



Note: *The draft you are looking for begins on the next page.*

Caution: DRAFT—NOT FOR FILING

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

2025



Instructions for Form 1120

U.S. Corporation Income Tax Return

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 1120 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1120](https://www.irs.gov/Form1120).

What's New

Increase in penalty for failure to file. For tax returns required to be filed in 2026, the minimum penalty for failure to file a return that is more than 60 days late has increased to the smaller of the tax due or \$525. See [Late filing of return](#), later.

Gain from the sale or exchange of qualified farmland property to qualified farmers. P.L. 119-21, commonly known as the One Big Beautiful Bill Act, created new section 1062 regarding the gain from the sale or exchange of qualified farmland property to qualified farmers. Section 1062 allows taxpayers to elect to pay the net income tax attributable to the gain from the sale or exchange of qualified farmland property to qualified farmers in four equal annual installments. This election is available for sales and exchanges of qualified farmland property to a qualified farmer in tax years beginning after July 4, 2025. For more information, see section 1062 and new Form 1062, Deferral of Tax on Gain From the Sale or Exchange of Qualified Farmland Property to Qualified Farmers, when it is available.

To report the section 1062 applicable net tax liability and the installment due in the first tax year, two lines were added on Form 1120. Report the full amount of section 1062 applicable net tax liability on Schedule J, line 22b. Report the first installment due in tax year 2025 on Form 1120, line 32. For more information, see the instructions for [line 22b](#) and [line 32](#).

Extension of relief from additions to tax underpayments applicable to the corporate alternative minimum tax (CAMT). For tax year 2025, the IRS will continue to waive the penalty imposed under section 6655 for failure to make estimated tax payments attributable to a CAMT liability. See Notice 2025-27, 2025-26 I.R.B. 1611, available at [IRS.gov/irb/2025-26_IRB#NOT-2025-27](https://www.irs.gov/irb/2025-26_IRB#NOT-2025-27). Also, see the instructions for [line 34](#).

Electronic payments. If the corporation has access to U.S. banking services or electronic payment systems, it should use direct deposit for any refunds and pay electronically for any payments, whenever possible.

Direct deposit. Direct deposit fields have been added onto the form on lines 37c, 37d, and 37e. If there is an overpayment on line 36, enter the amount the corporation wants refunded on line 37b and complete the direct deposit information on lines 37c, 37d, and 37e. Instead of a direct deposit of the corporation's refund, it can still choose to have all or part of the overpayment credited to next year's estimated tax by completing line 37a. See [Line 36. Overpayment](#), later, for more information.

Making a payment. If there is a balance due on line 35, go to [IRS.gov/Payments](https://www.irs.gov/Payments) for information on how to make a payment.

See [Tax Payments](#) and the instructions for [Line 35. Amount Owed](#), later, for more details.

Certain qualified sound recording productions. P.L. 119-21 amends section 181 to include qualified sound recording production costs as an elective expense deduction. A corporation can elect to deduct certain costs of qualified sound recording productions that commence in a tax year ending after July 4, 2025, and before January 1, 2026. Also, qualified sound recording productions are eligible for the special depreciation allowance under section 168(k) if they commence in tax years ending after July 4, 2025. Qualified sound recording productions acquired after January 19, 2025, are eligible for 100% special allowance depreciation under the amendments to section 168(k) by P.L. 119-21. Qualified sound recording productions acquired before January 20, 2025, and commence in tax years ending after July 4, 2025, are also eligible for the special depreciation allowance at the applicable phased down percentage rates under section 168(k)(6) as in effect prior to amendment by P.L. 119-21. See sections 181 and 168(k).

Domestic research and experimental expenditures. P.L. 119-21 adds new section 174A to the Internal Revenue Code. Section 174A(a) allows corporations to deduct amounts paid or incurred for domestic research and experimental expenditures in tax years beginning after December 31, 2024. Alternatively, under section 174A(c), a corporation may elect to charge such expenditures to a capital account and amortize such expenditures ratably over a period of not less than 60 months, beginning with the month in which the corporation first realizes benefits from such expenditures. In addition, section 70302(f) of P.L. 119-21 provides corporations with various transition options that may be applied to recover unamortized amounts paid or incurred in tax years beginning after December 31, 2021, and before January 1, 2025, that were capitalized and amortized for such tax years. See Rev. Proc. 2025-28 for information regarding the transition options contained in section 70302(f) of P.L. 119-21, as well as the procedures to follow to begin applying either section 174A(a) or (c) for the corporation's first tax year beginning after December 31, 2024.

Interim simplified method to determine applicable corporation status. Proposed Regulations section 1.59-2(g)(2) provides that a corporation may choose to apply the safe harbor method (simplified method) for purposes of determining whether it is an applicable corporation under section 59(k). Section 3.03 of Notice 2025-27 provides an optional interim simplified method for determining applicable corporation status. See the instructions for [Schedule K, Question 29](#). Also, see the Instructions for Form 4626.

Interest on loans secured by rural or agricultural real property. P.L. 119-21 enacted new section 139L. For tax years ending after July 4, 2025, section 139L allows a partial exclusion from the gross income of interest received by qualified lenders on loans secured by rural or agricultural real property. See section 139L. Also, see Notice 2025-71, 2025-50 I.R.B. 779, available at [IRS.gov/irs/2025-50_IRB#NOT-2025-71](https://www.irs.gov/irs/2025-50_IRB#NOT-2025-71).

Photographs of Missing Children

The Internal Revenue Service is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](https://www.nccmec.org/).

Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

The Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an **independent** organization within the IRS that helps taxpayers and protects taxpayer rights. TAS's job is to ensure that every taxpayer is treated fairly and knows and understands their rights under the [Taxpayer Bill of Rights](#).

As a taxpayer, the corporation has rights that the IRS must abide by in its dealings with the corporation. TAS can help the corporation if:

- A problem is causing financial difficulty for the business;
- The business is facing an immediate threat of adverse action; or
- The corporation has tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

TAS has offices in every state, the District of Columbia, and Puerto Rico. Local advocates' numbers are in their local directories and at [TaxpayerAdvocate.IRS.gov](#). The corporation can also call TAS at 877-777-4778.

TAS also works to resolve large-scale or systemic problems that affect many taxpayers. If the corporation knows of one of these broad issues, please report it to TAS through the Systemic Advocacy Management System at [IRS.gov/SAMS](#).

For more information, go to [IRS.gov/Advocate](#).

How To Make a Contribution To Reduce Debt Held by the Public

There are two ways to make a contribution to reduce the debt held by the public.

- At [Pay.gov](#), contribute online by credit card, debit card, PayPal, Venmo, checking account, or savings account.
- Write a check payable to "Bureau of the Fiscal Service." In the memo section, notate that it is a gift to reduce the debt held by the public.

Mail the check to:

Attn Dept G
Bureau of the Fiscal Service
P.O. Box 2188
Parkersburg, WV 26106-2188

For information on how to make this type of contribution online, go to [TreasuryDirect.gov](#) and click on "How to Make a Contribution to Reduce the Debt."

Do not add the contributions to any tax the corporation may owe. See the instructions for [line 35](#) for details on how to pay any tax the corporation owes. Contributions to reduce debt held by the public are deductible subject to the rules and limitations for charitable contributions.

How To Get Forms and Publications

Internet. Access [IRS.gov](#) 24 hours a day, 7 days a week to:

- Download free forms, instructions, and publications;
- Order IRS products online;
- Research your tax questions online;
- Search publications online by topic or keyword;
- View Internal Revenue Bulletins (IRBs) published in recent years; and
- Sign up to receive local and national tax news by email.

Tax forms and publications. The corporation can view, print, or download all of the forms and publications it may need on [IRS.gov/Forms](#). Or, the corporation can go to [IRS.gov/OrderForms](#) to place an order.

General Instructions

Purpose of Form

Use Form 1120, U.S. Corporation Income Tax Return, to report the income, gains, losses, deductions, credits, and to figure the income tax liability of a corporation.

Who Must File

Unless exempt under section 501, all domestic corporations (including corporations in bankruptcy) must file an income tax return whether or not they have taxable income. Domestic corporations must file Form 1120, unless they are required, or elect to file a special return. See [Special Returns for Certain Organizations](#), later.

Entities electing to be taxed as corporations. A domestic entity electing to be classified as an association taxable as a corporation must file Form 1120, unless it is required to or elects to file a special return listed under [Special Returns for Certain Organizations](#). The entity must also file Form 8832, Entity Classification Election, and attach a copy of Form 8832 to Form 1120 (or the applicable return) for the year of the election. For more information, see Form 8832 and its instructions.

Limited liability companies (LLC). If an entity with more than one owner was formed as an LLC under state law, it is generally treated as a partnership for federal income tax purposes and files Form 1065, U.S. Return of Partnership Income. Generally, a single-member LLC is disregarded as an entity separate from its owner and reports its income and deductions on its owner's federal income tax return. The LLC can file a Form 1120 only if it has filed Form 8832 to elect to be treated as an association taxable as a corporation. For more information about LLCs, see Pub. 3402, Taxation of Limited Liability Companies.

Corporations engaged in farming. A corporation (other than a corporation that is a subchapter T cooperative) that engages in farming should use Form 1120 to report the income (loss) from such activities. Enter the income and deductions of the corporation according to the instructions for lines 1 through 10 and 12 through 29.

Ownership interest in a Financial Asset Securitization Investment Trust (FASIT). Special rules apply to a FASIT in existence on October 22, 2004, to the extent that regular interests issued by the FASIT before October 22, 2004, continue to remain outstanding in accordance with their original terms.

If a corporation holds an ownership interest in a FASIT to which these special rules apply, it must report all items of income, gain, deductions, losses, and credits on the corporation's income tax return (except as provided in section 860H). Show a breakdown of the items on an attached statement. For more information, see sections 860H and 860L (repealed with certain exceptions).

Foreign-owned domestic disregarded entities. If a foreign person, including a foreign corporation, wholly owns a domestic disregarded entity (DE), the domestic DE is treated as a domestic corporation separate from its owner (the foreign corporation) for the limited purposes of the requirements under section 6038A that apply to 25% foreign-owned domestic corporations. While a DE is not required to file a U.S. income tax return, a DE covered by these rules is required to file a pro forma Form 1120 with Form 5472 attached by the due date (including extensions) of the return. See the Instructions for Form 5472 for

additional information and coordination with Form 5472 reporting by the domestic DE.

Qualified opportunity fund. If a corporation intends to self-certify as a qualified opportunity fund (QOF), the corporation must file Form 1120 and attach Form 8996, Qualified Opportunity Fund, even if the corporation had no income or expenses to report. See [Schedule K, Question 25](#), later. Also, see the Instructions for Form 8996.

Qualified opportunity investment. If the corporation held a qualified investment in a QOF at any time during the year, the corporation must file its return with Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments, attached. See the instructions for Form 8997.

Special Returns for Certain Organizations

Instead of filing Form 1120, certain organizations, as shown below, file special returns.

If the organization is a: ▼	File Form ▼
Exempt organization with unrelated trade or business income	990-T
Religious or apostolic organization exempt under section 501(d)	1065
Entity formed as a limited liability company under state law and treated as a partnership for federal income tax purposes	1065
Subchapter T cooperative association (including a farmers' cooperative)	1120-C
Entity that elects to be treated as a real estate mortgage investment conduit (REMIC) under section 860D	1066
Interest charge domestic international sales corporation (section 992)	1120-IC-DISC
Foreign corporation (other than life or property and casualty insurance company filing Form 1120-L or Form 1120-PC)	1120-F
Foreign sales corporation (section 922)	1120-FSC
Condominium management, residential real estate management, or timeshare association that elects to be treated as a homeowners association under section 528	1120-H
Life insurance company (section 801)	1120-L
Fund set up to pay for nuclear decommissioning costs (section 468A)	1120-ND
Property and casualty insurance company (section 831)	1120-PC
Political organization (section 527)	1120-POL
Real estate investment trust (section 856)	1120-REIT
Regulated investment company (section 851)	1120-RIC

S corporation (section 1361)	1120-S
Settlement fund (section 468B)	1120-SF

Electronic Filing

Corporations can generally electronically file (*e-file*) Form 1120, related forms, schedules, and attachments; Form 7004 (automatic extension of time to file); and Forms 940, 941, and 944 (employment tax returns). If there is a balance due, the corporation can authorize an electronic funds withdrawal while *e-filing*. Form 1099 and other information returns can also be electronically filed. The option to e-file does not, however, apply to certain returns.

For returns filed on or after January 1, 2024, corporations are required to e-file Form 1120 if the corporation files 10 or more returns of any type during the calendar year (including income tax, employment tax, excise tax, and information returns). See Regulations section 301.6011-5. However, these corporations can request a waiver of the electronic filing requirements.

For more information on e-filing, see [E-file for Business and Self-employed Taxpayers](#) on IRS.gov.

Exclusions From Electronic Filing

Waivers. The IRS may waive the electronic filing rules if the corporation demonstrates that a hardship would result if it were required to file its return electronically. A corporation interested in requesting a waiver of the mandatory electronic filing requirement must file a written request, and request one in the manner prescribed by the IRS. All written requests for waivers should be mailed to:

Internal Revenue Service
Ogden Submission Processing Center
Attn: Form 1120 *e-file* Waiver Request
Mail Stop 1057
Ogden, UT 84201

If using a delivery service, requests for waivers should be mailed to:

Internal Revenue Service
Ogden Submission Processing Center
Attn: Form 1120 *e-file* Waiver Request
Mail Stop 1057
1973 N. Rulon White Blvd.
Ogden, UT 84404

Waiver requests can also be faxed to 877-477-0575. Contact the e-Help Desk at 866-255-0654 for questions regarding the waiver procedures or process.

Exemptions. The IRS may provide exemptions from the requirements to electronically file. If using the technology required to electronically file conflicts with religious beliefs, the corporation is exempt from the requirement. Clearly indicate the exemption on the corporation's return. Write "Religious Exemption" at the top of page 1 of Form 1120. File the corporation's return at the applicable IRS address. See [Where To File](#), later. For more information, see Notice 2024-18, 2024-5 I.R.B. 625, available at [IRS.gov/irb/2024-05 IRB#NOT-2024-18](#).

When To File

Generally, a corporation must file its income tax return by the 15th day of the 4th month after the end of its tax year. A new corporation filing a short-period return must generally file by the 15th day of the 4th month after the short period ends. A

Where To File

File the corporation's return at the applicable IRS address listed below.

If the corporation's principal business, office, or agency is located in:	And the total assets at the end of the tax year are:	Use the following address:
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million and Schedule M-3 is not filed	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0012
	\$10 million or more, or less than \$10 million and Schedule M-3 is filed	Department of the Treasury Internal Revenue Service Center Ogden, UT 84201-0012
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming	Any amount	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0012
A foreign country or U.S. territory	Any amount	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409
A group of corporations with members located in more than one service center area will often keep all the books and records at the principal office of the managing corporation. In this case, the tax returns of the corporations may be filed with the service center for the area in which the principal office of the managing corporation is located.		

corporation that has dissolved must generally file by the 15th day of the 4th month after the date it dissolved.

However, a corporation with a fiscal tax year ending June 30 must file by the 15th day of the 3rd month after the end of its tax year. A corporation with a short tax year ending anytime in June will be treated as if the short year ended on June 30, and must file by the 15th day of the 3rd month after the end of its tax year.

If the due date falls on a Saturday, Sunday, or legal holiday, the corporation can file on the next business day.

Private Delivery Services

Corporations can use certain private delivery services (PDS) designated by the IRS to meet the "timely mailing as timely filing" rule for tax returns. Go to [IRS.gov/PDS](https://www.irs.gov/PDS).

The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDS/streetAddresses](https://www.irs.gov/PDS/streetAddresses).

Note: Private delivery services can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Extension of Time To File

File Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns, to request an extension of time to file. Generally, the corporation must file Form 7004 by the regular due date of the return. See the Instructions for Form 7004.

Who Must Sign

The return must be signed and dated by:

- The president, vice president, treasurer, assistant treasurer, chief accounting officer; or
- Any other corporate officer (such as tax officer) authorized to sign.

If a return is filed on behalf of a corporation by a receiver, trustee, or assignee, the fiduciary must sign the return, instead of

the corporate officer. Returns and forms signed by a receiver or trustee in bankruptcy on behalf of a corporation must be accompanied by a copy of the order or instructions of the court authorizing signing of the return or form.

Paid Preparer Use Only section. If an employee of the corporation completes Form 1120, the paid preparer section should remain blank. Anyone who prepares Form 1120 but does not charge the corporation should not complete that section. Generally, anyone who is paid to prepare the return must sign and complete the section.

The paid preparer must complete the required preparer information and:

- Sign the return in the space provided for the preparer's signature,
- Include their Preparer Tax Identification Number (PTIN), and
- Give a copy of the return to the taxpayer.

A paid preparer may sign original or amended returns by rubber stamp, mechanical device, or computer software program.

Paid Preparer Authorization

If the corporation wants to allow the IRS to discuss its 2025 tax return with the paid preparer who signed it, check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer Use Only" section of the return. It does not apply to the firm, if any, shown in that section.

If the "Yes" box is checked, the corporation is authorizing the IRS to call the paid preparer to answer any questions that may arise during the processing of its return. The corporation is also authorizing the paid preparer to:

- Give the IRS any information that is missing from the return;
- Call the IRS for information about the processing of the return or the status of any related refund or payment(s); and
- Respond to certain IRS notices about math errors, offsets, and return preparation.

The corporation is not authorizing the paid preparer to receive any refund check, bind the corporation to anything (including any

additional tax liability), or otherwise represent the corporation before the IRS.

The authorization will automatically end no later than the due date (excluding extensions) for filing the corporation's 2026 tax return. If the corporation wants to expand the paid preparer's authorization or revoke the authorization before it ends, see Pub. 947, Practice Before the IRS and Power of Attorney.

Assembling the Return

To ensure that the corporation's tax return is correctly processed, attach all schedules and other forms after page 6 of Form 1120 in the following order.

1. Schedule N (Form 1120).
2. Schedule D (Form 1120).
3. Form 8949.
4. Form 8996.
5. Form Schedule O.
6. Form 4626.
7. Form 4797.
8. Form 1125-A.
9. Form 4136.
10. Form 8978.
11. Form 965-B.
12. Form 8941.
13. Form 3800.
14. Form 8997.
15. Form 8283.
16. Form 6252.
17. Schedule A (Form 8936).
18. Form 4255.
19. Additional schedules in alphabetical order.
20. Additional forms in numerical order.
21. Supporting statements and attachments.

Complete every applicable entry space on Form 1120. Do not enter "See Attached" or "Available Upon Request" instead of completing the entry spaces. If more space is needed on the forms or schedules, attach separate sheets using the same size and format as the printed forms.

If there are supporting statements and attachments, arrange them in the same order as the schedules or forms they support and attach them last. Show the totals on the printed forms. Enter the corporation's name and EIN on each supporting statement or attachment.

If the corporation had tax withheld under chapter 3 or 4 of the Internal Revenue Code and received a Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Form 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, or Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests, showing the amount of income tax withheld, attach such form(s) to the corporation's income tax return to claim a withholding credit. The corporation should report the tax withheld on Schedule J, line 20z. See the instructions for [Schedule J, line 20z](#).

Tax Payments

Generally, the corporation must pay any tax due in full no later than the due date for filing its tax return (not including extensions). See the instructions for [line 35](#). If the due date falls on a Saturday, Sunday, or legal holiday, the payment is due on the next day that isn't a Saturday, Sunday, or legal holiday.

Electronic Deposit Requirement

Corporations must use electronic funds transfer (EFT) to make all federal tax deposits (such as deposits of employment, excise, and corporate income tax). An EFT can be made using the Electronic Federal Tax Payment System (EFTPS) or the corporation's IRS business tax account. However, if the corporation does not want to use one of these methods, it can arrange for its tax professional, financial institution, payroll service, or other trusted third party to make deposits on its behalf. Also, it may arrange for its financial institution to submit a same-day payment (discussed below) on its behalf. EFTPS is a free service provided by the Department of the Treasury. Payments made using the corporation's IRS business tax account are also free. Services provided by a tax professional, financial institution, payroll service, or other third party may have a fee.

To get more information about EFTPS or to enroll in EFTPS, go to [EFTPS.gov](#) or call 800-555-4477. To contact EFTPS using the Telecommunications Relay Services (TRS), for people who are deaf, hard of hearing, or have a speech disability, dial 711 and provide the TRS assistant the 800-555-4477 number above or 800-733-4829.

For more information about making an EFT through the corporation's IRS business tax account, go to [IRS.gov/BusinessAccount](#).

Depositing on time. EFTPS accepts same day payments of \$1 million or less if the payment is submitted before 3:00 p.m. Eastern time on a business day. If the corporation's payment is more than \$1 million, the corporation must submit the deposit by 8:00 p.m. Eastern time the day before the date the deposit is due. If the corporation uses a third party to make deposits on its behalf, they may have different cutoff times.

