Drake Software

2025 Form 1120-S, Schedule K-1

-- Line amount data flow in 1040 package --

Line:	Code:	K-1 Description:	Activity Type:	Flows To:
1		Ordinary business income (loss)	A, B	Form 8582, line 1 or 2 to figure the amount to report on Sch. E, line 28, columns (g) or (h)
			C, D	Sch. E, line 28, column (i) or (k)
2		Net rental real estate income (loss)	A, B	Form 8582, line 1 or 2 to figure the amount to report on Sch. E, line 28, columns (g) or (h)
			C, D	Sch. E, line 28, column (i) or (k)
3		Other net rental income (loss)	A, B	Form 8582, line 1 or 2 to figure the amount to report on Sch. E, line 28, columns (g) or (h)
			C, D	Sch. E, line 28, column (i) or (k)
4		Interest income		Form 1040, 1040-SR, or 1040-NR, line 2b or Sch. B, line 1
5a		Ordinary dividends		Form 1040, 1040-SR, or 1040-NR, line 3b or Sch. B, line 5
5b		Qualified dividends		Form 1040, 1040-SR, or 1040-NR, line 3a
6		Royalties		Sch. E, Part I, line 4
7		Net short-term capital gain (loss)		Sch. D, line 5
8a		Net long-term capital gain (loss)		Sch. D, line 12
8b		Collectibles (28%) gain (loss)		28% Rate Gain Worksheet, line 4 (if required)
8c		Unrecaptured Section 1250 Gain		
	A	Sale or exchange of corporation's business assets		1250 Worksheet, line 5 or 11
	B	Sale or exchange of an interest in a partnership		1250 Worksheet, line 10
	C	Estate, trust, RIC, or REIT		1250 Worksheet, line 11
9		Net section 1231 gain (loss)	A, B	Form 8582, line 1 or 2 to figure the amount to report on Form 4797, line 2, column (g)
			C, D	Form 4797, line 2, column (g)
10		Other Income (Loss)		
	A	Other portfolio income (loss)		Form 7203, Part III and the basis/passive limitation workflow; does not automatically flow to Sch. 1, line 8z
	B	Involuntary conversions		Form 7203, line 3i (gain) or 40 (loss)

Line:	Code:	K-1 Description:	Activity Type:	Flows To:
	C	Section 1256 contracts & straddles		Form 6781, line 1
10	D	Mining exploration costs		**Corporation must provide statement; preparer must determine where to report on the return**
	E	Section 951A(a) inclusion		Form 7203, Part III; no automatic Sch. 1, line 8o flow, preparer may need Form 8992 and a manual Sch. 1 entry
	F	Inclusions of subpart F income		**Preparer must determine where to report on Form 1040, 1040-SR, or the applicable income tax return**
	G	Section 951(a)(1)(B) inclusions		**Corporation must provide information needed; preparer must determine where to report on the return**
	I	Gain (loss) from disposition of oil, gas, geothermal, or other mineral properties		Form 4797; preparer must use the corporation's statement to determine the applicable part and line
	J	Recoveries of tax benefit items		Sch. 1, line 8z (to the extent it reduced the tax previously – preparer may need to adjust amount)
	K1	Gambling winnings		Sch. 1, line 8b
	K2	Gambling winnings from trade or business	A, B	Form 8582, line 1 or 2 to figure the amount to report on Sch. E, line 28, column (h)
			C, D	Sch. E, line 28, column (k)
	K3	Gambling losses		Sch. A, line 16
	K4	Gambling losses from trade or business	A, B	Form 8582, line 1 or 2 to figure the amount to report on Sch. E, line 28, column (g)
			C, D	Sch. E, line 28, column (i)
	S1	Short-term capital gain (loss) – Not portfolio income		Sch. D, line 5
	S2	Long-term capital gain (loss) – Not portfolio income		Sch. D, line 12
11		Section 179 deduction	A, B	Form 7203, line 41
			C, D	Sch. E, line 28, column (j)
12		Other Deductions		
	A	Cash contributions (60% AGI limitation)		Sch. A, line 11
	B	Cash contributions (30% AGI limitation)		Sch. A, line 11
	C	Noncash contributions (50% AGI limitation)		Sch. A, line 12 or, if the total of all noncash contributions is greater than $500, Form 8283
	D	Noncash contributions (30% AGI limitation)		Sch. A, line 12 or, if the total of all noncash contributions is greater than $500, Form 8283
	E	Capital gain property (30% AGI limitation)		Sch. A, line 12 or, if the total of all noncash contributions is greater than $500, Form 8283

