

2014 California Corporation Franchise or Income Tax Return — Water's-Edge Filers

For calendar year 2014 or fiscal year beginning [mm/dd/yyyy] and ending [mm/dd/yyyy] . [] RP

Corporation name [] California corporation number [] FEIN []

Additional information. See instructions. [] California Secretary of State file number []

Street address (suite/room no.) [] PMB no. []

City (If the corporation has a foreign address, see instructions.) [] State [] ZIP code []

Foreign country name [] Foreign province/state/county [] Foreign postal code []

Schedule Q Questions (continued on Side 2)

A FINAL RETURN? ● Dissolved Surrendered (withdrawn) Merged/Reorganized IRC Section 338 sale QSub election
Enter date (mm/dd/yyyy) ● []

- B 1.** Is income included in a combined report of a unitary group? ● Yes No
- 2.** If "Yes," indicate: wholly within CA (R&TC 25101.15)
 within and outside of CA
- 3.** Is there a change in the members listed in Schedule R-7 from the prior year? ● Yes No
- 4.** Enter the number of members (including parent or key corporation) listed in the Schedule R-7, Part I, Section A, subject to income or franchise tax ● []
- 5.** Is form FTB 3544 and/or 3544A attached to the return? ● Yes No

State Adjustments	1 Net income (loss) before state adjustments. See instructions ●	1		00
	2 Amount deducted for foreign or domestic tax based on income or profits from Schedule A ●	2		00
	3 Amount deducted for tax under the provisions of the Corporation Tax Law from Schedule A ●	3		00
	4 Interest on government obligations ●	4		00
	5 Net California capital gain from Side 6, Schedule D, line 11 ●	5		00
	6 Depreciation and amortization in excess of amount allowed under California law. Attach form FTB 3885 ●	6		00
	7 a Net income from included CFCs from form FTB 2416, column (i). See instructions ●	7a		00
	b Net income from corporations not included in federal consolidated return. See instructions ●	7b		00
	8 Other additions. Attach schedule(s) ●	8		00
	9 Total. Add line 1 through line 8. ●	9		00
	10 Intercompany dividend deduction. Attach Schedule H (100W). ●	10		00
	11 a Foreign dividend deduction. Attach Schedule H (100W) ●	11a		00
	b Dividends received deduction. Attach Schedule H (100W) ●	11b		00
	12 Additional depreciation allowed under CA law. Attach form FTB 3885 ●	12		00
	13 Capital gain from federal Form 1120, line 8 ●	13		00
	14 Contributions ●	14		00
	15 Other deductions. Attach schedule(s) ●	15		00
16 Total. Add line 10 through line 15. ●	16		00	
17 Net income (loss) after state adjustments. Subtract line 16 from line 9. ●	17		00	

CA Net Income	18	Net income (loss) for state purposes. Complete Schedule R if apportioning or allocating income. See instructions.	●	18		00
	19	Net operating loss (NOL) deduction. See instructions	●	19		00
	20	Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction	●	20		00
	21	Disaster loss carryover deduction. See instructions	●	21		00
	22	Net income for tax purposes. Combine line 19 through line 21. Then, subtract from line 18	●	22		00
	Taxes	23	Tax. _____% x line 22 (at least minimum franchise tax, if applicable). See instructions	●	23	
24		New employment credit, amount generated	●			
25		New employment credit, amount claimed	●	25		00
26a		Credit name _____ code _____ amount	●	26a		00
26b		Credit name _____ code _____ amount	●	26b		00
27		To claim more than two credits, see instructions	●	27		00
28		Add line 25 through line 27	●	28		00
29		Balance. Subtract line 28 from line 23 (at least minimum franchise tax, if applicable)	●	29		00
30		Alternative minimum tax. Attach Schedule P (100W). See instructions	●	30		00
31		Total tax. Add line 29 and line 30	●	31		00
Payments	32	Overpayment from prior year allowed as a credit	●	32		00
	33	2014 Estimated tax payments. See instructions	●	33		00
	34	2014 Withholding (Form 592-B and/or 593). See instructions	●	34		00
	35	Amount paid with extension of time to file tax return	●	35		00
	36	Total payments. Add line 32 through line 35	●	36		00
	Refund or Amount Due	37	Tax due. If line 31 is more than line 36, subtract line 36 from line 31. Go to line 41	●	37	
38		Overpayment. If line 36 is more than line 31, subtract line 31 from line 36	●	38		00
39		Amount of line 38 to be credited to 2015 estimated tax	●	39		00
40		Refund. Amount of line 38 to be refunded. Line 38 less line 39. See instructions to have the refund directly deposited. <input type="checkbox"/> Checking <input type="checkbox"/> Savings _____ 40a. ● Routing number 40b. ● Type 40c. ● Account number	●	40		00
41 a		Penalties and interest	●	41a		00
b		● <input type="checkbox"/> Check if estimate penalty computed using Exception B or C. See instructions				
42		Total amount due. Add line 37 and line 41a. Pay this amount	●	42		00

Schedule Q Questions (continued from Side 1)

