

**Cost of Goods Sold**

(December 2011)  
Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.**

Name \_\_\_\_\_ Employer identification number \_\_\_\_\_

<b>1</b>	Inventory at beginning of year . . . . .	<b>1</b>		
<b>2</b>	Purchases . . . . .	<b>2</b>		
<b>3</b>	Cost of labor . . . . .	<b>3</b>		
<b>4</b>	Additional section 263A costs (attach schedule) . . . . .	<b>4</b>		
<b>5</b>	Other costs (attach schedule) . . . . .	<b>5</b>		
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	<b>6</b>		
<b>7</b>	Inventory at end of year . . . . .	<b>7</b>		
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions) . . . . .	<b>8</b>		

- 9a** Check all methods used for valuing closing inventory:
- (i)  Cost
  - (ii)  Lower of cost or market
  - (iii)  Other (Specify method used and attach explanation.) ▶
- b** Check if there was a writedown of subnormal goods . . . . . ▶
- c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . ▶
- d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO . . . . . **9d** \_\_\_\_\_
- e** If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? . . . . .  Yes  No
- f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . .  Yes  No