PRINT IN BLACK INK

FOR PRIVACY ACT NOTICE, SEE INSTRUCTIONS.

Calendar year filers enter 01-01-2014 and 12-31-2014 below. Fiscal year filers enter appropriate dates.

Tax year beginning ► 01012014 Tax year ending ► 12312014

Form 355 Business/Manufacturing Corporation Excise Return 2014

NAME OF CORPORATION: 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) ►	● 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) ► 9	315230
10	FID of principal reporting corporation (if answer to line 4 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	07221987
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: 01/20/2015

Print paid preparer's name: RICHARD RICHIE

Preparer's SSN or PTIN ► 123 456 789

Title:

Date: / /

Paid preparer's phone: (619) 622 2222

Paid preparer's EIN ► 987654321

Are you signing as an authorized delegate of the appropriate corporate officer? ● (enclose Form M-2848) ○ No

Paid preparer's signature: Richard Richie

Date ○ Fill in if self-employed: 01/20/2015

Taxpayer's e-mail address:

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

2014 FORM 355, PAGE 2
EXCISE CALCULATION 041 111 111

1	Taxable Massachusetts tangible property, if applicable (from Schedule C, line 4) ►	6508882	× .0026 = ► 1	16923
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" ►	6294732	× .0800 = ► 3	503579
4	Credit recapture (enclose Schedule(s) H and/or H-2). See instructions ► 4			2000
5	Additional tax on installment sales ► 5			94421
6	Excise before credits. Add line 1 or 2, whichever applies, to total of lines 3 through 5 . 6			616923
7	Total credits (from Schedule CR, line 15; unitary filers, see instructions) ► 7			616467
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	2013 overpayment applied to your 2014 estimated tax ► 14			1000
15	2014 Massachusetts estimated tax payments (do not include amount in line 14) ► 15			10000
16	Payment made with extension ► 16			100
17	Pass-through entity withholding (from Schedule 3K-1) Payer ID number ► 041-21-1111 ► 17			2500
18	Total refundable credits (from Schedule RF, line 7) ► 18			1500
19	Total payments. Add lines 14 through 18. 19			15100
20	Amount overpaid. Subtract line 13 from line 19 . 20			14544
21	Amount overpaid to be credited to 2015 estimated tax ► 21			13544
22	Amount overpaid to be refunded. Subtract line 21 from line 20 . Refund ► 22			1000
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	Payment due at time of filing. Make check payable to Commonwealth of Massachusetts . . . Total due ► 26			

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

Schedule A Balance Sheet 2014

	ASSETS	A. ORIGINAL COST	B. ACCUMULATED DEPRECIATION AND AMORTIZATION	C. NET BOOK VALUE
1	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 **not** 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 **not** 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
2	Inventories in Massachusetts:			
	a. General merchandise 2a			207364
	b. Exempt goods ► 2b			28375
3	Supplies and other non-depreciable assets in Massachusetts 3			9673
4	Total tangible assetts in Massachusetts ► 4			16118662
5	Capital assets outside of Massachusetts:			
	a. Buildings and other depreciable assets 5a	5567481	261542	5305939
	b. Land 5b	1578700		1578700
6	Leaseholds/leasehold improvements outside Massachusetts 6	624965	342224	282741
7	Total capital assets outside Massachusetts ► 7	7771146	603766	7167380

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
	LIABILITIES AND CAPITAL	
19	Mortgages on:	
	a. Massachusetts tangible property taxed locally ... 19a	1710791
	b. Other tangible assets ... 19b	547868
20	Bonds and other funded debt ... 20	3562500
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
	▼ If a loss, mark an X in box at left	
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

