



2009

Nebraska

Corporation

Income Tax Booklet

Included in this Booklet:

Form 1120N,
Schedules A, I, II, III, and IV,
Form 7004N, and
Business Classification Codes.

ELECTRONIC PAYMENT OPTIONS ARE AVAILABLE.

See instructions inside.

Questions?

www.revenue.ne.gov

(800) 742-7474 (toll free in NE or IA) or (402) 471-5729

2009 Nebraska Corporation Income Tax

INSTRUCTIONS

WHO MUST FILE. Every corporation engaged in business in Nebraska, or having sources of income from Nebraska and subject to federal corporate income tax, must file a Nebraska Corporation Income Tax Return, Form 1120N.

S corporations. Corporations which have elected to file under Subchapter S of the Internal Revenue Code (IRC), must file a Nebraska S Corporation Income Tax Return, Form 1120-SN, **unless all shareholders are Nebraska residents and all income is derived from Nebraska sources.**

Financial institutions. Institutions that maintain a permanent place of business in this state and actively solicit deposits from residents of this state must file a Nebraska Financial Institution Tax Return, Form 1120NF, and are **not** to file a Nebraska Corporation Income Tax Return, Form 1120N.

Cooperative organizations. These entities must file Form 1120N. Exempt farm cooperatives must attach their U.S. Income Tax Return for Cooperative Associations, Federal Form 1120-C. Cooperatives may exclude those patronage dividends, dividends on capital stock, and nonpatronage income allocated to patrons that are allowable deductions or exclusions for federal income tax purposes.

Exempt Organizations. All exempt organizations required to file a federal return and pay tax at the federal corporate tax rates on unrelated business income are required to file the Nebraska Corporation Income Tax Return, Form 1120N.

WHEN AND WHERE TO FILE. This return must be filed on or before the 15th day of the third month following the close of the taxable year. Cooperative organizations and foreign corporations with no locations within the United States must file on or before the original due date of their federal income tax return. The due date for cooperatives that meet the requirements of IRC Section 6072(d) is the 15th day of the ninth month following the close of the taxable year. Exempt organizations reporting unrelated business income must file on or before the 15th day of the fifth month following the close of the taxable year.

The return must be filed with the Nebraska Department of Revenue, P.O. Box 94818, Lincoln, Nebraska 68509-4818.

INCOME SUBJECT TO NEBRASKA TAXATION. Nebraska income tax applies to the portion of the corporate taxpayer's taxable income derived from or attributable to sources within Nebraska. A corporate taxpayer which is subject to tax in another state must apportion its income unless approval has been granted by the Tax Commissioner for an alternative method.

A corporate taxpayer engaged in business in Nebraska which is not subject to tax in another state must report its entire taxable income to Nebraska.

COMBINED INCOME APPROACH. When a group of corporations conducts a unitary business, a **single combined return** must be filed reporting the income of the entire group. A unitary group engaged in business within and without Nebraska will determine its Nebraska income using an apportionment formula. See the Nebraska Schedule I — Apportionment of Multistate Business instructions.

PERIOD TO BE COVERED BY THE RETURN. A 2009 Form 1120N must be used to file for the calendar year 2009 or fiscal year beginning in 2009. Space is provided at the top of the return to enter the beginning and ending dates for short-period or fiscal filers. The taxable year for Nebraska must be the same as the taxable year used for the federal income tax return. If a corporation changes its federal taxable year, it must also change its Nebraska taxable year. A copy of the approval from the Internal Revenue Service (IRS) to change accounting periods must accompany the first return that reflects the change.

RATE OF TAX. The tax rate is the rate in effect on the first day of the corporation's taxable year. Corporations filing on a fiscal year or filing a short-period return will compute the tax liability for the entire taxable period by using the tax rate in effect on the first day of the taxable period. A corporation using a 52-53 week fiscal year beginning during the last week in December must use the rate in effect on the following January 1st.

PAYMENT OF TAX. The entire tax due is required to be paid on or before the original due date of the return. Any portion of the tax not paid by the original due date of the return may be subject to penalty and will be subject to interest at the statutory rate from the original due date of the return to the date the tax is paid. An extension of time to file Form 1120N does not extend the date for payment of the tax.

ELECTRONIC PAYMENT OPTIONS

ELECTRONIC FUNDS TRANSFER (EFT): To pay by EFT, visit www.revenue.ne.gov and click on "Make a BUSINESS TAX Payment Electronically!" You will be able to schedule your payment up to one year in advance of having your bank account debited. This payment option is free to use, and you will receive an e-mail confirmation for each payment.

CREDIT CARD: Credit card payments are originated through Official Payments Corporation (OPC). Eligible credit cards include VISA, MasterCard, Discover, and American Express. A convenience fee of 2.49% of the tax payment is charged to the card you use and is paid to OPC. You will be told about this fee during the transaction. Secure credit card payments can be initiated at www.officialpayments.com or via telephone at (800) 2PAY-TAX. If initiating your credit card payment by telephone, you will need to provide the Nebraska Jurisdiction Code, which is 3700. At the completion of your transaction, you will be given a confirmation number. Keep this for your records.

For some corporations, EFT is mandatory for all corporate payments. If your corporation has an EFT mandate from the Nebraska Department of Revenue (Department) your corporate payments must be made electronically.

CHECK OR MONEY ORDER

Make your check or money order payable to the Nebraska Department of Revenue. Checks written to the Department may be presented for payment electronically.

EXTENSION OF TIME. It is not necessary to request a Nebraska extension of time when the corporation has been granted an extension to file its federal return. Attach a copy of Federal Form 7004, or other approved federal extension, to the Nebraska return. Failure to attach a copy of the extension may result in a late filing penalty. By requesting an extension of time to file your federal return using the Federal Form 7004, you are granted an automatic 6-month extension. When a federal extension of time has been granted and additional time is necessary to file the Nebraska return, the Nebraska [Form 7004N](#) needs to be filed on or before the date the federal extension expires.

An extension of time to file may be obtained from the Department even if the corporation does not request a federal extension of time. The extension must be requested on Application for Automatic Extension of Time to File Nebraska Corporation, Fiduciary, or Partnership Return, Form 7004N, on or before the due date of the return. If granted, the extension will be for a seven-month period. No further extension can be granted.

