

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

1998

Department of the Treasury
Internal Revenue Service

For calendar year 1998 or other tax yr. beginning 09/01, 1998, & ending 08/31, 1999

▶ See separate instructions.

A	<input type="checkbox"/> Check box if address changed		Name of organization TEXAS JEWELERS ASSOCIATION	D Employer ID number (Employees' trust, see instructions for Block D on page 6.) 74-6064608
B	Exempt under section <input checked="" type="checkbox"/> 501(c)(6) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Please Print or Type	Number, street, & room or suite no. (If a P.O. box, see page 6 of instructions.) 504 W. 12TH STREET City or town, state, and ZIP code AUSTIN, TEXAS 78701	E NEW unrelated bus. activity codes (See instructions for Block E on page 6.) 561499
C	Book value of all assets at end of year 19,771.	F	Group exemption number (see inst. for Block F on page 6) ▶	
		G	Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust	

H Describe the organization's primary unrelated business activity ▶ **INCOME FROM ASSOCIATION HANDBOOK**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **TX JEWELERS ASSOC.** Telephone number ▶ **512-472-7342**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales <u>1,562.</u>			
b	Less returns and allowances <u>C Bal. ▶</u>	1c	1,562.	
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit (subtract line 2 from line 1c)	3	1,562.	1,562.
4a	Capital gain net income (attach Schedule D)	4a		
b	Net gain (loss) (Form 4797, Part II, line 18)(attach Form 4797)	4b		
c	Capital loss deduction for trusts	4c		
5	Income (loss) from partnerships & S corps. (attach statement)	5		
6	Rent income (Schedule C)	6		
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from controlled organizations (see page 7 of instructions)	8		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10	Exploited exempt activity income (Schedule I)	10		
11	Advertising income (Schedule J)	11		
12	Other income (see page 8 of instructions -- attach schedule)	12		
13	TOTAL (combine lines 3 through 12)	13	1,562.	0.

Part II Deductions Not Taken Elsewhere (See page 8 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	
16	Repairs and maintenance.	16	
17	Bad debts.	17	
18	Interest (attach schedule).	18	
19	Taxes and licenses.	19	
20	Charitable contributions (see page 10 of the instructions for limitation rules)	20	
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	
23	Depletion	23	
24	Contributions to deferred compensation plans.	24	
25	Employee benefit programs	25	
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule)	28	9,109.
29	Total deductions (add lines 14 through 28)	29	9,109.
30	Unrelated business taxable income before net operating loss deduction (subtract line 29 from line 13)	30	(7,547)
31	Net operating loss deduction	31	0.
32	Unrelated business taxable income before specific deduction (subtract line 31 from line 30)	32	(7,547)
33	Specific deduction	33	
34	Unrelated business taxable income (subtract line 33 from line 32). If line 33 is greater than line 32, enter the smaller of zero or line 32	34	(7,547)

Part III Tax Computation

35	Organizations Taxable as Corporations (see instructions for tax computation on page 11). Controlled group members (sections 1561 and 1563) -- check here <input type="checkbox"/> . See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) additional 5% tax (not more than \$11,750) \$ _____ (2) additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34. ▶	35c	0.
36	Trusts Taxable at Trust Rates (see instructions for tax computation on page 12) Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ▶	36	
37	Proxy tax (see page 13 of the instructions) ▶	37	
38	Total (add line 37 to line 35c or 36, whichever applies) ▶	38	0.

Part IV Tax and Payments

39a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) ▶	39a	
b	Other credits . (see page 13 of the instructions) ▶	39b	
c	General business credit -- Check if from: <input type="checkbox"/> Form 3800 or <input type="checkbox"/> Form (specify) ▶ _____	39c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827) ▶	39d	
e	Total credits (add lines 39a through 39d) ▶	39e	0.
40	Subtract line 39e from line 38 ▶	40	0.
41	Recapture taxes . Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 ▶	41	
42	Alternative minimum tax ▶	42	
43	Total tax (add lines 40, 41, and 42) ▶	43	0.
44	Payments: a 1997 overpayment credited to 1998 ▶	44a	
b	1998 estimated tax payments ▶	44b	
c	Tax deposited with Form 7004 or Form 2758 ▶	44c	
d	Foreign organizations -- Tax paid or withheld at source (see instructions) ▶	44d	
e	Backup withholding (see instructions) ▶	44e	
f	Other credits and payments (see instructions) ▶	44f	
45	Total payments (add lines 44a through 44f) ▶	45	0.
46	Estimated tax penalty (see page 4 of the instructions). Check <input type="checkbox"/> if Form 2220 is attached ▶	46	
47	Tax due -- If line 45 is less than the total of lines 43 and 46, enter amount owed ▶	47	0.
48	Overpayment -- If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶	48	
49	Enter the amount of line 48 you want: Credited to 1999 estimated tax ▶ _____ Refunded ▶ _____	49	

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 14.)

