13/1		-	
C				THE LONG	医水平沟 生民		-	
(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)	-	
							-	
Part VII	New Jobs C	redit	The 12 18 16			(a) Amount	Form 5884 line	reference
		ve share of new					line 18	
Part VIII	Other Shar	eholder Inform	ation		4	16/2 9 4/1		
1. N	ame and address	of 2	. Social security	No No	3. Stock owne	rship Period held	4. Compensation	5. Percentage of time devoted
	shareholder		number	Number of shares	Date acquire		4. Compensation	to business
David R Prince	. Hall eton, NJ	52	8-66-4787	1,750	9/1/74		NONE	NONE
H. Tracy	name, ident y Hall, l lumbia La		d address (inc 7-0293951	cluding ZIP	code)			

Department of the Treasury

Provo, Utah 84601

Internal Revenue Service

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

For calendar year 1977 or other taxable year beginningSeptember 1 1977, endingAugust 31 19.78

Copy A File with Form 1120S

Part I	Income					(a) Amount	amount as ind 1041 filers ente	filers enter col. (a icated below. Form r col. (a) amount in ne of that form.
1 Undistrib	outed taxable	e income—ordi	nary income or (loss)		(54)	Sch. E, Part	111
			g-term capital ga				Sch. D, Pari	11
Part II	Losses fro	m Section 4	65 Activities		A TABLE !			
1 Shareholde	er's distributive	share of losses fro	om section 465 activi	ties (see instru	ctions)			
Part III	Interest on	Investment	Indebtedness		d San Market		Form 4952 I	
1(a) Interest	on investme	nt indebtedness	s incurred prior to	December	17. 1969	Carroll 19 19	line 1	
			incurred prior to					
					A A A		line 19	
			incurred after Se				line 7	V. T. T. T. T. T.
						P T N LAKE	line 2 or 12	(a)
			perty"				line 13 and	1-1-
			estment property				line 25	War 1970
			e (See Instruc			W. Wolfers C. No.	Form 4625 lin	e reference
			come rental housi		W. All		line 1(b)(1)	
	The state of the s						line 1(b)(2)	
						TO ALL STORY	line 1(c)	1
	70.00		e					e), (f) and (g)
			, (c)	1	***************************************	The Assessment Control	line 1(h)	e), (i) and (g)
			ncial institutions				line 1(i)	
							line 1(l)	
			vestment Cred		• • • • •			
Part V			The state of the s				Form 3468 Ii	ne reference
Basis of new nvestment			it less than 5 year				line 1(a)	
property			it less than 7 year				line 1(b)	
N. W. W.			ears			41	The second of th	
Qualified 1		A STATE OF THE PARTY OF THE PAR	7 or more years					
expenditures	1977	(e)	7 or more years				line 1(e)	
Cost of used	(f)	3 or more bu	it less than 5 year	rs			line 1(f)	
nvestment property			it less than 7 year				line 1(g)	
			ears			JIA	line 1(h)	
Part VI			mputing a Price	or Year In			Column numbe	rs and headings
	(Inc	 Description of projection of projection 	used)		(2) Date placed in service	(3) Cost or basis	correspond to th	ose on Form 4255
1	DETERM A			* 114	TOWN OWN PRO			
3							_	
					DINK TEN			
(4) Estimated useful life	(5) Applica- ble per- centage	(6) Original qualifinvestment (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)		
F1 1 3 1 3 1	- 1. N	4 4 7 2 4						
John Billian	76-				da sel manda		-	
				7		No. 12 (19)	-	
Part VII	New Jobs C	redit	Cha Maria	T NAMES		(a) Amount	Form 5884 line	
			w jobs credit .	D. Jakon	T VALENTAL	(a) ranount	line 18	
		eholder Info					11110 20	100
			1.0		3. Stock owne	ership		5. Percentage of
1. N	ame and address shareholder	of	2. Social security number	Number of		Period held	4. Compensation	time devoted to business
the Commence of				shares	Date acquire	Date of disposition		- To business
Doniel	Dat LIIO TOI		529-56-9730	1,750	9/1/7	4	NONE	NONE
Daniel	Plains,	ATT7						

