

1981-82 FY

EXTENSION GRANTED

FISCAL YEAR

# U.S. Small Business Corporation Income Tax Return

for calendar year 1981 or  
other tax year beginning Sept. 1, 1981, ending Aug. 31, 1982

▶ For Paperwork Reduction Act Notice, see page 1 of the instructions.

OMB No. 1545-0130

## 1981

### Form 1120S

Department of the Treasury  
Internal Revenue Service

A Date of election as small  
business corporation

Sept. 3, 1972

B Business code no. (see  
page 8 of Instructions)

8599

Use  
IRS  
label.  
Other-  
wise,  
please  
print  
or type.

Name

H. Tracy Hall, Inc.

Number and street

1190 Columbia Lane

City or town, State, and ZIP code

Provo, Utah 84604

C Employer identification no.

87-0293951

D Date incorporated

Aug. 30, 1972

E Enter total assets from  
Schedule L, line 14, col-  
umn D (see instructions)

\$ 56,425

**IMPORTANT**—All applicable lines and schedules must be filled in. If section 465 (deductions limited to amount at risk) applies, see instruction for line 28.

Gross Income	1 a	Gross receipts or sales	1b	Less returns and allowances	Balance ▶	1c	
	2	Cost of goods sold (Schedule A) or operations (attach schedule)	2				
	3	Gross profit (subtract line 2 from line 1c)	3				
	4	a	Domestic dividends	4a			
		b	Foreign dividends	4b			
	5	Interest on obligations of the U.S. and U.S. instrumentalities	5				
	6	Other interest	6				103
	7	Gross rents	7				
	8	Gross royalties	8				
	9	Gains and losses (attach separate Schedule D (Form 1120S)):					
		a	Net short-term capital gain reduced by any net long-term capital loss	9a			
b		Net capital gain (if more than \$25,000, see instructions for Part IV of Schedule D (Form 1120S))	9b			40,716	
c		Ordinary gain or (loss) from Form 4797, Part II, line 11(a) (attach Form 4797)	9c			9,284	
10	Other income (see instructions—attach schedule)	10				102	
11	TOTAL income—Add lines 3 through 10	11				50,205	
Deductions	12	Compensation of officers (Schedule E)	12				
	13	a	Salaries and wages	13a			
		b	Less jobs credit	13b			
	14	Repairs (see instructions)	14				1,848
	15	Bad debts (Schedule F if reserve method is used)	15				
	16	Rents	16				2,000
	17	Taxes	17				11
	18	Interest	18				
	19	Contributions (not over 5% of line 28 adjusted per instructions)	19				
	20	Amortization (attach schedule)	20				
	21	a	Depreciation from Form 4562 (attach Form 4562)	21a			
		b	Less depreciation claimed in Schedule A and elsewhere on return	21b			
	21c	Balance ▶	21c				2,745
	22	Depletion	22				
	23	Advertising	23				
	24	Pension, profit-sharing, etc. plans (see instructions)	24				
	25	Employee benefit programs (see instructions)	25				
26	Other deductions (attach schedule)	26				3,394	
27	TOTAL deductions—Add lines 12 through 26	27				9,998	
28	Taxable income (loss) (subtract line 27 from line 11) (see instructions)	28				40,207	
Tax	29	Total tax (Schedule D (Form 1120S), Part IV)	29				NONE
	30	a	Tax deposited with Form 7004	30a			
		b	Tax deposited with Form 7005 (attach copy)	30b			
		c	Federal tax on special fuels and oils (attach Form 4136 or 4136-T)	30c			
	31	TAX DUE (subtract line 30 from line 29). See instructions for depository method of payment. →	31				NONE
	32	OVERPAYMENT (subtract line 29 from line 30) →	32				

Please  
Sign  
Here

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 preparer has any knowledge.

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: President

Paid  
Preparer's  
Use Only

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed:  Preparer's social security no.: 529 14 2208  
Firm's name (or yours, if self-employed) and address: Fox & Company E.I. No.: 48 0581199  
1675 N. 200 W., Provo, Utah ZIP code: 84604



Schedule A Cost of Goods Sold (See instructions for line 2)

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

8 a Check all methods used for valuing closing inventory:  
 (i) Cost (ii) Lower of cost or market as described in regulations section 1.471-4 (see instructions) (iii) Writedown of "subnormal" goods as described in regulations section 1.471-2(c) (see instructions)  
 b Did you use any other method of inventory valuation not described above? Yes  No   
 If "Yes," specify method used and attach explanation  
 c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)   
 d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO.  
 e If you are engaged in manufacturing, did you value your inventory using the full absorption method (regulations section 1.471-11)? Yes  No   
 f Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? Yes  No   
 If "Yes," attach explanation.

Schedule E Compensation of Officers (See instructions for line 12)

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

Schedule F Bad Debts—Reserve Method (See instructions for line 15)

1. Year	2. Trade notes and accounts re- ceivable 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
1981						
1980						
1979						
1978						
1977						
1976						

Additional Information Required

F Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corpora- tion? (For rules of attribution, see section 267(c).) . . . . . Yes  No

If "Yes," attach a schedule showing: (1) name, address, and employer identification number; (2) percentage owned; (3) highest amount owed by you to such corporation during the year; and (4) highest amount owed to you by such corporation during the year. (Note: For purposes of F(3) and F(4), "highest amount owed" includes loans and accounts receivable/payable.)

G Refer to page 8 of instructions and state the principal: Business activity  Research and Engineering. Product or service

H Were you a member of a controlled group subject to the provisions of section 1561? . . . . . Yes  No

I If the corporation has a loss in an activity for the year, does the corporation have amounts for which it is not "at risk" in the activity (see instruction for line 28)? . . . . . Yes  No

J 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 tax year prior to the election and had investment credit property: Was an agreement filed under section 1.47-4(b) of the regulations? . . . . . Yes  No







RECEIVED  
UTAH STATE TAX COMMISSION

UTAH STATE TAX COMMISSION

200 STATE OFFICE BUILDING  
SALT LAKE CITY, UTAH 84134

NOV 17 1982

RELEASED BY

APPLICATION FOR EXTENSION OF TIME FOR FILING RETURNS

CORPORATION FRANCHISE, Form TC-20 ( ) Form TC-20S (x) CORPORATION INCOME, Form TC-19 ( )

For taxable year ending August 31, 19 82.

Federal ID No. <u>87-0293951</u>	Utah File No. <u>057676</u>
H. Tracy Hall, Inc. c/o Fox & Company P. O. Box 1366 Provo, Utah 84603	

Submit in DUPLICATE.

ONE COPY will be returned to you.

THE APPROVED COPY OF  
EXTENSION MUST ACCOMPANY  
RETURN WHEN FILED.

