

NOVEMBER 17

AGENDA

LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

November 17, 1987 - 11:00 a.m.

COMMITTEE MEETING ROOM, M-438

1. Approval of Minutes - Meeting October 27, 1987
2. REVIEW OF LEGISLATIVE RULES:
 - a. Bd. of Examiners of Land Surveyors - Rules and Regulations for the Practice of Land Surveying in West Virginia
 - b. Department of Energy - Rules and Regulations Governing Roof Control
 - c. Dept. of Energy - Surface Mining Reclamation Regulations
 - d. Department of Highways - Transportation of Hazardous Wastes upon the Roads and Highways.
 - e. Racing Commission - Thoroughbred Rules, Series 1
 - f. Attorney General - Proposed Legislative Rule Pertaining to the Administration of Preneed Burial Contracts
3. Other Business:

Tuesday, November 17, 1987

11:00 - 1:00 P.M.

Legislative Rule-Making Review Committee
(Code §29A-3-10)

Dan Tonkovich,
ex officio nonvoting member

Robert "Chuck" Chambers,
ex officio nonvoting member

Senate

House

Tucker, Chairman
Boettner
Holmes
Tomblin
Harman
Hylton (absent)

Knight, Chairman
Burk
Murphy
Givens
Stiles (absent)
Pritt

The meeting was called to order by Mr. Knight, Co-Chairman.

The minutes of the October 27, 1987, meeting were approved.

Mike Mowery, Committee Counsel, reviewed his abstract on the rule proposed by the Board of Examiners of Land Surveyors, Rules and Regulations for the Practice of Land Surveying in West Virginia. He told the Committee that the Board had modified the rule based on some of his comments. Mr. Mowery stated that the only area which had not been agreed upon was the section dealing with curriculum. Henry Sipe, a Licensed Land Surveyor, answered questions from the Committee.

Mr. Tucker moved that the proposed rule be approved as modified and that Counsel draft language establishing curriculum standards to be presented at the next meeting as a possible amendment to the proposed rule. The motion was adopted.

Debra Graham, Associate Counsel, reviewed the prior action which the Committee had taken on the rule proposed by the Department of Energy, Rules and Regulations Governing Roof Control. Chris Hamilton, West Virginia Coal Association, addressed the Committee regarding the modification to the proposed rule which it had approved at its August meeting. He stated that he thought the modification was unnecessary and that the Coal Mine Health and Safety Technical Review Board recommend that the modification be deleted. Mr. Hamilton answered questions from the Committee. Roger Hall, Administrator of the Department of Energy, stated that he would be willing to submit the rule in either form.

Mr. Tucker moved that the modification be deleted. The motion was adopted. Delegates Knight and Pritt voted No.

Mr. Givens moved that the proposed rule be approved. The motion was adopted.

Mr. Mowery updated the Committee on what has transpired regarding the rule proposed by the Department of Energy, Surface Mining Reclamation Regulations. Roger Hall answered questions from the Committee.

Mr. Tucker moved that the proposed rule lie over until the December meeting. The motion was adopted.

Mr. Tucker moved that Mr. Knight appear before the Joint Committee on Government and Finance in December to request that the Legislative Rule-Making Review Committee be authorized to meet, if necessary, after the December Interims in order to complete its work. The motion was adopted.

Ms. Graham reviewed the Committee's prior action on the rule proposed by the Department of Highways, Transportation of Hazardous Wastes Upon the Roads and Highways. William Ritchie, Commissioner of the Department of Highways, responded to the letter which he had received from the Committee requesting that he designate certain routes throughout the State for the transportation of hazardous wastes. He answered questions from the Committee. Dennis Treacy, from the Department of Natural Resources, also answered questions regarding designated routes. He then addressed the Committee regarding the other proposed amendments pending before the Committee. Mr. Harman distributed copies of a newspaper article which appeared in the Hagerstown Morning Herald regarding the action which the Committee took on the proposed rule at its October meeting. Mr. Murphy explained that there were certain incorrect statements in the article.

Mr. Murphy moved that the Department be requested to modify the proposed rule on page nine, Section 6.3.2, by inserting the Department of Natural Resources' twenty-four hour telephone number. The motion was adopted.

Mr. Murphy moved that the Department be requested to modify the proposed rule on page eleven, Section 6.5, by inserting language clarifying that local officials must consult with the appropriate state or federal authorities to determine whether or not a clean-up is complete. The motion was adopted.

Mr. Murphy moved that the Department be requested to modify the proposed rule on page eight, Section 5.1, by inserting the citation for the Department of Transportation Regulations, Part 387, Minimum Levels of Financial Responsibility for Motor Carriers in lieu of inserting the language therefrom as requested at the October meeting and that a sentence be added to clarify

that the term "hazardous substance" includes "hazardous wastes". The motion was adopted.

Mr. Knight asked Mr. Ritchie if the Department would be willing to modify the proposed rule in accordance with the prior motions in lieu of the Committee having to amend the proposed rule. Mr. Ritchie stated that he would agree to the proposed modifications.

Mr. Givens moved that the proposed rule be approved as modified.

Mr. Boettner moved that a section be added to the proposed rule relating to the designation of routes for the transportation of hazardous wastes. The motion was rejected.

Mr. Givens' motion was adopted.

Mr. Knight told members of the Committee that the Department of Human Services has decided to submit proposed rules relating to Guidelines for Child Support Awards.

Mr. Mowery discussed the rule proposed by the Racing Commission, Thoroughbred Rules, Series 1. He said that there are only two unresolved issues, those being the setting of jockey fees and the disposal of monies from outstanding or unredeemed pari-mutuel tickets. He told the Committee that the Commission had requested Attorney General opinions on both of these issues and to his knowledge had not received these opinions. Lois Graham, Executive Secretary of the Racing Commission, stated they had not received the Attorney General opinions. John Lukens, representing Mountaineer Park and Charles Town Races, Rodney Peters, representing the Horsemen's Benevolent Protective Association, and Charles Webb, representing the Jockeys' Guild, addressed the Committee regarding the proposed rule.

Mr. Tucker moved that the proposed rule be amended by deleting the two unresolved issues or that the proposed rule be so modified, if the Racing Commission agrees, pending receipt of opinions from the Attorney General. The motion was adopted.

The meeting was adjourned.

ROLL CALL - LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

DATE: Nov. 17, 1987

TIME: 11:00 - 1:00 pm

NAME	Present	Absent	Yeas	Nays
Chambers, Robert "Chuck", Speaker				
Knight, Thomas A.	✓			
Burk, Robert W., Jr.	✓			
Givens, Roy E.	✓			
Pritt, Charlotte	✓			
Stiles, Floyd R.				
Murphy, Patrick H.	✓			
Tonkovich, Dan, President				
Tucker, Larry A.	✓			
Boettner, John "Si"	✓			
Harman, C. N.	✓			
Holmes, Darrell E.	✓			
Hylton, Tracy W.				
Tomblin, Earl Ray	✓			
TOTAL				

RE: _____

REGISTRATION OF PUBLIC
AT
COMMITTEE MEETINGS
WEST VIRGINIA LEGISLATURE

COMMITTEE: Rule-Making Review

DATE: November 17, 1987 11:00 AM

NAME	ADDRESS	REPRESENTING	PLEASE CHECK (X) IF YOU DESIRE TO MAKE A STATEMENT
Please print or write plainly	MOUNTAINEER PARK		
DALE BAIRD		H. B. P. A.	X
RODNEY PETERS	CHARLES TOWN	H. B. P. A.	X
John Philip Melick	Charleston	Appalachian Life Insurance Co.	X
LOIS GREEN	Charleston, WV	Racing Commission	
Roger F. Hall	Charleston, W. Va.	DOE	
JOHN LUKENS	CHARLESTON	CHARLES TOWN RACES	X
Roger K. Price	Charleston	W. Va. Funeral Directors Assn.	X
Tom Burns	"	WV OES	
BILL JOPLING	"	WV OES	
W. K. Smith	Charleston, W. Va.	WV OES	
Tom Hinder	Charleston WV	Attorney General's Off.	
Henry Sipes	Elkins	Land Surveyor	Amusement
Jan Harlowe	Charleston	WVCS	
Charles R. Webb	Charleston	Jockeys Guild	
Joe Koffler	Charleston	Cabot Corp.	
Deems Freaney	"	WVDNR	✓
Bill Koffler	"	DOH	✓
Bill Koffler	"	WVSMRD	

W. Va. bolsters hazardous waste transport rules

By TIM ROWLAND
Staff Writer

MARTINSBURG, W. Va. — Haulers of hazardous waste on West Virginia freeways will now have to abide by more stringent laws designed to protect the public, according to standards set down by a legislative rules committee last week.

Del. Patrick Murphy, D-Morgan/Berkeley, said the rules are designed to protect local residents from potential hazardous waste spills and ensure the carriers are properly monitored.

The new rules are as follows:
• Companies which haul hazardous wastes in tankers will be required to place a \$5 million bond with the state to cover the costs of cleanup if there is a spill.
• Carriers of 55-gallon drums of waste will be required to post a \$1 million bond.

• Various highways in West Virginia will be designated for transportation of hazardous materials. That means a carrier, for example, could not skirt regulations by hauling wastes on U.S. 11 rather than Interstate 81 through Berkeley County.
• Haulers of hazardous wastes

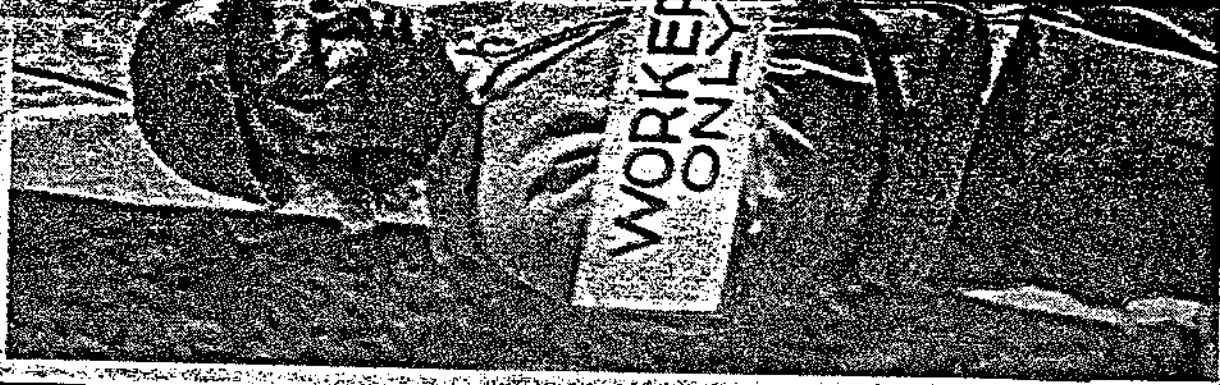
are now required to notify local officials of the contents of their shipments and indicate how wastes are to be cleaned up should there be a spill.

Murphy said the rules are important for the Eastern Panhandle, because I-81 is frequently used for hauling hazardous wastes to safe landfills in Alabama.

Through the past several years, emergency officials from the state have responded to numerous spills of toxic chemicals along the I-81 corridor. The state's new rules are based on current legislation and do not have to be passed by a full session of the legislature, Murphy said.

They are effective immediately. "Hazardous waste has to be transported, but when the waste is in your neighborhood we have to be assured you are protected," Murphy said.

The rules committee, which passed the order, consists of five delegates and five senators. It has broad powers to add to existing state law. Murphy said the new rules may not be completely enforceable, but offer some substantial protection to the Panhandle.



