PRINT IN BLACK INK

FOR PRIVACY ACT NOTICE, SEE INSTRUCTIONS.

Form 355S S Corporation Excise Return 2009

Ovals must be filled in completely. Example: ● If filing a calendar year return, leave blank. All others, enter appropriate dates below:

Tax year beginning (month–day–year) 01 01 2009 Tax year ending (month–day–year) 12 31 2009

CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER (FID): 043333333

PRINCIPAL BUSINESS ADDRESS: 4 Storage Street

CITY/TOWN/POST OFFICE: Chelsea

STATE: MA ZIP + 4: 02150 6371

PRINCIPAL BUSINESS ADDRESS IN MASSACHUSETTS (IF DIFFERENT)

CITY/TOWN/POST OFFICE

STATE ZIP + 4

Are you a member of a lower-tier entity? ○ Yes ● No

1 Is the corporation incorporated within Massachusetts? ► ● Yes ○ No

2 Type of corporation (select one, if applicable; enclose Form F-2) ► ○ Section 38 manufacturer ○ Mutual fund service

3 Type of corporation (select one, if applicable) ► ○ R&D ○ Classified mfg ○ RIC ○ REIT

4 Did the corporation or predecessor file Form 3F in 2008? ○ Yes ● No

5 Is the corporation filing a Massachusetts unitary return? ► ○ Yes ● No

6 Is the corporation the parent of another corporation? ○ Yes ● No

7 Is the corporation an insurance mutual fund holding corporation? ► ○ Yes ● No

8 Is the corporation requesting alternative apportionment (enclose Form AA-1)? ► ○ Yes ● No

9 Is this a final Massachusetts return? ► ○ Yes ● No

10 Principal business code (from U.S. return) ► 10 561300

11 FID of principal reporting corporation, if answer to line 5 is Yes ► 11

12 Average number of employees in Massachusetts 12 90

13 Average number of employees worldwide 13 150

14 Date of charter in Massachusetts or first date of business in Massachusetts 14 11 27 1991

15 Last year audited by IRS ► 15 2001

16 Have adjustments been reported to Massachusetts? ● Yes ○ No

17 Is the corporation deducting intangible or interest expenses paid to a related entity? ► ● Yes ○ No

18 Is the taxpayer enclosing a Taxpayer Disclosure Statement? ► ○ Yes ● No

SIGN HERE. Under penalties of perjury, I declare that to the best of my knowledge and belief this return and enclosures are true, correct and complete.

Signature of appropriate officer (see instructions)	Date	Print paid preparer's name	Preparer's SSN or PTIN ►
Honey Honeyco	01 02 10	Richard Rchic	123456789
Title		Paid preparer's phone	Paid preparer's EIN
		(619) 622 2222	987654321
Are you signing as an authorized delegate of the appropriate corporate officer? ○ Yes (enclose Form M-2848) ○ No		Paid preparer's signature	Date 01 02 10 ○ Fill in if self-employed

Mail to: Massachusetts Department of Revenue, PO Box 7025, Boston, MA 02204.

Excise Calculation 2009

1	Taxable Massachusetts tangible property, if applicable (from Schedule C, line 4) ►	× .0026 = ► 1	
2	Taxable net worth, if applicable (from Schedule D, line 10) ► 2,804,757	× .0026 = ► 2	7,292
3	Qualified taxable income and passive income ►	× .095 = ► 3	
4	Income (from 2009 Schedule S, line 17) ► 4		54,678,968
5	Income taxable in Massachusetts (from Schedule E, line 26). Enter "0" if a loss ► 5		2,311,460
6	If line 4 is less than $6 million, enter "0." If line 4 is $6 million or more, but less than $9 million, multiply line 5 by .028. If line 4 is $9 million or more, multiply line 5 by .042 6		97,081
7	Credit recapture. Enclose Schedules H and/or H-2 ► 7		14,884
8	Excise before credits. Add line 1 or 2, whichever applies, to total of lines 3, 6 and 7 8		119,257
9	Total credits (from Schedule CR, line 15 or Schedule U-IC, line 37) ► 9		300
10	Excise after credits. Subtract line 9 from line 8 10		118,957
11	Minimum excise **(cannot be prorated)** 11		456
12	Excise due before voluntary contribution. (line 10 or 11, whichever is greater) 12		118,957
13	Voluntary contribution for endangered wildlife conservation ► 13		100
14	Excise due plus voluntary contribution. Add lines 12 and 13 ► 14		119,057
15	2008 overpayment applied to your 2009 estimated tax ► 15		5,000
16	2009 Massachusetts estimated tax payments (do not include amount in line 15) ► 16		95,000
17	Payment made with extension ► 17		
18	Pass-through entity withholding ► 18		600
19	Refundable film credit ► 19		
20	Refundable dairy credit. Enter certificate number ► 0901670003 ► 20		103
21	Refundable life science credit ► 21		400
22	Total payments. Add lines 15 through 21 22		101,103
23	Amount overpaid. Subtract line 14 from line 22 23		
24	Amount overpaid to be credited to 2010 estimated tax ► 24		
25	Amount overpaid to be refunded. Subtract line 24 from line 23 Refund ► 25		
26	Balance due. Subtract line 22 from line 14 Balance due ► 26		17,954
27	**a.** M-2220 penalty ► 616 **b.** Late file/pay penalties	a + b = 27	616
28	Interest on unpaid balance 28		442
29	Total payment due at time of filing. Make check payable to Commonwealth of Massachusetts. Total due ► 29		19,012

CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

Schedule A Balance Sheet 2009

Assets	A. Original cost	B. Accumulated depreciation and amortization	C. Net book value
1 Capital assets in Massachusetts:			
a. Buildings ► 1a			
b. Land ► 1b			
c. Motor vehicles and trailers ► 1c	221,848	186,733	35,115
d. Machinery taxed locally ► 1d			
e. Machinery **not** taxed locally 1e			
f. Equipment 1f	5,169,642	4,950,059	219,583
g. Fixtures 1g	1,806,980	1,648,874	158,106
h. Leasehold improvements taxed locally ► 1h	1,197,908	1,133,447	64,461
i. Leasehold improvements **not** taxed locally 1i			
j. Other fixed depreciable assets 1j			
k. Construction in progress 1k			
l. Total capital assets in Massachusetts ► 1l			477,265
2 Inventories in Massachusetts:			
a. General merchandise 2a			
b. Exempt goods ► 2b			
3 Supplies and other non-depreciable assets in Massachusetts 3			
4 Total tangible assets in Massachusetts ► 4			477,265
5 Capital assets outside of Massachusetts:			
a. Buildings and other depreciable assets 5a			
b. Land 5b			
6 Leaseholds/leasehold improvements outside Massachusetts 6			
7 Total capital assets outside Massachusetts ► 7			

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BE SURE TO CONTINUE SCHEDULE A ON OTHER SIDE.

8	Inventories outside Massachusetts	8	
9	Supplies and other non-depreciable assets outside Massachusetts	9	
10	Total tangible assets outside of Massachusetts	10	
11	Total tangible assets. Add lines 4 and 10	11	477,265
12	Investments (capital stock investments and equity contributions only):		
	a. Investments in subsidiary corporations at least 80% owned (enclose Schedule A-1)	► 12a	
	b. Other investments	► 12b	21,353
13	Notes receivable	13	500,000
14	Accounts receivable	14	11,354,071
15	Intercompany receivables (enclose Schedule A-2)	► 15	
16	Cash	16	1,787
17	Other assets	17	3,209,893
18	Total assets	► 18	15,564,369

Liabilities and Capital

19	Mortgages on:		
	a. Massachusetts tangible property taxed locally	19a	
	b. Other tangible assets	19b	
20	Bonds and other funded debt	20	
21	Accounts payable	21	457,735
22	Intercompany payables (enclose Schedule A-3)	► 22	
23	Notes payable	23	23,269
24	Miscellaneous current liabilities	24	7,228,974
25	Miscellaneous accrued liabilities	25	2,413,316
26	Total liabilities	► 26	10,123,294
27	Total capital stock issued	27	3,606,365
28	Paid-in or capital surplus	28	
29	Retained earnings and surplus reserves	29	
30	Undistributed S corporation net income	30	1,834,710
31	Total capital. Add lines 27 through 30	31	5,441,075
32	Treasury stock	32	
33	Total liabilities and capital. Do not enter less than "0"	33	15,564,369

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CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

Schedule B. Tangible or Intangible Property Corporation Classification 2009

Enter all values as net book values from Schedule A, col. c.

1	Total Massachusetts tangible property (from Schedule A, line 4)	1	477,265
2	Massachusetts real estate (from Schedule A, lines 1a and 1b)	2	
3	Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	3	35,115
4	Massachusetts machinery taxed locally. Certified manufacturers enter "0" (from Schedule A, line 1d)	4	
5	Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	5	64,461
6	Massachusetts tangible property taxed locally. Add lines 2 through 5	► 6	99,576
7	Massachusetts tangible property not taxed locally. Subtract line 6 from line 1	7	377,689
8	Total assets (from Schedule A, line 18)	8	15,564,369
9	Massachusetts tangible property taxed locally (from line 6 above)	9	99,576
10	Total assets not taxed locally. Subtract line 9 from line 8	10	15,464,793
11	Investments in subsidiaries at least 80% owned (from Schedule A, line 12a)	11	
12	Assets subject to allocation. Subtract line 11 from line 10	12	15,464,793
13	Income apportionment percentage (from Schedule F, line 5)	13	0525088
14	Allocated assets. Multiply line 12 by line 13	► 14	8,120,377
15	Tangible property percentage. Divide line 7 by line 14	15	0.046511

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Schedule C Tangible Property Corporation

Complete only if Schedule B, line 15 is 10% or more. Enter all values as net book values from Schedule A, col. c.

1	Total Massachusetts tangible property (from Schedule A, line 4)	1	
2	Exempt Massachusetts tangible property:		
	a. Massachusetts real estate (from Schedule A, lines 1a and 1b)	2a	
	b. Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	2b	
	c. Massachusetts machinery taxed locally. Certified manufacturers enter "0" (from Schedule A, line 1d)	2c	
	d. Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	2d	
	e. Exempt goods (from Schedule A, line 2b)	2e	
	f. Certified Massachusetts industrial waste/air treatment facilities	2f	
	g. Certified Massachusetts solar or wind power deduction	2g	
3	Total exempt Massachusetts tangible property. Add lines 2a through 2g	3	
4	Taxable Massachusetts tangible property. Subtract line 3 from line 1. Do not enter less than "0." Enter result in line 1 of the Excise Calculation on page 2, and enter "0" in line 2 of the Excise Calculation	4	

Schedule D Intangible Property Corporation 2009

Complete only if Schedule B, line 15 is less than 10%. Enter all values as net book values from Schedule A, col. c.

