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Form 355 Business or Manufacturing Corporation Excise Return 2011

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 2011 Tax year ending (month–day–year) 12 31 2011

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER (FID): 04 1111111

PRINCIPAL BUSINESS ADDRESS: 2 FACTORY ST

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:

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? (see instructions) ► ○ Yes ● No

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

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

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

9 Principal business code (from U.S. return) ► 9 315230

10 FID of principal reporting corporation if answer to line 5 is Yes ► 10

11 Average number of employees in Massachusetts 11 625

12 Average number of employees worldwide 12 1465

13 Date of charter in Massachusetts or first date of business in Massachusetts 13 07 22 1987

14 Last year audited by IRS ► 14 1998

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

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

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

18 Is the taxpayer claiming exemption from the income measure of the excise pursuant to PL 86-272? ► ○ 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): DAVID DAVIDSON	Date: 01/20/12	Print paid preparer's name: RICHARD RICHIE	Preparer's SSN or PTIN ►: 123-456-789
Title		Paid preparer's phone: (619) 622 2222	Paid preparer's EIN: 987654321
Are you signing as an authorized delegate of the appropriate corporate officer? ● Yes (enclose Form M-2848) ○ No		Paid preparer's signature	Date: 01/20/12 ○ Fill in if self-employed

Mail to: Massachusetts Department of Revenue; PO Box 7005, Boston, MA 02204.

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Excise Calculation

2011

1	Taxable Massachusetts tangible property, if applicable (from Schedule C, line 4) ►	6,508,882 × .0026 = ► 1	16,923
2	Taxable net worth, if applicable (from Schedule D, line 10) ►	× .0026 = ► 2	
3	Massachusetts taxable income (from Schedule E, line 27). Not less than "0" ►	6,294,732 × .0825 = ► 3	519,315
4	Credit recapture (enclose Schedule(s) H and/or H-2). See instructions ► 4		2,000
5	Additional tax on installment sales. ► 5		78,685
6	Excise before credits. Add line 1 or 2, whichever applies, to total of lines 3 through 5 . . 6		616,923
7	Total credits (from Schedule CR, line 15) . . ► 7		616,467
8	Excise after credits. Subtract line 7 from line 6 . 8		456
9	Combined filers only, enter the amount of tax from Schedule U-ST, line 41 . 9		
10	Minimum excise **(cannot be prorated; unitary filers, see instructions)** . 10		456
11	Excise due before voluntary contribution. (line 8 or 10, whichever is greater) . 11		456
12	Voluntary contribution for endangered wildlife conservation ► 12		100
13	Excise due plus voluntary contribution. Add lines 11 and 12 ► 13		556
14	2010 overpayment applied to your 2011 estimated tax. ► 14		1,000
15	2011 Massachusetts estimated tax payments (do not include amount in line 14) ► 15		10,000
16	Payment made with extension ► 16		100
17	Pass-through entity withholding (from Schedule 3K-1) Payer ID number ► 041-211-111 ► 17		2,500
18	Total refundable credits (from Schedule RF, line 6) ► 18		1,500
19	Total payments. Add lines 14 through 18 . 19		15,100
20	Amount overpaid. Subtract line 13 from line 19 . 20		14,544
21	Amount overpaid to be credited to 2012 estimated tax ► 21		13,544
22	Amount overpaid to be refunded. Subtract line 21 from line 20 . Refund ► 22		1,000
23	Balance due. Subtract line 19 from line 13 . Balance due ► 23		
24	**a.** M-2220 penalty ► **b.** Late file/pay penalties . . . . . a + b = 24		
25	Interest on unpaid balance . 25		
26	Total payment due at time of filing. Make check payable to Commonwealth of Massachusetts. Total due ► 26		

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CORPORATION NAME: TEST TWO CORP