**FAILURE TO COMPLETE ALL SPACES WILL RESULT IN DENIAL OF EXTENSION REQUEST!  
COMPLETE THE FOLLOWING:**

- Estimated tax due on return \$ NONE
- Tax paid on prior year's return \$ \_\_\_\_\_
- Tax payment remitted herewith \$ NONE - SUB S  
Tax payment must equal at least 80 percent of the total amount of tax due with the return when filed, or \$25.00, whichever is greater.

<u>[Signature]</u>	C.P.A.	November 15, 1982
Corporation Officer or Authorized Agent	Title	Date

**PENALTY FOR UNDER PAYMENT OF ESTIMATED TAX:**

For failure to pay at 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.

**INTEREST ON UNDERPAYMENTS:**

Interest at the rate of 12% per annum must be paid on any underpayment of tax computed from the normal due date for filing the return to date of final payment if such final payment is made on or before the extended due date for filing the return. The interest rate is subject to change in accordance with future legislative revisions.

APPROVED TO JUN 15 1983 APPROVED BY \_\_\_\_\_

Application denied ( ), Reason: By Auditing Division  
Telephone # 533-5942

By \_\_\_\_\_

NOTE: If Granted, Time For Filing Is Extended For The Maximum Amount Of Time Permitted By Law.

(SEE FURTHER INSTRUCTIONS ON REVERSE)



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1981**

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

**Copy A  
File with  
Form 1120S**

<b>Part I Income</b>	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) . . . . . (If line 1 is a loss, see instruction C for deductible amount.)		Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) . . . . .	56	Schedule D, Part II
(b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax) . . . . .		See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D) . . . . .		
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.) . . . . .		

<b>Part II Interest on Investment Indebtedness</b>		Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69 . . . . .		line 1
(b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 . . . . .		line 15
(c) Interest on investment indebtedness incurred after 9-10-75 . . . . .		line 5
2 Net investment income or (loss) . . . . .		line 2 or 10
3 Excess expenses from "net lease property" . . . . .		lines 11 and 19
4 Net capital gain attributable to investment property . . . . .		line 20

<b>Part III Items of Tax Preference (See Instructions)</b>		Form 4625 references
1 Accelerated depreciation on real property:		
(a) Low-income rental housing (section 167(k)) . . . . .		line 1(a)(1)
(b) Other real property that is nonrecovery property or 15-year real property . . . . .		line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property . . . . .		line 1(b)
3 Amortization: (a) Certified pollution control facilities . . . . .		line 1(c)
(b) Railroad rolling stock . . . . .		line 1(d)
(c) On-the-job training facilities . . . . .		line 1(e)
(d) Child care facilities . . . . .		line 1(f)
4 Reserves for losses on bad debts of financial institutions . . . . .		line 1(g)
5 Depletion . . . . .		line 1(i)
6 Intangible drilling costs . . . . .		line 1(j)
7 Net capital gain (after tax) (see General Instruction A) . . . . .		

<b>Part IV Property Eligible for Investment Credit</b>		Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year . . . . .	line 1(a)
	(b) Other . . . . .	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year . . . . .	line 1(c)
	(d) Other . . . . .	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years . . . . .	line 3(a)
	(f) 5 or more but less than 7 years . . . . .	line 3(b)
	(g) 7 or more years . . . . .	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years . . . . .	line 3(d)
	(i) 5 or more but less than 7 years . . . . .	line 3(e)
	(j) 7 or more years . . . . .	line 3(f)
New commuter highway vehicle . . . . .		line 5
Used commuter highway vehicle . . . . .		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line ) . . . . .		

<b>Part V Jobs Credit</b>		Form 5884
1 Jobs credit . . . . .		

<b>Part VI Other Shareholder Information</b>		3. Stock ownership			
1. Name and address of shareholder		2. Social security number	Number of shares	Period held	
				Date acquired	Date of disposition
H. Tracy Hall 1711 No. Lambert Lane, Provo, Utah 84604		529-07-9801	6,750	8/30/72	
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)			
NONE	PART	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604			
		87-0293951			



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable Income, etc.—1981**

For calendar year 1981 or other tax year beginning September 1, 1981, ending August 31, 1982  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A  
File with  
Form 1120S

**Part I Income**

	(a) Amount	(b) Form 1049 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) (If line 1 is a loss, see instruction C for deductible amount.)		Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)	50	Schedule D, Part II See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D)		
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)		

**Part II Interest on Investment Indebtedness**

		Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69 (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 (c) Interest on investment indebtedness incurred after 9-10-75		line 1 line 15 line 5
2 Net investment income or (loss)		line 2 or 10
3 Excess expenses from "net lease property"		lines 11 and 19
4 Net capital gain attributable to investment property		line 20

**Part III Items of Tax Preference (See Instructions)**

		Form 4625 references
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) (b) Other real property that is nonrecovery property or 15-year real property		line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		line 1(b)
3 Amortization: (a) Certified pollution control facilities (b) Railroad rolling stock (c) On-the-job training facilities (d) Child care facilities		line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions		line 1(g)
5 Depletion		line 1(i)
6 Intangible drilling costs		line 1(j)
7 Net capital gain (after tax) (see General Instruction A)		

**Part IV Property Eligible for Investment Credit**

		Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year	line 1(a)
	(b) Other	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year	line 1(c)
	(d) Other	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years	line 3(a)
	(f) 5 or more but less than 7 years	line 3(b)
	(g) 7 or more years	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years	line 3(d)
	(i) 5 or more but less than 7 years	line 3(e)
	(j) 7 or more years	line 3(f)
New commuter highway vehicle		line 5
Used commuter highway vehicle		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line )		

**Part V Jobs Credit**

1 Jobs credit	Form 5884
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**Part VI Other Shareholder Information**

4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)	3. Stock ownership		
			Number of shares	Period held	
1. Name and address of shareholder		Social security number		Date acquired	Date of disposition
NONE	NONE		H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604	6,000	8/30/72

87-0293951



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable Income, etc.—1981**

For calendar year 1981 or other tax year  
beginning September 1, 1981, ending August 31, 1982  
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A  
File with  
Form 1120S

<b>Part I</b> Income	(a) Amount	(b) Form 1049 references; for Form 1041, see instruction A.
1 Undistributed taxable income—ordinary income or (loss) . . . . . (If line 1 is a loss, see instruction C for deductible amount.)	14	Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) . . . . . (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax) . . . . .		Schedule D, Part II
3 Shareholder's share of losses from section 465 activities (see instruction D) . . . . .		See Schedule D, Part IV
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.) . . . . .		

