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Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ Go to www.irs.gov/Form1120S for instructions and the latest information.

2018

For calendar year 2018 or tax year beginning _____, 2018, ending _____, 20

A S election effective date	TYPE OR PRINT	Name	D Employer identification number
B Business activity code number (see instructions)		Number, street, and room or suite no. If a P.O. box, see instructions.	E Date incorporated
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code	F Total assets (see instructions) \$ _____

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year ▶

Caution: Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a			
	b Returns and allowances	1b			
	c Balance. Subtract line 1b from line 1a				1c
	2 Cost of goods sold (attach Form 1125-A)				2
	3 Gross profit. Subtract line 2 from line 1c				3
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)				4
5 Other income (loss) (see instructions—attach statement)				5	
6 Total income (loss). Add lines 3 through 5 ▶				6	
Deductions (see instructions for limitations)	7 Compensation of officers (see instructions—attach Form 1125-E)				7
	8 Salaries and wages (less employment credits)				8
	9 Repairs and maintenance				9
	10 Bad debts				10
	11 Rents				11
	12 Taxes and licenses				12
	13 Interest (see instructions)				13
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)				14
	15 Depletion (Do not deduct oil and gas depletion.)				15
	16 Advertising				16
	17 Pension, profit-sharing, etc., plans				17
	18 Employee benefit programs				18
	19 Other deductions (attach statement)				19
	20 Total deductions. Add lines 7 through 19 ▶				20
	21 Ordinary business income (loss). Subtract line 20 from line 6				21
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a			
	b Tax from Schedule D (Form 1120S)	22b			
	c Add lines 22a and 22b (see instructions for additional taxes)				22c
	23a 2018 estimated tax payments and 2017 overpayment credited to 2018	23a			
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d Refundable credit from Form 8827, line 8c	23d			
	e Add lines 23a through 23d				23e
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>				24
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed				25
	26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid				26
27 Enter amount from line 26: Credited to 2019 estimated tax ▶ Refunded ▶				27	

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.

Sign Here	Signature of officer	Date	Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	_____	_____	_____	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Schedule B Other Information (see instructions) <i>(continued)</i>		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		
	If "Yes," enter the amount of principal reduction ▶ \$		
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		
14a	Did the corporation make any payments in 2018 that would require it to file Form(s) 1099?		
b	If "Yes," did the corporation file or will it file required Forms 1099?		
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		
	If "Yes," enter the amount from Form 8996, line 13 ▶ \$		

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends 5a		
	b Qualified dividends 5b		
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
Income (Loss)	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b Collectibles (28%) gain (loss) 8b		
	c Unrecaptured section 1250 gain (attach statement) 8c		
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
10 Other income (loss) (see instructions) . . . Type ▶	10		
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Charitable contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
d Other deductions (see instructions) . . . Type ▶	12d		
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) . . . Type ▶	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Section 951A category	14d	
	e Foreign branch category	14e	
	f Passive category	14f	
	g General category	14g	
	h Other (attach statement)	14h	
	Deductions allocated and apportioned at shareholder level		
	i Interest expense	14i	
	j Other	14j	
	Deductions allocated and apportioned at corporate level to foreign source income		
	k Section 951A category	14k	
	l Foreign branch category	14l	
	m Passive category	14m	
	n General category	14n	
	o Other (attach statement)	14o	
Other information			
p Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14p		
q Reduction in taxes available for credit (attach statement)	14q		
r Other foreign tax information (attach statement)			

Schedule K		Shareholders' Pro Rata Share Items <i>(continued)</i>	Total amount	
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment	15a	
	b	Adjusted gain or loss	15b	
	c	Depletion (other than oil and gas)	15c	
	d	Oil, gas, and geothermal properties—gross income	15d	
	e	Oil, gas, and geothermal properties—deductions	15e	
	f	Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a	Tax-exempt interest income	16a	
	b	Other tax-exempt income	16b	
	c	Nondeductible expenses	16c	
	d	Distributions (attach statement if required) (see instructions)	16d	
	e	Repayment of loans from shareholders	16e	
Other Information	17a	Investment income	17a	
	b	Investment expenses	17b	
	c	Dividend distributions paid from accumulated earnings and profits	17c	
	d	Other items and amounts (attach statement)		
Reconciliation	18	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p	18	

