PRINT IN BLACK INK

FOR PRIVACY ACT NOTICE, SEE INSTRUCTIONS.

Calendar year filers enter 01-01-2016 and 12-31-2016 below. Fiscal year filers enter appropriate dates.

Tax year beginning ► 01 01 2016 Tax year ending ► 12 31 2016

Form 355 Business/Manufacturing Corporation Excise Return 2016

NAME OF CORPORATION: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER (FID): 04 1 111111

PRINCIPAL BUSINESS ADDRESS: 2 FACTORY ST

CITY/TOWN/POST OFFICE: CHELSEA

STATE: MA ZIP + 4: 02150 6371

PRINCIPAL BUSINESS ADDRESS IN MASSACHUSETTS (IF DIFFERENT)

CITY/TOWN/POST OFFICE

STATE ZIP + 4

Fill in if: Amended return (see instructions) ► ○ Federal amendment ► ○ Federal audit ► ○ Member of lower-tier entity ○
Enclosing Schedule TDS ► ○ Final Massachusetts return ► ○ Initial return ► ○ Name change ► ○ Address change ► ○

1 Fill in if corporation is incorporated within Massachusetts ► ○

2 Date of incorporation in Massachusetts 2 MMDDYYYY

3 Type of corporation (select one, if applicable) ► ● Section 38 manufacturer ○ Mutual fund service

4 Type of corporation (select one, if applicable) ► ○ R&D ● Classified mfg ○ RIC ○ Public REIT

5 Fill in if corporation is filing a Massachusetts unitary return (see instructions) ► ○

6 FID of principal reporting corporation (if answer to line 5 is Yes) ► 6

7 Fill in if answer to question 5 is Yes and corporation's tax year ends in a different month than the 355U ► ○

DRAFT as of October 20, 2016

8 Fill in if corporation is an insurance mutual holding corporation ► ○

9 Fill in if corporation is requesting alternative apportionment (enclose Form AA-1) ► ○

10 Principal business code (from U.S. return) ► 10 315230

11 Average number of employees in Massachusetts 11 625

12 Average number of employees worldwide 12 1465

13 Foreign corporation: first date of business in Massachusetts 13 07 22 1987

14 Last year audited by IRS ► 14 1998

15 Fill in if adjustments have been reported to Massachusetts ●

16 Fill in if corporation is deducting intangible or interest expenses paid to a related entity ► ●

17 Fill in if: ► ○ Taxpayer is claiming exemption from the income measure of the excise pursuant to PL 86-272
► ○ Taxable only with respect to partnership activity

SIGN HERE. Under penalties of perjury, I declare that to the best of my knowledge and belief this return and enclosures are true, correct and complete.

Signature of appropriate officer (see instructions): David Davidson	Date: 01/20/2017	Print paid preparer's name: RICHARD RICHIE	Preparer's SSN or PTIN ►	123456789
Title	Date: / /	Paid preparer's phone: (619) 622 2222	Paid preparer's EIN ►	987654321
Are you signing as an authorized delegate of the appropriate corporate officer? ● (enclose Form M-2848) ○ No		Paid preparer's signature: Richard Richie	Date: 01/20/2017	● Fill in if self-employed
Taxpayer's e-mail address				