PAYMENT OF ESTIMATED TAX, FORM 1120N-ES. Payment of estimated tax must be made by every corporation or other entity taxed as a corporation under the IRC, when the Nebraska tax liability can reasonably be expected to exceed allowable credits by \$400 or more. Allowable income tax credits include the Premium Tax credit, the Community Development Assistance Act credit, Nebraska Endowment credit, tax incentive credits from Form 3800N, the Beginning Farmer credit, and the Biodiesel Tax credit.

Corporation Application for Adjustment of Overpayment of Estimated Tax, Form 4466N. If a substantial overpayment of estimated income tax has been made, a corporation may file Form 4466N and request an adjustment of the overpayment. Form 4466N must be filed after the end of the tax year and by the 15th day of the third month following the close of the tax year. The application can only be filed if the adjustment requested exceeds **\$500 and 10 percent** of the estimated income tax liability of the corporation.

PENALTIES AND INTEREST. Penalties may be imposed for failure to file a complete return, failure to file a timely return, failure to file

an amended return when required, or underpayment of tax by the due date of the return.

Interest at the statutory rate is due on the amount of unpaid tax whenever this amount is not paid by the due date, even though an extension of time to file the return has been granted.

ACCOUNTING METHODS. The accounting method used for federal income tax purposes must be used for Nebraska income tax purposes. A corporate taxpayer may not change the accounting method used in reporting income in prior years, unless the change is approved by the IRS. A copy of this approval must accompany the first return which reflects the change in the method of accounting.

ROUND TO WHOLE DOLLARS. Round any amount from 50 cents through 99 cents to the next higher dollar. Round any amount less than 50 cents to the next lower dollar. The amounts on the return and schedules must be shown in whole dollars.

FEDERAL RETURN. A copy of the actual federal return and supporting schedules, as filed with the IRS, must be attached to this return. This includes, at a minimum, a copy of the first five pages and supporting schedules of the Federal Form 1120. If a consolidated federal return is filed, a copy of the consolidating schedules or workpapers for income and expenses, cost of goods sold, and balance sheets, as well as Form 851, Affiliations Schedule, must also be attached. Provide actual copies of schedules and other information which support the numbers reported on the Nebraska return. Other voluminous information that is part of the federal return filed, but is not directly related to the Nebraska reporting, may be kept by the taxpayer, but must be made available upon request. **A pro-forma federal return is not acceptable.** The Nebraska return is based upon the actual federal return as filed or prepared for filing.

COMPLETE RETURN. To constitute a complete return, all informational questions and lines on the return and applicable schedules must be completed and a true copy of the federal return, as defined above, attached. Failure to attach the federal return information or to complete all informational questions or lines on the returns or schedules will delay processing of the return. A penalty for failure to file a return may be imposed when the actual tax liability cannot be computed from the information appearing on the face of the Nebraska return.

CHANGES OR CORRECTIONS IN FEDERAL OR OTHER STATE'S RETURN. Any corporation whose reported income or deductions are changed or corrected by the IRS, or through renegotiation of a contract with the United States, is required to report the change or correction within 60 days of the federal determination. In addition, any corporation whose reported income or allowable tax credits in another state are changed or corrected by that state, or any other competent authority, in a way material to the tax liability owed to Nebraska is required to report the change or correction within 60 days after it becomes final.

Any corporation which files an amended return with the IRS, which will not result in a credit or refund, or which files an amended return with another state involving a change or correction material to its Nebraska tax liability, must file an amended return with the Department within 60 days of the filing of the amended federal or state return.

Any corporation which files an amended return with the IRS, which will result in a credit or refund, must report the change or correction within 60 days **after receiving proof that the IRS accepted the federal return.**

All changes or corrections in amounts previously reported to the Department must be made by filing an Amended Nebraska Corporation Income Tax Return, Form 1120XN. The amended return must be mailed separately from the annual return of the corporation.

NEBRASKA ENDOWMENT CREDIT. A corporation may qualify for a nonrefundable credit for a contribution to a qualified endowment. See page 4 (line 15 instructions) for more details.

COMMUNITY DEVELOPMENT ASSISTANCE ACT (CDAA) CREDIT. This credit is allowable to business firms for contributions to **approved** projects of community betterment organizations. See the instructions on the 2009 Nebraska Community Development Assistance Act Credit Computation, Form CDN, for more information. Form CDN

and a copy of Form 1099NTC must be attached to the Form 1120N to claim the credit.

More detailed information on this credit can also be obtained at www.neded.org or by contacting the Nebraska Department of Economic Development, Community and Rural Development Division, P.O. Box 94666, Lincoln, Nebraska 68509-4666; (402) 471-3775; or (800) 426-6505, extension 3775.

FORM 3800N CREDITS. Nebraska provides several tax incentive credits that may be earned by corporations conducting business in this state. For additional information on each of the tax credits available, see Form 3800N, www.revenue.ne.gov, or contact the Nebraska Department of Revenue, P.O. Box 94818, Lincoln, Nebraska 68509-4818; (402) 471-5729; or (800) 742-7474 (toll free in Nebraska and Iowa).

BEGINNING FARMER CREDIT. This credit is available to owners of agricultural assets which are rented to qualifying beginning farmers or livestock producers. Any eligible claimant must attach the certificate, Form 1099 BFC, from the Nebraska Department of Agriculture. For detailed information on this credit see www.agr.ne.gov, or contact the Nebraska Department of Agriculture, P.O. Box 94947, Lincoln, NE 68509-4947; (402) 471-6890; or (800) 446-4071.

SIGNATURES. This return must be signed by a corporate officer. If the taxpayer authorizes another person to sign this return, there must be a power of attorney on file with the Department. Include your phone number and e-mail address in case the Department needs to contact you about your account. **By including your e-mail address, you are agreeing that the Department may use it to transmit confidential information.** Any person who is paid for preparing a taxpayer's return must sign the return as preparer. Preparers must also enter their Social Security Number or Preparer Tax Identification Number (PTIN) and Federal Employer Identification Number.

DEFINITIONS.

