

# ELECTRONIC FILING OPTIONS FOR CORPORATION TAX RETURNS

Corporations may file Missouri MO-1120 Corporate Income and Franchise tax returns electronically in conjunction with the IRS through Modernized E-File (MeF). This system has been developed through a cooperative effort between the IRS, states, and the software community. The system uses the latest electronic technology and industry standards. Corporations may visit the Department's web site at: <http://dor.mo.gov/business/corporate/efile.php> for more information regarding electronic filing as well as a list of approved vendors that support corporate electronic filing. Corporations may choose from the following filing methods:

1. Federal and State Corporation tax returns may be prepared and filed electronically by an IRS approved Electronic Return Originator (ERO). Corporations may visit the IRS web site to find a participating ERO at: <https://www.irs.gov/e-file-providers/modernized-e-file-program-information>.
2. State Corporation MO-1120 returns can be prepared and transmitted as a stand-alone state return through an IRS approved ERO.

## Benefits of Electronic Filing

Convenience • Security • Proof of Filing • Faster Refunds • Greater Accuracy

## FORM MO-1120 GENERAL INFORMATION

This information is for guidance only and does not state the complete law.

### WHO MUST FILE FORM MO-1120

#### Corporation Income Tax:

Every corporation, as defined in Chapter 143, RSMo, is required to file a return of income in Missouri for each year it is required to file a federal income tax return and has gross income from sources within Missouri of \$100 or more. The tax on corporations will not apply to:

- (1) A corporation, which by reason of its purposes and activities is exempt from federal income tax. The preceding sentence shall not apply to unrelated business taxable income and other income on which Chapter 1 of the Internal Revenue Code imposes the federal income tax or any other tax measured by income;

**Note:** Any corporation filing a Federal Form 990, 990EZ, 990N or 990PF should **not** send a copy of the federal form or any Missouri income and franchise tax form to the Department of Revenue.

- (2) An express company as defined in Chapter 153, RSMo, which pays an annual tax on its gross receipts, in this state;
- (3) An insurance company, which pays an annual tax on its gross premium receipts, in this state;
- (4) A Missouri mutual or an extended Missouri mutual insurance company organized under Chapter 380, RSMo; or
- (5) Any other corporation that is exempt from Missouri income taxation under the laws of Missouri or the laws of the United States.

Attach a copy of your Federal Form 1120. Corporations reporting taxable income on a federal return other than a Federal Form 1120 (such as Federal Forms 1120POL, 1120H, 1120SF, 1120REIT, 990T, or 1120C), shall attach a copy of the appropriate federal form and make the computations on Form MO-1120.

A "candidate committee" set up under Section 130.011, RSMo, who is required by the Internal Revenue Code Section 527 to file a Federal Form 1120-POL, but is not set up as a corporation, is not required to file Form MO-1120.

#### Corporation Franchise Tax:

Every corporation must determine if its assets or apportioned assets are greater than \$10,000,000. If its assets (in or apportioned to Missouri) are over \$10,000,000, the corporation must complete and file Schedule MO-FT and Form MO-1120. Attach a copy of the balance sheet and any supporting schedules. If its assets (in or apportioned to Missouri) are equal to or less than \$10,000,000, the corporation must check Box A on Form MO-1120 and sign the return.

**Note:** An S corporation, as defined by Section 1361(a)(1) of the Internal Revenue Code, is not subject to income tax. S corporations must file a Form MO-1120S, if Federal Form 1120S is required to be filed and the S corporation has: (1) a shareholder that is a Missouri resident; or (2) any income derived from Missouri sources (Section 143.471, RSMo). **S corporations required to file corporation franchise tax must file Form MO-1120S with Schedule MO-FT.**

### ADMINISTRATIVE DISSOLUTION

If a corporation required to file income or franchise tax, fails to file and pay the tax within 90 days from the original due date (or 90 days from the extension due date), it shall forfeit its charter (or Certificate of Authority for a foreign corporation) in this state under the provisions of Section 351.486 and 351.602, RSMo.

### MISSOURI REGISTRATION

Every corporation and S corporation must register with the Department of Revenue to receive a Missouri Tax I.D. Number. To register, please contact: **Missouri Department of Revenue, Taxation Division, P.O. Box 3300, Jefferson City, MO 65105-3300, visit <http://dor.mo.gov/>, or call Business Registration at (573) 751-5860.**

### TIME AND PLACE OF FILING AND PAYMENT

#### Corporation Income Tax:

Corporation income tax is due on or before the 15th day of the fourth month following the **end** of the tax year. Example: Taxable period of January 1, 2012, to December 31, 2012; due April 15, 2013.

#### Corporation Franchise Tax:

Corporation franchise tax is due on or before the 15th day of the fourth month following the **beginning** of the tax year. Example: Taxable period of January 1, 2013, to December 31, 2013; due April 15, 2013.

**Note:** When the due date falls on a Saturday, Sunday, or a legal holiday, the return and payment will be considered timely if made on the next business day.

If you have a balance due, mail your return and payment to: **Missouri Department of Revenue, P.O. Box 3365, Jefferson City, MO 65105-3365.** Note: Include the Missouri Tax I.D. Number on the check or money order.

If you are due a refund or have no amount due, mail your return to: **Missouri Department of Revenue, P.O. Box 700, Jefferson City, MO 65105-0700.**

### CONSOLIDATED FEDERAL RETURN AND SEPARATE MISSOURI RETURN

A corporation, which is a member of an affiliated group filing a consolidated federal income tax return, shall (if no Missouri consolidated return is filed) determine its federal taxable income as if it had filed a separate federal income tax return for the year.

The corporation must enclose a pro forma Federal Form 1120, with all pertinent schedules, wherein its separate federal taxable income is computed with Form MO-1120. The first five pages of the actual consolidated federal income tax return and an income statement, or a summary of profit companies for the year, must be attached. The complete consolidated federal return may be required upon an audit of the Missouri return. The corporation's federal income tax deduction will be the amount from the consolidated Federal Form 1120, Schedule J, Line 11 plus Line 5a multiplied by the ratio of the individual profit company divided by the total profit companies of the corporation. This amount will be multiplied by 50 percent to arrive at the Missouri corporation return's federal income tax deduction. For further clarification, see 12 CSR 10-2.090. The computed federal income tax deduction must be multiplied by 50 percent. See Form MO-1120, Part 3.

### **SUBSIDIARIES INCLUDED IN THE FILING OF THIS RETURN**

If the corporation is filing a consolidated Missouri return, attach a separate schedule that lists the names of the subsidiaries, Federal I.D. Numbers and Missouri Tax I.D. Numbers. **Subsidiaries must file a separate Form MO-1120 and Schedule MO-FT for franchise tax and attach their separate balance sheet.**

### **NET OPERATING LOSSES**

Corporations that file a Missouri return with a federal net operating loss (NOL) must treat the loss under the provisions of the Internal Revenue Code. Corporations that file a consolidated federal and separate Missouri return must compute the separate federal taxable income as if each member filed a separate federal return.

In any year a net operating loss is carried forward or carried back a corporation is required to provide a schedule detailing for each NOL: the year of the loss, the amount of the loss, the loss previously utilized and the amount of the loss currently being utilized on a consolidated and separate company basis.

For federal and Missouri purposes a corporation can use the federal NOL incurred in one tax year to reduce the taxable income in another tax year. The NOL deduction cannot exceed the corporation's taxable income (after special deductions). **An NOL deduction cannot be used to increase a loss in a loss year or to create a loss in a profit year.**

A separate company is bound by the consolidated federal return election to carry losses forward or back, (i.e., if the loss is carried back on your federal return, the separate company loss must be carried back). If the loss is carried forward the corporation must provide detailed schedules reflecting the loss amount(s), year(s) of the loss, and year and amount of the loss utilized on a consolidated and separate company basis.

If the consolidated return shows taxable income and the separate company return shows a loss, the corporation may elect to carry the federal separate company loss forward or back pursuant to the Internal Revenue Code on a separate company basis in Missouri. The corporation must provide a copy of page 1 of the federal consolidated return for the separate company loss year.

The only net operating loss subject to carry forward or carry back is the loss from the federal tax return. **Missouri does not have provisions for a state net operating loss deduction.** A negative number on Form MO-1120, Lines 9, 10, or 13 is not a net operating loss.

If the corporation is required to file an amended Missouri return to carry back a federal NOL, please provide the following information with the amended Form MO-1120:

- If the consolidated federal income is positive and you are carrying back a separate company loss, attach a copy of the consolidated Federal Form 1120 page 1 for the separate company loss year to confirm that there is no consolidated loss to be carried back.
- If the consolidated federal return is a loss for the current tax period and the previous tax periods are consolidated losses, attach a copy of the consolidated Federal Form 1120 for the current tax period and the consolidated Federal 1120 for the tax period(s) being amended on a separate company basis.
- For tax periods that the consolidated return and separate company return show an NOL that is carried back, attach a copy of the consolidated Federal Form 1139 or Federal Form 1120X. Also include the income statement for the loss year, the revised income statement for the amended tax period(s), and a schedule showing the calculation of the federal income tax deduction on the amended return.

**Note:** The corporation is required to file an amended return to adjust the federal income tax deduction for any tax period that the consolidated tax liability changes due to an NOL carryback, even if no loss exists to be carried back on a separate company basis.

### **REPORTABLE TRANSACTION DISCLOSURE STATEMENT FEDERAL FORM 8886**

Every corporation must include with the Missouri return a copy of each Federal Form 8886 that was filed with the IRS as part of its federal return or as part of a consolidated federal return.

### **UNCERTAIN TAX POSITION STATEMENT FEDERAL SCHEDULE UTP**

A corporation must attach a copy of Federal Schedule UTP if the corporation has one or more tax positions that must be reported to the IRS on Schedule UTP and the schedule was filed with the IRS as part of its federal return or as part of a consolidated federal return.

