

Form 1120S

U.S. Small Business Corporation Income Tax Return for calendar year 1974 or

1974

Department of the Treasury Internal Revenue Service

other taxable year beginning September 1, 1974, ending August 31, 1975 (PLEASE TYPE OR PRINT)

A Date of election as small business corporation Sept. 5, 1972

Name H. Tracy Hall, Incorporated

C Employer Identification No. 87-0293951

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

Number and street 1190 Columbia Lane

D County in which located Utah

8098

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

E Enter total assets from line 14, column D, Schedule L \$ 48,316

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instruction N.

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

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he has any knowledge.

The Internal Revenue Service does not require a seal on this form, but if one is used, please place it here.

Date Signature of officer Title President

Date Signature of individual or firm preparing the return Preparer's address Emp. Ident. or Soc. Sec. No.

Elmer Fox, Westheimer & Co. Provo, Utah 84601 Certified Public Accountants



**Schedule A Cost of Goods Sold (See instruction 2)**

Method of inventory valuation (specify) ▶

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

5 Total of lines 1 through 4 4

6 Less: Inventory at end of year 4

7 Cost of goods sold—Enter here and on line 2, page 1 4

1 Inventory at beginning of year 1

2 Merchandise bought for manufacture or sale 2

3 Salaries and wages 3

4 Other costs (attach schedule) 4

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

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business	5. Percent of stock owned	6. Amount of compensation	7. Expense account allowances
Ida Rose Hall	529-10-1716	Sec.	Part.	24	600	600
Total compensation of officers—Enter here and on line 12, page 1 <span style="float: right;">15</span>						

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

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	4. Current year's provision	5. Recoveries	6. Amount charged against reserve	7. Reserve for bad debts at end of year
1974						
1973						
1972						
1971						
1970						
1969						

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

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

1 Total additional first-year depreciation (do not include in items below)

2 Depreciation from Form 4832

3 Depreciation from Form 5006

4 Other depreciation:

Buildings

Furniture and fixtures

Transportation equipment

Machinery and other equipment

Other (specify)

1. Group and guideline class or description of property acquired	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation or rate	6. Life	7. Depreciation for this year
		30,108	2,549	Var.	Var.	4,178
5 Totals		30,108				4,178

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

1 Taxable income (line 28, page 1) 1

2 (a) Enter 48% of line 1 (members of controlled groups, see instructions) 2

(b) Subtract \$6,500 and enter difference 3

3 Net long-term capital gain reduced by net short-term capital loss (from line 9(b), page 1) 3

4 Subtract \$25,000. (Statutory minimum.) 4

5 Balance (line 3 less line 4) (see instructions) 5

6 Enter 30% of line 5 (see instructions) 6

7 Income tax on capital gains (line 2 or line 6, whichever is lesser)—Enter here and on line 29, page 1 7



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1974**

For calendar year 1974 or other taxable year  
beginning September 1, 1974, ending August 31, 1975  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

		(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.
<b>Part I Income</b>			
1 Undistributed taxable income—ordinary income or (loss) . . . . .		(3,342)	Sch. E, Part III
2 Undistributed taxable income—long-term capital gain after tax . . . . .		8,901	Sch. D, Part II
<b>Part II Interest on Investment Indebtedness</b>			
1 Interest expense on investment indebtedness . . . . .			Form 4952 line reference Line 3, col. b
2 Net investment income or (loss) . . . . .			Line 11, col. a
3 Excess expenses over rental income attributable to net lease property . . . . .			Line 11, col. b
4 Excess net long-term capital gains over net short-term capital losses attributable to investment property . . . . .			Line 11, col. c
<b>Part III Items of Tax Preference</b>			
1 Accelerated depreciation on:			Form 4625 line reference
(a) Low-income rental housing . . . . .			Line 1(a)(1)
(b) Other real property . . . . .			Line 1(a)(2)
(c) Personal property subject to a net lease . . . . .			Line 1(b)
2 Amortization of:			
(a) Certified pollution control facilities . . . . .			Line 1(c)
(b) Railroad rolling stock . . . . .			Line 1(d)
(c) On-the-job training facilities . . . . .			Line 1(e)
(d) Child care facilities . . . . .			Line 1(f)
3 Reserves for losses on bad debts of financial institutions . . . . .			Line 1(h)
4 Excess percentage depletion . . . . .			Line 1(i)
5 Net long-term capital gain (after tax) . . . . .			
<b>Part IV Property Eligible for Investment Credit</b>			
Basis of new property			Form 3468 line reference
Prior to 1/21/75		(a) 3 or more but less than 5 years . . . . .	Line 1(a), col. (2)
		(b) 5 or more but less than 7 years . . . . .	Line 1(b), col. (2)
		(c) 7 or more years . . . . .	3,984
Cost of used property		(d) 3 or more but less than 5 years . . . . .	Line 1(c), col. (2)
Prior to 1/21/75		(e) 5 or more but less than 7 years . . . . .	Line 1(d), col. (2)
		(f) 7 or more years . . . . .	337
			Line 1(e), col. (2)
			Line 1(f), col. (2)
<b>Part V Property Used in Recomputing a Prior Year Investment Credit</b>			
(1) Description of property (Indicate whether new or used)		(2) Date placed in service	(3) Cost or basis
A Inverted ram 300 ton cubic press		2/1/73	963
B			
C			
D			
E			
(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
8 yrs.	100	70	12/6/74
			(9) Actual useful life
			2 yrs.
			(10) Applicable percentage
			0
			(11) Recomputed qualified investment (Col. 3 x col. 10)
			70
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
529-07-9801		87-0293951	
H. Tracy Hall 1711 North Lambert Lane Provo, Utah 84601		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	