Mail to: **Massachusetts Department of Revenue, PO Box 7005, Boston, MA 02204.**

04111111

2016 FORM 355, PAGE 2
EXCISE CALCULATION

1	Taxable Massachusetts tangible property, if applicable (from Schedule C, line 4) ► 6508882 × .0026 =	► 1	16923
2	Taxable net worth, if applicable (from Schedule D, line 10) ► × .0026 =	► 2	
3	Massachusetts taxable income (from Schedule E, line 27). Not less than "0" ► 6294732 × .0800 =	► 3	503579
4	Credit recapture (enclose Credit Recapture Schedule). See instructions	► 4	2000
5	Additional tax on installment sales	► 5	94421
6	Excise before credits. Add line 1 or 2, whichever applies, to total of lines 3 through 5	6	616923
7	Total credits (from Credit Manager Schedule; unitary filers, see instructions)	► 7	616467
8	Excise after credits. Subtract line 7 from line 6	8	456
9	Combined filers only, enter the amount of tax from Schedule U-ST, line 41	9	
10	Minimum excise **(cannot be prorated; unitary filers, see instructions)**	10	456
11	Excise due before voluntary contribution. (line 8 or 10, whichever is greater)	11	456
12	Voluntary contribution for endangered wildlife conservation	► 12	100
13	Excise due plus voluntary contribution. Add lines 11 and 12	► 13	556
14	2015 overpayment applied to your 2016 estimated tax	► 14	1000
15	2016 Massachusetts estimated tax payments (do not include amount in line 14)	► 15	10000
16	Payment made with extension	► 16	100
17	Pass-through entity withholding (from Schedule 3K-1) Payer ID number ► 041-21-11111	► 17	2500
18	Total refundable credits (from Credit Manager Schedule)	► 18	1500
19	Total payments. Add lines 14 through 18	19	15100
20	Amount overpaid. Subtract line 13 from line 19	20	14544
21	Amount overpaid to be credited to 2017 estimated tax	► 21	13544
22	Amount overpaid to be refunded. Subtract line 21 from line 20 Refund	► 22	1000
23	Balance due. Subtract line 19 from line 13 Balance due	► 23	
24	a. M-2220 penalty ► b. Late file/pay penalties a + b =	24	
25	Interest on unpaid balance	25	
26	Payment due at time of filing. See instructions Total due	► 26	

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

Schedule A Balance Sheet

2016

ASSETS	A. ORIGINAL COST	B. ACCUMULATED DEPRECIATION AND AMORTIZATION	C. NET BOOK VALUE
1 Capital assets in Massachusetts:			
a. Buildings ► 1a	4848956	2099229	2749727
b. Land ► 1b	6383750		6383750
c. Motor vehicles and trailers ► 1c	1039333	631100	408233
d. Machinery taxed locally ► 1d			
e. Machinery **not** taxed locally 1e	6473155	1150009	5323146
f. Equipment 1f	65366	13073	52293
g. Fixtures 1g	95600	27314	68286
h. Leasehold improvements taxed locally ► 1h	58375	18680	39695
i. Leasehold improvements **not** taxed locally 1i	282375	37650	244725
j. Other fixed depreciable assets 1j	18750	6000	12750
k. Construction in progress 1k	590645		590645
l. Total capital assets in Massachusetts ► 1l			15873250
2 Inventories in Massachusetts:			
a. General merchandise 2a			207364
b. Exempt goods ► 2b			28375
3 Supplies and other non-depreciable assets in Massachusetts 3			9673
4 Total tangible assets in Massachusetts ► 4			16118662
5 Capital assets outside of Massachusetts:			
a. Buildings and other depreciable assets 5a	5567481	261542	5305939
b. Land 5b	1578700		1578700
6 Leaseholds/leasehold improvements outside Massachusetts 6	624965	342224	282741
7 Total capital assets outside Massachusetts ► 7	7771146	603766	7167380

BE SURE TO CONTINUE SCHEDULE A ON OTHER SIDE

FEDERAL IDENTIFICATION NUMBER 041-11-1111

8	Inventories outside Massachusetts . . . 8	399843
9	Supplies and other non-depreciable assets outside Massachusetts . . . 9	28991
10	Total tangible assets outside of Massachusetts . . . 10	7596214
11	Total tangible assets. Add lines 4 and 10 . . . 11	23714876
12	Investments (capital stock investments and equity contributions only):	
	a. Investments in subsidiary corporations at least 80% owned . . . ► 12a	400331
	b. Other investments . . . ► 12b	
13	Notes receivable . . . 13	1953618
14	Accounts receivable . . . 14	6564937
15	Intercompany receivables . . . ► 15	17500
16	Cash . . . 16	6365508
17	Other assets . . . 17	268719
18	Total assets . . . ► 18	39285489

LIABILITIES AND CAPITAL

19	Mortgages on:	
	a. Massachusetts tangible property taxed locally . . . 19a	1710791
	b. Other tangible assets . . . 19b	547868
20	Bonds and other funded debt . . . 20	356250
21	Accounts payable . . . 21	3404856
22	Intercompany payables . . . ► 22	500000
23	Notes payable . . . 23	358840
24	Miscellaneous current liabilities . . . 24	619500
25	Miscellaneous accrued liabilities . . . 25	227474
26	Total liabilities . . . ► 26	7725579
27	Total capital stock issued . . . 27	4488750
28	Paid-in or capital surplus . . . 28	9536250
	▼ If a loss, mark an X in box at left	
29	Retained earnings and surplus reserves . . . ► 29	17928600
30	Undistributed S corporation net income . . . ► 30	
31	Total capital. Add lines 27 through 30 . . . 31	31953600
32	Treasury stock . . . 32	393750
33	Total liabilities and capital. Do not enter less than "0" . . . 33	39285429

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04 1111111

Schedule B Tangible or Intangible Property Corporation Classification 2016

Enter all values as net book values from Schedule A, col. c.