N NUMBER: 041111111

Schedule A Balance Sheet 2011

Assets	A. Original cost	B. Accumulated depreciation and amortization	C. Net book value
1 Capital assets in Massachusetts:			
a. Buildings ► 1a	4,848,956	2,099,229	2,749,727
b. Land ► 1b	6,383,750		6,383,750
c. Motor vehicles and trailers ► 1c	1,039,333	631,100	408,233
d. Machinery taxed locally ► 1d			
e. Machinery **not** taxed locally 1e	6,473,155	1,150,009	5,323,146
f. Equipment 1f	65,366	13,073	52,293
g. Fixtures 1g	95,600	27,314	68,286
h. Leasehold improvements taxed locally ► 1h	58,375	18,680	39,695
i. Leasehold improvements **not** taxed locally 1i	282,375	37,650	244,725
j. Other fixed depreciable assets 1j	18,750	6,000	12,750
k. Construction in progress 1k	590,645		590,645
l. Total capital assets in Massachusetts ► 1l			15,873,250
2 Inventories in Massachusetts:			
a. General merchandise 2a			207,364
b. Exempt goods ► 2b			28,375
3 Supplies and other non-depreciable assets in Massachusetts 3			9,673
4 Total tangible assets in Massachusetts ► 4			16,118,662
5 Capital assets outside of Massachusetts:			
a. Buildings and other depreciable assets 5a	5,567,481	261,542	5,305,939
b. Land 5b	1,578,700		1,578,700
6 Leaseholds/leasehold improvements outside Massachusetts 6	624,965	342,224	282,741
7 Total capital assets outside Massachusetts ► 7	7,771,146	603,766	7,167,380

BE SURE TO CONTINUE SCHEDULE A ON OTHER SIDE.

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8	Inventories outside Massachusetts	8	379,843
9	Supplies and other non-depreciable assets outside Massachusetts	9	28,991
10	Total tangible assets outside of Massachusetts	10	7,596,214
11	Total tangible assets. Add lines 4 and 10	11	23,714,876
12	Investments (capital stock investments and equity contributions only):		
	a. Investments in subsidiary corporations at least 80% owned (enclose Schedule A-1)	► 12a	400,331
	b. Other investments	► 12b	
13	Notes receivable	13	1,953,618
14	Accounts receivable	14	6,564,937
15	Intercompany receivables (enclose Schedule A-2)	► 15	17,500
16	Cash	16	6,365,508
17	Other assets	17	268,719
18	Total assets	► 18	39,285,489

Liabilities and Capital

19	Mortgages on:		
	a. Massachusetts tangible property taxed locally	19a	1,710,791
	b. Other tangible assets	19b	547,868
20	Bonds and other funded debt	20	356,250
21	Accounts payable	21	3,404,856
22	Intercompany payables (enclose Schedule A-3)	► 22	500,000
23	Notes payable	23	358,840
24	Miscellaneous current liabilities	24	619,500
25	Miscellaneous accrued liabilities	25	227,474
26	Total liabilities	► 26	7,725,579
27	Total capital stock issued	27	4,488,750
28	Paid-in or capital surplus	28	9,536,250
29	Retained earnings and surplus reserves	► 29	17,928,600
30	Undistributed S corporation net income	► 30	
31	Total capital. Add lines 27 through 30	31	31,953,600
32	Treasury stock	32	393,750
33	Total liabilities and capital. Do not enter less than "0"	33	39,285,429

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CORPORATION NAME: TEST TWO CORP

041

Schedule B Tangible or Intangible Property Corporation Classification 2011

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

1	Total Massachusetts tangible property (from Schedule A, line 4)	16,118,662
2	Massachusetts real estate (from Schedule A, lines 1a and 1b)	9,133,477
3	Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	408,233
4	Massachusetts machinery taxed locally. Classified manufacturers enter "0" (from Schedule A, line 1d)	
5	Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	39,695
6	Massachusetts tangible property taxed locally. Add lines 2 through 5 ► 6	9,581,405
7	Massachusetts tangible property not taxed locally. Subtract line 6 from line 1	6,537,257
8	Total assets (from Schedule A, line 18)	39,285,489
9	Massachusetts tangible property taxed locally (from line 6 above)	9,581,405
10	Total assets not taxed locally. Subtract line 9 from line 8	29,704,084
11	Investments in subsidiaries at least 80% owned (from Schedule A, line 12a)	400,331
12	Assets subject to allocation. Subtract line 11 from line 10	29,303,753
13	Income apportionment percentage (from Schedule F, line 5)	0.760200
14	Allocated assets. Multiply line 12 by line 13 ► 14	22,276,713
15	Tangible property percentage. Divide line 7 by line 14	0.293457

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)	16,118,662
2	Exempt Massachusetts tangible property:	
	a. Massachusetts real estate (from Schedule A, lines 1a and 1b)	9,133,477
	b. Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	408,233
	c. Massachusetts machinery taxed locally. Classified manufacturers enter "0" (from Schedule A, line 1d)	
	d. Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	39,695
	e. Exempt goods (from Schedule A, line 2b)	28,375
	f. Certified Massachusetts industrial waste/air treatment facilities	
	g. Certified Massachusetts solar or wind power deduction	
3	Total exempt Massachusetts tangible property. Add lines 2a through 2g	9,609,780
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	6,508,882