Kim Fessler helps ke

NOVEMBER 17

AGENDA

LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

November 17, 1987 - 5:00 p.m.

COMMITTEE MEETING ROOM, M-438

1. REVIEW OF LEGISLATIVE RULES:

- a. Tax Department - Appraisal of Property for Periodic Statewide Reappraisals for Ad Valorem Property Tax Purposes
- b. Tax Department - Business Franchise Tax
- c. Dept. of Human Services - Guidelines for Child Support Awards
- d. Workers' Compensation Fund - Medical Fee Schedule
- e. Health Care Cost Review Authority - Exemption From Certificate of Need Review

3. Other Business:

Tuesday, November 17, 1987

5:00 - 7:00 p.m.

Legislative Rule-Making Review Committee
(Code §29A-3-10)

Dan Tonkovich,
ex officio nonvoting member

Robert "Chuck" Chambers,
ex officio nonvoting member

Senate

House

Tucker, Chairman
Boettner
Holmes (absent)
Tomblin (absent)
Harman (absent)
Hylton (absent)

Knight, Chairman
Burk (absent)
Murphy
Givens
Stiles (absent)
Pritt

The meeting was called to order by Mr. Knight, Co-Chairman.

Mike Mowery, Committee Counsel, reviewed his abstract on the rule proposed by the Attorney General, Proposed Legislative Rule Pertaining to the Administration of Preneed Burial Contracts and pointed out several problem areas. Tom Hindes, Deputy Attorney General, spoke to the rule and answered questions. Roger Price, W.Va. Funeral Directors Association, addressed the Committee and answered questions.

Mr. Tucker moved that the proposed rule be modified or, in the event that the Attorney General does not agree to the modification, be amended to eliminate the provision allowing the Attorney General to require payment for the first examination.

Ms. Pritt moved to amend Mr. Tucker's motion to allow the Attorney General to require payment for the first examination where a violation is found. The motion was adopted.

Mr. Tucker's motion, as amended, was adopted.

Mr. Murphy moved that a provision be added to the proposed rule requiring that the Attorney General review contracts and direct funeral directors to notify buyers of a change in terms in their contract where the contract does not conform to the most recent changes in the law. The motion was adopted.

Roger Price distributed and discussed a letter to the Committee setting forth the Association's concerns and recommendations.

Phil Melick, representing Appalachian Life Insurance Company, expressed concern to the Committee regarding provisions in the proposed rule relating to life insurance policies purchased for the payment of preneed contracts.

Mr. Tucker moved that the provisions of Section 15, relating to the sale of insurance policies, be stricken from the proposed rule. Following discussion, the motion was withdrawn. Chairman Tucker requested the Attorney General to meet with Mr. Melick to see if the language of Section 15 could be clarified.

Mr. Givens moved that the proposed rule be approved as modified. The motion was adopted.

Mr. Givens moved that the Chairmen be authorized to introduce legislation to resolve the statutory conflict regarding the revocability of preneed burial contracts. The motion was adopted.

Debra Graham, Associate Counsel, reviewed prior Committee action on the rule proposed by the Tax Department, Business Franchise Tax. Mr. Murphy distributed copies of returns for corporate net income tax, business franchise tax and Pennsylvania corporate tax and pointed out the duplicative information required. He stated that he had spoken with representatives of the Tax Department and that they were working on the problem.

Mr. Murphy moved that the proposed rule be approved. The motion was adopted.

Debra Graham reviewed her abstract on the rule proposed by the Workers' Compensation Fund, Medical Fee Schedule, and explained that due to the peculiar nature of the schedule that the Fund is asking that legislation be introduced to exempt the schedule from the rule-making review process. She also explained that there were still several unresolved issues between the Fund, the West Virginia Medical Association and the West Virginia Chiropractic Society which are currently being discussed and hopefully will be resolved in the near future. Nelson Robinson, Workers' Compensation Commissioner, provided the Committee with background information on the proposed rule and reiterated the need for exemption from the rule-making review process.

Mr. Tucker moved that staff be directed to draft a bill for submission to the 1988 Legislature which would exempt the medical fees schedule of the Workers' Compensation Fund from the Legislative Rule-Making Review process. The motion was adopted.

Mr. Robinson and John Farley, Director of the Workers' Compensation Fund, responded to questions.

Mr. Tucker moved that the proposed rule lie over until the next meeting. The motion was adopted.

The meeting was adjourned.

ROLL CALL - LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

DATE: Nov. 17, 1987

TIME: 5:00 - 7:00 pm.

NAME	Present	Absent	Yeas	Nays
Chambers, Robert "Chuck", Speaker				
Knight, Thomas A.	✓			
Burk, Robert W., Jr.				
Givens, Roy E.	✓			
Pritt, Charlotte	✓			
Stiles, Floyd R.				
Murphy, Patrick H.	✓			
Tonkovich, Dan, President				
Tucker, Larry A.	✓			
Boettner, John "Si"	✓			
Harman, C. N.				
Holmes, Darrell E.				
Hylton, Tracy W.				
Tomblin, Earl Ray				
TOTAL				

RE: _____

REGISTRATION OF PUBLIC
AT
COMMITTEE MEETINGS
WEST VIRGINIA LEGISLATURE

COMMITTEE: Legislation Publications Review Comm DATE: November 17, 1987 5-7pm

NAME	ADDRESS	REPRESENTING	PLEASE CHECK (X) IF YOU DESIRE TO MAKE A STATEMENT
Please print or write plainly Phil Melick	No. 50 553 Charleston 25322	Appalachian Life Insurance Co.	X
Don Hebb	814 VA STE Charleston 25301	WVA TAX Dept	
Scott Rogers	"	"	
Gary A. Light	"	"	
Robert A. Hoffmann	"	"	
ABC Contingent	Chas - Capital	State Fire Admin	
Roger K. Price	Charleston	WVA General Director's Office	X
John Matson	"	Tax Dept	As needed
Mark Warden	401 W Cap. Bldg.	Tax Dept	as needed
J. M. Raley	401 Virginia St E	Tax Dept	
C. J. Hoffmann	Charleston	Cabot Corp.	
Vicki R. H. Ward	Chas.	Cal. Gas Trans	
Tom Hinder	Chas.	Attorney General's OFF.	As needed
Ray Plauson	Chas	Hallard & Arnold	
Nicholas B. Robinson Jr.	a	WCF Commission	
Bill Mitchell	"	"	
D. E. Raley	"	WCF	

A corporate officer must sign this report (RCT-101), and a copy of Federal Form 1120 must be attached to page three.



PENNSYLVANIA CORPORATE TAX REPORT

RCT-101 (11-86)

- FIRST REPORT
LAST REPORT
AMENDED REPORT

- INACTIVE REPORT
CORP. CLEARANCE APPLICATION FILED
COMPOSITE TAX REPORT
PA-S-CORP

TAX YEAR BEGINNING 19... TAX YEAR ENDING 19...
BOX NUMBER... EIN...
BUSINESS NAME...

A COMPUTATION OF CAPITAL STOCK FRANCHISE TAX BY TAXPAYER (CHECK APPLICABLE BLOCK)

Table with columns: Proportion of Taxable Assets or Apportionment Percentage, Value of Capital Stock, Taxable Value of Capital Stock, RATE, TAX, Penalty. Includes handwritten 'X' and '='.

B COMPUTATION OF LOANS TAX BY TAXPAYER

Table with columns: Taxable indebtedness, RATE, Treasurer's commission, TAX, Penalty. Includes handwritten 'X .004' and '='.

C COMPUTATION OF CORPORATE NET INCOME TAX BY TAXPAYER

Table with 18 rows for income/loss calculations and 2 columns for tax amounts. Includes handwritten arrows pointing to lines 8 and 18(a).

D APPORTIONMENT PERCENTAGES CAPITAL STOCK/FRANCHISE TAX CORPORATE NET INCOME TAX

Table for Apportionment Percentages with 5 rows: Property Factor, Payroll Factor, Sales Factor, Total of Items 1, 2 and 3, Apportionment Factor.

*If only 2 of the above proportions apply, divide by 2. If only 1 of the above proportions applies, divide by 1.

THIS REPORT MUST BE SIGNED BY AN OFFICER OF THE CORPORATION

I hereby affirm under penalties prescribed by law that this report (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete report.

SIGNATURE OF OFFICER OF COMPANY, TITLE, DATE, INDIVIDUAL OR FIRM SIGNATURE OF PREPARER, DATE, TITLE, ADDRESS, PHONE NUMBER

SCHEDULE LT CORPORATE LOANS TAX INFORMATION

Foreign Corporations - Start with Question 1.
Domestic Corporations - Start with Question 2.

- (Foreign Corporations Only)* Did your corporation have a treasurer or other fiscal officer resident in Pennsylvania and paying interest on indebtedness of the corporation? If answer is NO, remaining questions on this Schedule do not have to be answered. 1. YES NO
 - Did your corporation have indebtedness outstanding to individual residents of Pennsylvania and/or to partnerships resident in Pennsylvania? 2. YES NO
 - Did your corporation have indebtedness outstanding held by a trustee, agent or guardian for a resident individual taxable in its own right or by an executor or administrator of an estate wherein the decedant was a resident of Pennsylvania? 3. YES NO
- If the answers to question 2 and/or 3 were "YES", continue below.

4. Amount of Interest Actually Paid on the Indebtedness in Question 2 or 3 During the Tax Year Reported.	5. Rate of Interest Applicable to the Indebtedness in Question 2 or 3.	6. Nominal Value of Taxable Indebtedness (divide 5 into 4) Enter Total of this Column in Section B or Page 1.

TOTAL _____

TREASURER'S COMMISSION (SEE PAGE 1) IS 5% ON FIRST \$1,000 OF TAX OR FRACTIONAL PART THEREOF; 1% ON AMOUNT OF TAX OVER \$1,000 BUT NOT EXCEEDING \$2,000; 1/2 OF 1% ON AMOUNT OF TAX OVER \$2,000.

GENERAL INFORMATION QUESTIONNAIRE

- LOCATION OF CORPORATION'S RECORDS
- CORPORATION'S RECORDS IN CARE OF _____
- METHOD OF ACCOUNTING IF DIFFERENT THAN FOR FEDERAL _____
- LOCATION OF PRINCIPAL OFFICE _____
- HAS FEDERAL GOVERNMENT CHANGED TAXABLE INCOME AS ORIGINALLY REPORTED FOR ANY PRIOR YEAR FOR WHICH REPORTS OF CHANGE HAVE NOT BEEN FILED IN PA.? GIVE YEAR(S) _____
- NAME AND BOX NUMBER OF ANY CORPORATION HOLDING ALL OR A MAJORITY OF THE STOCK OF THIS CORPORATION. _____
- OTHER CORPORATIONS OF WHICH THIS CORPORATION OWNS ALL OR A MAJORITY OF THE STOCK. _____

NAME	FILE IN PA.?	BOX NUMBER

- DATE OF INCORPORATION _____ 19 _____
- INCORPORATED UNDER LAWS OF STATE OF _____
- BRIEF DESCRIPTION OF CORPORATE ACTIVITY IN PENNSYLVANIA; _____

OUTSIDE PENNSYLVANIA; _____

SCHEDULE NL PENNSYLVANIA NET LOSS CARRYOVER

Pennsylvania Net Loss carryover from Tax Year ending _____

AMOUNT

_____ \$ _____

IF ANNUAL REPORT TO STOCKHOLDERS HAS BEEN PREPARED, SUBMIT SAME WITH THIS REPORT.