<b>Part II</b> Interest on Investment Indebtedness	Form 4952 references	
1 (a) Interest on investment indebtedness incurred before 12-17-69 . . . . . (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 . . . . . (c) Interest on investment indebtedness incurred after 9-10-75 . . . . .		line 1
2 Net investment income or (loss) . . . . .		line 15
3 Excess expenses from "net lease property" . . . . .		line 5
4 Net capital gain attributable to investment property . . . . .		line 2 or 10
		lines 11 and 19
		line 20

<b>Part III</b> Items of Tax Preference (See Instructions)	Form 4625 references	
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) . . . . . (b) Other real property that is nonrecovery property or 15-year real property . . . . .		line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property . . . . .		line 1(b)
3 Amortization: (a) Certified pollution control facilities . . . . . (b) Railroad rolling stock . . . . . (c) On-the-job training facilities . . . . . (d) Child care facilities . . . . .		line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions . . . . .		line 1(g)
5 Depletion . . . . .		line 1(i)
6 Intangible drilling costs . . . . .		line 1(j)
7 Net capital gain (after tax) (see General Instruction A) . . . . .		

<b>Part IV</b> Property Eligible for Investment Credit	Form 3468 references	
Unadjusted basis of new recovery property	(a) 3-Year . . . . .	line 1(a)
	(b) Other . . . . .	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year . . . . .	line 1(c)
	(d) Other . . . . .	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years . . . . .	line 3(a)
	(f) 5 or more but less than 7 years . . . . .	line 3(b)
	(g) 7 or more years . . . . .	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years . . . . .	line 3(d)
	(i) 5 or more but less than 7 years . . . . .	line 3(e)
	(j) 7 or more years . . . . .	line 3(f)
New commuter highway vehicle . . . . .		line 5
Used commuter highway vehicle . . . . .		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line ) . . . . .		

<b>Part V</b> Jobs Credit	Form 5884
1 Jobs credit . . . . .	

<b>Part VI</b> Other Shareholder Information		3. Stock ownership			
1. Name and address of shareholder		2. Social security number	Number of shares	Period held	
				Date acquired	Date of disposition
Daniel Bartholomew 80 Greenridge Ave., White Plains, NY		529-56-9730	1,750	9/3/72	
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)			
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604			
87-0293951					



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable Income, etc.—1981**

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A  
File with  
Form 1120S

<b>Part I</b> Income	(a) Amount	(b) Form 1040 references; for Form 1041, see instruction A.
1 Undistributed taxable income—ordinary income or (loss) . . . . . (If line 1 is a loss, see instruction C for deductible amount.)	14	Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) . . . . . (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax) . . . . .		Schedule D, Part II
3 Shareholder's share of losses from section 465 activities (see instruction D) . . . . .		See Schedule D, Part IV
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.) . . . . .		

<b>Part II</b> Interest on Investment Indebtedness	Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69 . . . . . (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 . . . . . (c) Interest on investment indebtedness incurred after 9-10-75 . . . . .	line 1 line 15 line 5
2 Net investment income or (loss) . . . . .	line 2 or 10
3 Excess expenses from "net lease property" . . . . .	lines 11 and 19
4 Net capital gain attributable to investment property . . . . .	line 20

<b>Part III</b> Items of Tax Preference (See instructions)	Form 4625 references
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) . . . . . (b) Other real property that is nonrecovery property or 15-year real property . . . . .	line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property . . . . .	line 1(b)
3 Amortization: (a) Certified pollution control facilities . . . . . (b) Railroad rolling stock . . . . . (c) On-the-job training facilities . . . . . (d) Child care facilities . . . . .	line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions . . . . .	line 1(g)
5 Depletion . . . . .	line 1(i)
6 Intangible drilling costs . . . . .	line 1(j)
7 Net capital gain (after tax) (see General Instruction A) . . . . .	

<b>Part IV</b> Property Eligible for Investment Credit	Form 3468 references
Unadjusted basis of new recovery property	line 1(a)
(a) 3-Year . . . . .	line 1(b)
(b) Other . . . . .	line 1(c)
Unadjusted basis of used recovery property	line 1(d)
(c) 3-Year . . . . .	line 3(a)
(d) Other . . . . .	line 3(b)
Basis of new nonrecovery property	line 3(c)
(e) 3 or more but less than 5 years . . . . .	line 3(d)
(f) 5 or more but less than 7 years . . . . .	line 3(e)
(g) 7 or more years . . . . .	line 3(f)
Cost of used nonrecovery property	line 5
(h) 3 or more but less than 5 years . . . . .	line 6
(i) 5 or more but less than 7 years . . . . .	
(j) 7 or more years . . . . .	
New commuter highway vehicle . . . . .	
Used commuter highway vehicle . . . . .	
Qualified rehabilitation expenditures (enter on Form 3468, line ) . . . . .	

<b>Part V</b> Jobs Credit	Form 5884
1 Jobs credit . . . . .	

<b>Part VI</b> Other Shareholder Information		1. Name and address of shareholder		2. Social security number	3. Stock ownership	
					Number of shares	Period held Date acquired    Date of disposition
		H. Tracy Hall, Jr. 634 No. 550 East, Orem, Utah 84057		528-66-3544	1,750	9/3/72
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)				
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604		87-0293951		



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1981**

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A  
File with  
Form 1120S

	(a) Amount	(b) Form 1040 references; for Form 1041, see instruction A.
<b>Part I Income</b>		
1 Undistributed taxable income—ordinary income or (loss) . . . . . (If line 1 is a loss, see instruction C for deductible amount.)	14	Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) . . . . . (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax) . . . . .		Schedule D, Part II
3 Shareholder's share of losses from section 465 activities (see instruction D) . . . . .		See Schedule D, Part IV
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.) . . . . .		
<b>Part II Interest on Investment Indebtedness</b>		
Form 4952 references		
1 (a) Interest on investment indebtedness incurred before 12-17-69 . . . . . (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 . . . . . (c) Interest on investment indebtedness incurred after 9-10-75 . . . . .		line 1
2 Net investment income or (loss) . . . . .		line 15
3 Excess expenses from "net lease property" . . . . .		line 5
4 Net capital gain attributable to investment property . . . . .		line 2 or 10
		lines 11 and 19
		line 20
<b>Part III Items of Tax Preference (See Instructions)</b>		
Form 4625 references		
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) . . . . . (b) Other real property that is nonrecovery property or 15-year real property . . . . .		line 1(a)(1)
		line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property . . . . .		line 1(b)
3 Amortization: (a) Certified pollution control facilities . . . . . (b) Railroad rolling stock . . . . . (c) On-the-job training facilities . . . . . (d) Child care facilities . . . . .		line 1(c)
		line 1(d)
		line 1(e)
		line 1(f)
4 Reserves for losses on bad debts of financial institutions . . . . .		line 1(g)
5 Depletion . . . . .		line 1(i)
6 Intangible drilling costs . . . . .		line 1(j)
7 Net capital gain (after tax) (see General Instruction A) . . . . .		
<b>Part IV Property Eligible for Investment Credit</b>		
Form 3468 references		
Unadjusted basis of new recovery property	(a) 3-Year . . . . .	line 1(a)
	(b) Other . . . . .	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year . . . . .	line 1(c)
	(d) Other . . . . .	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years . . . . .	line 3(a)
	(f) 5 or more but less than 7 years . . . . .	line 3(b)
	(g) 7 or more years . . . . .	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years . . . . .	line 3(d)
	(i) 5 or more but less than 7 years . . . . .	line 3(e)
	(j) 7 or more years . . . . .	line 3(f)
New commuter highway vehicle . . . . .		line 5
Used commuter highway vehicle . . . . .		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line ) . . . . .		
<b>Part V Jobs Credit</b>		
1 Jobs credit . . . . .		Form 5884
<b>Part VI Other Shareholder Information</b>		
1. Name and address of shareholder	2. Social security number	3. Stock ownership
David R. Hall 738 E. 2680 No., Provo, Utah 84604	528-66-4787	Number of shares: 1,750 Period held: Date acquired 9/3/72
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604 87-0293951