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

Schedule B Tangible or Intangible Property Corporation Classification 2014

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

1	Total Massachusetts tangible property (from Schedule A, line 4)	1	16118662
2	Massachusetts real estate (from Schedule A, lines 1a and 1b)	2	9133477
3	Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	3	408233
4	Massachusetts machinery taxed locally. Classified manufacturers enter "0" (from Schedule A, line 1d)	4	
5	Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	5	39695
6	Massachusetts tangible property taxed locally. Add lines 2 through 5 ▸	6	9581405
7	Massachusetts tangible property not taxed locally. Subtract line 6 from line 1	7	6537257
8	Total assets (from Schedule A, line 18)	8	39285489
9	Massachusetts tangible property taxed locally (from line 6 above)	9	9581405
10	Total assets not taxed locally. Subtract line 9 from line 8	10	29704084
11	Investments in subsidiaries at least 80% owned (from Schedule A, line 12a)	11	400331
12	Assets subject to allocation. Subtract line 11 from line 10	12	29303753
13	Income apportionment percentage (from Schedule F, line 5)	13	0760200
14	Allocated assets. Multiply line 12 by line 13 ▸	14	22276713
15	Tangible property percentage. Divide line 7 by line 14	15	0293457

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.

1	Total Massachusetts tangible property (from Schedule A, line 4)	1	16118662
2	Exempt Massachusetts tangible property:		
	a. Massachusetts real estate (from Schedule A, lines 1a and 1b)	2a	9133477
	b. Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	2b	408233
	c. Massachusetts machinery taxed locally. Classified manufacturers enter "0" (from Schedule A, line 1d)	2c	
	d. Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	2d	39695
	e. Exempt goods (from Schedule A, line 2b)	2e	28375
	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	9609780
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	6508882

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

Schedule D Intangible Property Corporation 2014

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

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: 041-1111111

Schedule E Taxable Income 2014

		▼ If a loss, mark an X in box at left	
1	Gross receipts or sales (from U.S. Form 1120, line 1e) ► 1		2282245 43
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. × .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 NOL) ► 26		
27	Massachusetts taxable income. Subtract line 26 from line 25 27		6294732
28	Total net operating loss available for carryover to future years ► 28		

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

Schedule CR Other Corporate Credits 2014

1	Economic Development Incentive Program credit Certificate number	4020E01397	1	228462
2	Economic Opportunity Area credit		2	
3	3% credit for certain new or expanded investments		3	
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 23)		6	8300
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	4020F00099	10	67500
11	Medical Device credit Certificate number		11	
12	Employer Wellness Program credit Certificate number	41234W9898	12	6000
13	Certified Housing Development credit Certificate number	4002H00010	13	1000
14	Life Science Company credit		14	
15	Total credits. Add lines 1 through 14		15	616467

Schedule RF Refundable Credits

1	Refundable Film credit		1	
2	Refundable Dairy credit Certificate number	A1234	2	110
3	Refundable Life Science credit		3	820
4	Refundable Economic Development Incentive credit		4	
5	Refundable Conservation Land credit Certificate number	4101L00102	5	500
6	Refundable Community Investment credit Certificate number	4302H00110	6	70
7	Total refundable credits. Add lines 1 through 6		7	1500

CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

04-1111111

Schedule F Income Apportionment 2014

Fill in applicable oval(s):

- (●) Section 38 manufacturer
- ( ) Mutual fund service corporation reporting sales of mutual funds only
- ( ) Mututal 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		( )	●	●
		( )	( )	( )

APPORTIONMENT FACTORS

1 Tangible property:

		Massachusetts	Worldwide
a.	Property owned (averaged)	3653748	25451310
b.	Property rented (capitalized)	432000	800000
c.	Total property owned and rented	4085748	26251310
d.	Tangible property apportionment percentage. Divide (from line 1c) Massachusetts total by worldwide total. . . 1d		0155640

2 Payroll:

		Massachusetts	Worldwide
a.	Total payroll	29055395	505429000
b.	Payroll apportionment percentage. Divide (from line 2a) Mass. total payroll by worldwide total payroll. 2b		0574866

3 Sales:

		Massachusetts	Worldwide
a.	Tangibles (Massachusetts destination)	23000000	
b.	Tangibles (Massachusetts throwback)	150301277	227899573
c.	Services (including mutual fund sales)	25000	100000
d.	Rents and royalties	20000	50000
e.	Other	150000	175000
f.	Total sales	173496277	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 . . . 5 — 0760200