1. **Apportionment.** The process of determining the portion of income derived from sources within a state. **The entire federal taxable income of a unitary business operating within and without Nebraska is presumed subject to apportionment.**
2. **Corporate taxpayer.** Any corporation that is not part of a unitary business or the part of a unitary business, whether it is one or more corporations, that is doing business in this state.
3. **Sales.** All gross receipts of the taxpayer.
4. **Single economic unit.** A business where there is a sharing or exchange of value between the parts of the unit. A sharing or exchange of value occurs when the parts of the business are linked by a) common management or b) common operational resources that provide material economies of scale or transfers of value or flow of goods, capital, or services between the parts of the unit.
5. **Subject to the IRC.** A corporation that meets the requirements of IRC § 243 in order for its distributions to qualify for the dividends received deduction.
6. **Taxable in another state** means that another state has jurisdiction to subject the corporation to a net income tax, whether or not that state imposes such a tax, and the corporation actually pays a net income tax in that state if imposed. The corporation is not taxable in another state if it voluntarily files and pays a net income tax when not required to do so by the laws of that state.
7. **Unitary business** means a business that is conducted as a single economic unit by one or more corporations with common ownership and includes all activities in different lines of business that contribute to the single economic unit. **Common ownership** means one or more corporations owning 50 percent or more of another corporation.
8. **Unitary group** means the group of corporations that are conducting a unitary business. **A parent-subsidiary controlled group is a unitary group.**

SPECIFIC INSTRUCTIONS

BUSINESS CLASSIFICATION CODE. Enter the number from the Business Classification Code list in this booklet that best describes your principal business activity. **Please review your code carefully.**

CORPORATION FILING STATUS. All taxpayers must complete this portion of the return and answer all questions applicable to the corporation's status.

QUESTION A. Mark "Yes" if you file a federal consolidated return.

QUESTION D. Under Nebraska law, a unitary group generally encompasses all corporations included in the federal consolidated income tax return. Therefore, only under extremely unusual circumstances may a corporation compute its Nebraska liability using the separate report by a member of a controlled group of corporations method. Documentation supporting the separate company filing should be attached to the Nebraska return when filed. This documentation must show that the corporation is not part of a single economic unit as defined in [Nebraska Corporate Income Tax Regulation 24-058.08](#).

LINE 1, FEDERAL GROSS SALES OR RECEIPTS LESS RETURNS AND ALLOWANCES. Enter the amount of federal gross sales or receipts as entered on Federal Form 1120, less returns and allowances (total of line 1 and lines 4 through 10 of Federal Form 1120). If the corporate taxpayer filing Form 1120N is included in a consolidated federal return, enter the amount of consolidated gross sales or receipts less returns and allowances.

LINE 2, FEDERAL TAXABLE INCOME. Enter the federal taxable income. A unitary group must enter the amount from line 30, Converting Net Income To Combined Net Income, Nebraska SCHEDULE III, FORM 1120N.

LINE 3, FEDERAL NET OPERATING LOSS DEDUCTION. Enter the federal net operating loss carryover allowed as a deduction on the federal return. See line 11 instructions for allowable Nebraska net operating losses.

LINE 4, FEDERAL CAPITAL LOSS CARRYOVER. Enter the portion of the federal capital loss carryover allowed this year.

LINE 5, OTHER ADJUSTMENTS. Enter the net amount of other adjustments, if any, to federal taxable income for Nebraska purposes from line 12, Nebraska Schedule A.

The following examples are items which are **not** allowable adjustments decreasing federal taxable income:

1. The wage expense disallowed by the work opportunity tax credit;
2. Federal income taxes or other federal taxes paid;
3. The depreciation disallowed by the investment credit or other federally required basis reduction;
4. Income earned in another state. Instead, Nebraska Schedule I, Apportionment for Multistate Business, must be completed; and
5. Income from a partnership. For additional information see [Nebraska Corporation Income Tax Regulation 24-056](#).

The federal deduction for state income tax is not an adjustment increasing federal taxable income.

State and local government bond interest and dividend income is to be included on line 5. See line 1 instructions, Schedule A.

LINE 8, NEBRASKA TAXABLE INCOME BEFORE NEBRASKA CARRYOVERS. If all income is derived from sources within Nebraska, enter the amount from line 7, Form 1120N.

Corporate taxpayers, which derive income from sources within and without Nebraska and are taxable in another state, must enter the amount from line 3, Nebraska Schedule I, Form 1120N.

LINE 9, NEBRASKA CAPITAL LOSS CARRYOVER. Enter the allowable Nebraska capital loss carryover. For a multistate taxpayer, a Nebraska capital loss consists of the loss on property which was used in the unitary business that did business in Nebraska, multiplied by the Nebraska apportionment factor for the year of the loss. If the corporate taxpayer reported a capital loss on corporate stock or other assets, the income from which was not previously treated as income apportionable to Nebraska, the loss cannot be treated as a Nebraska loss. Capital loss carryovers are only allowable to the extent of capital gains in the year of the deduction. Attach a detailed schedule which shows the computation of the capital loss carryover.

LINE 11, NEBRASKA NET OPERATING LOSS CARRYOVER. Enter the allowable Nebraska net operating loss carryover. The amount allowable is based on the loss previously reported to Nebraska, and is not based on a percentage of the federal carryover.

Attach a Nebraska Corporation Net Operating Loss Worksheet showing the calculation of the amount of Nebraska net operating loss carryover.

Any net operating loss or capital loss can only be carried forward, and only for a maximum period of five tax years.

LINE 13, NEBRASKA TAX. Use the following tax rate schedule to calculate the amount of total Nebraska tax to enter on line 13.

TAX RATE SCHEDULE				
If Net Nebraska Taxable Income from line 12 is—				
Over	But Not Over	Tax Rate is	On Excess Over	
\$ 0	\$ 100,000	5.58%	\$	0
\$100,000		\$5,580 + 7.81%	\$	100,000

The tax rate used by an insurance company is the lesser of the rates listed above, or the corporate income tax rate imposed by the state or country in which the insurance company is domiciled, provided:

1. The insurance company can show the Tax Commissioner that it is domiciled in a state or country other than Nebraska; and
2. The state or country of domicile imposes on Nebraska domiciled insurance companies a retaliatory tax against Nebraska's corporate income tax under [Neb. Rev. Stat. § 77-2734.02](#).

LINE 14, PREMIUM TAX CREDIT. Enter the total amount of premium taxes paid (not accrued) by the corporate taxpayer in this taxable year. These taxes include:

1. Premium taxes paid to the Nebraska Department of Insurance (NDOI) under [Neb. Rev. Stat. §§ 77-908 and 81-523](#); and
2. Assessments paid to the NDOI for the Comprehensive Health Insurance Pool which are allowed as an offset against any related premium and related retaliatory tax liability under [Neb. Rev. Stat. § 44-4233](#).