Attach a copy of Federal Form 1120 to this page.

SCHEDULE LB

LOCATION OF BUILDINGS AND LAND IN PENNSYLVANIA

OWNED/ RENTED	STREET ADDRESS	CITY	COUNTY

SCHEDULE HE

HISTORY OF EARNINGS AND COMPUTATION OF CAPITAL STOCK VALUATION

CONSECUTIVE 5 YEAR PERIOD	BOOK INCOME (INDICATE LOSS)	(A) FIXED FORMULA	
		*** Average Net Income _____ ÷ .095 = _____	**** Net Worth _____ × .75 = _____
19		Total + 2 = _____	
19			
19			
19			
		***** (B) ALTERNATIVE CAPITAL STOCK VALUE ELECTION	
		1984 Settled Capital Stock Value _____	
		130% of 1984 Settled Value _____	
		1986 Fixed Formula Value _____	
TOTAL			
*** AVERAGE NET INCOME			

* THIS YEAR MUST BE IDENTICAL WITH THE YEAR FOR WHICH THIS REPORT WAS FILED.

** A taxpayer in existence for any part of the year shall be considered to have been in existence for that year based on the number of days that the taxpayer was in existence.

EXAMPLE: The taxpayer incorporated August 1, 1984, reports on a calendar year basis. Its net income for the period August 1, 1984 through December 31, 1984 (153 days) was \$20,000. Its net income for 1985 was \$50,000 and for 1986, \$70,000. Average net income for 1986 would be \$57,870 (\$140,000 ÷ 2 153/365)

*** In no case shall average net income be less than zero.

**** In no case shall net worth be less than zero.

***** In no case shall the tax due using the alternative capital stock value be reduced more than \$500 from that obtained by using the fixed formula and in no case shall the tax due be less than \$75.

STATEMENT IN SUPPORT OF INACTIVE REPORT

(CHECK APPLICABLE BLOCK AND FILL IN APPROPRIATE TAX YEAR (S))

This Pennsylvania Corporation, to which a charter was granted by the Commonwealth of Pennsylvania, did not conduct any business, had no assets, no income, and did not exercise any corporate rights or privileges of any kind whatsoever during the tax year (s) ended _____

This Foreign Corporation, chartered under the laws of a state other than Pennsylvania, did not conduct any business, own property, or exercise any corporate rights or privileges of any kind within the Commonwealth of Pennsylvania during the tax year(s) ended _____

PENNSYLVANIA CORPORATE TAX REPORT SETTLEMENT COMPUTATION

BUREAU USE ONLY

RECEIVED
MAILED

DLN _____

BOX NUMBER _____

TAX YEAR ENDING _____

MAILING INSTRUCTIONS MAIL SETTLEMENT ON ACCOUNT OF THIS REPORT TO:

Name _____

Street _____

CITY _____ STATE _____ ZIP CODE _____

(Affix below the printed adhesive label which has been supplied by the Bureau of Corporation Taxes. If this report is prepared by any party other than the taxpayer, please furnish the preparer with the labels which reflect the name, address and box number of this corporate account).

(TO BE TYPED IN BY TAXPAYER)

DO NOT WRITE BELOW THIS LINE

- YELLOW
- WHITE
- CNI
- OTHER

CAPITAL STOCK/FRANCHISE TAX

LOANS TAX

CORPORATE NET INCOME TAX

SETTLEMENTS — (OFFICIAL) For the _____ year ended

Proportion of Taxable Assets	Value of Capital Stock as appraised by Dept. of Revenue	Taxable Value of Capital Stock	TYPE OF TAX
\$ _____ x	\$ _____ =	\$ _____	<input type="checkbox"/> 01 CAPITAL STOCK <input type="checkbox"/> 02 FRANCHISE
\$ _____	=	_____	SELF-ASSESSED TAX
\$ _____	=	_____	
\$ _____	=	_____	
\$ _____	=	_____	
\$ _____	=	_____	
Total of Proportions _____)	=	_____	TAX DEBIT OR CREDIT
Tax at rate of 10 mills (.010)		\$ _____	\$
Penalty (For failure to file report within time limit prescribed by law)			PENALTY DEBIT 201/2
Amount of Taxable Indebtedness	\$ _____		TYPE OF TAX 03
Tax at rate of 4 mills (.004)	\$ _____		SELF-ASSESSED TAX
Treasurer's Commission	\$ _____		TAX DEBIT OR CREDIT
Tax less Commission		\$ _____	\$
Penalty (For failure to file report within time limit prescribed by law)			PENALTY DEBIT 203
\$ _____ =			TYPE OF TAX 04
\$ _____ =			
\$ _____ =			SELF-ASSESSED TAX
\$ _____ =			
Income to be apportioned	\$ _____		
Amount of Income apportioned to Pennsylvania	\$ _____		
Add or subtract: Nonbusiness Income Allocated to Pennsylvania	\$ _____		TAX DEBIT OR CREDIT
Deduct: Net Loss Deduction carryover	\$ _____		
Total taxable income in Pennsylvania	\$ _____		
Tax at rate of 9 1/2% per cent		\$ _____	\$
Penalty (For failure to file report within time limit prescribed by law)			PENALTY DEBIT (204)

TOTAL OF PERCENTAGES

Apportionment percentage

DEPARTMENT OF REVENUE

DEPARTMENT OF THE AUDITOR GENERAL

DATE

FOR SECRETARY OF REVENUE

DATE

FOR AUDITOR GENERAL

YEAR ENDED

NAME OF CORPORATION

BOX NUMBER

Page 1 of this Insert Sheet must be completed by Pennsylvania corporations claiming the exemption for tangible and intangible assets for Capital Stock Tax purposes and foreign corporations electing to use the single factor apportionment formula for Franchise Tax purposes.

Page 2 of this Insert Sheet must be completed by all corporations apportioning taxable income and by foreign and Pennsylvania corporations using the three (3) factor formula to compute the taxable value of capital stock.

Companies using this Insert Sheet should staple it to the top of page 3, RCT-101.

EXEMPTION CLAIMED FOR TANGIBLE AND INTANGIBLE ASSETS (OMIT CENTS)

EXEMPT TANGIBLE ASSETS (Attach rider, if necessary)	Net Book Value - Beginning		Net Book Value - Ending		E Amount of Exemption Claimed for Average Value of Tangible Assets Located Outside of PA
	A Inside PA	B Outside PA	C Inside PA	D Outside PA	
1. Buildings					
2. Equipment and Fixtures					
3. Land					
4. Leasehold Improvements					
5. Motor Vehicles					
6. Rolling Stock and all other Movable Property					
7. Other Tangible Property					
8. Inventories					
TOTALS					

NOTE: If there was a substantial change during the year, attach a separate schedule explaining same in detail.

EXEMPT INTANGIBLE ASSETS (Attach rider, if necessary)	F Number of Shares or %	G Date Acquired	H Date Sold	I Held (Full Year or No. of Days)	J Book Value	K Exemption Claimed
9. Stocks of Pennsylvania Corporations						
10. Stocks of Foreign Corporations (More than 50% owned)						
11. United States Securities						
12. Exempt State and Local Securities						
13. National Bank Shares						
14. TOTALS (For Exemption Purposes)						

AVERAGE TOTAL ASSETS	\$	_____
Less: AVERAGE EXEMPT ASSETS -Tangibles	\$	_____
Intangibles	\$	_____
Pollution Control Devices (Attach Schedule)	\$	_____
AVERAGE ASSETS TAXABLE IN PA	\$	_____

AVERAGE TAXABLE ASSETS	\$	_____
AVERAGE TOTAL ASSETS	\$	_____

PROPORTION OF TAXABLE ASSETS (For use in Computation on Page 1)

YEAR ENDED

NAME OF CORPORATION

BOX NUMBER

TABLES SUPPORTING DETERMINATION OF APPORTIONMENT PERCENTAGE (OMIT CENTS)

TABLE 1 - PROPERTY FACTOR	Description	Inside PA		Inside and Outside PA	
		Beginning of Year	End of Year	Beginning of Year	End of Year
	Tangible Property Owned (original cost value)				
	Land and Buildings				
	Machinery and Equipment				
	Furniture and Fixtures				
	Automobiles and Trucks				
	Inventories				
	Other Tangible Property				
	Totals				
	Total Beginning and End of Year				
	Average Value (1/2 of Above)				
	Add: Tangible Property Rented at eight times net annual rental rate (Attach Schedule)				
	Total Average Value	(A)		(B)	

Property factor (divide "A" by "B" - compute to six decimal places) _____ (carry over to section D, page 1 of RCT-101)

TABLE 2 - PAYROLL FACTOR	Description	Inside PA	Inside and Outside PA
	Wages, salaries, commissions and other compensation to employes in:		
	Costs of goods sold		
	Compensation of officers		
	Salesmen's salaries and commissions		
	Other		
	Total Payroll	(A)	(B)

Payroll factor (divide "A" by "B" - compute to six decimal places) _____ (carry over to section D, page 1 of RCT-101)

TABLE 3 - SALES FACTOR	Description	Inside PA	Inside and Outside PA
	Net Sales		
	Miscellaneous (explain)		
	Totals	(A)	(B)

Sales factor (divide "A" by "B" - compute to six decimal places) _____ (carry over to section D, page 1 of RCT-101)

TABLE 4 - NONBUSINESS INCOME ALLOCATED INSIDE AND OUTSIDE PA (Attach rider reflecting basis for nonbusiness income)

Description	1. Inside PA	2. Outside PA	3. Total
1. Net Rents and Royalties from Real Property			
2. Net Rents and Royalties from Tangible Personal Property ..			
3. Gains or Losses from Sale of Real Property			
4. Gains or Losses from Sale of Tangible Personal Property ...			
5. Gains or Losses from Sale of Intangible Personal Property ...			
6. Interest Income (Other than U.S. Securities)			
7. Royalties from Patents and Copyrights			
Total			

Special Apportionment Factor - to be completed only by railroad, truck, bus, and airline companies, pipeline or natural gas companies and water transportation companies. (Refer to instructions).

WEST VIRGINIA CORPORATE NET INCOME TAX RETURN

FOR THE TAXABLE YEAR

beginning 19 ending 19

If you have an extension of time to file, attach documentation and enter extended date

Form with fields: Page 1, Corporation Name, Federal Employer's Identification Number, Street Address, Principal Place and Business Activity in West Virginia, City, Town or Post Office, State, Zip Code, Place Where Books Are Kept, Regional Service Center Where Federal Income Tax Returns are Filed, Type of Accounting Method, Business Code No.

NOTE A COPY OF PAGES 1 THROUGH 4 OF YOUR SIGNED FEDERAL RETURN (FORM 1120) MUST BE ATTACHED TO THIS RETURN TO CONSTITUTE A COMPLETE RETURN. Check if Consolidated Return Option Elected

Form with 20 numbered lines for tax calculations: 1. Federal taxable income, 2. Adjustments to federal taxable income, 3. Adjusted federal taxable income, 4. Non-apportionable income/loss allocated to West Virginia, 5. Income/loss apportioned to West Virginia, 6. West Virginia taxable income, 7. Net income tax, 8. Tax credits from Summary Schedule TC, line 13, 9. Credit for Consumer Sales Tax and/or Use Tax, 10. Total credits, 11. Adjusted tax, 12. Estimated tax payments, 13. Tax due, 14. Interest for late payment, 15. Additions to tax for late filing or late payment, 16. Penalty for underpayment of estimated tax, 17. Total due with this return, 18. Overpayment, 19. Amount to be credited to next years tax, 20. Amount to be refunded.

