



PRINT IN BLACK INK

FOR PRIVACY ACT NOTICE, SEE INSTRUCTIONS.

Calendar year filers enter 01-01-2012 and 12-31-2012 below. Fiscal year filers enter appropriate dates.

Tax year beginning ▶ 01 01 2012 Tax year ending ▶ 12 31 2012

# Form 355 Business/Manufacturing Corporation Excise Return 2012

NAME OF CORPORATION <b>TEST TWO CORP</b>		FEDERAL IDENTIFICATION NUMBER (FID) <b>041111111</b>	
PRINCIPAL BUSINESS ADDRESS <b>2 FACTORY ST</b>	CITY/TOWN/POST OFFICE <b>CHELSEA</b>	STATE <b>MA</b>	ZIP + 4 <b>021506371</b>
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 Is the corporation filing a Massachusetts unitary return? (see instructions)  Yes  No
- 5 If the answer to question 4 is Yes, does the corporation's tax year end in a different month than the 355U?  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) **315230**
- 10 FID of principal reporting corporation (if answer to line 4 is Yes) **(SUBJECT TO CHANGE)**
- 11 Average number of employees in Massachusetts **625**
- 12 Average number of employees worldwide **1465**
- 13 Date of charter in Massachusetts or first date of business in Massachusetts **07221987**
- 14 Last year audited by IRS **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

DRAFT AS OF OCTOBER 3, 2012 (SUBJECT TO CHANGE)

**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) <b>DAVID DAVIDSON</b>	Date <b>01 20 13</b>	Print paid preparer's name <b>RICHARD RICHIE</b>	Preparer's SSN or PTIN <b>123456789</b>
Title	Date	Paid preparer's phone <b>(619) 622 2222</b>	Paid preparer's EIN <b>987654321</b>
Are you signing as an authorized delegate of the appropriate corporate officer? <input checked="" type="radio"/> (enclose Form M-2848) <input type="radio"/> No		Paid preparer's signature <i>Richard Richie</i>	Date <input type="radio"/> Fill in if self-employed <b>01 20 13</b>

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

041111111



2012 FORM 355, PAGE 2  
EXCISE CALCULATION

1	Taxable Massachusetts tangible property, if applicable (from Schedule C, line 4)	6508882	x .0026 =	16923
2	Taxable net worth, if applicable (from Schedule D, line 10)		x .0026 =	
3	Massachusetts taxable income (from Schedule E, line 27). Not less than "0"	6294732	x .0800 =	503579
4	Credit recapture (enclose Schedule(s) H and/or H-2). See instructions			2000
5	Additional tax on installment sales			94421
6	Excise before credits. Add line 1 or 2, whichever applies, to total of lines 3 through 5			616923
7	Total credits (from Schedule CR, line 15)			616467
8	Excise after credits. Subtract line 7 from line 6			456
9	Combined filers only, enter the amount of tax from Schedule U-ST, line 41			
10	Minimum excise (cannot be prorated; unitary filers, see instructions)			456
11	Excise due before voluntary contribution. (line 8 or 10, whichever is greater)			456
12	Voluntary contribution for endangered wildlife conservation			100
13	Excise due plus voluntary contribution. Add lines 11 and 12			556
14	2011 overpayment applied to your 2012 estimated tax			1000
15	2012 Massachusetts estimated tax payments (do not include amount in line 14)			10000
16	Payment made with extension			100
17	Pass-through entity withholding (from Schedule 3K-1) Payer ID number	041211111		2500
18	Total refundable credits (from Schedule RF, line 7)			1500
19	Total payments. Add lines 14 through 18			15100
20	Amount overpaid. Subtract line 13 from line 19			14544
21	Amount overpaid to be credited to 2013 estimated tax			13544
22	Amount overpaid to be refunded. Subtract line 21 from line 20			1000
23	Balance due. Subtract line 19 from line 13			
24	a. M-2220 penalty		b. Late file/pay penalties	
25	Interest on unpaid balance			
26	Payment due at time of filing. Make check payable to Commonwealth of Massachusetts		Total due	

DRAFT AS OF  
OCTOBER 3, 2012  
(SUBJECT TO CHANGE)



CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

041111111

Schedule A Balance Sheet

2012

ASSETS	A. ORIGINAL COST	B. ACCUMULATED DEPRECIATION AND AMORTIZATION	C. NET BOOK VALUE
<b>1</b> Capital assets in Massachusetts:			
a. Buildings ..... ▶ 1a	4848956	2099229	2749727
b. Land ..... ▶ 1b	6383750		6383750
c. Motor vehicles and trailers ..... ▶ 1c	1039333	631100	408233
d. Machinery taxed locally ..... ▶ 1d			
e. Machinery <b>note</b> taxed locally ..... 1e	6473155	1150009	5323146
f. Equipment ..... 1f	65366	13073	52293
g. Fixtures ..... 1g	95600	27314	68286
h. Leasehold improvements taxed locally ..... ▶ 1h	58375	18680	39695
i. Leasehold improvements <b>not</b> taxed locally ..... 1i	282375	37650	244725
j. Other fixed depreciable assets ..... 1j	18750	6000	12750
k. Construction in progress ..... 1k	590645		590645
l. Total capital assets in Massachusetts ..... ▶ 1l			15873250
<b>2</b> Inventories in Massachusetts:			
a. General merchandise ..... 2a			207364
b. Exempt goods ..... ▶ 2b			28375
<b>3</b> Supplies and other non-depreciable assets in Massachusetts ..... 3			9673
<b>4</b> Total tangible assets in Massachusetts ..... ▶ 4			16118662
<b>5</b> Capital assets outside of Massachusetts:			
a. Buildings and other depreciable assets ..... 5a	5567481	261542	5305939
b. Land ..... 5b	1578700		1578700
<b>6</b> Leaseholds/leasehold improvements outside Massachusetts ..... 6	624965	342224	282741
<b>7</b> Total capital assets outside Massachusetts ..... ▶ 7	7771146	603766	7167380

DRAFT AS OF OCTOBER 3, 2012 (SUBJECT TO CHANGE)

BE SURE TO CONTINUE SCHEDULE A ON OTHER SIDE



8	Inventories outside Massachusetts .....	8	399843
9	Supplies and other non-depreciable assets outside Massachusetts .....	9	28991
10	Total tangible assets outside of Massachusetts .....	10	7596214
11	Total tangible assets. Add lines 4 and 10 .....	11	23714876
12	Investments (capital stock investments and equity contributions only):		
	a. Investments in subsidiary corporations at least 80% owned (enclose Schedule A-1) .....	▶ 12a	400331
	b. Other investments .....	▶ 12b	
13	Notes receivable .....	13	1953618
14	Accounts receivable .....	14	6564937
15	Intercompany receivables (enclose Schedule A-2) .....	▶ 15	17500
16	Cash .....	16	6365508
17	Other assets .....	17	268719
18	Total assets .....	▶ 18	39285489
<b>LIABILITIES AND CAPITAL</b>			
19	Mortgages on:		
	a. Massachusetts tangible property taxed locally .....	19a	1710791
	b. Other tangible assets .....	19b	547868
20	Bonds and other funded debt .....	20	356250
21	Accounts payable .....	21	3404856
22	Intercompany payables (enclose Schedule A-3) .....	▶ 22	500000
23	Notes payable .....	23	358840
24	Miscellaneous current liabilities .....	24	619500
25	Miscellaneous accrued liabilities .....	25	227474
26	Total liabilities .....	▶ 26	7725579
27	Total capital stock issued .....	27	4488750
28	Paid-in or capital surplus .....	28	9536250
<small>▼ If a loss, mark an X in box at left</small>			
29	Retained earnings and surplus reserves .....	▶ 29	17928600
30	Undistributed S corporation net income .....	▶ 30	
31	Total capital. Add lines 27 through 30 .....	31	31953600
32	Treasury stock .....	32	393750
33	Total liabilities and capital. Do not enter less than "0" .....	33	39285429

DRAFT AS OF

OCTOBER 3, 2012

(SUBJECT TO CHANGE)



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FEDERAL IDENTIFICATION NUMBER

041111111

Schedule B Tangible or Intangible Property Corporation

2012

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

Table with 15 rows for Schedule B. Columns include line number, description, and value. Values are handwritten in yellow boxes. Includes a large red watermark: 'DRAFT AS OF OCTOBER 3, 2012 (SUBJECT TO CHANGE)'.

