

Corporate Report of Nondividend Distributions

▶ For calendar year ending December 31, 19

OMB No. 1545-0205
 Expires 1-31-95

▶ Attach to the corporation's tax return.

Name	Employer identification number
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A (1) Has a Form 5452 been filed for a prior calendar year? ▶ Yes No

(2) If "Yes," state which year(s) _____

B Are any of the distributions part of a partial or complete liquidation? ▶ Yes No

If "Yes," describe in detail in a separate statement.

C Earnings and Profits

- Accumulated earnings and profits (since February 28, 1913) at the beginning of the tax year \$ _____

- Actual earnings and profits for the current tax year \$ _____

D Classification of Shareholders at Date of Last Dividend Payment

- Number of individuals _____
- Number of partnerships _____
- Number of corporations and other shareholders _____

Note: If there are 12 or fewer shareholders, attach copies of the Forms 1099-DIV (or the information from that form) that the shareholders received.

E Corporate Distributions

Column 1			Column 2				Column 3	
Date Paid	Total Amount Paid (Common (C), Preferred (P), Other (O))	Amount Per Share	Amount Paid During Calendar Year From Earnings & Profits Since February 28, 1913			Percent Taxable	Amount Paid During Calendar Year From Other Than Earnings & Profits Since February 28, 1913	Percent Nontaxable
			From the Current Year	Accumulated	Total			
	\$	\$	\$	\$	\$		\$	
Totals	\$	\$	\$	\$	\$	%	\$	%

Instructions

(Section references are to the Internal Revenue Code.)

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping19 hr., 51 min.
Learning about the law or the form	1 hr., 20 min.
Preparing the form	3 hr., 35 min.
Copying, assembling, and sending the form to the IRS	32 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions for the tax return with which this form is filed.

A Change To Note

The due date and the method of filing Form 5452 for distributions made in calendar years beginning after 1990 have been changed. See **When To File**, below, for the new rules.

Purpose of Form

Complete Form 5452 if nondividend distributions are made to shareholders under section 301 or 1368(c)(3).

Who Must File

All corporations that have made nondividend distributions to their shareholders must file Form 5452 for the calendar year in which the distributions were made. If the corporation is a member of a consolidated group, the parent corporation must file Form 5452. An S corporation should file this form only with respect to distributions made under section 1368(c)(3).

When To File

A **calendar tax year corporation** must file Form 5452 and supporting information with the income tax return due for the tax year in which the nondividend distributions were made.

A **fiscal tax year corporation** must file Form 5452 and supporting information with the income tax return due for the first fiscal year ending after the calendar year in which the nondividend distributions were made.

Nondividend Distributions

Nondividend distributions are distributions made to shareholders in the normal course of business. They are considered fully or partially nontaxable as dividends only because the paying corporation's current and accumulated earnings and profits are less than the distributions. Nondividend distributions do not include tax-free stock dividends or distributions exchanged for stock in liquidations or redemptions.

Taxable Status Reported to Shareholders

Complete columns 1, 2, and 3 in Item E, Corporate Distributions, showing the taxable and nontaxable status of distributions reported to shareholders. If noncash distributions were made, attach a statement showing their tax bases and fair market values.

Supporting Information

(a) Attach the following information to Form 5452. See Revenue Procedure 75-17, 1975-1 C.B. 677.

1. A computation of earnings and profits for the tax year (see the example on page 3 and the worksheet on page 4). Also attach a schedule of the differences between the earnings and profits computation and the Schedule M-1 (Form 1120).
 2. A year-by-year computation of the accumulated earnings and profits, and a schedule of differences since the origin of the company, February 28, 1913, or the last year that information was previously furnished, whichever is later.
 3. An ending book, Schedule L (Form 1120), vs. tax-basis balance sheet. If an accelerated method of depreciation has been used, attach a schedule summarizing the depreciation (and any amortization) computed under the straight-line method and a reconciliation of any difference between that amount and the amount deducted on Form 1120 or other comparable return. (For examples, see Exhibits B and C in Rev. Proc. 75-17.)
- (b)** In addition, a consolidated filer must also attach the following information.
1. A schedule showing the allocation of the consolidated tax liability that identifies the method used. (If an intercompany agreement is in effect, provide that information).
 2. A schedule showing the taxable income or loss for each member of the consolidated group.
 3. For each member of a consolidated group that made nondividend distributions, provide the information requested in 1 through 3 of **(a)** above.