Line:	Code:	K-1 Description:	Activity Type:	Flows To:
	F	Capital gain property (20% AGI limitation)		Sch. A, line 12 or, if the total of all noncash contributions is greater than $500, Form 8283
12	G	Contributions (100%)		Form 7203, line 42. Flow to 1040 requires direct entry.
	H	Investment interest expense		Form 4952, line 1, or Sch. A, line 9
	I	Deductions – Royalty income		Sch. E, line 19, with “From K-1” literal
	L	Deductions – Portfolio (other)		Sch. A, line 16
	M	PPE, commercial revitalization deduction		**If present, preparer must determine where to report on the return**
	O	Reforestation expense deduction	A, B	Form 8582, line 1 or 2 to figure the amount to report on Sch. E, line 28, column (g)
			C, D	Sch. E, line 28, column (i), with “Reforestation expenses” literal in column (a)
	X	Film and television production expense	A, B	Form 8582, line 1 or 3 to figure the amount to report on Sch. E, line 28, column (g)
			C, D	Sch. E, line 28, column (i)
	Z	Schedule A itemized deductions		Preparer must determine where to enter
	AA	CCF		Form 1040 or 1040-SR, line 15, with literal “CCF”
	AB	Interest penalty – Early withdrawal		Sch. 1, line 18
	AC	Interest expense allocated to debt-financed distributions	A, B	Form 8582, line 1 or 2 to figure the amount to report on Sch. E, line 28, column (g)
			C, D	Sch. E, line 28, column (i), with [corporation name] and “Interest Expense” literal in column (a)
	J1	Section 59e expenditures (circulation)		Sch. E, line 28
	J2	Section 59e expenditures (research)		Sch. E, line 28
	J3	Section 59e expenditures (mining)		Sch. E, line 28
	J4	Section 59e expenditures (intangible drilling)		Sch. E, line 28
	ZZ	**Other deductions**		**Preparer must determine where to report on the return**
13		**Credits**		
	A	Zero-emission nuclear power production credit		**Preparer must determine how to handle amounts entered here**
	B	Credit for production from advanced nuclear power facilities		**Preparer must determine how to handle amounts entered here**
	C	Low-income housing credit (section 42(j)(5))		Form 8586, line 4 and/or Form 3800, Part III, line 4d
	D	Low-income housing credit (other)		Form 8586, line 4 and/or Form 3800, Part III, line 4d
	E	Qualified rehabilitation expenditures (rental real estate)		Form 3468; use the attached statement and apply the passive activity credit limitations

Line:	Code:	K-1 Description:	Activity Type:	Flows To:
	F	Other rental real estate credits		**Use the attached statement to determine the credit and complete Form 8582-CR when required**
	G	Other rental credits		**Use the attached statement to determine the credit and complete Form 8582-CR when required**
	H	Undistributed capital gains credit		Sch. 3, line 13a; Drake adds the literal "Form 1120S"
	I	Biofuel producer credit		Form 6478, line 3 and/or Form 3800, Part III, line 4c
	J	Work opportunity credit		Form 5884, line 3 and/or Form 3800, Part III, line 4b
	K	Disabled access credit		Form 8826, line 7 and/or Form 3800, Part III, line 1e
	L	Empowerment zone employment credit		Form 8844, line 3 and/or Form 3800, Part III, line 3
	M1	Credit for increasing research activities		Form 6765, line 29 and/or Form 3800, Part III, line 1c
	M2	Credit for increasing research activities (eligible small business)		Form 6765, line 29 and/or Form 3800, Part III, line 4i
	N	Credit for employer social security and Medicare taxes		Form 8846, line 5 and/or Form 3800, Part III, line 4f
	O	Backup withholding		Form 1040, 1040-SR, or 1040-NR, line 25c
	P	Unused investment credit from qualifying advanced coal or gasification projects allocated from cooperatives		Form 3468, Part II, line 6 and/or Form 3800, Part III, line 1a
	Q	Unused investment credit from qualifying advanced energy projects allocated from cooperatives		Form 3468, Part III, line 2 and/or Form 3800, Part III, line 1d
	R	Unused advanced manufacturing investment credit allocated from cooperatives		Form 3468, Part IV, line 2 and/or Form 3800, Part III, line 1o
	S	Unused clean electricity investment credit allocated from cooperatives		Form 3468, Part V, Section C, line 10 and/or Form 3800, Part III, line 1v
	T	Unused energy credit allocated from cooperatives		Form 3468, Part VI, Section N, line 31 and/or Form 3800, Part III, line 4a
	U	Unused rehabilitation credit allocated from cooperatives		Form 3468, Part VII, line 2 and/or Form 3800, Part III, line 4k
	V	Advanced manufacturing production credit		Form 7207 and/or Form 3800, Part III, line 1b
	W	Clean electricity production credit		Form 7211 and/or Form 3800, Part III, line 1gg
	X	Clean fuel production credit		Form 7218 and/or Form 3800, Part III, line 1q
	Y	Clean hydrogen production credit		Form 7210 and/or Form 3800, Part III, line 1g
	Z	Orphan drug credit		Form 8820 and/or Form 3800, Part III, line 1h
	AA	Enhanced oil recovery credit		Form 8830 and/or Form 3800, Part III, line 1t
	AB	Renewable electricity production credit		Form 8835 and/or Form 3800, Part III, line 1f
	AC	Biodiesel, renewable diesel, or sustainable aviation fuels credit		Form 8864, line 10 and/or Form 3800, Part III, line 1l; use the attached statement when provided
	AD	New markets credit		Form 8874 and/or Form 3800, Part III, line 1i