Schedule C Tangible Property Corporation

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

Table with 4 rows for Schedule C. Columns include line number, description, and value. Values are handwritten in yellow boxes.



CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

041111111

Schedule D Intangible Property Corporation

2012

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

DRAFT AS OF  
OCTOBER 3, 2012  
(SUBJECT TO CHANGE)

1	Total dividends. See instructions	1	28000
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	7000
5	Dividends from RICs	5	
6	Dividends from REITs	6	
7	Total taxable dividends. Add lines 2 through 6	7	7000
8	Dividends eligible for deduction. Subtract line 7 from line 1	8	21000
9	Dividends deduction. Multiply line 8 by .95	9	19950



CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

04111111

Schedule E Taxable Income

2012

▼ If a loss, mark an X in box at left

1	Gross receipts or sales (from U.S. Form 1120, line 1e)	▶ 1	228224543
2	Gross profit (from U.S. Form 1120, line 3)	▶ 2	95125332
3	Other deductions (from U.S. Form 1120, line 26)	▶ 3	48319467
4	Net income (from U.S. Form 1120, line 28)	▶ 4	7585010
5	Allowable U.S. wage credit. See instructions	▶ 5	
6	Subtract line 5 from line 4	▶ 6	7585010
7	State and municipal bond interest not included in U.S. net income	▶ 7	2500
8	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income	▶ 8	513783
9	Section 168(k) "bonus" depreciation adjustment. See instructions	▶ 9	X 3600
10	Section 31I and 31K intangible expense add back adjustment. See instructions	▶ 10	72277
11	Section 31J and 31K interest expense add back adjustment. See instructions	▶ 11	27863
12	Federal production activity add back adjustment. See instructions	▶ 12	5000
13	Other adjustments, including research and development expenses. See instructions	▶ 13	104930
14	Add lines 6 through 13.	▶ 14	8307763
15	Abandoned building renovation deduction. <input type="checkbox"/> x .10 =	▶ 15	
16	Dividends deduction (from Schedule E-1, line 9).	▶ 16	19950
17	Exception(s) to the add back of intangible expenses (enclose Schedule ABIE).	▶ 17	7000
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	8280363
20	Income apportionment percentage (from Schedule F, line 5 or 1.0, whichever applies)	▶ 20	0760200
21	Multiply line 19 by line 20	▶ 21	6294732
22	Income not subject to apportionment	▶ 22	
23	Total net income allocated or apportioned to Massachusetts. Add lines 21 and 22	▶ 23	6294732
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	6294732
26	Net operating loss deduction (enclose Schedule E-2)	▶ 26	
27	Massachusetts taxable income. Subtract line 26 from line 25	▶ 27	6294732

DRAFT AS OF OCTOBER 3, 2012 (SUBJECT TO CHANGE)



CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

041111111

Schedule CD Corporate Disclosure

2012

<b>1</b>	Charitable contributions (from U.S. Form 1120, line 19) .....	1	93750
<b>2</b>	Federal research expense allowed under IRC section 174, plus research credit allowed under IRC section 41 (from U.S. Form 1120) .....	2	25167521
<b>3</b>	Accelerated depreciation (ARCS, MARCS, etc.) allowed as a federal deduction:		
	a. Equipment .....	3a	109320
	b. Rental housing .....	3b	
	c. Buildings other than rental housing .....	3c	24483
	d. Pollution control facilities .....	3d	
<b>4</b>	Standard depreciation:		
	a. Equipment .....	4a	50000
	b. Rental housing .....	4b	
	c. Buildings other than rental housing .....	4c	3500
	d. Pollution control facilities .....	4d	
<b>5</b>	Accelerated depreciation less standard depreciation:		
	a. Equipment. Subtract line 4a from line 3a. Not less than "0" .....	5a	59320
	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	20983
	d. Pollution control facilities. Subtract line 4d from line 3d. Not less than "0" .....	5d	
<b>6</b>	Total amortizable costs for which amortization began in 2012 (from U.S. Schedule 4562, line 42, total of all entries in col. c) .....	6	7500
<b>7</b>	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	7500
<b>8</b>	Total current year amortization expense for amortization of costs that began prior to 2012 (from U.S. Schedule 4562, line 43, col. f) .....	8	12000

DRAFT AS OF OCTOBER 3, 2012 (SUBJECT TO CHANGE)

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.