Same-day wire payment option. If the corporation fails to submit a timely deposit transaction on EFTPS, it can still make its deposit on time by using the Federal Tax Collection Service (FTCS). To use the same-day wire payment method, the corporation will need to make arrangements with its financial institution ahead of time regarding availability, deadlines, and costs. Financial institutions may charge a fee for payments made this way. To learn more about the information the corporation will need to provide to its financial institution to make a same-day wire payment, go to [IRS.gov/SameDayWire](#).

Estimated Tax Payments

Generally, the following rules apply to the corporation's payments of estimated tax.

- The corporation must make installment payments of estimated tax if it expects its total tax for the year (less applicable credits) to be \$500 or more.
- The installments are due by the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any date falls on a Saturday, Sunday, or legal holiday, the installment is due on the next regular business day.
- The corporation must use electronic funds transfer to make installment payments of estimated tax.
- If, after the corporation figures and deposits estimated tax, it finds that its tax liability for the year will be more or less than originally estimated, it may have to refigure its required installments. If earlier installments were underpaid, the corporation may owe a penalty. See [Estimated tax penalty](#) below.
- If the corporation overpaid estimated tax, it may be able to get a quick refund by filing Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. See the instructions for [Schedule J, line 15](#).

See section 6655 and Pub. 542, Corporations, for more information on how to figure estimated taxes.

Estimated tax penalty. A corporation that does not make estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. Generally, a corporation is subject to the penalty if its tax liability is \$500 or more and it did not timely pay at least the smaller of:

- Its tax liability for the current year, or
- Its prior year's tax.

Use Form 2220, Underpayment of Estimated Tax by Corporations, to see if the corporation owes a penalty and to figure the amount of the penalty. If Form 2220 is completed, enter the penalty on Form 1120, page 1, line 34. See the instructions for [line 34](#). Also, see [Extension of relief from additions to tax underpayments applicable to the corporate alternative minimum tax \(CAMT\)](#), earlier.

Interest and Penalties

Interest. Interest is charged on taxes paid late even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, substantial understatements of tax, and reportable transaction understatements from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

Late filing of return. A corporation that does not file its tax return by the due date, including extensions, may be penalized 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a tax return required to be filed in 2026 that is more than 60 days late is the smaller of the tax due or \$525. The penalty will not be imposed if the corporation can show that the failure to file on time was due to reasonable cause. See [Note](#), later.

Late payment of tax. A corporation that does not pay the tax when due may generally be penalized $\frac{1}{2}$ of 1% of the unpaid tax for each month or part of a month the tax is not paid, up to a maximum of 25% of the unpaid tax. See [Note](#), later.

Trust fund recovery penalty. This penalty may apply if certain excise, income, social security, and Medicare taxes that must be collected or withheld are not collected or withheld, or these taxes are not paid. These taxes are generally reported on:

- Form 720, Quarterly Federal Excise Tax Return;
- Form 941, Employer's QUARTERLY Federal Tax Return;
- Form 943, Employer's Annual Federal Tax Return for Agricultural Employees;
- Form 944, Employer's ANNUAL Federal Tax Return; or
- Form 945, Annual Return of Withheld Federal Income Tax.

The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to have been responsible for collecting, accounting for, or paying over these taxes, and who acted willfully in not doing so. The penalty is equal to the full amount of the unpaid trust fund tax. For details, including the definition of responsible person, see the Instructions for Form 720, or Pub. 15 (Circular E), Employer's Tax Guide.

Other penalties. Other penalties can be imposed for negligence, substantial understatement of tax, reportable transaction understatements, and fraud. See sections 6662, 6662A, and 6663.

Note: If the corporation receives a notice about penalties after it files its return, send the IRS an explanation and we will determine if the corporation meets reasonable-cause criteria. **Do not** attach an explanation when the corporation's return is filed.

Accounting Methods

Figure taxable income using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method used must clearly reflect income. Permissible methods include cash, accrual, or any other method authorized by the Internal Revenue Code.

Generally, the following rules apply. For more information, see Pub. 538, Accounting Periods and Methods.

- A corporation, or a partnership that has a corporation as a partner, cannot use the cash method of accounting unless it is a small business taxpayer (defined later). A tax shelter (defined in section 448(d)(3)) may never use the cash method. See sections 448(a)(1) through (a)(3). However, see [Nonaccrual experience method for service providers](#) in the instructions for line 1a.
- Unless it is a small business taxpayer (defined below), a corporation must use an accrual method for sales and purchases of inventory items. See the instructions for Form 1125-A.
- A corporation engaged in farming must use an accrual method. For exceptions, see section 447 and Pub. 225.
- Special rules apply to long-term contracts. See section 460.
- Dealers in securities must use the mark-to-market accounting method. Dealers in commodities and traders in securities and commodities can elect to use the mark-to-market accounting method. See section 475.

Small business taxpayer. For tax years beginning in 2025, a corporation qualifies as a small business taxpayer if (a) it has average annual gross receipts of \$31 million or less for the 3 prior tax years, and (b) it is not a tax shelter (as defined in section 448(d)(3)).

A small business taxpayer can account for inventory by (a) treating the inventory as non-incidental materials and supplies, or (b) conforming to its treatment of inventory in an applicable financial statement (as defined in section 451(b)(3)). If it does not have an applicable financial statement, it can use the method of accounting used in its books and records prepared according to its accounting procedures.

Change in accounting method. Generally, the corporation must get IRS consent to change either an overall method of accounting or the accounting treatment of any material item for income tax purposes. To obtain consent, the corporation must generally file Form 3115, Application for Change in Accounting Method, during the tax year for which the change is requested. See the Instructions for Form 3115 and Pub. 538 for more information and exceptions. Also, see the Instructions for Form 3115 for procedures that may apply for obtaining automatic consent to change certain methods of accounting, non-automatic change procedures, and reduced Form 3115 filing requirements.

Section 481(a) adjustment. If the corporation's taxable income for the current tax year is figured under a method of accounting different from the method used in the preceding tax year, the corporation may have to make an adjustment under section 481(a) to prevent amounts of income or expense from being duplicated or omitted. The section 481(a) adjustment period is generally 1 year for a net negative adjustment and 4 years for a net positive adjustment. For an eligible terminated S corporation, the section 481(a) adjustment period is generally 6 years for a negative or positive adjustment that is attributable to the S corporation's revocation of its election under section 1362(a) after December 21, 2017, and before December 22, 2019. See section 481(d). Also, see the Instructions for Form 3115.

Exceptions to the general section 481(a) adjustment period may apply. Also, in some cases, a corporation can elect to modify the section 481(a) adjustment period. The corporation may have to complete the appropriate lines of Form 3115 to

make an election. See the Instructions for Form 3115 for more information and exceptions.

If the net section 481(a) adjustment is positive, report the ratable portion on Form 1120, line 10, as other income. If the net section 481(a) adjustment is negative, report the ratable portion on line 26 as a deduction.

Accounting Period

A corporation must figure its taxable income on the basis of a tax year. A tax year is the annual accounting period a corporation uses to keep its records and report its income and expenses. Generally, corporations can use a calendar year or a fiscal year. Personal service corporations, however, must use a calendar year unless they meet one of the exceptions discussed later under [Personal Service Corporation](#).

Change of tax year. Generally, a corporation, including a personal service corporation, must get the consent of the IRS before changing its tax year by filing Form 1128, Application To Adopt, Change, or Retain a Tax Year. However, exceptions may apply. See the Instructions for Form 1128 and Pub. 538 for more information.

Rounding Off to Whole Dollars

The corporation may enter decimal points and cents when completing its return. However, the corporation should round off cents to whole dollars on its return, forms, and schedules to make completing its return easier. The corporation must either round off all amounts on its return to whole dollars, or use cents for all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$8.40 rounds to \$8 and \$8.50 rounds to \$9.

If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Recordkeeping

Keep the corporation's records for as long as they may be needed for the administration of any provision of the Internal Revenue Code. Usually, records that support an item of income, deduction, or credit on the return must be kept for 3 years from the date the return is due or filed, whichever is later. Keep records that verify the corporation's basis in property for as long as they are needed to figure the basis of the original or replacement property.

The corporation should keep copies of all filed returns. They help in preparing future and amended returns and in the calculation of earnings and profits.

Other Forms and Statements That May Be Required

Amended return. Use Form 1120-X, Amended U.S. Corporation Income Tax Return, to correct a previously filed Form 1120.

Reportable transaction disclosure statement. Disclose information for each reportable transaction in which the corporation participated. Form 8886, Reportable Transaction Disclosure Statement, must be filed for each tax year that the federal income tax liability of the corporation is affected by its participation in the transaction. The following are reportable transactions.

1. Any listed transaction, which is a transaction that is the same as or substantially similar to one of the types of transactions that the IRS has determined to be a tax avoidance transaction and identified by notice, regulation, or other published guidance as a listed transaction.

2. Any transaction offered under conditions of confidentiality for which the corporation (or a related party) paid an advisor a fee of at least \$250,000.

3. Certain transactions for which the corporation (or a related party) has contractual protection against disallowance of the tax benefits.

4. Certain transactions resulting in a loss of at least \$10 million in any single year or \$20 million in any combination of years.

5. Any transaction identified by the IRS by notice, regulation, or other published guidance as a "transaction of interest."

For more information, see Regulations section 1.6011-4. Also, see the Instructions for Form 8886.

Penalties. The corporation may have to pay a penalty if it is required to disclose a reportable transaction under section 6011 and fails to properly complete and file Form 8886. Penalties may also apply under section 6707A if the corporation fails to file Form 8886 with its corporate return, fails to provide a copy of Form 8886 to the Office of Tax Shelter Analysis (OTSA), or files a form that fails to include all the information required (or includes incorrect information). Other penalties, such as an accuracy-related penalty under section 6662A, may also apply. See the Instructions for Form 8886 for details on these and other penalties.

Reportable transactions by material advisors. Material advisors to any reportable transaction must disclose certain information about the reportable transaction by filing Form 8918 with the IRS. For details, see the Instructions for Form 8918.

Transfers to a corporation controlled by the transferor. Every significant transferor (as defined in Regulations section 1.351-3(d)(1)) that receives stock of a corporation in exchange for property in a nonrecognition event must include the statement required by Regulations section 1.351-3(a) on or with the transferor's tax return for the tax year of the exchange. The transferee corporation must include the statement required by Regulations section 1.351-3(b) on or with its return for the tax year of the exchange, unless all the required information is included in any statement(s) provided by a significant transferor that is attached to the same return for the same section 351 exchange. If the transferor or transferee corporation is a controlled foreign corporation (CFC), each U.S. shareholder (within the meaning of section 951(b)) must include the required statement on or with its return.

Distributions under section 355. Every corporation that makes a distribution of stock or securities of a controlled corporation, as described in section 355 (or so much of section 356 as it relates to section 355), must include the statement required by Regulations section 1.355-5(a) on or with its return for the year of the distribution. A significant distributee (as defined in Regulations section 1.355-5(c)) that receives stock or securities of a controlled corporation must include the statement required by Regulations section 1.355-5(b) on or with its return for the year of receipt. If the distributing or distributee corporation is a CFC, each U.S. shareholder (within the meaning of section 951(b)) must include the statement on or with its return.

Dual consolidated losses. If a domestic corporation incurs a dual consolidated loss (as defined in Regulations section 1.1503(d)-1(b)(5)), the corporation (or consolidated group) may need to attach a domestic use agreement and/or an annual certification, as provided in Regulations section 1.1503(d)-6(d) and (g).

Election to reduce basis under section 362(e)(2)(C). If property is transferred to a corporation subject to section 362(e)(2), the transferor and the transferee corporation may elect, under section 362(e)(2)(C), to reduce the transferor's basis in the stock received instead of reducing the transferee

corporation's basis in the property transferred. Once made, the election is irrevocable. For more information, see section 362(e) (2) and Regulations section 1.362-4. If an election is made, a statement must be filed in accordance with Regulations section 1.362-4(d)(3).

Annual information reporting by specified domestic entities under section 6038D. Certain domestic corporations that are formed or availed of to hold specified foreign financial assets ("specified domestic entities") must file Form 8938. Form 8938 must be filed each year the value of the corporation's specified foreign financial assets is more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year. For more information on domestic corporations that are specified domestic entities and the types of foreign financial assets that must be reported, see the Instructions for Form 8938, generally, and in particular, *Who Must File, Specified Domestic Entity, Specified Foreign Financial Assets, Interests in Specified Foreign Financial Assets, Assets Not Required To Be Reported, and Exceptions to Reporting*.

In addition, a domestic corporation required to file Form 8938 with its Form 1120 for the tax year should check "Yes" to Schedule N (Form 1120), Question 8, and also include that schedule with its Form 1120.

Form 8975. Certain U.S. persons that are the ultimate parent entity of a U.S. multinational enterprise group with annual revenue for the preceding reporting period of \$850 million or more are required to file Form 8975, Country-by-Country Report. Form 8975 and Schedule A (Form 8975) must be filed with the income tax return of the ultimate parent entity of a U.S. multinational enterprise group for the tax year in or within which the reporting period covered by Form 8975 ends. For more information, see Form 8975, Schedule A (Form 8975) and the Instructions for Form 8975, and Schedule A (Form 8975).

Paycheck Protection Program (PPP) loans. A corporation that had tax-exempt income resulting from the forgiveness of a PPP loan should attach a statement to its return reporting each tax year for which the corporation is applying Rev. Proc. 2021-48, sections 3.01(1), (2), or (3). Any statement for the current tax year should include the following information, for each PPP loan:

1. The corporation's name, address, and EIN;
2. A statement that the corporation is applying or applied section 3.01(1), (2), or (3) of Rev. Proc. 2021-48, and for what tax year, as applicable;
3. The amount of tax-exempt income from forgiveness of the PPP loan that the corporation is treating as received or accrued and for which tax year; and
4. Whether forgiveness of the PPP loan has been granted as of the date the return is filed.

A corporation that reported tax-exempt income from the forgiveness of a PPP loan on its 2020 return, the timing of which corresponds to one of the options presented in Rev. Proc. 2021-48, need not file an amended return solely to attach the statement that is described in these instructions.

If a corporation treats tax-exempt income resulting from a PPP loan as received or accrued prior to when forgiveness of the PPP loan is granted and the amount of forgiveness granted is less than the amount of tax-exempt income that was previously treated as received or accrued, the corporation should make a prior-period adjustment on Schedule M-2 for the tax year in which the corporation receives notice that the PPP loan was not fully forgiven. See the instructions for [Schedule M-2](#) for more details.

Other forms and statements. See Pub. 542 for a list of other forms and statements a corporation may need to file in addition

to the forms and statements discussed throughout these instructions.

Specific Instructions

Period Covered

File the 2025 return for calendar year 2025 and fiscal years that begin in 2025 and end in 2026. For a fiscal or short tax year return, fill in the tax year space at the top of the form.

The 2025 Form 1120 can also be used if:

- The corporation has a tax year of less than 12 months that begins and ends in 2026, and
- The 2026 Form 1120 is not available at the time the corporation is required to file its return.

The corporation must show its 2026 tax year on the 2025 Form 1120 and take into account any tax law changes that are effective for tax years beginning after December 31, 2025.

Note: A return for a short year beginning and ending in 2025 should not be filed before the earlier of its extended due date or January 15, 2026.

Name and Address

Enter the corporation's true name (as set forth in the charter or other legal document creating it), address, and EIN on the appropriate lines. Enter the address of the corporation's principal office or place of business. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the corporation has a P.O. box, show the box number instead.

Do not use the address of the registered agent for the state in which the corporation is incorporated. For example, if a business is incorporated in Delaware or Nevada and the corporation's principal office is located in Little Rock, Arkansas, the corporation should enter the Little Rock address.

If the corporation receives its mail in care of a third party (such as an accountant or an attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box.

If the corporation has a foreign address, include the city or town, state or province, country, and foreign postal code. Do not abbreviate the country name. Follow the country's practice for entering the name of the state or province and postal code.

Item A. Identifying Information

Consolidated Return

Corporations filing a consolidated return must check Item A, box 1a, and attach Form 851, Affiliations Schedule, and other supporting statements to the return. Also, for the first year a subsidiary corporation is being included in a consolidated return, attach Form 1122 to the parent's consolidated return. Attach a separate Form 1122 for each new subsidiary being included in the consolidated return.

File supporting statements for each corporation included in the consolidated return. Do not use Form 1120 as a supporting statement. On the supporting statement, use columns to show the following, both before and after adjustments.

1. Items of gross income and deductions.
2. A computation of taxable income.
3. Balance sheets, as of the beginning and end of the tax year.
4. A reconciliation of income per books with income per return.

5. A reconciliation of retained earnings.

Enter on Form 1120 the totals for each item of income, gain, loss, expense, or deduction, net of eliminating entries for intercompany transactions between corporations within the consolidated group. Attach consolidated balance sheets and a reconciliation of consolidated retained earnings.

The corporation does not have to provide the information requested in (3), (4), and (5), above, if its total receipts (line 1a plus lines 4 through 10 on page 1 of the return) **and** its total assets at the end of the tax year (Schedule L, line 15(d)) are less than \$250,000. See Schedule K, Question 13.

For more information on consolidated returns, see the regulations under section 1502.

Life-Nonlife Consolidated Return

If Item A, box 1a, is checked and the corporation is the common parent of a consolidated group that includes a life insurance company, also check box 1b. See Regulations section 1.1502-47(m) for the requirements for filing a consolidated tax return for a life-nonlife consolidated group.

Personal Holding Company

A personal holding company must check Item A, box 2, and attach Schedule PH (Form 1120), U.S. Personal Holding Company (PHC) Tax. See the Instructions for Schedule PH (Form 1120) for details.

Personal Service Corporation

If the corporation is a personal service corporation, check Item A, box 3. A personal service corporation is a corporation whose principal activity for the testing period is the performance of personal services. The testing period for a tax year is generally the prior tax year unless the corporation has just been formed. Personal services include any activity performed in the fields of accounting, actuarial science, architecture, consulting, engineering, health, law, and the performing arts. The services must be substantially performed by employee-owners.

A personal service corporation must use a calendar tax year unless:

- It elects to use a 52-53-week tax year that ends with reference to the calendar year or tax year elected under section 444;
- It can establish a business purpose for a different tax year and obtains the approval of the IRS (see the Instructions for Form 1128 and Pub. 538); or
- It elects under section 444 to have a tax year other than a calendar year. To make the election, use Form 8716, Election To Have a Tax Year Other Than a Required Tax Year.

If a corporation makes the section 444 election, its deduction for certain amounts paid to employee-owners may be limited. See Schedule H (Form 1120), Section 280H Limitations for a Personal Service Corporation (PSC), to figure the maximum deduction.

If a section 444 election is terminated and the termination results in a short tax year, type or print at the top of the first page of Form 1120 for the short tax year "SECTION 444 ELECTION TERMINATED."

Schedule M-3 (Form 1120)

A corporation with total assets (nonconsolidated or consolidated for all corporations included within a consolidated tax group) of \$10 million or more on the last day of the tax year must file Schedule M-3 (Form 1120) instead of Schedule M-1. A corporation filing Form 1120 that is not required to file Schedule M-3 may voluntarily file Schedule M-3 instead of Schedule M-1.

Corporations that (a) are required to file Schedule M-3 (Form 1120) and have less than \$50 million total assets at the end of the tax year, or (b) are not required to file Schedule M-3 (Form 1120) and voluntarily file Schedule M-3 (Form 1120), must either (i) complete Schedule M-3 (Form 1120) entirely, or (ii) complete Schedule M-3 (Form 1120) through Part I, and complete Form 1120, Schedule M-1, instead of completing Parts II and III of Schedule M-3 (Form 1120). If the corporation chooses to complete Schedule M-1 instead of completing Parts II and III of Schedule M-3, the amount on Schedule M-1, line 1, must equal the amount on Schedule M-3, Part I, line 11. See the Instructions for Schedule M-3 (Form 1120) for more details. Also, see the instructions for Schedule M-1, later.

If you are filing Schedule M-3, check Item A, box 4, to indicate that Schedule M-3 is attached.

Item B. Employer Identification Number (EIN)

Enter the corporation's EIN. If the corporation does not have an EIN, it must apply for one. An EIN can be applied for in the following ways.

- Online—Go to [IRS.gov/EIN](https://www.irs.gov/ein). The EIN is issued immediately once the application information is validated.
- By faxing or mailing Form SS-4, Application for Employer Identification Number. See the Instructions for Form SS-4.

Note: Corporations located in the United States or U.S. territories can use the online application. Foreign corporations should call 267-941-1099 (not a toll free number) for more information on obtaining an EIN.

EIN applied for, but not received. If the corporation has not received its EIN by the time the return is due, enter "Applied For" and the date the corporation applied in the space for the EIN. However, if the corporation is filing its return electronically, an EIN is required at the time the return is filed. An exception applies to subsidiaries of corporations whose returns are filed with the parent's electronically filed consolidated Form 1120. These subsidiaries should enter "Applied For" in the space for the EIN on their returns. The subsidiaries' returns are identified under the parent corporation's EIN.

