

**Net Income (Loss) Reconciliation for S Corporations
With Total Assets of \$10 Million or More**

▶ Attach to Form 1120S.

▶ Go to www.irs.gov/Form1120S for instructions and the latest information.

Name of corporation _____

Employer identification number _____

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation prepare a certified audited non-tax-basis income statement for the period ending with or within this tax year? See instructions if multiple non-tax-basis income statements are prepared.
 - Yes.** Skip line 1b and complete lines 2 through 11 with respect to that income statement.
 - No.** Go to line 1b.
- b** Did the corporation prepare a non-tax-basis income statement for that period?
 - Yes.** Complete lines 2 through 11 with respect to that income statement.
 - No.** Skip lines 2 through 3b and enter the corporation's net income (loss) per its books and records on line 4a.

2 Enter the income statement period: Beginning _____ / _____ / _____ Ending _____ / _____ / _____

- 3a** Has the corporation's income statement been restated for the income statement period on line 2?
 - Yes.** If "Yes," attach an explanation and the amount of each item restated.
 - No.**
- b** Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2?
 - Yes.** If "Yes," attach an explanation and the amount of each item restated.
 - No.**

| | | |
|--|-----------|-----------|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Tax-basis (4) <input type="checkbox"/> Other (specify) _____ | | |
| 5a Net income from nonincludible foreign entities (attach statement) | 5a | (_____) |
| b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) | 5b | |
| 6a Net income from nonincludible U.S. entities (attach statement) | 6a | (_____) |
| b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other foreign disregarded entities (attach statement) | 7a | |
| b Net income (loss) of other U.S. disregarded entities (except qualified subchapter S subsidiaries) (attach statement) | 7b | |
| c Net income (loss) of other qualified subchapter S subsidiaries (QSubs) (attach statement) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach statement) | 9 | |
| 10 Other adjustments to reconcile to amount on line 11 (attach statement) | 10 | |
| 11 Net income (loss) per income statement of the corporation. Combine lines 4 through 10 Note: Part I, line 11, must equal Part II, line 26, column (a) or Schedule M-1, line 1. See instructions. | 11 | |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines:

| | Total Assets | Total Liabilities |
|-------------------------------------|--------------|-------------------|
| a Included on Part I, line 4 | | |
| b Removed on Part I, line 5 | | |
| c Removed on Part I, line 6 | | |
| d Included on Part I, line 7 | | |

Name of corporation

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 10) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross foreign distributions previously taxed | | | | |
| 5 Income (loss) from equity method U.S. corporations | | | | |
| 6 U.S. dividends not eliminated in tax consolidation | | | | |
| 7 Income (loss) from U.S. partnerships | | | | |
| 8 Income (loss) from foreign partnerships | | | | |
| 9 Income (loss) from other pass-through entities | | | | |
| 10 Items relating to reportable transactions | | | | |
| 11 Interest income (see instructions) | | | | |
| 12 Total accrual to cash adjustment | | | | |
| 13 Hedging transactions | | | | |
| 14 Mark-to-market income (loss) | | | | |
| 15 Cost of goods sold (see instructions) | () | | | () |
| 16 Sale versus lease (for sellers and/or lessors) | | | | |
| 17 Section 481(a) adjustments | | | | |
| 18 Unearned/deferred revenue | | | | |
| 19 Income recognition from long-term contracts | | | | |
| 20 Original issue discount and other imputed interest | | | | |
| 21a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 22 Other income (loss) items with differences (attach statement) | | | | |
| 23 Total income (loss) items. Combine lines 1 through 22 | | | | |
| 24 Total expense/deduction items (from Part III, line 32) | | | | |
| 25 Other items with no differences | | | | |
| 26 Reconciliation totals. Combine lines 23 through 25 | | | | |

Note: Line 26, column (a), must equal Part I, line 11, and column (d) must equal Form 1120S, Schedule K, line 18.

Name of corporation

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return—Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Equity-based compensation | | | | |
| 8 Meals and entertainment | | | | |
| 9 Fines and penalties | | | | |
| 10 Judgments, damages, awards, and similar costs | | | | |
| 11 Pension and profit-sharing | | | | |
| 12 Other post-retirement benefits | | | | |
| 13 Deferred compensation | | | | |
| 14 Charitable contribution of cash and tangible property | | | | |
| 15 Charitable contribution of intangible property | | | | |
| 16 Current year acquisition or reorganization investment banking fees | | | | |
| 17 Current year acquisition or reorganization legal and accounting fees | | | | |
| 18 Current year acquisition/reorganization other costs | | | | |
| 19 Amortization/impairment of goodwill | | | | |
| 20 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 21 Other amortization or impairment write-offs | | | | |
| 22 Reserved | | | | |
| 23a Depletion—Oil & Gas | | | | |
| b Depletion—Other than Oil & Gas | | | | |
| 24 Depreciation | | | | |
| 25 Bad debt expense | | | | |
| 26 Interest expense (see instructions) | | | | |
| 27 Corporate owned life insurance premiums | | | | |
| 28 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 29 Research and development costs | | | | |
| 30 Section 118 exclusion (attach statement) | | | | |
| 31 Other expense/deduction items with differences (attach statement) | | | | |
| 32 Total expense/deduction items. Combine lines 1 through 31. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive | | | | |