

FORM 1120

U.S. Treasury Department
Internal Revenue Service

U.S. CORPORATION INCOME TAX RETURN—1963

or other taxable year beginning MARCH 1, 1963, ending FEB 29, 1964
(PLEASE TYPE OR PRINT)

Check if this is a—

- A. Sole proprietorship ☐ or partnership ☐ electing under sec. 1361 to be taxed as a corporation.
 B. Consolidated return. ☐
 C. Personal Holding Co. ☐
 D. Business Code No. (see instructions)

Name

SMITH-KANZLER CORPORATION

Number and street

EAST LINDEN AVENUE

City or town and State

LINDEN NEW JERSEY

Postal ZIP code

E. Employer Identification No.

22-1495029

F. County in which located

UNION

G. Enter total assets from line 13 Sch. L (see instruction R).

\$802,696.25**IMPORTANT**—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instruction Q.

GROSS INCOME

1. Gross receipts or gross sales Less: Returns and allowances 1920209.90
 2. Less: Cost of goods sold (Schedule A) and/or operations (attach schedule) 1209709.91
 3. Gross profit 710499.99
 4. Dividends (Schedule C)
 5. Interest on obligations of the United States and U.S. instrumentalities 2256.00
 6. Other interest
 7. Rents
 8. Royalties
 9. Net gains (losses) (from separate Schedule D)
 10. Other income (attach schedule) SEE ATT. SCHEDULE
 11. TOTAL income, lines 3 to 10, inclusive 727854.92

DEDUCTIONS

12. Compensation of officers (Schedule E)
 13. Salaries and wages (not deducted elsewhere) 108207.82
 14. Repairs (do not include cost of improvements or capital expenditures) 8809.47
 15. Bad debts (from Schedule F if reserve method is used)
 16. Rents 19500.00
 17. Taxes (attach schedule) 7516.90
 18. Interest
 19. Contributions or gifts paid (attach schedule—see instructions for limitation) 7725.00
 20. Losses by fire, storm, shipwreck, or other casualty, or theft (attach schedule)
 21. Amortization (attach schedule)
 22. Depreciation (Schedule G) 16948.95
 23. Depletion (attach schedule) 28134.19
 24. Advertising
 25. (a) Pension, profit-sharing, stock bonus, annuity plans (see instructions)
 (b) Other employee benefit plans (see instructions)
 26. Other deductions (attach schedule) 234407.34
 27. TOTAL deductions in lines 12 to 26, inclusive 66619.71
 28. Taxable income before net operating loss deduction and special deductions (line 11 less line 27) 170895.21
 29. Less: (a) Net operating loss deduction (see instructions—attach schedule)
 (b) Special deductions (Schedule I)
 30. Taxable income (line 28 less line 29) 170895.21

TAX

31. TOTAL income tax (from line 10, Tax Computation Schedule, page 3) 64143.17
 32. Credits: (a) Tax paid with Form 7004 application for extension (attach copy)
 (b) Payments and credits on 1963 Declaration of Estimated Tax
 (c) Credit from regulated investment companies (attach Form 2439)
 33. If tax (line 31) is larger than credits (line 32), the balance is TAX DUE. Enter balance here 64143.17
 34. If tax (line 31) is less than credits (line 32) Enter the OVERPAYMENT here
 35. Enter amount of line 34 you want: Credited on 1964 estimated tax Refunded

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

CORPORATE
SEAL

Date

Signature of officer

Title

Date

Individual or firm signature of preparer

Address

VPD-158-0000834

DANA-062

Schedule H.—SUMMARY OF DEPRECIATION AND AMORTIZATION SCHEDULES

DEPRECIATION	Under Rev. Proc. 62-21	Other	AMORTIZATION	
1. Straight line method.....		1007.57	1. Emergency facilities.....	
2. Declining balance method.....		2374.17	2. Research or experimental.....	
3. Sum of the years-digits method...			3. Exploration and development...	
4. Based on units of production...			4. Organizational.....	
5. Addl. 1st year (Sec. 179).....		766.66	5. Trademark and trade name...	
6. Other (specify).....			6. Other (specify).....	
7. Total depreciation claimed.....		5644.49	7. Total amortization claimed.....	

Schedule I.—SPECIAL DEDUCTIONS

1. Dividends-received: (a) 85 percent of column 2, Schedule C	
(b) 62.115 percent of column 3, Schedule C	
(c) 85 percent of dividends received from certain foreign corporations	
2. Total dividends-received deductions (sum of lines 1(a), (b), and (c) but not to exceed 85 percent of the excess of line 28, page 1 over line 4 of this schedule). (The 85 percent limitation does not apply to a year in which a net operating loss occurs or if the corporation is a small business investment company)	
3. Dividends paid on certain preferred stock of public utilities (see instructions in case of net operating loss)	
4. Western Hemisphere trade corporations (not allowable in year of net operating loss)	
5. Total special deductions (enter here and on line 29(b), page 1)	NONE

TAX COMPUTATION SCHEDULE

1. Taxable income (line 30, page 1)	17088.71
2. If amount of line 1 is:	
(a) Not over \$25,000—Enter 30 percent of line 1 (32 percent if a consolidated return)	
(b) Over \$25,000—Enter 52 percent of line 1 (54 percent if a consolidated return)	
Subtract \$5,500, and enter difference. SEE ATTACHED SCHED. 5,500.00	8274.07
3. Income tax (line 2, or line 22 of separate Schedule D, whichever is lesser)	8274.07
4. Foreign tax credit (attach Form 1118)	
5. Balance (line 3 less line 4)	8274.07
6. Investment credit (attach Form 3468)	18161.96
7. Balance of income tax (line 5 less line 6)	6462.17
8. Tax under section 541 of the Internal Revenue Code (from Schedule 1120 PH)	
9. Tax from recomputing prior year investment credit (attach statement)	
10. Total tax (sum of lines 7, 8 and 9). Enter here and on line 31, page 1	6462.17

H. Date incorporated 3-1-51

I. (1) Did the corporation at the end of the taxable year own directly or indirectly 50 percent or more of the voting stock of a domestic corporation? Yes ☐ No ☒(2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50 percent or more of the corporation's voting stock? Yes ☐ No ☐
(For rules of attribution, see section 267 (c).)

