

FISCAL YEAR

Form 1120S

U.S. Small Business Corporation Income Tax Return

1972

Department of the Treasury Internal Revenue Service

for the calendar year 1972 or other taxable year beginning Sept. 1, 1972, ending August 31, 1973

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

Name H. Tracy Hall, Inc.

C Employer Identification No. 87-0293951

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

Number and street 1711 North Lambert Lane

D County in which located Utah

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

E Enter total assets from line 14, column D, Schedule L 62,318.26

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

Table with 11 columns: Line number, Description, and Amount. Rows include Gross Income (lines 1-11), Deductions (lines 12-28), and Tax (lines 29-34). Total income is 222.17, total deductions are 11,063.91, and tax due is NONE.

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

10 Oct '73 Date, H. Tracy Hall Signature of officer, President, 257 East Center Street Provo, Utah 48-0581199 Preparer's address, Elmer Fox & Company Certified Public Accountants

Method of inventory valuation (specify) LIFO FIFO Other (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.

1 Inventory at beginning of year

2 Merchandise bought for manufacture or sale

3 Salaries and wages

4 Other costs (attach schedule)

5 Total of lines 1 through 4

6 Less inventory at end of year

7 Cost of goods sold (enter here and on line 2, page 1)

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 corp. stock owned	6. Amount of compensation	7. Expense account allowances
H. Tracy Hall	529-07-9801	President Part	51%	2,400.00		
Ida Rose Hall	529-10-1716	Secretary Part		200.00		
Total compensation of officers (enter here and on line 12, page 1) 2,600.00						

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
1972.						
1971.						
1970.						
1969.						
1968.						
1967.						

Schedule G—DEPRECIATION (See instruction 21) Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 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 December 31, 1970.

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

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 or rate

6. Life or rate

7. Depreciation for this year

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:	5 Totals	6 Less amount of depreciation claimed in Schedule A	7 Balance—enter here and on line 21, page 1
				21,302.02		1,755.00
						1,755.00
						1,755.00

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

1 Depreciation from Form 4832	2 Depreciation from Form 5006	3 Other	4 Straight line	5 Declining balance	6 Sum of the years-digits	7 Units of production	8 Other (specify)	9 Total
								1,755.00

Schedule J—TAX COMPUTATION (See instructions)

1 Taxable income (line 28, page 1)	
2 (a) Enter 48 percent of line 1 (members of controlled groups, see instructions)	6,500.00
(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.)	25,000.00
5 Balance (line 3 less line 4) (see instructions)	
6 Enter 30 percent 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, INC.

87-0293951

SCHEDULE OF OTHER DEDUCTIONS

August 31, 1973

Insurance	\$ 73.42
Freight and Express	132.28
Supplies	3,027.02
Utilities	588.63
Travel and Entertainment	614.08
Professional Fees	207.25
Dues and Subscriptions	<u>180.62</u>
Total	<u>\$ 4,823.30</u>

SCHEDULE OF TAXES

Payroll Taxes	\$ 218.40
State Franchise Tax	50.00
Other Taxes and Licenses	<u>284.20</u>
Total	<u>\$ 552.60</u>