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable Income, etc.—1981** For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A  
File with  
Form 1120S

<b>Part I</b> Income	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) . . . . . (If line 1 is a loss, see instruction C for deductible amount.)		Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) . . . . . (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax) . . . . .	14	Schedule D, Part II See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D) . . . . .		
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.) . . . . .		

<b>Part II</b> Interest on Investment Indebtedness	Form 4952 references	
1 (a) Interest on investment indebtedness incurred before 12-17-69 . . . . . (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 . . . . . (c) Interest on investment indebtedness incurred after 9-10-75 . . . . .		line 1 line 15 line 5
2 Net investment income or (loss) . . . . .		line 2 or 10
3 Excess expenses from "net lease property" . . . . .		lines 11 and 19
4 Net capital gain attributable to investment property . . . . .		line 20

<b>Part III</b> Items of Tax Preference (See Instructions)	Form 4625 references	
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) . . . . . (b) Other real property that is nonrecovery property or 15-year real property . . . . .		line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property . . . . .		line 1(b)
3 Amortization: (a) Certified pollution control facilities . . . . . (b) Railroad rolling stock . . . . . (c) On-the-job training facilities . . . . . (d) Child care facilities . . . . .		line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions . . . . .		line 1(g)
5 Depletion . . . . .		line 1(i)
6 Intangible drilling costs . . . . .		line 1(j)
7 Net capital gain (after tax) (see General Instruction A) . . . . .		

<b>Part IV</b> Property Eligible for Investment Credit	Form 3468 references	
Unadjusted basis of new recovery property	(a) 3-Year . . . . .	line 1(a)
	(b) Other . . . . .	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year . . . . .	line 1(c)
	(d) Other . . . . .	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years . . . . .	line 3(a)
	(f) 5 or more but less than 7 years . . . . .	line 3(b)
	(g) 7 or more years . . . . .	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years . . . . .	line 3(d)
	(i) 5 or more but less than 7 years . . . . .	line 3(e)
	(j) 7 or more years . . . . .	line 3(f)
New commuter highway vehicle . . . . .		line 5
Used commuter highway vehicle . . . . .		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line ) . . . . .		

<b>Part V</b> Jobs Credit	Form 5884
1 Jobs credit . . . . .	

<b>Part VI</b> Other Shareholder Information		3. Stock ownership			
1. Name and address of shareholder		2. Social security number	Number of shares	Period held	
				Date acquired	Date of disposition
J. Martin Neel 10408 Bonny Drive, Cupertino, CA 95014		529-66-7245	1,750	9/3/72	
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)			
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604			
		87-0293951			



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1981** For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A  
File with  
Form 1120S

<b>Part I</b> Income	(a) Amount	(b) Form 1040 references; for Form 1041, see instruction A.
1 Undistributed taxable income—ordinary income or (loss) . . . . . (If line 1 is a loss, see instruction C for deductible amount.)	15	Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) . . . . . (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax) . . . . .		Schedule D, Part II See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D) . . . . .		
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.) . . . . .		
<b>Part II</b> Interest on Investment Indebtedness		Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69 . . . . . (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 . . . . . (c) Interest on investment indebtedness incurred after 9-10-75 . . . . .		line 1 line 15 line 5
2 Net investment income or (loss) . . . . .		line 2 or 10
3 Excess expenses from "net lease property" . . . . .		lines 11 and 19
4 Net capital gain attributable to investment property . . . . .		line 20
<b>Part III</b> Items of Tax Preference (See Instructions)		Form 4625 references
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) . . . . . (b) Other real property that is nonrecovery property or 15-year real property . . . . .		line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property . . . . .		line 1(b)
3 Amortization: (a) Certified pollution control facilities . . . . . (b) Railroad rolling stock . . . . . (c) On-the-job training facilities . . . . . (d) Child care facilities . . . . .		line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions . . . . .		line 1(g)
5 Depletion . . . . .		line 1(i)
6 Intangible drilling costs . . . . .		line 1(j)
7 Net capital gain (after tax) (see General Instruction A) . . . . .		
<b>Part IV</b> Property Eligible for Investment Credit		Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year . . . . .	line 1(a)
	(b) Other . . . . .	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year . . . . .	line 1(c)
	(d) Other . . . . .	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years . . . . .	line 3(a)
	(f) 5 or more but less than 7 years . . . . .	line 3(b)
	(g) 7 or more years . . . . .	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years . . . . .	line 3(d)
	(i) 5 or more but less than 7 years . . . . .	line 3(e)
	(j) 7 or more years . . . . .	line 3(f)
New commuter highway vehicle . . . . .		line 5
Used commuter highway vehicle . . . . .		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line ) . . . . .		
<b>Part V</b> Jobs Credit		Form 5884
1 Jobs credit . . . . .		
<b>Part VI</b> Other Shareholder Information		
1. Name and address of shareholder		3. Stock ownership
Virginia Wood 3804 No. 18th, Arlington, Virginia		Number of shares 1,750
2. Social security number 528-78-8080		Period held Date acquired: 9/3/72 Date of disposition:
4. Compensation NONE	5. Percentage of time devoted to business NONE	6. Corporation's name, identifying number, and address (including ZIP code) H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604 87-0293951



SCHEDULE K-1  
(Form 1120S)

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable  
Income, etc.—1981**

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A  
File with  
Form 1120S

**Part I Income**

- 1 Undistributed taxable income—ordinary income or (loss) . . . . .  
(If line 1 is a loss, see instruction C for deductible amount.)
- 2 (a) Undistributed taxable income—net long-term capital gain (after tax) . . . . .  
(b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax) . . . . .
- 3 Shareholder's share of losses from section 465 activities (see instruction D) . . . . .
- 4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.) . . . . .