SCHEDULE K-1  
(Form 1120S)

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1974**

For calendar year 1974 or other taxable year  
beginning September 1, 1974, ending August 31, 1975  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

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Form 1120S

	(a) Amount		
<b>Part I Income</b>			
1 Undistributed taxable income—ordinary income or (loss) . . . . .	( 867)	Sch. E, Part III	
2 Undistributed taxable income—long-term capital gain after tax . . . . .	2,308	Sch. D, Part II	
<b>Part II Interest on Investment Indebtedness</b> <span style="float: right;">Form 4952 line reference</span>			
1 Interest expense on investment indebtedness . . . . .		Line 3, col. b	
2 Net investment income or (loss) . . . . .		Line 11, col. a	
3 Excess expenses over rental income attributable to net lease property . . . . .		Line 11, col. b	
4 Excess net long-term capital gains over net short-term capital losses attributable to investment property . . . . .		Line 11, col. c	
<b>Part III Items of Tax Preference</b> <span style="float: right;">Form 4625 line reference</span>			
1 Accelerated depreciation on:			
(a) Low-income rental housing . . . . .		Line 1(a)(1)	
(b) Other real property . . . . .		Line 1(a)(2)	
(c) Personal property subject to a net lease . . . . .		Line 1(b)	
2 Amortization of:			
(a) Certified pollution control facilities . . . . .		Line 1(c)	
(b) Railroad rolling stock . . . . .		Line 1(d)	
(c) On-the-job training facilities . . . . .		Line 1(e)	
(d) Child care facilities . . . . .		Line 1(f)	
3 Reserves for losses on bad debts of financial institutions . . . . .		Line 1(h)	
4 Excess percentage depletion . . . . .		Line 1(i)	
5 Net long-term capital gain (after tax) . . . . .			
<b>Part IV Property Eligible for Investment Credit</b> <span style="float: right;">Form 3468 line reference</span>			
Basis of new property Prior to 1/21/75	(a) 3 or more but less than 5 years . . . . .		Line 1(a), col. (2)
	(b) 5 or more but less than 7 years . . . . .		Line 1(b), col. (2)
	(c) 7 or more years . . . . .	1,032	Line 1(c), col. (2)
Cost of used property Prior to 1/21/75	(d) 3 or more but less than 5 years . . . . .		Line 1(d), col. (2)
	(e) 5 or more but less than 7 years . . . . .		Line 1(e), col. (2)
	(f) 7 or more years . . . . .	87	Line 1(f), col. (2)
<b>Part V Property Used in Recomputing a Prior Year Investment Credit</b>			Column numbers and headings correspond to those on Form 4255
(1) Description of property (Indicate whether new or used)		(2) Date placed in service	(3) Cost or basis
A Inverted ram 300 ton cubic press		2/1/73	250
B			
C			
D			
E			
(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
8 yrs.	100	17	12/6/74
(9) Actual useful life	(10) Applicable percentage	(11) Recomputed qualified investment (Col. 3 x col. 10)	
2 yrs.	0	17	
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
528-66-3544		87-0293951	
H. Tracy, Jr. and Elizabeth H. Hall 786 East Meadow Drive Palo Alto, California 94303		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	