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Schedule D Intangible Property Corporation 2011

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
2	Total liabilities (from Schedule A, line 26)	2
3	Massachusetts tangible property taxed locally (from Schedule B, line 6)	3
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
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
8	Allocable net worth. Subtract line 7 from line 1. Do not enter less than "0"	8
9	Income apportionment percentage (from Schedule F, line 5)	9
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

Schedule E-1 Dividends Deduction

1	Total dividends. See instructions	1	28,000
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	7,000
5	Dividends from RICs	5	
6	Dividends from REITs	6	
7	Total taxable dividends. Add lines 2 through 6	7	7,000
8	Dividends eligible for deduction. Subtract line 7 from line 1	8	21,000
9	Dividends deduction. Multiply line 8 by .95	9	19,950

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CORPORATION NAME
TEST TWO CORP

04

Schedule E Taxable Income 2011

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

1	Gross receipts or sales (from U.S. Form 1120, line 1c) ► 1		228,224,543
2	Gross profit (from U.S. Form 1120, line 3) ► 2		95,125,332
3	Other deductions (from U.S. Form 1120, line 26) ► 3		48,319,467
4	Net income (from U.S. Form 1120, line 28) ► 4		7,585,010
5	Allowable U.S. wage credit. See instructions ► 5		,
6	Subtract line 5 from line 4 6		7,585,010
7	State and municipal bond interest not included in U.S. net income ► 7		2,500
8	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income ► 8		513,783
9	Section 168(k) "bonus" depreciation adjustment. See instructions ► 9	X	3,600
10	Section 31I and 31K intangible expense add back adjustment. See instructions ► 10		72,277
11	Section 31J and 31K interest expense add back adjustment. See instructions ► 11		27,863
12	Federal production activity add back adjustment. See instructions ► 12		5,000
13	Other adjustments, including research and development expenses. See instructions ► 13		104,930
14	Add lines 6 through 13 14		8,307,763
15	Abandoned building renovation deduction , × .10 = ► 15		,
16	Dividends deduction (from Schedule E-1, line 9) ► 16		19,950
17	Exception(s) to the add back of intangible expenses (enclose Schedule ABIE) ► 17		7,000
18	Exception(s) to the add back of interest expenses (enclose Schedule ABI) ► 18		450
19	Income subject to apportionment. Subtract the total of lines 15 through 18 from line 14 19		8,280,363
20	Income apportionment percentage (from Schedule F, line 5 or 1.0, whichever applies) ► 20		0.760200
21	Multiply line 19 by line 20 21		6,294,732
22	Income not subject to apportionment ► 22		,
23	Total net income allocated or apportioned to Massachusetts. Add lines 21 and 22 ► 23		6,294,732
24	Certified Massachusetts solar or wind power deduction ► 24		,
25	Massachusetts taxable income before net operating loss deduction. Subtract line 24 from line 23 25		6,294,732
26	Net operating loss deduction (enclose Schedule E-2) ► 26		,
27	Massachusetts taxable income. Subtract line 26 from line 25 27		6,294,732

Schedule CD Corporate Disclosure 2011

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1	Charitable contributions (from U.S. Form 1120, line 19)	1	93,750
2	Federal research expense allowed under IRC section 174, plus research credit allowed under IRC section 41 (from U.S. Form 1120)	2	25,167,521
3	Accelerated depreciation (ARCS, MARCS, etc.) allowed as a federal deduction:		
	a. Equipment	3a	109,320
	b. Rental housing	3b	
	c. Buildings other than rental housing	3c	24,483
	d. Pollution control facilities	3d	
4	Standard depreciation:		
	a. Equipment	4a	50,000
	b. Rental housing	4b	
	c. Buildings other than rental housing	4c	3,500
	d. Pollution control facilities	4d	
5	Accelerated depreciation less standard depreciation:		
	a. Equipment. Subtract line 4a from line 3a. Not less than "0"	5a	59,320
	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	20,983
	d. Pollution control facilities. Subtract line 4d from line 3d. Not less than "0"	5d	
6	Total amortizable costs for which amortization began in 2011 (from U.S. Schedule 4562, line 42, total of all entries in col. c)	6	7,500
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	7,500
8	Total current year amortization expense for amortization of costs that began prior to 2011 (from U.S. Schedule 4562, line 43, col. f)	8	12,000