### **DECLARATION OF ESTIMATED TAX**

Every corporation subject to income tax in this state must make a declaration of its estimated tax for the taxable year on Form MO-1120ES, if its Missouri estimated tax could reasonably be expected to be at least \$250 (Section 143.521, RSMo).

If an affiliated group of corporations files a Missouri consolidated income tax return for the taxable year, its Missouri estimated tax payments may be combined on Form MO-1120 (12 CSR 10-2.045(39)).

Estimated tax payments may be applied against a franchise tax liability.

A corporation may amend its declaration on Form MO-1120ES.

Mail the declaration of estimated tax payments to: **Missouri Department of Revenue, P.O. Box 3020, Jefferson City, MO 65105-3020.** Make check payable to Missouri Department of Revenue and include your Missouri Tax I.D. Number on your check.

### **EXTENSION OF TIME TO FILE AND PAY**

If a corporation has been granted an extension of time to file its federal income tax return, the time for filing the Missouri corporation income and franchise tax return is automatically extended for the same period of time. A copy of the Federal Extension, Form 7004, must be attached to the Form MO-1120 when filed.

**An extension of time to file a corporation income and franchise tax return does not extend the time for payment of the tax.** The corporation must pay, on or before the original due date, the amount estimated as its corporation income tax and corporation franchise tax for the taxable year. Submit this amount with Form MO-7004 and mail to: **Missouri Department of Revenue, P.O. Box 3365, Jefferson City, MO 65105-3365.**

If a corporation files a Form MO-7004, it should attach a copy of the federal extension. To obtain a Form MO-7004, access the Department of Revenue's web site at <http://dor.mo.gov/forms/>.

### **FILING AMENDED RETURNS**

Form MO-1120 and Schedule MO-FT must be used for amending tax years beginning 2000 and forward for corporation income tax and beginning 2001 and forward for corporation franchise tax. Check the box to indicate that it is an amended return and check applicable Box A, B, C, or D. **The corporation must complete the entire return using the corrected figures. Do not write, "see attached." Complete each line using the corrected amounts.**

The amended return must contain a complete explanation of the reasons for filing the claim or amendment. You must attach any required schedules or forms to support your claim. If the amended return is submitted without the proper attachments it may be partially or totally denied.

The corresponding tax year Form MO-1120 must be used for amending corporation income tax for tax years 1993–1999.

The corresponding tax year Form MO-FT, must be used for amending corporation franchise tax for tax years 2000 and prior and tax years 2011 forward.

If the corporation is filing an amended corporation income tax return for tax year 1992 and prior, the corporation must use Form MO-1120X.

**Note:** Form MO-1120, Parts 4 and 5 must be completed when applicable.

A corporation must file an amended return within 90 days of filing an amended federal income tax return. The corporation must also file an amended return within 90 days after the final determination of changes made by the Internal Revenue Service (12 CSR 10-2.105 and Section 143.601, RSMo). Attach a copy of the amended federal return with applicable schedules (e.g., Federal Revenue Agent's Report, Form 1139, Form 1120X) or if the federal return was not amended, explain why the corporation is amending the Missouri return and accompany the explanation with applicable schedules. For Missouri forms, access the Department of Revenue's web site at <http://dor.mo.gov/forms/>.

## CONTACT INFORMATION

If you have any questions, you may contact Corporate Tax at (573) 751-4541 or by email at [corporate@dor.mo.gov](mailto:corporate@dor.mo.gov).

# FORM MO-1120

## MISSOURI CORPORATION TAX

### LINE-BY-LINE INSTRUCTIONS

At the top of the return, fill in the blanks indicating the beginning and ending dates of the tax period. The corporation's accounting period and method of accounting for Missouri income tax purposes must be the same as for federal income tax purposes (12 CSR 10-2.030, 12 CSR 10-2.035, and Sections 143.271 and 143.281, RSMo).

## NAME AND ADDRESS SECTION

The corporation's Missouri Tax I.D. Number, Charter Number, and Federal I.D. Number must be entered in the spaces provided. **Failure to include the Missouri Tax I.D. Number and Charter Number will delay the processing of the return.** Please contact Business Registration at (573) 751-5860 if you cannot locate or do not have a Missouri Tax I.D. Number.

## RETURN TYPE

**Consolidated Missouri Return** — Check this box if filing a consolidated Missouri return. In order to file a consolidated Missouri return, the corporation must be part of a consolidated federal return (12 CSR 10-2.045 and Section 143.431, RSMo). Form MO-22 must be included for each member of the consolidated group when filing the initial consolidated Form MO-1120 and for each new member added thereafter.

**Note: This return is for Missouri consolidated corporation income tax and the parent company's separate franchise tax. Subsidiaries engaged in business in Missouri must complete a separate Form MO-1120 and Schedule MO-FT for their individual franchise tax liability and attach their own balance sheet. For each subsidiary, Form MO-1120 must have Box D checked to indicate "franchise tax only."**

**Consolidated Federal and Separate Missouri Return** — Check this box if filing a consolidated federal return and a separate Missouri return. The following information must be included with the Form MO-1120: (1) pro forma Federal Form 1120 plus schedules; (2) consolidated Federal Form 1120; (3) consolidated Schedule J; and (4) income statement showing the income and loss of all corporations included in the consolidated group.

**Amended Return** — Check the box if the corporation is filing an amended return. Also, check Box A, B, C, or D, if applicable.

**Name Change** — Check this box if the corporation's name has changed since filing the previous Form MO-1120.

**Address Change** — Check this box if the corporation's address has changed since filing the previous Form MO-1120.

**Final Corporation Income Tax Return** — Check this box if the corporation ceased doing business during the tax period for which this return is being filed.

**Bankruptcy** — Check this box if the corporation has filed for bankruptcy since filing the previous Form MO-1120 or if the corporation is still in bankruptcy.

**1120C** — Check this box if the corporation filed Federal Form 1120C. Per Section 143.511, RSMo, the effective due date for entities filing Federal Form 1120C is the same as the federal due date. For calendar year filers, this is September 15, 2013. For fiscal year filers, the due date is the 15th day of the ninth month following the close of the taxable year. **Franchise tax is always due the 15th day of the fourth month following the beginning of the tax year.**

**990T** — Check this box if the corporation filed Federal Form 990T. Per Section 143.511, RSMo, the effective due date for entities filing Federal Form 990T is the same as the federal due date. For calendar year filers, this is May 15, 2013. For fiscal year filers, the due date is the 15th day of the fifth month following the close of the taxable year.

**Balance Sheet Date** — Enter the balance sheet date.

**A. Zero Franchise Tax Liability** — Check this box if your assets in or apportioned to Missouri are less than or equal to \$10,000,000. Complete Form MO-1120 if applicable and sign the return. You do not owe franchise tax.

**B. Both Income and Franchise Tax** — Check this box if the return is being filed for both income tax and franchise tax. If this box is marked, Box C and Box D cannot be marked.

**C. Income Tax Only** — Check this box if the return is being filed for income tax only. Note: This box cannot be checked if Box A is checked.

**D. Franchise Tax Only** — Check this box if the return is being filed for franchise tax only.

## COMPUTATION OF INCOME TAX

### LINE 1 — FEDERAL TAXABLE INCOME

Enter the total amount of federal taxable income from Federal Form 1120, Line 30. The line numbers for federal taxable income will differ on other federal forms (1120POL, 1120H, 1120SF, 1120REIT, 990T, and 1120C).

### LINE 2 — MISSOURI CORPORATION INCOME TAX & CORPORATION INCOME TAX OF OTHER STATES DEDUCTED IN DETERMINING

#### FEDERAL TAXABLE INCOME

Enter the amount of Missouri corporation income tax deducted in determining federal taxable income (Section 143.141(1), RSMo), and the amount of corporation income taxes from other states, their subdivisions and the District of Columbia deducted in determining federal taxable income (12 CSR 10-2.160 and Section 143.141(2), RSMo). Do not include St. Louis or Kansas City earnings taxes. A schedule must be attached showing the breakdown of taxes on Federal Form 1120, Line 17.

Corporation tax of the following states taken as a deduction in determining federal taxable income, must be included on Line 2:

|  |  |             |                |  |
|--|--|-------------|----------------|--|
| Alabama                                  | Georgia<br>(excludes net worth tax)    | Kentucky    | Nebraska       | South Carolina<br>(excludes capital stock tax) |
| Alaska                                   |  | Louisiana   | New Mexico     |  |
| Arizona                                  | Hawaii                                 | Maine       | North Carolina | South Dakota                                   |
| Arkansas                                 | Idaho                                  | Maryland    | North Dakota   | Tennessee<br>(excise tax)                      |
| California<br>(income and franchise tax) | Illinois<br>(includes replacement tax) | Michigan    | Oklahoma       | Texas  |
| Colorado                                 | Indiana                                | Minnesota   | Oregon         | Utah   |
| Delaware                                 | Iowa                                   | Mississippi | Pennsylvania   | Vermont  |
| Florida                                  | Kansas                                 | Missouri    | Rhode Island   | Virginia                                       |
|  |  | Montana     |                | West Virginia                                  |

### LINE 3 — MISSOURI MODIFICATIONS — ADDITIONS

Enter the net amount from Page 2, Part 1, Line 5. See instructions for completing Part 1.

### LINE 4 — TOTAL ADDITIONS

Enter the total of Line 2 and Line 3.

### LINE 5 — MISSOURI MODIFICATIONS — SUBTRACTIONS

Enter the net amount from Page 2, Part 2, Line 13. See instructions for completing Part 2.

### LINE 6 — BALANCE

Enter the total of Line 1 and Line 4 less Line 5.