87-0293951

Department of the Treasury Internal Revenue Service

1190 Columbia Lane Provo, Utah 84601

Shareholder's Share of Undistributed Taxable Income, etc.—1977 beginning September 1 1977 or other taxable year August 31 19 78

Part I	Income			ار مار				(a) Amount	amount as indi	filers enter col. (a) icated below. Form r col. (a) amount in ne of that form.
1 Undistri	buted taxabl	e income—or	dinary income	or (le	oss)	1		(54)	Sch. E, Part	III
			ng-term capita						Sch. D, Part	11
Part II	Losses fro	m Section	465 Activiti	es		The Co				
1 Sharehold	er's distributive	share of losses	from section 465	activiti	ies (see instru	uctions)				
Part III	Interest or	Investmen	t Indebtedn	ess		W 10			Form 4952 II	ine reference
1(a) Interest	on investme	nt indebtedne	ess incurred pr	rior to	December	17, 19	69		line 1	NITE WES
			ss incurred pr							
						110			line 19	
			ss incurred aff						line 7	
				Charles and the	seed annually help				line 2 or 12	(a)
			roperty"						line 13 and	24
			vestment prop						line 25	
			nce (See In:						Form 4625 lin	e reference
1 Accelerated	depreciation	on: (a) Low	ncome rental	housin	19	4 11-			line 1(b)(1)	
								45.45	line 1(b)(2)	
			se					Section Rules	line 1(c)	24 . 74
2 Amortization:										e), (f) and (g)
			nancial institut			,			line 1(h)	77 (7)
				ions .					line 1(j)	
									line 1(l)	
6 Net capital	The state of the s									
			Investment			All N	N		Form 3468 lin	
				10120.11					line 1(a)	
Basis of new investment		The second secon	but less than						line 1(b)	0 1 1 1
property			but less than years					41	line 1(c)	
Oualified 1			i) 7 or more y						line 1(d)	
progress	1977		e) 7 or more y						line 1(e)	
					VIEW PART OF	ALC: NO	T. Y		line 1(f)	
Cost of used investment			but less than						line 1(g)	
property	The second secon		but less than i						line 1(h)	
Part VI			omputing a					it	mic Z(ii)	1
rait vi		1) Description of p		11101	rear in		te placed	(3) Cost		ers and headings ose on Form 4255
	(In	dicate whether new	or used)			in s	ervice	or basis	- Correspond to th	ose on Form 4255
A		-42							-	
B			- 10			Hel Con			-	
(4) Estimated useful life	(5) Applica- ble per- centage	(6) Original qui investment (6 3 x col. 5)	ol. to be i	n- nt	(9) Actual useful life	(10) A perc	pplicable entage	(11) Qualified investment (Col. 3 x col. 10)		
								712		
Part VII	New Johs C	redit	1 44 5	21.			-	(a) Amount	Form 5884 line	
1 Shareholder			new jobs credi	+	A PROPERTY.		-	(a) Amount	line 18	reference
		reholder Inf				1 1	1-17-11		, mic 10	
						3.	Stock owners	hip		5. Percentage of
24	lame and address shareholder		2. Social secu number	rity	Number of shares		Pe ate acquired	Date of disposition	4. Compensation	time devoted to business
**************	y Hall, Alto, Ca		528-66-3	544	1,750	9	/1/74		NONE	NONE
Corporation's		ifying numbe	r, and addres	THE REAL PROPERTY.	0.00	code)				