H. TRACY HALL, INC.
 SCHEDULE OF DISTRIBUTIONS AND OTHER ITEMS
 August 31, 1973

87-0293951

Social Security Number	No. of Shares	Stock Ownership Period Held		Compensation	Time Devoted to Business	Net Operating Loss	Investment Credit Property*
		From	To				
H. Tracy Hall 1711 No. Lambert Lane Provo, Utah 84601	6,750	9/5/72	8/31/73	\$ 2,400.00	Part	(\$ 2,985.82)	\$ 2,030.51
Daniel and Sherlene Bartholomew "O" South, 731 Ulywood Road Winfield, Ill. 60170	1,750	9/5/72	8/31/73			(758.92)	525.84
H. Tracy, Jr. and Elizabeth H. Hall 1117-C 6th Street Albany, California 94706	1,750	9/5/72	8/31/73			(758.92)	525.84
David R. and Karen V. Hall 130 Washington St., P.O. Box 15 Rocky Hill, New Jersey 08553	1,750	9/5/72	8/31/73			(758.92)	525.84
J. Martin and Elizabeth Neil 166 B Eatoncrest Drive Eatontown, New Jersey 97724	1,750	9/5/72	8/31/73			(758.92)	525.84
Virginia Hall 1711 No. Lambert Lane Provo, Utah 84601	1,750	9/5/72	8/31/73			(758.92)	525.84
Charlotte Hall 1711 No. Lambert Lane Provo, Utah 84601	1,750	9/5/72	8/31/73			(758.92)	525.84
Nancy Hall 1711 No. Lambert Lane Provo, Utah 84601	1,750	9/5/72	8/31/73			(758.92)	525.84
Ida-Rose L. Hall 1711 No. Lambert Lane Provo, Utah 84601	6,000	9/28/72	8/31/73			(2,543.48)	1,800.65
Totals	<u>25,000</u>			<u>\$ 2,400.00</u>		<u>(\$ 10,841.74)</u>	<u>\$ 7,512.04</u>

*Life on all property is over 7 years

H. TRACY HALL, INC.

87-0293951

SCHEDULE OF AMORTIZATION OF ORGANIZATION EXPENSE

August 31, 1973

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 year ended August 31, 1973	<u>59.54</u>
Unamortized portion August 31, 1973	<u><u>\$ 265.21</u></u>

Schedule K—COMPUTATION OF UNDISTRIBUTED TAXABLE INCOME AND SUMMARY OF TOTAL DISTRIBUTIONS

Computation of Corporation's Undistributed Taxable Income

Table with 2 columns: Description and Amount. Row 1: Taxable income (line 28, page 1) (10,841.74). Row 2: Less: (a) Money distributed as dividends... (b) Tax imposed on certain capital gains... Row 3: Corporation's undistributed taxable income (10,841.74)

SUMMARY OF DISTRIBUTIONS AND OTHER ITEMS (attach additional sheets if necessary)

Table with 5 main 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. Row B contains 'SCHEDULE ATTACHED'.

Table with 2 columns: Description and Amount. Row 4: Actual dividend distributions taxable as ordinary income... Row 5: Actual dividend distributions taxable as long-term capital gain... Row 6: Actual dividend distributions entitled to exclusion... Row 7: Nondividend distributions... Row 8: Undistributed taxable income—taxable as ordinary income or (loss) (10,841.74) Row 9: Undistributed taxable income—taxable as long-term capital gain (after tax)*

10 INTEREST ON INVESTMENT INDEBTEDNESS:

Table with 2 columns: Description and Amount. Row (a): Investment interest expense. Row (b): Investment income. Row (c): Investment expense.

11 ITEMS OF TAX PREFERENCE:

Table with 2 columns: Description and Amount. Row (a): Accelerated depreciation on real property: (1) Low-income rental housing, (2) Other real property. Row (b): Accelerated depreciation on personal property subject to a net lease. Row (c): Amortization of: (1) Certified pollution control facilities, (2) Railroad rolling stock, (3) On-the-job training facilities, (4) Child care facilities. Row (d): Reserves for losses on bad debts of financial institutions. Row (e): Excess percentage depletion. Row (f): Net 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).

Schedule K-1—COMPLETE 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.

F Date incorporated August 30, 1972

G Did the corporation at the end of the taxable year own, directly or indirectly, 50 percent or more of the voting stock of a domestic corporation? [] Yes [X] No. (For rules of attribution, see section 267(c).)

If the answer is "Yes," attach a schedule showing: (a) name, address, and employer identification number; and (b) percentage owned.

