

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	<b>TYPE OR PRINT</b>	Name <b>MARATHON TOOLS, INC.</b> Number, street, and room or suite no. If a P.O. box, see instructions. <b>10432 BALLS FORD ROAD, #300</b> City or town, state or province, country, and ZIP or foreign postal code <b>MANASSAS, VA 20109</b>	B Employer identification number <b>52-1788232</b> C Date incorporated <b>08/09/1992</b> D Total assets (see instructions) \$ <b>8,503.</b>
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change <input type="checkbox"/>			

Income	1a Gross receipts or sales	1a	112,210.
	b Returns and allowances	1b	
	c Balance. Subtract line 1b from line 1a	1c	112,210.
	2 Cost of goods sold (attach Form 1125-A)	2	90,578.
	3 Gross profit. Subtract line 2 from line 1c	3	21,632.
	4 Dividends and inclusions (Schedule C, line 23)	4	
	5 Interest	5	
	6 Gross rents	6	
	7 Gross royalties	7	
	8 Capital gain net income (attach Schedule D (Form 1120))	8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	
10 Other income (see instructions - attach statement)	10		
11 <b>Total income.</b> Add lines 3 through 10	11	<b>21,632.</b>	
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (see instructions - attach Form 1125-E)	12	
	13 Salaries and wages (less employment credits)	13	
	14 Repairs and maintenance	14	
	15 Bad debts	15	
	16 Rents	16	1,656.
	17 Taxes and licenses	17	631.
	18 Interest (see instructions)	18	812.
	19 Charitable contributions	19	
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	
	21 Depletion	21	
	22 Advertising	22	
	23 Pension, profit-sharing, etc., plans	23	
	24 Employee benefit programs	24	
	25 Reserved for future use	25	
	26 Other deductions (attach statement)	26	18,685.
	27 <b>Total deductions.</b> Add lines 12 through 26	27	<b>21,784.</b>
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	-152.
Tax, Refundable Credits, and Payments	29a Net operating loss deduction (see instructions)	29a	NONE
	b Special deductions (Schedule C, line 24)	29b	
	c Add lines 29a and 29b	29c	NONE
30 <b>Taxable income.</b> Subtract line 29c from line 28. See instructions	30	-152.	
31 Total tax (Schedule J, Part I, line 11)	31		
32 Reserved for future use	32		
33 Total payments and credits (Schedule J, Part III, line 23)	33	NONE	
34 Estimated tax penalty. See instructions. Check if Form 2220 is attached <input type="checkbox"/>	34		
35 <b>Amount owed.</b> If line 33 is smaller than the total of lines 31 and 34, enter amount owed	35		
36 <b>Overpayment.</b> If line 33 is larger than the total of lines 31 and 34, enter amount overpaid	36	NONE	
37 Enter amount from line 36 you want: Credited to 2022 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	37	NONE	

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.

<b>Sign Here</b>	Signature of officer <b>ANURAG CHOPRA</b> Date _____	Title <b>PRESIDENT</b>	May the IRS discuss this return with the preparer shown below? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>ANTHONY F ALLEN, CPA</b>	Preparer's signature	Check <input type="checkbox"/> if self-employed PTIN <b>P00183995</b>
	Firm's name ▶ <b>BDO USA, LLP</b>		Firm's EIN ▶ <b>13-5381590</b>
	Firm's address ▶ <b>800 RED BROOK BLVD. #300 OWINGS MILLS, MD 21117</b>		Phone no. <b>410-363-3200</b>

Schedule C Dividends, Inclusions, and Special Deductions (see instructions)	(a) Dividends and inclusions	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		50	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		65	
3 Dividends on certain debt-financed stock of domestic and foreign corporations . . . . .		See instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities . . . . .		23.3	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities . . . . .		26.7	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs . . . . .		50	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs . . . . .		65	
8 Dividends from wholly owned foreign subsidiaries . . . . .		100	
9 <b>Subtotal.</b> Add lines 1 through 8. See instructions for limitations . . . . .		See instructions	
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 . . . . .		100	
11 Dividends from affiliated group members . . . . .		100	
12 Dividends from certain FSCs . . . . .		100	
13 Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions) . . . . .		100	
14 Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends) . . . . .			
15 Reserved for future use . . . . .			
16 a Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions) . . . . .		100	
b Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions) . . . . .			
c Other inclusions from CFCs under subpart F not included on line 16a, 16b, or 17 (attach Form(s) 5471) (see instructions) . . . . .			
17 Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992) . . . . .			
18 Gross-up for foreign taxes deemed paid . . . . .			
19 IC-DISC and former DISC dividends not included on line 1, 2, or 3 . . . . .			
20 Other dividends . . . . .			
21 Deduction for dividends paid on certain preferred stock of public utilities . . . . .			
22 Section 250 deduction (attach Form 8993) . . . . .			
23 <b>Total dividends and inclusions.</b> Add column (a), lines 9 through 20. Enter here and on page 1, line 4 . . . . .			
24 <b>Total special deductions.</b> Add column (c), lines 9 through 22. Enter here and on page 1, line 29b . . . . .			