(a) Amount	(b) Form 1040 references; for Form 1041, see instruction A.
	Schedule E, Part II
15	Schedule D, Part II
	See Schedule D, Part IV

**Part II Interest on Investment Indebtedness**

- 1 (a) Interest on investment indebtedness incurred before 12-17-69 . . . . .  
(b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 . . . . .  
(c) Interest on investment indebtedness incurred after 9-10-75 . . . . .
- 2 Net investment income or (loss) . . . . .
- 3 Excess expenses from "net lease property" . . . . .
- 4 Net capital gain attributable to investment property . . . . .

Form 4952 references	
	line 1
	line 15
	line 5
	line 2 or 10
	lines 11 and 19
	line 20

**Part III Items of Tax Preference (See Instructions)**

- 1 Accelerated depreciation on real property:
  - (a) Low-income rental housing (section 167(k)) . . . . .
  - (b) Other real property that is nonrecovery property or 15-year real property . . . . .
- 2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property . . . . .
- 3 Amortization: (a) Certified pollution control facilities . . . . .  
(b) Railroad rolling stock . . . . .  
(c) On-the-job training facilities . . . . .  
(d) Child care facilities . . . . .
- 4 Reserves for losses on bad debts of financial institutions . . . . .
- 5 Depletion . . . . .
- 6 Intangible drilling costs . . . . .
- 7 Net capital gain (after tax) (see General Instruction A) . . . . .

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

**Part IV Property Eligible for Investment Credit**

- |   | (a) 3-Year          |                                     |  |
|---|---------------------|-------------------------------------|--|
|   | (b) Other           | (c) 3-Year                          |  |
| Unadjusted basis of new recovery property                                   |                     |                                     |  |
| Unadjusted basis of used recovery property                                  | (d) Other           | (e) 3 or more but less than 5 years |  |
|   |                     | (f) 5 or more but less than 7 years |  |
| Basis of new nonrecovery property   | (g) 7 or more years | (h) 3 or more but less than 5 years |  |
|   |                     | (i) 5 or more but less than 7 years |  |
|   |                     | (j) 7 or more years                 |  |
| Cost of used nonrecovery property   |                     |                                     |  |
|   |                     |                                     |  |
| New commuter highway vehicle . . . . .                                      |                     |                                     |  |
| Used commuter highway vehicle . . . . .                                     |                     |                                     |  |
| Qualified rehabilitation expenditures (enter on Form 3468, line ) . . . . . |                     |                                     |  |

Form 3468 references	
	line 1(a)
	line 1(b)
	line 1(c)
	line 1(d)
	line 3(a)
	line 3(b)
	line 3(c)
	line 3(d)
	line 3(e)
	line 3(f)
	line 5
	line 6

**Part V Jobs Credit**

- 1 Jobs credit . . . . .

Form 5884

**Part VI Other Shareholder Information**

1. Name and address of shareholder	2. Social security number	3. Stock ownership	Period held	
			Number of shares	Date acquired
Charlotte Weight Rt. 1, Box 1340, Springville, AZ 85938	528-80-8152	1,750	9/3/72	
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)		
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604 87-0293951		



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

Department of the Treasury  
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable Income, etc.—1981**

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A  
File with  
Form 1120S

Part I Income	(a) Amount	(b) Form 1049 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) . . . . . (If line 1 is a loss, see instruction C for deductible amount.)	/	Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) . . . . . (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax) . . . . .	15	Schedule D, Part II See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D) . . . . .	/	/
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.) . . . . .	/	/

Part II Interest on Investment Indebtedness	Form 4952 references	
1 (a) Interest on investment indebtedness incurred before 12-17-69 . . . . . (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 . . . . . (c) Interest on investment indebtedness incurred after 9-10-75 . . . . .	/	line 1 line 15 line 5
2 Net investment income or (loss) . . . . .	/	line 2 or 10
3 Excess expenses from "net lease property" . . . . .	/	lines 11 and 19
4 Net capital gain attributable to investment property . . . . .	/	line 20

Part III Items of Tax Preference (See Instructions)	Form 4625 references	
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) . . . . . (b) Other real property that is nonrecovery property or 15-year real property . . . . .	/	line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property . . . . .	/	line 1(b)
3 Amortization: (a) Certified pollution control facilities . . . . . (b) Railroad rolling stock . . . . . (c) On-the-job training facilities . . . . . (d) Child care facilities . . . . .	/	line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions . . . . .	/	line 1(g)
5 Depletion . . . . .	/	line 1(i)
6 Intangible drilling costs . . . . .	/	line 1(j)
7 Net capital gain (after tax) (see General Instruction A) . . . . .	/	/

Part IV Property Eligible for Investment Credit	Form 3468 references	
Unadjusted basis of new recovery property	(a) 3-Year . . . . .	line 1(a)
	(b) Other . . . . .	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year . . . . .	line 1(c)
	(d) Other . . . . .	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years . . . . .	line 3(a)
	(f) 5 or more but less than 7 years . . . . .	line 3(b)
	(g) 7 or more years . . . . .	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years . . . . .	line 3(d)
	(i) 5 or more but less than 7 years . . . . .	line 3(e)
	(j) 7 or more years . . . . .	line 3(f)
New commuter highway vehicle . . . . .	/	line 5
Used commuter highway vehicle . . . . .	/	line 6
Qualified rehabilitation expenditures (enter on Form 3468, line ) . . . . .	/	/

Part V Jobs Credit	Form 5884
1 Jobs credit . . . . .	/

Part VI Other Shareholder Information		3. Stock ownership			
1. Name and address of shareholder		2. Social security number	Number of shares	Period held	
				Date acquired	Date of disposition
Nancy Mecham 1041 W. 600 S., Orem, Utah 84057		529-94-9795	1,750	9/3/72	
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)			
NONE	NONE	H. Tracy Hall, Inc. 87-0293951 1190 Columbia Lane Provo, Utah 84604			



H. TRACY HALL, INC.

87-0293951

SCHEDULE OF OTHER DEDUCTIONS

Year ended August 31, 1982

Supplies	\$1,894
Utilities	814
Professional fees	265
Insurance	400
Bank service charge	14
Miscellaneous	<u>7</u>
	<u>\$3,394</u>



**SCHEDULE D  
(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ Attach to your tax return.

▶ For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

OMB No. 1545-0130

**1981**

Name **H. Tracy Hall, Inc.**

Employer identification number  
**87-0293951**

**Part I Short-term Capital Gains and Losses—Assets Held One Year or Less**

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis	f. Gain or (loss) (d less e)
1					