For more information, see the Instructions for Form SS-4.

Item D. Total Assets

Enter the corporation's total assets (as determined by the accounting method regularly used in keeping the corporation's books and records) at the end of the tax year. If there are no assets at the end of the tax year, enter -0-.

If the corporation is required to complete Schedule L, enter the total assets from Schedule L, line 15, column (d), on page 1, Item D of Form 1120. If filing a consolidated return, report total consolidated assets for all corporations joining in the return.

Item E. Initial Return, Final Return, Name Change, or Address Change

- If this is the corporation's first return, check the "Initial return" box.
- If this is the corporation's final return and it will no longer exist, check the "Final return" box. However, if the corporation is filing a short period return due to joining a new consolidated group under Regulations section 1.1502-76, check the "Final return" box.
- If the corporation changed its name since it last filed a return, check the "Name change" box. Generally, a corporation must also have amended its articles of incorporation and filed the amendment with the state in which it was incorporated.

- If the corporation has changed its address since it last filed a return (including a change to an “in care of” address), check the “Address change” box.

Note: If a change in address or responsible party occurs after the return is filed, use Form 8822-B, Change of Address or Responsible Party—Business, to notify the IRS. See the instructions for Form 8822-B for details.

Income

Except as otherwise provided in the Internal Revenue Code, gross income includes all income from whatever source derived.

Exception for income from qualifying shipping activities.

Gross income does not include income from qualifying shipping activities if the corporation makes an election under section 1354 to be taxed on its notional shipping income (as defined in section 1353) at the highest corporate tax rate. If the election is made, the corporation generally may not claim any loss, deduction, or credit with respect to qualifying shipping activities. A corporation making this election may also elect to defer gain on the disposition of a qualifying vessel.

Use Form 8902, Alternative Tax on Qualifying Shipping Activities, to figure the tax. Include the alternative tax on Schedule J, line 9e.

Line 1. Gross Receipts or Sales

Line 1a. Gross receipts or sales. Enter on line 1a gross receipts or sales from all business operations, except for amounts that must be reported on lines 4 through 10.

Special rules apply to certain income, as discussed below.

Advance payments. In general, advance payments must be included in income in the year of receipt. For exceptions to this general rule for corporations that use the accrual method of accounting, see the following.

- To report income from long-term contracts, see section 460.
- For rules that allow a limited deferral of advance payments beyond the current tax year, see section 451(c). Also, see Regulations sections 1.451-8(c), (d), and (e). For applicability dates, see Regulations section 1.451-8(h).
- For information on adopting or changing to a permissible method for reporting advance payments for services and certain goods by an accrual method corporation, see the Instructions for Form 3115.

Installment sales. Generally, the installment method cannot be used for dealer dispositions of property. A “dealer disposition” is any disposition of (a) personal property by a person who regularly sells or otherwise disposes of personal property of the same type on the installment plan, or (b) real property held for sale to customers in the ordinary course of the taxpayer’s trade or business.

The restrictions on using the installment method do not apply to the following.

- Dispositions of property used or produced in the trade or business of farming.
- Certain dispositions of timeshares and residential lots reported under the installment method for which the corporation elects to pay interest under section 453(l)(3).

Enter on line 1a (and carry to line 3) the gross profit on collections from these installment sales. Attach a statement showing the following information for the current and the 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profits, (d) percentage of gross profits to gross sales, (e) amount collected, and (f) gross profit on the amount collected.

For sales of timeshares and residential lots reported under the installment method, if the corporation elects to pay interest under section 453(l)(3), the corporation’s income tax is

increased by the interest payable under section 453(l)(3). Report this addition to the tax on Schedule J, line 9g.

Nonaccrual experience method for service providers.

Accrual method corporations are not required to accrue certain amounts to be received from the performance of services that, based on their experience, will not be collected, if:

- The services are in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting; or
- The corporation meets the section 448(c) gross receipts test for all prior years.

This provision does not apply to any amount if interest is required to be paid on the amount or if there is any penalty for failure to timely pay the amount. See Regulations section 1.448-3 for more information on the nonaccrual experience method, including information on safe harbor methods.

For information on a book safe harbor method of accounting for corporations that use the nonaccrual experience method of accounting, see Rev. Proc. 2011-46, 2011-42 I.R.B. 518 available at [IRS.gov/irb/2011-42_IRB#RP-2011-46](https://www.irs.gov/irb/2011-42_IRB#RP-2011-46), or any successor. Also, see the Instructions for Form 3115 for procedures to obtain automatic consent to change to this method or make certain changes within this method.

Corporations that qualify to use the nonaccrual experience method should attach a statement to its return showing total gross receipts, the amount not accrued because of the application of section 448(d)(5), and the net amount accrued. Enter the net amount on line 1a.

Line 1b. Returns and allowances. Enter cash and credit refunds the corporation made to customers for returned merchandise, rebates, and other allowances made on gross receipts or sales.

Line 2. Cost of Goods Sold

Complete and attach Form 1125-A, Cost of Goods Sold, if applicable. Enter on Form 1120, line 2, the amount from Form 1125-A, line 8. See Form 1125-A and its instructions.

Line 4. Dividends and Inclusions

See the instructions for Schedule C, later. Complete Schedule C and enter on line 4 the amount from Schedule C, line 23, column (a).

Line 5. Interest

Enter taxable interest on U.S. obligations and on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc. Do not offset interest expense against interest income. Special rules apply to interest income from certain below-market-rate loans. See section 7872 for details.

Report tax-exempt interest on Schedule K, item 9. Also, if required, include the same amount on Schedule M-1, line 7, or Schedule M-3 (Form 1120), Part II, line 13, if applicable.

Note: For tax years ending after July 4, 2025, section 139L, as enacted by P.L. 119-21, allows a qualified lender to exclude 25% of the interest income received on any qualified real estate loan secured by rural or agricultural real property. See section 139L and Notice 2025-71 for more details.

Line 6. Gross Rents

Enter the gross amount received for the rental of property. Deduct expenses such as repairs, interest, taxes, and depreciation on the proper lines for deductions. A rental activity held by a closely held corporation or a personal service corporation may be subject to the passive activity loss rules. See [Passive activity limitations](#), later.

Line 10. Other Income

Enter any other taxable income not reported on lines 1 through 9. List the type and amount of income on an attached statement. If the corporation has only one item of other income, describe it in parentheses on line 10.

Examples of other income to report on line 10 include the following.

- Recoveries of bad debts deducted in prior years under the specific charge-off method.
- Any amount includible in income from Form 6478, Biofuel Producer Credit.
- Any amount includible in income from Form 8864, Biodiesel, Renewable Diesel, or Sustainable Aviation Fuels Credit.
- Refunds of taxes deducted in prior years to the extent they reduced the amount of tax imposed. See section 111 and the related regulations. Do not offset current-year taxes against tax refunds.
- Ordinary income from trade or business activities of a partnership (from Schedule K-1 (Form 1065)). Do not offset ordinary losses against ordinary income. Instead, include the losses on line 26. Show the partnership's name, address, and EIN on a separate statement attached to this return. If the amount entered is from more than one partnership, identify the amount from each partnership.
- The transferred loss amount identified as "Section 91 Transferred Loss Amount," which is required to be recognized when substantially all the assets of a foreign branch are transferred to a specified 10% owned foreign corporation (as defined in section 245A(b)) with respect to which the corporation was a U.S. shareholder immediately after the transfer. See section 91.
- Any LIFO recapture amount under section 1363(d). The corporation may have to include a LIFO recapture amount in income if it:
 1. Used the LIFO inventory method for its last tax year before the first tax year for which it elected to become an S corporation, or
 2. Transferred LIFO inventory assets to an S corporation in a nonrecognition transaction in which those assets were transferred basis property.

The LIFO recapture amount is the amount by which the C corporation's inventory under the FIFO method exceeds the inventory amount under the LIFO method at the close of the corporation's last tax year as a C corporation (or for the year of the transfer, if (2) above applies). Also, see the instructions for [Schedule J, line 11c](#).

- The ratable portion of any net positive section 481(a) adjustment. See [Section 481\(a\) adjustment](#), earlier.
- Part or all of the proceeds received from certain corporate-owned life insurance contracts issued after August 17, 2006. Corporations that own one or more employer-owned life insurance contracts issued after this date must file Form 8925, Report of Employer-Owned Life Insurance Contracts. See Form 8925.
- Income from cancellation of debt (COD) from the repurchase of a debt instrument for less than its adjusted issue price.
- The corporation's share of the following income from Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund.
 1. Ordinary earnings of a qualified electing fund.
 2. Gain or loss from marking passive foreign investment company (PFIC) stock to market.
 3. Gain or loss from sale or other disposition of section 1296 stock.
 4. Excess distributions from a section 1291 fund allocated to the current year and pre-PFIC years, if any.

See Form 8621 and the Instructions for Form 8621 for details.

Deductions**Limitations on Deductions**

Uniform capitalization rules. The uniform capitalization rules of section 263A require corporations to capitalize certain costs to inventory or other property. Corporations subject to the section 263A uniform capitalization rules are required to capitalize:

1. Direct costs of assets produced or acquired for resale, and
2. Certain indirect costs (including taxes) that are properly allocable to property produced or property acquired for resale.

The corporation cannot deduct the costs required to be capitalized under section 263A until it sells, uses, or otherwise disposes of the property (to which the costs relate). The corporation recovers these costs through depreciation, amortization, or cost of goods sold.

A small business taxpayer (defined earlier) is not required to capitalize costs under section 263A. A small business taxpayer that wants to discontinue capitalizing costs under section 263A must change its method of accounting. See section 263A(i) and Regulations section 1.263A-1(j). Also, see the Instructions for Form 3115.

For more information on the uniform capitalization rules, see Pub. 538. Also, see Regulations sections 1.263A-1 through 1.263A-3. See section 263A(d), Regulations section 1.263A-4, and Pub. 225 for rules for property produced in a farming business.

Transactions between related taxpayers. Generally, an accrual basis taxpayer can only deduct business expenses and interest owed to a related party in the year the payment is included in the income of the related party. See sections 163(e) (3) and 267(a)(2) for limitations on deductions for unpaid interest and expenses.

Limitations on business interest expense. Business interest expense may be limited. See section 163(j) and Form 8990, Limitation on Business Interest Expense Under Section 163(k). Also, see [Limitation on deduction](#) in the instructions for line 18 and [Schedule K, Question 23](#) and [Question 24](#), later.

Section 291 limitations. Corporations may be required to adjust deductions for depletion of iron ore and coal, intangible drilling and exploration and development costs, certain deductions for financial institutions, and the amortizable basis of pollution control facilities. See section 291 to determine the amount of the adjustment.

Election to deduct business start-up and organizational costs. A corporation can elect to deduct a limited amount of start-up and organizational costs it paid or incurred. Any remaining costs must generally be amortized over a 180-month period. See sections 195 and 248 and the related regulations.

Time for making an election. The corporation generally elects to deduct start-up or organizational costs by claiming the deduction on its income tax return filed by the due date (including extensions) for the tax year in which the active trade or business begins. For more details, see the Instructions for Form 4562.

If the corporation timely filed its return for the year without making an election, it can still make an election by filing an amended return within 6 months of the due date of the return (excluding extensions). Clearly indicate the election on the amended return and enter "Filed pursuant to section 301.9100-2" at the top of the amended return. File the amended return at the same address the corporation filed its original

return. The election applies when figuring taxable income for the current tax year and all subsequent years.

The corporation can choose to forgo the elections above by affirmatively electing to capitalize its start-up or organizational costs on its income tax return filed by the due date (including extensions) for the tax year in which the active trade or business begins.

The election to either amortize or capitalize start-up costs is irrevocable and applies to all start-up costs that are related to the trade or business.

Report the deductible amount of start-up and organizational costs and any amortization on line 26. For amortization that begins during the current tax year, complete and attach Form 4562, Depreciation and Amortization.

Passive activity limitations. Limitations on passive activity losses and credits under section 469 apply to personal service corporations (defined earlier) and closely held corporations (defined later).

Generally, the two kinds of passive activities are:

- Trade or business activities in which the corporation did not materially participate for the tax year; and
 - Rental activities, regardless of its participation.
- For exceptions, see Form 8810, Corporate Passive Activity Loss and Credit Limitations.

Corporations subject to the passive activity limitations must complete Form 8810 to compute their allowable passive activity loss and credit. Before completing Form 8810, see Temporary Regulations section 1.163-8T, which provides rules for allocating interest expense among activities. If a passive activity is also subject to the at-risk rules of section 465 or the tax-exempt use loss rules of section 470, those rules apply before the passive loss rules.

For more information, see section 469, the related regulations, and Pub. 925, Passive Activity and At-Risk Rules.

Closely held corporations. A corporation is a closely held corporation if:

- At any time during the last half of the tax year more than 50% in value of its outstanding stock is directly or indirectly owned by or for not more than five individuals, and
- The corporation is not a personal service corporation.

Certain organizations are treated as individuals for purposes of this test. See section 542(a)(2). For rules for determining stock ownership, see section 544 (as modified by section 465(a)(3)).

Reducing certain expenses for which credits are allowable. If the corporation claims certain credits, it may need to reduce the otherwise allowable deductions for expenses used to figure the credit. This applies to credits such as the following.

- Work opportunity credit (Form 5884).
- Credit for increasing research activities (Form 6765).
- Orphan drug credit (Form 8820).
- Disabled access credit (Form 8826).
- Empowerment zone employment credit (Form 8844).
- Credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846).
- Credit for small employer pension plan start-up costs (Form 8881).
- Credit for employer-provided childcare facilities and services (Form 8882).
- Low sulfur diesel fuel production credit (Form 8896).
- Credit for employer differential wage payments (Form 8932).
- Credit for small employer health insurance premiums (Form 8941).
- Employer credit for paid family and medical leave (Form 8994).

If the corporation has any of the credits listed above, figure the current-year credit before figuring the deduction for expenses on which the credit is based. If the corporation capitalized any costs on which it figured the credit, it may need to reduce the amount capitalized by the credit attributable to these costs.

See the instructions for the form used to figure the applicable credit for more details.

Limitations on deductions related to property leased to tax-exempt entities. If a corporation leases property to a governmental or other tax-exempt entity, the corporation cannot claim deductions related to the property to the extent that they exceed the corporation's income from the lease payments. This disallowed tax-exempt use loss can be carried over to the next tax year and treated as a deduction with respect to the property for that tax year. See section 470(d) for exceptions.

Limitation on tax benefits for remuneration under the Patient Protection and Affordable Care Act. The \$1 million compensation limit is reduced to \$500,000 for remuneration for services provided by individuals for or on behalf of certain health insurance providers. The \$500,000 limitation applies to remuneration that is deductible in the tax year during which the services were performed and remuneration for services during the year that is deductible in a future tax year (called "deferred deduction remuneration"). The \$500,000 limitation is reduced by any amounts disallowed as excess parachute payments. See section 162(m)(6) and Regulations section 1.162-31 for definitions and other special rules.

Line 12. Compensation of Officers

Enter deductible officers' compensation on line 12. Do not include compensation deductible elsewhere on the return, such as amounts included in cost of goods sold, elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reduction SEP agreement or a SIMPLE IRA plan.

If the corporation's total receipts (line 1a, plus lines 4 through 10) are \$500,000 or more, complete Form 1125-E, Compensation of Officers. Enter on Form 1120, line 12, the amount from Form 1125-E, line 4.

Line 13. Salaries and Wages

Enter the total salaries and wages paid for the tax year. Do not include salaries and wages deductible elsewhere on the return, such as amounts included in officers' compensation, cost of goods sold, elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reduction SEP agreement or a SIMPLE IRA plan.

If the corporation provided taxable fringe benefits to its employees, such as personal use of a car, do not deduct as wages the amount allocated for depreciation and other expenses claimed on lines 20 and 26.

If the corporation claims a credit for any wages paid or incurred, it may need to reduce any corresponding deduction for officers' compensation and salaries and wages. See [Reducing certain expenses for which credits are allowable](#), earlier.

Line 14. Repairs and Maintenance

Enter the cost of repairs and maintenance not claimed elsewhere on the return, such as labor and supplies, that are not payments to produce or improve real or tangible personal property. See Regulations section 1.263(a)-1. For example, amounts are paid for improvements if they are for betterments to the property, restorations of the property (such as the replacements of major components or substantial structural parts), or if they adapt the property to a new or different use. Amounts paid to produce or improve property must be capitalized. See Regulations sections 1.263(a)-2 and (a)-3.

The corporation can deduct repair and maintenance expenses only to the extent they relate to a trade or business activity. See Regulations section 1.162-4. The corporation may elect to capitalize certain repair and maintenance costs consistent with its books and records. See Regulations section 1.263(a)-3(n) for information on how to make the election.

Line 15. Bad Debts

Enter the total debts that became worthless in whole or in part during the tax year. A small bank or thrift institution using the reserve method of section 585 should attach a statement showing how it figured the current year's provision. A corporation that uses the cash method of accounting cannot claim a bad debt deduction unless the amount was previously included in income.

Line 16. Rents

If the corporation rented or leased a vehicle, enter the total annual rent or lease expense paid or incurred during the year. Also, complete Part V of Form 4562. If the corporation leased a vehicle for a term of 30 days or more, the deduction for vehicle lease expense may have to be reduced by an amount includible in income called the inclusion amount. The corporation may have an inclusion amount if:

The lease term began:	And the vehicle's FMV on the first day of the lease exceeded:
Cars (excluding trucks and vans)	
After 12/31/23 but before 1/1/26	\$62,000
After 12/31/22 but before 1/1/24	\$60,000
After 12/31/21 but before 1/1/23	\$56,000
After 12/31/20 but before 1/1/22	\$51,000
After 12/31/17 but before 1/1/21	\$50,000
After 12/31/12 but before 1/1/18	\$19,000
Trucks and vans	
After 12/31/23 but before 1/1/26	\$62,000
After 12/31/22 but before 1/1/24	\$60,000
After 12/31/21 but before 1/1/23	\$56,000
After 12/31/20 but before 1/1/22	\$51,000
After 12/31/17 but before 1/1/21	\$50,000
After 12/31/13 but before 1/1/18	\$19,500
After 12/31/09 but before 1/1/14	\$19,000

See Pub. 463, Travel, Gift, and Car Expenses, for instructions on figuring the inclusion amount.

The inclusion amount for lease terms beginning in 2026 will be published in the Internal Revenue Bulletin in early 2026.

Line 17. Taxes and Licenses

Enter taxes paid or accrued during the tax year, but do not include the following.

- Federal income taxes.
- Foreign or U.S. territory income taxes if a foreign tax credit is claimed.
- Taxes not imposed on the corporation.
- Taxes, including state or local sales taxes, that are paid or incurred in connection with an acquisition or disposition of

property (these taxes must be treated as a part of the cost of the acquired property or, in the case of a disposition, as a reduction in the amount realized on the disposition).

- Taxes assessed against local benefits that increase the value of the property assessed (such as for paving, etc.).
- Taxes deducted elsewhere on the return, such as those reflected in cost of goods sold.

See section 164(d) for information on apportionment of taxes on real property between seller and purchaser.

Line 18. Interest

Do not offset interest income against interest expense.

The corporation must make an interest allocation if the proceeds of a loan were used for more than one purpose (for example, to purchase a portfolio investment and to acquire an interest in a passive activity). See Temporary Regulations section 1.163-8T for the interest allocation rules.

Mutual savings banks, building and loan associations, and cooperative banks can deduct the amounts paid or credited to the accounts of depositors as dividends, interest, or earnings. See section 591.

Do not deduct the following interest.

- Interest on indebtedness incurred or continued to purchase or carry obligations if the interest is wholly exempt from income tax. See section 265(b) for special rules and exceptions for financial institutions. Also, see section 265(b)(7) for a de minimis exception for financial institutions for certain tax-exempt bonds issued in 2009 and 2010. Also, see section 139L(d) which coordinates with section 265 regarding interest on qualified real estate loans.
- For cash basis taxpayers, prepaid interest allocable to years following the current tax year. For example, a cash basis calendar year taxpayer who in 2025 prepaid interest allocable to any period after 2025 can deduct only the amount allocable to 2025.
- Interest and carrying charges on straddles. Generally, these amounts must be capitalized. See section 263(g).
- Interest on debt allocable to the production of designated property by a corporation for its own use or for sale. The corporation must capitalize this interest. Also, capitalize any interest on debt allocable to an asset used to produce the property. See section 263A(f) and Regulations sections 1.263A-8 through 1.263A-15 for definitions and more information.
- Interest paid or incurred on any portion of an underpayment of tax that is attributable to an understatement arising from an undisclosed listed transaction or an undisclosed reportable avoidance transaction (other than a listed transaction) entered into in tax years beginning after October 22, 2004.

