SCHEDULE M-3 (Form 1120)

Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 1120.
▶ See separate instructions.

OMB No. 1545-XXXX

2004

Name

Employer identification number

Part I Questions Regarding Corporate Financial Statements and Publicly Traded Common Stock

1 Indicate source of net income shown on Part II, line 1:
a ☐ SEC Form 10-K
b ☐ Other certified GAAP income statement
c ☐ Other income statement
d ☐ No income statement. Books and records used.

Note: *If line 1d is checked, skip lines 2 through 5 of Part I, skip lines 1 through 7 of Part II, and enter net income (loss) per books and records of includible corporations on line 8 of Part II.*

2 What is the income statement period for net income shown in Part II, line 1? From ____/____/____ To ____/____/____

3 In the current or past five years, have the corporation's financial statements been restated? . . . . . ☐ **Yes** ☐ **No**
(If yes, attach details)

4 Under what symbol does the corporation's common stock trade? ________ On what exchange does it trade? ________

5 What is the nine-digit CUSIP number of the corporation's publicly traded common stock? ☐☐☐☐☐☐☐☐☐

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

1	**Net income (loss) per income statement**	1	
2	Remove net income (loss) of nonincludible foreign corporations (attach schedule)	2	
3	Remove net income (loss) of nonincludible U.S. corporations (attach schedule)	3	
4	Include net income (loss) of other includible corporations (attach schedule)	4	
5	Adjust elimination of transactions between includible and nonincludible corporations (attach schedule)	5	
6	Adjust net income (loss) to reconcile income statement year to tax return year (attach schedule) .	6	
7	Other adjustments required to reconcile to amount on line 8 (attach schedule)	7	
8	**Net income (loss) per income statement of includible corporations. Add lines 1 through 7** .	8	

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

	Income (Loss) Items	(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, PFIC, 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 flow-through entities (attach schedule)				
12	Tax-exempt interest				
13	Life insurance proceeds				
14	Involuntary conversions				
15	Like-kind exchanges				
16	Hedging transactions				
17	Section 481(a) adjustments				
18	Inventory valuation adjustments				
19	Section 198 environmental remediation costs				
20	Other amounts relating to reportable transactions (attach details)				
21	Sale versus lease				
22	Mark-to-market income (loss)				
23	Unearned revenue/advance receipts				
24	Installment sales				
25	Long-term contracts				
26	Original issue discount				
27	Net capital gain from flow-through entities				
28	Net capital loss from flow-through entities	( )			( )
29	Gross capital gain from includible corporations				
30	Gross capital loss from includible corporations	( )			( )
31	Disallowed capital loss in excess of capital gains				
32	Utilization of capital loss carryforward				
33	Other income (loss) items with differences (attach schedule)				
34	Other income (loss) items with no differences				
35	**Total income (loss) items.** Add lines 1 through 34				
36	**Total expense/deduction items (from Part IV, line 38**				
37	**Reconciliation totals: Subtract line 36 from line 35**				
	Note: *Line 37, Column A must equal amount on Part II, line 8 and Column D must equal amount on Form 1120, page 1, line 28.*	**Net Income (loss) per income statement, Part II, Line 8**	**Net Temporary Differences**	**Net Permanent Differences**	**Taxable Income (Loss), (Form 1120) Page 1, line 28**

Part IV 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	(B) Temporary Difference	(C) Permanent Difference	(D) Deduction per Tax Return
1 U.S. current tax expense				
2 U.S. deferred tax expense				
3 State current tax expense				
4 State deferred tax expense				
5 Foreign current tax expense				
6 Foreign deferred tax expense				
7 Foreign withholding taxes				
8 Stock option (ISO)				
9 Stock option (NQSO)				
10 Restricted stock				
11 Meals and entertainment				
12 Fines and penalties				
13 Nondeductible punitive damages				
14 Excess parachute payments				
15 Excess section 162(m) compensation				
16 Charitable contribution of cash and tangible property				
17 Charitable contribution of intangible property				
18 Charitable contribution limitation				
19 Charitable contribution carryforward used				
20 Current year acquisition/reorganization investment banking fees				
21 Current year acquisition/reorganization legal/accounting fees				
22 Current year acquisition/reorganization other costs				
23 Impairment of goodwill				
24 Amortization of acquisition/reorganization and start-up costs				
25 Other amortization or impairment write-offs				
26 Abandonment losses (attach details)				
27 Worthless stock deduction (attach details)				
28 Depletion				
29 Depreciation				
30 Bad debt expense				
31 Accrued non-deductible liabilities (attach details)				
32 Corporate owned life insurance premiums				
33 Section 481(a) adjustments				
34 Inventory valuation adjustments				
35 Other amounts relating to reportable transactions (attach details)				
36 Other expense/deduction items with differences (attach schedule)				
37 Other expense/deduction items with no differences				
38 **Total expense/deduction items.** Add lines 1 through 37. Enter here and on Part III, line 36				