Premium taxes do not include amounts shown on the NDOI annual tax return as fees or Workers' Compensation Court cash fund tax.

Example: An insurance company made the following 2009 estimated tax payments and payments with its 2008 and 2009 NDOI returns.

Tax Year	Payment Type	Payment Date	Payment Amount	2009 Premium Tax Credit
2008	Payment with return	March 1, 2009	\$3,000	
	Less: Fees included on the 2008 return			\$2,900
2009	Estimated	April 15, 2009	\$4,000	\$4,000
2009	Estimated	June 15, 2009	4,000	4,000
2009	Estimated	Sept. 15, 2009	4,000	4,000
2009	Payment with return	March 1, 2010	4,000	0
Total				\$14,900

In this example, the insurance company will enter \$14,900 on line 14 as a credit for premium taxes paid.

A corporation claiming this credit must attach a copy of the NDOI annual tax return related to any payment claimed as a credit for premium taxes paid. A schedule listing the date and amount of payment, and the payee must also be attached.

Amounts paid by an electric cooperative organized under the [Joint Public Power Authority Act, Neb. Rev. Stat. § 70-1401](#), as in lieu of intangible tax may also be included on this line.

LINE 15, NEBRASKA ENDOWMENT CREDIT. Enter the allowable Nebraska Endowment credit amount. The credit is calculated at 10 percent of the contribution made to a qualified endowment, cannot exceed \$5,000, and is limited to the Nebraska income tax liability. The credit must be taken in the year the contribution is made and cannot be carried back or forward.

Corporations claiming the credit must attach a statement from the qualified endowment to the Form 1120N which includes:

1. Name and address of the donor;
2. Name and federal identification number of the qualified endowment;
3. Name, address, and federal identification number of the Nebraska charity;
4. Date the gift was contributed; and
5. Type of outright gift.

All other documentation required by the IRC for the particular contribution must be kept as part of the corporate records and made available to the Department upon request.

LINE 18, TOTAL NONREFUNDABLE CREDITS. If the total on line 18 is greater than the Nebraska tax on line 13, the excess will not be allowed as an overpayment on line 26, nor may it be used as a carryback or carryover to other taxable years.

LINE 22, 2009 ESTIMATED TAX PAYMENTS. Enter the total of your 2009 estimated tax payments, less any Form 4466N adjustment. Combined filers must complete and attach Nebraska Schedule IV.

LINE 23, BEGINNING FARMER CREDIT AND NEBRASKA INCOME TAX WITHHELD. Enter the total amount claimed for the Beginning Farmer credit and any Nebraska income tax withheld from the corporation (see **Withholding** below).

A copy of the Form 1099-BFC, issued by the Nebraska Department of Agriculture, must be attached to support any amount claimed for the beginning farmer credit.

WITHHOLDING. Contractors are required to withhold five percent of any payment(s) exceeding \$600 from construction contractors that are not registered in the appropriate Nebraska contractor database. If an amount was withheld from your corporation under the above provision, a credit for the amount withheld is claimed on this line. A copy of the Form 1099-MISC issued by the contractor that withheld the Nebraska tax must be attached. See www.revenue.ne.gov for more information on these withholding requirements.

LINE 28, AMOUNT TO BE REFUNDED. Enter on line 28 the amount of overpayment you want refunded to you after subtracting line 27 from line 26. For purposes of economy and efficiency, the Department encourages all taxpayers to have their refunds electronically direct deposited to their financial institution by using the instructions found on line 29 below.

LINE 29, DIRECT DEPOSIT. To have your refund deposited directly into your checking or savings account, enter the routing number and account number found on the bottom of the checks used with the account. The routing number is listed first and must be nine digits. The account number is listed to the right of the routing number and can be up to 17 digits. Enter these numbers in the boxes found on lines 29a and 29c, and complete line 29b, Type of Account. Line 29d must be completed to comply with new banking rules regarding International ACH Transactions (IAT's). The box must be checked whenever a refund will go to a bank account outside the United States. These refunds cannot be processed as direct deposits and instead will be mailed.

INSTRUCTIONS FOR NEBRASKA SCHEDULE A Summary of Line 5 Adjustments

Nebraska Schedule A must be completed by all corporate taxpayers making any adjustments on line 5 of Form 1120N. Any adjustments that are summarized on Nebraska Schedule A are carried forward to line 5, Form 1120N.

Adjustments Increasing Federal Taxable Income

LINE 1. All state and local government interest or dividend income (except that issued by Nebraska state and local subdivisions), which is exempt for federal income tax purposes, must be included as an adjustment increasing federal taxable income.

For dividends received from a regulated investment company, only the portion of the dividend attributable to Nebraska obligations is not added to federal taxable income for Nebraska tax purposes. Attach a detailed workpaper or schedule showing the total state and local government obligation income and detailing the source and amount of each Nebraska obligation which reduced the total dividend income received.

Adjustments Decreasing Federal Taxable Income

LINE 2. Interest and dividend income from U.S. government obligations represents income which the state is prohibited from taxing by federal law, and is an adjustment decreasing federal taxable income.

[Corporate Income Tax Regulation 24-048](#) lists items which can and cannot be excluded. Interest income from repurchase agreements involving U.S. government obligations is not deductible as U.S. government interest.

For dividends received from a regulated investment company, only the portion of the dividend attributable to interest on U.S. government obligations may be excluded. Attach a detailed workpaper or schedule listing the source and amount of income derived from each obligation for which a deduction is claimed.

LINE 3. Enter the amount of adjustment for foreign dividends, foreign dividend gross-up, or special foreign tax credit deduction from line 12, Nebraska Schedule II.

LINE 4. Enter any claimed allocable and nonapportionable income (nonbusiness income) on line 4. The amount of claimed allocable, nonapportionable income must be reduced by related expenses (enter on line 5), and a portion of the total interest expense of the taxpayer (enter on line 6). Related expenses include all direct and indirect expenses attributable to the activities producing the nonapportionable income. The amount of interest expense that is considered related, and which must be disallowed on line 6, is determined by multiplying the total interest expense by the ratio of the investment in the activities producing the nonapportionable income to the total assets. **Entries must be made on lines 5 and 6 or the entire amount of allocable, nonapportionable income claimed may be disallowed.**

Attach a detailed description of the claimed amount, together with evidence that the income is not part of a unitary business. Also attach an affidavit from a corporate officer that the corporate taxpayer has not claimed the same income to be a part of a unitary business subject to apportionment in another state with substantially the same law as Nebraska.

