

# FORM 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;
- (2) An express company, 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;
- (5) Any other corporation that is exempt from Missouri income taxation under the laws of Missouri or the laws of the United States; and
- (6) Any corporation filing a Federal Form 990, 990EZ or 990PF should **not** send a copy of the federal form to the Department of Revenue.

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

#### **Corporation Franchise Tax:**

Every corporation must determine if their assets or apportioned assets are greater than \$1,000,000. If their assets (in or apportioned to Missouri) are over \$1,000,000, the corporation must complete and file Form MO-FT and Form MO-1120. Attach a copy of Federal Schedule L. If their assets (in or apportioned to Missouri) are below \$1,000,000, the corporation must check Box N 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 Form MO-FT.**

### MISSOURI REGISTRATION

Every corporation and S corporation must register with the Department of Revenue to receive a Missouri Tax Identification Number. To register, please contact: **Department of Revenue, Division of Taxation and Collection, P.O. Box 3300, Jefferson City, MO 65105-3300, visit our web site at <http://dor.state.mo.us/tax> or call (573) 751-5860.**

### TIME AND PLACE OF FILING AND PAYMENT OF CORPORATION INCOME TAXES

#### **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 June 1, 2000 to December 31, 2000; due April 15, 2001.

#### **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, 2001 to December 31, 2001; due April 15, 2001.

**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. Include the Missouri Tax Identification Number on the check or money order. Mail returns to: **Department of Revenue, P.O. Box 700, Jefferson City, MO 65105-0700.**

### CONSOLIDATED FEDERAL RETURN/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 four 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 12 plus Line 4a multiplied by the ratio of the individual profit company divided by the total profit companies of the corporation. This amount will be divided by two 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 divided by 2. 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 Employer Identification Numbers (FEIN), and Missouri Tax Identification Numbers. Subsidiaries must file a separate Form MO-1120 and Form 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 Service Code. Corporations who file a consolidated federal and separate Missouri return shall compute the separate federal taxable income as if each member filed a separate federal return. The corporation is bound by the election to carry losses forward or back which is made on the federal return (i.e. if the loss is carried back on your federal return; the separate company loss must be carried back).

If there is a consolidated gain, then the corporation may elect to carry the federal separate company loss forward or back pursuant to the Internal Revenue Service Code on a separate company basis in Missouri.

The only net operating loss subject to carry forward or carry back is the loss from your federal tax return. Missouri does not have provisions for a state net operating loss deduction. A negative number on Form MO-1120, Lines 8, 9 or 12 is not a net operating loss.

Your corporation may owe tax on your Missouri return from modifications (Form MO-1120, Line 2) when your federal taxable income is a loss. The state taxes deducted on Line 17 of your federal return increase your net operating loss available for carry forward or carry back; the state taxes based on income included on your federal return must be reported on Form MO-1120, Line 2. Your federal taxable income is the starting point for computing Missouri taxable income; Form MO-1120, Line 1, may not be less than zero (0) or a negative number.

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

- If your consolidated federal income is positive and you are carrying back a separate company loss; attach a copy of the consolidated Federal Form 1120 to document there was no consolidated loss to be carried back.
- If your consolidated federal return is a loss for 2000 and the previous tax periods are consolidated losses; attach a copy of the consolidated Federal Form 1120 for 2000 and the consolidated Federal 1120 for the tax period being amended on separate company basis.
- For tax periods that your consolidated and separate company incur a net operating loss that is carried back; attach a copy of the consolidated Federal Form 1139. Also include a revised income statement for the loss year and the amended tax period and a schedule showing the calculation of the federal income tax deduction on the amended return.

**Note:** Your corporation may need to file an amended return to adjust the federal income tax deduction for any tax period that the consolidated tax liability changes due to a net operating loss carry back, even if no loss exists to be carried back on a separate company basis.

### 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 that exceed the corporate income tax liability may be applied against an unpaid franchise tax liability.

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

Mail declaration of estimated tax payments to: **Department of Revenue, P.O. Box 3020, Jefferson City, MO 65105-3020.**

### 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 income tax return is automatically extended for a similar period of time. A copy of the Federal Extension, Form 7004, must be attached to the Form MO-1120 when filed.

