

Form TC-20S

**UTAH SMALL BUSINESS
CORPORATION FRANCHISE TAX RETURN**

1973

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

For Calendar Year 1973

or other taxable year beginning Sept 1, 1973, ending Aug 31, 1974

Federal Identification Number
87-0293951

Returns made on the basis of the calendar year 1973 shall be filed with the State Tax Commission, State Office Bldg., Salt Lake City, Utah 84114, on or before April 15, 1974. 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**

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	\$	59,000 20
2. Deduct: Income subject to federal tax, from schedule J form 1120S		
3. Line 1 less line 2	\$	59,000 20
(If all shareholders are Utah residents and entire income is derived from Utah sources, disregard lines 4 through 18 and enter amount on line 2 at line 19)		
4. Less: percentage of ownership represented by Utah resident shareholders - (Resident shares <u>18,000</u> ÷ total shares <u>25,000</u> = <u>72%</u>)		
5. Line 3 multiplied by line 4		42,480 14
6. Line 3 less line 5	\$	16,520 06
7. Amount on line 2		
8. Net Income (line 6 plus line 7) - Enter here and at line 14 (If corporation is not taxable in another state disregard items 9 through 18 and enter amount on line 8 at line 19)	\$	16,520 06

Allocation Of Income (to be used only if taxable in another state)

APPORTIONMENT FRACTION

DESCRIPTION	In Utah (a)	Everywhere (b)	Fraction (a) ÷ (b)
9. Total tangible property	\$	\$	
10. Total expenditures for wages, salaries, commissions or other compensation	\$	\$	
11. Receipts and sales	\$	\$	
12. Total of items 9, 10 and 11			
13. Apportionment fraction (item 12 divided by three)			

14. Net income (item 8 above)	\$	16,520 06
15. Less: non-business income (attach schedule) allocated to Utah \$ _____ not allocated to Utah \$ _____		
16. Remainder of net income subject to apportionment	\$	
17. Portion of remainder allocated to Utah (Item 16 x item 13)	\$	16,520 06
18. Add: non-business income allocated to Utah		
19. Net income subject to Utah franchise tax	\$	16,520 06

TAX	20. Tax: 6% of item 19. (or from line 28 page 2 of this return)	\$	991 24
	Penalty	\$	
	Interest	\$	
	TOTAL	\$	991 24

(Answer Questions at Top of Page 2)

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.

**CORPORATE
SEAL**

11 Oct 1974
Date

H. Tracy Hall
Signature of officer

President
Title

11 Oct 1974
Date

Individual or firm signature of preparer

257 East Center Street, Provo, Utah 84601
Address

**Elmer Fox & Company
Certified Public Accountants**

SUPPLEMENTAL INFORMATION (To be supplied by all corporations)

A. Distributions to shareholders out of earnings prior to January 1, 1973, \$ 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.

C. (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: 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).

GENERAL INSTRUCTIONS FORM TC-20S

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

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

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

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

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

5. Dividends and Other Distributions. Any dividends or other distributions of the corporation's earnings must be identified (by answering the question at the top of this page) as to distributions out of earnings prior to 1/1/73.

6. Fiscal Year Beginning in 1972 and Ending in 1973. The election to file as a small business corporation became effective on 1/1/73. Prior to that date there was no difference in tax treatment for Utah purposes between small business

corporations and other corporations. Therefore, each small business corporation filing on a fiscal year beginning in 1972 and ending in 1973 shall file two returns (form TC-20 and form TC-20S). In order to compute the tax due, each return shall be filed for the full year as if the law (pre 1/1/73 or post 12/31/72) was applicable for the full year. The tax shown to be due on each return must then be reduced to an amount which bears the same ratio to the tax computed as the number of days in the particular period, applicable to the return being filed, bears to the total number of days in the filing period. Contact the corporate auditing division for further information, if needed. Complete supplemental schedule on page 2 of this return.