Department of the Treasury Internal Revenue Service

1190 Columbia Lane Provo, Utah 84601

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

For calendar year 1977 or other taxable year August 31 19 78

Part					(a) Amount	amount as ind 1041 filers ente	filers enter col. (a icated below. Form r col. (a) amount in ne of that form.
1 Undistributed tax	able income—ord	linary income or (le	oss)		(186)	Sch. E, Part	III
		g-term capital gair			ALCOHOL: N	Sch. D, Pari	: 11
Part II Losses	from Section 4	65 Activities					
1 Shareholder's distrib	tive share of losses f	rom section 465 activiti	es (see instru	ctions)			
Part III Interest	on Investment	Indebtedness				Form 4952 I	
1(a) Interest on invest	ment indebtednes	s incurred prior to	December	17. 1969		line 1	
(b) Interest on invest		s incurred prior to	September	11, 1975, but		line 19	T LA
(c) Interest on invest	The state of the s		ntombor 10			line 7	
The second secon						line 2 or 12	(a)
						line 13 and	`
3 Excess expenses	rom "net lease pr	estment property .				line 25	24
Part IV Items o	f Tay Preferen	ce (See Instruct	tions)			Form 4625 lin	a reference
1 Accelerated deprecia	tion on: (a) Low in	come rental housing	g			line 1(b)(1)	-
(b) Other real prop	erty					line 1(b)(2)	
(c) Personal propert	y subject to a leas	se				line 1(c)	
2 Amortization: (a)	, (b)	, (c)	(d)				e), (f) and (g)
3 Reserves for losses	n bad debts of fin	ancial institutions .				line 1(h)	
4 Depletion						line 1(j)	
5 Intangible drilling co	sts					line 1(l)	
6 Net capital gain (aft							
Part V Property	Eligible for li	nvestment Credi	t			Form 3468 li	
Basis of new	(a) 3 or more b	ut less than 5 year	s			line 1(a)	100
investment		ut less than 7 year				line 1(b)	4147
property	(c) 7 or more v	ears			142	line 1(c)	
Qualified 1974, 197		7 or more years .				line 1(d)	
DIOKIG22		7 or more years .		The second secon		line 1(e)	
						line 1(f)	
Cost of used investment		ut less than 5 year		DESCRIPTION OF THE PARTY OF THE		line 1(g)	
property		ut less than 7 year				line 1(h)	
Part VI Property	Used in Reco	mputing a Prior	Vear Inv	estment Cred	it	IIIIC Z(II)	
Fait VI Property	(1) Description of pro		Teal IIIV		(3) Cost	Column numbe	rs and headings
	(Indicate whether new o	or used)	100	(2) Date placed in service	or basis	correspond to th	ose on Form 4255
A						-	
В		ACT THE RESERVE		The Carlotte of the Carlotte o			
C	0 11 100	THE REAL PROPERTY.			une to the dis		
(4) Estimated useful life (5) Appli ble per centage	investment (Co		(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)	-	
			8			-	
Part VII New Job					(a) Amount	Form 5884 line	
1 Shareholder's distrib						line 18	
Part VIII Other S	hareholder Info	rmation			Residence of the second		
1. Name and add shareholde		2. Social security number	Number of shares	3. Stock owners Per Date acquired	iod held Date of disposition	4. Compensation	5. Percentage of time devoted to business
Ida Rose Hall		529-10-1716	6,000	8/30/72		NONE	NONE

Department of the Treasury Internal Revenue Service

1190 Columbia Lane Provo, Utah 84601

Shareholder's Share of Undistributed Taxable Income, etc.—1977 beginning September elendar year 1977 or other taxable year August 31 19 78