H Did the corporation during the taxable year have any contracts or subcontracts subject to the Renegotiation Act of 1951? [] Yes [X] No. If "Yes," enter the aggregate gross dollar amount billed during the year

I Amount of taxable income or (loss) for: 1969 N/A; 1970 N/A; 1971 NONE

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 sections 1561 or 1562? [] Yes [X] No

L Did you claim a deduction for expenses connected with any: (1) Entertainment facility (boat, resort, ranch, etc.)? [] Yes [X] No (2) Living accommodations (except employees on business)? [] Yes [X] No (3) Employees' families at conventions or meetings? [] Yes [X] No (4) Employee or family vacations not reported on Form W-2? [] Yes [X] No

M Did you file all required Forms 1099, 1096 and 1087? [X] Yes [] No

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? [] Yes [X] No. If "Yes," attach Form 4683. (For definitions, see Form 4683.)

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? [] Yes [] No

Schedule L—BALANCE SHEETS (See Instructions)

ASSETS		(A) Amount	(B) Total	(C) Amount	(D) Total
		Beginning of taxable year	End of taxable year		
1	Cash	12,460.02	9,824.12		
2	Trade notes and accounts receivable				
	(a) Less allowance 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)				
6	Loans to shareholders				
7	Mortgage and real estate loans				
8	Other investments (attach schedule)				
9	Buildings and other fixed depreciable assets	13,789.98	21,302.02		19,547.02
	(a) Less accumulated depreciation				
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)				
14	Total assets	26,250.00	62,318.26		
LIABILITIES AND SHAREHOLDERS' EQUITY					
15	Accounts payable				
16	Mtgs., notes, bonds payable in less than 1 year				
17	Other current liabilities (attach schedule)				
18	Loans from shareholders				
19	Mtgs., notes, bonds payable in 1 year or more				
20	Other liabilities (attach schedule)				
21	Capital stock				
22	Paid-in or capital surplus (attach reconciliation)				
23	Retained earnings—appropriated (attach schedule)				
24	Retained earnings—unappropriated				
25	Shareholders' undistributed taxable income				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity	26,250.00	62,318.26		

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

1	Net income per books	11,116.74
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)	275.00
6	Total of lines 1 through 5	10,841.74
7	Income recorded on books this year not included in this return (itemize)	
	(a) Tax-exempt interest	
8	Deductions in this tax return not charged against book income this year (itemize)	
9	Total of lines 7 and 8	10,841.74
10	Income (line 28, page 1)—line 6 less line 9	10,841.74

Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)

1	Balance at beginning of year	11,116.74
2	Net income per books	
3	Other increases (itemize)	
4	Total of lines 1, 2, and 3	11,116.74
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)	(10,841.74)
7	Other decreases (itemize)	
8	Total of lines 5, 6, and 7	(10,841.74)
9	Balance at end of year (line 4 less line 8)	275.00

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

State Office Bldg. Salt Lake City, Utah 84114

Returns made on the basis of the calendar year 1972 shall be filed with the State Tax Commission, State Office Bldg., Salt Lake City, Utah 84114, on or before April 15, 1973. Returns made on the basis of a fiscal year shall be filed on or before the fifteenth day of the fourth month following the close of the fiscal year.

FISCAL YEAR
STATE OF UTAH
CORPORATION FRANCHISE TAX RETURN
For Calendar Year 1972

1972

or other taxable year beginning **Sept 1**, 1972, ending **Aug 31**, 1973

H. Tracy Hall, Inc.
1711 North Lambert Lane
Provo, Utah 84601

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

Kind of business **Research** Is this a consolidated return? Yes No (See Inst. 11)
Date of incorporation **8/30/72** Did this corporation join in a Federal consolidated return? Yes No
Under laws of **Utah** Did the corporation do business elsewhere than in Utah? **No** If so, see instruction 12
State the address of the corporation's principal place of business in Utah _____ The corporation's principal place of business, if other than Utah _____

IMPORTANT — All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, attach Schedule.

