



Addendum: 2013 Intermediate S Corporations

Revision 1:

Page 117 Example:

The ending balance for AAA in the example was changed to (6,000).

	AAA	AE&P
Beginning balance	5,000	10,000
Interest income	1,000	
Ordinary business loss (to extent of income/gains)	<u>(1,000)</u>	
Balance before distributions and net negative adjustment	5,000	10,000
Distributions	<u>(5,000)</u>	<u>(10,000)</u>
Balance before net negative adjustment	0	0
Net negative adjustment (\$7,000 loss over \$1,000 interest)	<u>(6,000)</u>	
Ending balance	<u><u>(6,000)</u></u>	<u><u>0</u></u>

	Stock Basis
Beginning balance	1,000
Interest income	<u>1,000</u>
Basis before distributions and losses and deductions	2,000
Distributions	<u>(2,000)</u>
Basis before losses and deductions	0
Ordinary business loss	<u>0</u>
Ending basis	<u><u>0</u></u>

Date of revision: 07.11.2013