Part I Income					(a) Amount	1041 filers ente	filers enter col. (a) icated below. Form r col. (a) amount in ne of that form.		
1 Undistributed taxable	e income—ordinar	y income or (loss)		(211)	Sch. E, Part	III		
2 Undistributed taxable	e income-long-ter	rm capital gai				Sch. D, Part II			
	m Section 465								
1 Shareholder's distributive	share of losses from s	ection 465 activit	ties (see instru	ctions)					
Part III Interest on	Investment Inc	debtedness				Form 4952 I	ine reference		
1(a) Interest on investme	nt indebtedness in	curred prior to	December	17, 1969		line 1			
(b) Interest on investment after December 16,						line 19			
(c) Interest on investmen						line 7			
2 Net investment incor						line 2 or 12	(a)		
3 Excess expenses from						line 13 and			
4 Net capital gain attri						line 25			
Part IV Items of T				e la Albigna		Form 4625 lin	e reference		
1 Accelerated depreciation						line 1(b)(1)			
(b) Other real property						line 1(b)(2)	1000		
(c) Personal property su				7. Petal	THE PARTY	line 1(c)	4		
2 Amortization: (a)					N 14 14 14 14 14 14 14 14 14 14 14 14 14		e), (f) and (g)		
3 Reserves for losses on b						line 1(h)	199		
				Mark 11		line 1(j)			
5 Intangible drilling costs						line 1(l)	1000		
6 Net capital gain (after t									
Part V Property E						Form 3468 li			
						line 1(a)	de la		
	3 or more but le					line 1(b)			
	5 or more but le7 or more years				163	line 1(c)	100		
	and 1976 (d) 7 c					line 1(d)			
progress 1977						line 1(e)			
1 40						line 1(f)			
	3 or more but le			The second secon		line 1(g)			
property (6) 5 or more but le) 7 or more years					line 1(h)			
	sed in Recomp				lit				
	1) Description of property	SIL TO A POPULATION OF THE PARTY OF THE PART	1001	(2) Date placed	(3) Cost		rs and headings ose on Form 4255		
	dicate whether new or used	1)		In service	or basis	Correspond to the	036 011 101111 4233		
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 in- vestment	(9) Actual useful life	(10) Applicable percentage	(11) Qualified investment (Col. 3 x col. 10)				
		credit property		-					
	Land Control					-			
	B. B					-			
Down Will May John C	rodit								
Part VII New Jobs C		h #4			(a) Amount	Form 5884 line	reterence		
Shareholder's distributive						l line 18			
Part VIII Other Shar	eholder Informa	ILIOII	Same of	3. Stock owne	shin		I E Damenton of		
1. Name and address shareholder	of 2.	Social security number	Number of		eriod held	4. Compensation	5. Percentage of time devoted		
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	nombet	shares	Date acquired	Date of disposition		to business		
H. Tracy Hall Provo, Utah 84	4601 529	-07-9801	6,750	8/30/72		NONE			

H. TRACY HALL, INC.

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	320
Unamortized balance August 31, 1977	5
Amortization for the fiscal year ended August 31, 1978	5

Form 4562

Department of the Treasury Internal Revenue Service

Depreciation

See instructions.

Attach this form to your return.

1977

Name(s) as shown on return
H. Tracy Hall, Inc.

Identifying number 87 -0293951

Use this form as an attachment to an individual, partnership, fiduciary, or corporation return. e. Method d. Depreciation allowed or allowed c. Cost or other basis g. Depreciation for f. Life or b. Date acquired a. Description of property computing this year in prior years depreciation 1 Total additional first-year depreciation (do not include in items below) -2 Depreciation from Form 4832 3 Other depreciation: Buildings Furniture and fixtures . . . Transportation equipment . 33,093 4,377 16,074 Var. Var. Machinery and other equipment. Other (Specify) 33,093 4,377

Individual, partnership, and fiduciary filers should include totals from line 4 on the corresponding lines of their regular depreciation schedule. Form 1120 or any of the Form 1120 series (Form 1120S, 1120F, etc.) filers should attach Form 4562 to their return and enter total of line 4, column g, on appropriate depreciation expense line in "Deductions" section of return.

Instructions

(Section references are to the Internal Revenue Code unless otherwise specified.)

Note: Instructions for Class Life Asset Depreciation Range (CLADR) System are contained in separate instructions for Form 4832 (Class Life Asset Depreciation Range (CLADR) System). Also see Publication 534, Tax Information on Depreciation.

Reasonable Allowance.—You may deduct a reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in a trade or business, or held for the production of income. The allowance is not allowed for stock in trade, inventories, land, and personal assets.

Charge off the cost (or other basis) to be recovered over the expected useful life of the property. Depreciation begins when the asset is placed in service and ends when it is retired from service.

In computing the depreciation basis for personal property other than livestock, you need not take into account salvage value

that does not exceed 10 percent of the property cost or other basis. If the salvage value exceeds 10 percent, take only the excess into account. These provisions apply to property with a useful life of three or more years.

Depreciation Methods.—The various methods of depreciation you may use under section 167(b) are:

Straight Line Method.—Determine the depreciation for each year by dividing the

(Continued on back)