### LINE 7 — SMALL BUSINESS DEDUCTION FOR NEW JOBS UNDER SECTION 143.173, RSMO

Enter the total deduction from Form MO-NJD, page 2. If a deduction is claimed, Form MO-NJD must be attached to the return.

### LINE 8 — FEDERAL INCOME TAX — CURRENT YEAR

Enter the amount from Page 2, Part 3, Line 3 or Line 6. See the instructions for completing Part 3. Consolidated federal/separate Missouri filers must compute the federal income tax deduction per 12 CSR 10-2.090.

### LINE 9 — MISSOURI TAXABLE INCOME — ALL SOURCES

Enter the total of Line 6 less Line 7 and Line 8.

## LINE 10 — MISSOURI TAXABLE INCOME

If taxable income is 100 percent from Missouri sources, enter the amount from Line 9. If taxable income is not 100 percent from Missouri sources, complete Schedule MO-MS. Enter the apportionment method number used (such as apportionment election 1, 2, 2a, 3, 4, 5, 6, or 7) and the percentage (rounded to three digits to the right of the decimal point, such as 12.345 percent), in the boxes provided. These boxes must be completed even if Missouri taxable income is zero. Multiply Line 9 by the percentage and enter the result on Line 9. See Schedule MO-MS instructions for additional information. If the corporation owns a percentage of a partnership(s), the partnership factors must be multiplied by the corporation's percentage of ownership, and then added into the corporation's apportionment factors by completing Schedule MO-MS.

## LINE 11 — MISSOURI DIVIDENDS DEDUCTION

If income is 100 percent from Missouri sources, calculate the net dividend deduction by subtracting Federal Form 1120, Line 29b from Federal Form 1120, Line 4.

**Single Factor Apportionment and Optional Single Sales Factor Apportionment** — Complete Schedule MO-C and allocate dividends according to the location of payor. If payor is commercially domiciled in Missouri, the dividends are Missouri source dividends. The total Missouri dividends shall be multiplied by a percentage factor. This percentage factor is from Schedule MO-MS, Part 2, Line 7 or Line 7a. After multiplying the Missouri source dividends by the apportionment factor, enter this amount on Schedule MO-C, Line 22 and on Form MO-1120, Line 11.

**Three Factor Apportionment** — Calculate the net dividend deduction by subtracting Federal Form 1120, Line 29b, from Federal Form 1120, Line 4. This amount is then multiplied by the apportionment factor from Schedule MO-MS, Part 1, Line 4. Enter this amount on Form MO-1120, Line 11.

**Note:** If you are claiming nonbusiness dividends, determine the nonbusiness dividends from Missouri sources by allocation and include on Schedule MO-MS, Part 1, Line 12. Determine nonbusiness dividends from all sources and include on Schedule MO-MS, Part 1, Line 9. Determine business dividends from Missouri sources by multiplying business dividends by the apportionment factor from Schedule MO-MS, Part 1, Line 4. The dividend deduction entered on Form MO-1120, Line 11, is the sum of business dividends from Missouri sources and nonbusiness dividends from Missouri sources.

## LINE 12 — ENTERPRISE ZONE OR RURAL EMPOWERMENT INCOME MODIFICATION

Enter the amount of modification as approved by the Missouri Department of Economic Development.

## LINE 13 — MISSOURI TAXABLE INCOME

Enter the total of Line 10 less Line 11 and Line 12.

## TAX

### LINE 14 — CORPORATION INCOME TAX

Enter the amount of Line 13 multiplied by 6.25 percent.  
**Income tax cannot be prorated or annualized.**

### LINE 15 — RECAPTURE OF MISSOURI LOW INCOME HOUSING CREDIT

If your corporation is required to recapture a portion of any federal low income housing credit(s) taken on a low income housing project, your corporation is also required to recapture a portion of any Missouri credits. The Missouri recapture amount is equal to the proportion of the Missouri credit that equals the proportion the federal recapture amount bears to the original federal low income housing credit amount subject to recapture (Section 135.355.2, RSMo). You must attach to your Missouri return a copy of your Federal Form 8611.

### LINE 16 — CORPORATION FRANCHISE TAX

If your corporation is required to pay corporation franchise tax, enter the amount from Schedule MO-FT, Corporation Franchise Tax Schedule, Line 7e.

## LINE 17 — TOTAL TAX

Enter the total of Lines 14, 15, and 16.

## CREDITS AND PAYMENTS

### LINE 18 — TAX CREDITS

Enter the total from Form MO-TC, Line 13. Access the Department of Revenue's web site at: <http://dor.mo.gov/> to download Form MO-TC.

### LINE 19 — ESTIMATED TAX PAYMENT(S)

Enter the total 2012 estimated payment(s) made with Form MO-1120ES. Include any approved overpayment(s) credited from 2011. If the requested overpayment(s) credited from 2011 has been adjusted, you must use the adjusted amount.

If filing a consolidated Missouri return, Form MO-851 (Affiliations Schedule) or a complete list of subsidiary payments must be attached to Form MO-1120. The list must include each corporation's Missouri Tax I.D. Number.

**If you are part of a consolidated group and filing a separate Form MO-1120 for franchise tax only, and claiming payments made by the parent company, indicate payments on Line 19 and enter parent company's Missouri Tax I.D. Number to the left of the amount shown on Line 19.**

Enter on Line 19 the total amount withheld from 2012 total compensation as a nonresident entertainer, as shown on Form(s) MO-2ENT, Line 6. Attach copies of Form MO-2ENT.

### LINE 20 — PAYMENTS WITH FORM MO-7004

Enter the total payment(s) made with Form MO-7004.

### LINE 21 — AMENDED RETURN ONLY: TAX PAID WITH (OR AFTER) THE FILING OF THE ORIGINAL RETURN

Enter the amount of tax previously paid on the original return and any previously filed amended return.

### LINE 22 — SUBTOTAL

Enter the total of Lines 18, 19, 20, and 21.

### LINE 23 — AMENDED RETURN ONLY: OVERPAYMENT, IF ANY, AS SHOWN ON ORIGINAL RETURN OR AS LATER ADJUSTED

Enter the amount of overpayment received (or expected to be received) or the amount to be credited to estimated tax, as shown or adjusted on the original return. Any refund due on the original return will be refunded separately from any additional refund claimed on the amended return.

### LINE 24 — TOTAL

Enter Line 22 less Line 23.

## REFUND OR TAX DUE

### LINE 25 — OVERPAYMENT

Enter the overpayment if Line 24 is greater than Line 17.

### LINE 26 — FUND CONTRIBUTIONS


Enter on Line 26 any portion of your corporation income tax overpayment you wish to contribute to the following funds. If you file a balance due return and wish to contribute to the funds enter the amount in the appropriate box on Line 26 and attach a **separate** check for this amount.





**Children's Trust Fund** — Children's Trust Fund, Missouri's Foundation for Child Abuse Prevention, is a non-profit organization dedicated to the vision of children free to grow and reach their full potential in a nurturing and healthy environment free from child abuse and neglect. For more information, please contact: Children's Trust Fund, [www.ctf4kids.org](http://www.ctf4kids.org) or call (888) 826-5437. **(Minimum contribution: \$2)**





**Veterans Trust Fund** — The Missouri Veterans Commission's Veterans Trust Fund is a means by which individuals and corporations may donate money to expand and improve services to veterans in Missouri. Contributions may be made at any time directly to: Veterans Trust Fund, c/o The Missouri Veterans Commission, P.O. Drawer 147, Jefferson City, MO 65102-0147 or call (573) 751-3779. **(Minimum contribution: \$2)**


 **Elderly Home Delivered Meals Trust Fund** — The Elderly Home Delivered Meals Trust Fund supports the home delivered meals program for Missouri's home-bound senior citizens, helping them to continue to live independently in their homes. The need for home delivered meals increases yearly as persons are living longer and may need assistance. For more information, please contact: <http://health.mo.gov/seniors/aaa/index.php>. **(Minimum contribution: \$2)**


 **Missouri National Guard Trust Fund** — The Missouri National Guard Trust Fund expands the capability to provide/coordinate Military Funeral Honors Ceremonies for veterans of Missouri and veterans buried in Missouri who have served their country in an honorable manner. Contributions may be made at any time directly to Missouri National Guard Trust Fund, ATTN: JFMO-J1/SSH, 2302 Militia Drive, Jefferson City, MO 65101-1203 or call (573) 638-9663. **(Minimum contribution: \$2)**


 **Workers' Memorial Fund** — This fund has been established to create a permanent memorial for all workers who suffered a job related death or injuries that resulted in a permanent disability while on the job in Missouri. Requests for information and contributions may be made at any time to Workers' Memorial Fund, ATTN: Office of Administration, 301 W. High Street, Room 570, Jefferson City, MO 65101. **(Minimum contribution: \$1)**

 **Childhood Lead Testing Fund** — Activities supported by this fund ensure that Missouri children at risk for lead poisoning are tested and receive appropriate follow-up activities to protect their health and well being from the harmful effects of lead. For more information please contact the Missouri State Public Health Laboratory at (573) 751-3344, or email [labweb1@health.mo.gov](mailto:labweb1@health.mo.gov). **(Minimum contribution: \$1)**

 **Missouri Military Family Relief Fund** — For more information, please contact: Missouri Military Family Relief Fund, 2302 Militia Drive, ATTN: JFMO-J1/SS, Jefferson City, MO 65201-1203. **(Minimum irrevocable contribution: \$1)**

 **General Revenue Fund** — Requests for information and contributions may be made at any time directly to General Revenue Fund, ATTN: Department of Revenue, P.O. Box 3022, Jefferson City, MO 65105-3022. **(Minimum contribution: \$1)**

 **After-School Retreat Reading and Assessment Grant Program Fund** — Contributions can be made to the Department of Elementary and Secondary Education to assist Missouri public schools or charter schools in developing an after-school reading and assessment program/project. For more information, please contact: Cindy Heislen at (573) 522-2627, [eelect@dese.mo.gov](mailto:eelect@dese.mo.gov).