LINE 8. NEBRASKA COLLEGE SAVINGS PROGRAM. Nebraska allows a subtraction from a participant's federal taxable income for the amount of annual contributions made to the [Nebraska College Savings Program](#) administered by the State Treasurer. The maximum annual exempt contribution per return is \$5,000.

Donations, gifts, and grants to the Nebraska educational savings plan trust for deposit to the endowment fund are allowed to be subtracted on line 8 to the extent not deducted for federal income tax purposes. Enclose a **copy of the letter** of receipt from the State Treasurer's office acknowledging the gift has been received.

LINE 9. Corporations are allowed to deduct 20 percent of the total bonus depreciation previously added back on their 2000 through 2005 tax year returns. Attach a schedule identifying the bonus depreciation previously added back in each tax year. See [Revenue Ruling 24-08-2](#) for additional information.

LINE 10. Corporations are allowed to deduct 20 percent of the enhanced Section 179 expense deduction previously added back on their 2003 through 2005 tax year returns. Attach a schedule identifying the enhanced Section 179 expense deduction previously added back in each tax year. See Revenue Ruling 24-08-2 for additional information.

LINE 11. Enter any other adjustment not reported on lines 2 through 10. Attach a detailed explanation of the basis for each adjustment and any necessary schedules.

Note: This line should only be used in extremely unusual circumstances as virtually all valid adjustments should be claimed elsewhere on Schedule A.

LINE 12. Enter total adjustments here and on line 5, Form 1120N.

INSTRUCTIONS FOR NEBRASKA SCHEDULE I Apportionment for Multistate Business

Nebraska Schedule I must be completed by all corporate taxpayers which derive income from sources both within and without Nebraska. **The factor on this schedule is rounded to six decimal places. It is entered as a percent.**

Nebraska uses a single-factor, sales-only formula to apportion income.

When a corporate taxpayer consists of two or more corporations engaged in a unitary business, a part of which is conducted in Nebraska, the income of the corporate taxpayer apportionable to Nebraska is determined by applying the ratio of the corporate taxpayer's sales in Nebraska to the sales of the entire unitary group. The corporate taxpayer's sales in Nebraska should include only those sales made by members of the unitary group with nexus in this state. Each corporate

taxpayer must file one income tax return for the entire group. The return will include all corporations in the unitary business. Any corporation that is required, or has received permission, to use an alternative apportionment formula, cannot be included in the unitary group.

Corporations filing combined returns must complete and attach Converting Net Income to Combined Net Income, Nebraska Schedule III and Subsidiary or Affiliated Corporations, Nebraska Schedule IV, in addition to Nebraska Schedule I.

A corporate taxpayer that is a partner in a joint venture or partnership must compute its Nebraska taxable income in accordance with [Regulation 24-056](#). Trucking companies with income from within and without this state, must compute their sales factor in accordance with [Corporate Income Tax Regulation 24-059](#).

A corporation using an alternative method of apportionment must attach a copy of the approval of the alternative method and a computation of the apportionment factor. Enter the factor on line 2, Nebraska Schedule I, and complete lines 1 through 3. **The separate accounting method of income attribution can only be used when a prior written application for use of this method has been approved by the Tax Commissioner.**

SALES FACTOR. The sales factor is a fraction: the numerator is the total sales of the corporate taxpayer in Nebraska during the taxable year; and the denominator is the total sales of the taxpayer everywhere during the taxable year. The numerator should only include the sales made by entities with nexus in this state. Total sales includes gross sales of real and tangible personal property, less returns and allowances, and all other items of gross receipts which constitute taxable income. Intercompany sales between unitary corporations using the combined income approach are excluded from the sales factor. Gross receipts, if substantial in amount and realized from an incidental or occasional sale of a fixed asset used in connection with the taxpayer's regular trade or business, are excluded from the sales factor if the inclusion of such receipts would not fairly reflect the extent of the taxpayer's business activity in Nebraska.

The following sales of tangible personal property are included as Nebraska sales in the sales factor:

1. Sales of property to a purchaser other than the U.S. government delivered or shipped within Nebraska, regardless of the f.o.b. point or other conditions of the sale; and
2. Sales of property to the U.S. government shipped from an office, store, warehouse, factory, or other place of storage in this state.

Sales other than the sales of tangible personal property are in Nebraska if:

1. The income-producing activity is performed in Nebraska; or
2. The income-producing activity is performed both within and without Nebraska, and a greater proportion of the income-producing activity is performed in Nebraska during the taxable year than in any other state, based on costs of performance.

Sales or receipts not specifically assigned by the preceding paragraphs are assigned as follows:

1. Gross receipts from the sale, rental, or lease of real property are in Nebraska if the real property is located in Nebraska;
2. Gross receipts from the rental, lease, or licensing of tangible personal property are in Nebraska if the property is in Nebraska. If the property was both within and without Nebraska during the taxable year, then the gross receipts attributable to the period, or the ratio of time the property was used in Nebraska, are considered in Nebraska;
3. Gross receipts from the performance of personal services are in Nebraska if the personal services are performed in Nebraska. If these personal services are performed partly within and partly without Nebraska, a portion of the gross receipts from performance of the personal services shall be

attributed to Nebraska based on the ratio of time spent in performing personal services in this state to the total time spent in performing personal services everywhere; and

4. Gross receipts from the interest income or service charges arising from the sale of tangible personal property are attributable to Nebraska if the sale is attributed to Nebraska.

SALES TO THE U.S. GOVERNMENT. The U.S. government is the purchaser when it makes direct payment to the seller. A sale of tangible personal property to the U.S. government is in Nebraska if it is shipped from an office, store, warehouse, or other place of storage in Nebraska. The above rules for sales of other than tangible personal property apply to sales made to the U.S. government.