SCHEDULE K-1  
(Form 1120S)

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1974**

Copy A  
File with  
Form 1120S

Department of the Treasury  
Internal Revenue Service

For calendar year 1974 or other taxable year  
beginning September 1, 1974, ending August 31, 19 75  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

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

Part I Income		(a) Amount	
1 Undistributed taxable income—ordinary income or (loss) . . . . .		( 867)	Sch. E, Part III
2 Undistributed taxable income—long-term capital gain after tax . . . . .		2,308	Sch. D, Part II
Part II Interest on Investment Indebtedness			Form 4952 line reference
1 Interest expense on investment indebtedness . . . . .			Line 3, col. b
2 Net investment income or (loss) . . . . .			Line 11, col. a
3 Excess expenses over rental income attributable to net lease property . . . . .			Line 11, col. b
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Part III Items of Tax Preference			Form 4625 line reference
1 Accelerated depreciation on:			
(a) Low-income rental housing . . . . .			Line 1(a)(1)
(b) Other real property . . . . .			Line 1(a)(2)
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(d) Child care facilities . . . . .			Line 1(f)
3 Reserves for losses on bad debts of financial institutions . . . . .			Line 1(h)
4 Excess percentage depletion . . . . .			Line 1(i)
5 Net long-term capital gain (after tax) . . . . .			
Part IV Property Eligible for Investment Credit			Form 3468 line reference
Basis of new property Prior to 1/21/75	(a) 3 or more but less than 5 years . . . . .		Line 1(a), col. (2)
	(b) 5 or more but less than 7 years . . . . .		Line 1(b), col. (2)
	(c) 7 or more years . . . . .	1,032	Line 1(c), col. (2)
Cost of used property Prior to 1/21/75	(d) 3 or more but less than 5 years . . . . .		Line 1(d), col. (2)
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8 yrs.	100	17	12/6/74
(9) Actual useful life	(10) Applicable percentage	(11) Recomputed qualified investment (Col. 3 x col. 10)	
2 yrs.	0	17	
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
528-66-478		87-0293951	
David R. and Karen V. Hall 4235 Province Line Road Princeton, NJ 08540		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	



SCHEDULE K-1  
(Form 1120S)

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1974**

Copy A  
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Form 1120S

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1 Undistributed taxable income—ordinary income or (loss) . . . . .		( 867)	Sch. E, Part III
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(b) 5 or more but less than 7 years . . . . .			Line 1(b), col. (2)
Prior to 1/21/75   (c) 7 or more years . . . . .		1,032	Line 1(c), col. (2)
Cost of used property			Line 1(d), col. (2)
(d) 3 or more but less than 5 years . . . . .			Line 1(e), col. (2)
Prior to 1/21/75   (e) 5 or more but less than 7 years . . . . .			Line 1(f), col. (2)
(f) 7 or more years . . . . .		87	Line 1(f), col. (2)
<b>Part V Property Used in Recomputing a Prior Year Investment Credit</b>			
(1) Description of property (Indicate whether new or used)		(2) Date placed in service	(3) Cost or basis
A Inverted ram 300 ton cubic press		2/1/73	250
B			
C			
D			
E			
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(9) Actual useful life	(10) Applicable percentage	(11) Recomputed qualified investment (Col. 3 x col. 10)	
8 yrs.	100	17	12/6/74
			2 yrs.
			0
			17
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
529-56-9730		87-0293951	
Daniel and Sherlene Bartholomew 80 Greenridge Avenue White Plains, NY 10605		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	



SCHEDULE K-1  
(Form 1120S)

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1974**

For calendar year 1974 or other taxable year  
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5 Net long-term capital gain (after tax) . . . . .			
<b>Part IV Property Eligible for Investment Credit</b>			
Basis of new property		(a) 3 or more but less than 5 years . . . . .	Form 3468 line reference Line 1(a), col. (2)
Prior to 1/21/75		(b) 5 or more but less than 7 years . . . . .	Line 1(b), col. (2)
		(c) 7 or more years . . . . .	1,032
Cost of used property		(d) 3 or more but less than 5 years . . . . .	Line 1(c), col. (2)
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B			
C			
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E			
(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
8 yrs.	100	17	12/6/74
(9) Actual useful life	(10) Applicable percentage	(11) Recomputed qualified investment (Col. 3 x col. 10)	
2 yrs.	0	17	
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
529-66-7245		87-0293951	
J. Martin and Elizabeth H. Neil 1319 Poppy Way San Jose, California 95129		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	