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)		
1	Cash						
2a	Trade notes and accounts receivable						
b	Less allowance for bad debts	()		()			
3	Inventories						
4	U.S. government obligations						
5	Tax-exempt securities (see instructions)						
6	Other current assets (attach statement)						
7	Loans to shareholders						
8	Mortgage and real estate loans						
9	Other investments (attach statement)						
10a	Buildings and other depreciable assets						
b	Less accumulated depreciation	()		()			
11a	Depletable assets						
b	Less accumulated depletion	()		()			
12	Land (net of any amortization)						
13a	Intangible assets (amortizable only)						
b	Less accumulated amortization	()		()			
14	Other assets (attach statement)						
15	Total assets						
Liabilities and Shareholders' Equity							
16	Accounts payable						
17	Mortgages, notes, bonds payable in less than 1 year						
18	Other current liabilities (attach statement)						
19	Loans from shareholders						
20	Mortgages, notes, bonds payable in 1 year or more						
21	Other liabilities (attach statement)						
22	Capital stock						
23	Additional paid-in capital						
24	Retained earnings						
25	Adjustments to shareholders' equity (attach statement)						
26	Less cost of treasury stock		()		()		
27	Total liabilities and shareholders' equity						

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

Note: The corporation may be required to file Schedule M-3 (see instructions)

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) _____		a	Tax-exempt interest \$ _____
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):
a	Depreciation \$ _____		a	Depreciation \$ _____
b	Travel and entertainment \$ _____		7	Add lines 5 and 6
4	Add lines 1 through 3		8	Income (loss) (Schedule K, line 18). Line 4 less line 7

Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year				
2 Ordinary income from page 1, line 21				
3 Other additions				
4 Loss from page 1, line 21	()			
5 Other reductions	()			()
6 Combine lines 1 through 5				
7 Distributions				
8 Balance at end of tax year. Subtract line 7 from line 6				

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name		Employer identification number	
1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. 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	8	
9a	Check all methods used for valuing closing inventory:		
	(i) <input type="checkbox"/> Cost		
	(ii) <input type="checkbox"/> Lower of cost or market		
	(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ▶		
b	Check if there was a writedown of subnormal goods		<input type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)		<input type="checkbox"/>
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 entity? See instructions		<input type="checkbox"/> Yes <input type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation		<input type="checkbox"/> Yes <input type="checkbox"/> No

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Small business taxpayers. For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

General Instructions

Purpose of Form

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

Who Must File

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

Inventories

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

Exception for certain taxpayers. A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are nonincidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

Small business taxpayer. A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.

Uniform capitalization rules. The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

Schedule K-1 (Form 1120S)

2018

Department of the Treasury Internal Revenue Service

For calendar year 2018, or tax year

beginning [] / [] / 2018 ending [] / [] / []

Shareholder's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Total amount, and Category. Rows include Ordinary business income (loss), Net rental real estate income (loss), Interest income, Ordinary dividends, Qualified dividends, Foreign transactions, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Alternative minimum tax (AMT) items, Section 179 deduction, Items affecting shareholder basis, Other deductions, and Other information.

Part I Information About the Corporation

Form section for Part I: A Corporation's employer identification number, B Corporation's name, address, city, state, and ZIP code, C IRS Center where corporation filed return.

Part II Information About the Shareholder

Form section for Part II: D Shareholder's identifying number, E Shareholder's name, address, city, state, and ZIP code, F Shareholder's percentage of stock ownership for tax year.

Large empty box for 'For IRS Use Only'.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1. Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:

	<i>Report on</i>
Passive loss	See the Shareholder's Instructions
Passive income	Schedule E, line 28, column (h)
Nonpassive loss	See the Shareholder's Instructions
Nonpassive income	Schedule E, line 28, column (k)
- 2. Net rental real estate income (loss)** See the Shareholder's Instructions
- 3. Other net rental income (loss)**

Net income	Schedule E, line 28, column (h)
Net loss	See the Shareholder's Instructions
- 4. Interest income** Form 1040, line 2b
- 5a. Ordinary dividends** Form 1040, line 3b
- 5b. Qualified dividends** Form 1040, line 3a
- 6. Royalties** Schedule E, line 4
- 7. Net short-term capital gain (loss)** Schedule D, line 5
- 8a. Net long-term capital gain (loss)** Schedule D, line 12
- 8b. Collectibles (28%) gain (loss)** 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- 8c. Unrecaptured section 1250 gain** See the Shareholder's Instructions
- 9. Net section 1231 gain (loss)** See the Shareholder's Instructions
- 10. Other income (loss)**