1	Total Massachusetts tangible property (from Schedule A, line 4)	1	16118662
2	Massachusetts real estate (from Schedule A, lines 1a and 1b)	2	9133477
3	Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	3	408233
4	Massachusetts machinery taxed locally. Classified manufacturers enter "0" (from Schedule A, line 1d)	4	
5	Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	5	39695
6	Massachusetts tangible property taxed locally. Add lines 2 through 5	► 6	9581405
7	Massachusetts tangible property not taxed locally. Subtract line 6 from line 1	7	6537257
8	Total assets (from Schedule A, line 18)	8	39285489
9	Massachusetts tangible property taxed locally (from line 6 above)	9	9581405
10	Total assets not taxed locally. Subtract line 9 from line 8	10	29704084
11	Investments in subsidiaries at least 80% owned (from Schedule A, line 12a)	11	400331
12	Assets subject to allocation. Subtract line 11 from line 10	12	29303753
13	Income apportionment percentage (from Schedule F, line 5)	13	0760200
14	Allocated assets. Multiply line 12 by line 13	► 14	22276713
15	Tangible property percentage. Divide line 7 by line 14	15	0293457

Schedule C Tangible Property Corporation

Complete only if Sched. B, line 15 is 10% or more. Enter all values as net book values from Sched. A, col. c.

1	Total Massachusetts tangible property (from Schedule A, line 4)	1	16118662
2	Exempt Massachusetts tangible property:		
	a. Massachusetts real estate (from Schedule A, lines 1a and 1b)	2a	9133477
	b. Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	2b	408233
	c. Massachusetts machinery taxed locally. Classified manufacturers enter "0" (from Schedule A, line 1d)	2c	
	d. Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	2d	39695
	e. Exempt goods (from Schedule A, line 2b)	2e	28375
	f. Certified Massachusetts industrial waste/air treatment facilities	2f	
	g. Certified Massachusetts solar or wind power deduction	2g	
3	Total exempt Massachusetts tangible property. Add lines 2a through 2g	3	9609780
4	Taxable Massachusetts tangible property. Subtract line 3 from line 1. Do not enter less than "0." Enter result in line 1 of the Excise Calculation on page 2, and enter "0" in line 2 of the Excise Calculation	4	6508882

CORPORATION NAME
TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER
04-1111111

Schedule D Intangible Property Corporation 2016

Complete only if Sched. B, line 15 is less than 10%. Enter all values as net book values from Sched. A, col. c.

1	Total assets (from Schedule A, line 18) . . . 1	
2	Total liabilities (from Schedule A, line 26) . . . 2	
3	Massachusetts tangible property taxed locally (from Schedule B, line 6) . . . 3	
4	Mortgages on Massachusetts tangible property taxed locally (from Schedule A, line 19a) . . . 4	
5	Subtract line 4 from line 3. Do not enter less than "0" . . . 5	
6	Investments in subsidiaries at least 80% owned (from Schedule A, line 12a) . . . 6	
7	Deductions from total assets. Add lines 2, 5 and 6 . . . 7	
8	Allocable net worth. Subtract line 7 from line 1. Do not enter less than "0" . . . 8	
9	Income apportionment percentage (from Schedule F, line 5) . . . 9	
10	Taxable net worth. Multiply line 8 by line 9. Enter result in line 2 of the Excise Calculation on page 2, and enter "0" in line 1 of the Excise Calculation . . . 10	

Schedule E-1 Dividends Deduction

1	Total dividends. See instructions . . . 1	28000
2	Dividends from Massachusetts corporate trusts . . . 2	
3	Dividends from non-wholly-owned DISCs . . . 3	
4	Dividends, if less than 15% of voting stock owned . . . 4	7000
5	Dividends from RICs . . . 5	
6	Dividends from REITs . . . 6	
7	Total taxable dividends. Add lines 2 through 6 . . . 7	7000
8	Dividends eligible for deduction. Subtract line 7 from line 1 . . . 8	21000
9	Dividends deduction. Multiply line 8 by .95 . . . 9	19950