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

Department of the Treasury  
Internal Revenue Service

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Income, etc.—1974**

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beginning September 1, 1974, ending August 31, 19 75  
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		<b>Form 4625 line reference</b>	
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		<b>Form 3468 line reference</b>	
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	(e) 5 or more but less than 7 years . . . . .		Line 1(e), col. (2)
	(f) 7 or more years . . . . .	87	Line 1(f), col. (2)
<b>Part V Property Used in Recomputing a Prior Year Investment Credit</b>			
(1) Description of property (Indicate whether new or used)		(2) Date placed in service	(3) Cost or basis
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B			
C			
D			
E			
(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
8 yrs.	100	17	12/6/74
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
529-94-9795		87-0293951	
Nancy Hall 1711 North Lambert Lane Provo, Utah 84601		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	



SCHEDULE K-1  
(Form 1120S)

Department of the Treasury  
Internal Revenue Service

# Shareholder's Share of Undistributed Taxable Income, etc.—1974

For calendar year 1974 or other taxable year  
beginning September 1, 1974, ending August 31, 19 75  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A  
File with  
Form 1120S

		(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.
<b>Part I Income</b>			
1 Undistributed taxable income—ordinary income or (loss) . . . . .		(867)	Sch. E, Part III
2 Undistributed taxable income—long-term capital gain after tax . . . . .		2,308	Sch. D, Part II
<b>Part II Interest on Investment Indebtedness</b>			
1 Interest expense on investment indebtedness . . . . .			Form 4952 line reference Line 3, col. b
2 Net investment income or (loss) . . . . .			Line 11, col. a
3 Excess expenses over rental income attributable to net lease property . . . . .			Line 11, col. b
4 Excess net long-term capital gains over net short-term capital losses attributable to investment property . . . . .			Line 11, col. c
<b>Part III Items of Tax Preference</b>			
1 Accelerated depreciation on:			Form 4625 line reference
(a) Low-income rental housing . . . . .			Line 1(a)(1)
(b) Other real property . . . . .			Line 1(a)(2)
(c) Personal property subject to a net lease . . . . .			Line 1(b)
2 Amortization of:			Line 1(c)
(a) Certified pollution control facilities . . . . .			Line 1(d)
(b) Railroad rolling stock . . . . .			Line 1(e)
(c) On-the-job training facilities . . . . .			Line 1(f)
(d) Child care facilities . . . . .			Line 1(h)
3 Reserves for losses on bad debts of financial institutions . . . . .			Line 1(i)
4 Excess percentage depletion . . . . .			
5 Net long-term capital gain (after tax) . . . . .			
<b>Part IV Property Eligible for Investment Credit</b>			
Basis of new property Prior to 1/21/75	(a) 3 or more but less than 5 years . . . . .		Form 3468 line reference Line 1(a), col. (2)
	(b) 5 or more but less than 7 years . . . . .		Line 1(b), col. (2)
	(c) 7 or more years . . . . .	1,032	Line 1(c), col. (2)
Cost of used property Prior to 1/21/75	(d) 3 or more but less than 5 years . . . . .		Line 1(d), col. (2)
	(e) 5 or more but less than 7 years . . . . .		Line 1(e), col. (2)
	(f) 7 or more years . . . . .	87	Line 1(f), col. (2)
<b>Part V Property Used in Recomputing a Prior Year Investment Credit</b>			
(1) Description of property (Indicate whether new or used)		(2) Date placed in service	(3) Cost or basis
A Inverted ram 300 ton cubic press		2/1/73	250
B			
C			
D			
E			
(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
8 yrs.	100	17	12/6/74
(9) Actual useful life	(10) Applicable percentage	(11) Recomputed qualified investment (Col. 3 x col. 10)	
2 yrs.	0	17	
Shareholder's name, identifying number, and address (including ZIP code)		Corporation's name, identifying number, and address (including ZIP code)	
528-80-8152		87-0293951	
Charlotte Hall 1711 North Lambert Lane Provo, Utah 84601		H. Tracy Hall, Incorporated 1190 Columbia Lane Provo, Utah 84601	