Under penalties of perjury, I declare that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true and complete.

Form with fields for: (Signature of Officer), (Name of Officer—Type or Print), (Title), (Date), (Person to Contact Concerning this Return), (Telephone Number), (Mailing Address), (Signature of preparer other than taxpayer), (Address), (Date).

MAIL TO: STATE TAX DEPARTMENT, ACCOUNTING DIVISION P.O. DRAWER 1202, CHARLESTON, W. VA. 25324-1202 FOR ASSISTANCE CALL (304) 348-3333 TOLL FREE WITHIN W. VA. 1-800-642-9016

DO NOT USE SPACE BELOW:

SCHEDULE A--ADJUSTMENTS TO FEDERAL TAXABLE INCOME (11-24-6)

PART I--INCREASING

1. Interest or dividends from any state or local bonds or securities	1.	_____
2. Interest or dividends from U.S. Government obligations exempt from federal tax but not from state income tax	2.	_____
Income taxes imposed by this state or any other jurisdiction, deducted on your federal return ..	3.	_____
4. Federal depreciation and amortization for certain water & air pollution control facilities	4.	_____
5. Adjustment to federal net operating loss deduction	5.	_____
6. Deferred federal income through ACRS (Schedule F, line 6, col. 4) (Not required for taxable years beginning July 1, 1987 and thereafter)	6.	_____
7. Subtotal (add lines 1 through 6)	7.	_____
8. Business and occupation tax imposed by this state, as deducted on your federal return	8.	_____
9. Carrier income tax imposed by this state, as deducted on your federal return	9.	_____
10. Severance tax imposed by this state, as deducted on your federal return	10.	_____
11. Subtotal (add lines 7, 8, 9 and 10)	11.	_____
12. TOTAL INCREASING ADJUSTMENTS. Enter line 11 if you are claiming credit for lines 8, 9 and 10. Enter line 7 if you are electing to claim lines 8, 9 and 10 as deductions	12.	_____

PART II--DECREASING

13. Sale of property acquired prior to July 1, 1967 (Schedule D, line 7)	13.	_____
14. Refund or credit of income taxes imposed by this or any other jurisdiction, included in federal taxable income	14.	_____
15. Dividends included in federal taxable income. (Not allowable for taxable years beginning July 1, 1987 and thereafter)	15.	_____
16. Capital gains (Schedule E, line 4) (Not allowable for taxable years beginning July 1, 1987 and thereafter)	16.	_____
17. Amount added to federal taxable income due to the elimination of the reserve method of computation of the bad debt deduction (Allowable for taxable years beginning July 1, 1987 and thereafter)	17.	_____
18. Interest expense, actually disallowed in determining federal taxable income, which was incurred or continued to purchase or carry obligations or securities of any state or its political subdivisions (Allowable for taxable years beginning July 1, 1987 and thereafter)	18.	_____
19. Adjustment to federal net operating loss deduction	19.	_____
20. Cost of West Virginia water/air pollution control facilities	20.	_____
21. TOTAL DECREASING ADJUSTMENTS (add lines 13 through 20)	21.	_____
22. NET ADJUSTMENTS TO FEDERAL TAXABLE INCOME (line 12 minus line 21)	22.	_____
23. Schedule A-1 allowance (Schedule A-1, line 11)	23.	< _____ >
24. TOTAL ADJUSTMENTS TO FEDERAL TAXABLE INCOME (the sum of lines 22 and 23). Enter on page 1, line 2	24.	_____

SCHEDULE A-1--ALLOWANCE FOR CERTAIN GOVERNMENT OBLIGATIONS AND OBLIGATIONS SECURED BY RESIDENTIAL PROPERTY

		Average Monthly Balance
1. Federal obligations and securities	1.	
2. Obligations of West Virginia and any political subdivisions of West Virginia	2.	
3. Investments or loans primarily secured by mortgages, or deeds of trust, on residential property located in West Virginia.	3.	
4. Loans primarily secured by a lien or security agreement on residential property in the form of a mobile home, modular home or double-wide, located in West Virginia.	4.	
5. TOTAL (Add Lines 1 through 4)	5.	
6. Total assets as shown on Schedule L, Federal Form 1120 or 1120A	6.	
7. Divide Line 5 by Line 6	7.	
8. Adjusted federal taxable income (from page 1, Line 3)	8.	
Multiplier: one (1.00) minus Line 7	9.	
10. Line 8 X Line 9	10.	
11. Allowance (Difference between Lines 8 and 10) Enter here and on Schedule A, Line 23	11.	

SCHEDULE B—ALLOCATION OF NON-BUSINESS INCOME, LOSS AND EXPENSES (11-24-7)

Identify all items of non-business income, loss and expense, removed from apportionable income and those items directly allocable to West Virginia.

DIRECTLY ALLOCABLE ITEMS OF NON-BUSINESS INCOME OR LOSS	GROSS INCOME		RELATED EXPENSE		NET INCOME	
	Column 1 Everywhere	Column 2 West Virginia	Column 3 Everywhere	Column 4 West Virginia	Column 5 Everywhere	Column 6 West Virginia
1. Rents/royalties from real property						
2. Rents/royalties from tangible personal property						
3. Interest and dividends						
4. Patent/copyright royalties						
5. Capital gains/losses from real property						
6. Capital gains/losses from tangible personal property						
7. Capital gains/losses from intangible personal property.....						
8. Net non-business income/loss (sum of Lines 1 through 7, Column 5 and 6)						
9. Cost of West Virginia water/air pollution control facilities this year					<	>
10. Depreciation/amortization on those facilities this year						
11. Depreciation/amortization on such facilities expensed in a prior year.....						
12. Net West Virginia allocable income/loss/expense (sum of lines 8 through 11, Column 6). Enter on Page 1, line 4.....						

Enter the amount on line 8, Column 5 on Schedule C-1, line 2.

BUSINESS NAME:	ACCOUNT IDENTIFICATION NUMBER:
----------------	--------------------------------

SCHEDULE C—APPORTIONMENT FACTOR (11-24-7)

For use by corporations required to apportion income

	COLUMN 1 Within WV	COLUMN 2 Everywhere	COLUMN 3 Decimal Factor	COLUMN 4 Multiplier	COLUMN 5 WV Factor			
PART I—Owned Property—Original Cost								
1. Inventories								
2. Buildings								
3. Leasehold Improvements								
4. Machinery and Equipment								
5. Furniture and Fixtures								
6. Delivery Equipment								
7. Land								
8. Other Assets								
9. Less: Construction in Process								
10. Total Owned Property								
11. Rental Property (8 X Annual Rate)								
12. Total Property (Add lines 10 and 11)			Col. 1 ÷ Col. 2	X 25%	Round to 6 decimals			
PART II—Salaries, Wages, Commissions and Other Compensation Paid To Employees Included In:								
13. Cost of goods sold								
14. Compensation of officers								
15. Salesman's salaries and commissions ...								
16. All other								
17. Total Payroll (Add lines 13 through 16) ..			Col. 1 ÷ Col. 2	X 25%	Round to 8 decimals			
PART III—SALES								
18. Delivered or shipped to WV purchasers from outside West Virginia								
From within West Virginia								
19. Delivered or shipped from WV to: United States Government								
A state where the taxpayer is not subject to a tax based on or measured by net income								
20. Other business income gross receipts								
21. Total Sales (Add Lines 18 through 20, Column 1. Enter Total Sales—Everywhere, Column 2)						Col. 1 ÷ Col. 2	X 50%	Round to 6 decimals

PART IV—WV APPORTIONMENT FACTOR (Add lines 12, 17 and 21, Column 5)
 Enter on Schedule C-1, line 4

BUSINESS NAME:	ACCOUNT IDENTIFICATION NUMBER:
----------------	--------------------------------

SCHEDULE C-1—COMPUTATION OF INCOME APPORTIONED TO WEST VIRGINIA (11-24-7(e))	
1. Adjusted federal taxable income (page 1, line 3)	1. _____
2. Income allocated (Schedule B, line 8, column 5)	2. _____
3. Income subject to apportionment (line 1 minus line 2)	3. _____
4. West Virginia apportionment factor (Schedule C, Part IV, Column 5)	4. _____
5. West Virginia apportioned income (Line 3 X line 4)	5. _____
Enter on Form 112, Page 1, line 5	

SCHEDULE D—MODIFICATION FOR GAINS FROM SALE OR EXCHANGE OF PROPERTY ACQUIRED PRIOR TO JULY 1, 1967 (11-24-6 (c) (1))							
ATTACH A TRUE COPY OF YOUR FEDERAL SCHEDULE D (AND 4797, IF FILED)							
Kind of property	Column 1 Date acquired	Column 2 Date sold	Column 3 Gain per Schedule D federal return	Column 4 Fair Market value 7-1-67	Column 5 Adjusted federal basis on 7-1-67	Column 6 Original cost or other federal basis	Column 7 Modification Col. 4 minus Col. 5
1.							1.
2.							2.
3.							3.
4.							4.
5.							5.
6.							6.
7. TOTAL (ADD LINES 1 THROUGH 6)							\$ 7.
Enter the amount from line 7 on Schedule A, Line 13. This schedule may include both ordinary and capital gain. Enter any part of the amount on line 7 that is capital gain on Schedule E, line 2 (a).							

SCHEDULE E—MODIFICATION FOR CAPITAL GAINS—SEE "IMPORTANT NOTE" (11-24-6 (c) (4))	
ATTACH A TRUE COPY OF YOUR FEDERAL SCHEDULE D (AND 4797, IF FILED)	
1. Net capital gains (line 10, Schedule D, Federal Form 1120)	1. _____
2. MINUS CAPITAL GAIN INCLUDED ON LINE 7, WEST VIRGINIA SCHEDULE D	2. _____
3. Line 1, less line 2	3. _____
4. Limitation of modification, line 3 multiplied by 37½%	4. _____
Enter the amount from line 4 on Schedule A, line 16.	
"IMPORTANT NOTE": This modification is not allowable for any taxable year beginning July 1, 1987 and thereafter.	

BUSINESS NAME:	ACCOUNT IDENTIFICATION NUMBER:
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SCHEDULE F—DEFERRED FEDERAL INCOME THROUGH ACRS—SEE "IMPORTANT NOTE" (11-24-6 (b) (5))

ATTACH A COPY OF YOUR FEDERAL DEPRECIATION SCHEDULE

Column 1 PROPERTY CLASS	Column 2 ACRS DEDUCTION	Column 3 APPLICABLE %	Column 4 MODIFICATION Col. 2 X Col. 3
1. 3 Year, 19 Year and 35 Year		—0—	
2. 5 Year		10%	
3. 10 Year		15%	
4. 15 Year Public Utility		25%	
5. 15 Year and 18 Year Real		35%	
6. TOTAL			

Enter the amount from line 6, column 4 on Schedule A, line 6.
"IMPORTANT NOTE": This modification is not required for any taxable year beginning July 1, 1987 and thereafter.

