

**SCHEDULE P
(Form 1120-FSC)**

Department of the Treasury
Internal Revenue Service

Transfer Price or Commission

For amount reported on line _____, Schedule _____, Form 1120-FSC.

▶ See separate instructions. Please type or print.

▶ Attach Schedule P to Form 1120-FSC.

OMB No. 1545-0935

1999

| | |
|--|--|
| Name as shown on Form 1120-FSC | Employer identification number |
| A Product or product line (see back of schedule and instructions) | B Basis of reporting (see instructions): 1. Transaction-by-transaction: a. Aggregate <input type="checkbox"/> b. Tabular schedule <input type="checkbox"/> 2. Group of transactions <input type="checkbox"/> |
| C Principal business activity code (if applicable) (see back of schedule and instructions) | |

Part I FSC Profit

Section A—Combined Taxable Income (see instructions)

| | | | |
|---|-----------|-----------|---|
| Full Costing | | | |
| 1 Foreign trading gross receipts from transaction between FSC or related supplier and third party | | 1 | |
| 2 Costs and expenses allocable to foreign trading gross receipts from transaction: | | | |
| a Cost of goods sold attributable to property if sold, or depreciation attributable to property if leased | 2a | | |
| b Related supplier's expenses allocable to foreign trading gross receipts (see instructions) | 2b | | |
| c FSC's expenses allocable to foreign trading gross receipts | 2c | | |
| d Add lines 2a through 2c. | | 2d | |
| 3 Combined taxable income. Subtract line 2d from line 1. If zero or less, enter -0- | | 3 | |
| Marginal Costing | | | |
| 4 Foreign trading gross receipts from resale by FSC, or sale by related supplier, to third party | | 4 | |
| 5 Costs and expenses allocable to foreign trading gross receipts from sale: | | | |
| a Cost of direct material attributable to property sold | 5a | | |
| b Cost of direct labor attributable to property sold | 5b | | |
| c Add lines 5a and 5b | | 5c | |
| 6 Subtract line 5c from line 4. If zero or less, skip lines 7 through 11 and enter -0- on line 12 | | 6 | |
| 7 Gross receipts of related supplier and FSC or controlled group from foreign and domestic sales of the product or product line | | 7 | |
| 8 Costs and expenses of related supplier and FSC or controlled group allocable to gross income from sales: | | | |
| a Cost of goods sold attributable to property sold | 8a | | |
| b Expenses allocable to gross income | 8b | | |
| c Add lines 8a and 8b | | 8c | |
| 9 Subtract line 8c from line 7. If zero or less, skip lines 10 and 11 and enter -0- on line 12 | | 9 | |
| 10 Overall profit percentage. Divide line 9 by line 7. Check if the controlled group optional method is used . ▶ <input type="checkbox"/> | | 10 | % |
| 11 Overall profit percentage limitation. Multiply line 4 by line 10 | | 11 | |
| 12 Combined taxable income. Enter the smaller of line 6 or line 11 | | 12 | |

Section B—23% of Combined Taxable Income Method (see instructions)

| | | | |
|--|--|-----------|--|
| 13 Multiply line 3 or line 12 (as elected by related supplier) by 23% | | 13 | |
| 14 FSC profit. Enter amount from line 13. If marginal costing is used, enter the smaller of line 3 or line 13 | | 14 | |

Section C—1.83% of Foreign Trading Gross Receipts Method (see instructions)

| | | | |
|---|--|-----------|--|
| 15 Multiply line 1 by 1.83% | | 15 | |
| 16 Multiply line 3 or line 12 (as elected by related supplier) by 46% | | 16 | |
| 17 FSC profit. Enter the smallest of line 3, line 15, or line 16 | | 17 | |

Part II Transfer Price From Related Supplier to FSC

| | | | |
|--|------------|------------|--|
| 18 Enter amount from line 1 or line 4, whichever is applicable | | 18 | |
| 19a FSC profit. Enter amount from line 14 or line 17, whichever is applicable | 19a | | |
| b FSC expenses allocable to foreign trading gross receipts from transaction | 19b | | |
| c Add lines 19a and 19b | | 19c | |
| 20 Transfer price from related supplier to FSC. Subtract line 19c from line 18 (see instructions) | | 20 | |

Part III FSC Commission From Related Supplier

| | | | |
|--|--|-----------|--|
| 21 FSC profit. Enter amount from line 14 or line 17, whichever is applicable | | 21 | |
| 22 FSC expenses allocable to foreign trading gross receipts from transaction. | | 22 | |
| 23 FSC commission from related supplier. Add lines 21 and 22 (see instructions) | | 23 | |

Schedule P (Form 1120-FSC) Codes for Principal Business Activity

This list of Principal Business Activity codes and corresponding product or product lines is designed to classify enterprises by the type of activity in which they are engaged. Though the principal business activity codes are similar in format and structure to the Standard Industrial Classification (SIC) Codes, they should not be used as SIC codes.

