Corporate Report of Nondividend Distributions

► For calendar year ending December 31,

OMB No. 1545-0205

De	partment of ernal Reven	the Treasury		► Attach to the	corpor	ation's incom	e tax return.									
_	ame							Emple	oyer identification	number						
Α	Has the	e corporation filed a	Form 545	2 for a prior cale	ndar y	ear?			▶ ☐ Yes	i □ No						
	If "Yes,	" enter the applicabl	e year(s)													
В	Are any	y of the distributions	part of a	partial or comple	te liqu	idation? .			▶ ☐ Yes	i □ No						
	If "Yes,	" attach explanation														
С		Earnings and Profits (See Supporting Information in instructions.)					D Shareholders at Date of Last Dividend Payment									
	(since	ımulated earnings an February 28, 1913) a ing of the tax year .	¢	Number of individualsNumber of partnerships												
	begiiii	ing of the tax year.		<u></u>												
	 Actu current 	al earnings and profi tax year														
	ourron	tax your		*												
E	Corpor	ate Distributions (See	e instruction	ons.)		l										
	Date Paid	Total Amount Paid (Common (C),	Amount Per	Amount Paid Dur		endar Year From ebruary 28, 191	Earnings & Profits 3	Percent	Amount Paid During Calendar Year From Other Than Earnings	Percent						
	Date Palu	Preferred (P), Other (O))	Share	From the Current Year	А	ccumulated	Total	Taxable	& Profits Since February 28, 1913	Nontaxable						
		\$	\$	\$ \$			\$	%	\$	%						
					+											
_					+											
					+											
					+											
					-											
				1												

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Instructions

Section references are to the Internal Revenue Code.

A Change To Note

Corporations with 12 or fewer shareholders are no longer required to attach copies of Forms 1099-DIV (or the information from that form).

Purpose of Form

Complete Form 5452 if the corporation made nondividend distributions to shareholders under section 301, section 1368(c)(3), or section 1371(e).

Who Must File

All corporations that have made nondividend distributions to their shareholders must file Form 5452. If the corporation is a member of a consolidated group, the parent corporation must file Form 5452.

An S corporation should file this form only for distributions made under section 1368(c)(3). However, a corporation making cash distributions under section 1371(e) during the post-termination transition period from being an S corporation should file this form.

How and When To File

A **calendar tax year** corporation must attach Form 5452 and the items listed under **Supporting Information** to its income tax return due for the tax year in which the nondividend distributions were made.

A fiscal tax year corporation must attach Form 5452 and the items listed under Supporting Information to its income tax return due for the first fiscal year ending after the calendar year in which the nondividend distributions were made.

Nondividend Distributions

Nondividend distributions are distributions made to shareholders in the normal course of business.

They are considered fully or partially nontaxable as dividends only because the paying corporation's current and accumulated earnings and profits are less than the distributions. Nondividend distributions do not include tax-free stock dividends or distributions exchanged for stock in liquidations or redemptions.

Supporting Information

- 1. Attach the following information to Form 5452. See Revenue Procedure 75-17, 1975-1 C.B. 677.
- A computation of earnings and profits for the tax year (see the example of a filled-in worksheet on page 3 and a blank worksheet on page 4). If the corporation was required to complete Schedule M-1 (Form 1120) for the tax year, also attach a schedule of the differences between the earnings and profits computation and the Schedule M-1.
- A year-by-year computation of the accumulated earnings and profits, and a schedule of differences since the origin of the company, February 28, 1913, or the last year that information was furnished, whichever is later.

- If the corporation was required to complete Schedule L (Form 1120) for the tax year, a tax basis balance sheet. Show application of the net differences to the balance sheet items as shown on Schedule L. Explain any further adjustments necessary to figure the balance sheet on a tax basis. If the corporation used an accelerated method of depreciation, attach a schedule of the depreciation (and any amortization) figured under the straight line method. Also attach a reconciliation of any difference between that amount and the amount deducted on Form 1120 or other comparable return. See Exhibits B and C in Rev. Proc. 75-17.
- **2.** The parent of a consolidated group must also attach the following information.
- A schedule that shows the allocation of the consolidated tax liability and identifies the method used. (Indicate if an intercompany agreement is in effect.)
- A schedule that shows the taxable income or loss of each member of the consolidated group.
- For each member of a consolidated group that made nondividend distributions, provide the information requested in Item 1 above.

E. Corporate Distributions

Complete Part E, Corporate Distributions, showing the taxable and nontaxable status of distributions reported to shareholders. The percent of distributions that is taxable and the percent that is nontaxable are based on the amounts shown on each line in the column labeled "Total Amount Paid." If noncash distributions were made, attach a statement and show both the tax bases and fair market values.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping						28 hr., 13 min.
Learning about						
the law or the form						58 min.
Preparing the form.						. 2 hr., 24 min.
Copying, assembling	, a	nd				
sending the form to t	he	IR	S			16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed. Form 5452 (Rev. 7-2003) Page **3**

Example of a Filled-In Worksheet for Figuring Current Year Earnings and Profits XYZ Corporation, EIN 00-0000000