H. TRACY HALL, INCORPORATED  
SUMMARY OF DISTRIBUTIONS AND OTHER ITEMS  
Fiscal year ended August 31, 1975

	Social Security Number	Stock Ownership		Compensation	Undistributed Taxable Income
		Number of Shares	Period Held From To		
H. Tracy Hall 1711 North Lambert Lane Provo, Utah 84601	529-07-9801	6,750	9/1/74 8/31/75	\$	\$ 5,559
Ida Rose Hall 1711 North Lambert Lane Provo, Utah 84601	529-10-1716	6,000	9/1/74 8/31/75	600	4,941
H. Tracy and Elizabeth H. Hall, Jr. 786 East Meadow Drive Palo Alto, California 94303	528-66-3544	1,750	9/1/74 8/31/75		1,441
Daniel and Sherlene Bartholomew 80 Greenridge Avenue White Plains, NY 10605	529-56-9730	1,750	9/1/74 8/31/75		1,441
David R. and Karen V. Hall 4235 Province Line Road Princeton, NJ 08540	528-66-4787	1,750	9/1/74 8/31/75		1,441
J. Martin and Elizabeth H. Neil 1319 Poppy Way San Jose, California 95129	529-66-7245	1,750	9/1/74 8/31/75		1,441
Virginia Hall 1711 North Lambert Lane Provo, Utah 84601	528-78-8080	1,750	9/1/74 8/31/75		1,441
Charlotte Hall 1711 North Lambert Lane Provo, Utah 84601	528-80-8152	1,750	9/1/74 8/31/75		1,441
Nancy Hall 1711 North Lambert Lane Provo, Utah 84601	529-94-9795	1,750	9/1/74 8/31/75		1,441
Totals		<u>25,000</u>		<u>\$600</u>	<u>\$20,587</u>



H. TRACY HALL, INCORPORATED

87-0293951

SCHEDULE OF TAXES

Fiscal year ended August 31, 1975

Payroll taxes	\$ 682
Property taxes	44
State franchise tax	991
Use taxes	<u>633</u>
Total	<u>\$ 2,350</u>

SCHEDULE OF OTHER DEDUCTIONS

Freight and express	\$ 1,773
Insurance	374
Dues and subscriptions	413
Professional fees	362
Supplies	8,516
Travel expense	3,589
Automotive expense	992
Utilities	<u>809</u>
Total	<u>\$16,828</u>



## AMORTIZATION OF ORGANIZATION EXPENSES

Fiscal year ended August 31, 1975

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
Amortization for the period ended August 31, 1973	<u>60</u>
Unamortized balance August 31, 1973	265
Amortization for the fiscal year ended August 31, 1974	<u>65</u>
Unamortized balance August 31, 1974	200
Amortization for the fiscal year ended August 31, 1975	<u>65</u>
Unamortized balance August 31, 1975	<u>\$135</u>





**Supplemental Schedule of Gains and Losses**

Sales, Exchanges and Involuntary Conversions under  
 Sections 1231, 1245, 1250, 1251, and 1252

To be filed with Form 1040, 1041, 1065, 1120, etc.—See Separate Instructions

**1974**

Name  
**H. Tracy Hall, Incorporated**

Identifying number as shown on page 1  
 of your return **87-0293951**

**Part I** Sales or Exchanges of Property Used in Trade or Business, and Involuntary Conversions  
 (Section 1231)

**SECTION A.—Involuntary Conversions Due to Casualty and Theft (See Instruction D)**

a. Kind of property (If necessary, attach additional descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	g. Gain or (loss) (d plus e less f)
<b>1</b>						

**2** Combine the amounts on line 1. Enter here, and also on the appropriate line as follows . . . . .

- (a) For all except partnership returns:
  - (1) If line 2 is zero or a gain, enter such amount in column g, line 3.
  - (2) If line 2 is a loss, enter the loss on line 5.
- (b) For partnership returns: Enter the amount shown on line 2 on Schedule K (Form 1065), line 6.