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

Table with 11 main rows and sub-rows (5a-5e, 9a-9g) for tax computation. Includes instructions for each line and a checkbox for controlled group status.

Part II - Reserved For Future Use

Line 12: Reserved for future use.

Part III - Payments and Refundable Credits

Table with 13 main rows and sub-rows (20a-20d) for payments and refundable credits. Includes instructions for each line and 'NONE' entries for lines 17, 18, 19, and 23.



Schedule K Other Information (see instructions)

- 1 Check accounting method: a  Cash b  Accrual c  Other (specify) ▶ \_\_\_\_\_ Yes No
- 2 See the instructions and enter the:
  - a Business activity code no. ▶ 423700
  - b Business activity ▶ IMPORTER/WHOLESALE
  - c Product or service ▶ HAND TOOLS
- 3 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . X  
If "Yes," enter name and EIN of the parent corporation ▶ \_\_\_\_\_
- 4 At the end of the tax year:
  - a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G) . . . . . X
  - b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G) . . . . . X
- 5 At the end of the tax year, did the corporation:
  - a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below. X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

- b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below. X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

- 6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316 . . . . . X  
If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. See the instructions for Form 5452.  
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.
- 7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? . . . . . X  
For rules of attribution, see section 318. If "Yes," enter:  
(a) Percentage owned ▶ 95.780 and (b) Owner's country ▶ IN  
(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ 1
- 8 Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . .   
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.
- 9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ \_\_\_\_\_
- 10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 4
- 11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) . . . . .   
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.
- 12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) . . . . . ▶ \$ 27,054.

Schedule K Other Information (continued from page 4)

Table with 3 columns: Question, Yes, No. Contains 26 rows of tax-related questions and their corresponding 'Yes' or 'No' responses.

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash . . . . .	STMT 4	6,944.		1,698.
2a Trade notes and accounts receivable . . . . .	346.	STMT 4	5,915.	
b Less allowance for bad debts . . . . .	( )	346.	( )	5,915.
3 Inventories . . . . .	STMT 4	629.		412.
4 U.S. government obligations . . . . .				
5 Tax-exempt securities (see instructions) . . . . .				
6 Other current assets (attach statement). . . . .				
7 Loans to shareholders . . . . .				
8 Mortgage and real estate loans . . . . .				
9 Other investments (attach statement) . . . . .				
10a Buildings and other depreciable assets . . . . .				
b Less accumulated depreciation . . . . .	( )	( )	( )	( )
11a Depletable assets . . . . .				
b Less accumulated depletion . . . . .	( )	( )	( )	( )
12 Land (net of any amortization). . . . .				
13a Intangible assets (amortizable only) . . . . .				
b Less accumulated amortization . . . . .	( )	( )	( )	( )
14 Other assets (attach statement) . . . . .	STMT 4	478.		478.
15 Total assets . . . . .		8,397.		8,503.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable . . . . .				
17 Mortgages, notes, bonds payable in less than 1 year . . . . .				
18 Other current liabilities (attach statement) . . . . .	STMT 4			6,675.
19 Loans from shareholders . . . . .				
20 Mortgages, notes, bonds payable in 1 year or more . . . . .				
21 Other liabilities (attach statement). . . . .				
22 Capital stock: a Preferred stock . . . . .				
b Common stock . . . . .	1,012.	1,012.	1,012.	1,012.
23 Additional paid-in capital . . . . .	STMT 4	109,879.		109,879.
24 Retained earnings - Appropriated (attach statement) . . . . .				
25 Retained earnings - Unappropriated . . . . .		-67,192.		-73,761.
26 Adjustments to shareholders' equity (attach statement) . . . . .				
27 Less cost of treasury stock . . . . .	( )	35,302.)	( )	35,302.)
28 Total liabilities and shareholders' equity . . . . .		8,397.		8,503.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return**

Note: The corporation may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books . . . . .	-152.	7 Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____	
2 Federal income tax per books . . . . .		8 Deductions on this return not charged against book income this year (itemize): a Depreciation . . . . . \$ _____ b Charitable contributions . . . \$ _____	
3 Excess of capital losses over capital gains . . . . .		9 Add lines 7 and 8 . . . . .	
4 Income subject to tax not recorded on books this year (itemize): _____		10 Income (page 1, line 28) - line 6 less line 9 . . . . .	-152.
5 Expenses recorded on books this year not deducted on this return (itemize): a Depreciation . . . . . \$ _____ b Charitable contributions . . \$ _____ c Travel and entertainment . \$ _____			
6 Add lines 1 through 5 . . . . .	-152.		