123 Main Street Anycity, Yourstate 20200

		nycity, Your					Accumulated	
Date Incorporated: 1/1/89				l Earnings in Books		and Profits nt Year	Earnings and Profits	Key
iviet	hod of Accounting: <u>Accrual</u>		Debit	Credit	Debit	Credit	Credit Balance	Key
Balance forward 12/31/01				\$225,000	<i>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</i>		\$20,900	
2002				+220/000				
1	Taxable income* from Form 1120, line 28 (or							
•	comparable line of other income tax return)			214,700		\$214,700		а
2	Federal income taxes per books and tax return		\$60,000		\$60,000			а
3	Excess of capital losses over capital gains (tax basis)		3,600		3,600			а
4	Depreciation adjustment on earnings and profits							
•	(section 312(k))					24,000		
5	Depreciation adjustment on sale of property			X/////////////////////////////////////	4,000			
6	Total itemized expenses from line 5, Schedule M-1		11,050					
а	Travel and entertainment	\$200			200		<i>X////////////////////////////////////</i>	а
b								
	surrender value (CSV)	9,500			9,500		<i>X////////////////////////////////////</i>	а
С		850			850		<i>X////////////////////////////////////</i>	а
d	Contributions carryover	500			500		<i>X////////////////////////////////////</i>	а
е	0.1 (11.)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						
7	Total itemized income from line 7, Schedule M-1			14,500			<i>X/////////</i>	
а	Life insurance proceeds greater than CSV	6,000				6,000		а
b	Bad debt recovery (not charged against taxable							
	income)	3,500					<i>X/////////</i>	b
С	Tax-exempt interest on municipal bonds	5,000		X/////////////////////////////////////		5,000		а
d	Other (list separately)							
8	Refund of prior year Federal income taxes							
9	Reserve for contingencies		10,000			X/////////////////////////////////////	<i>X////////////////////////////////////</i>	С
10	Additional adjustments:							
				<i></i>			<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	
11	Totals				78,650	249,700		
Cur	rent Year Earnings and Profits					171,050		
Cas	h Distributions:							
	ferred stock: 3/15/02, 6/15/02, 9/15/02, 12/15/02	40,000	<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>		40,000	<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>		a
10,0	000 Shares at 1.00 /Share \times 4 quarters = $40,000$							
	nmon stock:							
	/31/02 - 90,000 Shares at \$1.00 = \$90,000	/ F F O F			(5.505			
	m current year earnings and profits		<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	X/////////	65,525	<i>X////////////////////////////////////</i>	X/////////////////////////////////////	a
From accumulated earnings and profits 23.22%			<i>\\\\\\\\</i>	X//////////	<i>X////////////////////////////////////</i>	X//////////	(20,900)	a
	al distribution from earnings and profits . 96.03%		<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	X//////////	X//////////	X/////////////////////////////////////		
	m other distribution		<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	X/////////	<i>X////////////////////////////////////</i>	X//////////		
Tota	al distribution	90,000	<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	X/////////////////////////////////////	<i>X////////////////////////////////////</i>	<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	<i>X////////////////////////////////////</i>	
	100 100			X/////////				
2. 9/30/02 - 90,000 Shares at \$1.00 = \$90,000				X/////////	45 525			•
From current year earnings and profits			<i>\\\\\\\\</i>	X/////////////////////////////////////	65,525	<i>X////////////////////////////////////</i>	<i>X////////////////////////////////////</i>	a
From other distribution			<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	X//////////	X/////////	X/////////////////////////////////////	<i>X////////////////////////////////////</i>	
	ii distribution	70,000	220,000	X/////////////////////////////////////	<i>X////////////////////////////////////</i>	<i>X////////////////////////////////////</i>		
	al cash distributions		220,000	229,200	171,050	171,050	<i>*/////////</i>	
Totals			304,650 75,450	227,200	111,000	171,030	(20,900)	
Current year change			75,450	\$149,550	<i>\\\\\\\\\</i>	X//////////	\$-0-	

Explanation of Key

a - Identical items on the same line.

b - Item offset in 2000. Bad debt reserve method used for book accounting.

 \boldsymbol{c} - Item partially offset.

Form **5452** (Rev. 7-2003)

^{*} Taxable income before net operating loss deduction and special deductions.

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Worksheet for Figuring Current Year Earnings and Profits

Date Incorporated:					Earnings in Books	Earnings a Currer	and Profits at Year	Accumulated Earnings and Profits	Key
Method of Accounting:				Debit	Credit	Debit	Credit	Credit Balance	Key
Balance forward 12/31/ Year									
1	Taxable income* from Form 1120, line comparable line of other income tax return	n)			<i></i>				
2	Federal income taxes per books and tax re								
3 4	Excess of capital losses over capital gains (tall Depreciation adjustment on earnings and (section 312(k))	profits							
5 6 a	Depreciation adjustment on sale of property Total itemized expenses from line 5, Sched Travel and entertainment	 ule M-1							
b	Life insurance premium greater than surrender value (CSV)								
d	Nondeductible interest paid for tax-exemp Contributions carryover								
7 a	Total itemized income from line 7, Schedu Life insurance proceeds greater than CSV	le M-1							
	Bad debt recovery (not charged against income)								
	Tax-exempt interest on municipal bonds Other (list separately)								
9 10	Reserve for contingencies								
11 Curr	Totals								
Cash	n Distributions:								
From	current year earnings and profits accumulated earnings and profits								
From	distribution from earnings and profits . other distribution	%							
Total	distribution	100%							
	cash distributions								
Curre	ent year change								

^{*} Taxable income before net operating loss deduction and special deductions.