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

8. "First Return" Computation. In the case of a small business corporation which incorporated or qualified to do business in Utah during 1972, the tax for the first and second periods applicable to pre 1/1/73 law shall be computed for the full year as if the law in effect on 1/1/72 was in effect for the full filing period. Such tax so computed shall be reduced to an amount which bears the same ratio to the tax computed as the number of days prior to 1/1/73 bears to the total number of days in the filing period. You may request a copy of Regulation No. 2 effective prior to 1/1/73 which shows examples of the computation of the first and second periods' tax.

SUPPLEMENT TO FORM TC-20S

(To be used only by small business corporations filing on a fiscal year beginning in 1972 and ending in 1973.) Year Beginning _____, Ending _____ 1973.

	Number	Percent
21. Number of days from beginning of filing period to 12/31/72 (Incl.)	_____	_____
22. Number of days from 1/1/73 to end of filing period	_____	_____
23. Total number of days in filing period (equals 100%)	_____	_____
24. Tax computed for entire year from form TC-20 \$	_____	_____
25. Amount in line 24 x percent from line 21	_____	\$ _____
26. Tax computed for entire year from form TC-20S \$	_____	_____
27. Amount in line 26 x percent from line 22	_____	_____
28. Total Tax Due - Enter here and on line 20, Page 1, Form TC-20S	_____	\$ _____

Form 1120S

U.S. Small Business Corporation Income Tax Return

Department of the Treasury Internal Revenue Service

for the calendar year 1973 or other taxable year beginning September 1 1973, ending August 31, 1974

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

Name H. Tracy Hall, Incorporated

B Business Code No. 8098

Number and street 1190 Columbia Lane

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

C Employer Identification No. 87-0293951

D County in which located Utah

E Enter total assets from line 14, column D, Schedule L 50,830.66

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, interest, rents, royalties, other income, compensation, salaries, repairs, bad debts, taxes, interest, contributions, amortization, depreciation, depletion, advertising, pension, employee benefit programs, other deductions, total deductions, taxable income, income tax, minimum tax, total tax, credits, and tax due/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.

Signature and title of officer (H. Tracy Hall, President), date (11 Oct 1974), and preparer information (Elmer Fox & Company, Certified Public Accountants, Provo, Utah 84601).

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

Schedule A COST OF GOODS SOLD (See instruction 2)

Method of inventory valuation (specify) **Cost**
 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.

1 Inventory at beginning of year **32,681.91**
 2 Merchandise bought for manufacture or sale **29,377.70**
 3 Salaries and wages
 4 Other costs (attach schedule)
 5 Total of lines 1 through 4 **62,059.61**
 6 Less inventory at end of year
 7 Cost of goods sold (enter here and on line 2, page 1) **62,059.61**

Schedule E COMPENSATION OF OFFICERS (See instruction 12)

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business (Percent-Part)	5. Percent of stock owned (Part 24)	6. Amount of compensation	7. Expense account allowances
Ida Rose Hall	529-10-1716	Sec.			1,200.00	
Total compensation of officers (enter here and on line 12, page 1) 1,200.00						

Schedule F BAD DEBTS—RESERVE METHOD (See instruction 15)

1. Year: 1968, 1969, 1970, 1971, 1972, 1973

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

Amount added to reserve

Schedule G DEPRECIATION (See instruction 21) Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after 1970, or the guideline Class Life System for assets placed in service before 1971, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System) with your return. Except as otherwise expressly provided in regulations section 1.167(a)-11(b)(5)(VI) and regulations section 1.167(a)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after 1970. 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)

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment				Var	8	3,945.27
Other depreciation:						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4						
5 Totals						31,562.21
6 Less amount of depreciation claimed in Schedule A						
7 Balance—enter here and on line 21, page 1						3,945.27

Schedule H SUMMARY OF DEPRECIATION (other than additional first-year depreciation)

1 Depreciation from Form 4832	2 Declining balance	3 Straight line	4 Sum of the years-digits	5 Units of production	6 Other (specify)	7 Total
1 Depreciation from Form 4832						
2 Depreciation from Form 5006						
3 Other						
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Schedule I TAX COMPUTATION (See instructions)