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04-1111111

Schedule E Taxable Income

2016

▼ If a loss, mark an X in box at left

1	Gross receipts or sales (from U.S. Form 1120, line 1c) ► 1		22822 4543
2	Gross profit (from U.S. Form 1120, line 3) ► 2		95125332
3	Other deductions (from U.S. Form 1120, line 26) ► 3		48319467
4	Net income (from U.S. Form 1120, line 28) ► 4		7585010
5	Allowable U.S. wage credit. See instructions ► 5		
6	Subtract line 5 from line 4 6		7585010
7	State and municipal bond interest not included in U.S. net income ► 7		2500
8	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income ► 8		513783
9	Section 168(k) "bonus" depreciation adjustment. See instructions ► 9	X	3600
10	Section 31I and 31K intangible expense add back adjustment. See instructions ► 10		72277
11	Section 31J and 31K interest expense add back adjustment. See instructions ► 11		27863
12	Federal production activity add back adjustment. See instructions ► 12		5000
13	Other adjustments, including research and development expenses. See instructions ► 13		104930
14	Add lines 6 through 13 14		8307763
15	Abandoned building renovation deduction [ ] × .10 = ► 15		
16	Dividends deduction (from Schedule E-1, line 9) ► 16		19950
17	Exception(s) to the add back of intangible expenses (enclose Schedule ABIE) ► 17		7000
18	Exception(s) to the add back of interest expenses (enclose Schedule ABI) ► 18		450
19	Income subject to apportionment. Subtract the total of lines 15 through 18 from line 14 19		8280363
20	Income apportionment percentage (from Schedule F, line 5 or 1.0, whichever applies) ► 20		0760200
21	Multiply line 19 by line 20 21		6294732
22	Income not subject to apportionment ► 22		
23	Total net income allocated or apportioned to Massachusetts. Add lines 21 and 22 ► 23		6294732
24	Certified Massachusetts solar or wind power deduction ► 24		
25	Massachusetts taxable income before net operating loss deduction. Subtract line 24 from line 23 25		6294732
26	Net operating loss deduction (enclose Schedule NOL) ► 26		
27	Massachusetts taxable income. Subtract line 26 from line 25 27		6294732
28	Total net operating loss available for carryover to future years ► 28		

CORPORATION NAME

TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER

041111111

Schedule F Income Apportionment 2016

Fill in applicable oval(s):

- [x] Section 38 manufacturer
- [ ] Mutual fund service corporation reporting sales of mutual funds only
- [ ] Mutual fund service corporation reporting sales of non-mutual funds
- [ ] Other
- [ ] Change in method of calculating one or more factors from prior year (attach statement)

BUSINESS LOCATIONS OUTSIDE OF MASSACHUSETTS

CITY AND STATE	SPECIFY WHETHER FACTORY, SALES OFFICE, WAREHOUSE, CONSTRUCTION SITE, ETC.	ACCEPTS ORDERS	REGISTERED TO DO BUSINESS IN STATE	FILES RETURNS IN STATE
NEW YORK, NY	SALES OFFICE	●	●	●
TULSA, OK	FACTORY	○	●	●
		○	○	○

APPORTIONMENT FACTORS

1 Tangible property:

	Massachusetts	Worldwide
a. Property owned (averaged)	3653748	25451310
b. Property rented (capitalized)	432000	800000
c. Total property owned and rented	4085748	26251310

d. Tangible property apportionment percentage. Divide (from line 1c) Massachusetts total by worldwide total . . . 1d 0155640

DRAFT as of September 30, 2016

2 Payroll:

	Massachusetts	Worldwide
a. Total payroll	29055395	50542900

b. Payroll apportionment percentage. Divide (from line 2a) Mass. total payroll by worldwide total payroll 2b 0574866

