

SCHEDULE M-3
(Form 1120)

Department of the Treasury
Internal Revenue Service

Name

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

▶ Attach to Form 1120.
▶ See separate instructions.

OMB No. 1545-0123

2004

Employer identification number

Part I Financial Information and Net Income (Loss) Reconciliation

- 1a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
- ☐ Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
- ☐ No. Go to line 1b.
- b Did the corporation prepare a certified audited income statement for that period?
- ☐ Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
- ☐ No. Go to line 1c.
- c Did the corporation prepare an income statement for that period?
- ☐ Yes. Complete lines 2a through 11 with respect to that income statement.
- ☐ No. Skip lines 2a through 10 and enter the corporation's net income (loss) per its books and records on line 11.
- 2a Enter the income statement period: Beginning / / Ending / /
- b Has the corporation's income statement been restated for the income statement period on line 2a?
- ☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
- ☐ No.
- c Has the corporation's income statement been restated for any of the five income statement periods preceeding the period on line 2a?
- ☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
- ☐ No.
- 3a Is any of the corporation's voting common stock publicly traded?
- ☐ Yes.
- ☐ No. If "No," go to line 4.
- b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

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- c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock:

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4	Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4	
5a	Net income from nonincludible foreign entities (attach schedule)	5a	()
b	Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) . .	5b	
6a	Net income from nonincludible U.S. entities (attach schedule)	6a	()
b	Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) . .	6b	
7a	Net income of other includible entities (attach schedule)	7a	
b	Net loss of other includible entities (attach schedule and enter as a negative amount)	7b	
8	Adjustment to eliminate transactions between includible and nonincludible entities (attach schedule)	8	
9	Adjustment to reconcile income statement year to tax year of tax return (attach schedule) . . .	9	
10	Other adjustments to reconcile to amount on line 11 (attach schedule)	10	
11	Net income (loss) per income statement of includible corporations. Combine lines 4 through 10	11	

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return

Income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return (optional)
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships (attach schedule)				
10 Income (loss) from foreign partnerships (attach schedule)				
11 Income (loss) from other pass-through entities (attach schedule)				
12 Items relating to reportable transactions (attach details)				
13 Tax-exempt interest				
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss) other than from inventory				
17 Inventory valuation adjustments				
18 Sale versus lease				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23 Income statement gain/loss on disposition of assets other than inventory				
24 Gain/loss reported on Form 4797, line 18				
25 Gross capital gain from includible corporations				
26 Gross capital loss from includible corporations				
27 Other gain/loss on disposition of assets other than inventory				
28 Disallowed capital loss in excess of capital gains				
29 Utilization of capital loss carryforward				
30 Other income (loss) items with differences (attach schedule)				
31 Other income (loss) items with no differences				
32 Total income (loss) items. Combine lines 1 through 31				
33 Total expense/deduction items (from Part III, line 41)				
34 Reconciliation totals. Subtract line 33 from line 32				

Note. Line 34, column (a), must equal the amount on Part I, line 11, and column (d) must equal the amount on Form 1120, page 1, line 28.

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items

Expense/Deduction Items	(a) Expense per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return (optional)
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 Foreign withholding taxes				
8 Incentive stock options				
9 Nonqualified stock options				
10 Other equity-based compensation				
11 Meals and entertainment				
12 Fines and penalties				
13 Punitive damages				
14 Excess parachute payments				
15 Excess section 162(m) compensation				
16 Pension and profit-sharing				
17 Other post-retirement benefits				
18 Deferred compensation				
19 Charitable contribution of cash and tangible property				
20 Charitable contribution of intangible property				
21 Charitable contribution limitation				
22 Charitable contribution carryforward used				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill				
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs				
29 Abandonment losses				
30 Worthless stock deduction (attach details)				
31 Section 198 environmental remediation costs				
32 Depletion				
33 Depreciation				
34 Bad debt expense				
35 Expense for contingent liabilities (attach details)				
36 Expense for other reserves (attach details)				
37 Corporate owned life insurance premiums				
38 Section 481(a) adjustments				
39 Other expense/deduction items with differences (attach schedule)				
40 Other expense/deduction items with no differences				
41 Total expense/deduction items. Combine lines 1 through 40. Enter here and on Part II, line 33				

