

Foreign Sales Corporation 2012

Calculation of Minnesota Taxable Income

Name of corporation/designated filer	FEIN	Minnesota tax ID
Name of foreign sales corporation (FSC)		FEIN

Attach a copy of your federal Form 1120-FSC to this schedule.

You must round amounts to nearest whole dollar.**FSC Adjustment**

- 1** Foreign trade income (from federal Form 1120-FSC, Schedule B, line 8) **1** _____
 - 2** Total deductions (from federal Form 1120-FSC, Schedule G, line 15) **2** _____
 - 3** FSC operating income (subtract line 2 from line 1) **3** _____
 - 4** Taxable nonforeign trade income (from federal Form 1120-FSC, Schedule F, line 19) **4** _____
 - 5** Net income from nonexempt foreign trade income
(from federal Form 1120-FSC, Schedule F, line 6) **5** _____
 - 6** FSC income (add lines 3, 4 and 5) **6** _____
 - 7** FSC dividends received (from federal Form 1120, Schedule C) **7** _____
 - 8** FSC adjustment (subtract line 7 from line 6) **8** _____
- Enter on Form M4I, line 2f.**

Instructions

The foreign trade income of an FSC as defined in IRC sections 291 and 921(a) is not exempt for Minnesota tax purposes. The FSC's entire income is subject to tax.

Federal Line References Not Verified

At the time Minnesota Corporate Franchise Tax forms were created (11/12), federal tax forms were delayed indefinitely. As a result, the federal line references on this form have not been updated for 2012.

FSC Filers

- Include FSC factors in the apportionment computations for the unitary group on Form M4A.
- Do not include FSC income on Form M4I, line 1, federal taxable income.
- Do not make any adjustment for FSC dividends as an intercompany elimination on Form M4I, line 5.
- The FSC dividends received are removed in calculating the deduction for dividends received on Schedule DIV, line 3.