Items A and C.—If using the list below to report the product or product line for which Schedule P is completed, enter on item A of Schedule P, the principal business activity. Enter on item C the corresponding four-digit code.

| Agriculture, Forestry, and Fishing | <i>Code</i> | Transportation and Public Utilities | Finance, Insurance, and Real Estate |
|---|---|---|--|
| Code 0400 Agricultural production. 0600 Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping. | Chemicals and allied products: 2815 Industrial chemicals, plastics materials and synthetics. 2830 Drugs. 2840 Soap, cleaners, and toilet goods. 2850 Paints and allied products. 2898 Agricultural and other chemical products. | Code Transportation: 4000 Railroad transportation. 4100 Local and interurban passenger transit. 4200 Trucking and warehousing. 4400 Water transportation. 4500 Transportation by air. 4600 Pipe lines, except natural gas. 4700 Miscellaneous transportation services. | Code Banking: 6030 Mutual savings banks. 6060 Bank holding companies. 6090 Banks, except mutual savings banks and bank holding companies. |
| Mining Metal mining: 1010 Iron ores. 1070 Copper, lead and zinc, gold and silver ores. 1098 Other metal mining. 1150 Coal mining. Oil and gas extraction: 1330 Crude petroleum, natural gas, and natural gas liquids. 1380 Oil and gas field services. Nonmetallic minerals, except fuels: 1430 Dimension, crushed and broken stone; sand and gravel. 1498 Other nonmetallic minerals, except fuels. | Petroleum refining and related industries (including those integrated with extraction): 2910 Petroleum refining (including integrated). 2998 Other petroleum and coal products. Rubber and misc. plastics products: 3050 Rubber products: plastics footwear, hose and belting. 3070 Miscellaneous plastics products. Leather and leather products: 3140 Footwear, except rubber. 3198 Other leather and leather products. Stone, clay, and glass products: 3225 Glass products. 3240 Cement, hydraulic. 3270 Concrete, gypsum, and plaster products. 3298 Other nonmetallic mineral products. | Communication: 4825 Telephone, telegraph, and other communication services. 4830 Radio and television broadcasting. Electric, gas, and sanitary services: 4910 Electric services. 4920 Gas production and distribution. 4930 Combination utility services. 4990 Water supply and other sanitary services. | Credit agencies other than banks: 6120 Savings and loan associations. 6140 Personal credit institutions. 6150 Business credit institutions. 6199 Other credit agencies. Security, commodity brokers and services: 6210 Security brokers, dealers, and flotation companies. 6299 Commodity contracts brokers and dealers; security and commodity exchanges; and allied services. |
| Construction General building contractors and operative builders: 1510 General building contractors. 1531 Operative builders. 1600 Heavy construction contractors. Special trade contractors: 1711 Plumbing, heating, and air conditioning. 1731 Electrical work. 1798 Other special trade contractors. | Primary metal industries: 3370 Ferrous metal industries: misc. primary metal products. 3380 Nonferrous metal industries. Fabricated metal products: 3410 Metal cans and shipping containers. 3428 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products. 3430 Plumbing and heating, except electric and warm air. 3440 Fabricated structural metal products. 3460 Metal forgings and stampings. 3470 Coating, engraving, and allied services. 3480 Ordnance and accessories, except vehicles and guided missiles. 3490 Misc. fabricated metal products. | Wholesale Trade Durable: 5008 Machinery, equipment, and supplies. 5010 Motor vehicles and automotive equipment. 5020 Furniture and home furnishings. 5030 Lumber and construction materials. 5040 Sporting, recreational, photographic, and hobby goods, toys and supplies. 5050 Metals and minerals, except petroleum and scrap. 5060 Electrical goods. 5070 Hardware, plumbing and heating equipment and supplies. 5098 Other durable goods. Nondurable: 5110 Paper and paper products. 5129 Drugs, drug proprietaries, and druggists' sundries. 5130 Apparel, piece goods, and notions. 5140 Groceries and related products. 5150 Farm-product raw materials. 5160 Chemicals and allied products. 5170 Petroleum and petroleum products. 5180 Alcoholic beverages. 5190 Miscellaneous nondurable goods. | Insurance: 6355 Life Insurance. 6356 Mutual insurance, except life or marine and certain fire or flood insurance companies. 6359 Other insurance companies. 6411 Insurance agents, brokers, and service. Real estate: 6511 Real estate operators and lessors of buildings. 6516 Lessors of mining, oil, and similar property. 6518 Lessors of railroad property and other real property. 6530 Condominium management and cooperative housing associations. 6550 Subdividers and developers. 6599 Other real estate. 6749 Holding and investment companies except bank holding companies. |