If a corporation has been granted an extension of time to pay its federal income tax, the time for paying the Missouri income tax is automatically extended for a similar period of time. A copy of the federal extension of time to pay must be attached to the Form MO-1120 when filed.

**An extension of time to file an income 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 properly estimated as its corporation income tax and corporation franchise tax for the taxable year. Submit this amount with Form MO-60 and mail to: **Department of Revenue, P.O. Box 3400, Jefferson City, MO 65105-3400.**

If a corporation files a Form MO-60, it should attach a copy of the federal extension. To obtain a Form MO-60, access the department's web site at <http://dor.state.mo.us/tax> or call (800) 877-6881.

### FILING AMENDED RETURNS

If the corporation is filing an amended return for 2000, the corporation must use a Form MO-1120 and a Form MO-FT if also amending for franchise tax. Check Box K1 and/or Box K2 on Form MO-1120, page 1 to indicate that it is an amended return. **The corporation must complete the entire return using the corrected figures. Do not write, "see attached". Complete each line using the corrected amounts.**

If the corporation is filing an amended corporate income tax return for tax year 1992 and prior, the corporation must use Form MO-1120X. If the corporation is filing an amended corporate income tax return for tax year 1993 through 2000, the corporation must use Form MO-1120, for the corresponding year amended. (**Note:** Parts 4 and 5 must be completed when applicable.) If the corporation is filing an amended

corporate franchise tax return for tax year 2000 or prior, the corporation must use the Form MO-FT, for the corresponding year amended.

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, **visit our web site at <http://dor.state.mo.us/tax> or call (800) 877-6881.**

### ROUNDING ON MISSOURI RETURNS

You must round all cents to the nearest whole dollar on your return. For cents .01 through .49, round down to the previous whole dollar amount. For cents .50 through .99, round up to the next whole dollar amount. For your convenience, the zeros have already been placed in the cent columns on the return.

### INTERNET/WORLD WIDE WEB

Individuals with access to the Internet can obtain informational materials via our web site at: <http://dor.state.mo.us/tax> as well as Missouri tax forms.

### TAX FORMS AVAILABLE BY FAX

Blank Missouri tax forms are available by fax. To access the "Forms-by-Fax" System call (573) 751-4800 from your **fax machine handset**. The "Forms-by-Fax" System will take you through the steps to fax you a copy of the forms you need. If you are speech or hearing impaired, please call TDD (800) 735-2966 or fax (573) 526-1881.

### AMERICANS WITH DISABILITIES ACT (ADA)

The state of Missouri offers a Dual Party Relay Service (DPRS) for individuals with speech/hearing impairments. This service was implemented in accordance with the Americans with Disabilities Act (ADA). An individual with speech/hearing impairments may call a voice user at (800) 735-2966 or you may fax (573) 526-1881.



# FORM MO-1120 MISSOURI CORPORATION INCOME 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 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).

## RETURN TYPE

**A. 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 Corporate Income Tax and the parent company's separate franchise tax. Subsidiaries will need to complete a separate Form MO-1120 and Form MO-FT for their

individual franchise tax liability and attach their own balance sheet. For each subsidiary, Form MO-1120 must have Box M checked.

**B. Consolidated Federal/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.

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

**D. Name Change** — Check this box if the corporation's name has changed since filing the previous Form MO-1120, Corporation Income Tax Return.

**E. FEIN Change** — Check this box if the corporation's FEIN (Federal Employer Identification Number) has changed since filing the previous Form MO-1120, Corporation Income Tax Return.

**F. Bankruptcy** — Check this box if the corporation has filed for bankruptcy since filing the previous Form MO-1120, Corporation Income Tax Return.

**G. Initial Return** — Check this box if this is the first Missouri return filed for the corporation.

**H. Address Change** — Check this box if the corporation's address has changed since filing the previous Form MO-1120, Corporation Income Tax Return.

**I. Limited Liability Company** — Check this box if the limited liability company is being taxed as a corporation.

**J. Filing Federal Form 990C/990T** — Enter C in this box if the corporation filed Federal Form 990C. Per Section 143.511, RSMo, the effective due date for entities filing Federal Form 990C is the same as the federal due date. For calendar year filers, this is September 17, 2001. For fiscal year filers, the due date is the 15th day of the 9th month following the close of the taxable year.