An exact copy of U.S. Form 1120 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 CORP

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Schedule CR Other Corporate Credits 2011

1	Economic Development Incentive Program Credit Certificate number ► 1020E01397	► 1	228,462
2	Economic Opportunity Area Credit	► 2	
3	3% credit for certain new or expanded investments	► 3	7,000
4	Vanpool Credit	► 4	5,000
5	Research Credit (from Schedule RC, part 2, line 14)	► 5	300,205
6	Harbor Maintenance Tax Credit (from Schedule HM, line 21)	► 6	8,300
7	Brownfields Credit Certificate number ►	► 7	
8	Low-Income Housing Credit Building identification number ►	► 8	
9	Historic Rehabilitation Credit Certificate number ►	► 9	
10	Film Incentive Credit Certificate number ► 1020F00099	► 10	67,500
11	Medical Device Credit Certificate number ►	► 11	
12	Life Science Company Investment Tax Credit under section 38U	► 12	
13	Life Science Company FDA User Fee Credit under section 31M	► 13	
14	Life Science Company Research Credit under section 38W	► 14	
15	Total credits. Add lines 1 through 14	15	616,467

Schedule RF Refundable Credits

1	Refundable Film Credit	► 1	
2	Refundable Dairy Credit Certificate number ►	► 2	
3	Refundable Life Science Credit	► 3	930
4	Refundable Economic Development Incentive Credit	► 4	
5	Conservation Land Credit Certificate number ► 1101L00102	► 5	570
6	Total refundable credits. Add lines 1 through 5	6	1,500

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CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04 1 1 1 1 1 1 1

Schedule F Income Apportionment 2011

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	SALES OFFICE	●	●	●
TULSA, OK	FACTORY	( )	●	●
		( )	( )	( )
		( )	( )	( )
		( )	( )	( )

Apportionment Factors

1 Tangible property:

a. Property owned (averaged) ► Massachusetts 3,653,748 ► Worldwide 25,451,310

b. Property rented (capitalized) ► Massachusetts 432,000 ► Worldwide 800,000

c. Total property owned and rented. Massachusetts 4,085,748 Worldwide 26,251,310

d. Tangible property apportionment percentage. Divide (from line 1c) Massachusetts total by worldwide total 1d 0.155640

2 Payroll:

a. Total payroll ► Massachusetts 29,055,395 ► Worldwide 50,542,900

b. Payroll apportionment percentage. Divide (from line 2a) Massachusetts total payroll by worldwide total payroll 2b 0.574866

3 Sales:

a. Tangibles (Massachusetts destination) . . . . ► Massachusetts 23,000,000

b. Tangibles (Massachusetts throwback) . . . . ► Massachusetts 150,301,277 ► Worldwide 227,899,573

c. Services (including mutual fund sales) . . . . ► Massachusetts 25,000 ► Worldwide 100,000

d. Rents and royalties ► Massachusetts 20,000 ► Worldwide 50,000

e. Other ► Massachusetts 150,000 ► Worldwide 175,000

f. Total sales Massachusetts 173,496,277 Worldwide 228,224,573

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 0.760200

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 0.760200

5 Massachusetts apportionment percentage. If the taxpayer is a Section 38 manufacturer, enter the amount from line 4 here and in Schedules E, line 20. Mutual fund service corporations for mutual fund sales, enter the amount from line 4 here and in line 20 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 20 (for mutual fund service corporations, the Schedules E for non-mutual fund sales). See instructions 5 0.760200

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

Form F-2 Apportionment Report 2011

Mutual fund service corporations, complete all lines of Form F-2. Section 38 manufacturers with more than 25 employees, complete only lines 1 through 17. All information should be reported as of the last day of the taxable year for both the current and previous tax years. Do not enter any amount less than "0."