- C** This return is being filed pursuant to a water's-edge election under R&TC Section 25113, commencing on _____ Enter date (mm/dd/yyyy) ● _____
- D** Was the corporation's income included in a consolidated federal return? ● Yes No
- E** Principal business activity code. (Do not leave blank): ● _____
 Business activity _____
 Product or service _____
- F** Date incorporated (mm/dd/yyyy): _____
 Where: ● State _____ Country _____
- G** Date business began in California or date income was first derived from California sources _____ (mm/dd/yyyy) ● _____
- H** First return? ● Yes No If "Yes" and this corporation is a successor to a previously existing business, check the appropriate box.
 ● (1) sole proprietorship (2) partnership (3) joint venture (4) corporation (5) other
 (Attach statement showing name, address, and FEIN/SSN/ITIN of previous business.)
- I** "Doing business as" name. See instructions:
 ● _____

Schedule Q Questions (continued on Side 3)

Schedule Q Questions (continued from Side 2)

- J** 1. During this taxable year, did another person or legal entity acquire control or majority ownership (more than a 50% interest) of this corporation or any of its subsidiaries that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term? Yes No
2. During this taxable year, did this corporation or any of its subsidiaries acquire control or majority ownership (more than a 50% interest) in another legal entity that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term? Yes No
3. During this taxable year, has more than 50% of the voting stock of this corporation cumulatively transferred in one or more transactions after an interest in California real property (i.e., land, buildings) was transferred to it that was excluded from property tax reassessment under R&TC Section 62(a)(2) and it was not reported on a previous year's tax return? Yes No
- (Yes requires filing of statement, penalties may apply— see instructions.)**
- K** At any time during the taxable year, was more than 50% of the voting stock:
1. Of the corporation owned by any single interest? Yes No
2. Of another corporation owned by this corporation? Yes No
3. Of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? Yes No
- If 1 or 3 is "Yes," enter the country of the ultimate parent
- _____
- If 1, 2, or 3 is "Yes," furnish a statement of ownership indicating pertinent names, addresses, and percentages of stock owned. If the owner(s) is an individual, provide the SSN/ITIN.
- L** Has the corporation included a reportable transaction or listed transaction within this return? (See instructions for definitions) Yes No
If "Yes," complete and attach federal Form 8886 for each transaction.
- M** Is this corporation apportioning or allocating income to California using Schedule R? Yes No
- N** How many affiliates in the combined report are claiming immunity from taxation in California under Public Law 86-272? ● _____
- O** Corporation headquarters are: (1) Within California (2) Outside of California, within the U.S. (3) Outside of the U.S.
- P** Location of principal accounting records _____
- Q** Accounting method: (1) Cash (2) Accrual (3) Other
- R** Does this corporation or any of its subsidiaries have a Deferred Intercompany Stock Account (DISA)? Yes No
If "Yes," enter the total balance of all DISAs ● \$ _____
- S** Is this corporation or any of its subsidiaries a RIC? Yes No
- T** Is this corporation treated as a REMIC for California purposes? Yes No
- U** Is this corporation a REIT for California purposes? Yes No
- V** Is this corporation an LLC or limited partnership electing to be taxed as a corporation for federal purposes? Yes No
If "Yes," enter the effective date of the election (mm/dd/yyyy): _____
- W** Is this corporation to be treated as a credit union? Yes No
- X** Is the corporation under audit by the IRS or has it been audited by the IRS in a prior year? Yes No
- Y** Have all required information returns (e.g. federal Forms 1099, 5471, 5472, 8300, 8865, etc.) been filed with the Franchise Tax Board? N/A Yes No
- Z** Does the taxpayer (or any corporation of the taxpayer's combined group, if applicable) own 80% or more of the stock of an insurance company? Yes No
- AA** Did the corporation file the federal Schedule UTP (Form 1120)? Yes No
- BB** Does any member of the combined report own an SMLLC or generate/claim credits that are attributable to an SMLLC? Yes No

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer ▶	Title	Date	● Telephone ()
Paid Preparer's Use Only	Officer's email address (optional)			()
	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	● PTIN
	Firm's name (or yours, if self-employed) and address			● FEIN
				● Telephone ()
May the FTB discuss this return with the preparer shown above? See instructions				● <input type="checkbox"/> Yes <input type="checkbox"/> No

Schedule A Taxes Deducted. Use additional sheet(s) if necessary.

(a) Nature of tax	(b) Taxing authority	(c) Total amount	(d) Nondeductible amount
			00
			00
Total. Enter total of column (c) on Schedule F, line 17, and total of column (d) on Side 1, line 2 or line 3. If the corporation uses California computation method to compute the net income, see instructions.			00

Schedule F Computation of Net Income. See instructions.