Special rules apply to:

- Forgone interest on certain below-market-rate loans (see section 7872).
- Original issue discount (OID) on certain high yield discount obligations. See section 163(e)(5) to determine the amount of the deduction for OID that is deferred and the amount that is disallowed on a high yield discount obligation. See section 163(e)(5)(F).
- Interest paid on a disqualified debt instrument for indebtedness of the corporation which is payable in equity of the issuer or a related party or equity held by the issuer or any other person. See section 163(l)(3).
- Interest which is allocable to unborrowed policy cash values of life insurance, endowment, or annuity contracts issued after June 8, 1997. See section 264(f). Attach a statement showing the computation of the deduction.

Limitation on deduction. Under section 163(j), business interest expense is generally limited to the sum of business

interest income, 30% of the adjusted taxable income, and floor plan financing interest. The amount of any business interest expense that is not allowed as a deduction for the tax year is carried forward to the following year. If section 163(j) applies, use Form 8990 to figure the amount of business interest expense the corporation can deduct for the current tax year and the amount that can be carried forward to the next year. See the Instructions for Form 8990. Also, see [Schedule K, Question 23](#) and [Question 24](#), later.

Line 19. Charitable Contributions

Enter contributions or gifts actually paid within the tax year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years. Special rules and limits apply to contributions to organizations conducting lobbying activities. See section 170(f)(9).

Corporations reporting taxable income on the accrual method can elect to treat as paid during the tax year any contributions paid by the due date for filing the corporation's tax return (not including extensions), if the contributions were authorized by the board of directors during the tax year. Attach a declaration to the return stating that the resolution authorizing the contributions was adopted by the board of directors during the tax year. The declaration must include the date the resolution was adopted. See section 170(a)(2)(B).

Limitation on deduction. Generally, the total amount claimed cannot be more than 10% of taxable income (line 30) computed without regard to the following.

- Any deduction for contributions.
- The special deductions on line 29b.
- The limitation under section 249 on the deduction for bond premium.
- Any net operating loss (NOL) carryback to the tax year under section 172.
- Any capital loss carryback to the tax year under section 1212(a)(1).
- Deduction for income attributable to domestic production activities of specified agricultural or horticultural cooperatives.

Carryover. Charitable contributions over the 10% limitation cannot be deducted for the tax year but can be carried over to the next 5 tax years. See the exception below for farmers and ranchers and certain Native Corporations.

Special rules apply if the corporation has an NOL carryover to the tax year. In figuring the charitable contributions deduction for the current tax year, the 10% limit is applied using the taxable income after taking into account any deduction for the NOL.

To figure the amount of any remaining NOL carryover to later years, taxable income must be modified (see section 172(b)). To the extent that contributions are used to reduce taxable income for this purpose and increase an NOL carryover, a contributions carryover is not allowed. See section 170(d)(2)(B).

Suspension of 10% limitation for farmers and ranchers and certain Native Corporations. Certain corporations can deduct contributions of qualified conservation property without regard to the general 10% limit. This applies to:

- A qualified farmer or rancher (as defined in section 170(b)(1)(E)(v)) that does not have publicly traded stock; and
- A Native Corporation (as defined in section 170(b)(2)(C)(iii)) that contributes property which was land conveyed under the Alaska Native Claims Settlement Act.

The total amount of the contribution claimed for the qualified conservation property cannot exceed 100% of the excess of the corporation's taxable income (as computed above substituting "100%" for "10%") over all other allowable charitable contributions. Any excess qualified conservation contributions

can be carried over to the next 15 years, subject to the 100% limitation. See sections 170(b)(2)(B) and (C).

Cash contributions. For contributions of cash, check, or other monetary gifts (regardless of the amount), the corporation must maintain a bank record, or a receipt, letter, or other written communication from the donee organization indicating the name of the organization, the date of the contribution, and the amount of the contribution.

Contributions of \$250 or more. A corporation can deduct a contribution of \$250 or more only if it gets a written acknowledgment from the donee organization that shows the amount of cash contributed, describes any property contributed (but not its value), and either gives a description and a good faith estimate of the value of any goods or services provided in return for the contribution or states that no goods or services were provided in return for the contribution. The acknowledgment must be obtained by the due date (including extensions) of the corporation's return, or, if earlier, the date the return is filed. Do not attach the acknowledgment to the tax return, but keep it with the corporation's records.

Contributions of property other than cash. If a corporation (other than a closely held or personal service corporation) contributes property other than cash and claims over a \$500 deduction for the property, it must attach a statement to the return describing the kind of property contributed and the method used to determine its FMV. Closely held corporations and personal service corporations must complete Form 8283, Noncash Charitable Contributions, and attach it to their returns. All other corporations must generally complete and attach Form 8283 to their returns for contributions of property (other than money) if the total claimed deduction for all property contributed was more than \$5,000. Special rules apply to the contribution of certain property. See the Instructions for Form 8283.

Qualified conservation contributions. Special rules apply to qualified conservation contributions, including contributions of certain easements on buildings located in a registered historic district. See section 170(h) and Pub. 526, Charitable Contributions.

Other special rules. The corporation must reduce its deduction for contributions of certain ordinary income and capital gain property. See section 170(e).

A larger deduction is allowed for certain contributions including:

- Inventory and other property to certain organizations for use in the care of the ill, needy, or infants (see section 170(e)(3)), including qualified contributions of "apparently wholesome food"; and
- Scientific equipment used for research to institutions of higher learning or to certain scientific research organizations (other than by personal holding companies and service organizations). See section 170(e)(4).

For more information on charitable contributions, including substantiation and recordkeeping requirements, see section 170 and the related regulations and Pub. 526. For other special rules that apply to corporations, see Pub. 542.

Line 20. Depreciation

Include on line 20 depreciation and the cost of certain property that the corporation elected to expense under section 179 from Form 4562. Include amounts not claimed on Form 1125-A or elsewhere on the return. See Form 4562 and the Instructions for Form 4562.

Line 21. Depletion

If the corporation has an economic interest in mineral property or standing timber, it can take a deduction for depletion. More than one person can have an economic interest in the same mineral

deposit or timber. In the case of leased property, the depletion deduction is divided between the lessor and the lessee.

See sections 613 and 613A for percentage depletion rates applicable to natural deposits. Also, see section 291 for the limitation on the depletion deduction for iron ore and coal (including lignite).

Attach Form T (Timber), Forest Activities Schedule, if a deduction for depletion of timber is taken.

Foreign intangible drilling costs and foreign exploration and development costs must either be added to the corporation's basis for cost depletion purposes or be deducted ratably over a 10-year period. See sections 263(i), 616, and 617 for details.

Line 23. Pension, Profit-Sharing, etc., Plans

Enter the deduction for contributions to qualified pension, profit-sharing, or other funded deferred compensation plans. Employers who maintain such a plan must generally file one of the forms listed below unless exempt from filing under regulations or other applicable guidance, even if the plan is not a qualified plan under the Internal Revenue Code. The filing requirement applies even if the corporation does not claim a deduction for the current tax year. There are penalties for failure to file these forms on time and for overstating the pension plan deduction. See sections 6652(e) and 6662(f). Also, see the instructions for the applicable form.

- Form 5500, Annual Return/Report of Employee Benefit Plan.
- Form 5500-SF, Short Form Annual Return/Report of Small Employee Benefit Plan. File this form instead of Form 5500 generally if there were under 100 participants at the beginning of the plan year.

Note: Form 5500 and Form 5500-SF must be filed electronically under the computerized ERISA Filing Acceptance System (EFAST2). For more information, see the EFAST2 website at www.EFAST.dol.gov.

- Form 5500-EZ, Annual Return of A One-Participant (Owners/Partners and Their Spouses) Retirement Plan or A Foreign Plan. File this form for a plan that only covers the owner (or the owner and spouse) or a foreign plan that is required to file an annual return and does not file the annual return electronically on Form 5500-SF. See the Instructions for Form 5500-EZ.

Line 24. Employee Benefit Programs

Enter contributions to employee benefit programs not claimed elsewhere on the return (for example, insurance or health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 23.

Line 25. Energy Efficient Commercial Buildings Deduction

Complete and attach Form 7205 if claiming the energy efficient commercial building deduction. See the Instructions for Form 7205 for more information. Also, see section 179D.

Line 26. Other Deductions

Attach a statement, listing by type and amount, all allowable deductions that are not deductible elsewhere on Form 1120. Enter the total on line 26.

Examples of other deductions include the following.

- Amortization. See Part VI of Form 4562.
- Certain costs of a qualified film, television, live theatrical, or sound recording production commencing before January 1, 2026 (after December 31, 2015, and before January 1, 2026, for a live theatrical production; and commencing in a tax year ending after July 4, 2025, and before January 1, 2026, for a qualified sound recording production) may be expensed under section 181 as amended by P.L. 119-21. This deduction does

not apply to any portion of the aggregate cost of a qualified film or television production or a qualified live theatrical production above \$15 million. A higher allowance may apply to qualified film or television productions or qualified live theatrical productions in certain geographical areas. See section 181(a)(2)(B) for more details. For qualified sound recording productions, the deduction is limited to \$150,000 per production. See section 181 and the related regulations.

Note: Certain film, television, or live theatrical productions acquired and placed in service after September 27, 2017, and certain sound recording productions commencing after January 19, 2025 (for which a deduction would have been allowable under section 181 without regard to the dollar limitation), are qualified property eligible for the 100% special depreciation allowance under section 168(k). Qualified sound recording productions acquired before January 20, 2025, and commence in tax years ending after July 4, 2025, are also eligible for the special depreciation allowance at the applicable phased down percentage rates under section 168(k)(6) as in effect prior to amendment by P.L. 119-21. See the Instructions for Form 4562.

- Certain business start-up and organizational costs (discussed earlier, under [Limitations on Deductions](#)).

- Reforestation costs. The corporation can elect to deduct up to \$10,000 of qualifying reforestation expenses for each qualified timber property. The corporation can elect to amortize over 84 months any amount not deducted. See the Instructions for Form T (Timber).

- Insurance premiums.
- Legal and professional fees.
- Supplies used and consumed in the business.
- Travel, meals, and entertainment expenses. Special rules apply (discussed later).

- Utilities.

- Ordinary losses from trade or business activities of a partnership (from Schedule K-1 (Form 1065)). Do not offset ordinary income against ordinary losses. Instead, include the income on line 10. Show the partnership's name, address, and EIN on a separate statement attached to this return. If the amount is from more than one partnership, identify the amount from each partnership.

- Any extraterritorial income exclusion (from Form 8873).
- Any net negative section 481(a) adjustment, or in the case of an eligible terminated S corporation, the ratable portion of any negative section 481(a) adjustment. See [Section 481\(a\) adjustment](#), earlier.

- Dividends paid in cash on stock held by an employee stock ownership plan.

However, a deduction may be taken for these dividends only if, according to the plan, the dividends are:

1. Paid in cash directly to the plan participants or beneficiaries;
2. Paid to the plan, which distributes them in cash to the plan participants or their beneficiaries no later than 90 days after the end of the plan year in which the dividends are paid;
3. At the election of such participants or their beneficiaries (a) payable as provided under (1) or (2) above, or (b) paid to the plan and reinvested in qualifying employer securities; or
4. Used to make payments on a loan described in section 404(a)(9).

See section 404(k) for more details and the limitation on certain dividends.

Do not deduct expenses such as the following.

- Amounts paid or incurred to, or at the direction of, a government or governmental entity for the violation, or investigation or inquiry into the potential violation, of a law. However, see [Fines or similar penalties](#), later.
- Any amount that is allocable to a class of exempt income. See section 265(b) for exceptions.

- Lobbying expenses. However, see exceptions discussed later.
- Amounts paid or incurred for any settlement, payout, or attorney fees related to sexual harassment or sexual abuse, if such payments are subject to a nondisclosure agreement. See section 162(q).

Travel, meals, and entertainment. Subject to limitations and restrictions discussed below, a corporation can deduct ordinary and necessary travel, meal, and non-entertainment expenses paid or incurred in its trade or business. Generally, entertainment expenses, membership dues, and facilities used in connection with these activities cannot be deducted. In addition, no deduction is generally allowed for qualified transportation fringe benefits. Special rules apply to deductions for gifts, luxury water travel, and convention expenses. See section 274 and Pub. 463, for details.

Travel. The corporation cannot deduct travel expenses of any individual accompanying a corporate officer or employee, including a spouse or dependent of the officer or employee, unless:

- That individual is an employee of the corporation, and
- That individual's travel is for a bona fide business purpose and would otherwise be deductible by that individual.

Meals. Generally, the corporation can deduct only 50% of the amount otherwise allowable for non-entertainment-related meal expenses paid or incurred in its trade or business. Meals not separately stated from entertainment are generally not deductible. In addition (subject to exceptions under section 274(k)(2)):

- Meals must not be lavish or extravagant, and
- An employee of the corporation must be present at the meal.

See section 274(n)(3) for a special rule that applies to expenses for meals consumed by individuals subject to the hours of service limits of the Department of Transportation.

Qualified transportation fringes (QTFs). Generally, no deduction is allowed under section 274(a)(4) for QTFs provided by employers to their employees. QTFs are defined in section 132(f)(1) and include:

- Transportation in a commuter highway vehicle between the employee's residence and place of employment,
- Any transit pass, and
- Qualified parking.

See section 274 and Pub. 15-B, Employer's Tax Guide to Fringe Benefits, for details.

Membership dues. The corporation can deduct amounts paid or incurred for membership dues in civic or public service organizations, professional organizations (such as bar and medical associations), business leagues, trade associations, chambers of commerce, boards of trade, and real estate boards. However, no deduction is allowed if a principal purpose of the organization is to entertain or provide entertainment facilities for members or their guests. In addition, corporations cannot deduct membership dues in any club organized for business, pleasure, recreation, or other social purpose. This includes country clubs, golf and athletic clubs, airline and hotel clubs, and clubs operated to provide meals under conditions favorable to business discussion.

Entertainment facilities. Generally, the corporation cannot deduct an expense paid or incurred for a facility (such as a yacht or hunting lodge) used for an activity usually considered entertainment, amusement, or recreation.

Amounts treated as compensation. Generally, the corporation may be able to deduct otherwise nondeductible entertainment, amusement, or recreation expenses if the amounts are treated as compensation to the recipient and reported on Form W-2 for an employee or on Form 1099-NEC for an independent contractor.

However, if the recipient is an officer, director, beneficial owner (directly or indirectly), or other "specified individual" (as

defined in section 274(e)(2)(B) and Regulations section 1.274-9(b)), special rules apply.

Fines or similar penalties. Generally, no deduction is allowed for fines or similar penalties paid or incurred to, or at the direction of, a government or governmental entity for violating any law, or for the investigation or inquiry into the potential violation of a law, except:

- Amounts that constitute restitution or remediation of property,
- Amounts paid to come into compliance with the law,
- Amounts paid or incurred as the result of orders or agreements in which no government or governmental entity is a party, and
- Amounts paid or incurred for taxes due.

No deduction is allowed unless the amounts are specifically identified in the order or agreement and the corporation establishes that the amounts were paid for that purpose. Also, any amount paid or incurred as reimbursement to the government for the costs of any investigation or litigation are not eligible for the exceptions and are nondeductible. See section 162(f).

Lobbying expenses. Generally, lobbying expenses are not deductible. These expenses include:

- Amounts paid or incurred in connection with influencing federal, state, or local legislation; or
- Amounts paid or incurred in connection with any communication with certain federal executive branch officials in an attempt to influence the official actions or positions of the officials. See Regulations section 1.162-29 for the definition of "influencing legislation."

Dues and other similar amounts paid to certain tax-exempt organizations may not be deductible. If certain in-house lobbying expenditures do not exceed \$2,000, they are deductible.

Line 28. Taxable Income Before NOL Deduction and Special Deductions

At-risk rules. Generally, special at-risk rules under section 465 apply to closely held corporations (see [Passive activity limitations](#), earlier) engaged in any activity as a trade or business or for the production of income. These corporations may have to adjust the amount on line 28. (See below.)

The at-risk rules do not apply to:

- Holding real property placed in service by the taxpayer before 1987;
- Equipment leasing under sections 465(c)(4), (5), and (6); or
- Any qualifying business of a qualified corporation under section 465(c)(7).

However, the at-risk rules do apply to the holding of mineral property.

If the at-risk rules apply, adjust the amount on this line for any section 465(d) losses. These losses are limited to the amount for which the corporation is at risk for each separate activity at the close of the tax year. If the corporation is involved in one or more activities, any of which incurs a loss for the year, report the losses for each activity separately. Attach Form 6198, At-Risk Limitations, showing the amount at risk and gross income and deductions for the activities with the losses.

If the corporation sells or otherwise disposes of an asset or its interest (either total or partial) in an activity to which the at-risk rules apply, determine the net profit or loss from the activity by combining the gain or loss on the sale or disposition with the profit or loss from the activity. If the corporation has a net loss, it may be limited because of the at-risk rules.

Treat any loss from an activity not allowed for the tax year as a deduction allocable to the activity in the next tax year.

Line 29a. Net Operating Loss Deduction

A corporation can use the NOL incurred in one tax year to reduce its taxable income in another tax year. Enter on line 29a the total NOL carryovers from other tax years, but do not enter more than the corporation's taxable income (after special deductions). Attach a statement showing the computation of the NOL deduction. Complete Schedule K, Item 12.

The following special rules apply.

- If an ownership change (described in section 382(g)) occurs, the amount of the taxable income of a loss corporation that may be offset by the pre-change NOL carryovers may be limited. See section 382 and the related regulations. A loss corporation must include the information statement as provided in Regulations section 1.382-11(a) with its income tax return for each tax year that it is a loss corporation in which an ownership shift, equity structure shift, or other transaction described in Temporary Regulations section 1.382-2T(a)(2)(i) occurs. If the corporation makes the closing-of-the-books election, see Regulations section 1.382-6(b).

The limitations under section 382 do not apply to certain ownership changes after February 17, 2009, made pursuant to a restructuring plan under the Emergency Economic Stabilization Act of 2008. See section 382(n).

For guidance in applying section 382 to loss corporations whose instruments were acquired by Treasury under certain programs under the Emergency Economic Stabilization Act of 2008, see Notice 2010-2, 2010-2 I.R.B. 251.

- If a corporation acquires control of another corporation (or acquires its assets in a reorganization), the amount of pre-acquisition losses that may offset recognized built-in gain may be limited (see section 384).
- If a corporation elects the alternative tax on qualifying shipping activities under section 1354, no deduction is allowed for an NOL attributable to the qualifying shipping activities to the extent that the loss is carried forward from a tax year preceding the first tax year for which the alternative tax election was made. See section 1358(b)(2).

For more details on the NOL deduction, see section 172 and the Instructions for Form 1139.

Line 29b. Special Deductions

See the instructions for Schedule C.

Line 30. Taxable Income

Minimum taxable income. The corporation's taxable income cannot be less than the largest of the following amounts.

- The inversion gain of the corporation for the tax year, if the corporation is an expatriated entity or a partner in an expatriated entity. See section 7874(a).
- The sum of the corporation's excess inclusions from its residual interest in a REMIC from Schedules Q (Form 1066), line 2c, and the corporation's taxable income determined solely with respect to its ownership and high-yield interests in FASITs. See sections 860E(a) and 860J (repealed).

Net operating loss (NOL). If line 30 (figured without regard to the items listed above under minimum taxable income) is zero or less, the corporation may have an NOL that can be carried back or forward as a deduction to other tax years.

Only farming losses and losses of an insurance company (other than a life insurance company) can be carried back. The carryback period for these losses is 2 years. For NOLs that can be carried back, the corporation can elect to waive the carryback period and instead carry the NOL forward to future tax years.

See the instructions for [Schedule K, Item 11](#) for information on making the election to waive the carryback period. See the Instructions for Form 1139 for other special rules and elections.

The NOL deduction for tax year 2025 cannot exceed the aggregate amount of NOLs arising in tax years beginning before January 1, 2018, carried to such year plus the lesser of:

1. The aggregate amount of NOLs arising in tax years beginning after December 31, 2017, carried to such tax year; or
2. 80% of the excess, if any, of taxable income determined without any NOL deduction, section 199A deduction, or section 250 deduction, over any NOL carryover to the tax year from tax years beginning before January 1, 2018.

An exception applies for NOLs of insurance companies other than life insurance companies. The 80% taxable income limit does not apply to these entities. See sections 172(b) and (f).

Merchant Marine capital construction fund. To take a deduction for amounts contributed to a capital construction fund (CCF), reduce the amount that would otherwise be entered on line 30 by the amount of the deduction. On the dotted line next to the entry space, enter "CCF" and the amount of the deduction. For more information, see section 7518.

Line 32. First Installment of Section 1062 Applicable Net Tax Liability

Complete and attach Form 1062, Schedule(s) A (Form 1062), and a copy of the covenant if electing to defer the payment of net income tax attributable to the gain from the sale or exchange of qualified farmland property during this tax year under section 1062. Enter the amount from Form 1062, Part III, line 15. See the Instructions for Form 1062 for more information. Also, see section 1062.