3 Sales:

	Massachusetts	Worldwide
a. Tangibles (Massachusetts destination)	23000000	
b. Tangibles (Massachusetts throwback)	150301277	227899573
c. Services (including mutual fund sales)	25000	100000
d. Rents and royalties	20000	50000
e. Other	150000	175000
f. Total sales	173496277	228224573

g. Sales apportionment percentage. Mutual fund corporations reporting mutual fund sales, divide (from line 3c) Massachusetts mutual fund sales by total mutual fund sales. All other corporations, including mutual fund service corporations reporting non-mutual fund sales, divide (from line 3f) Massachusetts total sales by worldwide total sales 3g 0760200

4 Apportionment percentage. All corporations must complete this line. Section 38 manufacturers or mutual fund service corporations reporting mutual fund sales, enter the amount from line 3g. All other corporations, including mutual fund service corporations reporting non-mutual fund sales, enter the total of (line 3g × 2) plus line 1d plus line 2b 4 0760200

5 Massachusetts apportionment percentage. If the taxpayer is a Section 38 manufacturer, enter the amount from line 4 here and in Schedules E, line 20. Mutual fund service corporations for mutual fund sales, enter the amount from line 4 here and in line 20 of the Schedules E for mutual fund sales only. All other corporations including mutual fund service corporations reporting non-mutual fund sales, divide line 4 by 4, enter result here and in Schedules E, line 20 (for mutual fund service corporations, the Schedules E for non-mutual fund sales). See instructions . . . 5 0760200

CORPORATION NAME
TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER
04 1111111

Schedule H Investment Tax Credit and Carryovers 2016

Type of corporation. Fill in one oval:
▸ ● Classified manufacturer ○ Agriculture ○ Commercial fishing
○ Research and development (R&D). If R&D corporation, complete line 1.

PART 1. CALCULATION OF CURRENT-YEAR INVESTMENT TAX CREDIT GENERATED

1	Receipts tests for R&D corporations. Enter only receipts assignable to Massachusetts. **a.** Total receipts	1a	
	b. Receipts from R&D included in 1a	1b	
	c. Percent of revenues derived from R&D. Divide line 1b by line 1a	1c	
	d. Describe R&D category		
2	List all qualified depreciable property (owned or leased) located in Massachusetts by Schedule A category. **a.** Total cost of qualified buildings	2a	
	b. Total cost of qualified machinery taxed locally	2b	
	c. Total cost of qualified machinery not taxed locally	2c	700000
	d. Total cost of qualified equipment	2d	15000
	e. Total cost of qualified fixtures	2e	35000
	f. Total cost of qualified leasehold improvements taxed locally	2f	
	g. Total cost of qualified leasehold improvements not taxed locally	2g	50000
	h. Total cost of qualified other fixed depreciable assets	2h	
3	Total cost of eligible properties. Add lines 2a through 2h	3	800000
4	Total U.S. investment tax credit and U.S. basis reduction	4	
5	Amount eligible for Massachusetts Investment Tax Credit (ITC). Subtract line 4 from line 3	5	800000
6	Available current-year ITC. Multiply line 5 by .03	6	24000
7	Amount of credit reduction for assets placed in service during current year but no longer qualified at year end	7	
8	Net current year investment tax credit generated	8	24000

CORPORATION NAME: TEST TWO CORP

FEDERAL IDENTIFICATION NUMBER: 04 1111111

Schedule RC Research Credit 2016

Enclose Schedule RC to the return of each member of the group that is reporting Massachusetts basic research payments, qualified research expenses, or is taking research credit against the excise. Controlled groups and entities under common control are required to compute the research credit on an aggregate basis. Refer to Proposed Regulation 830 CMR 63.38M.2(9).

Fill in applicable oval(s):

- ► ○ Taxpayer is electing to calculate the credit separately for defense-related activities (see instructions).
- ► ○ Taxpayer is electing to calculate the credit under the alternate simplified method provided in G.L. c. 63, s. 38M(b).
- ► ● Taxpayer is electing to calculate the credit for qualified research expenses using Massachusetts gross receipts.

PART 1. QUALIFIED RESEARCH EXPENSES

1	Qualified wage expenses for this corporation . . . 1	4358309
2	Qualified supply expenses for this corporation . . . 2	296727
3	Qualified computer rental time expenses for this corporation . . . 3	3544
4	Enter 65% of qualified contract expenses for this corporation . . . 4	11250
5	Total qualified research expenses for this corporation. Add lines 1 through 4 . . . ► 5	4669830
6	Total qualified research expenses for the aggregated group . . . ► 6	4669830

PART 2. CREDIT DETERMINED UNDER C. 63, S. 38M(b), THE ALTERNATE SIMPLIFIED METHOD

If using the Alternative Simplified Method and you did not have qualified research expenses in each of the three prior years, fill in oval ► ● Also, skip lines 7 through 10.