SCHEDULE G—TAX COMPUTATION (11-24-4) (5B-2B-5)

STEP 1. Pro-rate Factor (round to six decimals)

1. Number of months in this taxable year prior to July 1, 1987 ÷ 12 1. _____

2. Number of months in this taxable year after July 1, 1987
but prior to July 1, 1988 ÷ 12 2. _____

3. Number of months in this taxable year after July 1, 1988
but prior to July 1, 1989 ÷ 12 3. _____

STEP 2. Tax Computation (See Instructions)

West Virginia taxable income (Form WV/CNT-112, page 1, line 6) 4. _____

5. (A) Enter 6% of the first \$50,000.00 of West Virginia
taxable income (A) _____

(B) Enter 7% of the balance of the West
Virginia taxable income (B) _____

(C) Add lines (A) and (B) (C) _____

(D) Multiply line 5(C) by the pro-rate
factor on line 1, Step 1 5. (D) _____

6. (A) Enter 9.75% of the West Virginia
taxable income (A) _____

(B) Multiply line 6(A) by the pro-rate
factor on line 2, Step 1 6. (B) _____

7. (A) Enter 9.6% of the West Virginia
taxable income (A) _____

(B) Multiply line 7(A) by the pro-rate
factor on line 3, Step 1 7. (B) _____

8. Tax due (Add lines 5(D), 6(B) and 7(B)) 8. _____

9. Effective tax rate (line 8 divided by
line 4, step 2) 9. _____

10. Interest income on loans made to qualified
businesses within an Enterprize Zone 10. _____

11. Tax on such interest income
(line 10 X line 9) 11. _____

12. Enter one-half of line 11 12. _____

13. Subtract line 12 from line 8
Enter on Form WV/CNT-112, page 1, line 7 13. _____

BUSINESS NAME:	ACCOUNT IDENTIFICATION NUMBER:
----------------	--------------------------------

SCHEDULE H—WEST VIRGINIA BUSINESS AND OCCUPATION/CARRIER INCOME TAX CREDIT (11-24-9)

SEE "IMPORTANT NOTE"

(See Instructions)

- 1. Business and Occupation and/or Carrier Income Tax payable 1. _____
- 2. West Virginia Net Income Tax liability divided by 2
(Schedule G, Step 2, line 13 ÷ 2) 2. _____
- 3. West Virginia Net Income Tax liability, on net income subject to
West Virginia Business and Occupation/Carrier Income Tax
(Complete and attach worksheet provided on page 11) 3. _____
- 4. Allowable credit (the smallest of lines 1, 2 or 3) 4. _____

Enter on Credit Summary Schedule, line 1.

"IMPORTANT NOTE"—This credit is not allowable for taxable years beginning after June 30, 1987.

SCHEDULE I—WEST VIRGINIA SEVERANCE TAX CREDIT (11-24-9a)

SEE "IMPORTANT NOTE"

(See Instructions)

- 1. Severance tax payable 1. _____
- 2. West Virginia Net Income Tax liability divided by 2
(Schedule G, Step 2, line 13 ÷ 2) 2. _____
- 3. West Virginia Net Income Tax on net income subject to
West Virginia Severance Tax
(Complete and attach worksheet provided on page 11) 3. _____
- 4. Allowable credit (the smallest of lines 1, 2 or 3) 4. _____

Enter on Credit Summary Schedule, line 2.

BUSINESS NAME:

ACCOUNT IDENTIFICATION NUMBER:

IF THE AMOUNT ON LINE ONE, SCHEDULES H OR I — CREDIT COMPUTATION SCHEDULES — IS FROM MORE THAN ONE TAX ACCOUNT, YOU MUST PROVIDE THIS INFORMATION.

(ATTACH ADDITIONAL PAGE IF NEEDED)

COLUMN 1 TAXPAYER NAME & ADDRESS	COLUMN 2		COLUMN 3 AMOUNT
	IDENTIFICATION NUMBER	TYPE OF TAX	

SUMMARY SCHEDULE TC—TAX CREDITS

- | | |
|---|-----------|
| 1. West Virginia Business and Occupation/Carrier Income Tax Credits
(11-24-9) Complete and attach Schedule H (See Note) | 1. _____ |
| 2. West Virginia Severance Tax Credit
(11-24-9A) Complete and attach Schedule I | 2. _____ |
| 3. Electric and Gas Utilities Rate Reduction Credit
(11-24-11) Complete and attach Schedule J. | 3. _____ |
| 4. Telephone Utilities Rate Reduction Credit
(11-24-11a) Complete and attach Schedule K | 4. _____ |
| 5. West Virginia Veterans Employment Credit
(11-24-12) Complete and attach Schedule L | 5. _____ |
| 6. West Virginia Jobs Credit Carryover
(11-24-10) Complete and attach Schedule M | 6. _____ |
| 7. Business Investment and Jobs Expansion Credit
(11-13C) Complete and attach Computation Schedule | 7. _____ |
| 8. Corporate Headquarters Relocation Credit
(11-13C) Complete and attach Computation Schedule | 8. _____ |
| 9. Small Business Credit
(11-13C) Complete and attach Computation Schedule | 9. _____ |
| 10. Industrial and Trade Jobs Development Credit
(5C-2) Complete and attach Schedule P | 10. _____ |
| 11. Enterprise Zone Credit
(5B-2B) Complete and attach Schedule Q | 11. _____ |
| 12. West Virginia Capital Company investment Credit
(5E-1-8) Complete and attach Schedule R | 12. _____ |
| 13. TOTAL TAX CREDITS
Enter on Page 1, line 8. | 13. _____ |

NOTE: West Virginia Business and Occupation/Carrier Income Tax Credits have expired and are not authorized or allowed for any taxable year beginning after June 30, 1987.

NOTE: THE TOTAL AMOUNT OF TAX CREDITS CANNOT EXCEED THE TAX LIABILITY

BUSINESS NAME: _____	ACCOUNT IDENTIFICATION NUMBER: _____
----------------------	--------------------------------------

ADDITIONAL REQUIRED INFORMATION—MUST BE COMPLETED AND ATTACHED TO FORM WV/CNT-112 OR 112S

- Incorporated under the laws of what state _____
- B. State of commercial domicile _____
- C. Date began doing business in West Virginia _____
- D. Name and address on prior years return if different from that shown on this tax return. State reason for change (e.g. merger; name change, etc.)

- E. If this is a first return indicate whether:
 New business
 Successor to previously operated business
 Enter name, address and federal employer identification number of previously operated business.

- F. Has the federal government redetermined the income tax liability of any corporation, included in this return, for any prior year(s) which has not previously been reported to the Tax Commissioner? Yes_____ No_____

If yes, state year(s) _____ and furnish copies of agent's report(s) under separate cover.
- G. List the years for which federal wavers of the statute of limitations are in effect and dates on which wavers expire _____

- Is this a consolidated return? Yes_____ No_____
- I. Does this corporation have more than 50% direct or indirect ownership ties with another corporation? Yes_____ No_____
 - 1. Name of parent corporation _____
 - 2. Submit schedule showing names of corporations and relationships. Indicate those which are also doing business in West Virginia.
 - 3. Is your federal return filed as a consolidated return? Yes_____ No_____
- J. Attach a schedule of other states in which you have property or paid salaries during this taxable year; indicate those states in which you are filing corporation tax returns based on or measured by net income for this taxable year.
- K. Location of principal accounting records _____

- L. Is this the corporation's final West Virginia return? Yes_____ No_____

If yes, check one: Dissolved _____ Withdrawn _____ IRC 338 Sale _____ Merger/Reorganization _____

Enter federal employer identification number of successor corporation _____

- M. Did this corporation or its subsidiaries have a change in control or ownership during this taxable year; or acquire ownership or control of any other legal entity? Yes_____ No_____
- N. Will a net operating loss be carried over to subsequent taxable years? If yes, show the amount \$ _____
- O. Will any tax credits be carried over to subsequent taxable years? If yes, identify the credit and the amount to be carried over. _____

- Did you file any amended income tax returns with the Internal Revenue Service: Yes_____ No_____. If yes, submit a separate detailed statement, unless previously submitted.

BUSINESS NAME:

ACCOUNT IDENTIFICATION NUMBER:

WORKSHEET—TAX CREDIT SCHEDULES H and I

	B&O TAX ACTIVITY (1)	CARRIER TAX ACTIVITY (2)	SEVERANCE TAX ACTIVITY (3)	OTHER BUSINESS ACTIVITY (4)	ALLOCATED INCOME		TOTAL INCOME (7)
					WEST VIRGINIA (5)	OTHER (6)	
1. Gross receipts/sales							
Less: Returns/allowances							
2. Adjusted gross receipts/sales							
Less: Cost of goods sold/operations							
3. Gross profit							
4. Dividends							
5. Interest							
6. Gross rents							
7. Gross royalties							
8. Capital gain/loss							
9. Gain/loss—Form 4797							
10. Other income							
11. Federal gross income							
12. Adjustments to <u>income</u>							
(a) Increasing							
(b) Decreasing							
13. Adjusted federal income							
14. Federal deductions							
15. Adjustments to <u>deductions</u>							
(a) Increasing							
(b) Decreasing							
16. Adjusted federal taxable income							
17. West Virginia apportionment factor							
18. Income apportioned to West Virginia							
19. West Virginia taxable income							
20. Effective tax rate							
21. West Virginia income tax							

Add line 21, columns 1 and 2, divide by the numeral 2 and enter result on line 3, Schedule H.
 Divide line 21, column 3, by the numeral 2 and enter the result on line 3, Schedule I.

Attach to your tax return

Name	Account Identification Number
------	-------------------------------

Part I How to Figure Your Underpayment

1. Net income tax (Form WV/CNT-112, page 1, line 7)	
2. Tax credits (do not include estimated tax payments)	
3. Subtract line 2 from line 1 (if less than \$600, do not complete the rest of this form)	
4. Enter 90% of line 3	

Enter in columns (a) through (d) the installment dates that correspond to the 15th day of the 4th, 6th, 9th and 12th months of your tax year. If any date falls on a Saturday, Sunday or legal holiday, substitute the next regular work day

5. Enter 25% of line 4 in columns (a) through (d)			
6. (a) Amount paid for each period on or before the due date of the installment payment			
(b) Overpayment of installment applied			
7. Add lines 6(a) and 6(b)			
8. Underpayment (subtract line 7 from line 5) or overpayment (subtract line 5 from line 7)			

Due Dates of Installments

(a)	(b)	(c)	(d)

Part II Exemptions

9. Total amount paid or credited from the beginning of the tax year through the installment dates that correspond to the 15th day of the 4th, 6th, 9th and 12th months of your tax year			
10. Exception 1, prior years tax	25%	50%	75%
11. Exception 2, tax on prior year's income based on the facts shown on the prior year's return but using current year's rates, credits and limitations on credits	25%	50%	75%
12. Exception 3, tax on annualized income (attach computation)	25%	50%	75%

Part III How to Figure the Additions to Tax

Enter same installment dates used above			
13. Amount of underpayment from line 8			
14. Enter date of payment or the due date of the annual return, whichever is earlier			
15. Number of days from due date of installment to the date shown on line 14			
16. Number of days on line 15 before 1/1/87			
17. Number of days on line 15 after 12/31/86 and before 7/1/87			
18. Number of days on line 15 after 6/30/87 and before 1/1/88			
19. Number of days on line 15 after 12/31/87 and before 7/1/88			
20. Number of days on line 15 after 6/30/88 and before 1/1/89			
21. <u>Number of days on line 16</u> X 8% X amount on line 13			
Number of days in the tax year			
22. <u>Number of days on line 17</u> X 8% X amount on line 13			
Number of days in the tax year			
23. <u>Number of days on line 18</u> X % X amount on line 13			
Number of days in the tax year			
24. <u>Number of days on line 19</u> X % X amount on line 13			
Number of days in the tax year			
25. <u>Number of days on line 20</u> X % X amount on line 13			
Number of days in the tax year			
26. Underpayment penalty (add lines 21, 22, 23, 24 and 25)			
27. Add columns (a) through (d), line 26. Enter here and on Form WV/CNT-112, page 1, line 16			

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

OMB No. 1545-0123

1986

For calendar 1986 or tax year beginning _____, 1986, ending _____, 19____
▶ For Paperwork Reduction Act Notice, see page 1 of the instructions.