Line:	Code:	K-1 Description:	Activity Type:	Flows To:
	AE	Small employer pension plan startup costs credit and contributions credit		Form 8881, Part I and/or Form 3800, Part III, line 1j
	AF	Small employer auto-enrollment credit		Form 8881, Part II and/or Form 3800, Part III, line 1dd
	AG	Small employer military spouse participation credit		Form 8881, Part III and/or Form 3800, Part III, line 1ee
	AH	Credit for employer-provided childcare facilities and services		Form 8882 and/or Form 3800, Part III, line 1k
	AI	Low sulfur diesel fuel production credit		Form 8896 and/or Form 3800, Part III, line 1m
	AJ	Qualified railroad track maintenance credit		Form 8900 and/or Form 3800, Part III, line 4g
	AK	Credit for oil and gas production from marginal wells		Form 8904 and/or Form 3800, Part III, line 1bb
	AL	Distilled spirits credit		Form 8906 and/or Form 3800, Part III, line 1n
	AM	Energy efficient home credit		Form 8908 and/or Form 3800, Part III, line 1p
	AO	Alternative fuel vehicle refueling property credit		Form 8911, Part I and/or Form 3800, Part III, line 1s
	AP	Clean renewable energy bond credit		Form 8912
	AQ	New clean renewable energy bond credit		Form 8912
	AR	Qualified energy conservation bond credit		Form 8912
	AS	Qualified zone academy bond credit		Form 8912
	AT	Qualified school construction bond credit		Form 8912
	AU	Build America bond credit		Form 8912
	AV	Credit for employer differential wage payments		Form 8932 and/or Form 3800, Part III, line 1w
	AW	Carbon oxide sequestration credit		Form 8933 and/or Form 3800, Part III, line 1x
	AX	Carbon oxide sequestration credit recapture		Form 8933, Part III, line 8
	AY	New clean vehicle credit		Form 8936, Part II and/or Form 3800, Part III, line 1y
	AZ	Credit for qualified commercial clean vehicles		Form 8936, Part V and/or Form 3800, Part III, line 1aa
	BA	Credit for small employer health insurance premiums		Form 8941 and/or Form 3800, Part III, line 4h
	BB	Employer credit for paid family and medical leave		Form 8994 and/or Form 3800, Part III, line 4j
	BC	Eligible credits from transferor(s) under section 6418		Use screen 3800 and the attached statement
	ZZ	Other credits		**Use the attached corporation statement to determine where to report the credit**
15		**Alternative Minimum Tax (AMT) Items**		
	A	Post-1986 depreciation adjustment	A, B	Form 6251, line 2m
			C, D	Form 6251, line 2l
	B	Adjusted gain or loss	A, B	Form 6251, line 2m
			C, D	Form 6251, line 2k
	C	Depletion (other than oil & gas)	A, B	Form 6251, line 2m

Line:	Code:	K-1 Description:	Activity Type:	Flows To:
			C, D	Form 6251, line 2d
	D	Oil, gas, and geothermal – Gross income		**If present, preparer must determine where to report on the return**
	E	Oil, gas, and geothermal – Deductions		**If present, preparer must determine where to report on the return**
	F	Other AMT items	A, B	Form 6251, line 2m
			C, D	Form 6251, line 3
16		Items Affecting Shareholder Basis		
	A	Tax-exempt interest income		Form 1040, 1040-SR, or 1040-NR, line 2a and Form 7203, line 3k
	B	Other tax-exempt income		Form 7203, line 3k
	C	Nondeductible expenses		Form 7203, line 8a
	D	Property distributions		Form 7203, line 6
	E	Repayments of loans from shareholders		**Preparer must determine how to allocate**
	F	Foreign taxes paid or accrued		Form 7203, line 46(a)
	AA	Other income		Form 7203, line 3i. Flow to 1040 requires direct entry
	BB	Other increases to basis		Form 7203, line 3m
17		Other Information		
	A	Investment income		Form 4952, line 4a
	B	Investment expenses		Form 4952, line 5
	E	Recapture – Low-Income Housing Credit (section 42 (j)(5))		Form 7203, line 3l
	F	Recapture – Low-Income Housing Credit (other)		Form 7203, line 3l
	M	Section 453(I)(3) information		Sch. 2, line 14
	N	Section 453A(c) information		Sch. 2, line 15
	O	Section 1260(b) information		Sch. 2, line 17z, “1260(b)”
17	Q	CCF nonqualified withdrawals		Sch. 2, line 17z, “CCF”
	V	Section 199A information		Use screen K199
	AA	Excess taxable income		Form 8990, line 15, if Form 8990 is required
	AB	Excess business interest income		Form 8990, line 24, if Form 8990 is required
	AC	Gross receipts for sec 448(c)		**Preparer must determine where to report on the return**
	AD	Gross farming and fishing income		Sch. E, Part V, line 42
	HA	Recapture – New Markets Credit		Sch. 2, line 17a, “NMCR”
	HB	Recapture – Qualified Electric Vehicle Credit		Sch. 2, line 17a, “8834R”
	HC	Recapture – Indian Employment Credit		Sch. 2, line 17a, “IECR”
	HD	Recapture – Employer-provided Childcare Facilities and Services		Sch. 2, line 17a, “ECCFR”