**SECTION B.—Sales or Exchanges of Property Used in Trade or Business and Certain Involuntary Conversions (Not Reportable in Section A) (See Instruction D)**

<b>3</b> Gain from Part III						32,966

**4** Combine the amounts on line 3. Enter here, and also on the appropriate line as follows . . . . .

- (a) For all except partnership returns:
  - (1) If line 4 is a gain, enter such gain as a long-term capital gain on the Schedule D (Form 1040, 1120, etc.) that is being filed. See instruction D.
  - (2) If line 4 is zero or a loss, enter such amount on line 6.
- (b) For partnership returns: Enter the amount shown on line 4 on Schedule K (Form 1065), line 7.

**Part II** Ordinary Gains and Losses

a. Kind of property (If necessary, attach additional descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements and expense of sale	g. Gain or (loss) (d plus e less f)
<b>5</b> Amount, if any, from line 2(a)(2)						
<b>6</b> Amount, if any, from line 4(a)(2)						
<b>7</b> Gain, if any, from line 21						3,151
<b>8</b>						

**9** Combine lines 5 through 8. Enter here, and also on the appropriate line as follows . . . . .

- (a) For all except individual returns: Enter the gain or (loss) shown on line 9, on the line provided for on the return (Form 1120, etc.) being filed. See instruction E for specific line reference.
- (b) For individual returns:
  - (1) If the gain or (loss) on line 9, includes losses which are to be treated as an itemized deduction on Schedule A (Form 1040) (see instruction E), enter the total of such loss(es) here and include on Schedule A (Form 1040), line 29—identify as "loss from Form 4797, line 9(b)(1)" . . . . .
  - (2) Redetermine the gain or (loss) on line 9, excluding the loss (if any) entered on line 9(b)(1). Enter here and on Form 1040, line 30 . . . . .

3,151



**Part III**  
**Gain From Disposition of Property Under Sections 1245, 1250, 1251, 1252—Assets Held More than Six Months (See Separate Instructions)**

Disregard lines 18 and 19 if there are no dispositions of farm property or farmland, or if this form is filed by a partnership.

10 Description of sections 1245, 1250, 1251, and 1252 property:

(A) Inverted ram 300 ton cubic press	(B) Var.	(C)	(D)	(E)
	Date acquired (mo., day, yr.)			
	12/6/74			
	Date sold (mo., day, yr.)			

Relate lines 10(A) through 10(E) to these columns ▶ ▶ ▶ ▶ ▶

11 Gross sales price	52,099			
12 Cost or other basis and expense of sale	19,133			
13 Depreciation allowed (or allowable)	3,151			
14 Adjusted basis, line 12 less line 13	15,982			
15 Total gain, line 11 less line 14	36,117			
16 If section 1245 property:				
(a) Depreciation allowed (or allowable) after applicable date (see instructions)	3,151			
(b) Enter smaller of line 15 or 16(a)	3,151			
17 If section 1250 property:				
(a) Enter additional depreciation after 12/31/63 and before 1/1/70				
(b) Enter additional depreciation after 12/31/69				
(c) Enter smaller of line 15 or 17(b)				
(d) Line 17(c) times applicable percentage (see instruction F.4)				
(e) Enter any excess of line 15 over line 17(b)				
(f) Enter smaller of line 17(a) or 17(e)				
(g) Line 17(f) times applicable percentage (see instruction F.4)				
(h) Add lines 17(d) and 17(g)				
18 If section 1251 property:				
(a) If farmland, enter soil, water, and land clearing expenses for current year and the four preceding years				
(b) If farm property other than land, sub-tract line 16(b) from line 15; OR, if farmland, enter smaller of line 15 or 18(a) (see instruction F.5)				
(c) Excess deductions account (see instruction F.5)				
(d) Enter smaller of line 18(b) or 18(c)				
19 If section 1252 property:				
(a) Enter soil, water, and land clearing ex-penses made after 12/31/69				
(b) Enter amount from line 18(d), if none enter a zero				
(c) Enter any excess of line 19(a) over line 19(b)				
(d) Line 19(c) times applicable percentage (see instruction F.5)				
(e) Line 15 less line 19(b)				
(f) Enter smaller of line 19(d) or 19(e)				

**Summary of Part III Gains (Complete Property columns (A) through (E) through line 19(f) before going to line 20)**

20 Total of Property columns (A) through (E), line 15	36,117
21 Total of Property columns (A) through (E), lines 16(b), 17(h), 18(d), and 19(f). Enter here and on line 7	3,151
22 Subtract line 21 from line 20. Enter here and in appropriate Section in Part I (see instructions D and F.2)	32,966



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

Computation of Corporation's Undistributed Taxable Income

Table with 2 columns: Description and Amount. Rows include Taxable income (20,587), Less: (a) Money distributed as dividends, (b) Tax imposed on certain capital gains, and Corporation's undistributed taxable income (20,587).