1 Taxable income (line 28, page 1)

2 (a) Enter 48% of line 1 (members of controlled groups, see instructions) **6,500.00**

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

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

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

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

6 Enter 30% of line 5 (see instructions)

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

H. TRACY HALL, INCORPORATED

87-0293951

SCHEDULE OF TAXES

Fiscal year ended August 31, 1974

Payroll taxes	\$ 770.27
Property taxes	25.52
State franchise tax	8.33
Use taxes	<u>161.81</u>
Total	<u>\$ 965.93</u>

SCHEDULE OF OTHER DEDUCTIONS

Freight and express	213.17
Insurance	32.57
Dues and subscriptions	261.50
Professional fees	285.00
Supplies	4,007.36
Travel expense	628.71
Utilities	<u>810.39</u>
Total	<u>\$6,238.70</u>

AMORTIZATION OF ORGANIZATION EXPENSE

Fiscal year ended August 31, 1974

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 expense	\$324.75
Amortization for the period ended August 31, 1973	<u>59.54</u>
Unamortized balance August 31, 1973	265.21
Amortized for the fiscal year ended August 31, 1974	<u>64.95</u>
Unamortized balance August 31, 1974	<u><u>\$200.26</u></u>

H. TRACY HALL, INCORPORATED
 SUMMARY OF DISTRIBUTIONS AND OTHER ITEMS
 Fiscal year ended August 31, 1974

Shareholders	Social Security Number	Stock Ownership		Compensation	Dividend Paid	Undistributed Taxable Income	Investment Credit Property
		No. of Shares	Period Held From To				
H. Tracy Hall 1711 North Lambert Lane Provo, Utah 84601	529-07-9801	6,750	9/1/73 8/31/74	\$	\$ 9,855.00	\$ 6,075.05	\$ 2,770.27
Ida Rose Hall 1711 North Lambert Lane Provo, Utah 84601	529-10-1716	6,000	9/1/73 8/31/74	1,200.00	8,760.00	5,400.08	2,462.45
H. Tracy, Jr. and Elizabeth H. Hall 562 Military Way Palo Alto, California 94306	528-66-3544	1,750	9/1/73 8/31/74		2,555.00	1,575.01	718.21
Daniel and Sherlene Bartholomew "O" South 731 Wynwood Road Winfield, Illinois 60190	529-56-9730	1,750	9/1/73 8/31/74		2,555.00	1,575.01	718.21
David R. and Karen V. Hall 15 Hillside Road Princeton, New Jersey 08540	528-66-4787	1,750	9/1/73 8/31/74		2,555.00	1,575.01	718.21
J. Martin and Elizabeth H. Neil 22421-A Walnut Circle South Cupertino, California 95014	529-66-7245	1,750	9/1/73 8/31/74		2,555.00	1,575.01	718.21
Virginia Hall 1711 North Lambert Lane Provo, Utah 84601	528-78-8080	1,750	9/1/73 8/31/74		2,555.00	1,575.01	718.21
Charlotte Hall 1711 North Lambert Lane Provo, Utah 84601	528-80-8152	1,750	9/1/73 8/31/74		2,555.00	1,575.01	718.21
Nancy Hall 1711 North Lambert Lane Provo, Utah 84601	529-94-9795	1,750	9/1/73 8/31/74		2,555.00	1,575.01	718.21
Totals		<u>25,000</u>			<u>\$36,500.00</u>	<u>\$22,500.20</u>	<u>\$10,260.19</u>

Schedule K COMPUTATION OF UNDISTRIBUTED TAXABLE INCOME AND SUMMARY OF DISTRIBUTIONS

Computation of Corporation's Undistributed Taxable Income

Table with 2 columns: Description and Amount. Rows include Taxable income (59,000.20), Less: (a) Money distributed as dividends (36,500.00), (b) Tax imposed on certain capital gains (36,500.00), and Corporation's undistributed taxable income (22,500.20).