Income	1 a Gross receipts or gross sales _____				
	b Less returns and allowance _____			c) Balance	00
	2 Cost of goods sold. Attach federal Form 1125-A (California Schedule V)				00
	3 Gross profit. Subtract line 2 from line 1c				00
	4 Total dividends. Attach federal Schedule C, California Schedule H (100W)				00
	5 a Interest on obligations of the United States and U.S. instrumentalities				00
	b Other interest. Attach schedule				00
	6 Gross rents				00
	7 Gross royalties				00
	8 Capital gain net income. Attach federal Schedule D (California Schedule D)				00
	9 Ordinary gain (loss). Attach federal Form 4797 (California Schedule D-1)				00
10 Other income (loss). Attach schedule				00	
11 Total income. Add line 3 through line 10.				00	
Deductions	12 Compensation of officers. Attach federal Form 1125-E or equivalent schedule				00
	13 Salaries and wages (not deducted elsewhere)				00
	14 Repairs				00
	15 Bad debts				00
	16 Rents				00
	17 Taxes (California Schedule A). See instructions				00
	18 Interest. Attach schedule				00
	19 Contributions. Attach schedule.				00
	20 Depreciation. Attach federal Form 4562 and FTB 3885				00
	21 Less depreciation claimed elsewhere on return				00
	22 Depletion. Attach schedule				00
	23 Advertising				00
	24 Pension, profit-sharing plans, etc.				00
	25 Employee benefit plans				00
	26 a Total travel and entertainment _____				
	b Deductible amounts				00
	27 Other deductions. Attach schedule				00
	28 Total deductions. Add line 12 through line 27				00
29 Net income before state adjustments. Subtract line 28 from line 11. Enter here and on Side 1, line 1				00	

Schedule J Add-On Taxes and Recapture of Tax Credits. See instructions.

1 LIFO recapture due to S corporation election, IRC Sec. 1363(d) deferral: \$ _____			00
2 Interest computed under the look-back method for completed long-term contracts (Attach form FTB 3834)			00
3 Interest on tax attributable to installment: a Sales of certain timeshares and residential lots			00
	b Method for nondealer installment obligations		00
4 IRC Section 197(f)(9)(B)(ii) election			00
5 Credit recapture name: _____			00
6 Combine line 1 through line 5, revise Side 2, line 37 or line 38, whichever applies, by this amount. Write "Schedule J" to the left of line 37 or line 38			00

Schedule V Cost of Goods Sold

1	Inventory at beginning of year	<input checked="" type="radio"/>	1		00
2	Purchases	<input checked="" type="radio"/>	2		00
3	Cost of labor	<input checked="" type="radio"/>	3		00
4	a Additional IRC Section 263A costs. Attach schedule	<input checked="" type="radio"/>	4a		00
	b Other costs. Attach schedule	<input checked="" type="radio"/>	4b		00
5	Total. Add line 1 through line 4b		5		00
6	Inventory at end of year		6		00
7	Cost of goods sold. Subtract line 6 from line 5. Enter here and on Side 4, Schedule F, line 2		7		00

Method of inventory valuation ▶ _____

Was there any change in determining quantities, costs of valuations between opening and closing inventory?..... Yes No
 If "Yes," attach an explanation.

Enter California seller's permit number, if any ▶ _____

Check if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970

If the LIFO inventory method was used for this taxable year, enter the amount of closing inventory under LIFO _____

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the corporation?..... Yes No

The corporation may not be required to complete Schedules L, M-1, and M-2. See Schedule M-1 instructions for reporting requirements.

Schedule L Balance Sheet

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

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return.

If the corporation completed federal **Schedule M-3 (Form 1120/1120-F)**, see instructions.

1 Net income per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		a Tax-exempt interest	\$
3 Excess of capital losses over capital gains		b Other	\$
4 Taxable income not recorded on books this year (itemize)		c Total. Add line 7a and line 7b	
5 Expenses recorded on books this year not deducted in this return (itemize)		8 Deductions in this return not charged against book income this year (itemize)	
a Depreciation	\$	a Depreciation	\$
b State taxes	\$	b State tax refunds	\$
c Travel and entertainment	\$	c Other	\$
d Other	\$	d Total. Add line 8a through line 8c	
e Total. Add line 5a through line 5d		9 Total. Add line 7c and line 8d	
6 Total. Add line 1 through line 5e		10 Net income per return. Subtract line 9 from line 6	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Side 5, Schedule L, line 24)

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

Schedule D California Capital Gains and Losses

Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less. Use additional sheet(s) if necessary.

(a) Kind of property and description (Example, 100 shares of Z Co.)	(b) Date acquired (mm/dd/yyyy)	(c) Date sold (mm/dd/yyyy)	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain (loss) (d) less (e)
1					00
					00
					00
					00
					00
2 Short-term capital gain from installment sales from form FTB 3805E, line 26 or line 37					2 00
3 Unused capital loss carryover from 2013					3 00
4 Net short-term capital gain (loss). Combine line 1 through line 3					4 00

Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year. Use additional sheet(s) if necessary.

5					00
					00
					00
					00
					00
6 Enter gain from Schedule D-1, line 9 and/or any capital gain distributions					6 00
7 Long-term capital gain from installment sales from form FTB 3805E, line 26 or line 37					7 00
8 Net long-term capital gain (loss). Combine line 5 through line 7					8 00
9 Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)					9 00
10 Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)					10 00
11 Total lines 9 and 10. Enter here and on Form 100W, Side 1, line 5. If losses exceed gains, carry forward losses to 2015					11 00