Enter T in 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, 2001. For fiscal year filers, the due date is the 15th day of the 5th month following the close of the taxable year.

**K1/K2. Amended Corporate/Franchise Return** — Check either box if the corporation is filing an amended return.

**L. Corporation Only** — Check this box if the return is being filed for corporation income tax only.

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

**N. Franchise Tax Liability** — Check this box if your assets in or apportioned to Missouri are less than \$1,000,000. Complete Form MO-1120 if applicable and sign the return. You do not owe franchise tax.

## NAME AND ADDRESS LABEL

A pre-addressed label has been provided for the corporation's convenience and to guarantee accurate processing. Please be certain that all information is correct before attaching the label to the return. Place the label in the space provided on the form. If any information on the label is incorrect, type or print the corporation's name and address in the space provided. The corporation's Missouri Tax Identification Number, Missouri Incorporation Number (Charter or Certification of Authority Number), and Federal Employer Identification Number (FEIN), must be entered in the spaces provided. Failure to include the Missouri Tax Identification Number will delay the processing of the return. If a consolidated federal return is filed, the parent's name and FEIN must be entered in the spaces provided.

## INCOME AND DEDUCTIONS

### LINE 1 — FEDERAL TAXABLE INCOME

Enter the total amount of federal taxable income (but not less than zero) from Federal Form 1120, Line 30. The line numbers for federal taxable

income will differ on other federal forms (1120A, 1120POL, 1120H, 1120F, 1120REIT, 990T and 990C). By federal definition, federal taxable income cannot be less than zero. Therefore, per Section 143.431, RSMo, Line 1 cannot be less than zero.

**Net operating loss deductions** — Attach a schedule showing the computation of the net operating loss deduction reported on Federal Form 1120, Line 29a or Federal Form 1120-A, Line 25a. Your net operating loss deduction may be disallowed for failure to provide the schedule of your net operating loss deduction.

### 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 or from Federal Form 1120-A, Line 17.**

### LINE 3 — MISSOURI MODIFICATIONS — ADDITIONS

Enter the net amount from Page 2, Part 1, Line 3. See instruction for completing Part 1.

### LINE 4 — TOTAL ADDITIONS

Enter the total of Lines 2 and 3.

### LINE 5 — MISSOURI MODIFICATIONS — SUBTRACTIONS

Enter the net amount from Page 2, Part 2, Line 7. See instructions for completing Part 2.

### LINE 6 — BALANCE

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

### LINE 7 — FEDERAL INCOME TAX — CURRENT YEAR

Enter the amount from Page 2, Part 3, Line 3. 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 8 — MISSOURI TAXABLE INCOME — ALL SOURCES

Enter the total of Line 6 less Line 7.

### LINE 9 — MISSOURI TAXABLE INCOME

If taxable income is 100% from Missouri sources, enter the amount from Line 8. If taxable income is not 100% from Missouri sources, complete Form MO-MS. Enter the apportionment method number used (such as apportionment election 1, 2, 3, 4, 5, 6 or 7) and the percentage (rounded to three digits to the right of the decimal point, such as 12.345%), in the boxes provided. These boxes must be completed even if Missouri taxable income is zero. Enter on Line 9 the amount from Form MO-MS, Part A, Line 7. Nonbusiness income will only be considered if a detailed explanation is attached. Non-Missouri source income will only be considered if a list itemizing the source of income is attached. See Form MO-MS instructions for additional information.

### LINE 10 — MISSOURI DIVIDENDS DEDUCTION

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

**Single Factor Apportionment** — Complete Form 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 Form MO-MS, Part B, Line 7. After multiplying the Missouri source dividends by the apportionment factor, enter this amount on Form MO-C, Line 22 and on Form MO-1120, Line 10.

**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 Form MO-MS, Part D, Line 4. Enter this amount on Form MO-1120, Line 10.

**Note:** If you are claiming nonbusiness dividends, determine the nonbusiness dividends from Missouri sources by allocation and include on Form MO-MS, Part D, Line 9. Determine nonbusiness dividends from all sources and include on Form MO-MS, Part D, Line 6. Determine business dividends from Missouri sources by multiplying business dividends by the apportionment factor from Form MO-MS, Part D, Line 4. The dividend deduction entered on Form MO-1120, Line 10, is the sum of business dividends from Missouri sources and nonbusiness dividends from Missouri sources.