1	Total assets (from Schedule A, line 18)	1	15,564,369
2	Total liabilities (from Schedule A, line 26)	2	10,123,294
3	Massachusetts tangible property taxed locally (from Schedule B, line 6)	3	99,576
4	Mortgages on Massachusetts tangible property taxed locally (from Schedule A, line 19a)	4	
5	Subtract line 4 from line 3. Do not enter less than "0"	5	99,576
6	Investments in subsidiaries at least 80% owned (from Schedule A, line 12a)	6	
7	Deductions from total assets. Add lines 2, 5 and 6	7	10,222,870
8	Allocable net worth. Subtract line 7 from line 1. Do not enter less than "0"	8	5,341,499
9	Income apportionment percentage (from Schedule F, line 5)	9	0525088
10	Taxable net worth. Multiply line 8 by line 9. Enter result in line 2 of the Excise Calculation on page 2, and enter "0" in line 1 of the Excise Calculation	10	2,804,757

Schedule E-1 Dividends Deduction

1	Total dividends. See instructions	1	
2	Dividends from Massachusetts corporate trusts	2	
3	Dividends from non-wholly-owned DISCs	3	
4	Dividends, if less than 15% of voting stock owned	4	
5	Dividends from RICs	5	
6	Dividends from REITs	6	
7	Total taxable dividends. Add lines 2 through 6	7	
8	Dividends eligible for deduction. Subtract line 7 from line 1	8	
9	Dividends deduction. Multiply line 8 by .95	9	

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CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

Schedule E Taxable Income 2009

▼ If showing a loss, mark an X in box at left

1	Gross receipts or sales (from U.S. Form 1120, line 1c) ► 1		54,634,717
2	Gross profit (from U.S. Form 1120, line 3) ► 2		21,827,454
3	Other deductions (from U.S. Form 1120, line 26) ► 3		4,206,862
4	Net income (from U.S. Form 1120, line 28) ► 4		4,418,919
5	Allowable U.S. wage credit. See instructions ► 5		10,000
6	Subtract line 5 from line 4 6		4,408,919
7	State and municipal bond interest not included in U.S. net income ► 7		5,000
8	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income ► 8		54,418
9	Section 168(k) "bonus" depreciation adjustment. See instructions ► 9	X	45,853
10	Sections 31I and 3IK intangible expense add back adjustment. See instructions ► 10		2,000
11	Sections 31J and 3IK interest expense add back adjustment. See instructions ► 11		1,000
12	Federal production activity add back adjustment. See instructions ► 12		
13	Other adjustments, including research and development expenses. See instructions ► 13	X	4,318
14	Add lines 6 through 13 14		4,421,166
15	Abandoned building renovation deduction × .10 = ► 15		
16	Dividends deduction (from Schedule E-1, line 9) ► 16		
17	Exception(s) to the add back of intangible expenses (enclose Schedule ABIE) ► 17		2,000
18	Exception(s) to the add back of interest expenses (enclose Schedule ABI) ► 18		1,000
19	Subtract the total of lines 15 through 18 from line 14 19		4,418,166
20	Loss carryover (from Schedule E-2, line 8 or line 13, whichever applies) ► 20		17,075
21	Income subject to apportionment. Subtract line 20 from line 19 ► 21		4,401,091
22	Income apportionment percentage (from Schedule F, line 5 or 1.0, whichever applies) ► 22		0525088
23	Multiply line 21 by line 22 23		2,310,960
24	Income not subject to apportionment ► 24		500
25	Certified Massachusetts solar or wind power deduction and excess NOL deduction ► 25		
26	Massachusetts taxable income. Subtract line 25 from the total of lines 23 and 24 26		2,311,460

Complete Schedule E only if Schedule S, line 17 is $6 million or more. Massachusetts Schedule S is used to determine whether or not an S corporation is liable for an additional excise at the corporate level. If total receipts are $6 million or more, the corporation must complete and retain with its records a pro forma U.S. Form 1120.

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Schedule CD Corporate Disclosure 2009

1	Charitable contributions (from U.S. Form 1120S) ► 1	28,701
2	Federal research expense allowed under IRC section 174, plus research credit allowed under IRC section 41 (from U.S. Form 1120S) ► 2	
3	Accelerated depreciation (ARCS, MARCS, etc.) allowed as a federal deduction:	
	a. Equipment ► 3a	419,121
	b. Rental housing ► 3b	
	c. Buildings other than rental housing ► 3c	
	d. Pollution control facilities ► 3d	
4	Standard depreciation:	
	a. Equipment ► 4a	337,190
	b. Rental housing ► 4b	
	c. Buildings other than rental housing ► 4c	
	d. Pollution control facilities ► 4d	
5	Accelerated depreciation less standard depreciation:	
	a. Equipment. Subtract line 4a from line 3a. Not less than "0" 5a	81,931
	b. Rental housing. Subtract line 4b from line 3b. Not less than "0" 5b	
	c. Buildings other than rental housing. Subtract line 4c from line 3c. Not less than "0" 5c	
	d. Pollution control facilities. Subtract line 4d from line 3d. Not less than "0" 5d	
6	Total amortizable costs for which amortization began in 2009 (from U.S. Schedule 4562, line 42, total of all entries in col. c) ► 6	
7	Total of first year amortization expense for costs identified in line 6 (from U.S. Schedule 4562, line 42, total of all entries in col. f) ► 7	
8	Total current year amortization expense for amortization of costs that began prior to 2009 (from U.S. Schedule 4562, line 43, col. f) ► 8	

An exact copy of U.S. Form 1120S, including all applicable schedules and forms and any other documentation required to substantiate entries made on this return, must be made available to the Department of Revenue upon request. See instructions.