 **Organ Donor Program Fund** — Contributions support organ and tissue donation education and registry operation. For more information, please contact Missouri Department of Health and Senior Services, Organ and Tissue Donor Program, P.O. Box 570, Jefferson City, MO 65102-0570, or call (888) 497-4564. **(Minimum contribution: \$2)**


## Additional Funds


If you choose to give to additional funds, enter the two-digit fund code (see below) in the spaces provided on Line 26. If you want to give to more than two additional funds, please submit a check directly to the fund. See <http://dor.mo.gov/personal/trustfunds.php> for additional information.


Donations received from the following funds are designated specifically for Missouri residents.


| <b>Funds</b>   | <b>Codes</b> |
|--|--------------|
| <b>American Cancer Society Heartland Division, Inc., Fund</b>        | <b>01</b>    |
| <b>American Diabetes Association Gateway Area Fund</b>               | <b>02</b>    |
| <b>American Heart Association Fund</b>                               | <b>03</b>    |
| <b>American Lung Association of Missouri Fund</b>                    | <b>04</b>    |
| <b>Amyotrophic Lateral Sclerosis (ALS—Lou Gehrig's Disease) Fund</b> | <b>05</b>    |
| <b>Muscular Dystrophy Association Fund</b>                           | <b>07</b>    |
| <b>March of Dimes Fund</b>   | <b>08</b>    |


|  |           |
|--|-----------|
| <b>Arthritis Foundation Fund</b>                                       | <b>09</b> |
| <b>National Multiple Sclerosis Society Fund</b>                        | <b>10</b> |
| <b>Breast Cancer Awareness Fund</b>                                    | <b>13</b> |
| <b>Foster Care and Adoptive Parents Recruitment and Retention Fund</b> | <b>14</b> |
| <b>American Red Cross Trust Fund</b>                                   | <b>15</b> |
| <b>Developmental Disabilities Waiting List Equity Trust Fund</b>       | <b>16</b> |
| <b>Puppy Protection Trust Fund</b>                                     | <b>17</b> |


 **American Cancer Society Heartland Division, Inc., Fund (01)** — For more information anytime, call toll free 1-800-ACS-2345 or visit [www.cancer.org](http://www.cancer.org). Donations can be sent directly to the American Cancer Society at 1100 Pennsylvania Avenue, Kansas City, MO 64105. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**


 **American Diabetes Association Gateway Area Fund (02)** — Request for information may be made by calling (314) 822-5490 or contacting Gateway Area Diabetes Association Fund, 425 South Woods Mill Road, #110, Town and Country, MO 63017. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**


 **American Heart Association Fund (03)** — For more information, please contact: American Heart Association, 460 N. Lindbergh Blvd., St. Louis, MO 63141-7808, or call (314) 692-5600. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**


 **American Lung Association of Missouri Fund (04)** — For more information, please contact: American Lung Association Missouri Fund, 1118 Hampton Avenue, St. Louis, MO 63139-3196. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**


 **ALS Lou Gehrig's Disease Fund (05)** — Call 1-888-873-8539 for patient services in Eastern Missouri and 1-800-878-2062 for patient services in Western Missouri. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**

 **Muscular Dystrophy Association Fund (07)** — Requests for information and contributions may be made at any time directly to: Muscular Dystrophy Association, 8700 Indian Creek Parkway, Suite 345, Overland Park, KS 66210; (816) 444-1554. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**

 **March of Dimes Fund (08)** — Send requests for information and contributions directly to the March of Dimes Fund, 11829 Dorsett Road, Maryland Heights, MO 63043. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**

 **Arthritis Foundation Fund (09)** — Call (314) 991-9333 and/or visit [www.arthritis.org](http://www.arthritis.org). Contributions can be made at any time directly to the Arthritis Foundation, 9433 Olive Blvd, Suite 100, St. Louis, MO 63132. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**

 **National Multiple Sclerosis Society Fund (10)** — Call 1-800-FIGHT MS or visit our web site at [www.nationalmssociety.org](http://www.nationalmssociety.org) or contact National Multiple Sclerosis Society Fund, 1867 Lackland Hill Parkway, St. Louis, MO 63146. **(Minimum irrevocable contribution: \$1, not to exceed \$200)**

 **Breast Cancer Awareness Fund (13)** — All funds raised are designated for the sole purpose of providing breast cancer services. For more information, please contact Winning Women, Breast Cancer Awareness, 14248 F Manchester Road #318, St. Louis, MO 63011 or call (314) 920-0463.

**Foster Care and Adoptive Parents Recruitment and Retention Fund (14)** — For more information please contact: Missouri Children's Division, P.O. Box 88, Jefferson City, MO 65103-0088 or call (573)522-8024. **(Minimum contribution: \$1)**

 **American Red Cross Trust Fund (15)** — For more information please contact your local American Red Cross at [www.redcross.org](http://www.redcross.org) or call 866-206-0256. **(Minimum contribution: \$1)**

**Developmental Disabilities Waiting List Equity Trust Fund (16)** — For more information please contact the Division of Developmental Disabilities at [www.dmh.mo.gov/dd/](http://www.dmh.mo.gov/dd/) or call 1-800-207-9329. **(Minimum contribution: \$1)**



**Puppy Protection Trust Fund (17)** - For more information, please contact the Puppy Protection Trust Fund at <http://mda.mo.gov> or call (573) 751-3076. (**Minimum contribution: \$1**)

#### **LINE 27 — OVERPAYMENT TO BE APPLIED TO NEXT FILING PERIOD**

Enter the amount of overpayment to be applied to the next filing period. **If filing an amended return do not include the original amount requested to be applied to the next filing period.**

#### **LINE 28 — REFUND**

Enter the total of Line 25 less Line 26 and Line 27. This is the amount to be refunded. No refund of less than \$1.00 will be made. If there is any other liability owed the state of Missouri, the refund may be applied to that liability (Sections 143.781, 143.782, 143.783, and 143.784, RSMo). The corporation will be notified if any debts are offset with the refund. The Department requires approved refunds of \$100,000 or more to be issued electronically. If claiming a refund of this amount, complete Form 5378 and submit with your return. The form is available at <http://dor.mo.gov/forms>. Failure to include the form and all required documentation will delay the processing of your return.

#### **LINE 29 — UNDERPAYMENT**

Enter the underpayment if Line 17 is larger than Line 24.

#### **LINE 30 — INTEREST, PENALTY, UNDERPAYMENT OF ESTIMATED TAX Interest**

Enter the amount of interest computed. Simple interest is charged on all delinquent taxes from the due date of the return until the payment is received. The simple interest rate, effective January 1, 2013, is 3 percent per annum (Section 32.065, RSMo).

##### **Penalty - Failure to File**

Enter the amount of penalty computed. If the return is not filed by the due date, including extensions of time to file, a penalty of 5 percent (of the unpaid tax) per month (not to exceed 25 percent in the aggregate) is charged during the period of such failure.

##### **Penalty - Failure to Pay**

If the tax due is not paid, by the original due date of the return, regardless of an extension of time to file, a, penalty of 5 percent (of the unpaid tax) is charged. The penalty will be waived if: (a) the amount of tax paid on or before the original due date of the return is at least 90 percent; and (b) the balance of the tax due is paid on or before the due date of the return, including extensions of time (Section 143.751, RSMo).

##### **Underpayment of Estimated Tax**

Enter the additions to tax for underpayment of estimated tax from Schedule MO-2220, Line 26. If the total payment and credit amount on Line 24 is less than 90 percent of the amount on Line 14, or if the estimated tax payments were not paid in full or timely, additions to tax for failure to pay enough estimated taxes may be owed. However, the corporation may be able to meet one of the exceptions explained on Schedule MO-2220. Attach a completed Schedule MO-2220. If there is an overpayment on Line 25, the Department of Revenue will reduce the overpayment by the additions to tax amount (12 CSR 10-2.067 and Section 143.761, RSMo).

#### **LINE 31 — TOTAL DUE**

Enter the total of Line 29 and Line 30. Attach a check or money order for the amount due payable to the Missouri Department of Revenue. Include the corporation's Missouri Tax I.D. Number on the check or money order (U.S. funds only).

### **AUTHORIZATION**

Check the "yes" box for authorization of release of confidential information. This authorizes the Missouri Director of Revenue or delegate to discuss this return and attachments with the preparer whose signature appears on the Form MO-1120 or with any member of his or her firm or if internally prepared, any member of the internal staff. If the authorization box is checked "no", or if no box is checked, the Missouri Director of Revenue or delegate can only discuss this return with an officer of the corporation. Refer to Section 32.057, RSMo.

### **SIGNATURE**

The Department of Revenue requires the return to be signed by an officer of the corporation. Enter the date signed, the title of the officer whose signature is affixed, and the corporation's telephone number. Lines are provided for the preparer's signature (other than taxpayer), Federal I.D. Number, telephone number, and date. Failure to sign the return will cause a delay in the processing of the return.

## **FORM MO-1120, PAGE 2 LINE-BY-LINE INSTRUCTIONS**

### **MISSOURI MODIFICATIONS (ADDITIONS AND SUBTRACTIONS)**

A detailed explanation of any modification must be attached to the return. Failure to attach such explanation will delay the processing of the return.

### **PART 1**

### **MISSOURI MODIFICATIONS - ADDITIONS**

#### **LINE 1 — STATE AND LOCAL BOND INTEREST (EXCEPT MISSOURI)**

Enter on Line 1a all interest from state and local bonds, excluding Missouri (Section 143.121.2(2), RSMo).