### **LINE 11 — ENTERPRISE ZONE INCOME MODIFICATION**

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

### **LINE 12 — MISSOURI TAXABLE INCOME**

Enter the total of Line 9 less Line 10 and Line 11.

## **TAX**

### **LINE 13 — CORPORATION INCOME TAX**

Enter the amount of Line 12 multiplied by 6.25%.

**Missouri tax cannot be prorated or annualized.**

### **LINE 14 — 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 15 — CORPORATION FRANCHISE TAX**

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

### **LINE 16 — TOTAL TAX**

Enter the total of Lines 13, 14 and 15.

## **CREDITS AND PAYMENTS**

### **LINE 17 — TAX CREDITS**

Enter the total from Form MO-TC, Line 12.

You may be eligible for certain tax credits. The total amount of tax credit is computed by completing Form MO-TC, Miscellaneous Income Tax Credits. (Corporation franchise tax credit information is listed in the instructions.) The following is a list of available credits for corporation income tax and the agency to contact for information, forms, and approval to claim each credit:

- *New or Expanded Business Facility Credit* — contact the Tax Benefit Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0717
- *Development Reserve Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479
- *Infrastructure Development Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479

- *Export Finance Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479
- *Missouri Low Income Housing Credit* — contact the Missouri Housing Development Commission, 3435 Broadway, Kansas City, MO 64111 or call (816) 759-6668 or via the Internet at: <http://www.mhdc.com>
- *Missouri Business Modernization and Technology (Seed Capital) Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0295
- *Neighborhood Assistance Credit* — contact the Community Development Group, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-7178 or via the Internet at: <http://www.ecodev.state.mo.us/cd/nap>
- *Affordable Housing Assistance Credit* — contact the Missouri Housing Development Commission, 3435 Broadway, Kansas City, MO 64111 or call (816) 759-6662 or via the Internet at: <http://www.mhdc.com>
- *Special Needs Adoption Credit* — contact the Missouri Department of Revenue, P.O. Box 371 Jefferson City, MO 65102-0371, call (573) 751-5819 or via the Internet at: <http://dor.state.mo.us/tax>
- *Enterprise Zone Credit* — contact the Tax Benefit Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0717 or via the Internet at: <http://www.ecodev.state.mo.us>
- *Small Business Incubator Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0295
- *Small Business Investment (Capital) Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0295
- *Community Bank Investment Credit* — contact the Community Development Group, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-9051 or via the Internet at: <http://www.ecodev.state.mo.us/cdc/taxframe>
- *Qualified Research Expense Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 522-5821
- *Higher Education Scholarship Fund Credit* — contact the Missouri Department of Higher Education, P.O. Box 6730, Jefferson City, MO 65102 or call (573) 751-3940 or (800) 473-6757
- *Brownfield "Jobs and Investment" Credit* — contact the Incentives Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-0717
- *Youth Opportunities Credit* — contact the Community Development Group, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 751-4539 or via the Internet at: <http://www.ecodev.state.mo.us/yop>
- *Processed Wood Energy Credit* — contact the Missouri Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176, call (573) 751-4000 or via the Internet at: <http://www.dnr.state.mo.us/de/homede.htm>
- *Missouri Business Use Incentives for Large-Scale Development (BUILD) Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479
- *Maternity Home Credit* — contact the Missouri Department of Social Services, P.O. Box 88, Jefferson City, MO 65103 or call (573) 751-4920
- *Shelter for Victims of Domestic Violence Credit* — contact the Missouri Department of Public Safety, P.O. Box 749, Jefferson City, MO 65102-0749 or call (573) 751-4905
- *Historic Preservation Credit* — contact the Missouri Department of Economic Development, Community Development Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 522-2635
- *Sponsorship and Mentoring Program Credit* — contact the Missouri Department of Elementary and Secondary Education, P.O. Box 480, Jefferson City, MO 65102-0480 or call (573) 751-4192
- *Charcoal Producers Credit* — contact the Missouri Department of Natural Resources, P.O. Box 176, Jefferson City, MO 65102-0176 or call (573) 526-5604