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CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

Schedule CR Other Corporate Credits 2009

1	Economic Opportunity Area Credit	► 1	
2	3% credit for certain new or expanded investments	► 2	
3	Vanpool Credit	► 3	
4	Research Credit (from Schedule RC, part 2, line 14)	► 4	
5	Harbor Maintenance Tax Credit (from Schedule HM, line 18)	► 5	
6	Full Employment Credit (from Schedule FEC, line 25)	► 6	100
7	Brownfields Credit. Enter certificate number	► 7	
8	Low-Income Housing Credit (enclose documentation)	► 8	
9	Historic Rehabilitation Credit (enclose documentation)	► 9	43
10	Film Incentive Credit. Enter certificate number ►	► 10	
11	Medical Device Credit. Enter certificate number ► 0978900002	► 11	57
12	Life Science Company Investment Tax Credit under section 38U	► 12	49
13	Life Science Company FDA User Fee Credit under section 38M	► 13	51
14	Life Science Company Research Credit under section 31W	► 14	
15	Total credits. Add lines 1 through 14	15	300

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CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

Schedule H-2 Credit Recapture 2009

Complete this schedule if the corporation has Brownfields tax credit, Low-Income Housing tax credit, or Historic Rehbilitation tax credit to recapture.

Complete one Schedule H-2 for each type of credit being recaptured. Fill in if completing additional Schedules H-2

Type of credit being recaptured. Fill in applicable oval:
Brownfields Low-Income Housing Historic Rehabilitation

Recapture Calculation

1	Amount of original credit	1	18,725
2	Month and year property was placed in service	2	1201
3	Total months of useful life	3	468
4	Month and year property was disposed of or ceased to be in qualified use	4	1209
5	Number of months property was in qualified use	5	96
6	Adjusted credit percentage. Divide line 5 by line 3	6	0.205128
7	Recapture percentage. Subtract line 6 from 1.0	7	0.794872
8	Tentative recapture tax. Multiply line 7 by line 1	8	14,884
9	Portion of original credit not used to offset any tax. See instructions	9	
10	Credit to be recaptured. Subtract line 9 from line 8. Do not enter less than "0." Enter here and on Form 355, line 4; Form 355S, line 7; or on other appropriate tax form	10	14,884

Instructions

If property is disposed of or ceases to be in qualified use prior to the end of its useful life, the difference between the Brownfields Credit, Historic Rehabilitation Credit and Low-Income Housing Credit taken and the credit allowed for actual use must be added back in the excise calculation. The recapture amount is additional tax in the year the property is disposed of. The amount of the credit allowed for actual use equals the amount of the original credit multiplied by the months of actual use divided by the total months of useful life.

If the taxpayer's records show that a portion or all of the original credit was never used to offset tax, the recapture tax may be reduced by the unused amount. To substantiate any amount in line 9, taxpayers should complete the Schedule H-2 Worksheet (Recapture Offset Worksheet) or use their own schedule, provided it performs the same calculations as the worksheet. The worksheet is available by visiting the DOR's website at www.mass.gov/dor.

For further information refer to DOR Directive 89-7.

CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

Schedule E-2 Loss Carryover Deduction 2009

Part 1. General Net Operating Loss

1	a. 2004 loss	1a	12,030,574
	b. 2004 new corporation NOL carryover. You must enter "0"	1b	0
	c. 2004 loss previously used	1c	12,013,499
	d. 2004 loss available. Subtract 1c from 1a	1d	17,075
2	a. 2005 loss	2a	
	b. 2005 new corporation NOL carryover	2b	
	c. 2005 loss previously used	2c	
	d. 2005 loss available. Subtract 2c from the total of lines 2a and 2b	2d	
3	a. 2006 loss	3a	
	b. 2006 new corporation NOL carryover	3b	
	c. 2006 loss previously used	3c	
	d. 2006 loss available. Subtract 3c from the total of lines 3a and 3b	3d	
4	a. 2007 loss (from 2007 Schedule E or E-CG, line 19)	4a	
	b. 2007 new corporation NOL carryover	4b	
	c. 2007 loss previously used	4c	
	d. 2007 loss available. Subtract 4c from the total of lines 4a and 4b	4d	
5	a. 2008 loss (from 2008 Schedule E or E-CG, line 19)	5a	
	b. 2008 new corporation NOL carryover	5b	
	c. 2008 loss previously used. You must enter "0"	5c	0
	d. 2008 loss available. Subtract 5c from the total of lines 5a and 5b	5d	
6	Total available loss. Add row d of lines 1 through 5	6	17,075
7	Net income (from 2009 Schedule E, line 14, less any amounts in 2008 Schedule E or E-CG, lines 16, 17 and 18)	7	4,418,166
8	Loss carryover deduction. Enter the amount from line 6 but not greater than the amount in line 7. Enter here and in Schedule E, line 20. Not less than "0"	8	17,075

DRAFT AS OF OCTOBER 1, 2009 (SUBJECT TO CHANGE)

BE SURE TO CONTINUE SCHEDULE E-2 ON OTHER SIDE.

CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

Schedule F Income Apportionment 2009

Fill in applicable oval(s):

- ○ Section 38 manufacturer
- ○ Mutual fund service corporation reporting sales of mutual funds only
- ○ Mutual fund service corporation reporting sales of non-mutual funds
- ● Other
- ○ Enclosing additional copies of Schedule F for additional members of a combined group

Business Locations Outside of Massachusetts

City and state	Specify whether factory, sales office, warehouse, construction site, etc.	Accepts orders	Registered to do business in state	Files returns in state
New York, NY	Service	●	●	●
		○	○	○
		○	○	○
		○	○	○
		○	○	○

Apportionment Factors

1 Tangible property:

a. Property owned (averaged)	► Massachusetts	8,332,234	► Worldwide	8,332,234
b. Property rented (capitalized)	► Massachusetts	2,800,704	► Worldwide	2,800,704
c. Total property owned and rented	Massachusetts	11,132,938	Worldwide	11,132,938
d. Tangible property apportionment percentage. Divide (from line 1c) Massachusetts total by worldwide total 1d				1.000000

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2 Payroll:

a. Total payroll	► Massachusetts	15,654,737	► Worldwide	25,339,993
b. Payroll apportionment percentage. Divide (from line 2a) Massachusetts total payroll by worldwide total payroll 2b				0.617788

3 Sales:

a. Tangibles (Massachusetts destination)	► Massachusetts	,		
b. Tangibles (Massachusetts throwback)	► Massachusetts	,	► Worldwide	,
c. Services (including mutual fund sales)	► Massachusetts	13,167,376	► Worldwide	54,618,718
d. Rents and royalties	► Massachusetts	10,000	► Worldwide	10,000
e. Other	► Massachusetts	5,000	► Worldwide	6,000
f. Total sales	Massachusetts	13,182,376	Worldwide	54,634,718

g. Sales apportionment percentage. Mutual fund corporations reporting mutual fund sales, divide (from line 3c) Massachusetts mutual fund sales by total mutual fund sales. All other corporations, including mutual fund service corporations reporting non-mutual fund sales, divide (from line 3f) Massachusetts total sales by worldwide total sales 3g 0.241282

4 Apportionment percentage. All corporations must complete this line. Section 38 manufacturers or mutual fund service corporations reporting mutual fund sales, enter the amount from line 3g. All other corporations, including mutual fund service corporations reporting non-mutual fund sales, enter the total of (line 3g × 2) plus line 1d plus line 2b 4 2.100352

5 Massachusetts apportionment percentage. If the taxpayer is a Section 38 manufacturer, enter the amount from line 4 here and in Schedules E, line 22. Mutual fund service corporations for mutual fund sales, enter the amount from line 4 here and in line 22 of the Schedules E for mutual fund sales only. All other corporations including mutual fund service corporations reporting non-mutual fund sales, divide line 4 by 4, enter result here and in Schedules E, line 22 (for mutual fund service corporations, the Schedules E for non-mutual fund sales). See instructions 5 0.525088

CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

Schedule S S Corporation Distributive Income 2009

Classification Information

1	Gross receipts or sales (from U.S. Form 1120S, line 1c)	1	54,618,718
2	Net gain. Not less than "0" (from U.S. Form 1120S, line 4)	2	15,000
3	Gross income from rental real estate activity (from U.S. Form 8825, line 17)	3	
4	Gross income from other rental activity (from U.S. Form 1120S, Schedule K, line 3a)	4	5,000
5	Interest income (from U.S. Form 1120S, Schedule K, line 4)	5	17,963
6	Dividend income (from U.S. Form 1120S, Schedule K, line 5a)	6	5,287
7	Royalty income (from U.S. Form 1120S, Schedule K, line 6)	7	5,000
8	Net short-term capital gain. Not less than "0" (from U.S. Form 1120S, Schedule K, line 7)	8	5,000
9	Net long-term capital gain. Not less than "0" (from U.S. Form 1120S, Schedule K, line 8a)	9	10,000
10	Net gain under the provisions of Section 1231. Not less than "0" (from U.S. Form 1120S, Schedule K, line 9)	10	1,000
11	Other income. Not less than "0." See instructions	11	6,000
12	Add lines 1 through 11	12	54,688,968

DRAFT AS OF SEPTEMBER 24, 2009 (SUBJECT TO CHANGE)

S corporations sharing common ownership and engaged in a unitary business with one or more entities, complete lines 13 through 16. All other corporations, skip to line 17.

13	Receipts from inter-company transactions included in lines 1 through 11. See instructions	13	10,000
14	Total receipts excluding receipts from intercompany transactions. Subtract line 13 from line 12	14	54,678,968
15	Total aggregated receipts of all other related entities. See instructions	15	
16	Add lines 14 and 15	16	54,678,968
17	Enter amount from line 12 or 16, whichever is applicable	17	54,678,968

S Corporation Income

▼ If showing a loss, mark an X in box at left

18	Ordinary income or loss (from U.S. Form 1120S, line 21)	18		4,547,620
19	Other income (from U.S. Form 1120S, Schedule K, line 10)	19		6,000
20	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income	20		54,418
21	Subtotal. Add lines 18 through 20	21		4,608,038
22	Other Massachusetts gains or losses. See instructions	22		
23	Subtotal. Subtract line 22 from line 21	23		4,608,038
24	Other adjustments, if any	24	X	50,171
25	Massachusetts ordinary income or loss. Add lines 23 and 24	25		4,557,867
26	Net income or loss from rental real estate activity (from U.S. Form 1120S, Schedule K, line 2)	26		
27	Net income or loss from other rental activity (from U.S. Form 1120S, Schedule K, line 3c)	27		5,000