Type of corporation. Fill in one oval:

○ Mutual fund service corporation ● Section 38 manufacturer

Apportionment Information

1 Number of employees (mutual fund service corporations must use the number of qualified employees):

a. Total number of persons employed in Massachusetts in 2010 (from 2010 Form F-2, line 1b) ► 1a: 605

b. Total number of persons employed in Massachusetts in 2011 ► 1b: 645

c. Total number of persons employed worldwide in 2010 (from 2010 Form F-2, line 1d) ► 1c: 1,430

d. Total number of persons employed worldwide in 2011 ► 1d: 1,500

2 Wages paid to employees (mutual fund service corporations must use the wages paid to qualified employees):

a. Total wages paid to qualified employees in Mass. in 2010 (from 2010 Schedule F, line 2a, col. a) ► 2a: 22,915,221

b. Total wages paid to employees in Massachusetts in 2011 (from 2011 Schedule F, line 2a, col. a) ► 2b: 29,055,395

c. Total wages paid to employees worldwide in 2010 (from 2010 Schedule F, line 2a, col. b) ► 2c: 39,898,077

d. Total wages paid to employees worldwide in 2011 (from 2011 Schedule F, line 2a, col. b) ► 2d: 50,542,900

DRAFT AS OF AUGUST 4, 2011 (SUBJECT TO CHANGE)

3 Tangible property apportionment percentage:

a. 2010 percentage (from 2010 Schedule F, line 1d) ► 3a: 0.153490

b. 2011 percentage (from 2011 Schedule F, line 1d) ► 3b: 0.155640

4 Payroll apportionment percentage:

a. 2010 percentage (from 2010 Schedule F, line 2b) ► 4a: 0.574344

b. 2011 percentage (from 2011 Schedule F, line 2b) ► 4b: 0.574866

5 Tax reduction amount resulting from use of the more favorable apportionment formula ► 5: ,

6 Sales:

a. 2010 Massachusetts sales (from 2010 Schedule F, line 3f, col. a) ► 6a: 37,029,208

b. 2011 Massachusetts sales (from 2011 Schedule F, line 3f, col. a) ► 6b: 173,496,277

c. 2010 worldwide sales (from 2010 Schedule F, line 3f, col. b) ► 6c: 48,294,468

d. 2011 worldwide sales (from 2011 Schedule F, line 3f, col. b) ► 6d: 228,224,573

7 Income:

a. 2010 Massachusetts income (from 2010 Schedule E or U-E). Enter "0" if a loss ► 7a: 4,197,797

b. 2011 Massachusetts income (from 2011 Schedule E or U-E). Enter "0" if a loss ► 7b: 6,310,716

c. 2010 worldwide income (from 2010 Schedule E or U-E). Enter "0" if a loss ► 7c: 5,645,823

d. 2011 worldwide income (from 2011 Schedule E or U-E). Enter "0" if a loss ► 7d: 7,585,010

8 Book value:

a. 2010 book value of plant, land and equipment in Massachusetts (from 2010 Form F-2, line 8b) ..... ► 8a 2,957,839

b. 2011 book value of plant, land and equipment in Massachusetts (from 2011 Schedule A) ..... ► 8b 3,508,916

c. 2010 book value of plant, land and equipment worldwide (from 2010 Form F-2, line 8d) ..... ► 8c 5,149,943

d. 2011 book value of plant, land and equipment worldwide (from 2011 Schedule A) ..... ► 8d 6,103,885

9 Net capital investments:

a. 2010 net capital investments in Massachusetts (from 2010 Form F-2, line 9b) ..... ► 9a 400,331

b. 2011 net capital investments in Massachusetts (from 2011 Schedule A) ..... ► 9b 400,331

c. 2010 net capital investments worldwide (from 2010 Form F-2, line 9d) ..... ► 9c 400,331

d. 2011 net capital investments worldwide (from 2011 Schedule A) ..... ► 9d 400,331

10 Net assets:

a. 2010 net assets (from 2010 Form F-2, line 10b) ..... ► 10a 9,285,489

b. 2011 net assets (from 2011 Schedule A) ..... ► 10b 23,714,876

11 Capacity utilization:

a. 2010 capacity utilization (from 2010 Form F-2, line 11b) ..... ► 11a 0.766400

b. 2011 capacity utilization. Divide maximum possible utilization by actual utilization ..... ► 11b 0.834500

DRAFT AS OF AUGUST 4, 2011 (SUBJECT TO CHANGE)

12 Outstanding loans:

a. 2010 total outstanding loans (from 2010 Form F-2, line 12b) ..... ► 12a 377,726

b. 2011 total outstanding loans (from 2011 Schedule A) ..... ► 12b 358,840

13 Outstanding mortgages:

a. 2010 total outstanding mortgages (from 2010 Form F-2, line 13b) ..... ► 13a 3,377,536

b. 2011 total outstanding mortgages (from 2011 Schedule A) ..... ► 13b 2,258,659

14 Base period employment level ..... ► 14 1,200

15 Briefly describe any changes to the number of employees or the wages paid from 2010 to 2011: MORE EMPLOYEES HIRED TO HANDLE INCREASED ORDERS

16 Briefly describe any changes to the tangible property percentage from 2010 to 2011: PLANT EXPANDED FOR INCREASED SALES VOLUME

17 Briefly describe any changes to the payroll apportionment percentage from 2010 to 2011: PAYROLL INCREASED DUE TO ADDITIONAL EMPLOYEES

Mutual fund service corporations, complete remainder of Form F-2.