GROSS INCOME	1. Gross receipts or gross sales \$ _____ Less: Returns and allowances \$ _____	\$ _____
	2. Less: Cost of goods sold (Schedule A) and/or operations (attach schedule) _____	_____
	3. Gross profit _____	\$ _____
	4. Gross receipts (where inventories are not an income-determining factor) Attach Schedule _____	_____
	5. Interest _____	_____
	6. Rents, Royalties from property and lease income _____	_____
	7. Royalties from the use of patents _____	_____
	8. Profit from sale of real estate, stocks, bonds, and other capital assets. (From schedule B) _____	_____
	9. Dividends: Domestic (U.S.) \$ _____ Foreign \$ _____	_____
	10. Other income (State nature of income): _____	_____
	(a) Federal tax refunds _____	_____
(b) _____	_____	
11. TOTAL income, lines 3 to 10 inclusive _____	\$ _____	
DEDUCTIONS	12. Compensation of officers (From schedule C) _____	\$ _____
	13. Salaries and wages (not deducted elsewhere) _____	_____
	14. Rent _____	_____
	15. Repairs _____	_____
	16. Bad Debts (From schedule D) _____	_____
	17. Interest _____	_____
	18. Taxes (From schedule E) _____	_____
	19. Advertising _____	_____
	20. Depreciation (resulting from exhaustion, wear and tear, or obsolescence) (From schedule F) _____	_____
	21. Depletion of mines, oil and gas wells, timber, etc. (Submit schedule. See instruction 16) _____	_____
	22. Other deductions not reported above (Attach schedule) _____	_____
	(a) _____	_____
	(b) _____	_____
	23. Total deductions in items 12 to 22 _____	\$ _____
24. Net income (item 11 minus item 23) _____	(\$ 10,791 74)	
25. Net income assignable to business done in Utah (to be used only by taxpayers all of whose net income is not assignable to business done in Utah.) (See instruction 12) _____	\$ _____	
TAX	26. Tax: 6% of item 24, or item 25, whichever is applicable (\$25.00 minimum - see instruction 5) ..	\$ 25 00
	less: Tax applicable to Subchapter S income (2/3 x \$25,000) ..	\$ 16 67
	An amended return must be marked "Amended" at top of return. Interest ..	\$ _____
	Tax paid with form TC-20S (attached) TOTAL ...	\$ 8 33

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 **President**

257 East Center Street, Provo, Utah Address

Date _____ Individual or firm signature of preparer **Elmer Fox & Company**
Certified Public Accountants

SCHEDULE A—COST OF GOODS SOLD
(Where inventories are an income-determining factor)

1. Inventory at beginning of year	\$	5. Total Lines 1 to 4	\$
2. Merchandise bought for manufacture or sale		6. Less: Inventory at end of year	
3. Salaries and wages		7. Cost of goods sold (enter here and on line 2, page 1)	\$
4. Other costs per books (attach schedule)			

SCHEDULE B — PROFIT (or Loss) FROM SALE OR EXCHANGE OF REAL ESTATE, STOCKS, BONDS, ETC.

1. Kind of Property	2. Date Acquired	3. Date Sold	4. Cost or Other Basis	5. Subsequent Improvements	6. Depreciation Allowed or Allowable Since Acquisition	7. Net Cost Basis	8. Amount Realized	9. Gain or Loss (Enter as Item 8)

SCHEDULE C — COMPENSATION OF OFFICERS

1. Name and Address of Officer	2. Official Title	3. Percentage of Time Devoted to Bus. of This Corp.	4. Common	5. Preferred	6. Amount of Compensation (Enter as Item 12)

SCHEDULE D — BAD DEBTS (See instruction 13)

1. Taxable Year	2. Net Income Reported	3. Sales on Account	4. Bad Debts Charged Off by Corporation if No Reserve is Carried on Books	5. Gross Amount Added to Reserve	6. Amount Charged Against Reserve
1971					
1972					

SCHEDULE E — TAXES (See instruction 14)