Enter on Line 1b the amount of expenses associated with the state and local bond interest shown on Line 1a. The expenses must exceed \$500. Refer to Section 143.121.2(2), RSMo, for further explanation.

Enter on Line 1 the net amount of Line 1a less Line 1b.

#### **LINE 2 — FIDUCIARY AND PARTNERSHIP ADJUSTMENT (FROM FORM MO-1041 AND FORM MO-1065)**

Enter the share of fiduciary and partnership adjustment as shown on Form MO-1041, Page 2, Part 1, Line 18, and Form MO-1065, Line 17 (Section 143.121.4 and 5, RSMo). A copy of Forms MO-1041 and MO-1065, must be attached to the Form MO-1120.

#### **LINE 3 — NET OPERATING LOSS MODIFICATION**

If a net operating loss deduction is allowed for this tax year, and if, in the tax year of the corresponding net operating loss, total addition modifications exceeded total subtraction modifications, enter the smaller of:

Net operating loss deduction attributable to the loss year (tax year in which the net operating loss occurred)

OR

Cumulative net operating loss deductions attributable to the loss year that are allowed for this tax year and all prior tax years

+ plus the net addition modification (amount that addition modifications exceed subtraction modifications) for the loss year  
- minus the total net operating loss for the loss year.

The above items are each considered to be a positive amount for purposes of this calculation. If the result of combining amounts is negative, use zero.

If the total net operating loss deduction for this tax year consists of net operating losses from more than one tax year, calculate the modification separately for each loss and enter the total.

Attach Form MO-5090, Net Operating Loss Modification Worksheet, if, in the tax year of the net operating loss, total addition modifications exceed total subtraction modifications.

**NOTE:** This entry is a modification and not the net operating loss. The net operating loss is shown only on Form MO-1120, Line 1.

#### **LINE 4 — DONATIONS CLAIMED FOR THE FOOD PANTRY TAX CREDIT THAT WERE DEDUCTED FROM FEDERAL TAXABLE INCOME**

Enter on Line 4 the total amount of donations claimed for the Food Pantry Tax Credit that were also taken as a deduction on the Federal Form 1120 return (Section 135.647, RSMo).

#### **LINE 5 — TOTAL**

Add Line 1 through Line 4. Enter the amount on Line 5 and on Form MO-1120, Line 3.

## **PART 2**

### **MISSOURI MODIFICATIONS - SUBTRACTIONS**

#### **LINE 1 — INTEREST AND DIVIDENDS FROM EXEMPT FEDERAL OBLIGATIONS (MUST ATTACH SCHEDULE)**

Enter on Line 1a the amount of interest and dividends from federal obligations to the extent they are exempt from Missouri income tax, but subject to federal tax (12 CSR 10-2.150 and Section 143.121.3(1), RSMo). A detailed list showing the amount of monies received or the percentage of funds received from direct U.S. Government obligations must be attached to Form MO-1120.

Enter on Line 1b the amount of interest on indebtedness and expenses associated with the production of interest and dividend income on federal obligations shown on Line 1a. The expenses must exceed \$500. Refer to Section 143.121.3(1), RSMo, for further explanation.

In arriving at the amount of related expenses, the taxpayer may use actual expenses or a reasonable estimate. In general, the taxpayer should use the same or similar method to that used to compute related expenses for federal income tax purposes, provided that the method reasonably reflects related expenses for Missouri exempt income.

If a taxpayer fails to compute reasonable related expenses, the Director of Revenue will make adjustments based on the best information made available. If sufficient information is not made available or if the taxpayer's records do not provide sufficient information, the Director of Revenue will use the following formula to compute related expenses:

$$\frac{\text{Exempt income}}{\text{Total income}} \times \text{Expense items} = \text{Reduction to exempt income}$$

The principal expense item in this formula is interest expense; however, the Director of Revenue may include other expense items because of their direct relationship to the production of exempt income. The taxpayer may propose an alternative method provided that it properly reflects the amount of related expenses.

Enter on Line 1 the net amount of Line 1a less Line 1b.

#### **LINE 2 — FEDERALLY TAXABLE — MISSOURI EXEMPT OBLIGATION**

The amount of any bond issued by the Missouri Higher Education Loan Authority (MOHELA) including interest or proceeds resulting from the sale of the bond is exempt from Missouri tax. If the amount is included in federal taxable income, the amount can be subtracted from federal taxable income for Missouri tax purposes pursuant to Section 173.440, RSMo. Enter the exempt amount on Line 2 and provide documentation with the return.

#### **LINE 3 — REDUCTIONS IN GAIN DUE TO BASIS DIFFERENCE**

Enter the amount of reduction in gain due to basis difference. If a taxpayer's federal taxable income prior to January 1, 1973, included any gain from a sale or other disposition of property, which had a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes, a modification must be made to adjust for the difference in basis (12 CSR 10-2.020 and Section 143.121.3(2), RSMo).

#### **LINE 4 — PREVIOUSLY TAXED INCOME**

Enter the amount of any income or gain included in federal taxable income to the extent it was properly reported as income or gain on a prior Form MO-1120, Corporation Income and Franchise Tax Return, filed under Missouri laws in effect prior to January 1, 1973 (12 CSR 10-2.025 and Section 143.121.3(3), RSMo).

#### **LINE 5 — AMOUNT OF ANY STATE INCOME TAX REFUND INCLUDED IN FEDERAL TAXABLE INCOME**

Enter the amount of any state income tax refund for a prior year that was included in the federal taxable income for the current year (Section 143.121.3(5), RSMo).

#### **LINE 6 — CAPITAL GAIN EXCLUSION FROM THE SALE OF LOW INCOME HOUSING PROJECT**

Enter the excludable amount of gain resulting from the sale of a low income project subsidized by the Federal Department of Housing and Urban Development to a nonprofit or governmental organization, agreeing to preserve or increase the low income occupancy of the project. A copy of Federal Form 4797 must be attached to verify credit.

For those owners whose low income project has at least 40 percent of its units occupied by persons or families having income of 60 percent or less of the median income, the exclusion shall equal 25 percent of the capital gain.

#### **LINE 7 — FIDUCIARY AND PARTNERSHIP ADJUSTMENT (FROM FORM MO-1041 AND FORM MO-1065)**

Enter the share of fiduciary and partnership adjustment as shown on Form MO-1041, Page 2, Part 1, Line 18 and Form MO-1065, Line 19 (Section 143.121.4 and 5, RSMo). A copy of Forms MO-1041 and MO-1065 must be attached to the Form MO-1120.

#### **LINE 8 — MISSOURI DEPRECIATION BASIS ADJUSTMENT**

Enter on Line 8 the difference between the federal and Missouri depreciation calculated on assets purchased between July 1, 2002 and June 30, 2003. See Section 143.121.3(7), RSMo for more information. For examples and more information, access the Department of Revenue's web site at <http://dor.mo.gov/faq/business/corporate.php>.

#### **LINE 9 — SUBTRACTION MODIFICATION OFFSETTING PREVIOUS ADDITION MODIFICATION FROM A NET OPERATING LOSS (NOL) DEDUCTION FROM AN APPLICABLE YEAR**

Enter on Line 9 any applicable 2001 net operating loss carryback that was previously reported as an Addition Modification on 1996, 1997, or 1998 tax years, or any applicable 2008 net operating loss carryback that was previously reported as an Addition Modification on 2003, 2004, or 2005 tax years or any applicable 2009 net operating loss carryback that was previously reported as an Addition Modification on 2004, 2005 and 2006 tax years (Section 143.121.2(4), RSMo).

**Note:** Only enter the amount needed on this return.

#### **LINE 10 — DEPRECIATION RECOVERY ON QUALIFIED PROPERTY THAT IS SOLD**

Enter on Line 10 any depreciation that was previously not recovered when an asset is sold or otherwise disposed of and federal bonus depreciation was previously taken (Section 143.121.3(9), RSMo).

#### **LINE 11 — BUILD AMERICA AND RECOVERY ZONE BOND INTEREST**

Enter the share of Build America and Recovery Zone Bond interest received (Section 108.1020, RSMo).

#### **LINE 12 — MISSOURI PUBLIC-PRIVATE PARTNERSHIPS TRANSPORTATION ACT**

Enter the share of income received under the Missouri Public-Private Partnerships Transportation Act (Section 227.646, RSMo).

#### **LINE 13 — TOTAL**

Add Line 1 through Line 12. Enter the amount on Line 13 and on Form MO-1120, Page 1, Line 5.

## **PART 3**

### **FEDERAL INCOME TAX - CURRENT YEAR**

Enter the amounts of federal income tax on Line 1 and Line 2. The instructions for entering the federal income tax are found on each line number. The line numbers will differ on other federal forms (1120POL, 1120H, 1120REIT, 990T, and 1120C). **Add Line 1 and Line 2; multiply total by 50 percent; and enter the result on Line 3 and on Form MO-1120, Page 1, Line 8.**

**If filing a consolidated federal and separate Missouri return, the federal income tax deduction must be computed as follows:**

**LINE 1** Enter federal tax from the consolidated Schedule J, Line 11.

**LINE 2** Enter the foreign tax credit from the consolidated Schedule J, Line 5a.

**LINE 3** Add Lines 1 and 2 and enter 50% of total.

**LINE 4** Enter the amount of separate company federal taxable income.

**LINE 5** Enter the total of all positive separate company federal taxable incomes. Do not include companies which incurred a loss.