- *Film Production Credit* — contact the Missouri Film Commission, P.O. Box 118, Jefferson City, MO 65102, call (573) 751-9050 or contact the Incentives Section at (573) 751-0717 or <http://www.ecodev.state.mo.us/film>
- *Wine and Grape Production Credit* — contact the Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102, call (573) 522-5821 or via the Internet at: <http://www.ecodev.state.mo.us>
- *Rebuilding Communities Credit* — contact the Business Incentives Section, P.O. Box 118, Jefferson City, MO 65102, call (877) 618-5857 or via the Internet at: <http://www.ecodev.state.mo.us/ded>
- *Skills Development Credit* — contact the Employer Relations Section, P.O. Box 1087, Jefferson City, MO 65102-1087, call (573) 751-4750 or via the Internet at: <http://www.ecodev.state.mo.us/wfd>
- *Advantage Missouri Credit* — contact the Missouri Department of Revenue, P.O. Box 371, Jefferson City, MO 65105, call (573) 751-5819 or via the Internet at: <http://dor.state.mo.us/tax>
- *SBA Guaranty Fee Credit* — contact the Department of Economic Development, P.O. Box 118, Jefferson City, MO 65102, call (573) 751-0717 or via the Internet at: <http://www.ecodev.state.mo.us>
- *Dry Fire Hydrant Credit* — contact the Department of Economic Development, P.O. Box 118, Jefferson City, MO 65102, call (573) 751-5981 or via the Internet at: <http://www.ecodev.state.mo.us>
- *Agricultural Product Utilization Contributor Credit* — contact the Missouri Agricultural and Small Business Development Authority, P.O. Box 630, Jefferson City, MO 65102-0630, call (573) 751-2129 or via the Internet at: <http://www.mda.state.mo.us/ill.htm>
- *New Generation Cooperative Incentive Credit* — contact the Missouri Agricultural and Small Business Development Authority, P.O. Box 630, Jefferson City, MO 65102, call (573) 751-2129 or via the Internet at: <http://www.mda.state.mo.us/ill/htm>
- *Bank Tax Credit for S Corporation Shareholders* — contact the Department of Revenue, P.O. Box 371, Jefferson City, MO 65102, call (573) 751-5819 or via the Internet at: <http://dor.state.mo.us/tax>
- *Family Development Account Credit* — contact the Department of Economic Development, P.O. Box 118, Jefferson City, MO 65102, call (573) 526-5417 or via the Internet at: <http://www.ecodev.state.mo.us>
- *New Enterprise Creation Credit* — contact the Department of Economic Development, P.O. Box 118, Jefferson City, MO 65102, call (573) 522-5821 or via the Internet at: <http://www.ecodev.state.mo.us>
- *Remediation Credit* — contact the Department of Economic Development, P.O. Box 118, Jefferson City, MO 65102, call (573) 751-1558 or via the Internet at: <http://www.ecodev.state.mo.us>
- *Rebuilding Communities and Neighborhood Preservation Act Credit* — contact the Community Development Group, P.O. Box 118, Jefferson City, MO 65102, call (573) 751-7542 or via the Internet at: <http://www.ecodev.state.mo.us/cd/npa>
- *Disabled Access Credit* — contact the Department of Revenue, P.O. Box 371, Jefferson City, MO 65105-0371, call (573) 751-5819 or via the Internet at: <http://dor.state.mo.us/tax>
- *Mature Worker Childcare Program Credit* — contact the Department of Economic Development, P.O. Box 118, Jefferson City, MO 65102 or via the Internet at: <http://www.ecodev.state.mo.us>
- *Bank Franchise Tax* — contact the Department of Revenue, P.O. Box 371, Jefferson City, MO 65105-0371, call (573) 751-5819 or via the Internet at: <http://dor.state.mo.us/tax>

## **LINE 18 — ESTIMATED TAX PAYMENT(S)**

Enter the total 2000 estimated payment(s) made with Form MO-1120ES. Include any approved overpayment(s) credited from 1999. If the requested overpayment(s) credited from 1999 has been adjusted, you must use the adjusted amount.

If filing a consolidated Missouri return, a complete list of subsidiary payments must be attached to Form MO-1120. The list must include each corporation's MITS (Missouri Tax Identification) Number.