Line 34. Estimated Tax Penalty

Generally, the corporation does not have to file Form 2220 because the IRS can figure the penalty amount, if any, and bill the corporation. However, even if the corporation does not owe the penalty, it must complete and attach Form 2220 if:

- The annualized income or adjusted method is used, or
- The corporation is a large corporation (as defined in the Instructions for Form 2220) computing its first required installment based on the prior year's tax.

If Form 2220 is attached, check the box on Form 1120, line 34, and enter any penalty on this line.

Note: If the corporation's tax liability includes a CAMT liability, the corporation must complete and attach Form 2220. The affected corporation must also include an amount of estimated tax penalty on Form 1120, page 1, line 34, even if that amount is zero. Failure to follow these instructions could result in the corporation receiving a penalty notice that will require an abatement request to apply any penalty relief. See [Notice 2025-27](#).

Line 35. Amount Owed

Generally, the corporation must pay any tax due in full no later than the due date for filing its tax return (excluding extensions). Payment of the tax due must be made electronically. See Electronic Deposit Requirement, earlier, for the payment options for the corporation. Also, go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more detailed information.

If the corporation cannot pay the full amount of tax owed, it can apply for an installment agreement online. The corporation can apply for an installment agreement online if:

- It cannot pay the full amount shown on line 35,
 - The total amount owed is \$25,000 or less, and
 - The corporation can pay the liability in full in 24 months.
- To apply using the Online Payment Agreement Application, go to [IRS.gov/OPA](https://www.irs.gov/OPA).

Under an installment agreement, the corporation can pay what it owes in monthly installments. There are certain

conditions that must be met to enter into and maintain an installment agreement, such as paying the liability within 24 months and making all required deposits and timely filing tax returns during the length of the agreement.

If the installment agreement is accepted, the corporation will be charged a fee and it will be subject to penalties and interest on the amount of tax not paid by the due date of the return.

Line 36. Overpayment

If there is an overpayment on line 36, enter the amount the corporation wants refunded on line 37b. See the instructions for line 37b, later. The corporation can also choose to have all or part of the overpayment credited to next year's estimated tax by completing line 37a. See the instructions for line 37a, next.

Line 37a. Credited to Estimated Tax

The corporation can elect to apply all or part of the corporation's overpayment to next year's estimated taxes.

Enter the amount of any overpayment from line 36 that should be applied to next year's estimated tax.

This election to apply some or all of the overpayment amount to the corporation's 2026 estimated tax cannot be changed at a later date.

Line 37b. Refunded

Enter the amount to be refunded to the corporation on line 37b. If the corporation has access to U.S. banking services, it should use direct deposit for any refunds, whenever possible.

The benefits of a direct deposit include a faster refund, the added security of a paperless payment, and the savings of tax dollars associated with the reduced processing costs.

Direct deposit of refund. If the corporation wants its refund directly deposited into its checking or savings account at any U.S. bank or other financial institution, complete lines 37c through 37e. See the instructions for lines 37c, 37d, and 37e, later.

The corporation is not eligible to request a direct deposit if:

- The receiving financial institution is a foreign bank or a foreign branch of a U.S. bank, or
- The corporation has applied for an EIN but is filing its tax return before receiving one.

Line 37c. Routing Number

The routing number must be nine digits. The first two digits must be between 01 and 12 or 21 through 32. Ask the corporation's financial institution for the correct routing number to enter on line 37c if:

- The routing number on a deposit slip is different from the routing number on the corporation's checks,
- The deposit is to a savings account that does not allow the corporation to write checks, or
- The corporation's checks state they are payable through a financial institution different from the one at which the corporation has its checking account.

Line 37d. Type of Account

Check the appropriate box for the type of account. Don't check more than one box. The corporation must check the correct box to ensure the deposit is accepted.

Line 37e. Account Number

The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. Don't include the check number.

If the direct deposit to the corporation's account is different from the amount it expected, the corporation will receive an explanation in the mail about 2 weeks after the refund is deposited.

Conditions Resulting in a Refund by Check

If the IRS is unable to process the request for a direct deposit, a refund by check will be generated instead. Reasons for not processing a request include:

- The name of the corporation on the tax return does not match the name on the account.
- The financial institution rejects the direct deposit because of an incorrect routing or account number.
- The corporation fails to indicate the type of account the deposit is to be made to (that is, checking or saving).

Note: The IRS isn't responsible for a lost refund if the corporation enters the wrong account information. Check with the corporation's financial institution to get the correct routing and account numbers and to make sure the direct deposit will be accepted.

Schedule C. Dividends, Inclusions, and Special Deductions

For purposes of the 20% ownership test on lines 1 through 7, the percentage of stock owned by the corporation is based on voting power and value of the stock. Preferred stock described in section 1504(a)(4) is not taken into account.

Consolidated returns. Corporations filing a consolidated return should see Regulations sections 1.1502-13, 1.1502-26, and 1.1502-27 before completing Schedule C.

Corporations filing a consolidated return must not report as dividends on Schedule C any amounts received from corporations within the consolidated group. Such dividends are eliminated in consolidation rather than offset by the dividends-received deduction.

Line 1, Column (a)

Enter dividends (except those received on certain debt-financed stock acquired after July 18, 1984—see section 246A) that are:

- Received from less-than-20%-owned domestic corporations subject to income tax, and
- Qualified for the 50% deduction under section 243(a)(1).

Also, include on line 1 the following.

- Taxable distributions from an IC-DISC or former DISC that are designated as eligible for the 50% deduction and certain dividends of Federal Home Loan Banks. See section 246(a)(2).
- Dividends (except those received on certain debt-financed stock acquired after July 18, 1984) from a regulated investment company (RIC). The amount of dividends eligible for the dividends-received deduction under section 243 is limited by section 854(b). The corporation should receive a notice from the RIC specifying the amount of dividends that qualify for the deduction.

Report so-called dividends or earnings received from mutual savings banks, etc., as interest. Do not treat them as dividends.

Line 2, Column (a)

Enter on line 2:

- Dividends (except those received on certain debt-financed stock acquired after July 18, 1984) that are received from 20%-or-more-owned domestic corporations subject to income tax and that are subject to the 65% deduction under section 243(c), and

- Taxable distributions from an IC-DISC or former DISC that are considered eligible for the 65% deduction.

Line 3, Column (a)

Enter the following.

- Dividends received on certain debt-financed stock acquired after July 18, 1984, from domestic and foreign corporations subject to income tax that would otherwise be subject to the dividends-received deduction under section 243(a)(1), 243(c), or 245(a). Generally, debt-financed stock is stock that the corporation acquired by incurring a debt (for example, it borrowed money to buy the stock).
- Dividends received from a RIC on debt-financed stock. The amount of dividends eligible for the dividends-received deduction is limited by section 854(b). The corporation should receive a notice from the RIC specifying the amount of dividends that qualify for the deduction.

Line 3, Columns (b) and (c)

Dividends received on certain debt-financed stock acquired after July 18, 1984, are not entitled to the full 50% or 65% dividends-received deduction under section 243 or 245(a). The 50% or 65% deduction is reduced by a percentage that is related to the amount of debt incurred to acquire the stock. See section 246A. Also, see section 245(a) before making this computation for an additional limitation that applies to certain dividends received from foreign corporations. Attach a statement to Form 1120 showing how the amount on line 3, column (c), was figured.

Line 4, Column (a)

Enter dividends received on preferred stock of a less-than-20%-owned public utility that is subject to income tax and is allowed the 23.3% deduction provided in sections 244 and 247 (as affected by P.L. 113-295, Div. A, section 221(a)(41) (A), Dec. 19, 2014, 128 Stat. 4043) for dividends paid.

Line 5, Column (a)

Enter dividends received on preferred stock of a 20%-or-more-owned public utility that is subject to income tax and is allowed the 26.7% deduction provided in sections 244 and 247 (as affected by P.L. 113-295, Div. A, section 221(a)(41) (A), Dec. 19, 2014, 128 Stat. 4043) for dividends paid.

Line 6, Column (a)

Enter the U.S.-source portion of dividends that:

- Are received from less-than-20%-owned foreign corporations, and
- Qualify for the 50% deduction under section 245(a). To qualify for the 50% deduction, the corporation must own at least 10% of the stock of the foreign corporation by vote and value.

Also, include dividends received from a less-than-20%-owned FSC that:

- Are attributable to income treated as effectively connected with the conduct of a trade or business within the United States (excluding foreign trade income), and
- Qualify for the 50% deduction under section 245(c)(1)(B).

Line 7, Column (a)

Enter the U.S.-source portion of dividends that:

- Are received from 20%-or-more-owned foreign corporations, and
- Qualify for the 65% deduction under sections 243 and 245(a).

Also, include dividends received from a 20%-or-more-owned FSC that:

- Are attributable to income treated as effectively connected with the conduct of a trade or business within the United States (excluding foreign trade income), and
- Qualify for the 65% deduction under section 245(c)(1)(B).

Line 8, Column (a)

Enter dividends received from wholly owned foreign subsidiaries that are eligible for the 100% deduction under section 245(b).

In general, the deduction under section 245(b) applies to dividends paid out of the earnings and profits of a foreign corporation for a tax year during which:

- All of its outstanding stock is directly or indirectly owned by the domestic corporation receiving the dividends, and
- All of its gross income from all sources is effectively connected with the conduct of a trade or business within the United States.

Line 9, Column (c)

Generally, line 9, column (c), cannot exceed the amount on line 29 of the Worksheet for Schedule C, Lines 9 and 22.

However, in a year in which an NOL occurs, the limitation in section 246(b)(1) does not apply even if the loss is created by the dividends-received deduction. See sections 172(c), 172(d)(5), and 246(b).

Worksheet for Schedule C, Lines 9 and 22

Keep for Your Records



Use this worksheet to figure the dividends-received deduction after the section 246(b) limitation, including the section 250 deduction. Also, use this worksheet to figure the section 250 deduction after the section 246(b) limitation. Before completing this worksheet, complete Form 1120, page 1, line 28, and Schedule C, lines 1 through 8 and 10 through 13. Also, complete Form 8993, Part III, lines 28 and 29.

1. Refigure Form 1120, page 1, line 28, without any adjustment under section 1059 and without any capital loss carryback to the tax year under section 1212(a)(1)	1. _____
2. Complete Schedule C, lines 10, 11, 12, and 13, column (c), and enter the total here	2. _____
3. Subtract line 2 from line 1	3. _____
4. Multiply line 3 by 65% (0.65)	4. _____
5. Add Schedule C, lines 2, 5, 7, and 8, column (c), and the part of the deduction on line 3, column (c), that is attributable to dividends from 20%-or-more-owned corporations	5. _____
6. Enter the sum of the amounts on Form 8993, Part III, lines 28 and 29	6. _____
7. Add lines 5 and 6	7. _____
8. Subtract line 7 from line 4. If zero or more, enter the amount from line 5, skip lines 9 through 15, and go to line 16. If less than zero, leave line 8 blank and go to line 9	8. _____
9. Divide line 5 by line 7. Enter the result as a decimal (rounded to at least three places)	9. _____
10. Subtract line 4 from line 7	10. _____
11. Multiply line 10 by line 9	11. _____
12. Subtract line 11 from line 5	12. _____
13. Subtract line 9 from 1.000	13. _____
14. Multiply line 13 by line 10	14. _____
15. Subtract line 14 from line 6	15. _____
16. Add the total amount of dividends from 20%-or-more-owned corporations that are included on Schedule C, lines 2, 3, 5, 7, and 8, column (a)	16. _____
17. Subtract line 16 from line 3	17. _____
18. Multiply line 17 by 50% (0.50)	18. _____
19. Add Schedule C, lines 1, 4, and 6, column (c), and the part of the deduction on line 3, column (c), that is not attributable to dividends from 20%-or-more-owned corporations	19. _____
20. Add line 15 (or, if line 15 is blank, line 6) and line 19	20. _____
21. Subtract line 20 from line 18. If zero or more, enter the amount from line 19, skip lines 22 through 28, and go to line 29. If less than zero, leave line 21 blank and go to line 22	21. _____
22. Divide line 19 by line 20. Enter the result as a decimal (rounded to at least three places)	22. _____
23. Subtract line 18 from line 20	23. _____
24. Multiply line 23 by line 22	24. _____
25. Subtract line 24 from line 19	25. _____
26. Subtract line 22 from 1.000	26. _____
27. Multiply line 23 by line 26	27. _____
28. Subtract line 27 from line 15 (or, if line 15 is blank, line 6)	28. _____
29. Dividends-received deduction after limitation (sec. 246(b)). Add line 12 (or, if line 12 is blank, line 8) and line 25 (or if line 25 is blank, line 19). Enter the result here and on Schedule C, line 9, column (c)	29. _____
30. Section 250 deduction after limitation (sec. 246(b)). Enter the amount on line 28 (or, if line 28 is blank, line 15, or, if line 28 and line 15 are blank, line 6) here and on Schedule C, line 22, column (c)	30. _____

Line 10, Columns (a) and (c)

Small business investment companies operating under the Small Business Investment Act of 1958 must enter dividends that are received from domestic corporations subject to income tax even though a deduction is allowed for the entire amount of those dividends. To claim the 100% deduction on line 10, column (c), the company must file with its return a statement that it was a federal licensee under the Small Business Investment Act of 1958 at the time it received the dividends.

Line 11, Columns (a) and (c)

Enter only dividends that qualify under section 243(b) for the 100% dividends-received deduction described in section 243(a)(3). Corporations taking this deduction are subject to the provisions of section 1561.

The 100% deduction does not apply to affiliated group members that are joining in the filing of a consolidated return.

Line 12, Column (a)

Enter dividends from FSCs that are attributable to foreign trade income and that are eligible for the 100% deduction provided in section 245(c)(1)(A).

Line 13, Column (a)

Enter the foreign-source portion of dividends that:

- Are received from specified 10%-owned foreign corporations (as defined in section 245A(b)), including, for example, gain from the sale of stock of a foreign corporation that is treated as a dividend under sections 1248(a) and (j); and
- Qualify for the section 245A deduction.

Line 14, Column (a)

Enter the foreign dividends not reportable on line 3, 6, 7, 8, 11, 12, or 13 of column (a).

Include on line 14 the foreign-source portion of any dividend that does not qualify for the section 245A deduction (for example, hybrid dividends within the meaning of section 245A(e), ineligible amounts of dividends within the meaning of Regulations section 1.245A-5(b), dividends that fail to meet the holding period requirement under section 246(c)(5), etc.).

Also, include on line 14 the corporation's share of distributions from a section 1291 fund from Form 8621, to the extent that the amounts are taxed as dividends under section 301. See Form 8621 and the Instructions for Form 8621.

Attach a statement identifying the amount of each dividend reported on line 14 and the provision pursuant to which a deduction is not allowed with respect to such dividend.

Line 15, Column (a)

Reserved for future use.

Line 15, Column (c)

Reserved for future use.

Line 16a, Column (a)

Enter the foreign-source portion of any subpart F inclusions attributable to the sale or exchange by a CFC of stock in another foreign corporation described in section 964(e)(4). This should equal the sum of the amounts reported by the U.S. shareholder on Form(s) 5471, Schedule I, line 1a. (Do not include on line 16a any portion of such subpart F inclusion that is not eligible for the section 245A deduction pursuant to Regulations section 1.245A-5(g)(2). Include such amounts on line 16c.)

Line 16b, Column (a)

Enter the total subpart F inclusions attributable to tiered hybrid dividends. This should equal the sum of the amounts reported by the U.S. shareholder on Form(s) 5471, Schedule I, line 1b.

Line 16c, Column (a)

Enter all other amounts included in income under section 951. This should equal the sum of the amounts reported by the U.S. shareholder on Form(s) 5471, Schedule I, lines 1c through 1h, 2, and 4.

Line 17, Column (a)

Enter amounts included in income under section 951A. See Form 8992, Part II, line 5, and the Instructions for Form 8992. Also, if applicable, attach Form(s) 5471.

Note: Consider the applicability of section 951A with respect to CFCs owned by domestic partnerships in which the corporation has an interest.

Line 18, Column (a)

Include gross-up for taxes deemed paid under section 960.

Line 19, Column (a)

Enter taxable distributions from an IC-DISC or former DISC that are designated as not eligible for a dividends-received deduction.

No deduction is allowed under section 243 for a dividend from an IC-DISC or former DISC (as defined in section 992(a)) to the extent the dividend:

- Is paid out of the corporation's accumulated IC-DISC income or previously taxed income, or
- Is a deemed distribution under section 995(b)(1).

Line 20, Column (a)

Include the following.

1. Dividends (other than capital gain distributions reported on Schedule D (Form 1120), Capital Gains and Losses, and exempt-interest dividends) that are received from RICs and that are not subject to the 50% deduction.

2. Dividends from tax-exempt organizations.

3. Dividends (other than capital gain distributions) received from a REIT that, for the tax year of the trust in which the dividends are paid, qualifies under sections 856 through 860.

4. Dividends not eligible for a dividends-received deduction, which include the following.

a. Dividends received on any share of stock held for less than 46 days during the 91-day period beginning 45 days before the ex-dividend date. When counting the number of days the corporation held the stock, you cannot count certain days during which the corporation's risk of loss was diminished. See section 246(c)(4) and Regulations section 1.246-5 for more details.

b. Dividends received on any share of preferred stock which are attributable to periods totaling more than 366 days if such stock was held for less than 91 days during the 181-day period that began 90 days before the ex-dividend date. When counting the number of days the corporation held the stock, you cannot count certain days during which the corporation's risk of loss was diminished. See section 246(c)(4) and Regulations section 1.246-5 for more details. Preferred dividends attributable to periods totaling less than 367 days are subject to the 46-day holding period rule discussed above.

c. Dividends on any share of stock to the extent the corporation is under an obligation (including a short sale) to make related payments with respect to positions in substantially similar or related property.

5. Any other taxable dividend income not properly reported elsewhere on Schedule C.

If patronage dividends or per-unit retain allocations are included on line 20, identify the total of these amounts in a statement attached to Form 1120.

Line 21, Column (c)

Section 247 (as affected by P.L. 113-295, Div. A, section 221(a)(41)(A), Dec. 19, 2014, 128 Stat. 4043) allows public utilities a deduction of 40% of the smaller of: (a) dividends paid on their preferred stock during the tax year, or (b) taxable income computed without regard to this deduction. In a year in which an NOL occurs, compute the deduction without regard to section 247(a)(1)(B).

Line 22, Column (c)

Enter the section 250 deduction claimed for foreign-derived intangible income (FDII) and global intangible low-taxed income (GILTI). Generally, this amount cannot exceed the amount on line 30 of the Worksheet for Schedule C, Lines 9 and 22. See the worksheet, earlier. However, in a year in which an NOL occurs, the limitation in section 246(b)(1) does not apply. See sections 172(c), 172(d)(5), and 246(b).

Schedule J. Tax Computation and Payment

Tax Computation

Line 1. Chapter 1 Taxes

Line 1a. Income tax. Multiply taxable income (page 1, line 30) by 21% (0.21). Enter this amount on line 1a.

Line 1b. Tax from Form 1120-L. For a mutual savings bank conducting a life insurance business, the tax under section 594 consists of the sum of (a) a partial tax computed on Form 1120 on the taxable income of the bank, determined without regard to income or deductions allocable to the life insurance department, and (b) a partial tax on the taxable income computed on Form 1120-L of the life insurance department. Enter the combined tax on line 1b. Attach Form 1120-L as a schedule (and identify it as such), together with the annual statements and schedules required to be filed with Form 1120-L. See Regulations section 1.6012-2(c)(1)(ii).

Exception for insurance companies filing their federal income tax returns electronically. If an insurance company files its income tax return electronically, it should not include the annual statements and schedules required to be filed with Form 1120-L. However, such statements must be available at all times for inspection by the IRS and retained for so long as such statements may be material in the administration of any Internal Revenue law.

Line 1c. Section 1291 tax from Form 8621. If the corporation was a shareholder in a passive foreign investment company (PFIC) and received an excess distribution or disposed of its investment in the PFIC during the year, enter on line 1c the increase in taxes due under section 1291(c)(2) from Form 8621.

Do not include on line 1c any interest due under section 1291(c)(3). Instead, include the amount of interest owed on Schedule J, line 9z.

For more information on reporting the deferred tax and interest, see the Instructions for Form 8621.

Line 1d. Tax adjustment from Form 8978. If the corporation is filing Form 8978, Partner's Additional Reporting Year Tax, to report adjustments shown on Form 8986, Push Out to Partners under IRC 6226(a)(2), they received from partnerships that have

been audited and have elected to push out imputed underpayments to their partners, include any increase in taxes due from Form 8978, line 14, on Form 1120, Schedule J, line 1d. Attach Form 8978. If Form 8978, line 14, shows a decrease in tax, see the instructions for [line 5f](#), later.