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

Table with 5 columns: 1. Name and address of each shareholder, 2. Social security number, 3. Stock ownership (Number of shares, Period held), 4. Compensation, 5. Percentage of time devoted to business. Rows A, B, C, D. Centered text: Schedule Attached.

Table with 2 columns: Description and Amount. Rows include Actual dividend distributions taxable as ordinary income, long-term capital gains, and ordinary income and qualifying for dividend exclusion; Nondividend distributions; Undistributed taxable income—taxable as ordinary income or (loss); Undistributed taxable income—taxable as long-term capital gain (after tax)\*.

\*Each shareholder must be notified of his pro rata share of long-term capital gains that may qualify as subsection (d) gain. See section 1201(d).

- 10 Interest on investment indebtedness: (a) Investment interest expense, (b) Net investment income or (loss), (c) Excess expenses over rental income attributable to net lease property, (d) Excess of net long-term capital gains over net short-term capital losses attributable to investment property. 11 Items of tax preference: (a) Accelerated depreciation on: (1) Low-income rental housing, (2) Other real property, (3) Personal property subject to a net lease; (b) Amortization of: (1) Certified pollution control facilities, (2) Railroad rolling stock, (3) On-the-job training facilities, (4) Child care facilities; (c) Reserves for losses on bad debts of financial institutions; (d) Excess percentage depletion; (e) Net long-term capital gain (after tax).

Table for Investment credit property. Columns: Basis of new property, Cost of used property, and Amount. Rows (a) 3 or more but less than 5 years (14,748), (b) 5 or more but less than 7 years, (c) 7 or more years, (d) 3 or more but less than 5 years, (e) 5 or more but less than 7 years, (f) 7 or more years (1,246).

Additional Information Required section. Includes: F Date incorporated August 30, 1972; G Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? No; H Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951? No; I Taxable income or (loss) from line 28, page 1, Form 1120S for your taxable year beginning in: 1971 (275); 1972 (10,842); 1973 59,000; J Refer to page 7 of instructions and state the principal: Business activity Research and engineering; Product or service; K Were you a member of a controlled group subject to the provisions of section 1561 or 1562? No; L Did you claim a deduction for expenses connected with: (1) Entertainment facility (boat, resort, ranch, etc.)? No; (2) Living accommodations (except for employees on business)? No; (3) Employees' families at conventions or meetings? No; (4) Employee or family vacations not reported on Form W-2? No; M Did you file all required Forms 1087, 1096, and 1099? Yes; N Did the corporation, 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? No; O 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? No.

Schedule K-1 Shareholder's Share of Undistributed Taxable Income, etc. (Complete a separate Schedule K-1 (Form 1120S) for each shareholder. Attach Copy A to Form 1120S. Give Copy B to the shareholder. Keep Copy C for your records.)



**Schedule L** Balance Sheets

ASSETS		(A) Amount	(B) Total	(C) Amount	(D) Total
Beginning of taxable year		2,268	2,268		24,800
End of taxable year					48,316
1	Cash				
2	Trade notes and accounts receivable				
3	Inventories				
4	Gov't obligations: (a) U.S. and instrumentalities				
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	31,562	31,562	30,108	23,381
10	Depreciable assets				
11	(a) Less accumulated depreciation				
12	Land (net of any amortization)				
13	Intangible assets (amortizable only)	325	325	325	135
14	(a) Less accumulated amortization				
15	Other assets (attach schedule)	125	125	190	48,316
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
16	Accounts payable				
17	Mtgs., notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)	521	521	168	168
19	Loans from shareholders				
20	Mtgs., notes, bonds payable in 1 year or more	11,426	11,426	11,426	11,426
21	Other liabilities (attach schedule)	2,500	2,500	2,500	2,500
22	Capital stock				
23	Paid-in or capital surplus				
24	Retained earnings—appropriated (attach schedule)				
25	Retained earnings—unappropriated				
26	Shareholders' undistributed taxable income previously taxed				
27	Total liabilities and shareholders' equity	28,330	28,330	28,330	48,316