- Check if a—
- A Consolidated return
 - B Personal Holding Co.
 - C Business Code No. (See the list in the instructions)

Use IRS label. Otherwise please print or type.

Name _____

Number and street _____

City or town, state, and ZIP code _____

D Employer identification number _____

E Date incorporated _____

F Total assets (see Specific Instructions)

Dollars	Cents
\$	

6 Check box if there has been a change in address from the previous year

Income	1a Gross receipts or sales	b Less returns and allowances	Balance ▶	1c	
	2 Cost of goods sold and/or operations (Schedule A)			2	
	3 Gross profit (line 1c less line 2)			3	
	4 Dividends (Schedule C)			4	
	5 Interest			5	
	6 Gross rents			6	
	7 Gross royalties			7	
	8 Capital gain net income (attach separate Schedule D)			8	
	9 Net gain or (loss) from Form 4797, line 17, Part II (attach Form 4797)			9	
	10 Other income (see instructions—attach schedule)			10	
	11 TOTAL income—Add lines 3 through 10 and enter here			▶ 11	
Deductions	12 Compensation of officers (Schedule E)			12	
	13a Salaries and wages	b Less jobs credit	Balance ▶	13c	
	14 Repairs			14	
	15 Bad debts (Schedule F if reserve method is used)			15	
	16 Rents			16	
	17 Taxes			17	
	18 Interest			18	
	19 Contributions (see instructions for 10% limitation)			19	
	20 Depreciation (attach Form 4562)	20			
	21 Less depreciation claimed in Schedule A and elsewhere on return	21a			21b
	22 Depletion			22	
	23 Advertising			23	
	24 Pension, profit-sharing, etc., plans			24	
25 Employee benefit programs			25		
26 Other deductions (attach schedule)			26		
27 TOTAL deductions—Add lines 12 through 26 and enter here			▶ 27		
28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)			28		
29 Less: a Net operating loss deduction (see instructions)	29a			29b	
b Special deductions (Schedule C)	29b			29c	
Tax and Payments	30 Taxable income (line 28 less line 29c)			30	
	31 TOTAL TAX (Schedule J)			31	
	32 Payments: a 1985 overpayment credited to 1986				
	b 1986 estimated tax payments				
	c Less 1986 refund applied for on Form 4466	()			
	d Tax deposited with Form 7004				
	e Credit from regulated investment companies (attach Form 2439)				
	f Credit for Federal tax on gasoline and special fuels (attach Form 4136)				32
33 Enter any PENALTY for underpayment of estimated tax—check <input type="checkbox"/> if Form 2220 is attached				33	
34 TAX DUE—If the total of lines 31 and 33 is larger than line 32, enter AMOUNT OWED				34	
35 OVERPAYMENT—If line 32 is larger than the total of lines 31 and 33, enter AMOUNT OVERPAID				35	
36 Enter amount of line 35 you want: Credited to 1987 estimated tax ▶ Refunded ▶				36	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed Preparer's social security number _____

Firm's name (or yours, if self-employed) and address _____ E.I. No. _____ ZIP code _____

Schedule A Cost of Goods Sold and/or Operations (See instructions for line 2, page 1)

1 Inventory at beginning of year	1	
2 Purchases	2	
3 Cost of labor	3	
4 Other costs (attach schedule)	4	
5 Total—Add lines 1 through 4	5	
6 Inventory at end of year	6	
7 Cost of goods sold and/or operations—Line 5 less line 6. Enter here and on line 2, page 1	7	

8a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market as described in Regulations section 1.471-4 (see instructions)
- (iii) Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)
- (iv) Other (Specify method used and attach explanation) ▶

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **8c**

d If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? Yes No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule C Dividends and Special Deductions (See Schedule C instructions)

	(a) Dividends received	(b) %	(c) Special deductions: multiply (a) X (b)
1 Domestic corporations subject to section 243(a) deduction (other than debt-financed stock)		see instructions	
2 Debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
3 Certain preferred stock of public utilities		see instructions	
4 Foreign corporations and certain FSCs subject to section 245 deduction		see instructions	
5 Wholly-owned foreign subsidiaries and FSCs subject to 100% deduction (sections 245(b) and (c))		100	
6 Total—Add lines 1 through 5. See instructions for limitation			
7 Affiliated groups subject to the 100% deduction (section 243(a)(3))		100	
8 Other dividends from foreign corporations not included in lines 4 and 5			
9 Income from controlled foreign corporations under subpart F (attach Forms 5471)			
10 Foreign dividend gross-up (section 78)			
11 IC-DISC or former DISC dividends not included in lines 1 and/or 2 (section 246(d))			
12 Other dividends			
13 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
14 Total dividends—Add lines 1 through 12. Enter here and on line 4, page 1. ▶			
15 Total deductions—Add lines 6, 7, and 13. Enter here and on line 29b, page 1 ▶			

Schedule E Compensation of Officers (See instructions for line 12, page 1)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

Total compensation of officers—Enter here and on line 12, page 1.

Schedule F Bad Debts—Reserve Method (See instructions for line 15, page 1)

(a) Year	(b) Trade notes and accounts receivable outstanding at end of year	(c) Sales on account	Amount added to reserve		(f) Amount charged against reserve	(g) Reserve for bad debts at end of year
			(d) Current year's provision	(e) Recoveries		
1981						
1982						
1983						
1984						
1985						
1986						

Schedule J Tax Computation (See instructions) (Fiscal year corporations see page 12 of instructions before completing Schedule J)

1 Check if you are a member of a controlled group (see sections 1561 and 1563)

2a If line 1 is checked, see instructions. Enter your portion of each \$25,000 taxable income bracket amount:
 (i) \$ (ii) \$ (iii) \$ (iv) \$

b If your tax year includes July 1, 1987, see instructions and enter share of tax bracket amounts
 (i) (ii)

3 Income tax (see instructions to figure the tax; enter this tax or alternative tax, whichever is less). Check if alternative tax is used

4a Foreign tax credit (attach Form 1118)			
b Possessions tax credit (attach Form 5735)			
c Orphan drug credit (attach Form 6765)			
d Credit for fuel produced from a nonconventional source (see instructions)			
e General business credit. Enter here and check which forms are attached <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8007 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586			
5 Total—Add lines 4a through 4e	5		
6 Line 3 less line 5	6		
7 Personal holding company tax (attach Schedule PH (Form 1120))	7		
8 Tax from recomputing prior-year investment credit (attach Form 4255)	8		
9 Minimum tax on tax preference items (see instructions—attach Form 4626)	9		
10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1	10		

Additional Information (See instruction F)

	Yes	No		Yes	No
H Did the corporation claim a deduction for expenses connected with:			(e) Enter highest amount owed to the corporation by such owner during the year <input type="checkbox"/>		
(1) Entertainment facility (boat, resort, ranch, etc.)?			Note: For purposes of I(1) and I(2), "highest amount owed" includes loans and accounts receivable/payable.		
(2) Living accommodations (except employees on business)?			J Refer to the list in the instructions and state the principal:		
(3) Employees attending conventions or meetings outside the North American area? (See section 274(h).)			Business activity <input type="checkbox"/>		
(4) Employees' families at conventions or meetings? If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).)			Product or service <input type="checkbox"/>		
(5) Employee or family vacations not reported on Form W-2?			K Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)		
I (1) Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) before NOL and special deductions (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by the corporation to such corporation during the year; and (e) highest amount owed to the corporation by such corporation during the year.			If "Yes," attach Form 5471 for each such corporation.		
(2) Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e).			L At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See instruction F and filing requirements for form TD F 90-22.1.)		
(a) Attach a schedule showing name, address, and identifying number.			If "Yes," enter name of foreign country <input type="checkbox"/>		
(b) Enter percentage owned <input type="checkbox"/>			M Was the corporation the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the corporation has any beneficial interest in it?		
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) Note: If "Yes," the corporation may have to file Form 5472.			If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926.		
If "Yes," enter owner's country <input type="checkbox"/>			N During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		
(d) Enter highest amount owed by the corporation to such owner during the year <input type="checkbox"/>			If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		
			O During this tax year did the corporation maintain any part of its accounting/tax records on a computerized system?		
			P Check method of accounting:		
			(1) <input type="checkbox"/> Cash		
			(2) <input type="checkbox"/> Accrual		
			(3) <input type="checkbox"/> Other (specify) <input type="checkbox"/>		
			Q Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>		
			If so, the corporation may have to file Form 8281.		

Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 Trade notes and accounts receivable				
a Less allowance for bad debts				
3 Inventories				
4 Federal and state government obligations				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets				
a Less accumulated depreciation				
10 Depletable assets				
a Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
a Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets				
Liabilities and Stockholders' Equity				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock: a Preferred stock				
b Common stock				
22 Paid-in or capital surplus				
23 Retained earnings—Appropriated (attach schedule)				
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity				

Schedule M-1 Reconciliation of Income per Books With Income per Return	
Do not complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000.	
1 Net income per books	7 Income recorded on books this year not included in this return (itemize)
2 Federal income tax	a Tax-exempt interest \$
3 Excess of capital losses over capital gains
4 Income subject to tax not recorded on books this year (itemize)	8 Deductions in this tax return not charged against book income this year (itemize)
5 Expenses recorded on books this year not deducted in this return (itemize)	a Depreciation \$
a Depreciation \$	b Contributions carryover \$
b Contributions carryover \$
6 Total of lines 1 through 5	9 Total of lines 7 and 8
	10 Income (line 28, page 1)—line 6 less line 9

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 24, Schedule L)	
Do not complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000.	
1 Balance at beginning of year	5 Distributions: a Cash
2 Net income per books	b Stock
3 Other increases (itemize)	c Property
.....	6 Other decreases (itemize)
.....
4 Total of lines 1, 2, and 3	7 Total of lines 5 and 6
	8 Balance at end of year (line 4 less line 7)

Tax Year Beginning _____, 19____, Ending _____, 19____

If you have an extension of time to file, attach documentation and enter extended date _____

THE FIRST LINE OF THIS SECTION IS YOUR ACCOUNT IDENTIFICATION NUMBER. PLEASE REFERENCE YOUR ACCOUNT NUMBER ON ALL CORRESPONDENCE. PLEASE CHANGE NAME AND ADDRESS IF NOT CORRECT.	
FORM OF BUSINESS (CHECK ONE)	CHECK IF:
S CORPORATION	CONSOLIDATED
CORPORATION	SEPARATE
PARTNERSHIP	

SCHEDULE A: COMPUTATION OF BUSINESS FRANCHISE TAX

BEFORE COMPLETING THIS PAGE, COMPLETE ALL APPLICABLE SCHEDULES.