1	At any time during the 1998 calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? ▶ If "Yes," the organization may have to file Form TD F 90-22.1. If "Yes," enter the name of the foreign country here ▶ _____	Yes	No
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? ▶ If "Yes," see page 14 of the instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year. ▶ \$ _____		

SCHEDULE A -- COST OF GOODS SOLD (See instructions on page 15.)

Copyright Forms Software Only, 1998 Nelco

Method of inventory valuation (specify) ▶			
1	Inventory at beginning of year ▶	1	
2	Purchases ▶	2	
3	Cost of labor ▶	3	
4a	Additional section 263A costs (attach schedule) ▶	4a	
b	Other costs (attach schedule) ▶	4b	
5	Total -- Add lines 1 through 4b ▶	5	
6	Inventory at end of year ▶	6	
7	Cost of goods sold . Subtract line 6 from line 5. (Enter here and on line 2, Part I.) ▶	7	
8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? ▶	Yes	No

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

CAA	Signature of officer or fiduciary	Date	Title
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/> Preparer's social security number
8 990T12 NTF 19873 GLD 2606	Firm's name (or yours, if self-employed) and address	EIN ▶	ZIP code ▶
	PORTERFIELD AND ASSOC. 910 CONGRESS AVE, 1ST FLOOR AUSTIN, TX	74-2238880	464-90-2776 78701-2422

SCHEDULE C -- RENT INCOME (FROM REAL PROPERTY AND PERSONAL PROPERTY LEASED WITH REAL PROPERTY) (See instructions on page 15.)

1 Description of property

(1)
(2)
(3)
(4)

2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	Total	Total deductions. Enter here and on line 6, col. (B), Part I, page 1 ▶

Total income (Add totals of columns 2(a) and 2(b). Enter here and on line 6, column (A), Part I, page 1.) ▶

SCHEDULE E -- UNRELATED DEBT-FINANCED INCOME (See instructions on page 16.)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depr. (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals		Enter here and on line 7, column (A), Part I, page 1.		Enter here and on line 7, column (B), Part I, page 1.

Total dividends-received deductions included in column 8. ▶

SCHEDULE F -- INTEREST, ANNUITIES, ROYALTIES, AND RENTS FROM CONTROLLED ORGANIZATIONS

(See instructions on page 17.)

1 Name and address of controlled organization(s)	2 Gross income from controlled organization(s)	3 Deductions of controlling organization directly connected with column 2 income (attach schedule)	4 Exempt controlled organizations		
			(a) Unrelated business taxable income	(b) Taxable income computed as though not exempt under sec. 501(a), or the amount in col. (a), whichever is larger	(c) column (a) divided by column (b)
(1)					%
(2)					%
(3)					%
(4)					%
5 Nonexempt controlled organizations			6 Gross income reportable (column 2 x column 4(c) or column 5(c))	7 Allowable deductions (column 3 x column 4(c) or column 5(c))	
(a) Excess taxable income	(b) Taxable income, or amount in column (a), whichever is larger	(c) Col. (a) divided by column (b)			
(1)		%			
(2)		%			
(3)		%			
(4)		%			
Totals			Enter here and include on line 8, column (A), Part I, page 1.	Enter here and include on line 8, column (B), Part I, page 1.	

SCHEDULE G -- INVESTMENT INCOME OF A SECTION 501(c)(7), (9), OR (17) ORGANIZATION

(See instructions on page 17.)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	Enter here and on line 9, column (A), Part I, page 1.			Enter here and on line 9, column (B), Part I, page 1.

SCHEDULE I -- EXPLOITED EXEMPT ACTIVITY INCOME, OTHER THAN ADVERTISING INCOME

(See instructions on page 17.)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Column totals	Enter here & on line 10, col. (A), Part I, page 1.	Enter here & on line 10, col. (B), Part I, page 1.				Enter here and on line 26, Part II, page 1.

SCHEDULE J -- ADVERTISING INCOME (See instructions on page 18.)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Column totals (carry to Part II, line (5))						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part I, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Column totals, Part II	Enter here & on line 11, col. (A), Part I, page 1.	Enter here & on line 11, col. (B), Part I, page 1.				Enter here and on line 27, Part II, page 1.

SCHEDULE K -- COMPENSATION OF OFFICERS, DIRECTORS, AND TRUSTEES (See instructions on page 18.)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total - Enter here and on line 14, Part II, page 1			

SUPPORTING SCHEDULE

Form 990-T, Line 28
Other deductions

Description

Amount

ADMINISTRATIVE FEE	8,986.
ACCOUNTING	43.
TELEPHONE	80.
	<hr/>
Total	9,109.
	<hr/> <hr/>

SUPPORTING SCHEDULE

1998 From 990-T, line 31, Net Operating Loss Deduction:

NOL Available from Prior Years	45,940.
Current Year NOL	7,547.
Total NOL Available to be Carried Forward to Subsequent Yrs	53,487.