| Manufacturing Food and kindred products: 2010 Meat products. 2020 Dairy products. 2030 Preserved fruits and vegetables. 2040 Grain mill products. 2050 Bakery products. 2060 Sugar and confectionary products. 2081 Malt liquors and malt. 2088 Alcoholic beverages, except malt liquors and malt. 2089 Bottled soft drinks, and flavorings. 2096 Other food and kindred products. 2100 Tobacco manufacturers. Textile mill products: 2228 Weaving mills and textile finishing. 2250 Knitting mills. 2298 Other textile mill products. Apparel and other textile products: 2315 Men's and boys' clothing. 2345 Women's and children's clothing. 2388 Other apparel and accessories. 2390 Miscellaneous fabricated textile products. Lumber and wood products: 2415 Logging, sawmills, and planing mills. 2430 Millwork, plywood, and related products. 2498 Other wood products, including wood buildings and mobile homes. 2500 Furniture and fixtures. Paper and allied products: 2625 Pulp, paper, and board mills. 2699 Other paper products. Printing and publishing: 2710 Newspapers. 2720 Periodicals. 2735 Books, greeting cards, and miscellaneous publishing. 2799 Commercial and other printing, and printing trade services. | Machinery, except electrical: 3520 Farm machinery. 3530 Construction and related machinery. 3540 Metalworking machinery. 3550 Special industry machinery. 3560 General industrial machinery. 3570 Office, computing, and accounting machines. 3598 Other machinery except electrical. Electrical and electronic equipment: 3630 Household appliances. 3665 Radio, television, and communication equipment. 3670 Electronic components and accessories. 3698 Other electrical equipment. 3710 Motor vehicles and equipment Transportation equipment, except motor vehicles: 3725 Aircraft, guided missiles and parts. 3730 Ship and boat building and repairing. 3798 Other transportation equipment, except motor vehicles. Instruments and related products: 3815 Scientific instruments and measuring devices; watches and clocks. 3845 Optical, medical, and ophthalmic goods. 3860 Photographic equipment and supplies. 3998 Other manufacturing products. | Retail Trade Building materials, garden supplies, and mobile home dealers: 5220 Building materials dealers. 5251 Hardware stores. 5265 Garden supplies and mobile home dealers. 5300 General merchandise stores. Food stores: 5410 Grocery stores. 5490 Other food stores. Automotive dealers and service stations: 5515 Motor vehicle dealers. 5541 Gasoline service stations. 5598 Other automotive dealers. 5600 Apparel and accessory stores. 5700 Furniture and home furnishings stores. 5800 Eating and drinking places. Miscellaneous retail stores: 5912 Drug stores and proprietary stores. 5921 Liquor stores. 5995 Other retail stores. | Services 7000 Hotels and other lodging places. 7200 Personal services. Business services: 7310 Advertising. 7389 Business services, except advertising. Auto repair; miscellaneous repair services: 7500 Auto repair and services. 7600 Miscellaneous repair services. Amusement and recreation services: 7812 Motion picture production, distribution, and services. 7830 Motion picture theaters. 7900 Amusement and recreation services, except motion pictures. Other services: 8015 Offices of physicians, including osteopathic physicians. 8021 Offices of dentists. 8040 Offices of other health practitioners. 8050 Nursing and personal care facilities. 8060 Hospitals. 8071 Medical laboratories. 8099 Other medical services. 8111 Legal services. 8200 Educational services. 8300 Social services. 8600 Membership organizations. 8911 Architectural and engineering services. 8930 Accounting, auditing, and bookkeeping. 8980 Miscellaneous services (including veterinarians). |