INSTRUCTIONS FOR NEBRASKA SCHEDULE II Foreign Dividend and Special Foreign Tax Credit Deduction

Nebraska Schedule II must be completed to calculate the deduction for dividends received, or deemed to be received, from corporations that are not subject to the IRC. A deduction is only allowed for those amounts included in federal taxable income (line 30, Federal Form 1120). In addition, an adjustment is allowed for income that is taxed by a foreign country, or one of its political subdivisions, at a rate in excess of the maximum federal corporate tax rate. The adjustment can be made for each foreign country or group of foreign countries. The amount of federal taxable income from operations within a foreign taxing jurisdiction shall be reduced by the amount of taxes actually paid to the foreign jurisdiction that are not deductible solely because the foreign tax credit was elected on the federal income tax return. The amount of after-tax income is then divided by one minus the maximum tax rate for corporations in the IRC. The result of this calculation is subtracted from the amount of federal taxable income from foreign operations.

The difference is reported in the total adjustment computed on Nebraska Schedule A, and is included as an adjustment to federal taxable income on line 5, Form 1120N. Schedule C, Federal Form 1120, and Parts I and II of Federal Form 1118 must be attached.

LINE 11. If line 10 is greater than or equal to line 7, enter -0-. If line 10 is less than line 7, enter the difference, but do not enter more than the amount on line 8.

LINE 12. Enter the total of lines 3, 4, 5, 6, and 11 on line 12 and transfer this total to line 3, Nebraska Schedule A.

INSTRUCTIONS FOR NEBRASKA SCHEDULE III Converting Net Income to Combined Net Income

Nebraska Schedule III must be completed by each corporate taxpayer filing a combined Nebraska Corporation Income Tax Return, Form 1120N. If additional space is required, attach a schedule using the same format as Nebraska Schedule III.

In lieu of Nebraska Schedule III, the corporate taxpayer may begin with amounts reported on the federal return, and then make the necessary adjustments to arrive at combined income. This schedule should be in a format similar to Nebraska Schedule III, and must be attached to Form 1120N.

INSTRUCTIONS FOR NEBRASKA SCHEDULE IV Subsidiary or Affiliated Corporations

Nebraska Schedule IV must be completed if the corporate taxpayer is a member of a unitary group or if the corporate taxpayer, either individually or as a group, owns 50 percent or more of another corporation, or is owned 50 percent or more by another corporation. If additional space is required, attach a schedule using the same format as Nebraska Schedule IV.

The amounts on lines 21 and 22 of Form 1120N are equal to the totals of columns A and B, respectively. The amount on line 14 in the Nebraska column of Schedule I, Form 1120N, is equal to the total of column D.



Nebraska Corporation Income Tax Return
for the taxable year January 1, 2009 through
December 31, 2009 or other taxable year

FORM 1120N
2009

beginning

, 2009 and ending

PLEASE DO NOT WRITE IN THIS SPACE

Please Type or Print	Name Doing Business As (dba)			
	Legal Name			
	Street or Other Mailing Address			
	City or Town	State		
Federal Identification Number		Nebraska Identification Number 24—	Check the appropriate box: <input type="checkbox"/> Initial Nebraska Return <input type="checkbox"/> Cooperative Meeting IRC 6072(d) <input type="checkbox"/> Final Nebraska Return <input type="checkbox"/> Exempt Organization	

Corporation Filing Status (Answer questions A through D, as applicable.)

A. Does this corporation own at least 50% of another corporation; or is it owned at least 50% by another corporation?
(1) YES (2) NO
If Yes, attach Federal Form 851 or a schedule of affiliated corporations and federal ID's. Answer questions B, C, and D.

B. Is one single Nebraska return being filed for the entire group?
(1) YES (2) NO

C. Are you filing as a unitary group in any other state?
(1) YES (2) NO

D. Check the method used to determine Nebraska income (check only one):
(1) Combined report of a controlled group of corporations
(2) Separate report by a member of a controlled group of corporations. (Attach supporting documentation)
(3) Alternate method (Attach Nebraska Department of Revenue approval)

All corporations required to file must complete this page. Schedules A, I, II, III, and IV must be completed if appropriate.

1	Federal gross sales or receipts, less returns and allowances	1		
2	Federal taxable income (see instructions)	2		
3	Federal net operating loss deduction	3		
4	Federal capital loss carryover	4		
5	Other adjustments (enter amount from line 12 of the attached Nebr. Sch. A)	5		
6	Total adjustments (add lines 3 and 4, plus or minus line 5)	6		
7	Adjusted federal taxable income (line 2 plus or minus line 6)	7		
8	Nebraska taxable income before Nebraska carryovers (see instructions)	8		
9	Nebraska capital loss carryover (see instructions)	9		
10	Line 8 minus line 9	10		
11	Nebraska net operating loss carryover (see instructions – attach worksheet)	11		
12	Net Nebraska taxable income (line 10 minus line 11)	12		
13	Nebraska tax (from tax rate schedule in instructions)	13		
14	Premium Tax credit (see instructions—attach schedule)	14		
15	Nebraska Endowment credit (attach statement)	15		
16	CDAA credit (see page 3 instructions — attach forms)	16		
17	Form 3800N nonrefundable credit (attach Form 3800N)	17		
18	Total nonrefundable credits (total of lines 14, 15, 16, and 17)	18		
19	Subtract line 18 from line 13 (if line 18 is more than line 13, enter -0-)	19		
20	Form 3800N refundable credit (attach Form 3800N)	20		
21	Tax deposited with Form 7004N	21		
22	2009 estimated tax payments (minus any Form 4466N adjustment)	22		
23	Beginning Farmer credit and Nebraska income tax withheld (see instructions)	23		
24	Total payments (total of lines 20, 21, 22, and 23)	24		
25	TAX DUE (line 19 minus line 24) <input type="checkbox"/> Check this box if payment is made by Electronic Funds Transfer (EFT) If over \$400, attach Form 2220N and include penalty in line 25 and show here: 99 \$	25		
26	OVERPAYMENT (line 24 minus line 19)	26		
27	Amount on line 26 you want CREDITED to 2010 estimated tax	27		
28	Amount to be REFUNDED (line 26 minus line 27). Complete lines 29a, 29b, and 29c to receive your refund electronically.	28		
29a	Routing Number	29b	Type of Account	1 = Checking 2 = Savings
29c	Account Number	(See instructions page 5)		
29d	<input type="checkbox"/> Check this box if this refund will go to a bank account outside the United States.			