If the answer to (1) or (2) is "Yes," attach separate schedule showing:

- (a) name, address, and employer identification no.;
 (b) percentage owned;
 (c) date acquired; and
 (d) the District Director's office in which the income tax return of such organization for the last taxable year was filed.

If the answer to (1) above is "Yes," include the income (or loss) from line 30, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.

If the answer to (2) above is "Yes," include (a) the amount of cash or stock dividends paid to such individual or organization and (b) identify form of organization.

J. Were Forms 1096 and 1099 filed for the calendar year 1963 in connection with:

Taxable dividends

Other payments

K. Did you have any contracts or subcontracts subject to the

Renegotiation Act of 1951

If "Yes," see Inst. K. Enter amount here

L. Did you at any time during the year own directly or indirectly any stock of a foreign corporation? Yes ☐ No ☐
If "Yes," attach statement as required by Instruction N.

M. Amount of income (or deficit) for: 1960 .. 20612.52
1961 .. 127667.29 1962 .. 122972.02

N. If a cooperative association, check type:

(1) ☐ farmers' purchasing or marketing; (2) ☐ consumers', or (3) ☐ other.

O. Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)

(1) A hunting lodge ☐ working ranch or farm ☐ fishing camp ☐ resort property ☐ pleasure boat or yacht ☐ or other similar facility ☐ (Other than where the operation of the facility was the principal business.) Yes ☐ No ☒

(2) The leasing, renting, or ownership of a hotel room or suite ☐ apartment ☐ or other dwelling ☐ which was used by customers or employees or members of their families? (Other than use by employees while in business travel status.) Yes ☐ No ☒

(3) The attendance of your employees' families at conventions or business meetings? Yes ☐ No ☒

(4) Vacations for employees or members of their families? (Other than vacation pay reported on Form W-2.) Yes ☐ No ☒

P. Refer to instructions and state the:

Principal business activity MANUFACTURING

Principal product or service

ASBESTOS PIPE COVERTING

VPD-158-0000836

Schedule L.—BALANCE SHEETS. (See Instructions)

ASSETS	Beginning of taxable year		End of taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
1. Cash.....	96,841.28	239,909.34	115,362.99	205,888.74
2. Notes and accounts receivable.....	58,600.00	90,995.28	58,600.00	112,512.99
(a) Less: Reserve for bad debts.....		94,778.72		97,964.00
3. Inventories.....		115,268.00		20,000.00
4. Investments in Government obligations.....				
5. Other current assets (attach schedule).....				
6. Loans to stockholders.....				
7. Other investments (attach schedule).....				
8. Buildings and other fixed depreciable assets.....	228,238.68	457,787.22	119,200.00	368,180.72
(a) Less: Accumulated amortization and depreciation.....	146,575.11	163,581.11		
9. Depletable assets.....				
(a) Less: Accumulated depletion.....				
10. Land (net of any amortization).....				
11. Intangible assets (amortizable only).....				
(a) Less: Accumulated amortization.....				
12. Other assets (attach schedule).....		148.32		150.00
13. Total assets.....		698,280.23		804,196.45
LIABILITIES AND CAPITAL				
14. Accounts payable.....		113,658.01		93,595.74
15. Mortgages, notes, and bonds payable in less than 1 year.....				
16. Other current liabilities (attach schedule).....		68,146.61		79,783.17
17. Loans from stockholders.....				
18. Mortgages, notes, and bonds payable in 1 year or more.....				
19. Other liabilities (attach schedule).....				
20. Capital stock: (a) Preferred stock.....	150,000.00		150,000.00	
(b) Common stock.....	100,000.00	160,000.00	12,000.00	160,000.00
21. Paid-in or capital surplus (attach reconciliation).....				
22. Surplus reserve (attach schedule).....		316,876.00		471,315.04
23. Earned surplus and undivided profits.....		198,350.62		806,646.45
24. Total liabilities and capital.....				

ENTRIES MADE BELOW MUST BE IDENTIFIED BY ACCOUNT

Schedule M-1.—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1. Net income per books.....	114,742.04	7. Income recorded on books this year not included in this return (itemize).....	
2. Federal income tax.....	64,643.17	JADA'S PREPARE - SEE ATTACHED FORM 1120-TAX	
3. Excess of capital losses over capital gains.....			
4. Taxable income not recorded on books this year (itemize).....			85,000.00
5. Expenses recorded on books this year not deducted in this return (itemize).....		8. Deductions in this tax return not charged against book income this year (itemize).....	
6. Total of lines 1 through 5.....	179,385.21	9. Total of lines 7 and 8.....	85,000.00
		10. Income (line 28, page 1)—line 6 less 9.....	170,885.21

Schedule M-2.—ANALYSIS OF EARNED SURPLUS AND UNDIVIDED PROFITS PER BOOKS (line 23, page 4)

1. Balance at beginning of year.....	316,876.00	5. Distributions: (a) Cash.....	
2. Net income per books.....	114,742.04	(b) Stock.....	
3. Other increases (itemize).....		(c) Property.....	
		6. Other decreases (itemize).....	
4. Total of lines 1, 2, and 3.....	471,318.04	7. Total of lines 5 and 6.....	
		8. Balance end of year (line 4 less 7).....	471,318.04