18 Net assets under management:

a. Net assets under management in Massachusetts ..... ► 18a 39,285,489

b. Net assets under management worldwide ..... ► 18b 39,285,489

19 Median income of qualified employees:

a. Median income of qualified employees in Massachusetts ..... ► 19a 46,489

b. Median income of qualified employees worldwide ..... ► 19b 34,500

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CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04 1 1 1 1 1 1 1

Schedule H Investment Tax Credit and Carryovers 2011

Type of corporation. Fill in one oval:

► (●) Classified manufacturer ( ) Agriculture ( ) Commercial fishing

( ) Research and development (R&D). If R&D corporation, complete line 1.

Part 1. Calculation of Current-Year Investment Tax Credit Generated

1 Receipts test for R&D corporations. Enter only receipts assignable to Massachusetts.

a. Total receipts 1a

b. Receipts included in 1a from R&D 1b

c. Percent of revenues derived from R&D. Divide line 1b by line 1a 1c

d. Describe R&D category _____

2 List all qualified depreciable property (owned or leased) located in Massachusetts by Schedule A category.

a. Total cost of qualified buildings 2a

b. Total cost of qualified machinery taxed locally 2b

c. Total cost of qualified machinery not taxed locally 2c 700,000

d. Total cost of qualified equipment 2d 15,000

e. Total cost of qualified fixtures 2e 35,000

f. Total cost of qualified leasehold improvements taxed locally 2f

g. Total cost of qualified leasehold improvements not taxed locally 2g 50,000

h. Total cost of qualified other fixed depreciable assets 2h

3 Total cost of eligible properties. Add lines 2a through 2h 3 800,000

4 Total U.S. investment tax credit and U.S. basis reduction 4

5 Amount eligible for Massachusetts Investment Tax Credit (ITC). Subtract line 4 from line 3 ..... 5 800,000

6 Available current-year ITC. Multiply line 5 by .03 ..... 6 24,000

7 Amount of credit reduction for assets placed in service during current year but no longer qualified at year end 7

8 Net current year investment tax credit generated ..... ► 8 24,000

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Part 2. Recapture of Unearned Credit

If the property on which the credit has been taken ceases to be in qualified use prior to the end of its useful life, the difference between the credit taken and the credit allowed for actual use is subject to recapture.

1	Total ITC subject to recapture	► 1	25,000
2	ITC not used to reduce excise in any prior year		
	a. Amount of recapture offset against unused ITC which has expired	2a	2,000
	b. Amount of recapture on 2008 assets reducing ITC carryover from 2008	2b	7,000
	c. Amount of recapture on 2009 assets reducing ITC carryover from 2009	2c	
	d. Amount of recapture on 2010 assets reducing ITC carryover from 2010	2d	
	e. Amount of recapture reducing unused ITC converted to unlimited carryover status	2e	14,000
3	ITC recaptured. Subtract the total of lines 2a through line 2e from line 1	3	2,000

Part 3. Calculation of Available Credits. **Perform recapture first.**

Reduce credits available from prior year returns by any amounts used to offset potential recapture as shown in Part 2.

		a. Available credits at start of year	b. Credits used in current year	c. Credits converted to unlimited status	d. Available credits at end of year
1	ITC generated in 2008 that will lapse after 2011 if not used 1	1,000	1,000		
2	ITC generated in 2009 that will lapse after 2012 if not used 2	13,000	3,000	5,000	5,000
3	ITC generated in 2010 that will lapse after 2013 if not used 3	48,000	40,000	6,000	2,000
4	ITC generated in the current year (from Part 1, line 8) 4	24,000	24,000		
5	ITC previously transferred to unlimited carryover status 5	17,000			