7	Average qualified research expenses for the 3 most recent prior years . . . 7	
8	Enter 50% of line 7 . . . 8	
9	Subtract the amount on line 8 from current year expenses on line 6. Not less than "0" . . . 9	
10	Applicable rate for the Alternate Simplified Method . . . 10	
11	Total credit for the group. If the taxpayer did not have qualified research expenses in each of the three prior years, enter 5% of the amount on line 6; otherwise, multiply line 10 by line 11 . . . 11	
12	Percentage of aggregated group credit attributable to this corporation. Line 5 divided by line 6 . . . 12	
13	Amount of group credit for this corporation. Multiply line 11 by line 12 . . . ► 13	

041 111 111

PART 3. CREDIT DETERMINED UNDER C. 63, S. 38M(a)

14 Fixed-base ratio (see instructions) 14	0030000
15 Average annual gross receipts from the 4 most recent taxable years 15	120684497
16 Base amount. Multiply line 14 by line 15. Not less than 50% of line 6 16	3620535
17 Subtract line 16 from current year expenses on line 6. Not less than "0" 17	1049295
18 Total group credit for qualified research expenses. Multiply line 17 by 10% 18	104930
19 Total group credit for basic research payments (see instructions) 19	
20 Total Research Credit for the aggregated group. Combine lines 18 and 19 20	104930
21 Percentage of aggregated group credit attributable to this corporation. Line 5 divided by line 6 21	1000000
22 Amount of credit for this corporation. Multiply line 20 by line 21 . . . . ► 22	104930

PART 4. MASSACHUSETTS RESEARCH CREDIT USED

The amount of the credit that may be used to reduce the excise is limited to 100% of the corporation's first $25,000 of corporate excise liability plus 75% of the corporation's excise liability over $25,000. A single $25,000 amount applies to all members of an aggregate group, even if not filing as Massachusetts combined group. Corporations that are not members of an aggregate group should enter the amount in line 23 in line 24 and 100% in line 25.

23 Total excise before credits for this corporation (from form 355, line 6, Form 355S, line 9 or Schedule U-ST, line 37) 23	616923
24 Total group excise before credit. See instructions 24	616923
25 Allocation percentage for the $25,000 excise bracket 25	1000000
26 Corporation's share of excise not subject to the 75% limitation (line 25 percentage × $25,000, but not more than line 23) 26	25000
27 Corporation's excise subject to the 75% limitation. Subtract line 26 from line 23 27	591923
28 75% of excise subject to limitation 28	443942
29 Corporation's subtotal of excise within the limitation. Add lines 26 and 28 29	468942

Massachusetts Department of Revenue

Credit Recapture Schedule

2016

For calendar year 2016 or taxable year beginning 01 01 2016 **and ending** 12 31 2016

Name of taxpayer: TEST TWO CORP

Identification number: 041 111 111

Instructions

Certain Massachusetts tax credits are subject to recapture as specified in the statute authorizing the credit (e.g. investment tax is subject to recapture under M.G.L. c 63, s 31A(e) if an asset for which the credit was taken is disposed of before the end of its useful life). If a recapture calculation is required, the amount of the credit allowed is redetermined and the reduction in the amount of credit allowable is recaptured to the extent the credit was taken or used in a prior year. See DOR Directive 89-7. Taxpayers who have a recapture calculation must complete this schedule whether or not a recapture tax is determined to be due.

List each credit for which a recapture calculation must be made. For credits tracked by certificate numbers that must be reported on the return to claim the credit, enter each certificate number and the associated credits separately. For credits not tracked by certificate number, enter credits separately by type and the year to which they relate. List only those credits and certificate numbers or tax years for which a reduction in the credit is being calculated.

For each credit, show both the original amount of the credit and the revised amount; the difference between these is the reduction in the credit or tentative recapture. For the investment tax credit (and similar credits) where recapture is being required for some but not all of the assets placed in service during a given year, the total shown for the original credit and revised credit amounts should be the amounts for the assets subject to recapture.