Under penalties of perjury, I declare that as taxpayer or preparer, I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is correct and complete.

sign here	Signature of Officer	Date	E-Mail Address
	Title	Daytime Phone Number	
paid preparer's use only	Preparer's Signature	Date	Preparer's Social Security Number or PTIN
	Print Firm's Name (or yours if self-employed), Address and Zip Code	EIN	Daytime Phone

A TRUE COPY OF THE FEDERAL RETURN AND SUPPORTING SCHEDULES MUST BE ATTACHED TO THIS RETURN.



NEBRASKA SCHEDULE A — Summary of Line 5 Adjustments
NEBRASKA SCHEDULE I — Apportionment for Multistate Business
NEBRASKA SCHEDULE II — Foreign Dividend and Special Foreign Tax Credit Deduction

FORM 1120N
Schedules
A, I, and II
2009

Name as Shown on Form 1120N

Nebraska Identification Number
 24—

Nebraska Schedule A—Summary of Line 5 Adjustments

•You must use Schedule A if you make an adjustment on line 5 of Form 1120N.

1	State and local government interest and dividend income (see instructions)	1	
2	Qualified U.S. government interest deduction. See Reg. 24-048, attach supporting schedule	2	
3	Foreign dividends, gross-up, or special foreign tax credit deduction (line 12, Neb. Sch. II)	3	
4	Allocable, nonapportionable income	4	
5	Less: Related expenses	5	
6	Interest expense disallowance	6	
7	Net allocable, nonapportionable income (attach affidavit —see instructions)	7	
8	Nebraska College Savings Program (see instructions)	8	
9	Bonus depreciation subtraction (attach schedule — see instructions)	9	
10	Enhanced Section 179 expense subtraction (attach schedule — see instructions)	10	
11	Other adjustments (attach detailed explanation and schedule)	11	
12	TOTAL adjustments (line 1 minus the total of lines 2, 3, 7, 8, 9, 10, and 11). Enter here and on line 5, Form 1120N	12	

Nebraska Schedule I—Apportionment for Multistate Business

1	Adjusted federal taxable income (line 7, Form 1120N)	1	
2	Nebraska apportionment factor (from line 15 below)	2	<input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %
3	Taxable income apportioned to Nebraska (line 1 multiplied by line 2). Enter here and on line 8, Form 1120N	3	

SALES OR GROSS RECEIPTS

Apportionment Factor	Total	Nebraska	Nebraska Apportionment Factor
4	Sales or gross receipts minus returns and allowances	4	
5	Sales delivered or shipped to purchasers in Nebraska: shipped from outside Nebraska	5	
6	Sales delivered or shipped to purchasers in Nebraska: shipped from within Nebraska	6	
7	Sales shipped from Nebraska to the U.S. government	7	
8	Interest on sales of tangible personal property	8	
9	Interest, dividends, and royalties from intangible property	9	
10	Gross rents	10	
11	Net gain on sales of intangible property	11	
12	Gross receipts from sales of tangible personal and real property not included above	12	
13	Other income (attach schedule)	13	
14	TOTAL SALES OR GROSS RECEIPTS	14	
15	Nebraska apportionment factor. Divide line 14, Nebraska column, by line 14, Total column, and round to six decimal places. Enter as a percent here and on Schedule I, line 2 above	15	<input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %

NEBRASKA SCHEDULE II— Foreign Dividend and Special Foreign Tax Credit Deduction
 •Attach Schedule C, Federal Form 1120.

FOREIGN DIVIDEND DEDUCTION COMPUTATION

NOTE: The Nebraska Foreign Dividend Deduction calculated on lines 1 through 6 is only for those dividends included in federal taxable income from corporations which are not subject to the Internal Revenue Code (IRC). This includes those corporations whose dividends do not qualify for the dividend received deduction under IRC Section 243.

1	Dividends from foreign corporations and certain FSC's subject to Section 245 deduction (total of lines 6 and 7, column a, Schedule C, Federal Form 1120)	1	
2	Special deductions on line 1 amount (total of lines 6 and 7, column c, Schedule C, Federal Form 1120)	2	
3	Net foreign dividends subject to Section 245 deduction included in federal taxable income (line 1 minus line 2)	3	
4	Other dividends from foreign corporations (line 13, Schedule C, Form 1120)	4	
5	Income from controlled foreign corporations under Subpart F (line 14, Schedule C, Form 1120)	5	
6	Foreign dividend gross-up (Section 78) (line 15, Schedule C, Form 1120)	6	

SPECIAL FOREIGN TAX CREDIT DEDUCTION COMPUTATION

NOTE: This deduction is only to be claimed when a corporation subject to the IRC is actually taxed by a foreign country, or one of its political subdivisions, at a rate in excess of the maximum federal corporate tax rate.

7	Federal taxable income from qualifying foreign taxing jurisdiction(s) List jurisdiction(s):	7	
8	Foreign taxes paid on line 7 amount(s) for which foreign tax credit is taken	8	
9	Line 7 minus line 8	9	
10	Divide line 9 result by .65; enter result	10	
11	Special foreign tax credit adjustment (if line 10 is greater than or equal to line 7, enter -0-; if line 10 is less than line 7, enter the difference)	11	
12	Total foreign dividend and special foreign tax credit deduction, if applicable (total of lines 3, 4, 5, 6, and 11). Enter here and on line 3, Nebraska Schedule A	12	



NEBRASKA SCHEDULE III — Converting Net Income to Combined Net Income

**FORM 1120N
Schedule III**

• If you use this schedule, read instructions and attach this page to Form 1120N.

Name as Shown on Form 1120N

Nebraska Identification Number

24—

Income and Deductions	Corporation Names (Enter Names Below)			Eliminations (Attach Explanation)	Combined Income
1 Gross receipts or gross sales minus returns and allowances					
2 Minus: Cost of goods sold or operations.....					
3 Gross profit					
4 Dividends					
5 Interest.....					
6 Gross rents					
7 Gross royalties					
8 Capital gain net income					
9 Net gain (loss).....					
10 Other income					
11 TOTAL INCOME (LOSS) (total of lines 3 through 10)					
12 Compensation of officers					
13 Salaries and wages (minus employment credit)					
14 Repairs and maintenance.....					
15 Bad debts.....					
16 Rents					
17 Taxes					
18 Interest.....					
19 Charitable contributions					
20 Depreciation.....					
a Minus depreciation claimed elsewhere on federal return.....					
b Net depreciation					
21 Depletion.....					
22 Advertising.....					
23 Pension, profit sharing, etc. plans					
24 Employee benefit plans.....					
25 Domestic production activities					
26 Other deductions (attach schedules)					
27 TOTAL DEDUCTIONS (total of lines 12 through 19 and 20b through 26)					
28 Taxable income before federal adjustments (line 11 minus line 27).....					
29 Minus: a Net operating loss deduction.....					
b Special deductions					
30 Taxable income (line 28 minus lines 29a and 29b). Enter amount in "Combined Income" column and on line 2, Form 1120N					