1. Capital (From Page 2, Schedule B, Line 8 OR Page 2, Schedule C, Line 10.)	
2. Allowance for certain government obligations and obligations secured by residential property (From Page 2, Schedule D, Line 11)	
3. Tax base before apportionment (Line 1 minus Line 2) IF ALL INCOME IS REPORTABLE TO WEST VIRGINIA, ENTER THIS AMOUNT ALSO ON LINE 5.	
4. Apportionment percentage (From Page 3, Schedule E, Line 4)	
5. Tax base (Multiply Line 3 by Line 4)	
6. Tax (Enter \$50.00 or Line 5 multiplied by .0055, whichever is greater)	
7a. Credit for tax paid by subsidiary or partnership (From Page 4, Subsidiary Credit Schedule)	
b. Credit for tax paid under §11-13A (Severance Tax) (From Page 4, Severance Tax Credit Schedule)	
c. Credit for taxes paid under §11-3-14 or §11-3-14a (From Page 5, Financial Institutions Credit Schedule)	
d. Credit for Consumer Sales Tax <input type="checkbox"/> _____ and/or Use Tax <input type="checkbox"/> _____	
e. Other credits (From Page 5, Credit Summary Schedule I) (attach appropriate schedules)	
8. Total credits (Add Lines 7a thru 7e)	
9. Net amount of tax (Line 6 less Line 8)	
10. Total estimated payments made for the period covered by this return.	
11. Tax due (Line 9 less Line 10)	
12. Interest for late payment	
13. Additions to tax for late filing or late payment	
14. Penalty for underpayment of estimated tax (Check _____ if Form WV/BFT-120U is attached)	
15. Total due with this return (add Lines 11, 12, 13 and 14)	
16. If Line 10 is larger than Line 9, enter amount overpaid Please check one: Refund <input type="checkbox"/> Credit <input type="checkbox"/> NOTE: If you fail to designate credit or refund, the overpayment will be credited.	

Under penalties of perjury, I declare that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true, and complete.

(Signature of Taxpayer)	(Name of Taxpayer—Type or Print)	(Title)	(Date)
(Person to Contact Concerning this Return)	(Telephone Number)		
(Signature of Preparer other than Taxpayer)	(Address)	(Date)	

MAIL TO: STATE TAX DEPARTMENT, ACCOUNTING DIVISION
P.O. DRAWER 3694, CHARLESTON, WV 25336-3694
FOR ASSISTANCE CALL (304) 348-3333
TOLL FREE WITHIN W. VA. 1-800-642-9016

DO NOT USE SPACE BELOW

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SCHEDULE B: COMPUTATION OF "CAPITAL" FOR CORPORATION

To be completed by Corporations and S Corporations

(COLUMN 1) FIGURES AS REQUIRED ON BALANCE SHEETS OF APPLICABLE FEDERAL TAX FORM	(COLUMN 2) BEGINNING BALANCE	(COLUMN 3) ENDING BALANCE	(COLUMN 4) AVERAGE OF BEGINNING AND ENDING BALANCE
1. Dollar amount of common stock			
2. Dollar amount of preferred stock			
3. Paid-in or capital surplus			
4. Retained earnings appropriated			
5. Retained earnings unappropriated			
6. Add Lines 1 through 5 of Column 4			
7. Less: Cost of Treasury stock			
8. Capital (Line 6 less Line 7 of Column 4) (Enter here and on Page 1, Schedule A, Line 1)			

SCHEDULE C: COMPUTATION OF "CAPITAL" FOR PARTNERSHIP

To be completed by Partnerships

(COLUMN 1) FIGURES AS REQUIRED ON BALANCE SHEET OF FEDERAL FORM 1065	(COLUMN 2) BEGINNING BALANCE	(COLUMN 3) ENDING BALANCE	(COLUMN 4) AVERAGE OF BEGINNING AND ENDING BALANCE
9. Dollar amount of partner's capital accounts			
10. Capital (Line 9 of Column 4) (Enter here and on Page 1, Schedule A, Line 1)			

SCHEDULE D: ALLOWANCE FOR CERTAIN GOVERNMENT OBLIGATIONS AND OBLIGATIONS SECURED BY RESIDENTIAL PROPERTY

	Average Monthly Balance
1. Federal obligations and securities	
2. Obligations of West Virginia and any political subdivisions of West Virginia	
3. Investments or loans primarily secured by mortgages, or deeds of trust, on residential property located in West Virginia	
4. Loans primarily secured by a lien or security agreement on residential property in the form of a mobile home, modular home or double-wide, located in West Virginia	
5. TOTAL (Add Lines 1 through 4)	
6. Total assets as shown on the balance sheet of the applicable federal tax form	
7. Divide Line 5 by Line 6	
8. Capital (From Schedule A, Line 1, Page 1)	
9. Multiplier: one (1.00) minus Line 7	
10. Line 8 X Line 9	
11. Allowance (Difference between Lines 8 and 10) (Enter here and on Page 1, Line 2)	

BUSINESS NAME

ACCOUNT IDENTIFICATION NUMBER:

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SCHEDULE E: APPORTIONMENT FACTOR

Do Not Complete This Schedule If All Income Is Reportable To West Virginia For Purposes of the Corporation Net Income Tax

(COLUMN 1)	(COLUMN 2) TOTAL WITHIN W. VA.	(COLUMN 3) TOTAL SHOWN ON FEDERAL TAX RETURN	(COLUMN 4) COL. 2 ÷ COL. 3	(COLUMN 5) W. VA. FACTOR ROUNDED TO SIX DECIMALS
(1) Payroll Factor (Includes wages and salary and any employee compensation in cost of operations)				X 25%
(2) Property Factor (As reported on the balance sheet of your federal tax return)				X 25%
(3) Sales Factor (Total gross income from business activity reported on your federal tax return)				X 50%
(4) Apportionment Factor (Sum of Lines 1, 2, and 3, Column 5) (Enter here and on Page 1, Schedule A, Line 4)				

COMPLETE IF FILING A CONSOLIDATED RETURN:

FIRMS INCLUDED IN THE RETURN

If filing a consolidated return, please list the names and West Virginia account identification numbers of the firms represented in the return:

NAME

ACCOUNT IDENTIFICATION NUMBER

(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
(12)	

BUSINESS NAME

ACCOUNT IDENTIFICATION NUMBER:

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SCHEDULE F: SUBSIDIARY CREDIT

(COLUMN 1) Business Name and Account Identification Number of subsidiary	(COLUMN 2) Business Franchise Tax which would have been paid by subsidiary or partnership if the tax were computed without the allowance provided in Schedule D	(COLUMN 3) Percentage of parent's total stock ownership of subsidiary or percentage of ownership of partnership	(COLUMN 4) COL. 2 X COL. 3
Name			
Ident. Number			
Name			
Ident. Number			
Name			
Ident. Number			
Name			
Ident. Number			
Name			
Ident. Number			
TOTAL (Enter here and on Page 1, Schedule A, Line 7a)			

SCHEDULE G: SEVERANCE TAX CREDIT

1. Gross receipts earned in the severance, extraction and processing of coal and other natural resource products in West Virginia taxable under the Severance Tax.	\$
2. Total gross income of the taxpayer from all activity in West Virginia.	\$
3. Line 1 ÷ Line 2.	%
4. Business Franchise Tax liability. (From Page 1, Schedule A, Line 6 minus Line 7a)	\$
5. Line 3 X Line 4. (Enter here and on Page 1, Schedule A, Line 7b)	\$

BUSINESS NAME

ACCOUNT IDENTIFICATION NUMBER:

SCHEDULE H: FINANCIAL INSTITUTIONS CREDIT	
1. Property taxes, paid in West Virginia, on shares of stock in a banking institution; national banking association or industrial loan company	
2. Property taxes, paid in West Virginia, on the capital of a building and loan association and federal savings and loan associations	
3. Add Lines 1 and 2	
4. Business Franchise Tax liability (From Page 1, Schedule A, Line 6 minus Lines 7a and 7b)	
5. Allowable credit (lesser of Lines 3 or 4) [Enter here and on Page 1, Schedule A, Line 7(c)]	

SCHEDULE I: OTHER CREDITS SUMMARY	
ATTACH APPLICABLE SCHEDULES	AMOUNT OF CREDIT
1. CREDIT FOR INDUSTRIAL EXPANSION (PRIOR TO APRIL 1, 1978) (11-13D)	
2. CREDIT FOR INDUSTRIAL EXPANSION (APRIL 1, 1978 TO FEBRUARY 28, 1985) (11-13D)	
3. CREDIT FOR INDUSTRIAL REVITALIZATION (JULY 1, 1981 TO FEBRUARY 28, 1985) (11-13D)	
4. CREDIT FOR INDUSTRIAL EXPANSION AND REVITALIZATION (FROM MARCH 1, 1985) (11-13D)	
5. CREDIT FOR RESEARCH AND DEVELOPMENT PROJECTS (FROM JULY 1, 1985) (11-13D)	
6. CREDIT FOR BUSINESS INVESTMENT AND JOBS EXPANSION (FROM MARCH 1, 1985) (11-13C)	
7. CORPORATE HEADQUARTERS RELOCATION CREDITS (FROM FEBRUARY 1, 1986) (11-13C-4a)	
8. SMALL BUSINESS CREDIT (FROM JULY 1, 1987) (11-13C-7a)	
9. CREDIT FOR COAL LOADING FACILITY (APRIL 1, 1983 to FEBRUARY 28, 1985) (11-13E)	
10. CREDIT FOR COAL LOADING FACILITY (FROM MARCH 1, 1985) (11-13E)	
11. CREDIT FOR RESIDENTIAL HOUSING DEVELOPMENT PROJECTS (FROM JULY 1, 1986) (11-13D)	
12. TOTAL CREDITS [Enter here and on Page 1, Schedule A, Line 7(e)]	

Account Identification Number

Part I How to Figure Your Underpayment

1. Business Franchise Tax—(WV/BFT-120, Line 6)	
2. Tax credits (do not include estimated tax payments)	
3. Subtract Line 2 from Line 1	
4. Enter 90% of Line 3	

Enter in columns (a) through (d) the installment dates that correspond to the 15th day of the 4th, 6th, 9th and 12th months of your tax year. If any date falls on a Saturday, Sunday or legal holiday, substitute the next regular work day

- 5. Enter 25% of line 4 in columns (a) through (d)
- 6. (a) Amount paid for each period on or before the due date of the installment payment
- (b) Overpayment of installment applied
- 7. Add lines 6(a) and 6(b)
- 8. Underpayment (subtract line 7 from line 5) or overpayment (subtract line 5 from line 7)

Due Dates of Installments			
(a)	(b)	(c)	(d)

Part II Exceptions

9. Total amount paid or credited from the beginning of the tax year through the installment dates that correspond to the 15th day of the 4th, 6th, 9th and 12th months of your tax year				
Exception 1, prior years tax	25% of tax	50% of Tax	75% of tax	100% of tax
11. Exception 2, prior year's facts. — An amount equal to the tax computed at the rates applicable to the current taxable year, but otherwise on the basis of the facts shown on the return of the taxpayer for, and the law applicable to, the preceding taxable year	25% of tax	50% of Tax	75% of tax	100% of tax
12. Exception 3, tax on annualized tax base (attach computation)	25% of tax	45% of Tax	67.5% of tax	90% of tax

Part III How to Figure the Additions to Tax

Enter same installment dates used above				
13. Amount of underpayment from line 8				
14. Enter date of payment or the due date of the annual return, whichever is earlier				
15. Number of days from due date of installment to the date shown on line 14				
16. Number of days on line 15 after 6/30/87 and before 1/1/88				
17. Number of days on line 15 after 12/31/87 and before 7/1/88				
18. Number of days on line 15 after 6/30/88 and before 1/1/89				
19. <u>Number of days on line 16</u> X 8% X amount on line 13				
Number of days in the tax year				
20. <u>Number of days on line 17</u> X % X Amount on line 13				
Number of days in the tax year				
21. <u>Number of days on line 18</u> X % X Amount on line 13				
Number of days in the tax year				
22. Underpayment penalty (add lines 19, 20 and 21)				
23. Add columns (a) through (d) Line 22	Enter here and on Form WV/BFT-120, page 1, line 14			

Form 1120 Department of the Treasury Internal Revenue Service

U.S. Corporation Income Tax Return

OMB No. 1545-0123

1986

For calendar 1986 or tax year beginning 1986, ending 19

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Check if a--

- A Consolidated return
B Personal Holding Co.
C Business Code No. (See the list in the instructions)

Use IRS label. Otherwise please print or type.

