

# **CALIFORNIA FORM 100**

## **Corporation Franchise or Income Tax Return**

**Tax Year 2023**

**CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION**

**Corporation Number: 2016-8547392**

### **PART I - CORPORATION INFORMATION**

Legal Name: Summit Digital Solutions, Inc.

DBA/Trade Name: Summit Digital

Federal EIN: 81-4527163

State ID: 7392847-CA

Incorporation State: Delaware

CA Secretary of State File Number: C3947281

Principal Business Address:

101 Technology Drive, Suite 400

San Jose, CA 95110

### **PART II - INCOME AND EXPENSES**

#### **A. Income**

Gross receipts/sales: \$87,500,000

Returns and allowances: (\$1,275,000)

Net receipts: \$86,225,000

Cost of goods sold: (\$34,490,000)

Gross profit: \$51,735,000

Other income: \$875,000

Total income: \$52,610,000

#### **B. Deductions**

Compensation of officers: \$4,375,000

Salaries and wages: \$28,875,000

Repairs and maintenance: \$875,000

Bad debts: \$262,500

Rents: \$2,625,000

Taxes and licenses: \$1,750,000

Interest: \$437,500

Depreciation: \$1,312,500

Depletion: \$0

Advertising: \$875,000

Employee benefit programs: \$4,375,000

Other deductions: \$2,187,500

Total deductions: \$47,950,000

### **C. Taxable Income**

Net income before state adjustments: \$4,660,000

State adjustments: (\$175,000)

Net income for state purposes: \$4,485,000

### **PART III - TAX COMPUTATION**

Tax rate: 8.84%

Tax on net income: \$396,474

Alternative minimum tax: \$0

Tax credits applied: (\$75,000)

- Research & Development Credit: (\$50,000)

- Enterprise Zone Hiring Credit: (\$25,000)

Net tax: \$321,474

Estimated tax payments made: (\$300,000)

Balance due: \$21,474

### **PART IV - SCHEDULE OF AFFILIATED CORPORATIONS**

Summit Digital Holdings, LLC (Parent)

- EIN: 81-4527164

- Ownership: 100%
- Delaware Entity

Summit Innovation Labs, Inc. (Subsidiary)

- EIN: 81-4527165
- Ownership: 100%
- California Entity

## **PART V - OFFICER CERTIFICATION**

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.

Signature: [Signed Electronically]

Name: Sarah Blackwell

Title: Chief Operating Officer

Date: March 15, 2024

Prepared by:

Johnson & Associates, LLP

Tax ID: 94-7654321

300 Montgomery Street

San Francisco, CA 94104

## **SUPPORTING SCHEDULES**

### **Schedule A - Cost of Goods Sold**

Beginning inventory: \$3,750,000

Purchases: \$32,375,000

Labor costs: \$1,875,000

Other costs: \$240,000

Ending inventory: (\$3,750,000)

Total COGS: \$34,490,000

**Schedule B - Other Income**

Interest income: \$375,000

Licensing fees: \$400,000

Miscellaneous: \$100,000

Total Other Income: \$875,000

**Schedule C - Tax Credits Detail****R&D Credit Calculation**

- Qualified research expenses: \$5,000,000
- Base amount: \$4,000,000
- Credit rate: 15%
- Credit amount: \$50,000

**Enterprise Zone Credit**

- Qualified wages: \$2,500,000
- Credit rate: 1%
- Credit amount: \$25,000

This return has been filed electronically with the California Franchise Tax Board on March 15, 2024.

Confirmation number: FTB2023-847392-001