Example of a Current-Year Earnings and Profits Computation
XYZ Corporation, EIN 00-0000000
123 Main Street
Anycity, Yourstate 20200

Incorporated 1/1/78 Accrual Method of Accounting	Retained Earnings Shown in Books		Earnings and Profits Current Year		Accumulated Earnings and Profits Credit Balance	Key
	Debit	Credit	Debit	Credit		
Balance forward 12/31/91		\$225,000			\$20,900	
1992						
1 Taxable income from Form 1120, line 28 (or comparable line of other income tax return)		214,700		\$214,700		a
2 Federal income taxes shown on books and on tax return	\$60,000		\$60,000			a
3 Excess of capital losses over capital gains (tax basis)	3,600		3,600			a
4 Depreciation adjustment on earnings and profits (section 312(k))				24,000		
5 Depreciation adjustment on sale of property			4,000			
6 Total itemized expenses from line 5, Schedule M-1	11,050					
a Travel and entertainment	\$200		200			a
b Life insurance premium greater than cash surrender value (CSV)	9,500		9,500			a
c Nondeductible interest paid to carry tax-exempt bonds	850		850			a
d Contributions carryover	500		500			a
7 Total itemized income from line 7, Schedule M-1		14,500				
a Life insurance proceeds greater than CSV	6,000			6,000		a
b Bad debt recovery (not charged against taxable income)	3,500					b
c Tax-exempt interest on municipal bonds	5,000			5,000		a
8 Reserve for contingencies	10,000					c
9 Totals			78,650	249,700		
10 Current-Year Earnings and Profits				171,050		
Cash Distributions:						
<i>Preferred stock: 3/16/92, 6/15/92, 9/15/92, 12/15/92</i> 10,000 Shares at \$1.00/Share = \$40,000	40,000		40,000			a
<i>Common stock:</i>						
1. 3/31/92 - 90,000 Shares at \$1.00 = \$90,000						
From current-year earnings and profits	72.81%	65,525	65,525			a
From accumulated earnings and profits	23.22%	20,900			(20,900)	a
Total distribution from earnings and profits	96.03%	86,425				
From other distribution	3.97%	3,575				
Total distribution	100%	90,000				
2. 9/30/92 - 90,000 Shares at \$1.00 = \$90,000						
From current-year earnings and profits	72.81%	65,525	65,525			a
From other distribution	27.19%	24,475				
Total distribution	100%	90,000				
Total cash distributions		220,000				
Totals		304,650	229,200	171,050	171,050	
Current-year change		75,450			(20,900)	
Balance forward 12/31/92		\$149,550			\$—0—	

Explanation of Key

- a** - Identical items on the same line.
- b** - Item completely offset in 1990. Bad debt reserve method used for purposes of book accounting.
- c** - Item not completely offset.

Worksheet for Computing Current-Year Earnings and Profits

Incorporated Method of Accounting	Retained Earnings Shown in Books		Earnings and Profits Current Year		Accumulated Earnings and Profits Credit Balance	Key
	Debit	Credit	Debit	Credit		
Balance forward 12/31/ _____						
19 _____						
1 Taxable income from Form 1120, line 28 (or comparable line of other income tax return)						
2 Federal income taxes shown on books and on tax return						
3 Excess of capital losses over capital gains (tax basis)						
4 Depreciation adjustment on earnings and profits (section 312(k))						
5 Depreciation adjustment on sale of property						
6 Total itemized expenses from line 5, Schedule M-1						
a Travel and entertainment						
b Life insurance premium greater than cash surrender value (CSV)						
c Nondeductible interest paid to carry tax-exempt bonds						
d Contributions carryover						
e Other (list separately)						
7 Total itemized income from line 7, Schedule M-1						
a Life insurance proceeds greater than CSV						
b Bad debt recovery (not charged against taxable income)						
c Tax-exempt interest on municipal bonds						
d Other (list separately)						
8 Refund of prior year Federal income taxes						
9 Reserve for contingencies						
10 Additional adjustments:						

11 Totals						
Current-Year Earnings and Profits						
Cash Distributions:						
From current-year earnings and profits						
From accumulated earnings and profits						
Total distribution from earnings and profits						
From other distribution						
Total distribution						
Total cash distributions						
Totals						
Current-year change						
Balance forward 12/31/ _____						