28	U.S. portfolio income, excluding capital gains (from U.S. Form 1120S, Schedule K, lines 4, 5a and 6)	28	28,250
29	Interest on U.S. obligations included in line 28	29	5,000
30	5.3% interest included in line 28. Enclose statement listing sources and amounts	30	7,000
31	Other interest and dividend income included in line 28. Enclose statement listing sources and amounts	31	11,250
32	Foreign state and municipal bond interest	32	
33	Royalty income included in line 28	33	5,000
34	Other income included in line 28	34	
35	Total short-term capital gains included in U.S. Form 1120S, Schedule D, line 4	35	8,000
			▼ If showing a loss, mark an X in box at left
36	Total short-term capital losses included in U.S. Form 1120S, Schedule D, line 4	36	X 3,000
37	Gain on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less (from U.S. Form 4797)	37	
38	Loss on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less (from U.S. Form 4797)	38	
39	Net long-term capital gain or loss (from U.S. Form 1120S, Schedule D, line 13)	39	10,000
40	Net gain or loss under the provisions of Section 1231 (from U.S. Form 1120S, Schedule K, line 9)	40	
41	Other long-term gains or losses. See instructions	41	
42	Long-term gains on collectibles included in line 39	42	
43	Differences and adjustments	43	

DRAFT AS OF SEPTEMBER 24, 2009 (SUBJECT TO CHANGE)

Resident and Nonresident Reconciliation

S corporations owned by a nonresident shareholder(s) and with income derived from business activities in another state, and which activities provide that state the power to levy an income tax or a franchise tax, complete Schedule F, Income Apportionment, and then lines 44 through 47.

44	Nonresident shareholder value. Enter the nonresident shareholder portion of the amounts from the following Schedule S lines.		
	a. Line 25	44a	1,823,147
	b. Line 26	44b	
	c. Line 27	44c	2,000
	d. Line 30	44d	2,800
	e. Line 31	44e	4,500
	f. Line 32	44f	
	g. Line 33	44g	2,000
	h. Line 34	44h	
	i. Line 35	44i	3,200
	j. Line 36	44j	X 1,200
	k. Line 37	44k	
	l. Line 38	44l	
	m. Line 39	44m	4,000

CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

▼ If showing a loss, mark an X in box at left

Resident and Nonresident Reconciliation (cont'd.)

44

n. Line 40	44n		
o. Line 41	44o		
p. Line 42	44p		
q. Line 43	44q		

45 Nonresident taxable income. Multiply the amounts from lines 44a through q by the apportionment percentage in Form 355S, Schedule F, line 5.

a. Line 44a times apportionment percentage	45a		957,313
b. Line 44b times apportionment percentage	45b		
c. Line 44c times apportionment percentage	45c		1,050
d. Line 44d times apportionment percentage	45d		1,470
e. Line 44e times apportionment percentage	45e		2,363
f. Line 44f times apportionment percentage	45f		
g. Line 44g times apportionment percentage	45g		1,050
h. Line 44h times apportionment percentage	45h		
i. Line 44i times apportionment percentage	45i		1,680
j. Line 44j times apportionment percentage	45j	X	630
k. Line 44k times apportionment percentage	45k		
l. Line 44l times apportionment percentage	45l		
m. Line 44m times apportionment percentage	45m		2,100
n. Line 44n times apportionment percentage	45n		
o. Line 44o times apportionment percentage	45o		
p. Line 44p times apportionment percentage	45p		
q. Line 44q times apportionment percentage	45q		

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46 Resident shareholder value. Enter the resident shareholder portion of the amounts from the following Schedule S lines.

a. Line 25	46a	2,734,720
b. Line 26	46b	
c. Line 27	46c	3,000
d. Line 30	46d	4,200
e. Line 31	46e	6,750
f. Line 32	46f	
g. Line 33	46g	3,000
h. Line 34	46h	

46

i. Line 35	46i		4,800
		▼ If showing a loss, mark an X in box at left	
j. Line 36	46j	X	1,800
k. Line 37	46k		
l. Line 38	46l		
m. Line 39	46m		6,000
n. Line 40	46n		
o. Line 41	46o		
p. Line 42	46p		
q. Line 43	46q		

47 Apportioned Massachusetts total. Add the amounts from lines 45a through q to the corresponding amounts from lines 46a through q.

a. Line 45a plus line 46a	47a		3,692,033
b. Line 45b plus line 46b	47b		
c. Line 45c plus line 46c	47c		4,050
d. Line 45d plus line 46d	47d		5,670
e. Line 45e plus line 46e	47e		9,113
f. Line 45f plus line 46f	47f		
g. Line 45g plus line 46g	47g		4,050
h. Line 45h plus line 46h	47h		
i. Line 45i plus line 46i	47i		6,480
j. Line 45j plus line 46j	47j	X	2,430
k. Line 45k plus line 46k	47k		
l. Line 45l plus line 46l	47l		
m. Line 45m plus line 46m	47m		8,100
n. Line 45n plus line 46n	47n		
o. Line 45o plus line 46o	47o		
p. Line 45p plus line 46p	47p		
q. Line 45q plus line 46q	47q		

DRAFT AS OF SEPTEMBER 24, 2009 (SUBJECT TO CHANGE)

CORPORATION NAME: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043 333 333

Shareholder Information

List all resident, nonresident and other shareholders. Fill in if attaching additional page(s) to include additional shareholders.