**LINE 6** Divide Line 4 by Line 5 and enter the percentage in the box on Line 6 (round percentage to four digits to the right of the decimal point, such as 12.3456 percent). Multiply Line 3 by the percentage and enter on Part 3, Line 6 and on Form MO-1120, Page 1, Line 8. Refer to 12

CSR 10-2.090 and 12 CSR 10-2.165 for further explanation. **Attach the consolidated Federal Form 1120, consolidated Schedule J, and an income statement or summary of profit companies.**

## **PART 4**

### **REASON FOR AMENDMENT**

Check the box that indicates the reason for filing this amended return. **A separate Form MO-1120 must be completed for each reason.** The applicable Federal Form 1139, 1120X, 4549, 4549A, 870AD, or 5278 must be attached.

A separate Form MO-1120 must be filed for each loss year carryback. For example, if you have an IRS audit or federal correction that includes a Net Operating Loss, one amended return must be filed for the federal audit and a separate amended return must be filed for the NOL. You cannot amend franchise tax based on a NOL.

The amended return must contain a complete explanation of the reason(s) for filing the claim or amendment. You must attach any required schedules or forms to support your claim. If the amended return is submitted without the proper attachments it may be partially or totally denied.

## **PART 5**

### **LOSS CARRYBACK OR TAX CREDIT CARRYBACK - AMENDED RETURN ONLY**

Complete Part 5 when there is a loss carryback or credit carryback. A loss would include a net operating loss, capital loss, or product liability loss. A loss carryback is required to be filed by the 15th day of the 39th month following the end of the loss year (Section 143.801.6, RSMo). Lines 2 and 3 should reflect the total net operating loss or capital loss carryback.

Line 4 should reflect the difference between the original and amended federal income tax deductions for Missouri Form MO-1120, Line 8. A separate Form MO-1120 must be filed for each loss year carryback.

**Note:** Missouri does not allow a net operating loss carryback to apply to any tax period older than two years (Section 143.121.2(4), RSMo). See Form MO-1120, Part 1, Line 3.

### **ASSEMBLE YOUR RETURN**

Assemble any forms and schedules behind Form MO-1120 in order of the "Attachment Sequence No." shown in the upper right corner of the form and schedule. Put forms without an attachment sequence number next. If you have supporting documentation, arrange in the same order of the forms and schedules they support and attach behind the schedule they support.

### **RELEASE OF INFORMATION**

The Department of Revenue can only release confidential information to corporate officers, authorized individuals having power of attorney, the preparer, or any member of his or her firm, or if internally prepared, any member of the internal staff, when the authorization box is checked. When the authorization box is checked, this authorizes the Missouri Director of Revenue or delegate to discuss this return and attachments with the preparer whose signature appears on the Form MO-1120 or with any member of his or her firm or if internally prepared, any member of the internal staff.

The Department of Revenue strives to assist taxpayers in their inquiries; however, the Department of Revenue is bound by confidentiality statutes dealing with the release of confidential information. If you are contacting the Department of Revenue regarding financial information of a corporation, refund issuance, or filing status of a corporation, you will be asked to identify your position with the corporation. If you are an officer of the corporation, an authorized individual having power of attorney, the preparer or any member of his or her firm, or if internally prepared, any member of the internal staff, the authorization box on the form must have been checked for us to release financial information. To prevent delays in answering questions, you should provide the Department of Revenue with a Form 2827, Power of Attorney, prior to making the inquiry. This also applies to employees of the corporation. This form should list the tax type, the tax form, and tax year(s) in question. These procedures

are to protect the taxpayer from unauthorized disclosure of financial records. To update corporate officers, send the information to: **Taxation Division, P.O. Box 3300, Jefferson City, MO 65105-3300.**

## **SCHEDULE MO-MS INSTRUCTIONS**

**This information is for guidance only and does not state the complete law.**

### **GENERAL INSTRUCTIONS**

Complete the Schedule MO-MS if taxable income is not 100 percent from Missouri sources. This form must be completed even if Missouri taxable income is zero. If the corporation owns a percentage of a partnership(s), the partnership factors must be multiplied by the corporation's percentage of ownership, and then added into the corporation's apportionment factors.

#### **APPORTIONMENT ELECTION**

Missouri Statutes provide eight methods for determining Missouri taxable income from Missouri sources. Choose only **one** of the eight methods and enter the method number on Form MO-1120, Line 10. You may change methods from year to year provided you do not file a consolidated Missouri return (see 12 CSR 10-2.045).

Pursuant to Section 32.200, RSMo, Article IV, 2, financial organizations, personal service corporations, and public utilities cannot elect to use apportionment method one. They will need to elect one of the other available methods.

Once an election has been made, it cannot be changed with respect to the same taxable period.

If the Schedule MO-MS is not completed, the apportionment will be adjusted to 100 percent.

**METHOD ONE** Multistate Allocation and Three Factor Apportionment (Multistate Tax Compact — Section 32.200, RSMo). See instructions for completing Method One.

**METHOD TWO** Business Transaction Single Factor Apportionment - Section 143.451.2(2), RSMo. See instructions for completing Method Two.

**METHOD TWO A** Optional Single Sales Factor Apportionment - Section 143.451.2(3), RSMo. See instructions for completing Method Two A.

**METHOD THREE** Transportation — Section 143.451.3, RSMo. A detailed explanation must be attached.

**METHOD FOUR** Railroad — Section 143.451.4, RSMo. A detailed explanation must be attached.

**METHOD FIVE** Interstate Bridge — Section 143.451.5, RSMo. A detailed explanation must be attached.

**METHOD SIX** Telephone and Telegraph — Section 143.451.6, RSMo. A detailed explanation must be attached.

**METHOD SEVEN** Other Approved Method — This method can only be used with prior approval from the Missouri Director of Revenue. A letter of approval must be attached to the return (Section 143.461.2, RSMo).

### **METHOD ONE**

#### **THREE FACTOR INSTRUCTIONS**

A taxpayer must have income from business activity taxable by this state and at least one other state to allocate and apportion income. Income from business activity includes business and nonbusiness income. The taxpayer's income will be allocated and apportioned in accordance with the Multistate Tax Compact. The first step is to determine which portion of the taxpayer's entire net income constitutes "business income" and which portion constitutes "nonbusiness income." The various items of nonbusiness income are directly allocated to specific states. The business income of the taxpayer is divided between the states in which the business is conducted pursuant to the property, payroll, and sales apportionment factors. The sum of the items of nonbusiness income directly allocated to this state, plus the amount of business income attributable to this state by the apportionment formula constitutes the amount of the taxpayer's partial Missouri taxable income.

#### **BUSINESS AND NONBUSINESS INCOME DEFINED**

"Business income" is all income arising from transactions and activities in the regular course of the taxpayer's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations. "Nonbusiness income"

means all income other than business income (See 12 CSR 10-2.075 for examples). The classification of income by the labels customarily given them, such as interest, dividends, rents, and royalties, is no aid in determining whether that income is business or nonbusiness income.

**Nonbusiness income will be considered only if a detailed Schedule MO-NBI is completed and attached.**

### **TAXABLE IN ANOTHER STATE**

A taxpayer is "taxable in another state" if it meets either one of two tests: (a) if by reason of business activity in another state the taxpayer is subject to one of the types of taxes specified, namely: a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or (b) if another state has jurisdiction to subject the taxpayer to a net income tax, regardless of whether or not that state imposes such a tax on the taxpayer. The first test is applicable only if a taxpayer carries on business activities in another state. If the taxpayer voluntarily files and pays one or more of such taxes when not required to do so by the laws of that state or pays a minimal fee for qualification, organization, or for the privilege of doing business in that state, but: (a) does not actually engage in business activities in that state; or (b) does actually engage in some activity, not sufficient for nexus, and the minimum tax bears no relation to the corporation's activities within such state, the taxpayer is not "taxable" in another state. The second test applies if the taxpayer's business activities are sufficient to give the state jurisdiction to impose a net income tax under the Constitution and statutes of the United States. Jurisdiction to tax is not present where the state is prohibited from imposing the tax by reason of the provisions of Public Law 86-272, 15 U.S.C.A. Sections 381-385. If you believe you do not have sufficient nexus and you are not liable for Missouri tax, a Form 4458, Business Activity Questionnaire must be completed. For Missouri forms access the Department of Revenue's web site at <http://dor.mo.gov/>.

Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a financial organization or public utility or the rendering of purely personal services by an individual, shall allocate and apportion his or her net income as provided in Section 32.200, RSMo. If a taxpayer has income from business activity as a public utility, but derives the greater percentage of his or her income from activities subject to Section 32.200, Article IV, RSMo, the taxpayer may elect to allocate and apportion his or her entire net income as provided in Section 32.200, RSMo.

## **STEP 1**

Complete Part 1, Line 1 through Line 4. Enter Line 4 on Form MO-1120, Page 1, Line 10.

### **LINE 1A AND LINE 1B — PROPERTY FACTOR**

The numerator of the property factor includes the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the income year for the production of business income. The denominator is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the income year for the production of business income.

Property owned by the taxpayer in transit between locations of the taxpayer is considered to be at the destination for purposes of the property factor. Property in transit between a buyer and seller, which is included by a taxpayer in the denominator of its property factor in accordance with its regular accounting practices, is included in the numerator according to the state of destination. The value of mobile or movable property, such as construction equipment, trucks or leased electronic equipment, which is located within and without this state, is based upon the ratio which the time the property was physically present or was used in this state bears to the total time or use of the property everywhere during the income year. An automobile assigned to a traveling employee is included in the numerator of the factor of the state to which the employee's compensation is assigned under the payroll factor or in the numerator of the state in which the automobile is licensed.