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

1	Net income per books	20,339
2	Federal income tax	
3	Excess of capital losses over capital gains	
4	Taxable income not recorded on books this year	
5	Expenses recorded on books this year not deducted in this return (itemize) Penalty on franchise tax	248
6	Total of lines 1 through 5	20,587
7	Income recorded on books this year not included in this return (itemize)	
8	(a) Tax-exempt interest	
9	Deductions in this tax return not charged against book income this year (itemize)	
10	Total of lines 7 and 8	20,587
11	Income (line 28, page 1)—line 6 less line 9	20,587

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

1	Balance at beginning of year	(11,117)
2	Net income per books	20,339
3	Other increases (itemize)	
4	Total of lines 1, 2, and 3	9,222
5	Distributions out of current or accumulated earnings and profits: (a) Cash (b) Stock (c) Property	
6	Current year's undistributed taxable income or net operating loss (total of lines 8 and 9, Schedule K) Other decreases (itemize)	20,587
7	Total of lines 5, 6, and 7	20,587
8	Balance at end of year (line 4 less line 8)	(11,365)



Form TC-20S

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

**UTAH SMALL BUSINESS CORPORATION FRANCHISE TAX RETURN**  
 For Calendar Year 1974

**1974**

or other taxable year beginning 9/1, 1974, ending 8/31, 1975

Federal Identification Number  
 87-0293951

Returns made on the basis of the calendar year 1974 shall be filed with the State Tax Commission, State Office Bldg., Salt Lake City, Utah 84134, on or before April 15, 1975. Returns made on the basis of a fiscal year shall be filed on or before the fifteenth day of the fourth month following the close of the fiscal year.

H. Tracy Hall, Incorporated  
 1190 Columbia Lane  
 P. O. Box 7533 University Station  
 Provo, Utah 84601

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

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

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

past examinations still pending? NONE

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

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

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

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

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

1. Taxable income from page 1 of federal form 1120S	\$ 20,587												
2. Deduct: Income subject to federal tax, from schedule J form 1120S													
3. Line 1 less line 2	\$ 20,587												
4. Percentage of ownership represented by: (See instruction 5)													
<table border="0"> <tr> <td></td> <td align="center"><u>number</u></td> <td align="center"><u>percent</u></td> </tr> <tr> <td>(a) Resident shares</td> <td align="center"><u>18,000</u></td> <td align="center"><u>72</u></td> </tr> <tr> <td>(b) Non-resident shares</td> <td align="center"><u>7,000</u></td> <td align="center"><u>28</u></td> </tr> <tr> <td>Total - equals 100%</td> <td align="center"><u>25,000</u></td> <td align="center"><u>100</u></td> </tr> </table>		<u>number</u>	<u>percent</u>	(a) Resident shares	<u>18,000</u>	<u>72</u>	(b) Non-resident shares	<u>7,000</u>	<u>28</u>	Total - equals 100%	<u>25,000</u>	<u>100</u>	
	<u>number</u>	<u>percent</u>											
(a) Resident shares	<u>18,000</u>	<u>72</u>											
(b) Non-resident shares	<u>7,000</u>	<u>28</u>											
Total - equals 100%	<u>25,000</u>	<u>100</u>											
5. Line 3 multiplied by percent in line 4(a)	14,823												
6. Line 3 less line 5	\$ 5,764												
7. Amount on line 2													
8. Net Income (line 6 plus line 7)	\$ 5,764												
<i>(If corporation is taxable in another state, refer to schedule N, page 2)</i>													
9. Income allocated to Utah, from line 11, Schedule N, Page 2, (Applicable only if corporation is taxable in another state)													
10. Net income subject to Utah franchise tax from line 8 or 9, whichever is applicable	\$ 5,764												
<b>TAX</b>	11. Tax: 6% of line 10. (No minimum tax applies)	\$ 346											
	Penalty	\$											
	Interest	\$											
	<b>TOTAL</b>	\$ 346											

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

\_\_\_\_\_  
 Signature of officer President  
 Title

257 East Center Street, Provo, Utah 84601  
 Address

Date \_\_\_\_\_

\_\_\_\_\_  
 Individual or firm signature of preparer  
 Elmer Fox, Westheimer & Co.  
 Certified Public Accountants