Line	Kind of Tax	Line	Kind of Tax
1a	Federal income taxes for the year ended 19	6	
1b	Normal tax and surtax	7	
2	Less: Foreign tax credit	8	
3	Investment credit	9	
4	All other credits	10	
5	Net Federal income tax deduction		Total—Lines 5 to 10—Enter as item 18 \$

SCHEDULE F — DEPRECIATION (See instruction 15)

1. Kind of property (if buildings, state material of which constructed). Exclude land and other nondepreciable property. List assets in groups by depreciation method.	2. Date acquired	3. Costs or other basis (exclude land)	4. Depreciation allowed (or allowable) in prior years	5. Method of computation (years)	6. Rate (%) or life (years)	7. Depreciation this year

SCHEDULE L — RECONCILIATION OF NET INCOME AND ANALYSIS OF CHANGES IN SURPLUS

1. Total distributions to stockholders	(a) Cash	8. Earned surplus and undivided profits at close of preceding taxable period (from schedule O)
	(b) Stock of the corporation	9. Net income (item 24, page 1 of return)
	(c) Other property	10. Nontaxable income (schedule):
2. Unallowable deductions:	(a) Utah Corporation Franchise tax	11. Charges against surplus and reserves deducted from income in the return (schedule):
	(b) Contributions—excess over limitation	12. Deductions for tax purposes not recorded on the books (schedule):
	(c) See instructions	13. Sundry credits to earned surplus (schedule):
3. Additions to reserves debited to profit and loss but not deducted from income in the return (schedule):		14. Total of items 8 to 13
4. Income reported for tax purposes not credited to profit and loss on the books (schedule):		
5. Sundry debits to earned surplus (schedule):		
6. Earned surplus and undivided profits at close of taxable period (from schedule O):		
7. Total of items 1 to 6		

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, Inc. 1711 North Lambert Lane 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	\$ 10,841.74
2. Deduct: Income subject to federal tax, from schedule J form 1120S	
3. Line 1 less line 2	\$ 10,841.74
(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 ÷ total shares = %)	
5. Line 3 multiplied by line 4	
6. Line 3 less line 5	\$
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)	

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)	\$
15. Less: non-business income (attach schedule) allocated to Utah \$ _____ not allocated to Utah \$ _____	Total
16. Remainder of net income subject to apportionment	\$
17. Portion of remainder allocated to Utah (Item 16 x item 13)	\$
18. Add: non-business income allocated to Utah	\$
19. Net income subject to Utah franchise tax	\$ NONE

TAX	20. Tax: 6% of item 19. (or from line 28 page 2 of this return)	\$ 8.33
	Penalty	\$
	Interest	\$
	TOTAL	\$ 8.33

(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

Date _____ Signature of officer _____ Title President

257 East Center Street, Provo, Utah

Date

Individual or firm signature of preparer

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 Sept 1, 1972, Ending August 31, 1973.

	<i>Number</i>	<i>Percent</i>
21. Number of days from beginning of filing period to 12/31/72 (Incl.)	<u>122</u>	<u>33%</u>
22. Number of days from 1/1/73 to end of filing period	<u>243</u>	<u>67%</u>
23. Total number of days in filing period (equals 100%)	<u>365</u>	<u>100%</u>
24. Tax computed for entire year from form TC-20 \$ <u>25.00</u>		
25. Amount in line 24 x percent from line 21		\$ <u>8.33</u>
26. Tax computed for entire year from form TC-20S \$ <u>NONE</u>		
27. Amount in line 26 x percent from line 22		<u>NONE</u>
28. Total Tax Due - Enter here and on line 20, Page 1, Form TC-20S		\$ <u>8.33</u>