CORPORATION NAME

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FEDERAL IDENTIFICATION NUMBER

041111111

Schedule CR Other Corporate Credits

2012

1	Economic Development Incentive Program credit Certificate number	2020E01397	1	228462
2	Economic Opportunity Area credit		2	
3	3% credit for certain new or expanded investments		3	7000
4	Vanpool credit		4	5000
5	Research credit (from Schedule RC, part 2, line 14)		5	300205
6	Harbor Maintenance Tax credit (from Schedule HM, line 21)		6	8300
7	Brownfields credit Certificate number		7	
8	Low-Income Housing credit Certificate number		8	
9	Historic Rehabilitation credit Certificate number		9	
10	Film Incentive credit Certificate number	2020F00099	10	67500
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	616467

DRAFT AS OF OCTOBER 3, 2012 (SUBJECT TO CHANGE)

Schedule RF Refundable Credits

1	Refundable Film credit		1	
2	Refundable Dairy credit Certificate number		2	
3	Refundable Life Science credit		3	820
4	Refundable Life Science Jobs credit		4	110
5	Refundable Economic Development Incentive credit		5	
6	Conservation Land credit Certificate number	2101L00102	6	570
7	Total refundable credits. Add lines 1 through 6		7	1500



CORPORATION NAME

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FEDERAL IDENTIFICATION NUMBER

041111111

# Schedule F Income Apportionment

2012

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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
TULSA, OK	FACTORY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### APPORTIONMENT FACTORS

- 1** Tangible property:
- a. Property owned (averaged) . . . . . ▶ Massachusetts 3653748 ▶ Worldwide 25451310
  - b. Property rented (capitalized) . . . . . ▶ Massachusetts 432000 ▶ Worldwide 800000
  - c. Total property owned and rented . . . . . Massachusetts 4085748 Worldwide 26251310
  - d. Tangible property apportionment percentage. Divide (from line 1c) Massachusetts total by worldwide total. . . 1d 0155640
- 2** Payroll:
- a. Total payroll . . . . . ▶ Massachusetts 29055395 ▶ Worldwide 50542900
  - b. Payroll apportionment percentage. Divide (from line 2a) Mass. total payroll by worldwide total payroll. . . . . 2b 0574866
- 3** Sales:
- a. Tangibles (Massachusetts destination) . . . ▶ Massachusetts 23000000
  - b. Tangibles (Massachusetts throwback) . . . ▶ Massachusetts 150301277 ▶ Worldwide 227899573
  - c. Services (including mutual fund sales) . . . ▶ Massachusetts 25000 ▶ Worldwide 100000
  - d. Rents and royalties . . . . . ▶ Massachusetts 20000 ▶ Worldwide 50000
  - e. Other . . . . . ▶ Massachusetts 150000 ▶ Worldwide 175000
  - f. Total sales . . . . . Massachusetts 173496277 Worldwide 228224573
  - 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 0760200
- 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 0760200
- 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 46 0760200

DRAFT AS OF OCTOBER 10, 2012 (SUBJECT TO CHANGE)



CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

041111111

Form F-2 Apportionment Report

2012

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 2011 (from 2011 Form F-2, line 1b) ..... ▶ 1a
  - b. Total number of persons employed in Massachusetts in 2012 ..... ▶ 1b
  - c. Total number of persons employed worldwide in 2011 (from 2011 Form F-2, line 1d) ..... ▶ 1c
  - d. Total number of persons employed worldwide in 2012 ..... ▶ 1d
- 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 2011 (from 2011 Schedule F, line 2a, col. a) ..... ▶ 2a
  - b. Total wages paid to employees in Massachusetts in 2012 (from 2012 Schedule F, line 2a, col. a) ..... ▶ 2b
  - c. Total wages paid to employees worldwide in 2011 (from 2011 Schedule F, line 2a, col. b) ..... ▶ 2c
  - d. Total wages paid to employees worldwide in 2012 (from 2012 Schedule F, line 2a, col. b) ..... ▶ 2d
- 3** Tangible property apportionment percentage.
  - a. 2011 percentage (from 2011 Schedule F, line 1d) ..... ▶ 3a
  - b. 2012 percentage (from 2012 Schedule F, line 1d) ..... ▶ 3b
- 4** Payroll apportionment percentage.
  - a. 2011 percentage (from 2011 Schedule F, line 2b) ..... ▶ 4a
  - b. 2012 percentage (from 2012 Schedule F, line 2b) ..... ▶ 4b
- 5** Tax reduction amount resulting from use of the more favorable apportionment formula. .... ▶ 5
- 6** Sales.
  - a. 2011 Massachusetts sales (from 2011 Schedule F, line 3f, col. a) ..... ▶ 6a
  - b. 2012 Massachusetts sales (from 2012 Schedule F, line 3f, col. a) ..... ▶ 6b
  - c. 2011 worldwide sales (from 2011 Schedule F, line 3f, col. b) ..... ▶ 6c
  - d. 2012 worldwide sales (from 2012 Schedule F, line 3f, col. b) ..... ▶ 6d
- 7** Income.
  - a. 2011 Massachusetts income (from 2011 Schedule E or U-E). Enter "0" if a loss ..... ▶ 7a
  - b. 2012 Massachusetts income (from 2012 Schedule E or U-E). Enter "0" if a loss ..... ▶ 7b
  - c. 2011 worldwide income (from 2011 Schedule E or U-E). Enter "0" if a loss ..... ▶ 7c
  - d. 2012 worldwide income (from 2012 Schedule E or U-E). Enter "0" if a loss ..... ▶ 7d

DRAFT AS OF OCTOBER 3, 2012 (SUBJECT TO CHANGE)



<b>8</b>	Book value.		
	a. 2011 book value of plant, land and equipment in Massachusetts (from 2011 Form F-2, line 8b) . . . . .	▶ 8a	2957839
	b. 2012 book value of plant, land and equipment in Massachusetts (from 2012 Schedule A) . . . . .	▶ 8b	3508916
	c. 2011 book value of plant, land and equipment worldwide (from 2011 Form F-2, line 8d) . . . . .	▶ 8c	5149943
	d. 2012 book value of plant, land and equipment worldwide (from 2012 Schedule A) . . . . .	▶ 8d	6103885
<b>9</b>	Net capital investments.		
	a. 2011 net capital investments in Massachusetts (from 2011 Form F-2, line 9b) . . . . .	▶ 9a	400331
	b. 2012 net capital investments in Massachusetts (from 2012 Schedule A) . . . . .	▶ 9b	400331
	c. 2011 net capital investments worldwide (from 2011 Form F-2, line 9d) . . . . .	▶ 9c	400331
	d. 2012 net capital investments worldwide (from 2012 Schedule A) . . . . .	▶ 9d	400331
<b>10</b>	Net assets.		
	a. 2011 net assets (from 2011 Form F-2, line 10b) . . . . .	▶ 10a	9285489
	b. 2012 net assets (from 2012 Schedule A) . . . . .	▶ 10b	23714876
<b>11</b>	Capacity utilization.		
	a. 2011 capacity utilization (from 2011 Form F-2, line 11b) . . . . .	▶ 11a	0766400
	a. 2012 capacity utilization. Divide maximum possible utilization by actual utilization . . . . .	▶ 11b	0834500
<b>12</b>	Outstanding loans.		
	a. 2011 total outstanding loans (from 2011 Form F-2, line 12b) . . . . .	▶ 12a	377726
	b. 2012 total outstanding loans (from 2012 Schedule A) . . . . .	▶ 12b	358840
<b>13</b>	Outstanding mortgages.		
	a. 2011 total outstanding mortgages (from 2011 Form F-2, line 13b) . . . . .	▶ 13a	3377536
	b. 2012 total outstanding mortgages (from 2012 Schedule A) . . . . .	▶ 13b	2258659
<b>14</b>	Base period employment level . . . . .	▶ 14	1200
<b>15</b>	Briefly describe any changes to the number of employees or the wages paid from 2011 to 2012: <u>MORE EMPLOYEES</u> <u>HIRED TO HANDLE MORE ORDERS</u>		
<b>16</b>	Briefly describe any changes to the tangible property percentage from 2011 to 2012: <u>PLANT EXPANDED</u> <u>FOR INCREASED SALES VOLUME</u>		
<b>17</b>	Briefly describe any changes to the payroll apportionment percentage from 2011 to 2012: <u>PAYROLL INCREASED</u> <u>DUE TO ADDITIONAL EMPLOYEES</u>		
	Mutual fund service corporations, complete remainder of Form F-2.		
<b>18</b>	Net assets under management.		
	a. Net assets under management in Massachusetts . . . . .	▶ 18a	39285489
	b. Net assets under management worldwide . . . . .	▶ 18b	39285489
<b>19</b>	Median income of qualified employees.		
	a. Median income of qualified employees in Massachusetts . . . . .	▶ 19a	46489
	b. Median income of qualified employees worldwide . . . . .	▶ 19b	34500