Sc	hedule K Com	putation of Undistributed	Taxable Inc	come and Summary of Distributions and Other	er Item:	S
		Computation of C	orporation's I	Undistributed Taxable Income	1 - 1	
1 T	.ess: (a) Money distril	buted as dividends out of earnings	and profits of t	the taxable year	(775))
4 A A A A A A A A A A A A A A A A A A A	corporation's undistri actual dividend distri actual dividend distri actual dividend distri	ibuted taxable income butions taxable as ordinary in butions taxable as long-term butions taxable as ordinary in	come. (Do not capital gains	t include amounts shown on line 6)	(775)	
9 1	Indistributed taxable Indistributed taxable	income—taxable as ordinar income—taxable as long-tern	y income or (I	loss)		
10 1	nvestment credit pro				ost or basis	
alified t Credit	Basis of new investment property	(b) 5 or more but less that	n 7 years .		592	2
ty Que	Qualified prog- ress expenditures	1974, 1975 and 1976	(d) 7 or mo	ore years	nafoški Liverska	
Property Qualified for Investment Credit	Cost of used investment property	(f) 3 or more but less that (g) 5 or more but less that	n 5 years . n 7 years .			
12 H	(3) Interest on it b) Net investment in c) Excess expenses d) Net capital gain a mem of tax preferen b) Amortization: (1) c) Reserve for losses d) Depletion e) Intangible drilling	rivestment indebtedness incurred necome or (loss)	perty	1, 1975, but after December 16, 1969		
-						1.71
Addi F Di 5 (f al fi G T 19 H R B P	tional Information d you at the end of the 10% or more of the votin for rules of attribution tach a schedule show cation number and (b) axable income or (locur taxable year beg 1975	taxable year own, directly or indirectly or stock of a domestic corporation, see section 267(c).) If the anxing: (a) name, address, and er	yes No x swer is "Yes," mployer identi- m 1120S for 587; 567.) ipal: ing Yes No x	Enter total amount of deduction(s) on Form 1120S are claimed under section 274 (entertainment, etc.) K Did you file all required Forms 1087, 1096, and 1099? L Answer only if (1) this is the first 1120S return filed your election to be treated as a small business corpor, and (2) the corporation was in existence for the tay year prior to the election and had investment credit erty: Was an agreement filed under secton 1.47–4(the regulations? M Did you, at any time during the taxable year, have ar terest in or signature or other authority over a l securities, or other financial account in a foreign corporation (except in a U.S. military banking facility operated U.S. financial institution)? If "Yes," see Instruction R	gifts, since ation kable proposition of sable prop	es No
(3	2) Living accommodati business)? 3) Employees' families a	(boat, resort, ranch, etc.)?	on x x	during any taxable year, which foreign trust was in the during the current taxable year, whether or not you any beneficial interest in such trust? If "Yes," you may required to file Forms 3520, 3520-A, or 926. O Was this firm in business at the end of 1977? P How many months in 1977 was this firm in business?	have by be	12

Schedule L Balance Sneets Assets		Beginning of Taxable year (A) Amount (B) Total		End of Tax (C) Amount	(able year
			// 2/0		2,070
1 Cash	d associate receivable				
- Indiana indiana in the	nd accounts receivable				
	ances for bad debts				
3 Inventories .	ns: (a) U.S. and instrumentalities				
	odivisions thereof, etc		9,163		14,348
6 Loans to share	ssets (attach schedule)				
7 Mortgage and r					
	ents (attach schedule)				
	other fixed depreciable assets	32,50		33,093	
	mulated depreciation	16,074		20,451	12,642
10 Depletable asse		Talkalat		The second second second	
	mulated depletion				
11 Land (net of a					
	ets (amortizable only)	325		325	
	mulated amortization	320		325	
13 Other assets (a					
	ssets		29,835		29,060
	es and Shareholders' Equity				
15 Accounts payab					
	bonds payable in less than 1 year		10,000		10,000
	iabilities (attach schedule)				
18 Loans from sha	reholders		11,426		11,426
19 Mtges., notes,	bonds payable in 1 year or more		2,500		2,500
20 Other liabilities	s (attach schedule)				
21 Capital stock .			25,000		25,000
22 Paid-in or cap	ital surplus				
23 Retained earning	ngs—appropriated (attach schedule)				
24 Retained earning	ngs—unappropriated		(523)		(523)
25 Shareholders' un	distributed taxable income previously taxed .		(18,568)		(19,343)
26 Less cost of tre	easury stock		()		(
27 Total lia	abilities and shareholders' equity		29,835		29,060
Schedule M-	Reconciliation of Income Po	er Books With	Income Per Return		
1 Net income pe	er books	(775)	7 Income recorded on books	this year not included	PERMITTEE.
			in this return (itemize)	and your not moradou	1
	tal losses over capital gains		(a) Tax-exempt interest \$		a
	t to tax not recorded on books this				
			8 Deductions in this tax return	2	
	ded on books this year not deducted		book income this year (iter		
	(itemize)				
			9 Total of lines 7 and		
6 Total of	f lines 1 through 5	(775)	10 Income (line 28, page 1)—	-line 6 less line 9 .	(775)
Schedule M-	2 Analysis of Unappropriated	Retained Ear	rnings Per Books (line 24	4 above)	
1 Polyana at has		(523)	E Distributions out of surrent	as assumulated assu	
	inning of year	(775)	5 Distributions out of current	The second second second	
	er books	(1.1.3.)	ings and profits: (a) Cash		
	s (itemize)		(b) Stock		
			Transfer and the second of the second	tavable income or net	
			6 Current year's undistributed operating loss (total of lines		(775)
			7 Other decreases (itemize)		
			, other decreases (itemize)		
			8 Total of lines 5 6	and 7	(775)
A Total of	Flings 1 2 and 3	(1 208)	9 Ralance at and of year (line		(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