Enter on Line 18 the total amount withheld from 2000 gross earnings as a nonresident entertainer, as shown on Form(s) MO-2ENT, Line 5. Attach copies of Form MO-2ENT or a schedule showing the date and place of the performance(s), and the amount of the withholding at each performance.

## **LINE 19 — PAYMENTS ON FORM MO-60**

Enter the total payment(s) made with Form MO-60.

## **LINE 20 — AMENDED RETURN ONLY: TAX PAID WITH (OR AFTER) THE FILING OF THE ORIGINAL RETURN**

Enter the amount of tax previously paid by check or money order on the original return and any previously filed amended return. Do not include any previous interest, additions to tax, or penalties.

## **LINE 21 — SUBTOTAL**

Enter the total of Lines 17, 18, 19 and 20.

## **LINE 22 — 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 23 — TOTAL**

Enter Line 21 less Line 22.

# **REFUND OR TAX DUE**

## **LINE 24 — OVERPAYMENT**

Enter the overpayment if Line 23 is greater than Line 16.

## **LINE 25 — TRUST FUND CONTRIBUTIONS**

Enter on Line 25a, 25b, 25c and 25d any portion of your corporation income tax overpayment you wish to contribute to the following trust funds. If you file a balance due return and wish to contribute to the Children's Trust Fund, Veterans Trust Fund, Elderly Home Delivered Meals Trust Fund or Missouri National Guard Trust Fund, enter the amount on Line 25a, 25b, 25c or 25d and attach a **separate check** for this amount. The amount contributed must be \$2.00 or more for each trust fund.



**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. Rather than reacting to abuse after the fact, Children's Trust Fund provides funding for education, public awareness, training and demonstration projects statewide that help support and strengthen families to prevent child abuse and neglect. Your contribution may be applied to the \$25 contribution needed to receive a logo use authorization needed to purchase the popular "prevent child abuse" license plate featuring the hand prints logo. For more information, please contact: Children's Trust Fund, P.O. Box 1641, Jefferson City, MO 65102-1641, or call (573) 751-5147.



**Veterans Trust Fund** — The Veterans Trust Fund expands the Missouri Veterans Commission's ability to provide quality healthcare at its five veterans homes, and to assist veterans and dependents through its Service to Veterans Program. Because of the availability of this

fund, nursing care staff receive specialized training and assistance for the treatment of residents suffering from Alzheimer's, dementias, and other extraordinary ailments; and Veterans Service Officers and Assistants receive comprehensive training relating to veterans benefits. 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.



**Elderly Home Delivered Meals Trust Fund** — The Elderly Home Delivered Meals Trust Fund provides an opportunity to support the home delivered meals program for Missouri's senior citizens. Over 4 million meals are provided each year to home bound senior citizens. These nutritionally balanced meals, delivered to the homes of seniors on the average of one meal per day, five days per week, help them 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: Elderly Home Delivered Meals Trust Fund, c/o Division of Aging, P.O. Box 1337, Jefferson City, MO 65102, or call (573) 751-3082.



**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. Military Funeral Honors may be composed of "Two Member Detail" who may render honors, fold and present the United States of America flag to primary next-of-kin, and sound Taps; "Four Member Detail" who may render honors, fire volleys, sound Taps, and fold and present the United States of America flag to primary next-of-kin; or "Veterans' Organization Detail" who may render honors, fire volleys, sound Taps, and fold and present the United States of America flag to primary next-of-kin. Contributions may be made at any time directly to Missouri National Guard Trust Fund, ATTN: NGMO-ZXM, 2302 Militia Drive, Jefferson City, MO 65101-1203 or call (573) 638-9562.

#### **LINE 26 — CREDIT TO ESTIMATED TAX**

Enter the amount of overpayment to be applied to the corporation's estimated tax account for 2001.

#### **LINE 27 — REFUND**

Enter the total of Line 24 less Lines 25a, 25b, 25c, 25d and 26. 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 income tax 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.

#### **LINE 28 — UNDERPAYMENT**

Enter the underpayment if Line 16 is larger than Line 24.

