

SCHEDULE Q
(Form 1120-IC-DISC)
(December 1998)

Department of the Treasury
Internal Revenue Service

Borrower's Certificate of Compliance
With the Rules for Producer's Loans

► Attach to Form 1120-IC-DISC.

For tax year beginning	and ending
Name of IC-DISC	Employer identification number
Name of borrower	Employer identification number
Address of borrower (Number and street)	
City or town, State and ZIP code	

Note: *An IC-DISC may establish that the borrower has met the limitation and increased investment requirements of sections 993(d)(2) and (3) by attaching to its return either (a) Schedule Q (Form 1120-IC-DISC), or (b) a written statement of compliance of the borrower certified by a certified public accountant.*

Under penalties of perjury, I certify that the loan received from the above-mentioned IC-DISC qualifies as a producer's loan for the following reasons:

A. Limitation Rule. The amount of this loan, when added to the unpaid balance of all of our other qualified producer's loans outstanding at the time this loan was made, does not exceed the amount determined below:

- 1a.** the amount of our adjusted basis (at the beginning of our tax year in which the loan was made) in plant, machinery, and equipment, and supporting production facilities in the United States, plus
- 1b.** the amount of property held primarily for sale, lease, or rental to our customers in the ordinary course of our trade or business at the beginning of our tax year, plus
- 1c.** the aggregate amount of our research and experimental expenditures (within the meaning of section 174) in the United States during all preceding tax years beginning after December 31, 1971, multiplied by

- 2.** the percentage which our receipts during the 3 tax years immediately preceding the tax year in which the loan was made from the sale, lease, or rental outside the United States of property which would be export property (determined without regard to section 993(c)(2)(C) or (D)) if held by an IC-DISC, is of the gross receipts during such 3 tax years from the sale, lease, or rental of property held by us primarily for sale, lease, or rental to our customers in the ordinary course of our trade or business.

B. Increased Investment Requirement. The amount of this loan, when added to the unpaid balance of all of our producer's loans made during our tax year, does not exceed the following amount:

- 1.** the amount by which the sum of the adjusted basis of our assets described in **1a** and **1b** above on the last day of the tax year during which this loan was made exceeds the adjusted basis of those assets on the first day of such tax year, plus
- 2.** the aggregate amount of our research and experimental expenditures (within the meaning of section 174) in the United States during such tax year.

(Date) (Signature of officer) (Type or print name and title)

Cat. No. 11479D

Schedule Q (Form 1120-IC-DISC) (12-98)