NEBRASKA SCHEDULE IV — Subsidiary or Affiliated Corporations

**FORM 1120N
Schedule IV**

Name and Address of All Corporations	IDENTIFICATION NUMBERS		TAX PAYMENT INFORMATION*			APPORTIONMENT FACTOR INFORMATION**
	Nebraska	Federal	(A) Total Tax Deposits from 7004N	(B) Total Estimated Tax Payments, 1120N-ES	(C) Amount Paid with this Return	(D) Amount of Nebraska Sales or Receipts
Corporation Filing this Return:						
Parent Corporation, if different from above:						
Subsidiary/Affiliated Corporations:						
TOTALS						

* Complete columns A, B, and C if tax payments were made under more than one Nebraska identification number.
 ** Complete column D to summarize the numerator of the corporations filing one combined corporation income tax return.



Application for Automatic Extension of Time to File Nebraska Corporation, Fiduciary, or Partnership Return

FORM 7004N

Taxable year beginning , and ending ,

Name Doing Business As (dba)

Legal Name

Street or Other Mailing Address

Nebraska Identification Number

City or Town

State

Zip Code

Federal Identification Number

AUTOMATIC 5-MONTH EXTENSION

Check one of the boxes below if filing Federal Form 1041 or 1065.

- Nebraska Fiduciary Income Tax Return, Form 1041N Nebraska Return of Partnership Income, Form 1065N

AUTOMATIC 6-MONTH EXTENSION

Check one of the boxes below if filing Federal Form 1041-QFT, 1041-N, or 1065-B.

- Nebraska Fiduciary Income Tax Return, Form 1041N Nebraska Return of Partnership Income, Form 1065N

AUTOMATIC 7-MONTH EXTENSION

Check all appropriate boxes if filing Nebraska Form 1120N or 1120-SN.

- Automatic seven-month filing extension from the original due date. Extension in addition to federal extension up to a maximum of seven months from the original due date.

Is the corporation organized as an exempt entity? YES NO

Is the corporation a cooperative? YES NO

If Yes, enter the original due date of the federal return

TENTATIVE TAX PAYMENT CALCULATION

Entities filing a fiduciary or partnership return need not complete lines 1 through 11. A fiduciary or partnership must complete line 12.

Table with 12 rows for tax calculation and a checkbox for EFT payment.

If the corporation is a member of a unitary group of corporations filing a combined return, complete the following section.

Table for unitary group members with columns for Name and Address, and Identification Numbers (Nebraska and Federal).

Under penalties of perjury, I declare that I have been authorized to make this application, and that to the best of my knowledge and belief, the statements made above are correct and complete.

sign here

Authorized Signature

Title

Date

Mail this application and remit payment. If required, payment must be made by electronic funds transfer (EFT).

NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 94818, LINCOLN, NE 68509-4818

INSTRUCTIONS

WHO MAY FILE. A corporation (C corporation and subchapter S corporation), fiduciary, partnership, or limited liability company making a tentative tax payment, and/or wanting more time to file a Nebraska income tax return, must file a Nebraska Application for Extension of Time, Form 7004N. The 7004N must be filed even if a tentative tax payment is made by electronic funds transfer (EFT).

If you have filed for a federal extension and are not making a tentative payment to Nebraska, you do not need to complete this application. When you file your Nebraska income tax return, you must attach a copy of the Federal Form 7004 filed with the Internal Revenue Service (IRS), or a copy of the approved federal extension. If a federal extension of time has been granted, the filing date for Form 1120N, 1120-SN, 1041N, and 1065N is automatically extended for the same period.

CORPORATIONS. When a federal extension of time has been granted, and additional time is necessary to file a Nebraska corporate income tax return, file Form 7004N on or before the date the federal extension expires. Attach a copy of the Federal Form 7004 filed with the IRS, or a copy of the approved federal extension. A maximum of seven months extension beyond the original due date of the corporate income tax return is allowed for Nebraska.

PARTNERSHIPS, ESTATES, AND TRUSTS. Nebraska will only allow extensions of time up to the maximum number of months provided by the IRS. No additional Nebraska extension will be granted.

WHEN TO FILE. Form 7004N must be filed on or before the due date of the original return. Corporations may also file Form 7004N on or before the date that a federal extension expires.

WHERE TO FILE. Mail Form 7004N, with remittance, to the Nebraska Department of Revenue, P.O. Box 94818, Lincoln, Nebraska 68509-4818.

AMOUNT OF PAYMENT. Payment of the amount shown on line 12 must be remitted with this form. Payment can be

made by EFT or by credit card. Details for these payment options can be found at www.revenue.ne.gov. Payment may also be made by check or money order.

For some corporations, EFT is mandatory for all corporate payments. If your corporation has an EFT mandate from the Nebraska Department of Revenue (Department), your corporate payments **must** be made electronically. Any portion of the tax liability not paid by the original due date of the return will accrue interest at the statutory rate from the original due date of the return to the date of full payment of the liability. Interest due on the underpayment of the liability must be paid when the return is filed.

CORPORATE UNITARY GROUP. Members of a unitary group filing a single return using the combined income approach should only request one extension for the entire group. The name, address, federal identification number, and Nebraska identification number of each corporation included in the combined return must be listed on Form 7004N.

TERMINATION OF EXTENSION. The Department may, at any time, terminate a C corporation's extension of time by mailing the taxpayer a notice of this termination, allowing ten days from the date of the termination notice to file the Nebraska corporate return.

TAXPAYER NOTIFICATION. Each applicant for an automatic extension of time to file will be mailed notice of any denial of this application by the Department. The notice will be sent to the address entered on Form 7004N. **No notice will be sent with respect to approved applications for an extension of time to file a return.**

SIGNATURES. This application must be signed by a corporate officer, fiduciary, partner, member, a person currently enrolled to practice before the IRS, or an attorney or certified public accountant qualified to practice before the IRS. If the taxpayer authorizes any other person to sign this application, there must be a [power of attorney](#) on file with the Department.