Property owned by the taxpayer is valued at its original cost. As a general rule "original cost" is deemed to be the basis of the property for federal income tax purposes (prior to any federal adjustments) at the time of acquisition by the taxpayer and adjusted by subsequent capital additions or improvements thereto and partial disposition thereof, by

reason of sale, exchange, abandonment, etc. Property rented by the taxpayer is valued at eight times the net annual rental rate. The net annual rental rate is the total annual rental rate paid by the taxpayer, less total annual rental rate received by the taxpayer from subrentals. As a general rule, the average value of property owned by the taxpayer is determined by averaging the values at the beginning and ending of the income year. However, the Missouri Director of Revenue may require averaging by monthly values if such method of averaging is reasonably required to properly reflect the average value of the taxpayer's property for the income year.

### **LINE 2A AND LINE 2B — PAYROLL FACTOR**

The payroll factor includes only compensation that is attributable to the business income subject to apportionment. The compensation of any employee whose activities are connected primarily with nonbusiness income shall be excluded from the factor. The denominator of the payroll factor is the total compensation paid everywhere during the income year. Accordingly, compensation paid to employees whose services are performed entirely in a state where the taxpayer is exempt from taxation (for example, Public Law 86-272) is included in the denominator of the payroll factor. The numerator of the payroll factor is the total amount paid in this state during the income year by the taxpayer for compensation. Compensation is paid in this state if any one of the following tests, applied consecutively, is met: (a) the employee's service is performed entirely within this state; (b) the employee's service is performed both within and without this state, but the service performed without the state, is incidental to the employee's service within the state (the word "incidental" means any service which is temporary or transitory in nature, or which is rendered in connection with an isolated transaction); (c) if the employee's services are performed both within and without this state, the employee's compensation is attributed to this state: (1) if the employee's base of operations is in this state; or (2) if there is no base of operations in any state in which some part of the service is performed, but the place from which the service is directed or controlled is in this state; or (3) if the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed but the employee's residence is in this state. The term "base of operation" is the place of more or less permanent nature from which the employee starts his or her work and to which he or she customarily returns in order to receive instructions from the taxpayer or communications from his or her customers or other persons, or to replenish stock or other material, repair equipment, or perform any other functions necessary to the exercise of his or her trade or profession at some other point or points.

### **LINE 3A AND LINE 3B — SALES FACTOR**

The denominator of the sales factor is generally all gross receipts derived by a taxpayer from transactions and activities in the course of its regular trade or business operations that produce business income as defined.

In the case of a taxpayer whose business activity consists of manufacturing and selling, or purchasing and reselling goods or products, "sales" includes all gross receipts from the sales of such goods or products. Gross receipts for this purpose means gross sales, less returns and allowances, and includes all interest income, service charges, carrying charges, or time-price differential charges incidental to such sales. Federal and state excise taxes (including sales taxes) are included as part of such receipts if such taxes are passed on to the buyer or included as part of the selling price of the product. The term "sales" also includes gross receipts derived by a taxpayer from business transactions or activities which are incidental to its principal business activity and which are includable in business income. As applied to a taxpayer engaged in a business activity other than the manufacturing and selling, or purchasing and reselling of property, "sales" includes the gross receipts from the taxpayer's business activity. In the case of cost plus fixed fee contracts, such as the operation of a government owned plant for a fee, gross receipts includes the entire reimbursed cost, plus the fee. "Sales" includes the gross receipts from the rental, lease, or licensing the use of the property, such as patents and copyrights.

The numerator of the sales factor includes the gross receipts from sales which are attributable to this state, and includes all interest income, service charges, carrying charges, or time-price differential charges incidental to such sales, regardless of the place where the accounting records are maintained or the location of the contract or other

evidence of indebtedness. Gross receipts from the sales of tangible personal property (except sales to the United States Government) are in this state if the property is delivered or shipped to a purchaser within this state, regardless of the f.o.b. point or other conditions of sale; or if the property is shipped from an office, store, warehouse, factory, or other place of storage in this state and the taxpayer is not taxable in the state of the purchaser.

Sales to the United States Government: Gross receipts from the sales of tangible personal property to the United States Government are in this state if the property is shipped from an office, store, warehouse, factory, or other place of storage in this state. Only sales for which the United States Government makes direct payment to the seller pursuant to the terms of its contract constitute sales to the United States Government.

Sales other than sales of tangible personal property are in this state if: (a) the income-producing activity is performed in this state; or (b) the income-producing activity is performed both within and without this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

#### LINE 4 — APPORTIONMENT FACTOR

Add percentages on Lines 1, 2, and 3, and divide by factors present. **If one or more of the three factors does not exist in the denominator, determine the apportionment factor by dividing by the number of factors present.**

**STOP HERE** if nonbusiness income is not claimed. Enter the percentage from Line 4 on Form MO-1120, Page 1, Line 10.

### STEP 2

Complete Part 1, Line 5 through Line 14 and enter Line 14 on Form MO-1120, Page 1, Line 10. The classification of income by the labels customarily given them, such as interest, dividends, rents, and royalties, is no aid in determining whether that income is business or nonbusiness income. **Nonbusiness income will be considered only if a detailed Schedule MO-NBI is completed and attached.**

#### ALLOCATION OF NONBUSINESS INCOME

For this purpose, "commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

Rents and royalties from real or tangible personal property, capital gains, interest, or patent or copyright royalties, and dividends, **to the extent that they constitute nonbusiness income**, shall be allocated as follows:

- (a) Net rents and royalties from real property located in this state are allocable to this state.
- (b) Net rents and royalties from tangible personal property are allocable to this state: (1) if and to the extent that the property is utilized in this state; or (2) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of, or taxable in, the state in which the property is utilized. The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days the property was physically located in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all royalty or rental periods during the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payor obtained possession.
- (c) Capital gains and losses from sales of real property located in this state are allocable to this state.
- (d) Capital gains and losses from sales of tangible personal property are allocable to this state if: (1) the property had a situs in this state at the time of the sale; or (2) the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.
- (e) Certain capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.
- (f) Certain interest is allocable to this state if the taxpayer's commercial domicile is in this state.

- (g) Patent and copyright royalties are allocable to this state: (1) if and to the extent that the patent or copyright is utilized by the taxpayer in this state; or (2) if and to the extent that the patent or copyright is utilized by the taxpayer in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state. A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from patent royalties or copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent or copyright is utilized in the state in which the taxpayer's commercial domicile is located.
- (h) Certain dividends are allocable to this state if the taxpayer's commercial domicile is in this state (see 12 CSR 10-2.075).

## METHOD TWO SINGLE FACTOR INSTRUCTIONS STEP 1

Complete Part 2, Line 1 through Line 7. The numerator of the single factor apportionment method is one-half the gross receipts from sales transacted partly within and partly without this state, plus the gross receipts from sales transacted wholly within this state. The denominator is the gross receipts from all sales.

**STOP HERE** if wholly passive investment income from outside Missouri or dividends from a non-Missouri payor are not claimed. Enter the percentage from Line 7 on Form MO-1120, Page 1, Line 10.

## METHOD TWO A OPTIONAL SINGLE SALES FACTOR INSTRUCTIONS STEP 1

Complete Part 2, Line 1a, 4a and 7a. The numerator of the optional single sales factor apportionment method is the gross receipts from sales in this state. The sale is considered "in this state" if the purchaser's destination point is in this state. The denominator is the gross receipts from all sales.

**STOP HERE** if wholly passive investment income from outside Missouri or dividends from a non-Missouri payor are not claimed. Enter the percentage from Line 7a on Form MO-1120, Page 1, Line 10.

## METHOD TWO AND METHOD TWO A SINGLE FACTOR AND OPTIONAL SINGLE SALES FACTOR APPORTIONMENT STEP 2

Complete Part 2, Line 7 or Line 7a. Enter Line 16 on Form MO-1120, Page 1, Line 10.

**Wholly passive investment income from outside Missouri will be considered only with an attached detailed explanation.**

Missouri corporation income tax is imposed upon Missouri taxable income. Missouri taxable income shall be so much of a corporation's federal taxable income for the taxable year with modification as is derived from sources within Missouri as provided. When a corporation elects single sales and optional single sales factor apportionment, the apportionment and allocation of the listed items is as follows:

**Royalties:** Royalties are included in Missouri taxable income - all sources - and are subject to apportionment by inclusion in the numerator of the apportionment factor; provided however, royalties received from an entity located and operating solely in a foreign country or countries and received from the licensing of trademarks, trade names, or patents may be allocated as wholly passive investment income.

**Interest:** Interest income from loans or investments made by the taxpayer are an important part of the business and are subject to apportionment by inclusion in the numerator of the apportionment factor; provided

however, interest income earned on non-operating excess funds invested by the corporation's out-of-state parent company and invested in another state may be allocated as wholly passive investment income. In addition, interest income received from non-Missouri municipal bonds may be allocated as wholly passive investment income.

**Dividends:** Dividends to the extent included in federal taxable income are subtracted in determining Missouri taxable income. Dividends from a Missouri payor are apportioned and then subtracted from apportioned income. Dividends from non-Missouri payors are subtracted on the MO-MS schedule in computation of partial Missouri taxable income - Missouri sources.

**NOTE:** If income is allocated as wholly passive investment income, any related expenses must also be allocated.

## METHOD THREE, FOUR, FIVE, OR SIX, INSTRUCTIONS

Enter Missouri miles, total miles, and percentage in the apportionment section on Schedule MO-MS, page 1, if applicable.

## METHOD SEVEN INSTRUCTIONS

Method Seven can only be used with prior approval from the Missouri Director of Revenue. **Letter of approval must be attached to the return or the apportionment will be adjusted to 100 percent (Section 143.461.2, RSMo).**

## SCHEDULE MO-FT FRANCHISE TAX SCHEDULE INSTRUCTIONS

### Corporations or S Corporations Subject to Franchise Tax

All **domestic** corporations must file a Form MO-1120, Corporation Income and Franchise Tax Return or Form MO-1120S, S Corporation Income and Franchise Tax Return and Schedule MO-FT, Franchise Tax Schedule and pay any tax due. All **foreign** corporations engaged in business or qualified to do business in Missouri must likewise file a Form MO-1120 or Form MO-1120S and Schedule MO-FT and pay any tax due. Franchise tax is based on the total assets of the corporation or the par value of issued and outstanding capital stock, whichever is greater. For capital stock with no par value, the value is \$5 per share or actual value, whichever is higher.