6	Corporation's time limited credits available from prior years. Combine lines 1a, 2a and 3a	► 6	62,000
7	Total of corporation's credits used. Combine lines 1b, 2b, 3b, 4b and 5b	► 7	68,000
8	Total of corporation's credits converted to unlimited status. Combine lines 1c, 2c, 3c and 4c	► 8	11,000
9	Unlimited life credits available for carryforward to 2012. Combine lines 5a and 8 less line 5b	► 9	28,000
10	Credits available for carryforward to 2012 subject to 3-year limitation. Combine lines 2d, 3d and 4d	► 10	7,000

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CORPORATION NAME

TEST TWO CORP

041-111-111

Part 4. Reconciliation of Massachusetts Tangible Property

1	Capital assets in Massachusetts at the beginning of the year at net book value		
	a. Property with a depreciable life for tax purposes of less than four years	1a	
	b. Land, motor vehicles, construction in process and other non-qualified assets	1b	6,291,983
	c. Qualifying property	1c	4,492,622
	d. Total capital assets in Massachusetts at the beginning of tax year. Add lines 1a through 1c. Enclose explanation if this does not equal prior year Schedule A, line 1I	1d	10,784,605
2	Purchases and leases made during the tax year at cost		
	a. Property with a depreciable life for tax purposes of less than four years	2a	
	b. Land, motor vehicles, construction in process and other non-qualified assets	2b	1,105,645
	c. Qualifying property	2c	4,300,000
	d. Total purchases and leases made during tax year. Add lines 2a through 2c	2d	5,405,645
3	Other acquisitions made during the year		
	a. Property with a depreciable life for tax purposes of less than four years	3a	
	b. Land, motor vehicles, construction in process and other non-qualified assets	3b	
	c. Qualifying property	3c	
	d. Total of other acquisitions made during the tax year. Add lines 3a through 3c	3d	
4	Sales, exchanges and retirements made during year at net book value. Include current year depreciation		
	a. Property with a depreciable life for tax purposes of less than four years	4a	
	b. Land, motor vehicles, construction in process and other non-qualified assets	4b	10,000
	c. Qualifying property	4c	250,000
	d. Total sales, exchanges and retirements made during the tax year. Add lines 4a through 4c ►	4d	260,000
5	Book depreciation taken during the year	5	57,000
6	Other adjustments made during the year including interstate transfers of depreciable assets, etc	6	
7	Capital assets in Massachusetts at the end of the year at net book value		
	a. Property with a depreciable life for tax purposes of less than four years	7a	
	b. Land, motor vehicles, construction in process and other non-qualified assets	7b	7,330,628
	c. Qualifying property	7c	8,542,622
	d. Total capital assets in Massachusetts at the end of the tax year. Add lines 7a through 7c. Enclose explanation if this figure does not match the current year Schedule A, line 1L	7d	15,873,250

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Ovals must be filled in completely. Example:

Schedule RC Research Credit 2011

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 041111111

Controlled groups and entities under common control are required to compute the credit on an aggregate basis. Refer to Regulation 830 CMR 63.38M.1(7). Enclose Schedule RC to the return of each member of the group claiming Massachusetts basic research payments, qualified research expenses, research credit carryfoward or research credit against the excise. Enter group totals in lines 2 through 4 and 11 through 15. Corporations that are not members of a controlled group must enter their individual amounts in these lines.

Fill in all applicable oval(s):

- ► (filled) Massachusetts gross receipts are being used to compute the fixed base and average annual receipts.
- (empty) Federal gross receipts are being used to compute the fixed base and average annual receipts.
- ► (empty) Corporation is electing to calculate the credit separately for defense related activities under 38M(i) or is claiming the life sciences research credit under 38W. If either of these conditions applies, submit separate schedules RC for each category of research credit applicable and fill in one of the following ovals on each Schedule RC filed (see instructions): (empty) General research (empty) Defense related (empty) Life science