Social Security or Federal Identification number	Resident	Non-resident	Other	Name of shareholder (last, first)
018123456	●			Resident, John
018654321		●		Nonresident, Jane
018010203	●			Trust

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Schedule SK-1 Shareholder's Massachusetts Information 2009

NAME OF SHAREHOLDER: John Resident

TAXPAYER IDENTIFICATION NUMBER: 018 123456

ADDRESS: 1 Main Street

CITY/TOWN/POST OFFICE: Boston

STATE: MA ZIP + 4: 02110

NAME OF S CORPORATION: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

ADDRESS: 4 Storage Street

CITY/TOWN/POST OFFICE: Chelsea

STATE: MA ZIP + 4: 021506371

Type of shareholder: ● Individual resident ○ Individual nonresident ○ Trust or estate ○ Bank ○ Exempt organization

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	1,823,147
2	Separately stated deductions	2	X 20,068
3	Add lines 1 and 2	3	1,803,079
4	Credits available		
	a. Taxes paid to another jurisdiction (residents only)	4a	1,200
	b. Lead Paint Credit	4b	
	c. Economic Opportunity Area Credit	4c	
	d. Full Employment Credit	4d	120
	e. Brownfields Credit	4e	
	f. Low-Income Housing Credit	4f	
	g. Historic Rehabilitation Credit	4g	
	h. Refundable Film Credit	4h	
	i. Film Incentive Credit	4i	
	j. Medical Device Credit	4j	
	k. Refundable Dairy Credit	4k	
	l. Refundable Life Science Credit	4l	
	m. Life Science Company Investment Tax Credit	4m	
	n. Life Science Company FDA User Fee Credit	4n	
	o. Life Science Company Research Credit	4o	
	p. Total credits	4p	1,320

DRAFT AS OF OCTOBER 20, 2009 (SUBJECT TO CHANGE)

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.

TAXPAYER IDENTIFICATION NUMBER 018123456

5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	2,000
7	Interest from U.S. obligations (from Schedule S, line 29)	7	2,000
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8	2,800
9	Other interest and dividend income (from Schedule S, line 31)	9	4,500
10	Non-Massachusetts state and municipal bond interest (from Schedule S, line 32)	10	
11	Royalty income (from Schedule S, line 33)	11	2,000
12	Other income (from Schedule S, line 34)	12	
13	Short term capital gains (from Schedule S, line 35)	13	3,200
14	Short term capital losses (from Schedule S, line 36)	14 X	1,200
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15	
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	
17	Long term capital gain or loss (from Schedule S, line 39)	17	4,000
18	Net gain or loss under Section 1231 (from Schedule S, line 40)	18	
19	Other long-term gains and losses (from Schedule S, line 41)	19	
20	Long-term gains on collectibles (from Schedule S, line 42)	20	
21	Differences and adjustments (from Schedule S, line 43)	21	
22	Property distributions made to shareholder (from U.S. Form 1120S, Schedule K-1, line 16d)	22	

DRAFT AS OF OCTOBER 20, 2009 (SUBJECT TO CHANGE)

Shareholder's Basis Information

23	a. Enter the date of the federal basis. It must be 12-31-1985 or later	23a	12271991
	b. Number of shares owned	23b	300
	c. Shareholder's percentage of stock ownership	23c	0.400000
	d. Dollar value of basis as of the date in line 23a	23d	540,955
24	Massachusetts basis at the beginning of the tax year		
	a. Stock	24a	1,434,597
	b. Indebtedness	24b	10,808
25	Net Massachusetts adjustments		
	a. Stock	25a	7,949
	b. Indebtedness	25b X	1,500
26	Net federal adjustments		
	a. Stock	26a	
	b. Indebtedness	26b	
27	Massachusetts basis at end of tax year		
	a. Stock (add lines 24a and 25a)	27a	1,442,546
	b. Indebtedness (add lines 24b and 25b)	27b	9,308

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Schedule SK-1 Shareholder's Massachusetts Information 2009

NAME OF SHAREHOLDER: Jane Nonresident

TAXPAYER IDENTIFICATION NUMBER: 018654321

ADDRESS: 21 Broadway

CITY/TOWN/POST OFFICE: Bedford

STATE: NH ZIP + 4: 03862

NAME OF S CORPORATION: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

ADDRESS: 4 Storage Street

CITY/TOWN/POST OFFICE: Chelsea

STATE: MA ZIP + 4: 021506371

Type of shareholder: Individual resident — Individual nonresident — Trust or estate — Bank — Exempt organization

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	1,823,147
2	Separately stated deductions	2	X 20,068
3	Add lines 1 and 2	3	1,803,079
4	Credits available		
	a. Taxes paid to another jurisdiction (residents only)	4a	1,200
	b. Lead Paint Credit	4b	
	c. Economic Opportunity Area Credit	4c	
	d. Full Employment Credit	4d	120
	e. Brownfields Credit	4e	
	f. Low-Income Housing Credit	4f	
	g. Historic Rehabilitation Credit	4g	
	h. Refundable Film Credit	4h	
	i. Film Incentive Credit	4i	
	j. Medical Device Credit	4j	
	k. Refundable Dairy Credit	4k	
	l. Refundable Life Science Credit	4l	
	m. Life Science Company Investment Tax Credit	4m	
	n. Life Science Company FDA User Fee Credit	4n	
	o. Life Science Company Research Credit	4o	
	p. Total credits	4p	1,320

DRAFT AS OF OCTOBER 20, 2009 (SUBJECT TO CHANGE)

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.