2 Short-term capital gain from installment sales from Form 6252, line 19 or 27 . . . . .	2	
3 Unused capital loss carryover (attach computation) . . . . .	3	
4 Net short-term capital gain or (loss) (combine lines 1, 2, and 3) . . . . .	4	

**Part II Long-term Capital Gains and Losses—Assets Held More Than One Year**

5 Enter section 1231 gain from line 5(a)(1), Form 4797 . . . . .	5	40,716
6		

7 Long-term capital gain from installment sales from Form 6252, line 19 or 27 . . . . .	7	
8 Net long-term capital gain or (loss) (combine lines 5, 6, and 7) . . . . .	8	40,716

**Part III Summary of Schedule D Gains and Losses**

9 Excess of net short-term capital gain (line 4) over net long-term capital loss (line 8). Enter here and on Form 1120S, page 1, line 9a . . . . .	9	
10 Net capital gain—Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4). Enter here and on Form 1120S, page 1, line 9b . . . . .	10	40,716

**Part IV Tax Computation (See Instructions)**

11 Taxable income (Form 1120S, page 1, line 28) . . . . .	11	
12 Enter tax on line 11 amount as computed in the instructions for line 12 . . . . .	12	
13 Net capital gain from line 10 above . . . . .	13	
14 \$25,000 (statutory minimum) . . . . .	14	\$25,000
15 Subtract line 14 from line 13 . . . . .	15	
16 Enter 28% of line 15 . . . . .	16	
17 Income tax on capital gains—Enter the smaller of line 12 or line 16 . . . . .	17	
18 Minimum tax (see instructions—attach Form 4626) . . . . .	18	
19 Total tax—Add lines 17 and 18. Enter here and on Form 1120S, page 1, line 29 . . . . .	19	

**Instructions**

(References are to the Internal Revenue Code.)

**Purpose**

Schedule D should be used by corporations to report sales or exchanges of capital assets. Sales or exchanges of property other than capital assets, including property used in a trade or business, involuntary conversions (other than casualties or thefts), and gain from the disposition of interest in oil, gas, or geothermal property, should be reported on Form 4797. See the instructions for Form 4797 for more information.

If property is involuntarily converted because of a casualty or theft, use Form 4684, Casualties and Thefts.

Note: If capital assets of the corporation were sold or exchanged after June 9, 1981, see the Instruction for Line 9b of Schedule K of Form 1120S before completing Parts I, II, and III.

**Parts I and II**

Generally, you should report sales and exchanges even though there is no gain or loss. In Part I report the sale or exchange of capital assets held one year or less. In Part II report the sale or exchange of capital assets held more than one year.

What are Capital Assets.—Each item of property held by a corporation (whether or not connected with its trade or business) is a capital asset except:

1. Assets that can be inventoried or property held mainly for sale to customers.
2. Depreciable or real property used in the trade or business.
3. Certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property.
4. Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in 1, above.

5. Certain short-term Federal, State, and municipal obligations acquired before June 24, 1981. (See section 1232(a)(4) for treatment after June 23, 1981.)

6. A U.S. Government publication (including the Congressional Record), received from the Government or any of its agencies other than by purchase at the public sale price, held by a taxpayer who received the publication, or by a second taxpayer in whose hands the basis of the publication is determined, for purposes of determining gain from a sale or exchange, by referring to its basis in the hands of the first taxpayer.

**Special Rules for the Treatment of Certain Gains and Losses**

● **Gain from installment sales.**—Except as explained below, if you sold property at a gain this year and will receive any payment in a later tax year, you must use the installment method to report your gain. You must file Form 6252, Computation of In-



# Depreciation

▶ See separate instructions.  
▶ Attach this form to your return.

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

Identifying number  
**87-0293951**

- ▶ Generally, you must use the Accelerated Cost Recovery System of depreciation (ACRS) for all assets you placed in service after December 31, 1980. Report these assets in Part I, lines 1(a) through 1(f).
- ▶ You may elect to exclude certain property. Report this property in Part I, line 2.
- ▶ Use Part II for assets you placed in service before January 1, 1981, and certain other assets for which you cannot use ACRS.
- ▶ Filers of Schedule C (Form 1040), Schedule E (Form 1040) and Form 4835 should see the instructions for those forms before completing Form 4562.

**Part I** Assets placed in service after December 31, 1980

A. Class of property	B. Date placed in service	C. Cost or other basis	D. Recovery period	E. Method of figuring depreciation	F. Percentage	G. Deduction for this year
<b>1 Accelerated Cost Recovery System (ACRS) (See instructions for grouping assets):</b>						
(a) 3-year property						
(b) 5-year property						
(c) 10-year property						
(d) 15-year public utility property						
(e) 15-year real property—low-income housing						
(f) 15-year real property other than low-income housing						
<b>2 Property subject to section 168(e) (2) election (see instructions):</b>						
<b>3 Totals (add amounts in columns C and G)</b>						
<b>4 Depreciation from Part II, line 3</b>						2,745
<b>5 Total (add column G, lines 3 and 4). Enter this amount on the depreciation expense line (where it applies) of your return</b>						2,745







# Supplemental Schedule of Gains and Losses

(Includes Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions)  
 To be filed with Form 1040, 1041, 1065, 1120, etc.—See Separate Instructions

**1981**  
 31

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

Identifying number  
 87-0293951

**Part I** Sales or Exchanges of Property Used in a Trade or Business, and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 1 Year (Except for Certain Livestock)

Note: Use Form 4684 to report involuntary conversions from casualty and theft.  
 Caution: If you sold property on which you claimed the investment credit, you may be liable for recapture of that credit. See Form 4255 for additional information.

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
1							
2 (a) Gain, if any, from Form 4684, Part II, line 25							
(b) Section 1231 gain from installment sales from Form 6252, line 19 or 27							40,716
3 Gain, if any, from line 26, Part III, on back of this form from other than casualty and theft						( )	40,716
4 Add lines 1 through 3 in column g and column h							40,716
5 Combine line 4, column g and line 4, column h. Enter gain or (loss) here, and on the appropriate line as follows:							40,716
(a) For all except partnership returns:							
(1) If line 5 is a gain, enter the gain as a long-term capital gain on Schedule D (Form 1040, 1120, etc.) that is being filed. See instruction E.							
(2) If line 5 is zero or a loss, enter that amount on line 6.							
(b) For partnership returns: Enter the amount shown on line 5 above, on Schedule K (Form 1065), line 8.							