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, Line 25)**

1 Balance at beginning of year . . . . .	-67,192.	5 Distributions: a Cash . . . . .	6,417.
2 Net income (loss) per books . . . . .	-152.	b Stock . . . . .	
3 Other increases (itemize): _____		c Property . . . . .	
		6 Other decreases (itemize): _____	
4 Add lines 1, 2, and 3 . . . . .	-67,344.	7 Add lines 5 and 6 . . . . .	6,417.
		8 Balance at end of year (line 4 less line 7) . . . . .	-73,761.





**Cost of Goods Sold**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.  
▶ Go to [www.irs.gov/Form1125A](http://www.irs.gov/Form1125A) for the latest information.

Name <b>MARATHON TOOLS, INC.</b>		Employer identification number <b>52-1788232</b>
1	Inventory at beginning of year . . . . .	1
2	Purchases . . . . .	2
3	Cost of labor . . . . .	3
4	Additional section 263A costs (attach schedule) . . . . .	4
5	Other costs (attach schedule) . . . . . <b>SEE STATEMENT 5.</b>	5
6	<b>Total.</b> Add lines 1 through 5 . . . . .	6
7	Inventory at end of year . . . . .	7
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions. . . . .	8
9a Check all methods used for valuing closing inventory:		
(i) <input checked="" type="checkbox"/> Cost		
(ii) <input type="checkbox"/> Lower of cost or market		
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ▶		
b	Check if there was a writedown of subnormal goods . . . . .	<input type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . .	<input type="checkbox"/>
d	If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO . . . . .	9d
e	If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Section references are to the Internal Revenue Code unless otherwise noted.

**What's New**

**Small business taxpayers.** For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

**General Instructions**

**Purpose of Form**

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

**Who Must File**

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

**Inventories**

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

**Exception for certain taxpayers.** A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are non-incidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

**Small business taxpayer.** A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.

**Uniform capitalization rules.** The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.



FORM 1120, PAGE 1 DETAIL

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LINE 16 - RENTS

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RENT EXPENSE

1,656.

TOTAL

1,656.

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LINE 17 - TAXES AND LICENSES

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TAXES - PROPERTY

300.

TAXES & LICENSES

331.

TOTAL

631.

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LINE 18 - INTEREST DEDUCTION

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INTEREST EXPENSE

812.

TOTAL

812.

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FORM 1120, PAGE 1 DETAIL

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LINE 26 - OTHER DEDUCTIONS

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BANK SERVICE CHARGES	499.
DUES & SUBSCRIPTIONS	300.
FREIGHT & DELIVERY	10.
PROFESSIONAL FEES	1,724.
SHIPPING AND DELIVERY EXPENSE	100.
TRAVEL	85.
UTILITIES	426.
COMMISSIONS & FEES	7,559.
OUTSIDE SERVICES	3,487.
INSURANCE	475.
JOB MATERIALS	20.
SHIPPING AND DELIVERY EXPENSES	4,000.
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TOTAL	18,685.
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FORM 1120, PAGE 1 DETAIL

LINE 29A - NON-SRLY NOL DEDUCTION

YEAR ENDING	ORIGINAL NOL	AMOUNT AVAILABLE	AMOUNT USED	CONVERTED CONTRIBUTIONS	CARRYOVER TO NEXT YEAR
12/31/2004	19,303.	NONE			NONE
12/31/2005	24,108.	NONE			NONE
12/31/2006	41,276.	16,423.			16,423.
12/31/2008	6,079.	6,079.			6,079.
12/31/2011	2,545.	2,545.			2,545.
12/31/2016	2,007.	2,007.			2,007.
12/31/2021	152.	152.			152.
<b>TOTAL</b>	<b>95,470.</b>	<b>27,206.</b>			<b>27,206.</b>



## FORM 1120, PAGE 6 DETAIL

SCH L, LINE 1 - CASH	BEGINNING	ENDING
CASH	6,944.	1,698.
TOTAL	6,944.	1,698.
SCH L, LINE 2 - TRADE NOTES AND ACCOUNTS RECEIVABLE		
TRADE NOTES AND ACCOUNTS REC.	346.	5,915.
TOTAL	346.	5,915.
SCH L, LINE 3 - INVENTORIES		
INVENTORY	629.	412.
TOTAL	629.	412.
SCH L, LINE 14 - OTHER ASSETS		
DEPOSITS	478.	478.
TOTAL	478.	478.
SCH L, LINE 18 - OTHER CURRENT LIABILITIES		
CREDIT CARDS		6,404.
DIVIDENDS PAYABLE		271.
TOTAL		6,675.
SCH L, LINE 23 - ADDITIONAL PAID-IN CAPITAL		
ADDITIONAL PAID IN CAPITAL	109,879.	109,879.
TOTAL	109,879.	109,879.

FORM 1125-A DETAIL

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LINE 5 - OTHER COSTS

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FREIGHT & DELIVERY

14,301.

TOTAL

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14,301.  
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