#### **LINE 29 — UNDERPAYMENT OF ESTIMATED TAX**

Enter the additions to tax for underpayment of estimated tax from Form MO-2220, Line 26. If the total payment and credit amount on Line 23 is less than 90% of the amount on Line 13, 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 Form MO-2220. Attach a completed Form MO-2220. If there is an overpayment on Line 24, 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 30 — 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, 2001, is 10% per annum (Section 32.065, RSMo).

#### **LINE 31 — ADDITIONS TO TAX**

Enter the amount of additions to tax computed. If the return is not filed by the due date, including extensions of time to file, additions to tax of 5% per month (not to exceed 25% in the aggregate) is charged during the period of such failure (12 CSR 10-2.055 and Section 143.741, RSMo).

If the tax due is not paid, unless an extension of time to pay has been granted, additions to tax of 5% is charged with respect to that part of the

total tax for the year which is not paid by the original due date of the return. The additions to tax will be waived if (a) the amount of tax paid on or before the original due date of the return is at least 90% and (b) the balance of the tax due is paid on or before the due date of the return, including extensions of time (12 CSR 10-2.060 and Section 143.751, RSMo).

#### **LINE 32 — TOTAL DUE**

Enter the total of Lines 28, 29, 30 and 31. Attach a check or money order for the amount due payable to the Missouri Director of Revenue. Include the corporation's MITS (Missouri Tax Identification) Number on the check or money order (U.S. funds only).

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

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

Modifications are allowed only per Sections 143.121, 143.141 and 143.143, RSMo. Any modifications taken that are not related to these sections will be disallowed. 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(b), 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(b), 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 15 and Form MO-1065, Line 15 (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 — TOTAL**

Add Lines 1 and 2. Enter the amount on Line 3 and on Form MO-1120, Page 1, 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(a), 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(a), 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 — 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(b), RSMo).

## **LINE 3 — 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 Tax Return, filed under Missouri laws in effect prior to January 1, 1973 (12 CSR 10-2.025 and Section 43.121.3(c), RSMo).

## **LINE 4 — 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(e), RSMo).

## **LINE 5 — 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% of its units occupied by persons or families having income of 60% or less of the median income, the exclusion shall equal 25% of the capital gain.

## **LINE 6 — 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 16 and Form MO-1065, Line 16 (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 7 — TOTAL**

Add Lines 1 through 6. Enter the amount on Line 7 and on Form MO-1120, Page 1, Line 5.

# **PART 3 FEDERAL INCOME TAX — CURRENT YEAR**

Enter the amounts of federal income tax on Lines 1 and 2. The instructions for entering the federal income tax are found on each line number. The line numbers will differ on other federal forms (1120A, 1120POL, 1120H, 1120F, 1120REIT, 990T and 990C). **Add Lines 1 and 2; divide the total by 2; and enter the result on Line 3 and on Form MO-1120, Page 1, Line 7.**

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

Enter on Part 3, Line 1, federal tax from the consolidated Schedule J, Line 11. Enter on Part 3, Line 2, the foreign tax credit from the consolidated Schedule J, Line 6a. Enter on Part 3, Line 3, half of Lines 1 and 2. Enter on Part 3, Line 4, the numerator (the amount of separate company federal taxable income). Enter on Part 3, Line 5, the denominator (total of all positive separate company federal taxable incomes; companies which incurred a loss must not be included in the denominator). 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%). Multiply Line 3 by the percentage and enter on Part 3, Line 6 and on Form MO-1120, Page 1, Line 7. 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 and/or 5278 must be attached.

# **PART 5 LOSS CARRYBACK OR TAX CREDIT CARRYBACK — AMENDED RETURN ONLY**

Complete Part 5 when there is a loss carryback and/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).

# **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/her firm. 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 person whose

signature is affixed and the corporation's telephone number. Lines are provided for the preparer's signature (other than taxpayer), address, Federal Employer Identification Number (FEIN), telephone number and date. Failure to sign the return will cause a delay in the processing of the return.

## ASSEMBLE YOUR RETURN

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

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 the preparer, 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.

The corporation should try to ensure the Department of Revenue has an updated list of officers on file and any changes to officers' status should be filed with the Division of Taxation and Collection as soon as the change takes effect. To update corporate officers, send the information to: **Division of Taxation and Collection, P.O. Box 3300, Jefferson City, MO 65105-3300**. These procedures are to protect the taxpayer from unauthorized disclosure of financial records.