**Part II** Ordinary Gains and Losses

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
6 Loss, if any, from line 5(a)(2)							
7 Gain, if any, from line 25, Part III on back of this form							
8 (a) Net gain or (loss) from Form 4684, lines 17 and 24a							9,284
(b) Ordinary gain from installment sales from Form 6252, line 18 or 26							
9 Other ordinary gains and losses (include property held 1 year or less):							
10 Add lines 6 through 9 in column g and column h						( )	9,284
11 Combine line 10, column g and line 10, column h. Enter gain or (loss) here, and on the appropriate line as follows:							9,284
(a) For all except individual returns: Enter the gain or (loss) shown on line 11, on the line provided on the return (Form 1120, etc.) being filed. See instruction F for specific line reference.							
(b) For individual returns:							
(1) If the loss on line 6 includes a loss from Form 4684, Part II, column B(ii), enter that part of the loss here and on line 29 of Schedule A (Form 1040). Identify as from "Form 4797, line 11(b)(1)"							
(2) Redetermine the gain or (loss) on line 11, excluding the loss (if any) entered on line 11(b)(1). Enter here and on Form 1040, line 14							

**Part III** Gain From Disposition of Property Under Sections 1245, 1250, 1251, 1252, 1254, 1255

Skip lines 20 and 21 if there are no dispositions of farm property or farmland, or if this form is filed by a partnership.

12 Description of sections 1245, 1250, 1251, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
(A) 300 ton cubic press	4-78	2-82
(B)		
(C)		
(D)		

Part III is continued on page 2.



	Property (A)	Property (B)	Property (C)	Property (D)
Relate lines 12(A) through 12(D) to these columns ▶▶▶				
13 Gross sales price minus expense of sale . . . . .	100,000			
14 Cost or other basis . . . . .	9,284			
15 Depreciation (or depletion) allowed (or allowable) . . . . .	9,284			
16 Adjusted basis, subtract line 15 from line 14 . . . . .	-			
17 Total gain, subtract line 16 from line 13 . . . . .	100,000			
<b>18 If section 1245 property:</b>				
(a) Depreciation allowed (or allowable) after applicable date (see instructions) . . . . .	9,284			
(b) Enter smaller of line 17 or 18(a) . . . . .	9,284			
<b>19 If section 1250 property: (If straight line depreciation used, enter zero on line 19(i).)</b>				
(a) Additional depreciation after 12/31/75 (see instructions) . . . . .	See Form 6252			
(b) Applicable percentage times the smaller of line 17 or line 19(a) (see instruction G.4) . . . . .				
(c) Subtract line 19(a) from line 17. If line 17 is not more than line 19(a), skip lines 19(d) through 19(h) . . . . .				
(d) Additional depreciation after 12/31/69 and before 1/1/76 . . . . .				
(e) Applicable percentage times the smaller of line 19(c) or 19(d) (see instruction G.4) . . . . .				
(f) Subtract line 19(d) from line 19(c). If line 19(c) is not more than line 19(d), skip lines 19(g) and 19(h) . . . . .				
(g) Additional depreciation after 12/31/63 and before 1/1/70 . . . . .				
(h) Applicable percentage times the smaller of line 19(f) or 19(g) (see instruction G.4) . . . . .				
(i) Add lines 19(b), 19(e), and 19(h) . . . . .				
<b>20 If section 1251 property:</b>				
(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, subtract line 18(b) from line 17; if farmland, enter smaller of line 17 or 20(a) . . . . .				
(c) Excess deductions account (see instruction G.5) . . . . .				
(d) Enter smaller of line 20(b) or 20(c) . . . . .				
<b>21 If section 1252 property:</b>				
(a) Soil, water, and land clearing expenses made after 12/31/69 . . . . .				
(b) Amount from line 20(d), if none enter zero . . . . .				
(c) Subtract line 21(b) from line 21(a). If line 21(b) is more than line 21(a), enter zero . . . . .				
(d) Line 21(c) times applicable percentage (see instruction G.5) . . . . .				
(e) Subtract line 21(b) from line 17 . . . . .				
(f) Enter smaller of line 21(d) or 21(e) . . . . .				
<b>22 If section 1254 property:</b>				
(a) Intangible drilling and development costs deducted after 12/31/75 (see instruction G.6) . . . . .				
(b) Enter smaller of line 17 or 22(a) . . . . .				
<b>23 If section 1255 property:</b>				
(a) Applicable percentage of payments excluded from income under section 126 (see instruction G.7) . . . . .				
(b) Enter the smaller of line 17 or 23(a) . . . . .				

**Summary of Part III Gains (Complete Property columns (A) through (D) through line 23(b) before going to line 24)**

24 Total gains for all properties (add columns (A) through (D), line 17) . . . . .	
25 Add columns (A) through (D), lines 18(b), 19(i), 20(d), 21(f), 22(b) and 23(b). Enter here and on Part II, line 7 . . . . .	
26 Subtract line 25 from line 24. Enter the portion from casualty and theft on Form 4684, line 19; enter the portion from other than casualty and theft on Form 4797, Part I, line 3 . . . . .	

**Part IV Complete this Part Only if You are Electing Out of the Installment Method And are Reporting a Note or Other Obligation at Less Than Full Face Value**

Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation ▶ .....

Enter the percentage of valuation of the note or other obligation ▶



Computation of Installment Sale Income

Department of the Treasury Internal Revenue Service

See instructions on back. Attach to your tax return. Use a separate form for each sale or other disposition of property on the installment method.

1981

Name(s) as shown on tax return: H. Tracy Hall, Inc. Identifying number: 87-0293951

A Kind of property and description: 300 ton cubic press
B Date acquired (month, day, and year): 4-78 C Date sold (month, day, and year): 2-82
D Was property sold to a related party after May 14, 1980? (See instruction C). [ ] Yes [X] No

Part I Computation of Gross Profit and Contract Price (Complete this part for year of sale only.)

Table with 11 rows for Part I. Columns include line numbers, descriptions, and amounts. Values include 100,000 for line 1, 100,000 for line 3, 9,284 for line 4, 9,284 for line 5, 100,000 for line 9, and 100,000 for line 11.

Part II Computation of Taxable Part of Installment Sale (Complete this part for year of sale and any year a payment is received.)

Table with 9 rows for Part II. Columns include line numbers, descriptions, and percentages/amounts. Values include 100% for line 12, 50,000 for line 14, 50,000 for line 15, 50,000 for line 17, 9,284 for line 18, and 40,716 for line 19.

Part III Information and Computation for Related Party Installment Sale (Complete this part only if you answered "Yes" to question D and did not receive the final installment payment in 1981.)

E Name, address, and taxpayer identifying number of related party

F Did the related party resell or dispose of this property, acquired from you after May 14, 1980, during 1981? [ ] Yes [ ] No

G If the answer to question F is "Yes," complete lines 20 through 27 below unless one of the following conditions is met (check only the box that applies).

- [ ] The first disposition was a sale or exchange of stock to the issuing corporation.
[ ] The second disposition was an involuntary conversion where the threat of conversion occurred after the first disposition.
[ ] The second disposition occurred after the death of the original seller or purchaser.
[ ] It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation. (See instruction C.)