Line 1e. Additional tax under section 197(f). A corporation that elects to recognize gain and pay tax on the sale of a section 197 intangible under the related person exception to the anti-churning rules should include any additional tax due on line 1e. See section 197(f)(9)(B)(ii).

Line 1f. Base erosion minimum tax from Form 8991. If the corporation had gross receipts of at least \$500 million in any 1 of the 3 tax years preceding the current tax year, complete and attach Form 8991, Base Erosion Minimum Tax. Enter on line 1f the amount from Form 8991, Part IV, line 5e. See section 59A and the Instructions for Form 8991. Also, see [Schedule K, Question 22](#), later.

Line 1g. Amount from Form 4255, Part I, line 3, column (q). Enter on line 1g the tax that can be reduced by nonrefundable credits from Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties, Part I, line 3, column (q), if applicable. See the Instructions for Form 4255.

Line 1z. Other chapter 1 tax. Enter on line 1z any other chapter 1 tax that can be offset or reduced by nonrefundable credits such as the foreign tax credit or general business credit.

Line 3. Corporate Alternative Minimum Tax

Enter on line 3 the amount from Form 4626, Alternative Minimum Tax—Corporations, Part II, line 13, if applicable. See the Instructions for Form 4626.

Line 5. Tax Credits

Line 5a. Foreign tax credit. To find out when a corporation can take the credit for payment of income tax to a foreign country or U.S. territory, see Form 1118, Foreign Tax Credit—Corporations.

Line 5b. Credit from Form 8834. Enter any qualified electric vehicle passive activity credits from prior years allowed for the current tax year from Form 8834, Qualified Electric Vehicle Credit, line 7. Attach Form 8834.

Line 5c. General business credit. Use Form 3800, General Business Credit, to claim any general business credits. Enter on line 5c the allowable credit from Form 3800, Part II, line 38. See the Instructions for Form 3800.

Line 5d. Credit for prior year minimum tax. Enter any allowable credit from Form 8827, Credit for Prior Year Minimum Tax—Corporations, line 11. Complete and attach Form 8827.

Line 5e. Bond credits. Enter the allowable credits from Form 8912, Credit to Holders of Tax Credit Bonds, line 12.

Line 5f. Adjustment from Form 8978. If the corporation is filing Form 8978 to report adjustments shown on Form 8986 they received from partnerships that have been audited and have elected to push out imputed underpayments to their partners, include any decrease in taxes due (negative amount) from Form 8978, line 14, on Form 1120, Schedule J, line 5f. Attach Form 8978. If Form 8978, line 14, shows an increase in tax, see the instructions for [Schedule J, line 1d](#).

Line 6. Total Credits

Add lines 5a through 5f. Enter the total on line 6.

Line 8. Personal Holding Company Tax

A corporation is taxed as a personal holding company under section 542 if:

- At least 60% of its adjusted ordinary gross income for the tax year is personal holding company income, and
- At any time during the last half of the tax year more than 50% in value of its outstanding stock is directly or indirectly owned by five or fewer individuals.

See Schedule PH (Form 1120) for definitions and details on how to figure the tax. Enter on line 8 the tax from Schedule PH (Form 1120), Part III, line 26.

Line 9. Other Taxes and Interest

Include any of the following taxes and interest.

Line 9a. Amount from Form 4255, Part I, line 3, column (r). Enter on line 9a the tax that cannot be reduced by nonrefundable credits from Form 4255, Part I, line 3, column (r), if applicable. See the Instructions for Form 4255.

Line 9b. Recapture of low-income housing credit. If the corporation disposed of property (or there was a reduction in the qualified basis of the property) for which it took the low-income housing credit, and the corporation did not follow the procedures that would have prevented recapture of the credit, it may owe a tax. See Form 8611, Recapture of Low-Income Housing Credit.

Line 9c. Completed long-term contract look-back interest due. If the corporation used the percentage-of-completion method under section 460(b) for certain long-term contracts, figure any interest due or to be refunded using the look-back method, described in section 460(b)(2). Use Form 8697, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts, to figure any interest due or to be refunded. See the Instructions for Form 8697. Include any interest due on line 9c.

Line 9d. Interest due under the look-back method—income forecast method. If the corporation used the income forecast method to depreciate property, it must figure any interest due or to be refunded using the look-back method, described in section 167(g)(2). Use Form 8866, Interest Computation Under the Look-Back Method for Property Depreciated Under the Income Forecast Method, to figure any interest due or to be refunded. See the Instructions for Form 8866. Include any interest due on line 9d.

Line 9e. Alternative tax on qualifying shipping activities. Enter any alternative tax on qualifying shipping activities from Form 8902.

Line 9f. Interest/tax due under section 453A(c). Include any interest on deferred tax attributable to certain nondealer installment obligations (section 453A(c)).

Line 9g. Interest/tax due under section 453(l). Include any interest on deferred tax attributable to dealer installment obligations (section 453(l)).

Line 9z. Other. Include on line 9z additional taxes and interest such as the following. Attach a statement showing the computation of each item included in the total for line 9z and identify the applicable Code section and the type of tax or interest.

- Recapture of Indian employment credit. Generally, if an employer terminates the employment of a qualified employee less than 1 year after the date of initial employment, any Indian employment credit allowed for a prior tax year because of wages paid or incurred to that employee must be recaptured. For

details, see Form 8845, Indian Employment Credit, and section 45A.

- Recapture of new markets credit (see Form 8874, New Markets Credits, and Form 8874-B, Notice of Recapture Event for New Markets Credit).
- Recapture of employer-provided childcare facilities and services credit (see Form 8882).
- Tax and interest on a nonqualified withdrawal from a capital construction fund (section 7518(g)).
- Interest due on deferred gain (section 1260(b)).
- Interest due under section 1291(c)(3). See Form 8621 and the Instructions for Form 8621.

Line 11. Deferred Taxes

Attach a statement showing the computation of each item included on line 11.

Line 11a. Total tax before deferred tax. Add lines 7, 8, and 10. Enter the total on line 11a. Include any deferred tax on the termination of a section 1294 election applicable to shareholders in a qualified electing fund (QEF) in the amount entered on line 11a. See the instructions for Form 8621, Part VI.

Line 11b. Deferred tax on undistributed earning of a QEF. Enter on line 11b the deferred tax on the corporation's share of undistributed earnings of a QEF. See the Instructions for Form 8621, Part III.

Line 11c. Deferred LIFO recapture tax. This is the part of the LIFO recapture tax that will be deferred and paid with Form 1120-S in the future. To figure the deferred tax, first figure the total LIFO recapture tax. Follow the steps below to figure the total LIFO recapture tax and the deferred amount. Also, see [Line 10. Other Income](#), earlier.

Step 1. Figure the tax on the corporation's income including the LIFO recapture amount. Complete Schedule J, lines 1 through 10.

Step 2. Using a separate worksheet, complete Schedule J again, but do not include the LIFO recapture amount in the corporation's taxable income.

Step 3. Compare the tax in Step 2 to the tax in Step 1. The difference between the two is the LIFO recapture tax.

Step 4. Multiply the amount figured in Step 3 by 75% (0.75). The result is the deferred LIFO recapture tax. Enter this amount on line 11c.

Payments and Refundable Credits**Line 14. Estimated Tax Payments**

Enter any estimated tax payments the corporation made for the current tax year.

Beneficiaries of trusts. If the corporation is the beneficiary of a trust, and the trust makes a section 643(g) election to credit its estimated tax payments to its beneficiaries, include the corporation's share of the payment in the total for line 14. Enter "T" and the amount of the payment on the dotted line next to the entry space.

Line 15. Refund Applied For on Form 4466

If the corporation overpaid estimated tax, it may be able to get a quick refund by filing Form 4466. The overpayment must be at least 10% of the corporation's expected income tax liability and at least \$500. File Form 4466 after the end of the corporation's tax year, and no later than the due date for filing the corporation's tax return (not including extensions). Form 4466 must be filed

before the corporation files its tax return. See the Instructions for Form 4466.

Line 18. Withholding

If the corporation had federal income tax withheld from any payments it received because, for example, it failed to give the payer its correct EIN or was otherwise subjected to backup withholding, include the amount withheld in the total for line 18.

Line 20. Refundable Credits

Line 20a. Credit from Form 2439. Enter any credit from Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, for the corporation's share of the tax paid by a regulated investment company (RIC) or a real estate investment trust (REIT) on undistributed long-term capital gains included in the corporation's income. Attach Form 2439.

Line 20b. Credit for federal tax on fuels. Enter the total income tax credit claimed on Form 4136, Credit for Federal Tax Paid on Fuels. Attach Form 4136.

Line 20c. Credit for tax withheld under chapter 3 or 4. Enter any credit for tax withheld under chapter 3 or 4 of the Internal Revenue Code that is shown on Form 1042-S, Form 8805, or Form 8288-A. Attach the applicable form.

Line 20z. Other. Include on line 20z any other refundable credit the corporation is claiming, including the following. Attach a statement listing the type of credit and the amount of the credit.

- Credit for tax on ozone-depleting chemicals. See section 4682(g)(2).
- Credit under section 960(c) (section 960(b) for pre-2018 tax years of foreign corporations). If an increase in the limitation under section 960(c) (section 960(b) (pre-2018)) exceeds the total tax on Schedule J, line 12, for the tax year, the amount of the excess is deemed an overpayment of tax for the tax year. See section 960(c) (section 960(b) (pre-2018)) for more information regarding the circumstances under which such an excess arises.
- Credit under section 1341 for repayments of amounts included in income from earlier years.

Line 22a. Elective Payment Election Amount From Form 3800

Enter on line 22a the total net elective payment election amount from Form 3800, Part III, line 6, column (j). See the Instructions for Form 3800.

Line 22b. Section 1062 Applicable Net Tax Liability From Form 1062

If the corporation is electing to defer the payment of net income tax attributable to the gain from the sale or exchange of qualified farmland property, complete and attach Form 1062 and Schedule(s) A (Form 1062). Enter the amount from Form 1062, Part III, line 14. See the Instructions for Form 1062 for more information. Also, see section 1062.

Schedule K. Other Information

Complete all items that apply to the corporation.

Question 2

See the list of [Principal Business Activity Codes](#) later in the instructions. Using the list of codes and activities, determine

from which activity the corporation derives the highest percentage of its total receipts. Enter on lines 2a, 2b, and 2c the principal business activity code number, the corporation's business activity, and a description of the principal product or service of the corporation. For nonstore retailers, select the PBA code by the primary product that your establishment sells. For example, establishments primarily selling prescription and non-prescription drugs, select PBA code 456110, Pharmacies & Drug Retailers.

Question 3

Check the "Yes" box for question 3 if:

- The corporation is a subsidiary in an affiliated group (defined below), but is not filing a consolidated return for the tax year with that group; or
- The corporation is a subsidiary in a parent–subsidiary controlled group. For a definition of a parent–subsidiary controlled group, see the Instructions for Schedule O (Form 1120).

Any corporation that meets either of the requirements above should check the "Yes" box. This applies even if the corporation is a subsidiary member of one group and the parent corporation of another.

Note: If the corporation is an "excluded member" of a controlled group (see definition in the Instructions for Schedule O (Form 1120)), it is still considered a member of a controlled group for this purpose.

Affiliated group. An affiliated group is one or more chains of includible corporations (as defined in section 1504(b)) connected through stock ownership with a common parent corporation. See section 1504(a). The common parent must be an includible corporation and the following requirements must be met.

1. The common parent must own directly stock that represents at least 80% of the total voting power and at least 80% of the total value of the stock of at least one of the other includible corporations.

2. Stock that represents at least 80% of the total voting power and at least 80% of the total value of the stock of each of the other corporations (except for the common parent) must be owned directly by one or more of the other includible corporations.

For this purpose, the term "stock" generally does not include any stock that (a) is nonvoting, (b) is nonconvertible, (c) is limited and preferred as to dividends and does not participate significantly in corporate growth, and (d) has redemption and liquidation rights that do not exceed the issue price of the stock (except for a reasonable redemption or liquidation premium). See section 1504(a)(4).

Question 4. Constructive Ownership of the Corporation

For purposes of question 4, the constructive ownership rules of section 267(c) (excluding section 267(c)(3)) apply to ownership of interests in corporate stock and ownership of interests in the profit, loss, or capital of a partnership. If the corporation checked "Yes" to question 4a or 4b, complete and attach Schedule G (Form 1120), Information on Certain Persons Owning the Corporation's Voting Stock.

Question 5. Constructive Ownership of Other Entities

For purposes of determining the corporation's constructive ownership of other entities, the constructive ownership rules of section 267(c) (excluding section 267(c)(3)) apply to ownership

of interests in partnerships and trusts as well as corporate stock. Generally, if an entity (a corporation, partnership, or trust) is owned, directly or indirectly, by or for another entity (corporation, partnership, estate, or trust), the owned entity is considered to be owned proportionately by or for the owners (shareholders, partners, or beneficiaries) of the owning entity.

Question 5a

List each foreign or domestic corporation not included on Form 851, Affiliations Schedule, in which the corporation, at the end of the tax year, owned directly 20% or more, or owned, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote. Indicate the name of the corporation, EIN (if any), country of incorporation, and the percentage interest owned, directly or indirectly, in the total voting power. List the parent corporation of an affiliated group of corporations filing a consolidated tax return rather than the subsidiary members except for subsidiary members in which an interest is owned, directly or indirectly, independent of the interest owned, directly or indirectly, in the parent corporation. List a corporation owned through a disregarded entity rather than the disregarded entity.

Question 5b

List each foreign or domestic partnership in which the corporation, at the end of the tax year, owned directly an interest of 20% or more, or owned, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership. List each trust in which the corporation, at the end of the tax year, owned directly an interest of 20% or more, or owned, directly or indirectly, an interest of 50% or more in the trust beneficial interest. Indicate the name, EIN (if any), country of organization, and the maximum percentage interest owned, directly or indirectly, in the profit, loss, or capital of the partnership at the end of the partnership tax year, or, for a trust, the percentage interest owned in the trust beneficial interest. List a partnership or trust owned through a disregarded entity rather than the disregarded entity.

Maximum percentage owned in partnership profit, loss, or capital. For the purposes of question 5b, the term “maximum percentage owned” means the highest percentage of interest in a partnership’s profit, loss, or capital as of the end of the partnership’s tax year, as determined under the partnership agreement, when taking into account the constructive ownership rules, earlier. If the partnership agreement does not express the partner’s share of profit, loss, and capital as fixed percentages, use a reasonable method in arriving at the percentage items for the purposes of completing question 5b. Such method must be consistent with the partnership agreement. The method used to compute a percentage share of profit, loss, and capital must be applied consistently from year to year. Maintain records to support the determination of the share of profits, losses, and capital.

Example. Corporation A owns, directly, a 50% interest in the profit, loss, or capital of Partnership B. Corporation A also owns, directly, a 15% interest in the profit, loss, or capital of Partnership C and owns, directly, 15% of the voting stock of Corporation D. Partnership B owns, directly, a 70% interest in the profit, loss, or capital of Partnership C and owns, directly, 70% of the voting stock of Corporation D. Corporation A owns, indirectly, through Partnership B, a 35% interest (50% of 70%) in the profit, loss, or capital of Partnership C and owns, indirectly, 35% of the voting stock of Corporation D. Corporation A owns, directly or indirectly, a 50% interest in the profit, loss, or capital of Partnership C (15% directly and 35% indirectly), and owns, directly or indirectly, 50% of the voting stock of Corporation D (15% directly and 35% indirectly).

Corporation A reports in its answer to question 5a that it owns, directly or indirectly, 50% of the voting stock of Corporation D. Corporation A reports in its answer to question 5b that it owns, directly, an interest of 50% in the profit, loss, or capital of Partnership B and owns, directly or indirectly, 50% of the profit, loss, or capital of Partnership C.

Question 7

Check the “Yes” box if one foreign person owned at least 25% of the total voting power of all classes of stock of the corporation entitled to vote or at least 25% of the total value of all classes of stock of the corporation.

The constructive ownership rules of section 318 apply in determining if a corporation is foreign owned. See section 6038A(c)(5) and the related regulations.

Enter on line 7a the percentage owned by the foreign person specified in question 7. On line 7b, enter the name of the owner’s country.

Note: If there is more than one 25%-or-more foreign owner, complete question 7 for the foreign person with the highest percentage of ownership.

Foreign person. The term “foreign person” means:

- An individual who is not a citizen or resident of the United States;
- An individual who is a citizen or resident of a U.S. territory who is not otherwise a citizen or resident of the United States;
- Any partnership, association, company, or corporation that is not created or organized in the United States;
- Any foreign estate or trust within the meaning of section 7701(a)(31); or
- A foreign government (or one of its agencies or instrumentalities) to the extent that it is engaged in the conduct of a commercial activity, as described in section 892.

However, the term “foreign person” does not include any foreign person who consents to the filing of a joint U.S. income tax return.

Owner’s country. For individuals, the term “owner’s country” means the country of residence. For all others, it is the country where incorporated, organized, created, or administered.

Requirement to file Form 5472. If the corporation checked “Yes,” it may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Generally, a 25% foreign-owned corporation that had a reportable transaction with a foreign or domestic related party during the tax year must file Form 5472. See the Instructions for Form 5472, for filing instructions and penalties for failure to file.

Item 9

Show any tax-exempt interest received or accrued. Include any exempt-interest dividends received as a shareholder in a mutual fund or other RIC. Also, if required, include the same amount on Schedule M-1, line 7 (or Schedule M-3 (Form 1120), Part II, line 13, if applicable).

Item 11

Generally, if the corporation has an NOL for tax year 2025, it can elect to waive the entire carryback period for the NOL and instead carry the NOL forward to future tax years. To do so, check the box on line 11 and file the tax return by its due date, including extensions. Do not attach the statement described in Temporary Regulations section 301.9100-12T. Generally, once made, the election is irrevocable.

If the corporation timely filed its return for the loss year without making the election, it can make the election on an amended

return filed within 6 months of the due date of the loss year return (excluding extensions). Attach the election to the amended return and write "Filed pursuant to section 301.9100-2" on the election statement. See the Instructions for Form 1139.

Corporations filing a consolidated return that elect to waive the entire carryback period for the group must also attach the statement required by Regulations section 1.1502-21(b)(3) or the election will not be valid.

Item 12

Enter the amount of the NOL carryover to the tax year from prior years, even if some of the loss is used to offset income on this return. The amount to enter is the total of all NOLs generated in prior years but not used to offset income (either as a carryback or carryover) to a tax year prior to 2025. Do not reduce the amount by any NOL deduction reported on line 29a.

Question 14

A corporation that files Form 1120 must file Schedule UTP (Form 1120), Uncertain Tax Position Statement, with its 2025 income tax return if:

- For 2025, the corporation's total assets equal or exceed \$10 million;
- The corporation or a related party issued audited financial statements reporting all or a portion of the corporation's operations for all or a portion of the corporation's tax year; and
- The corporation has one or more tax positions that must be reported on Schedule UTP.

Attach Schedule UTP to the corporation's income tax return. Do not file it separately. A taxpayer that files a protective Form 1120 must also file Schedule UTP if it satisfies the requirements set forth above.

For details, see the Instructions for Schedule UTP.

Questions 15a and 15b

If the corporation made any payment in 2025 that would require the corporation to file any Form(s) 1099, check the "Yes" box for question 15a and answer question 15b. Otherwise, check the "No" box for question 15a and skip question 15b. See [Am I Required to File a Form 1099 or Other Information Return?](#) on IRS.gov.

Question 19

If the corporation made any payments in 2025 that would require the corporation to file any Forms 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, and 1042-S, check the "Yes" box. See the Instructions for Form 1042 and Instructions for Form 1042-S for information regarding who is required to file Forms 1042 and 1042-S and what types of payments are subject to reporting on Forms 1042 and 1042-S.

Question 21

If the corporation paid or accrued (including through a partnership) any interest or royalty for which a deduction is not allowed under section 267A, check "Yes" for question 21 and enter the total amount for which a deduction is not allowed.

Payments to which section 267A applies. Interest or royalty paid or accrued by a domestic corporation (including, in the case of a domestic corporation that is a partner in a partnership, the domestic corporation's allocable share of interest or royalty paid or accrued by the partnership) is subject to section 267A. Section 267A generally applies to interest or royalty paid or accrued according to a hybrid arrangement (such as, for example, a payment according to a hybrid instrument, or a payment to a reverse hybrid), provided that the payment or accrual is to a related party (or according to a structured arrangement). In addition, under an imported mismatch rule,

section 267A generally applies to interest or royalties paid or accrued according to a non-hybrid arrangement where the income attributable to that payment or accrual is directly or indirectly offset by certain deductions involving hybridity incurred by a related party or according to a structured arrangement. However, section 267A does not apply if a de minimis exception is satisfied. See Regulations section 1.267A-1(c). For purposes of section 267A, interest and royalties are defined broadly. For additional information about arrangements subject to section 267A, see Regulations sections 1.267A-2 and 1.267A-4. Also, see the anti-avoidance rule under Regulations section 1.267A-5(b)(6).