TAXPAYER IDENTIFICATION NUMBER 018654321

5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	2,000
7	Interest from U.S. obligations (from Schedule S, line 29)	7	2,000
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8	2,800
9	Other interest and dividend income (from Schedule S, line 31)	9	4,500
10	Non-Massachusetts state and municipal bond interest (from Schedule S, line 32)	10	
11	Royalty income (from Schedule S, line 33)	11	2,000
12	Other income (from Schedule S, line 34)	12	
13	Short term capital gains (from Schedule S, line 35)	13	3,200
14	Short term capital losses (from Schedule S, line 36)	14	X 1,200
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15	
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	
17	Long term capital gain or loss (from Schedule S, line 39)	17	4,000
18	Net gain or loss under Section 1231 (from Schedule S, line 40)	18	
19	Other long-term gains and losses (from Schedule S, line 41)	19	
20	Long-term gains on collectibles (from Schedule S, line 42)	20	
21	Differences and adjustments (from Schedule S, line 43)	21	
22	Property distributions made to shareholder (from U.S. Form 1120S, Schedule K-1, line 16d)	22	

DRAFT AS OF OCTOBER 20, 2009 (SUBJECT TO CHANGE)

Shareholder's Basis Information

23	a. Enter the date of the federal basis. It must be 12-31-1985 or later	23a	12271991
	b. Number of shares owned	23b	300
	c. Shareholder's percentage of stock ownership	23c	0.400000
	d. Dollar value of basis as of the date in line 23a	23d	540,955
24	Massachusetts basis at the beginning of the tax year		
	a. Stock	24a	1,434,597
	b. Indebtedness	24b	10,808
25	Net Massachusetts adjustments		
	a. Stock	25a	7,949
	b. Indebtedness	25b	X 1,500
26	Net federal adjustments		
	a. Stock	26a	
	b. Indebtedness	26b	
27	Massachusetts basis at end of tax year		
	a. Stock (add lines 24a and 25a)	27a	1,442,546
	b. Indebtedness (add lines 24b and 25b)	27b	9,308

TAXPAYER IDENTIFICATION NUMBER 018654321

Pass-through Entity Payment and Credit Information

Declaration election code: ■ Withholding ☐ Composite ☐ Member self-file ☐ Exempt PTE ☐ Non-profit

28	Withholding amount	28	600
29	Estimated payments	29	
30	Credit for amounts withheld by lower-tier entity(ies)	30	
31	Credit for amount of estimated payments made by lower-tier entity(ies)	31	

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Schedule SK-1 Shareholder's Massachusetts Information 2009

NAME OF SHAREHOLDER: Trust

TAXPAYER IDENTIFICATION NUMBER: 018010203

ADDRESS: 75 State street

CITY/TOWN/POST OFFICE: Boston

STATE: MA ZIP + 4: 01110

NAME OF S CORPORATION: Test Two S Corp

FEDERAL IDENTIFICATION NUMBER: 043333333

ADDRESS: 4 Storage Street

CITY/TOWN/POST OFFICE: Chelsea

STATE: MA ZIP + 4: 021506371

Type of shareholder: Individual resident | Individual nonresident | Trust or estate | Bank | Exempt organization

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	911573
2	Separately stated deductions	2	X 10034
3	Add lines 1 and 2	3	901539
4	Credits available		
	a. Taxes paid to another jurisdiction (residents only)	4a	600
	b. Lead Paint Credit	4b	
	c. Economic Opportunity Area Credit	4c	
	d. Full Employment Credit	4d	60
	e. Brownfields Credit	4e	
	f. Low-Income Housing Credit	4f	
	g. Historic Rehabilitation Credit	4g	
	h. Refundable Film Credit	4h	
	i. Film Incentive Credit	4i	
	j. Medical Device Credit	4j	
	k. Refundable Dairy Credit	4k	
	l. Refundable Life Science Credit	4l	
	m. Life Science Company Investment Tax Credit	4m	
	n. Life Science Company FDA User Fee Credit	4n	
	o. Life Science Company Research Credit	4o	
	p. Total credits	4p	660

DRAFT AS OF OCTOBER 20, 2009 (SUBJECT TO CHANGE)

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.

TAXPAYER IDENTIFICATION NUMBER 018010203

5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	1,000
7	Interest from U.S. obligations (from Schedule S, line 29)	7	1,000
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8	1,400
9	Other interest and dividend income (from Schedule S, line 31)	9	2,250
10	Non-Massachusetts state and municipal bond interest (from Schedule S, line 32)	10	
11	Royalty income (from Schedule S, line 33)	11	1,000
12	Other income (from Schedule S, line 34)	12	
13	Short term capital gains (from Schedule S, line 35)	13	1,600
14	Short term capital losses (from Schedule S, line 36)	14 X	600
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15	
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	
17	Long term capital gain or loss (from Schedule S, line 39)	17	2,000
18	Net gain or loss under Section 1231 (from Schedule S, line 40)	18	
19	Other long-term gains and losses (from Schedule S, line 41)	19	
20	Long-term gains on collectibles (from Schedule S, line 42)	20	
21	Differences and adjustments (from Schedule S, line 43)	21	
22	Property distributions made to shareholder (from U.S. Form 1120S, Schedule K-1, line 16d)	22	

DRAFT AS OF OCTOBER 20, 2009 (SUBJECT TO CHANGE)

Shareholder's Basis Information

23	a. Enter the date of the federal basis. It must be 12-31-1985 or later	23a	12271991
	b. Number of shares owned	23b	150
	c. Shareholder's percentage of stock ownership	23c	0200000
	d. Dollar value of basis as of the date in line 23a	23d	270,478
24	Massachusetts basis at the beginning of the tax year		
	a. Stock	24a	717,299
	b. Indebtedness	24b	5,404
25	Net Massachusetts adjustments		
	a. Stock	25a	3,975
	b. Indebtedness	25b X	750
26	Net federal adjustments		
	a. Stock	26a	
	b. Indebtedness	26b	
27	Massachusetts basis at end of tax year		
	a. Stock (add lines 24a and 25a)	27a	721,274
	b. Indebtedness (add lines 24b and 25b)	27b	4,654