

WORKSHEET

THIS SCHEDULE X IS FOR YOUR OWN USE AND DOES NOT HAVE TO BE RETURNED BUT SHOULD BE RETAINED

NOTICE TO ALL TAXPAYERS

An incomplete return is not a "filed" return. An "incomplete" return will be sent back to you, *NOT* your return preparer. A return shall be considered "incomplete" if any of the following is not included when applicable:

1. W-2's.
2. Schedule of Other Deductions if applicable.
3. Schedule K-1's (1065, 1120-S).
4. Signatures.

An "incomplete" return must be submitted in complete form no later than the due date of the return. Any return, postmarked by the due date, that has been determined to be incomplete will be returned to you. Subsequent filing of the complete return after the due date will be subject to penalty and interest charges.

SCHEDULE X: RECONCILIATION WITH FEDERAL INCOME TAX RETURN

ITEMS NOT DEDUCTIBLE	ADD	ITEMS NOT TAXABLE	DEDUCT
A. Capital losses deducted	\$ _____	N. Capital gains from sale, exchange or other disposition of capital or other assets	\$ _____
B. Expenses attributable to non-taxable income (At least 5% of Line Z)	\$ _____	O. Interest earned or accrued	\$ _____
C. City or State income taxes	\$ _____	P. Dividends	\$ _____
D. Net operating loss deduction.	\$ _____	Q. Income from Patents or Copyrights	\$ _____
E. Payments to partners (Line 14, Form 1065)	\$ _____	R. Other income exempt from Waverly Tax (Explain)_____	\$ _____
F. Sick pay not included in Line 1 above	\$ _____	S. Alimony Refund	\$ _____
G. Contributions (not a business expense) .	\$ _____	T. IRA Distributions	\$ _____
H. Other expenses not deductible	\$ _____	U Pensions & Annuities	\$ _____
I. IRA deduction/401 K/deferred	\$ _____	V. Unemployment Compensation	\$ _____
J. Alimony Payments	\$ _____	W. Social Security Benefits	\$ _____
K. Keogh-SEP's	\$ _____	Y. State & Local Refunds	\$ _____
M. TOTAL ADDITIONS	\$ _____	Z. TOTAL DEDUCTIONS	\$ _____
M- Z = Total Amount.....		\$ _____ (To Line 4, Form R)	

SCHEDULE Y: BUSINESS ALLOCATION FORMULA

This Business Allocation Formula is to be used **only in the absence** of books and records which will disclose with reasonable accuracy what portion of the net profits is attributed to that part of the business within the boundaries of Waverly.

	A. Located EVERYWHERE	B. Located IN WAVERLY	C. Percentage (B÷A)
Step 1. Average value of real and tangible personal property	\$ _____	\$ _____	
Gross annual rentals multiplied by 8	\$ _____	\$ _____	
Total step 1	\$ _____	\$ _____	\$ _____
Step 2. Gross receipts from sales and work or services	\$ _____	\$ _____	\$ _____
Step 3. Total wages; salaries, commissions and other compensation of all employees	\$ _____	\$ _____	\$ _____
Step 4. Total percentages-			\$ _____
Step 5. AVERAGE PERCENTAGE (Divide total percentages by number of percentages used.) Enter on Line5A, Page 1			\$ _____