Table with 7 rows for Part III. Columns include line numbers, descriptions, and amounts. Values include 20, 21, 22, 23, 24, 25, 26, 27.



	Yes	No
<b>K 1</b> Did you claim a deduction for expenses connected with:		
<b>a</b> Entertainment facilities (boat, resort, ranch, etc.)?		X
<b>b</b> Living accommodations (except for employees on business)?		X
<b>c</b> Employees attending conventions or meetings outside the North American area? (See section 274(h).)		X
<b>d</b> Employees' families at conventions or meetings?		X
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).)		
<b>e</b> Employee or family vacations not reported on Form W-2?		X
<b>L</b> At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?		X
<b>M</b> Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A or 926.		X
<b>N</b> During this tax year was any part of your tax accounting records maintained on a computerized system?		X
<b>O</b> Number of shareholders in the corporation at the end of the tax year		9

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

**Computation of Corporation's Undistributed Taxable Income**

<b>1</b> Taxable income (line 28, page 1)		40,207
<b>2 Less:</b> <b>a</b> Money distributed as dividends out of earnings and profits for the tax year	40,000	
<b>b</b> Tax imposed on certain capital gains (line 29, page 1)		40,000
<b>3</b> Corporation's undistributed taxable income (subtract line 2 from line 1)		207
<b>4</b> Actual dividend distributions taxable as ordinary income. (Do not include amounts shown on line 6.)		40,000
<b>5</b> Actual dividend distributions taxable as long-term capital gains (after tax)		
<b>6</b> Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion		
<b>7</b> Nondividend distributions		
<b>8</b> Undistributed taxable income—taxable as ordinary income or (loss) (see instructions)		207
<b>9a</b> Undistributed taxable income—taxable as long-term capital gain (after tax) (see instructions)		
<b>b</b> Portion of line 9a attributable to transactions after 6-9-81 (after tax) (see instructions)		
<b>10</b> Investment credit property—Attach Form 3468 and Schedule B (Form 3468) (See Instructions)		
<b>11</b> Interest on investment indebtedness:		
<b>a 1</b> Interest on investment indebtedness incurred before 12-17-69		
<b>2</b> Interest on investment indebtedness incurred before 9-11-75, but after 12-16-69		
<b>3</b> Interest on investment indebtedness incurred after 9-10-75		
<b>b</b> Net investment income or (loss)		
<b>c</b> Excess expenses from "net lease property"		
<b>d</b> Net capital gain attributable to investment property		
<b>12</b> Items of tax preference (see instructions):		
<b>a</b> Accelerated depreciation on real property:		
<b>1</b> Low-income rental housing (section 167(k))		
<b>2</b> Other real property that is nonrecovery property or 15-year real property		
<b>b</b> Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		
<b>c</b> Amortization on:		
<b>1</b> Certified pollution control facilities		
<b>2</b> Railroad rolling stock		
<b>3</b> On-the-job training facilities		
<b>4</b> Child care facilities		
<b>d</b> Reserve for losses on bad debts of financial institutions		
<b>e</b> Depletion		
<b>f</b> Intangible drilling costs		
<b>g</b> Net capital gain (after tax)		
<b>13</b> Jobs credit		



**Schedule L Balance Sheets**

Assets		Liabilities and Shareholders' Equity	
A	B	C	D
Beginning of tax year	End of tax year	Beginning of tax year	End of tax year
1 Cash	1,512	4,464	4,464
2 Trade notes and accounts receivable			
a Less allowances for bad debts			
3 Inventories			
4 Gov't obligations: a U.S. and instrumentalities			
b State, subdivisions thereof, etc.			
5 Other current assets (attach schedule)	1,393	1,393	1,393
6 Loans to shareholders			
7 Mortgage and real estate loans			
8 Other investments (attach schedule)			
9 Buildings and other depreciable assets	33,868	33,868	568
a Less accumulated depreciation	30,555	3,313	
10 Depletable assets			
a Less accumulated depletion			
11 Land (net of any amortization)			
12 Intangible assets (amortizable only)			
a Less accumulated amortization			
13 Other assets (attach schedule)			
Contract receivable			
14 Total assets	6,218	56,425	56,425
15 Accounts payable			
16 Mises, notes, bonds payable in less than 1 year			
17 Other current liabilities (attach schedule)			
18 Loans from shareholders			
19 Mises, notes, bonds payable in 1 year or more			
20 Other liabilities (attach schedule) Deferred gain	11,427	11,427	11,427
21 Capital stock	25,000	25,000	25,000
22 Paid-in or capital surplus			
23 Retained earnings—appropriated (attach schedule)			
24 Retained earnings—unappropriated	(523)	(523)	(523)
25 Shareholders' undistributed taxable income previously taxed	(32,186)	(31,979)	(31,979)
26 Less cost of treasury stock			
27 Total liabilities and shareholders' equity	6,218	56,425	56,425

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

1 Net income on books	40,207	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			
4 Income subject to tax not recorded on books this year (itemize) \$		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		a Depreciation \$	
a Depreciation \$		b Contributions carryover \$	
b Contributions carryover \$		9 Total of lines 7 and 8	
6 Total of lines 1 through 5	40,207	10 Income (line 28, page 1)—line 6 less line 9	40,207

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

1 Balance at beginning of year	(523)	5 Distributions out of current or accumulated earnings and profits: a Cash	40,000
2 Net income on books	40,207	b Stock	
3 Other increases (itemize)		c Property	
		6 Current year's undistributed taxable income or net operating loss (total of lines 8 and 9a, Schedule K)	207
		7 Other decreases (itemize)	
		8 Total of lines 5, 6, and 7	40,207
4 Total of lines 1, 2, and 3	39,684	9 Balance at end of year (line 4 less line 8)	(523)



UTAH SMALL BUSINESS CORPORATION FRANCHISE TAX RETURN For Calendar Year 1981

Federal Identification Number

87-0293951

Utah Sec. of State Number

057676

Federal Business Code

8599

or other taxable year beginning Sept. 1, 1981 ending Aug. 31, 1982

H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604

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

A. What is the latest year or years for which a Federal Examination has been completed? NONE. Attach summary. B. (1) With respect to what year or years are Federal examinations now in progress, or final determinations of past examinations still pending? NONE.

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

Table with 11 rows of tax items and a 'TAX' column. Includes items like 'Taxable income from page 1 of federal form 1120S', 'Deduct: Income subject to federal tax from form 1120S', 'Net Income', and 'Tax' calculations.

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..

Date Signature of officer Title Date Individual or firm signature of preparer Title Fox & Company, 1675 N. 200 W., Provo, Utah 84604 48-0581199