**If a corporation's assets in Missouri or apportioned to Missouri are \$10,000,000 or less, the corporation is not required to pay franchise tax. However, the corporation must still file and state that its assets do not exceed \$10,000,000. Check Box A on Form MO-1120 or Form MO-1120S to indicate assets do not exceed \$10,000,000 and sign the return.**

To determine the corporation's tax basis, complete Schedule MO-FT, Line 1 through Line 6.

### Corporations or S Corporations Exempt From Filing Franchise Tax

Not-for-profit corporations, industrial development authorities, insurance companies which pay an annual tax on their premium receipts in this state, certain electric and telephone corporations, mutual insurance corporations not having shares, savings and loan associations, and regulated investment companies (see Section 147.010.2, RSMo), or banking institutions subject to the franchise tax imposed by Sections 148.010–148.110, RSMo, are exempt from filing corporation franchise tax.

### New Domestic and Foreign Corporations

- Corporations required to file a franchise tax return will have the initial return due by the 15th day of the fourth month following either:
  - The date of incorporation for Missouri domestic corporations or
  - The date of qualification or date when business actually began (whichever came first) if a foreign corporation.
- The initial franchise tax must be filed with Form MO-1120 or Form MO-1120S and must be filed for **Franchise Tax Only (Box D)**.
- The initial franchise tax return is based on the beginning assets as

of its Missouri incorporation date or qualification/business begin date (whichever came first) if a foreign corporation.

- The beginning file period date represents the incorporation, qualification, or actual date when business began (foreign corporations, whichever came first). The ending file period date is the corporation's year-end consistent with federal filing requirements.
  - Example: a Missouri corporation incorporates 7/1/12. It has elected to file on a calendar (Dec. 31) year-end for federal purposes. The initial franchise tax return is filed for the short period 7/1/12 – 12/31/12. It is due 10/15/12. It is prorated for 6 months. The tax is based on its beginning balance sheet as of 7/1/12. It is filed on Form MO-1120 or MO-1120S and Box D "Return filed for franchise tax only" is checked. Its next franchise return (which may be filed for **Both** income and franchise tax) is filed for the full period 1/1/13 – 12/31/13, based on its 12/31/12 balance sheet, due 4/15/13.
  - Example: a foreign corporation purchases assets in Missouri 2/1/12, but it does not receive its qualification from the Secretary of State's office until 4/1/12. It files on a fiscal year ending September 30 for federal purposes. The initial franchise tax return is filed for the short period 2/1/12 – 9/30/12. It is due 5/15/12. It is prorated for 8 months. The tax is based on its beginning balance sheet as of 2/1/12. It is filed on Form MO-1120 or MO-1120S and Box D "Return filed for franchise tax only" is checked. Its next franchise return (which may be filed for **Both** income and franchise tax) is filed for the full period 10/1/12 – 9/30/13, based on its 9/30/12 balance sheet, due 1/16/13.

### Line by Line Instructions for Completing Schedule MO-FT

- Enter the corporation name.
- Enter the Missouri Tax I.D. Number (as issued by the Missouri Department of Revenue), Charter Number (as issued by the Missouri Secretary of State), and Federal I.D. Number.
- Enter the file period beginning and ending month, date, year.
- Enter the balance sheet date. **The balance sheet date must correspond with the beginning date of the franchise tax file period.** Example: balance sheet ending 12/31/12 is beginning 1/1/13 franchise tax file period.
- Check Box "Yes" if the corporation is using flow-through assets from a partnership or LLC in the calculation of its franchise tax.
 

**If you are using flow-through assets from a partnership or LLC in the calculation of the franchise tax apportionment, you must include a reconciliation of these values.** In addition to the balance sheet of the corporation, attach a schedule or balance sheet of all partnerships and/or limited liability companies doing business in Missouri, the percentage of ownership, the value of assets, and the partner's capital account.
- Check Box "Yes" if there has been a change in your accounting period. State prior accounting period. Missouri franchise tax is filed and paid prospectively. The beginning taxable period must coincide with the ending balance sheet date. Adjustments may need to be made to your prior year return to allow for a change in your accounting period.
- Corporations having all assets within Missouri complete Lines 1, 2, 6a, and 7 **ONLY**.
- Corporations having assets both within and without Missouri complete all lines **EXCEPT** 6a.

**Line 1.** Enter the par value of issued and outstanding stock. For capital stock with no par value, the value is \$5 per share or actual value, whichever is higher.

#### Line 2. Assets.

**2a.** Enter the value of total assets. You must attach a balance sheet prepared in conformity with the books and records of the taxpayer as of the beginning of business on the first day of its tax year. Schedule L of Federal Form 1120 and supporting schedules shall satisfy the requirement. **You must add negative figures back to total assets since they constitute a liability and are not deductible.** Do not use averages.

**2b.** Enter the total of investments in or advances to subsidiaries. You must attach Schedule 5071 or a schedule showing the name of subsidiaries, percentage of ownership, and amount. Ownership of the subsidiary must be over 50% to qualify. Subsidiaries must be corporations.

**2c.** Enter the adjusted total (Line 2a less Line 2b).

**Line 3.** Allocation per balance sheet or schedule.

**3a.** Enter the amount of accounts receivable. Include all notes, accounts, and contracts receivables that are based upon Missouri destination sales. Receivables not derived from sales must be included if the borrower is located in Missouri. If accounts receivables from subsidiaries are included in Line 2b, do not include in Line 3a. Accounts receivables must be reported net of bad debt. Do not use averages.

**3b.** Enter the amount of inventories. The value of inventories is reported net and at book value. Do not use averages.

**3c.** Enter the sum of fixed assets, depletable assets, and land. The value is reported at book value, net of accumulated depreciation, depletion, and amortization. Include property and equipment under construction and leasehold improvements. Do not use averages.

**Line 4.** Enter the Missouri percentage for apportionment by dividing Line 3d, Column A by Column B. Extend the apportionment percentage to six digits to the right of the decimal point. Example: 12.34565 % is .123457 and 1.2345 is .012345.

**Line 5.** Enter assets apportioned to Missouri by multiplying Line 4 by Line 2c.

**Line 6.** Enter the franchise tax basis.

**6a.** Corporations having all assets within Missouri, enter Line 2c or Line 1, whichever is greater.

**6b.** Corporations having assets both within and without Missouri, enter Line 5 or the product of Line 1 times Line 4, whichever is greater.

If Line 6a or Line 6b is \$10,000,000 or less, STOP HERE and check Box A on Form MO-1120 or Box A on Form MO-1120S.

**Line 7.** Tax Computation.

**7a.** Enter the franchise tax by multiplying Line 6a or Line 6b by .000200 (1/50th of 1%).

**7b.** Enter the prorated tax due. Short periods may be filed for franchise tax for the following situations: a new corporation, a change in accounting periods, a merger, a termination, or a withdrawal. If you are filing a short period, you must attach a detailed explanation and documentation. You will be notified if the short period is disallowed or adjustments were made to a previously filed return. You must report the number of months in the short period as whole numbers.

**7c.** Enter the tax due from Line 7a or Line 7b, whichever applies.

**7d.** Base Year Franchise Tax. Enter the franchise tax from the return for the taxable year ending on or before December 31, 2010 (Base Year). If a 2010 short year return was filed, enter the franchise tax before the tax was prorated. If multiple short year returns were submitted, enter the franchise tax from the last file period return filed on or before December 31, 2010. For example, if two short period returns were filed (1-10-10 through 6-30-10 and 7-1-10 through 12-31-10), the base year franchise tax would be the tax before proration on the 7-1-10 through 12-31-10 return. If a corporation had no annual franchise tax for the taxable year ending on or before December 31, 2010 because the corporation was not in existence or doing business in Missouri, then enter the amount of the franchise tax liability for the corporation's first full taxable year (on or after the taxable year ending December 31, 2010). If this is the first year the corporation had a filing requirement, skip line 7d and enter the amount from Line 7c on Line 7e.

**7e.** Enter the smaller of Line 7c or Line 7d here and on Form MO-1120, Line 16 or Form MO-1120S, Line 15. If no amount was entered on Line 7d, enter the amount from Line 7c.

## Final Checklist Before Mailing

- ☐ Was the Form MO-1120 signed by an officer of the corporation?
- ☐ Did you review your completed return?
- ☐ Are the corporation name, address, and I.D. numbers correctly shown on the return?
- ☐ Did you complete the Schedule MO-FT, if liable to pay corporation franchise tax?
- ☐ Did you check Box A on Form MO-1120 if your assets in or apportioned to Missouri are less than or equal to \$10,000,000?
- ☐ Are your beginning and ending filing periods shown on the Form MO-1120 and Schedule MO-FT?
- ☐ Have you verified all math calculations?
- ☐ Did you receive a federal extension of time to file your return? If so, have you attached a copy of the federal extension (Federal Form 7004)?
- ☐ Have you attached a copy of the federal form or pro forma and supporting schedules?
- ☐ Did you attach a copy of your balance sheet and any supporting schedules?
- ☐ Have you addressed your envelope to the proper address?
- ☐ Did you enter your Missouri Tax I.D. Number? If you do not know your Missouri Tax I.D. Number, an officer must call Business Registration at (573) 751-5860.
- ☐ Did you enter your Charter Number? If you do not know your Charter Number, call (866) 223-6535.