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. 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.

FISCAL YEAR

UTAH SMALL BUSINESS

CORPORATION FRANCHISE TAX RETURN

For Calendar Year 1977

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

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

1977

Federal Identification Number 87-0293951

> Utah Sec. of State Number 057676

> > NONE

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

past examinations still pending?_ (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? _____. 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).

			15
	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	\$	(775)
2.	Deduct: Income subject to federal tax, from schedule J form 1120S		O'harrenn -
3.	Line 1 less line 2	\$	(775)
4.	Percentage of ownership represented by: (See instruction 5)		7 3 E
	number percent	and the	The Carting Con-
	(a) Resident shares <u>18,000</u> <u>72</u>	1	Sec. 10. 11. 11. 18
	(b) Non-resident shares 7,000 28		
	Total – equals 100%		*
5.	Line 3 multiplied by percent in line 4(a)	The same	(217)
6.	Line 3 less line 5	\$	(558)
7.	Amount on line 2		
8.	\$	(558)	
100	(If corporation is taxable in another state, refer to schedule N, page 2)		
9.	Income allocated to Utah, from line 11, Schedule N, Page 2, (Applicable only if corporation is taxable in	200 1	
	another state)	\$	
10.	Net income subject to Utah franchise tax from line 8 or 9, whichever is applicable	\$	(558)
	11. Tax: 4% of line 10 (No Minimum)		NONE
	Underestimate penalty \$ Late filing penalty \$	2	1,01,2
		-	
AX	Extension interest \$ Late filing interest \$	100	
T	Total:	8	
Table 1	Credits: Off highway Utah agricultural gas tax \$ Advance payment \$	-	
	Tax due	\$	NONE
	Overpayment to be refunded \$		

Under-penalties of perjury, I declare that	it I have examined this	eturn, including accompanying sch	edules and statements, and to the best of my knowledge and
belief it is true, correct, and complete.	If prepared by a perso	n other than the taxpayer, his de	claration is based on all information of which he has any
knowledge.	-1 1.	2/11	

Date

Signature of officer

Elmer Fox, Westheimer & Co. Certified Public Accountants President Title

Individual or firm signature of preparer

1675 North 200 West Provo Address

IItah

84601

	SCHEDULE N - ALLOCATION OF INCOME (To be used only if t	axable in anoth	er state)	* * *
DES	CRIPTION	In Utah (a)	Eve	erywhere (b)	Fraction $(a) \div (b)$
1.	Total tangible property	s	s		
2.	Total expenditures for wages, salaries, commissions or other compensation	\$	18		
3.	Receipts and sales	\$	\$		
4.	Total of fractions 1, 2 and 3				
5.	Apportionment fraction (line 4 divided by three)				
6.					
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	=	\$		
	(b) Outside Utah \$ X percent at line 4(b) page 1 Total			\$	
8.					
9.	9. Portion of remainder allocated to Utah (line 8 X line 5)				
10.					
11.	Net income subject to Utah franchise tax (enter at line 9, page 1)			S	The state of the

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 stack 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.