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

Schedule H Investment Tax Credit and Carryovers 2014

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 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		
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	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	
3	Total cost of eligible properties. Add lines 2a through 2h	3	800000
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	800000
6	Available current-year ITC. Multiply line 5 by .03.	6	24000
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	24000

041 111 111

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	25000
2	ITC not used to reduce excise in any prior year.	
	a. Amount of recapture offset against unused ITC which has expired 2a	2000
	b. Amount of recapture on 2011 assets reducing ITC carryover from 2011 2b	7000
	c. Amount of recapture on 2012 assets reducing ITC carryover from 2012 2c	
	d. Amount of recapture on 2013 assets reducing ITC carryover from 2013 2d	
	e. Amount of recapture reducing unused ITC converted to unlimited carryover status 2e	14000
3	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
1	ITC generated in 2011 that will lapse after 2014 if not used 1	1000	1000		
2	ITC generated in 2012 that will lapse after 2015 if not used 2	13000	3000	5000	5000
3	ITC generated in 2013 that will lapse after 2016 if not used 3	48000	40000	6000	2000
4	ITC generated in the current year (from Part 1, line 8) 4	24000	24000		
5	ITC previously transferred to unlimited carryover status 5	17000			

6	Corporation's time-limited credits available from prior years. Combine lines 1a, 2a and 3a ► 6	62000
7	Total of corporation's credits used. Combine lines 1b, 2b, 3b, 4b and 5b ► 7	68000
8	Total of corporation's credits converted to unlimited status. Combine lines 1c, 2c, 3c and 4c ► 8	11000
9	Unlimited life credits available for carryforward to 2015. Combine lines 5a and 8 less line 5b ► 9	28000
10	Credits available for carryforward to 2015 subject to 3-year limitation. Combine lines 2d, 3d and 4d ► 10	7000

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

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	6291983
	c. Qualifying property ... 1c	4492622
	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 11 ... 1d	10784605
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	1105645
	c. Qualifying property ... 2c	4300000
	d. Total purchases and leases made during tax year. Add lines 2a through 2c ... 2d	5405645
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	10000
	c. Qualifying property ... 4c	250000
	d. Total sales, exchanges and retirements made during the tax year. Add lines 4a through 4c ... ▶ 4d	260000
5	Book depreciation taken during the year ... 5	57000
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	7330628
	c. Qualifying property ... 7c	8542622
	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 11 ... 7d	15873250

DRAFT

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 041111111

Schedule RC Research Credit

2014

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 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 Schedule U-IC, line 1) 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 (line 3 percentage × $25,000, but not more than line 1) 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 2014 ..... ▸ 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

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2014 SCHEDULE RC, PAGE 3

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION 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	Credits generated in 1999 1				
2	Credits generated in 2000 2				
3	Credits generated in 2001 3				
4	Credits generated in 2002 4				
5	Credits generated in 2003 5				
6	Credits generated in 2004 6				
7	Credits generated in 2005 7	1000	1000		
8	Credits generated in 2006 8	2000	2000		
9	Credits generated in 2007 9	3000	3000		
10	Credits generated in 2008 10	4000	4000		
11	Credits generated in 2009 11	5000	5000		
12	Credits generated in 2010 12	10000	10000		
13	Credits generated in 2011 13	20000	20000		
14	Credits generated in 2012 14	30000	30000		
15	Credits generated in 2013 15	75000	75000		
16	Credits generated this year 16	104930	104930		
17	Credits available for unlimited carryforward 17	50000	45275		
18	Total credits available. Add lines 1 through 17, col. a 18				304930
19	Total of corporation's credits used. Add lines 1 through 17, col. b 19				300205
20	Total credits not used. Subtract line 19 from line 18 20				4725
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				4725
25	Credits available for carryforward to 2015 no longer subject to 15-year limitation 25				4725