Part 1. Massachusetts Research Credit Generated

1	Basic research payments made by this corporation	1	
2	Total group basic research payments	2	
3	Group base period amount	3	
4	Group incremental research payments. Subtract line 3 from line 2	4	
5	Total group credit for basic research payments. Multiply line 4 by .15	5	
6	Qualified wage expenses for this corporation	► 6	4,358,309
7	Qualified supply expenses for this corporation	► 7	296,727
8	Qualified computer rental time expenses for this corporation	► 8	3,544
9	65% of qualified contract expenses for this corporation	► 9	11,250
10	Total qualified research expenses for this corporation. Add lines 6 through 9	10	4,669,830
11	Total group qualified research expenses	11	4,669,830
12	Group fixed base percentage. Not more than 16%. See instructions	12	0.030000
13	Group average annual receipts. See instructions	► 13	120,684,497
14	Group base amount. Not less than 50% of line 11	► 14	3,620,535
15	Group incremental research expenses. Subtract line 14 from line 11	15	1,049,295
16	Total group credit for qualified expenses. Multiply line 15 by .10	16	104,930
17	Total basic research payments and qualified expenses for this corporation. Add lines 1 and 10	17	4,669,830
18	Total basic research payments and qualified expenses for the group. Add lines 2 and 11	18	4,669,830
19	Allocation percentage for this corporation. Divide line 17 by line 18	19	1.000000
20	Total group research credit generated. Add lines 5 and 16	20	104,930
21	Total credit generated by this corporation in current year. Multiply line 19 by line 20. See instructions	► 21	104,930

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Part 2. Massachusetts Research Credit Used

The amount of the credit that may be used to reduce the excise is limited to 100% of the corporation's first $25,000 of corporate excise liability plus 75% of the corporation's excise liability over $25,000. A single $25,000 amount applies to all members of an aggregate group, even if not filing as Massachusetts combined group. Corporations that are not members of an aggregate group should enter the amount in line 1 in line 2 and 100% in line 3.

Is this schedule reporting a Life Science Research Credit under M.G.L. Ch. 63 sec. 38W?: ☐ Yes ☑ No

1	Total excise before credits for this corporation (from form 355, line 6, Form 355S, line 9 or Form 355U, line 24)	1	616,923
2	Total group excise before credit. See instructions	2	616,923
3	Allocation percentage for the $25,000 excise bracket	3	1.000000
4	Corporation's share of excise not subject to the 75% limitation	4	25,000
5	Corporation's excise subject to the 75% limitation. Subtract line 4 from line 1	5	591,923
6	75% of excise subject to limitation	6	443,942
7	Corporation's subtotal of excise within the limitation. Add lines 4 and 6	7	468,942
8	Total of other credits applied against this corporation's excise this year	8	316,262
9	Maximum allowable research credit if available. See instructions	9	300,205
10	Corporation's own 15-year carryover credit from prior years	10	150,000
11	Corporation's own unlimited credit from prior years	11	50,000
12	Corporation's own credit generated in current year	12	104,930
13	Corporation's own total research credit available for 2011	► 13	304,930
14	Amount of corporation's credit used against its own excise	14	300,205
15	Amount of corporation's credit used by affiliates. See instructions	15	
16	Total of corporation's credit used this year. Add lines 14 and 15	16	300,205

2011 SCHEDULE RC, P

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CORPORATION NAME: TEST TWO CORP

ON NUMBER: 041111111

Part 3. Reconciliation of Research Credit Carryover

Is this schedule reporting a Life Science Research Credit under M.G.L. Ch. 63 sec. 38W?: Yes No

		a. Available credits at start of year	b. Credits used in current year	c. Credits converted to unlimited status, expired or refunded	d. Available credits at end of year
1	Credit generated in 1996 1				
2	Credit generated in 1997 2				
3	Credit generated in 1998 3				
4	Credit generated in 1999 4				
5	Credit generated in 2000 5				
6	Credit generated in 2001 6				
7	Credit generated in 2002 7	1,000	1,000		
8	Credit generated in 2003 8	2,000	2,000		
9	Credit generated in 2004 9	3,000	3,000		
10	Credit generated in 2005 10	4,000	4,000		
11	Credit generated in 2006 11	5,000	5,000		
12	Credit generated in 2007 12	10,000	10,000		
13	Credit generated in 2008 13	20,000	20,000		
14	Credit generated in 2009 14	30,000	30,000		
15	Credit generated in 2010 15	75,000	75,000		
16	Credits generated this year 16	104,930	104,930		
17	Credits available for unlimited carryforward 17	50,000	45,275		

18	Total credits available. Add lines 1 through 17, col. a 18	304,930
19	Total of corporation's credits used. Add lines 1 through 17, col. b 19	300,205
20	Total credits not used. Subtract line 19 from line 18 20	4,725
21	Adjustment for authorized certified life sciences company refunds. See instructions 21	
22	Credits converted to unlimited carryover status 22	
23	Credits expired 23	
24	Total credits available for carryover. See instructions 24	4,725
25	Credits available for carryforward to 2012 no longer subject to 15-year limitation 25	4,725