Name, Number and street, City or town, state, and ZIP code

D Employer identification number, E Date incorporated, F Total assets (see Specific Instructions) Dollars Cents

Check box if there has been a change in address from the previous year

Income section table with lines 1a-11 and columns 1c-11

Deductions section table with lines 12-29 and columns 13c-29c

Tax and Payments section table with lines 30-36

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer, Date, Title

Paid Preparer's Use Only Preparer's signature, Date, Check if self-employed, Preparer's social security number, Firm's name (or yours, if self-employed) and address, E.I. No., ZIP code

Schedule A Cost of Goods Sold and/or Operations (See instructions for line 2, page 1)

1 Inventory at beginning of year.	1	
2 Purchases	2	
3 Cost of labor	3	
4 Other costs (attach schedule).	4	
5 Total—Add lines 1 through 4	5	
6 Inventory at end of year	6	
7 Cost of goods sold and/or operations—Line 5 less line 6. Enter here and on line 2, page 1	7	

8a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market as described in Regulations section 1.471-4 (see instructions)
- (iii) Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)
- (iv) Other (Specify method used and attach explanation) ▶

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **8c**

d If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? Yes No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. Yes No

Schedule C Dividends and Special Deductions (See Schedule C instructions)

	(a) Dividends received	(b) %	(c) Special deductions: multiply (a) X (b)
1 Domestic corporations subject to section 243(a) deduction (other than debt-financed stock).		see instructions	
2 Debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
3 Certain preferred stock of public utilities		see instructions	
4 Foreign corporations and certain FSCs subject to section 245 deduction		see instructions	
5 Wholly-owned foreign subsidiaries and FSCs subject to 100% deduction (sections 245(b) and (c))		100	
6 Total—Add lines 1 through 5. See instructions for limitation			
7 Affiliated groups subject to the 100% deduction (section 243(a)(3))		100	
8 Other dividends from foreign corporations not included in lines 4 and 5			
9 Income from controlled foreign corporations under subpart F (attach Forms 5471)			
10 Foreign dividend gross-up (section 78)			
11 IC-DISC or former DISC dividends not included in lines 1 and/or 2 (section 246(d))			
12 Other dividends			
13 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
14 Total dividends—Add lines 1 through 12. Enter here and on line 4, page 1. ▶			
15 Total deductions—Add lines 6, 7, and 13. Enter here and on line 29b, page 1 ▶			

Schedule E Compensation of Officers (See instructions for line 12, page 1)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

Total compensation of officers—Enter here and on line 12, page 1.

Schedule F Bad Debts—Reserve Method (See instructions for line 15, page 1)

(a) Year	(b) Trade notes and accounts receivable outstanding at end of year	(c) Sales on account	Amount added to reserve		(f) Amount charged against reserve	(g) Reserve for bad debts at end of year
			(d) Current year's provision	(e) Recoveries		
1981						
1982						
1983						
1984						
1985						
1986						

Schedule J Tax Computation (See instructions) (Fiscal year corporations see page 12 of instructions before completing Schedule J)

1 Check if you are a member of a controlled group (see sections 1561 and 1563)

2a If line 1 is checked, see instructions. Enter your portion of each \$25,000 taxable income bracket amount:
 (i) \$ (ii) \$ (iii) \$ (iv) \$

b If your tax year includes July 1, 1987, see instructions and enter share of tax bracket amounts
 (i) (ii)

3 Income tax (see instructions to figure the tax; enter this tax or alternative tax, whichever is less). Check if alternative tax is used

4a Foreign tax credit (attach Form 1118)			
b Possessions tax credit (attach Form 5735)			
c Orphan drug credit (attach Form 6765)			
d Credit for fuel produced from a nonconventional source (see instructions)			
e General business credit. Enter here and check which forms are attached <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8007 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586			
5 Total—Add lines 4a through 4e		5	
6 Line 3 less line 5		6	
7 Personal holding company tax (attach Schedule PH (Form 1120))		7	
8 Tax from recomputing prior-year investment credit (attach Form 4255)		8	
9 Minimum tax on tax preference items (see instructions—attach Form 4626)		9	
10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1		10	

Additional Information (See instruction F)

	Yes	No		Yes	No
H Did the corporation claim a deduction for expenses connected with:			(e) Enter highest amount owed to the corporation by such owner during the year <input type="checkbox"/>		
(1) Entertainment facility (boat, resort, ranch, etc.)?			<i>Note: For purposes of I(1) and I(2), "highest amount owed" includes loans and accounts receivable/payable.</i>		
(2) Living accommodations (except employees on business)?			J Refer to the list in the instructions and state the principal:		
(3) Employees attending conventions or meetings outside the North American area? (See section 274(h).)			Business activity <input type="checkbox"/>		
(4) Employees' families at conventions or meetings?			Product or service <input type="checkbox"/>		
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).)			K Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)		
(5) Employee or family vacations not reported on Form W-2?			If "Yes," attach Form 5471 for each such corporation.		
I (1) Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)			L At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		
If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) before NOL and special deductions (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by the corporation to such corporation during the year; and (e) highest amount owed to the corporation by such corporation during the year.			(See instruction F and filing requirements for form TD F 90-22.1.)		
(2) Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e).			If "Yes," enter name of foreign country <input type="checkbox"/>		
(a) Attach a schedule showing name, address, and identifying number.			M Was the corporation the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the corporation has any beneficial interest in it?		
(b) Enter percentage owned <input type="checkbox"/>			If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926.		
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) <i>Note: If "Yes," the corporation may have to file Form 5472.</i>			N During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		
If "Yes," enter owner's country <input type="checkbox"/>			If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		
(d) Enter highest amount owed by the corporation to such owner during the year <input type="checkbox"/>			O During this tax year did the corporation maintain any part of its accounting/tax records on a computerized system?		
			P Check method of accounting:		
			(1) <input type="checkbox"/> Cash		
			(2) <input type="checkbox"/> Accrual		
			(3) <input type="checkbox"/> Other (specify) <input type="checkbox"/>		
			Q Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>		
			If so, the corporation may have to file Form 8281.		

Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 Trade notes and accounts receivable				
a Less allowance for bad debts				
3 Inventories				
4 Federal and state government obligations				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets				
a Less accumulated depreciation				
10 Depletable assets				
a Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
a Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets				
Liabilities and Stockholders' Equity				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock: a Preferred stock				
b Common stock				
22 Paid-in or capital surplus				
23 Retained earnings—Appropriated (attach schedule)				
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity				

Schedule M-1 Reconciliation of Income per Books With Income per Return

Do not complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000.

1 Net income per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		a Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		a Depreciation \$	
a Depreciation \$		b Contributions carryover \$	
b Contributions carryover \$		9 Total of lines 7 and 8	
6 Total of lines 1 through 5		10 Income (line 28, page 1)—line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 24, Schedule L)

Do not complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000.

1 Balance at beginning of year		5 Distributions: a Cash	
2 Net income per books		b Stock	
3 Other increases (itemize)		c Property	
		6 Other decreases (itemize)	
4 Total of lines 1, 2, and 3		7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	



West Virginia Funeral Directors Association

INCORPORATED

ROGER K. PRICE

Executive Director

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November 16, 1987

Legislative Rule-Making Review Committee
State Capitol
Charleston, West Virginia 25305

Dear Committee Member:

The West Virginia Funeral Directors Association does have concerns relative to the Rules pertaining to the administration of preneed burial contracts filed by the Office of the Attorney General.

Our concerns and recommendations are as follows:

1 - Public Domain

It is recommended that a section be added indicating that the information requested from each certificate holder is not in the "Public Domain" once it is received by the Office of the Attorney General.

This is necessary to ensure the privacy of those who purchase preneed funerals as well as client lists, pricing information, and business information requested by the department.

2 - Application Fee

Section 4. Application for Certificate of Authority or License: Contents of Application.

4.4 - Indicates that the application fee for a Certificate will not be refunded upon rejection of the application. This fee is one hundred dollars (\$100.00) for the first Certificate and two hundred dollars (\$200.00) for each renewal and is not intended to be viewed as a processing fee, thus, we recommend that the word "not" be stricken so that the fee will be refunded if the application is rejected.

3 - Examinations and Fees

Section 5. Initial Examinations.

5.1 - The language in this Rule indicates that the initial examination may occur with or without advance notice.

We recommend that advance notice be given prior to the initial examination due to the fact that a funeral may be in process at the time of a "surprise" inspection and that the inspection would be disruptive.

5.3 - The language in this Rule indicates that a fee and expenses will be charged for the initial examination.

This seems to be contrary to the intent of 47-14-3, (i) (3), which states that "The Certificate holder shall pay for the cost of any examination which is not the first one in that calendar year."

It is recommended that Rule 5.3 be eliminated so that the certificate holder not be charged for the initial examination in a calendar year.

Section 6. Second or Subsequent Examinations.

6.2 - This rule indicates that in addition to an examination fee the department shall charge up to five hundred dollars (\$500.00) for expenses.

This also seems to be contrary to the intent of 47-14-3, (i) (3), which puts a cap of five hundred dollars (\$500.00) on the total cost to the person being audited.

It is recommended that this extra fee be eliminated.

4 - Disciplinary Proceedings

Section 13. Disciplinary Proceedings.

13.1.2 - 13.1.3 - Contains language that in addition to West Virginia Code Section 47-14-11 a Certificate of Authority holder may face disciplinary action for violation of the FTC Funeral Industry Practices Rule and violation of any regulation concerning funeral industry practices.

The FTC Rule is enforced by the Federal Trade Commission and is also included in the Rules of the State Board of Embalmers and Funeral Directors and Rules relative to funeral industry practices at the state level are enforced by the State Licensing Board.

Since the FTC Rule and State Board Rules do not apply to preneed funerals the language contained in 13.1.2 and 13.1.3 make it possible for a certificate holder to be disciplined under the Preneed Rule for something not remotely connected to preneed.

It is recommended that 13.1.2 and 13.1.3 be eliminated.

13.1.4 - Failure to submit to any examination.

For reasons cited in the preceding Rule it is recommended that the words "by the Department" be added to 13.1.4.

5 - Retention of Ten Percent

Section 16. Retention of Ten Percent from Preneed Burial Contract Funds.

16.1.2 - 16.2 - The language indicates that a full and complete accounting for all monies deducted be furnished to the contract buyer and that any deduction be based on actual costs and expenses.

This Rule appears to go beyond the scope of the statute. The Certificate holder must trust at least ninety percent of the total amount and the ten percent that may be retained in no way reduces the amount of the contract. West Virginia Code Section 47-14-5 (a) (1) states only that the contract seller may retain for his own use and benefits and for the purpose of covering his selling expenses, servicing costs and general overhead, an amount not to exceed ten percent of the total amount agreed to be paid by the contract buyer.

It is recommended that 16.1.2 and 16.2 be eliminated.

Thank you for your consideration of our concerns and recommendations.

Sincerely,



Roger K. Price
Executive Director

RKP/scp