



Addendum: 2013 Preparing S Corporation Returns

Revision 1:

Page 71 - Rents

The text states that a cash basis S corporation cannot deduct prepaid rents. A deduction for prepaid rent is permitted by a cash basis S corporation provided the payment does not extend beyond 12 months [Reg. 1.263(a)-4(f)(8)].

Page 132 – Domestic Production Activities Deduction

The text states - Enter it on Line 6 as a reconciling item to book income. This item is not reported on Schedule M-1 of Form 1120S. It is a separately stated item on Schedule K-1.

Date of revision: 05.28.2013