DRAFT AS OF  
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CORPORATION NAME

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Schedule H Investment Tax Credit and Carryovers

2012

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

<b>1</b>	Receipts tests for R&D corporations. Enter only receipts assignable to Massachusetts.	
a.	Total receipts	1a
b.	Receipts from R&D included in 1a	1b
c.	Percent of revenues derived from R&D. Divide line 1b by line 1a.	1c
d.	Describe R&D category _____	
<b>2</b>	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 700000
d.	Total cost of qualified equipment	2d 15000
e.	Total cost of qualified fixtures	2e 35000
f.	Total cost of qualified leasehold improvements taxed locally	2f
g.	Total cost of qualified leasehold improvements not taxed locally	2g 50000
h.	Total cost of qualified other fixed depreciable assets	2h
<b>3</b>	Total cost of eligible properties. Add lines 2a through 2h	3 800000
<b>4</b>	Total U.S. investment tax credit and U.S. basis reduction	4
<b>5</b>	Amount eligible for Massachusetts Investment Tax Credit (ITC). Subtract line 4 from line 3	5 800000
<b>6</b>	Available current-year ITC. Multiply line 5 by .03.	6 24000
<b>7</b>	Amount of credit reduction for assets placed in service during current year but no longer qualified at year end	7
<b>8</b>	Net current year investment tax credit generated	8 24000

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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.

<b>1</b>	Total ITC subject to recapture. . . . .	▶ 1								25000
<b>2</b>	ITC not used to reduce excise in any prior year.									
<b>a.</b>	Amount of recapture offset against unused ITC which has expired . . . . .	2a								2000
<b>b.</b>	Amount of recapture on 2009 assets reducing ITC carryover from 2009. . . . .	2b								7000
<b>c.</b>	Amount of recapture on 2010 assets reducing ITC carryover from 2010. . . . .	2c								
<b>d.</b>	Amount of recapture on 2011 assets reducing ITC carryover from 2011. . . . .	2d								
<b>e.</b>	Amount of recapture reducing unused ITC converted to unlimited carryover status . . . . .	2e								14000
<b>3</b>	ITC recaptured. Subtract the total of lines 2a through 2e from line 1 . . . . .	3								2000

**PART 3. CALCULATION AND 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
<b>1</b>	ITC generated in 2009 that will lapse after 2012 if not used. . . . .	1	1000	1000		
<b>2</b>	ITC generated in 2010 that will lapse after 2013 if not used. . . . .	2	13000	13000	5000	5000
<b>3</b>	ITC generated in 2011 that will lapse after 2014 if not used. . . . .	3	48000	40000	6000	2000
<b>4</b>	ITC generated in the current year (from Part 1, line 8) . . . . .	4	24000	24000		
<b>5</b>	ITC previously transferred to unlimited carryover status . . . . .	5	17000			
<b>6</b>	Corporation's time-limited credits available from prior years. Combine lines 1a, 2a and 3a. . . . .	▶ 6				62000
<b>7</b>	Total of corporation's credits used. Combine lines 1b, 2b, 3b, 4b and 5b. . . . .	▶ 7				68000
<b>8</b>	Total of corporation's credits converted to unlimited status. Combine lines 1c, 2c, 3c and 4c. . . . .	▶ 8				11000
<b>9</b>	Unlimited life credits available for carryforward to 2013. Combine lines 5a and 8 less line 5b . . . . .	▶ 9				28000
<b>10</b>	Credits available for carryforward to 2013 subject to 3-year limitation. Combine lines 2d, 3d and 4d. . . . .	▶ 10				7000





CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

04111111

Schedule RC Research Credit

2012

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 carryforward 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 applicable oval(s):

- Massachusetts gross receipts are being used to compute the fixed base and average annual receipts.
- Federal gross receipts are being used to compute the fixed base and average annual receipts.
- 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):  General research  Defense-related  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	4358309
7	Qualified supply expenses for this corporation	7	296727
8	Qualified computer rental time expenses for this corporation	8	3544
9	65% of qualified contract expenses for this corporation	9	11250
10	Total qualified research expenses for this corporation. Add lines 6 through 9	10	4669830
11	Total group qualified research expenses	11	4669830
12	Group fixed base percentage. Not more than 16%. See instructions	12	0030000
13	Group average annual receipts. See instructions	13	120684497
14	Group base amount. Not less than 50% of line 11	14	3620535
15	Group incremental research expenses. Subtract line 14 from line 11	15	1049295
16	Total group credit for qualified expenses. Multiply line 15 by .10	16	104930
17	Total basic research payments and qualified expenses for this corporation. Add lines 1 and 10	17	4669830
18	Total basic research payments and qualified expenses for the group. Add lines 2 and 11	18	4669830
19	Allocation percentage for this corporation. Divide line 17 by line 18	19	1000000
20	Total group research credit generated. Add lines 5 and 16	20	104930
21	Total credit generated by this corporation in current year. Multiply line 19 by line 20. See instructions	21	104930

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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	616923
2	Total group excise before credit. See instructions	2	616923
3	Allocation percentage for the \$25,000 excise bracket	3	1000000
4	Corporation's share of excise not subject to the 75% limitation	4	25000
5	Corporation's excise subject to the 75% limitation. Subtract line 4 from line 1	5	591923
6	75% of excise subject to limitation	6	443942
7	Corporation's subtotal of excise within the limitation. Add lines 4 and 6	7	468942
8	Total of other credits applied against this corporation's excise this year	8	316262
9	Maximum allowable research credit if available. See instructions	9	300205
10	Corporation's own 15-year carryover credit from prior years	10	150000
11	Corporation's own unlimited credit from prior years	11	50000
12	Corporation's own credit generated in current year	12	104930
13	Corporation's own total research credit available for 2012	13	304930
14	Amount of corporation's credit used against its own excise	14	300205
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	300205

DRAFT AS OF SEPTEMBER 26, 2012 (SUBJECT TO CHANGE)



CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

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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	Credits generated in 1997			
2	Credits generated in 1998			
3	Credits generated in 1999			
4	Credits generated in 2000			
5	Credits generated in 2001			
6	Credits generated in 2002			
7	Credits generated in 2003	1000	1000	
8	Credits generated in 2004	2000	2000	
9	Credits generated in 2005	3000	3000	
10	Credits generated in 2006	4000	4000	
11	Credits generated in 2007	5000	5000	
12	Credits generated in 2008	10000	10000	
13	Credits generated in 2009	20000	20000	
14	Credits generated in 2010	30000	30000	
15	Credits generated in 2011	75000	75000	
16	Credits generated this year	104930	104930	
17	Credits available for unlimited carryforward	50000	45275	
18	Total credits available. Add lines 1 through 17, col. a			304930
19	Total of corporation's credits used. Add lines 1 through 17, col. b			300205
20	Total credits not used. Subtract line 19 from line 18			4725
21	Adjustment for authorized certified life sciences company refunds. See instructions			
22	Credits converted to unlimited carryover status			
23	Credits expired			
24	Total credits available for carryover. See instructions			4725
25	Credits available for carryforward to 2013 no longer subject to 15-year limitation			4725

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