SCHEDULE M — RECONCILIATION WITH NET INCOME PER BOOKS AND PER FEDERAL RETURN

Net income per books			(11,116 74)
ADD: Total of items 2, 3, and 4 of schedule L			325 00
Total			(10,791 74)
DEDUCT: Total of items 10, 11, and 12 of schedule L			
Net income per Utah return—line 24, page 1			(10,791 74)
ADD: Federal taxes (not deductible on federal return)	\$		
Excess of capital loss over amount allowable on federal return			
Other additions (list)			
Total additions			
TOTAL			(10,791 74)
DEDUCT: Utah Franchise tax (not allowable on state return)	\$	50 00	
Contributions (excess over amount allowable on state return)			
Interest exempt or partially exempt on federal return			
Federal loss carry-over (not allowable on state return)			
Other deductions (list):			
Total deductions			50 00
NET TAXABLE INCOME PER FEDERAL RETURN			(10,841 74)

SCHEDULE N — ALLOCATION OF INCOME (To be used only if taxable in another state — See instruction 12)

APPORTIONMENT FRACTION

Item No.	TANGIBLE PROPERTY (See Instruction No. 3)	In Utah (a)	In and outside Utah (b)	Fraction (a)÷(b)
1. (a) Land	\$		\$	
(b) Depreciable assets				
(c) Inventory and supplies				
(d) Rented property				
2. Total tangible property	\$		\$	
	WAGES, SALARIES, COMMISSIONS, OR OTHER COMPENSATION (See Instruction No. 4)	In Utah (a)	In and outside Utah (b)	Fraction (a)÷(b)
3. Total expenditures for wages, salaries, commissions or other compensation	\$		\$	
	GROSS RECEIPTS FROM BUSINESS (See Instruction No. 5)	In Utah (a)	In and outside Utah (b)	Fraction (a)÷(b)
4. Receipts and sales	\$		\$	
5. Total of items 2, 3 and 4				
6. Apportionment fraction (item 5 divided by three)				

SPECIFIC ALLOCATION OF "NON-BUSINESS" RENTS AND ROYALTIES, INTEREST, DIVIDENDS, AND CAPITAL GAINS OR LOSSES

Net Income Class (See Instructions 6 and 7)	Amount Allocated To Utah		Amount Not Allocated To Utah	
	Gross (a)	Net (b)	Gross (c)	Net (d)
7. Rents less related expenses	\$	\$	\$	\$
8. Interest less related expenses				
9. Dividends less related expenses				
10. Gains or losses from sale of non-business assets				
11. Total rents, interest, dividends, and capital gains		\$		\$

Attach schedule showing details of related expenses deducted in each of the above items in reducing gross figures to net amounts (See Instruction 7)

APPORTIONMENT OF REMAINDER OF NET INCOME

12. Total net income (item 24 of page 1)		\$
13. Less (a) Amount from line 11 (b) above	\$	
(b) Amount from line 11 (d) above		
(c) Total		
14. Remainder of net income, subject to apportionment (item 12 minus item 13(c))		\$
15. Portion of remainder of net income allocated to Utah (item 14 multiplied by item 6)		\$

NET INCOME ALLOCATED TO UTAH

16. Rents, interest, dividends, and capital gains allocated to Utah (item 13 (a))	\$
17. Portion of remainder of net income allocated to Utah (item 15)	\$
18. Net income allocated to Utah — Enter as item 25 on page 1	\$