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 are present, with 'Schedule Attached' noted in row B.

Table with 2 columns: Description and Amount. Rows include 4 Actual dividend distributions taxable as ordinary income (36,500.00), 5 Actual dividend distributions taxable as long-term capital gains (after tax)*, 6 Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion, 7 Nondividend distributions, 8 Undistributed taxable income—taxable as ordinary income or (loss) (22,500.20), and 9 Undistributed taxable income—taxable as long-term capital gain (after tax)*.

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

Table with 2 columns: Description and Amount. Rows include 10 INTEREST ON INVESTMENT INDEBTEDNESS (a-f), 11 ITEMS OF TAX PREFERENCE (a-f), and 12 INVESTMENT CREDIT PROPERTY (a-f). Total amount for 12 is 10,260.19.

Schedule K-1 COMPLETE A SEPARATE SCHEDULE K-1 FOR EACH SHAREHOLDER—File Copy A with Form 1120S, give Copy B to each shareholder, and keep Copy C for your records.

Form with various questions (F, G, H, I, J, K, L, M, N, O) regarding incorporation date (August 30, 1972), shareholder information, and tax preferences. Includes checkboxes for 'Yes' and 'No'.

Schedule L BALANCE SHEETS (See instructions)

ASSETS		(A) Amount	(B) Total	(C) Amount	(D) Total
		Beginning of taxable year	Beginning of taxable year	End of taxable year	End of taxable year
1	Cash	9,824.12	9,824.12	24,768.46	24,768.46
2	Trade notes and accounts receivable				
3	Inventories		32,681.91		
4	Govt obligations: (a) U.S. and instrumentalities				
	(b) State, subdivisions thereof, etc.				
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	21,302.02	19,547.02	31,562.21	25,861.94
10	Depletable assets	1,755.00	19,547.02	5,700.27	25,861.94
	(a) Less accumulated depreciation				
11	Land (net of any amortization)				
12	Intangible assets (amortizable only)	324.75	265.21	324.75	200.26
	(a) Less accumulated amortization				
13	Other assets (attach schedule)				
14	Total assets	62,318.26	62,318.26	50,830.66	50,830.66
LIABILITIES AND SHAREHOLDERS' EQUITY					
15	Accounts payable				
16	Mtgs, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach schedule)	885.00	885.00	520.74	520.74
18	Loans from shareholders	5,050.00	5,050.00	11,426.46	11,426.46
19	Mtgs, notes, bonds payable in 1 year or more	42,500.00	42,500.00	2,500.00	2,500.00
20	Other liabilities (attach schedule)				
21	Capital stock		25,000.00		25,000.00
22	Paid-in or capital surplus (attach reconciliation)				
23	Retained earnings—appropriated (attach schedule)				
24	Retained earnings—unappropriated		(11,116.74)		(11,116.74)
25	Shareholders' undistributed taxable income previously taxed				
26	Less cost of treasury stock				22,500.20
27	Total liabilities and shareholders' equity		62,318.26	50,830.66	50,830.66

Schedule M-1 RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1	Net income per books	59,000.20
2	Federal income tax	
3	Excess of capital losses over capital gains	
4	Taxable income not recorded on books this year	
	(itemize)	
5	Expenses recorded on books this year not deducted in this return (itemize)	
6	Total of lines 1 through 5	59,200.20
Schedule M-2 ANALYSIS OF UNAPPROPRIATED EARNINGS PER BOOKS (line 24 above)		
1	Balance at beginning of year	(11,116.74)
2	Net income per books	59,000.20
3	Other increases (itemize)	
4	Total of lines 1, 2, and 3	47,883.46
5	Distributions out of current or accumulated earnings and profits: (a) Cash	36,500.00
	(b) Stock	
	(c) Property	
6	Current year's undistributed taxable income or net operating loss (total of lines 8 and 9, Schedule K)	22,500.20
7	Other decreases (itemize)	
8	Total of lines 5, 6, and 7	59,000.20
9	Balance at end of year (line 4 less line 8)	(11,116.74)