If any of the credit associated with the certificate number and/or tax year (as applicable) was never used, subtract that amount from the tentative recapture and any portion of the reduction in credit that is not offset is added to the return as recapture tax. Reduce any available credit carryover by the amount used to offset tentative recapture.

Credit recaptures

1 List any credit for which recapture is taking place.

Credit type	Period end date (mm/dd/yyyy)	Certificate number	Original amount	Revised amount	Credit never used	Addition to excise
Row #1 INVTAX	12/31/2016		52000	50000	2000	2000

Massachusetts Department of Revenue

Credit Manager Schedule

For calendar year 2016 or taxable year beginning **and ending**

Name of taxpayer	Identification number	Total credits taken this year (add lines 1h and 3i)	Total refundable credits allowable this year (add lines 2h and 4i)
TEST TWO CORP	041 111 111	616 467	1500

Instructions

Taxpayers with credits available for use in the current year must file this schedule to report the credits and the amount of each credit used. For credits tracked by certificate numbers issued by the Department of Revenue or another state agency that must be used to claim the credit, enter each certificate number and the associated credits separately. For credits not tracked by certificate number, enter credits separately by type and the year to which they relate. List credits available whether or not they are being used in the current year.

For each credit, report the amount of the credit available for use and the amount of credit taken this year to reduce tax. For corporations filing a combined report, report the amount of credit shared with affiliates. For pass-through entities, report the amount of credits distributed to partners/shareholders/beneficiaries in the credit shared column.

Section 1. Non-refundable credits

Instructions. List all credits available not received via Massachusetts K-1s or credit transfer*, including those not used in the current year. Show the amounts used to reduce the total excise or tax, passed to partners/shareholders/beneficiaries, or shared with affiliates. Note: If you are using a tax credit that does not have an expiration date, for example the Van Pool, fill in the "Non-Expiring" oval and leave the "Period end date" and "Certificate number" fields blank.

***Note:** Taxpayers taking the Brownfields Credit, Film Incentive Credit, and/or Medical Device Credit received via credit transfers/sales should complete section 1.

DRAFT as of September 13, 2016

Run #1

1a. Credit type	1b. Fill in if non-expiring	1c. Period end date (mm/dd/yyyy)	1d. Certificate number	1e. Credit available or certificate balance	1f. Credit taken this year	1g. Credit shared this year
	○					
EDIPCR	○	12/31/2016	4020 E01397	228463	228462	
VANPOL	●			5001	5000	
REARCH	●			300206	300205	
HRBMNT	○	12/31/2016		8301	8300	
FLMCRD	○	12/31/2016	4020 F00099	67501	67500	
EMPWLL	○	12/31/2016	41234W9898	6001	6000	
CRTHOU	○	12/31/2016	4002 H00010	1001	1000	
	○					
	○					
	○					
	○					
	○					

1h. Total. Enter total amount of credit(s) taken this year here and where indicated above 616467

Name of taxpayer: TEST TWO CORP

Identification number: 041 111 111

Section 2. Refundable credits

Instructions. Taxpayers with refundable credits who are requesting a refund from credits not received via Massachusetts K-1s or credit transfer*, complete Section 2. For each refundable credit, report the amount of the credit available after taking into consideration any credits that may have been taken or shared as shown in section 1 of this schedule. Enter the amount by which the available credit balance is being reduced and the amount to be treated as a refundable credit, which may be either 90% or 100% of the reduction (See TIR 13-6, example #3 for an illustration. Company B has $500,000 of credit available, reduces this by $300,000 in order to claim a $270,000 refundable credit as authorized under the Life Sciences Tax Incentive Program.)

***Note:** Taxpayers taking the Film Incentive Credit received via credit transfers should complete section 2.

2a. Credit type	2b. Period end date (mm/dd/yyyy)	2c. Certificate number	2d. Credit available or certificate balance	2e. Reduction in balance for refund	2f. Refundable credit taken (100% or 90%)
DAIFRM	12/31/2016	A1234	111	110	110
LFSJOB	12/31/2016		821	820	820
CNSLND	12/31/2016	4101L00102	502	500	500
CMMINV	12/31/2016	4302V00110	71	70	70

2h. Total. Enter total amount of credit(s) taken this year here and where indicated on page 1 1500