Extent to which deduction is disallowed. When section 267A applies to interest or royalties paid or accrued pursuant to a hybrid arrangement, it generally disallows a deduction for the amount to the extent that, under the foreign tax law, there is not a corresponding income inclusion (including long-term deferral). However, the deduction is not disallowed to the extent the amount is directly or indirectly included in income in the United States, such as if the amount is taken into account with respect to a U.S. shareholder under section 951(a) or section 951A. For additional information, see Regulations sections 1.267A-2 through 1.267A-4. For examples illustrating the application of section 267A, see Regulations section 1.267A-6.

Question 22

If the corporation had gross receipts of at least \$500 million in any 1 of the 3 preceding tax years, complete and attach Form 9991. For this purpose, the corporation's gross receipts include the gross receipts of all persons aggregated with the corporation, as specified in section 59A(e)(3). See the Instructions for Form 9991 to determine if the corporation is subject to the base erosion minimum tax.

Question 23

The limitation on business interest expense applies to every taxpayer with a trade or business, unless the taxpayer meets certain specified exceptions. A taxpayer may elect out of the limitation for certain businesses otherwise subject to the business interest expense limitation. See [Question 24](#). Also, see the Instructions for Form 9990.

Certain real property trades or businesses and farming businesses qualify to make an election not to limit business interest expense. This is an irrevocable election. If you make this election, you are required to use the alternative depreciation system to depreciate any nonresidential real property, residential rental property, and qualified improvement property for an electing real property trade or business, and any property with a recovery period of 10 years or more for an electing farming business. See section 168(g)(1). Also, you are not entitled to the special depreciation allowance for that property. For a taxpayer with more than one qualifying business, the election is made with respect to each business.

Check "Yes" if the corporation has an election in effect to exclude a real property trade or business or a farming business from section 163(j). For more information, see the Instructions for Form 9990.

Question 24

Generally, a taxpayer with a trade or business must file Form 9990 to claim a deduction for business interest. In addition, Form 9990 must be filed by any taxpayer that owns an interest in a partnership with current-year or prior-year carryover excess business interest expense allocated from the partnership.

Exclusions from filing. A taxpayer is not required to file Form 9990 if the taxpayer is a small business taxpayer (defined below) and does not have excess business interest expense from a

partnership. A taxpayer also is not required to file Form 8990 if the taxpayer only has business interest expense from the following excepted trades or businesses.

- An electing real property trade or business.
- An electing farming business.
- Certain utility businesses.

Small business taxpayer. A small business taxpayer is not subject to the business interest expense limitation and is not required to file Form 8990. A small business taxpayer is a taxpayer that (a) is not a tax shelter (as defined in section 448(d)(3)), and (b) meets the gross receipts test of section 448(c), discussed next.

Gross receipts test. For 2025, a taxpayer meets the gross receipts test if the taxpayer has average annual gross receipts of \$31 million or less for the 3 prior tax years. A taxpayer's average annual gross receipts for the 3 prior tax years is determined by adding the gross receipts for the 3 prior tax years and dividing the total by 3. Gross receipts include the aggregate gross receipts from all persons treated as a single employer, such as a controlled group of corporations, commonly controlled partnerships, or proprietorships, and affiliated service groups. See section 448(c) and the Instructions for Form 8990 for additional information.

Question 25

If a corporation intends to self-certify as a QOF, the corporation must file Form 1120 and attach Form 8996, even if the corporation had no income or expenses to report. If the corporation is attaching Form 8996, check the "Yes" box for question 25. On the line following the dollar sign, enter the amount from Form 8996, line 15.

The penalty reported on this line from Form 8996, line 15, is not due with the filing of this form. The IRS will send you a notice regarding the penalty reported on line 15. This notice will include instructions on the penalty, the reasonable cause relief process, and payment instructions.

Question 26

Check the "Yes" box if:

1. On or after December 22, 2017, a foreign corporation directly or indirectly acquired substantially all of the properties held directly or indirectly by the corporation; and
2. The ownership percentage with respect to the acquisition was greater than 50% (by vote or by value).

If "Yes" is checked, also enter in the space provided the ownership percentage both by vote and by value. If there are multiple acquisitions that must be reported, enter the ownership for the most recent acquisition. Attach a statement reporting the ownership percentage by vote and by value for the other acquisitions.

Section 7874 applies in certain cases in which a foreign corporation directly or indirectly acquires substantially all of the properties of a domestic corporation. Generally, it applies when three requirements are satisfied.

1. Pursuant to a plan or series of related transactions, a foreign corporation must acquire directly or indirectly substantially all of the properties held directly or indirectly by a domestic corporation.
2. After the acquisition, the ownership percentage (by vote or value) must be at least 60%.
3. After the acquisition, the expanded affiliated group that includes the foreign acquiring corporation must not have substantial business activities in the foreign country in which the foreign acquiring corporation is created or organized.

When section 7874 applies, the tax treatment of the acquisition depends on the ownership percentage. If the ownership percentage is at least 80%, then the foreign acquiring corporation is treated as a domestic corporation for all purposes of the Internal Revenue Code. See section 7874(b). If the ownership percentage is at least 60% but less than 80%, then the foreign acquiring corporation is respected as a foreign corporation, but the domestic corporation and certain other persons are subject to special rules that reduce the tax benefits of the acquisition. See section 7874(a).

See the regulations under section 7874 for rules regarding the computation of the ownership percentage. See sections 59A(d)(4), 965(l), 4501(d), and 4985 for additional rules regarding the tax treatment of certain expatriated entities.

Question 27

Digital assets are any digital representations of value that are recorded on a cryptographically secured distributed ledger or any similar technology. For example, digital assets include non-fungible tokens (NFTs) and virtual currencies, such as cryptocurrencies and stablecoins. If a particular asset has the characteristics of a digital asset, it will be treated as a digital asset for federal income tax purposes.

Check the "Yes" box if at any time during 2025 the corporation received (as a reward, award, or payment for property or services); or (b) sold, exchanged, or otherwise disposed of a digital asset (or any financial interest in any digital asset).

For example, check "Yes" if at any time during 2025 the corporation:

- Received digital assets as payment for property or services provided;
- Received digital assets as a result of a reward or award;
- Received new digital assets as a result of mining, staking, and similar activities;
- Received digital assets as a result of a hard fork;
- Disposed of digital assets in exchange for property or services;
- Disposed of a digital asset in exchange or trade for another digital asset;
- Sold a digital asset; or
- Otherwise disposed of any other financial interest in a digital asset.

The corporation has a financial interest in a digital asset if it is the owner of record of a digital asset, or has an ownership stake in an account that holds one or more digital assets, including the rights and obligations to acquire a financial interest, or owns a wallet that holds digital assets.

The following actions or transactions in 2025, alone, generally do not require the corporation to check "Yes:"

- Holding a digital asset in a wallet or account;
- Transferring a digital asset from one wallet or account the corporation owns or controls to another wallet or account that it owns or controls; or
- Purchasing digital assets using U.S. or other real currency, including through the use of electronic platforms such as PayPal and Venmo.

Do not leave the question unanswered. The corporation must answer "Yes" or "No" by checking the appropriate box. For more information, go to [IRS.gov/virtualcurrencyfaqs](https://www.irs.gov/virtualcurrencyfaqs).

If the corporation disposed of any digital asset which was held as a capital asset, through a sale, trade, exchange, payment, or other transfer, use Form 8949, Sales and Other Dispositions of Capital Assets, to calculate the capital gain or loss and report that gain or loss on Schedule D (Form 1120). If the corporation received any digital asset as compensation for services or disposed of any digital asset that was held for sale to

customers in a trade or business, it must report the income as it would report other income of the same type.

Question 28

If the corporation is a member of a controlled group, check the "Yes" box. Complete and attach Schedule O (Form 1120), Consent Plan and Apportionment Schedule for a Controlled Group. Component members of a controlled group must use Schedule O to report the apportionment of certain tax benefits between the members of the group. See Schedule O and the Instructions for Schedule O for more information.

Question 29

Check the appropriate boxes to indicate if the corporation is required to file Form 4626. If the corporation does not meet the requirements of the safe harbor method, as provided under Proposed Regulations section 1.59-2(g)(2) or Notice 2025-27, Form 4626 must be completed and attached to the corporation's return. See the Instructions for Form 4626.

Corporations that qualify for a corporate alternative minimum tax (CAMT) safe harbor should indicate "Yes" to Question 29(c) and are not required to file Form 4626. Corporations generally qualify for the CAMT safe harbor if the corporation's average annual adjusted financial statement income (AFSI) for the 3 preceding tax years is less than \$800 million. Special rules apply to members of a controlled group treated as a single employer with the corporation under section 52(a) or (b) or members of a Foreign-Parented Multinational Group.

Question 30

Under section 4501, the corporation may be required to file Form 7208, Excise Tax on Repurchase of Corporate Stock, and pay the stock repurchase excise tax if, during the corporation's taxable year, (a) the corporation is publicly traded and repurchased its stock (or a specified affiliate of the corporation acquired the corporation's stock); (b) the corporation is a specified affiliate of an applicable foreign corporation; or (c) the corporation is an expatriated entity with respect to a covered surrogate foreign corporation. See the Instructions for Form 7208.

Question 31

If the answer to question 31 is "Yes," attach a statement titled "Schedule K Statement of Subchapter K Basis Adjustments" that includes the information required for each tax basis adjustment described in (1) through (4) below. Provide the required information for each partnership where 80% or more of the capital or profits of the partnership is owned, directly or indirectly, by members of the corporation's controlled group of corporations (as defined in section 1563). If there are unrelated third-party minority partner interests in the partnership, the corporation is not required to include such partners' information on this statement.

1. If the adjusted basis of a partner's partnership interest differs from the partner's share of the partnership's adjusted basis of partnership property by \$10 million or more at the end of the tax year and at any other relevant date (for example, at the time of a transfer of a partnership interest or the liquidation of a partnership) provide the partnership's name and TIN, partner's name and TIN, and the amount and allocation of such difference for each partner.

2. If a partnership makes a basis adjustment of \$10 million or more at the end of the tax year and at any other relevant date, pursuant to section 743 (including section 743(d)) upon the transfer of a partnership interest in such partnership to a partner that is, directly or indirectly, a controlled group member, provide the partnership's name and TIN, name and TIN of the transferor

partner and transferee partner, and the amount and allocation of the basis adjustment.

3. If a partnership makes a basis adjustment that is \$10 million or more at the end of the tax year and at any other relevant date made pursuant to section 734 (including section 734(d)) upon the distribution of property to a controlled group member (directly or indirectly), provide the name and TIN of each partnership, the name and TIN of the controlled group member, and a schedule detailing the amount and allocation of the adjustment.

4. If a partnership distributed property, directly or indirectly, to a controlled group member, and the controlled group member's basis in the property under section 732(a) or (b) differs from the partnership's basis in the property immediately before the distribution by \$10 million or more at the end of the tax year and at any other relevant date, provide the partnership's name and TIN, the name and TIN of the controlled group member, and the amount and allocation of the basis adjustment.

Question 32

Reserved for future use.

Schedule L.

Balance Sheets per Books

The balance sheets should agree with the corporation's books and records.

Corporations with total receipts (page 1, line 1a plus lines 4 through 10) and total assets at the end of the tax year less than \$250,000 are not required to complete Schedules L, M-1, and M-2 if the "Yes" box on Schedule K, question 13, is checked.

Corporations with total assets nonconsolidated (or consolidated for all corporations included within the consolidated tax group) of \$10 million or more on the last day of the tax year must file Schedule M-3 (Form 1120) instead of Schedule M-1. However, see the instructions for Schedule M-1 below. See the separate Instructions for Schedule M-3 (Form 1120) for provisions that also affect Schedule L.

If filing a consolidated return, report total consolidated assets, liabilities, and shareholders' equity for all corporations joining in the return. See [Consolidated Return](#), earlier.

Line 1

Include certificates of deposit as cash on this line.

Line 5

Include on this line:

- State and local government obligations, the interest on which is excludable from gross income under section 103(a), and
- Stock in a mutual fund or other RIC that distributed exempt-interest dividends during the tax year of the corporation.

Line 26

Some examples of adjustments to report on this line include:

- Unrealized gains and losses on securities held "available for sale,"
- Foreign currency translation adjustments,
- The excess of additional pension liability over unrecognized prior service cost,
- Guarantees of employee stock (ESOP) debt, and
- Compensation related to employee stock award plans.

If the total adjustment to be entered on line 26 is a negative amount, enter the amount in parentheses.

Schedule M-1. Reconciliation of Income (Loss) per Books With Income per Return

In completing Schedule M-1, the following apply.

- Corporations with total receipts (page 1, line 1a plus lines 4 through 10) **and** total assets at the end of the tax year less than \$250,000 are not required to complete Schedules L, M-1, and M-2 if the "Yes" box on Schedule K, question 13, is checked.
- Corporations with total assets non-consolidated (or consolidated for all corporations included within the consolidated tax group) of \$10 million or more on the last day of the tax year must file Schedule M-3 (Form 1120) instead of Schedule M-1.
- A corporation filing Form 1120 that is not required to file Schedule M-3 may voluntarily file Schedule M-3 instead of Schedule M-1. See the Instructions for Schedule M-3 (Form 1120) for more information.
- Corporations that (a) are required to file Schedule M-3 (Form 1120) and have less than \$50 million total assets at the end of the tax year, or (b) are not required to file Schedule M-3 (Form 1120) and voluntarily file Schedule M-3 (Form 1120), must either (i) complete Schedule M-3 (Form 1120) entirely, or (ii) complete Schedule M-3 (Form 1120) through Part I, and complete Form 1120, Schedule M-1, instead of completing Parts II and III of Schedule M-3 (Form 1120). If the corporation chooses to complete Schedule M-1, instead of completing Parts II and III of Schedule M-3, the amount on Schedule M-1, line 1, must equal the amount on Schedule M-3, Part I, line 11. See the Instructions for Schedule M-3 (Form 1120) for more information.

Line 5c

Include any of the following applicable expenses.

- Entertainment expenses not deductible under section 274(a).
- Meal expenses not deductible under section 274(n).
- Qualified transportation fringes not deductible under section 274(a)(4).
- Expenses for the use of an entertainment facility.
- The part of business gifts over \$25.
- Expenses of an individual over \$2,000, allocable to conventions on cruise ships.
- Employee achievement awards of nontangible or tangible property over \$400 (\$1,600 if part of a qualified plan).

- The cost of skyboxes.
- Nondeductible club dues.
- The part of luxury water travel expenses not deductible under section 274(m).
- Expenses for travel as a form of education.
- Other nondeductible travel and entertainment expenses.

Line 7

Report any tax-exempt interest received or accrued, including any exempt-interest dividends received as a shareholder in a mutual fund or other RIC. Also, report this same amount on Schedule K, item 9.

The corporation should include tax-exempt income from forgiven PPP loans on line 7 of Schedule M-1 (if it was included on line 1 of the Schedule M-1), or on Part II, line 25 of Schedule M-3 (Form 1120), column (c) as a negative number (if it was included on line 25 in column (a) as income per Income Statement).

Schedule M-2. Analysis of Unappropriated Retained Earnings per Books

If the corporation treats tax-exempt income resulting from a PPP loan as received or accrued prior to when forgiveness of the PPP loan is granted and the amount of forgiveness granted is less than the amount of tax-exempt income that was previously treated as received or accrued, the corporation should include the difference as a decrease in tax-exempt income on Schedule M-2, line 6, for the tax year in which the taxpayer receives notice that the PPP loan was not fully forgiven. The corporation should attach a statement to Schedule M-2 including the following information:

1. The corporation's name, address, and EIN;
2. A statement that the corporation is making adjustments in accordance with section 3.03 of Rev. Proc. 2021-48; and
3. The tax year for which tax-exempt income was originally reported, the amount of tax-exempt income that was originally reported for such tax year, and the amount of tax-exempt income being adjusted on Schedule M-2.

Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

Estimates of Taxpayer Burden. The following tables show burden estimates based on current statutory requirements as of December 2025 for taxpayers filing 2025 Forms 1065, 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-S, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1066, 1120-REIT, 1120-RIC, 1120-POL, and related attachments. Time spent and out-of-pocket costs are presented separately. Time burden is broken out by taxpayer activity, with reporting representing the largest component. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation and submission fees, postage and photocopying costs, and tax preparation software costs. While these estimates don't include burden associated with post-filing activities, IRS operational data indicate that electronically prepared and filed returns have fewer arithmetic errors, implying lower post-filing burden.

Reported time and cost burdens are national averages and don't necessarily reflect a "typical" case. Most taxpayers experience lower than average burden, with taxpayer burden varying considerably by taxpayer type.

The average burden for partnerships filing Forms 1065 and related attachments is about 60 hours and \$5,300; the average burden for corporations filing Form 1120 and associated forms is about 90 hours and \$8,600; and the average burden for Forms 1120-REIT, 1120-RIC, 1120-S, and all related attachments is about 60 hours and \$4,800. Within each of these estimates there is significant variation in taxpayer activity. Tax preparation fees and other out-of-pocket costs vary extensively depending on the tax situation of the taxpayer, the type of software or professional preparer used, and the geographic location. Third-party burden hours are not included in these estimates.

Table 1 – Taxpayer Burden for Entities Taxed as Partnerships

Forms 1065, 1066, and all attachments				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (millions)	Average Time (hours)	Average Out-of-Pocket Cost (\$)	Average Monetized Burden (\$)
All Partnerships	5.5	60	5,300	8,700
Small	5.1	50	3,300	5,200
Large*	0.4	180	29,400	50,700

*A large business is defined as one having end-of-year assets greater than \$10 million. A large business is defined the same way for partnerships, taxable corporations, and pass-through corporations. A small business is any business that doesn't meet the definition of a large business.

Table 2 – Taxpayer Burden for Entities Taxed as Taxable Corporations

Forms 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1120-POL, and all attachments				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (millions)	Average Time (hours)	Average Out-of-Pocket Cost (\$)	Average Monetized Burden (\$)
All Taxable Corporations	2.3	90	8,600	15,700
Small	2.1	40	3,900	6,000
Large*	0.2	610	69,400	141,500

*A large business is defined as one having end-of-year assets greater than \$10 million. A large business is defined the same way for partnerships, taxable corporations, and pass-through corporations. A small business is any business that doesn't meet the definition of a large business.

Table 3 – Taxpayer Burden for Entities Taxed as Pass-Through Corporations

Forms 1120-REIT, 1120-RIC, 1120-S, and all attachments				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (millions)	Average Time (hours)	Average Out-of-Pocket Cost (\$)	Average Monetized Burden (\$)
All Pass-Through Corporations	6.2	60	4,800	7,700
Small	6.1	50	4,200	6,500
Large*	0.1	290	42,600	76,600

*A large business is defined as one having end-of-year assets greater than \$10 million. A large business is defined the same way for partnerships, taxable corporations, and pass-through corporations. A small business is any business that doesn't meet the definition of a large business.

Comments. If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the tax form to this address. Instead, see [Where To File](#), earlier, near the beginning of the instructions.

Principal Business Activity Codes

This list of principal business activities and their associated codes is designed to classify an enterprise by the type of activity in which it is engaged to facilitate the administration of the Internal Revenue Code. These principal business activity codes are based on the North American Industry Classification System.

Using the list of activities and codes below, determine from which activity the company derives the largest percentage of its "total receipts." Total receipts is defined as the sum of gross receipts or sales (page 1, line 1a) plus all other income (page 1, lines 4 through 10). If the company purchases raw materials and supplies them to a subcontractor to produce the finished product, but retains title to the product, the company is

considered a manufacturer and must use one of the manufacturing codes (31110-33990).

Once the principal business activity is determined, entries must be made on Form 1120, Schedule K, lines 2a, 2b, and 2c. On line 2a, enter the six-digit code selected from the list below. On line 2b, enter the company's business activity. On line 2c, enter a brief description of the principal product or service of the company.