<i>Code</i>	
A Other portfolio income (loss)	See the Shareholder's Instructions
B Involuntary conversions	See the Shareholder's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Section 951A income	}
F Section 965(a) inclusion	
G Subpart F income other than sections 951A and 965 inclusion	
H Other income (loss)	
See the Shareholder's Instructions	
- 11. Section 179 deduction** See the Shareholder's Instructions
- 12. Other deductions**

A Cash contributions (60%)	}	See the Shareholder's Instructions
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		
F Capital gain property (20%)		
G Contributions (100%)		
H Investment interest expense	Form 4952, line 1	
I Deductions—royalty income	Schedule E, line 19	
J Section 59(e)(2) expenditures	See the Shareholder's Instructions	
K Section 965(c) deduction	See the Shareholder's Instructions	
L Deductions—portfolio (other)	Schedule A, line 16	
M Preproductive period expenses	See the Shareholder's Instructions	
N Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions	
O Reforestation expense deduction through R	See the Shareholder's Instructions	
S Other deductions	Reserved for future use	
	See the Shareholder's Instructions	
- 13. Credits**

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	}	See the Shareholder's Instructions		
B Low-income housing credit (other) from pre-2008 buildings				
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings				
D Low-income housing credit (other) from post-2007 buildings				
E Qualified rehabilitation expenditures (rental real estate)				
F Other rental real estate credits				
G Other rental credits				
H Undistributed capital gains credit			Schedule 5 (Form 1040), line 74, box a	
I Biofuel producer credit			}	See the Shareholder's Instructions
J Work opportunity credit				
K Disabled access credit				
L Empowerment zone employment credit				
M Credit for increasing research activities				
N Credit for employer social security and Medicare taxes				

- | | | |
|--|-----------------------------|------------------------------------|
| | <i>Code</i> | <i>Report on</i> |
| | O Backup withholding | See the Shareholder's Instructions |
| | P Other credits | See the Shareholder's Instructions |
- 14. Foreign transactions**

A Name of country or U.S. possession	}	Form 1116, Part I
B Gross income from all sources		
C Gross income sourced at shareholder level		
<i>Foreign gross income sourced at corporate level</i>		
D Section 951A category	}	Form 1116, Part I
E Foreign branch category		
F Passive category		
G General category		
H Other		
<i>Deductions allocated and apportioned at shareholder level</i>		
I Interest expense		Form 1116, Part I
J Other		Form 1116, Part I
<i>Deductions allocated and apportioned at corporate level to foreign source income</i>		
K Section 951A category	}	Form 1116, Part I
L Foreign branch category		
M Passive category		
N General category		
O Other		
<i>Other information</i>		
P Total foreign taxes paid		Form 1116, Part II
Q Total foreign taxes accrued		Form 1116, Part II
R Reduction in taxes available for credit		Form 1116, line 12
S Foreign trading gross receipts		Form 8873
T Extraterritorial income exclusion		Form 8873
U Section 965 information		See the Shareholder's Instructions
V Other foreign transactions		See the Shareholder's Instructions
 - 15. Alternative minimum tax (AMT) items**

A Post-1986 depreciation adjustment	}	See the Shareholder's Instructions and the Instructions for Form 6251
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal—gross income		
E Oil, gas, & geothermal—deductions		
F Other AMT items		
 - 16. Items affecting shareholder basis**

A Tax-exempt interest income	Form 1040, line 2a
B Other tax-exempt income	}
C Nondeductible expenses	
D Distributions	
E Repayment of loans from shareholders	
See the Shareholder's Instructions	
 - 17. Other information**

A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Qualified rehabilitation expenditures (other than rental real estate)	}
D Basis of energy property	
E Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
F Recapture of low-income housing credit (other)	Form 8611, line 8
G Recapture of investment credit	See Form 4255
H Recapture of other credits	See the Shareholder's Instructions
I Look-back interest—completed long-term contracts	See Form 8697
J Look-back interest—income forecast method	See Form 8866
K Dispositions of property with section 179 deductions	}
L Recapture of section 179 deduction through U	
V Section 199A income	
W Section 199A W-2 wages	
X Section 199A unadjusted basis	
Y Section 199A REIT dividends	
Z Section 199A PTP income	
AA Excess taxable income	
AB Excess business interest income	
AC Other information	
See the Shareholder's Instructions	