SCHEDULE O — BALANCE SHEETS

ASSETS		LIABILITIES AND CAPITAL	
1. Cash	\$	13. Total assets	\$
2. Notes and accounts receivable	\$	14. Accounts payable	\$
(a) Less: Reserve for bad debts	\$	15. Mortgages, notes, and bonds payable in less than 1 year	\$
3. Inventories	\$	16. Other current liabilities (attach schedule)	\$
4. Investments in Government obligations	\$	17. Loans from stockholders	\$
5. Other current assets (attach schedule)	\$	18. Mortgages, notes, and bonds payable in 1 year or more	\$
6. Loans to stockholders	\$	19. Other liabilities (attach schedule)	\$
7. Other investments (attach schedule)	\$	20. Capital stock:	\$
8. Buildings and other fixed depreciable assets	\$	(a) Preferred stock	\$
(a) Less: Accumulated amortization and depreciation	\$	(b) Common stock	\$
9. Depletable assets	\$	21. Paid-in or capital surplus	\$
(a) Less: Accumulated depreciation	\$	22. Surplus reserve (attach schedule)	\$
10. Land (net of any amortization)	\$	23. Earned surplus and undivided profits	\$
11. Intangible assets (amortizable only)	\$	24. Total liabilities and capital	\$
(a) Less: Accumulated amortization	\$		
12. Other assets (attach schedule)	\$		
(a) Less: Accumulated amortization	\$		
13. Total assets	\$		
14. Accounts payable	\$		
15. Mortgages, notes, and bonds payable in less than 1 year	\$		
16. Other current liabilities (attach schedule)	\$		
17. Loans from stockholders	\$		
18. Mortgages, notes, and bonds payable in 1 year or more	\$		
19. Other liabilities (attach schedule)	\$		
20. Capital stock:	\$		
(a) Preferred stock	\$		
(b) Common stock	\$		
21. Paid-in or capital surplus	\$		
22. Surplus reserve (attach schedule)	\$		
23. Earned surplus and undivided profits	\$		
24. Total liabilities and capital	\$		
Beginning of taxable year	(A) Amount	Beginning of taxable year	(B) Total
End of taxable year	(C) Amount	End of taxable year	(D) Total

(To be supplied by all corporations)

- Did the corporation at any time during its income year own 50 per cent or more of the voting stock of another corporation or corporations? **NO**
- If so, attach separate schedule showing with respect to each corporation (1) name and address of corporation, (2) percentage of stock owned, and (3) date stock was acquired.
- Is 50 per cent or more of the voting stock of this corporation owned by another corporation? **NO**
- If so, give name and address of such other corporation together with per cent of stock held.
- Was the corporation in any way an outgrowth of any prior business? **Yes**
- Give name and address of each predecessor business, and date of the change in equity. **ship - August 30, 1972, H. Tracy Hall, a proprietor.**
- Is this return made on the basis of cash receipts and disbursements? **NO**
- If not, describe fully which other basis or method was used in computing net income. **Accrual Method**
- Indicate federal income tax form used in reporting this year's income to Internal Revenue Service. Form 1120 Form 1120-S
- What is the latest year 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 adjustments have not already been reported to the Tax Commission, and indicate date of final determination.
- (a) With respect to what year or years are Federal examinations now in progress, or final determinations of past examinations still pending? **NONE**
- (b) With respect to what year or years have extensions for period of posting 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 59-13-10 of the Utah Code for failure to report fully the information required by Questions 6 and 7.

SUPPLEMENTAL INFORMATION

(To be supplied by all corporations that claim part of their net income is assignable to business done outside Utah. Attach list of all states in which the corporation is doing business and filing state corporation income or franchise tax returns.)

- Does the corporation maintain a bona fide office, store, factory, or other regular and established place of business outside Utah? Yes No
- If so, attach schedule showing address of each corporate place of business outside Utah.
- Did the corporation during the taxable year:
 - Own any real property outside Utah? Yes No
 - Own any tangible personal property outside Utah other than inventories of stock in trade? Yes No
 - Own any inventories of stock in trade outside Utah? Yes No
- Have employees chiefly situated at, connected with, or sent out from premises for the transaction of business which are owned or rented by the corporation outside Utah? Yes No
- Did you file a corporation franchise or income tax return with any other state for this period? Yes No

- If answers to any of Questions 8, 9 (d), or 9 (e) above are "no," attach schedule explaining in detail the nature of the activities of your corporation outside Utah.
- If this is a "first return," attach a statement explaining in full the nature of the business activity conducted by the corporation both within and outside Utah.
- Date business commenced in Utah
- Has there been any change in the nature or method of operations or types of activities engaged in by the corporation, either within or outside Utah during the period covered by this return? Yes No
- If answer is "yes," attach a statement giving full details.