Agriculture, Forestry, Fishing, and Hunting Crop Production 111100 Oilseed & Grain Farming 111210 Vegetable & Melon Farming (including potatoes & yams) 111300 Fruit & Tree Nut Farming 111400 Greenhouse, Nursery, & Floriculture Production 111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet, & all other crop farming) Animal Production 112111 Beef Cattle Ranching & Farming 112112 Cattle Feedlots 112120 Dairy Cattle & Milk Production 112210 Hog & Pig Farming 112300 Poultry & Egg Production 112400 Sheep & Goat Farming 112510 Aquaculture (including shellfish & finfish farms & hatcheries) 112900 Other Animal Production Forestry and Logging 113110 Timber Tract Operations 113210 Forest Nurseries & Gathering of Forest Products 113310 Logging Fishing, Hunting, and Trapping 114110 Fishing 114210 Hunting & Trapping Support Activities for Agriculture and Forestry 115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating) 115210 Support Activities for Animal Production (including farriers) 115310 Support Activities for Forestry	238290 Other Building Equipment Contractors 238300 Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, & finished carpentry) 238900 Other Specialty Trade Contractors (including site preparation)	Plastics and Rubber Products Manufacturing 326100 Plastics Product Mfg 326200 Rubber Product Mfg Nonmetallic Mineral Product Manufacturing 327100 Clay Product & Refractory Mfg 327210 Glass & Glass Product Mfg 327300 Cement & Concrete Product Mfg 327400 Lime & Gypsum Product Mfg 327900 Other Nonmetallic Mineral Product Mfg Primary Metal Manufacturing 331110 Iron & Steel Mills & Ferroalloy Mfg 331200 Steel Product Mfg from Purchased Steel 331310 Alumina & Aluminum Production & Processing 331400 Nonferrous Metal (except Aluminum) Production & Processing 331500 Foundries Fabricated Metal Product Manufacturing 332110 Forging & Stamping 332210 Cutlery & Handtool Mfg 332300 Architectural & Structural Metals Mfg 332400 Boiler, Tank, & Shipping Container Mfg 332510 Hardware Mfg 332610 Spring & Wire Product Mfg 332700 Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg 332810 Coating, Engraving, Heat Treating, & Allied Activities 332900 Other Fabricated Metal Product Mfg Machinery Manufacturing 333100 Agriculture, Construction, & Mining Machinery Mfg 333200 Industrial Machinery Mfg 333310 Commercial & Service Industry Machinery Mfg 333410 Ventilation, Heating, Air-Conditioning, & Commercial Refrigeration Equipment Mfg 333510 Metalworking Machinery Mfg 333610 Engine, Turbine & Power Transmission Equipment Mfg 333900 Other General Purpose Machinery Mfg Computer and Electronic Product Manufacturing 334110 Computer & Peripheral Equipment Mfg 334200 Communications Equipment Mfg 334310 Audio & Video Equipment Mfg 334410 Semiconductor & Other Electronic Component Mfg 334500 Navigational, Measuring, Electromedical, & Control Instruments Mfg 334610 Manufacturing & Reproducing Magnetic & Optical Media Electrical Equipment, Appliance, and Component Manufacturing 335100 Electric Lighting Equipment Mfg 335200 Household Appliance Mfg 335310 Electrical Equipment Mfg 335900 Other Electrical Equipment & Component Mfg Transportation Equipment Manufacturing 336100 Motor Vehicle Mfg 336210 Motor Vehicle Body & Trailer Mfg 336300 Motor Vehicle Parts Mfg 336410 Aerospace Product & Parts Mfg 336510 Railroad Rolling Stock Mfg 336610 Ship & Boat Building 336990 Other Transportation Equipment Mfg	Furniture and Related Product Manufacturing 337000 Furniture & Related Product Manufacturing Miscellaneous Manufacturing 339110 Medical Equipment & Supplies Mfg 339900 Other Miscellaneous Manufacturing
Mining 211120 Crude Petroleum Extraction 211130 Natural Gas Extraction 212110 Coal Mining 212200 Metal Ore Mining 212310 Stone Mining & Quarrying 212320 Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying 212390 Other Nonmetallic Mineral Mining & Quarrying 213110 Support Activities for Mining Utilities 221100 Electric Power Generation, Transmission & Distribution 221210 Natural Gas Distribution 221300 Water, Sewage & Other Systems 221500 Combination Gas & Electric Construction Construction of Buildings 236110 Residential Building Construction 236200 Nonresidential Building Construction Heavy and Civil Engineering Construction 237100 Utility System Construction 237210 Land Subdivision 237310 Highway, Street, & Bridge Construction 237990 Other Heavy & Civil Engineering Construction Specialty Trade Contractors 238100 Foundation, Structure, & Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, & siding) 238210 Electrical Contractors 238220 Plumbing, Heating, & Air-Conditioning Contractors	Manufacturing Food Manufacturing 311110 Animal Food Mfg 311200 Grain & Oilseed Milling 311300 Sugar & Confectionery Product Mfg 311400 Fruit & Vegetable Preserving & Specialty Food Mfg 311500 Dairy Product Mfg 311610 Animal Slaughtering & Processing 311710 Seafood Product Preparation & Packaging 311800 Bakeries, Tortilla & Dry Pasta Mfg 311900 Other Food Mfg (including coffee, tea, flavorings & seasonings) Beverage and Tobacco Product Manufacturing 312110 Soft Drink & Ice Mfg 312120 Breweries 312130 Wineries 312140 Distilleries 312200 Tobacco Manufacturing Textile Mills and Textile Product Mills 313000 Textile Mills 314000 Textile Product Mills Apparel Manufacturing 315100 Apparel Knitting Mills 315210 Cut & Sew Apparel Contractors 315250 Cut & Sew Apparel Mfg (except Contractors) 315990 Apparel Accessories & Other Apparel Mfg Leather and Allied Product Manufacturing 316110 Leather & Hide Tanning & Finishing 316210 Footwear Mfg (including rubber & plastics) 316990 Other Leather & Allied Product Mfg Wood Product Manufacturing 321110 Sawmills & Wood Preservation 321210 Veneer, Plywood, & Engineered Wood Product Mfg 321900 Other Wood Product Mfg Paper Manufacturing 322100 Pulp, Paper, & Paperboard Mills 322200 Converted Paper Product Mfg Printing and Related Support Activities 323100 Printing & Related Support Activities Petroleum and Coal Products Manufacturing 324110 Petroleum Refineries (including integrated) 324120 Asphalt Paving, Roofing, & Saturated Materials Mfg 324190 Other Petroleum & Coal Products Mfg Chemical Manufacturing 325100 Basic Chemical Mfg 325200 Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg 325300 Pesticide, Fertilizer, & Other Agricultural Chemical Mfg 325410 Pharmaceutical & Medicine Mfg 325500 Paint, Coating, & Adhesive Mfg 325600 Soap, Cleaning Compound, & Toilet Preparation Mfg 325900 Other Chemical Product & Preparation Mfg	Wholesale Trade Merchant Wholesalers, Durable Goods 423100 Motor Vehicle & Motor Vehicle Parts & Supplies 423200 Furniture & Home Furnishings 423300 Lumber & Other Construction Materials 423400 Professional & Commercial Equipment & Supplies 423500 Metal & Mineral (except Petroleum) 423600 Household Appliances & Electrical & Electronic Goods 423700 Hardware, Plumbing, & Heating Equipment & Supplies 423800 Machinery, Equipment, & Supplies 423910 Sporting & Recreational Goods & Supplies 423920 Toy & Hobby Goods & Supplies 423930 Recyclable Materials 423940 Jewelry, Watch, Precious Stone, & Precious Metals 423990 Other Miscellaneous Durable Goods Merchant Wholesalers, Nondurable Goods 424100 Paper & Paper Products 424210 Drugs & Druggists' Sundries 424300 Apparel, Piece Goods, & Notions 424400 Grocery & Related Products 424500 Farm Product Raw Materials 424600 Chemical & Allied Products 424700 Petroleum & Petroleum Products 424800 Beer, Wine, & Distilled Alcoholic Beverages 424910 Farm Supplies 424920 Book, Periodical, & Newspapers 424930 Flower, Nursery Stock, & Florists' Supplies 424940 Tobacco Products & Electronic Cigarettes 424950 Paint, Varnish, & Supplies 424990 Other Miscellaneous Nondurable Goods Wholesale Trade Agents and Brokers 425120 Wholesale Trade Agents & Brokers	Retail Trade Motor Vehicle and Parts Dealers 441110 New Car Dealers 441120 Used Car Dealers 441210 Recreational Vehicle Dealers 441222 Boat Dealers 441227 Motorcycle, ATV, & All Other Motor Vehicle Dealers 441300 Automotive Parts, Accessories, & Tire Retailers Furniture and Home Furnishings Retailers 449110 Furniture Retailers 449121 Floor Covering Retailers 449122 Window Treatment Retailers 449129 All Other Home Furnishings Retailers Electronics and Appliance Retailers 449210 Electronics & Appliance Retailers (including Computers) Building Material and Garden Equipment and Supplies Dealers 444110 Home Centers 444120 Paint & Wallpaper Retailers 444140 Hardware Retailers

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444180 Other Building Material Dealers	485410 School & Employee Bus Transportation	523210 Securities & Commodity Exchanges	541380 Testing Laboratories & Services
444200 Lawn & Garden Equipment & Supplies Retailers	485510 Charter Bus Industry	523900 Other Financial Investment Activities (including portfolio management & investment advice)	Specialized Design Services
Food and Beverage Retailers	485990 Other Transit & Ground Passenger Transportation	Insurance Carriers and Related Activities	541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)
445110 Supermarkets & Other Grocery Retailers (except Convenience)	Pipeline Transportation	524110 Direct Life, Health, & Medical Insurance Carriers	Computer Systems Design and Related Services
445131 Convenience Retailers	486000 Pipeline Transportation	524120 Direct Insurance (except Life, Health, & Medical) Carriers	541511 Custom Computer Programming Services
445132 Vending Machine Operators	Scenic & Sightseeing Transportation	524210 Insurance Agencies & Brokerages	541512 Computer Systems Design Services
445230 Fruit & Vegetable Retailers	487000 Scenic & Sightseeing Transportation	524290 Other Insurance Related Activities (including third-party administration of insurance & pension funds)	541513 Computer Facilities Management Services
445240 Meat Retailers	Support Activities for Transportation	Funds, Trusts, and Other Financial Vehicles	541519 Other Computer Related Services
445250 Fish & Seafood Retailers	488100 Support Activities for Air Transportation	525100 Insurance & Employee Benefit Funds	Other Professional, Scientific, and Technical Services
445291 Baked Goods Retailers	488210 Support Activities for Rail Transportation	525910 Open-End Investment Funds (Form 1120-RIC)	541600 Management, Scientific, & Technical Consulting Services
445292 Confectionery & Nut Retailers	488300 Support Activities for Water Transportation	525920 Trusts, Estates, & Agency Accounts	541700 Scientific Research & Development Services
445298 All Other Specialty Food Retailers	488410 Motor Vehicle Towing	525990 Other Financial Vehicles (including mortgage REITs & closed-end investment funds)	541800 Advertising, Public Relations, & Related Services
445320 Beer, Wine, & Liquor Retailers	488490 Other Support Activities for Road Transportation	Real Estate and Rental and Leasing	541910 Marketing Research & Public Opinion Polling
Health and Personal Care Retailers	488510 Freight Transportation Arrangement	Real Estate	541920 Photographic Services
456110 Pharmacies & Drug Retailers	488990 Other Support Activities for Transportation	531110 Lessors of Residential Buildings & Dwellings (including equity REITs)	541930 Translation & Interpretation Services
456120 Cosmetics, Beauty Supplies, & Perfume Retailers	Couriers and Messengers	531120 Lessors of Nonresidential Buildings (except Miniwarehouses) (including equity REITs)	541940 Veterinary Services
456130 Optical Goods Retailers	492110 Couriers & Express Delivery Services	531130 Lessors of Miniwarehouses & Self-Storage Units (including equity REITs)	541990 All Other Professional, Scientific, & Technical Services
456190 Other Health & Personal Care Retailers	492210 Local Messengers & Local Delivery	531190 Lessors of Other Real Estate Property (including equity REITs)	Management of Companies (Holding Companies)
Gasoline Stations & Fuel Dealers	Warehousing and Storage	531210 Offices of Real Estate Agents & Brokers	551111 Offices of Bank Holding Companies
457100 Gasoline Stations (including convenience stores with gas)	493100 Warehousing & Storage (except lessors of miniwarehouses & self-storage units)	531310 Real Estate Property Managers	551112 Offices of Other Holding Companies
457210 Fuel Dealers (including Heating Oil & Liquefied Petroleum)	Information	531320 Offices of Real Estate Appraisers	Administrative and Support and Waste Management and Remediation Services
Clothing and Accessories Retailers	Motion Picture and Sound Recording Industries	531390 Other Activities Related to Real Estate	Administrative and Support Services
458110 Clothing & Clothing Accessories Retailers	512100 Motion Picture & Video Industries (except video rental)	Rental and Leasing Services	561110 Office Administrative Services
458210 Shoe Retailers	512200 Sound Recording Industries	532100 Automotive Equipment Rental & Leasing	561210 Facilities Support Services
458310 Jewelry Retailers	Publishing Industries	532210 Consumer Electronics & Appliances Rental	561300 Employment Services
458320 Luggage & Leather Goods Retailers	513110 Newspaper Publishers	532281 Formal Wear & Costume Rental	561410 Document Preparation Services
Sporting Goods, Hobby, Book, Musical Instrument and Miscellaneous Retailers	513120 Periodical Publishers	532282 Video Tape & Disc Rental	561420 Telephone Call Centers
459110 Sporting Goods Retailers	513130 Book Publishers	532283 Home Health Equipment Rental	561430 Business Service Centers (including private mail centers & copy shops)
459120 Hobby, Toy, & Game Retailers	513140 Directory & Mailing List Publishers	532284 Recreational Goods Rental	561440 Collection Agencies
459130 Sewing, Needlework, & Piece Goods Retailers	513190 Other Publishers	532289 All Other Consumer Goods Rental	561450 Credit Bureaus
459140 Musical Instrument & Supplies Retailers	513210 Software Publishers	532310 General Rental Centers	561490 Other Business Support Services (including repossession services, court reporting, & stenotype services)
459210 Book Retailers & News Dealers (including newsstands)	Broadcasting, Content Providers, and Telecommunications	532400 Commercial & Industrial Machinery & Equipment Rental & Leasing	561500 Travel Arrangement & Reservation Services
459310 Florists	516100 Radio & Television Broadcasting Stations	Lessors of Nonfinancial Intangible Assets (except copyrighted works)	561600 Investigation & Security Services
459410 Office Supplies & Stationery Retailers	516210 Media Streaming, Social Networks, & Other Content Providers	533110 Lessors of Nonfinancial Intangible Assets (except copyrighted works)	561710 Exterminating & Pest Control Services
459420 Gift, Novelty, & Souvenir Retailers	517000 Telecommunications (including Wired, Wireless, Satellite, Cable & Other Program Distribution, Resellers, Agents, Other Telecommunications, & Internet Service Providers)	Professional, Scientific, and Technical Services	561720 Janitorial Services
459510 Used Merchandise Retailers	Data Processing, Web Search Portals, & Other Information Services	Legal Services	561730 Landscaping Services
459910 Pet & Pet Supplies Retailers	518210 Computing Infrastructure Providers, Data Processing, Web Hosting, & Related Services	541110 Offices of Lawyers	561740 Carpet & Upholstery Cleaning Services
459920 Art Dealers	519200 Web Search Portals, Libraries, Archives, & Other Info. Services	541190 Other Legal Services	561790 Other Services to Buildings & Dwellings
459930 Manufactured (Mobile) Home Dealers	Finance and Insurance	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers)
459990 All Other Miscellaneous Retailers (including tobacco, candle, & trophy retailers)	Depository Credit Intermediation	541211 Offices of Certified Public Accountants	Waste Management and Remediation Services
General Merchandise Retailers	522110 Commercial Banking	541213 Tax Preparation Services	562000 Waste Management & Remediation Services
455110 Department Stores	522130 Credit Unions	541214 Payroll Services	Educational Services
455210 Warehouse Clubs, Supercenters, & Other General Merch. Retailers	522180 Savings Institutions & Other Depository Credit Intermediation	541219 Other Accounting Services	611000 Educational Services (including schools, colleges, & universities)
Nonstore Retailers	Nondepository Credit Intermediation	Architectural, Engineering, and Related Services	Health Care and Social Assistance
Nonstore retailers sell all types of merchandise using such methods as Internet, mail-order catalogs, interactive television, or direct sales. These types of Retailers should select the PBA associated with their primary line of products sold. For example, establishments primarily selling prescription and non-prescription drugs, select PBA code 456110 Pharmacies & Drug Retailers	522210 Credit Card Issuing	541310 Architectural Services	Offices of Physicians and Dentists
Transportation and Warehousing	522220 Sales Financing	541320 Landscape Architecture Services	621111 Offices of Physicians (except mental health specialists)
Air, Rail, and Water Transportation	522291 Consumer Lending	541330 Engineering Services	621112 Offices of Physicians, Mental Health Specialists
481000 Air Transportation	522292 Real Estate Credit (including mortgage bankers & originators)	541340 Drafting Services	621210 Offices of Dentists
482110 Rail Transportation	522299 Intl, Secondary Market, & Other Nondepos. Credit Intermediation	541350 Building Inspection Services	Offices of Other Health Practitioners
483000 Water Transportation	Activities Related to Credit Intermediation	541360 Geophysical Surveying & Mapping Services	621310 Offices of Chiropractors
Truck Transportation	522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, & money transmitting)	541370 Surveying & Mapping (except Geophysical) Services	621320 Offices of Optometrists
484110 General Freight Trucking, Local	Securities, Commodity Contracts, and Other Financial Investments and Related Activities		621330 Offices of Mental Health Practitioners (except Physicians)
484120 General Freight Trucking, Long-distance	523150 Investment Banking & Securities Intermediation		
484200 Specialized Freight Trucking	523160 Commodity Contracts Intermediation		
Transit and Ground Passenger Transportation			
485110 Urban Transit Systems			
485210 Interurban & Rural Bus Transportation			
485310 Taxi & Ridesharing Services			
485320 Limousine Service			

621340	Offices of Physical, Occupational & Speech Therapists, & Audiologists	624310	Vocational Rehabilitation Services	721120	Casino Hotels	811410	Home & Garden Equipment & Appliance Repair & Maintenance		
621391	Offices of Podiatrists	624410	Childcare Services	721191	Bed & Breakfast Inns	811420	Reupholstery & Furniture Repair		
621399	Offices of All Other Miscellaneous Health Practitioners		Arts, Entertainment, and Recreation	721199	All Other Traveler Accommodation	811430	Footwear & Leather Goods Repair		
	Outpatient Care Centers		Performing Arts, Spectator Sports, and Related Industries	721210	RV (Recreational Vehicle) Parks & Recreational Camps	811490	Other Personal & Household Goods Repair & Maintenance		
621410	Family Planning Centers		711100	Performing Arts Companies		Food Services and Drinking Places	Personal and Laundry Services		
621420	Outpatient Mental Health & Substance Abuse Centers		711210	Spectator Sports (including sports clubs & racetracks)	722300	Special Food Services (including food service contractors & caterers)	812111	Barber Shops	
621491	HMO Medical Centers		711300	Promoters of Performing Arts, Sports, & Similar Events	722410	Drinking Places (Alcoholic Beverages)	812112	Beauty Salons	
621492	Kidney Dialysis Centers		711410	Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures	722511	Full-Service Restaurants	812113	Nail Salons	
621493	Freestanding Ambulatory Surgical & Emergency Centers		711510	Independent Artists, Writers, & Performers	722513	Limited-Service Restaurants	812190	Other Personal Care Services (including diet & weight reducing centers)	
621498	All Other Outpatient Care Centers			Museums, Historical Sites, and Similar Institutions	722514	Cafeterias, Grill Buffets, & Buffets	812210	Funeral Homes & Funeral Services	
	Medical and Diagnostic Laboratories			712100	Museums, Historical Sites, & Similar Institutions	722515	Snack & Non-alcoholic Beverage Bars	812220	Cemeteries & Crematories
621510	Medical & Diagnostic Laboratories				Other Services		812310	Coin-Operated Laundries & Drycleaners	
	Home Health Care Services				Repair and Maintenance		812320	Drycleaning & Laundry Services (except Coin-Operated)	
621610	Home Health Care Services				811110	Automotive Mechanical & Electrical Repair & Maintenance	812330	Linen & Uniform Supply	
	Other Ambulatory Health Care Services				811120	Automotive Body, Paint, Interior, & Glass Repair	812910	Pet Care (except Veterinary) Services	
621900	Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)		Amusement, Gambling, and Recreation Industries		811190	Other Automotive Repair & Maintenance (including oil change & lubrication shops & car washes)	812920	Photofinishing	
	Hospitals		713100	Amusement Parks & Arcades		811210	Electronic & Precision Equipment Repair & Maintenance	812930	Parking Lots & Garages
622000	Hospitals		713200	Gambling Industries		811310	Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance	812990	All Other Personal Services
	Nursing and Residential Care Facilities		713900	Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)				Religious, Grantmaking, Civic, Professional, and Similar Organizations	
623000	Nursing & Residential Care Facilities			Accommodation and Food Services			813000	Religious, Grantmaking, Civic, Professional, & Similar Organizations (including condominium & homeowners associations)	
	Social Assistance			Accommodation			Other		
624100	Individual & Family Services			721110	Hotels (except Casino Hotels) & Motels		999000	Unclassified Establishments (unable to classify)	
624200	Community Food & Housing, & Emergency & Other Relief Services								

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