

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

**2010**

Department of the Treasury  
Internal Revenue Service

For calendar year 2010 or other tax year beginning **SEP 1, 2010**, and ending **AUG 31, 2011**

Open to Public Inspection for 501(c)(3) Organizations Only

**A**  Check box if address changed

Name of organization (  Check box if name changed and see instructions )  
**WATCH TOWER BIBLE AND TRACT SOCIETY OF PENNSYLVANIA**

**D** Employer identification number (Employees' trust, see instructions)  
**11-1857820**

**B** Exempt under section  
 501(C)(3)  
 408(e)  220(e)  
 408A  530(a)  
 529(a)

Print or Type

Number, street, and room or suite no. If a P O box, see instructions  
**25 COLUMBIA HEIGHTS**  
City or town, state, and ZIP code  
**BROOKLYN, NY 11201-2483**

**E** Unrelated business activity codes (See instructions)  
**900099**

**C** Book value of all assets at end of year  
**965800000.**

**F** Group exemption number (See instructions)

**G** Check organization type  501(c) corporation  501(c) trust  401(a) trust  Other trust

**H** Describe the organization's primary unrelated business activity **INVESTMENT ACTIVITIES**

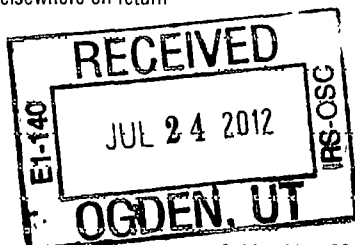
**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation

**J** The books are in care of **GERALD F. SIMONIS** Telephone number **718-560-7502**

Part I	Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances <span style="float:right">c Balance</span>			
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit Subtract line 2 from line 1c			
4a	Capital gain net income (attach Schedule D)	0.		0.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)	-365,949.		-365,949.
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See instructions, attach schedule) <b>STATEMENT 1</b>	19,288.		19,288.
13	<b>Total.</b> Combine lines 3 through 12	-346,661.		-346,661.

**Part II Deductions Not Taken Elsewhere** (See 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)			
15	Salaries and wages			
16	Repairs and maintenance			
17	Bad debts			
18	Interest (attach schedule)			42.
19	Taxes and licenses			500.
20	Charitable contributions (See instructions for limitation rules)			
21	Depreciation (attach Form 4562)			
22	Less depreciation claimed on Schedule A and elsewhere on return			
23	Depletion			
24	Contributions to deferred compensation plans			
25	Employee benefit programs			
26	Excess exempt expenses (Schedule I)			
27	Excess readership costs (Schedule J)			
28	Other deductions (attach schedule)			
29	<b>Total deductions.</b> Add lines 14 through 28			542.
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13			-347,203.
31	Net operating loss deduction (limited to the amount on line 30)			0.
32	Unrelated business taxable income before specific deduction Subtract line 31 from line 30			-347,203.
33	Specific deduction (Generally \$1,000, but see instructions for exceptions)			1,000.
34	<b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			-348,203.



SCANNED JUL 25 2012

**Part III Tax Computation**

**35 Organizations Taxable as Corporations.** See instructions for tax computation  
Controlled group members (sections 1561 and 1563) check here  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 Income tax on the amount on line 34 from  
 Tax rate schedule or  Schedule D (Form 1041) ▶ 36

**37 Proxy tax.** See instructions ▶ 37

**38 Alternative minimum tax** ▶ 38

**39 Total** Add lines 37 and 38 to line 35c or 36, whichever applies ▶ 39 0.

**Part IV Tax and Payments**

**40a** Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116) 40a

**b** Other credits (see instructions) 40b

**c** General business credit Attach Form 3800 40c

**d** Credit for prior year minimum tax (attach Form 8801 or 8827) 40d

**e Total credits.** Add lines 40a through 40d 40e

**41** Subtract line 40e from line 39 41 0.

**42 Other taxes** Check if from  Form 4255  Form 8611  Form 8697  Form 8866  Other (attach schedule) 42

**43 Total tax** Add lines 41 and 42 43 0.

**44 a** Payments A 2009 overpayment credited to 2010 44a

**b** 2010 estimated tax payments 44b

**c** Tax deposited with Form 8868 44c

**d** Foreign organizations Tax paid or withheld at source (see instructions) 44d

**e** Backup withholding (see instructions) 44e

**f** Credit for small employer health insurance premiums (Attach Form 8941) 44f

**g** Other credits and payments  Form 2439  Other 3,858. Total 44g 3,858.

**45 Total payments** Add lines 44a through 44g 45 3,858.

**46** Estimated tax penalty (see instructions) Check 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

**48 Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 3,858.

**49** Enter the amount of line 48 you want **Credited to 2011 estimated tax**  **Refunded**  49 3,858.

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)

**1** At any time during the 2010 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here **▶ 20 COUNTRIES SCHEDULE ATTACHED** 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 instructions for other forms the organization may have to file X X

**3** Enter the amount of tax-exempt interest received or accrued during the tax year **▶ \$ 3.** Yes No

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation **▶ N/A**

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

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.

**Sign Here** May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

*Don G. Adams* 7-16-12 **PRESIDENT**  
Signature of officer Date Title

**Paid Preparer Use Only**

Prnt/Type preparer's name **GERALD F. SIMONIS** Preparer's signature *Gerald F. Simonis* Date **07/16/12** Check  if self-employed PTIN **P00177386**

Firm's name **▶ GERALD F. SIMONIS** Firm's EIN **▶**

Firm's address **▶ 25 COLUMBIA HEIGHTS** Phone no **718-560-7502**

Firm's address **▶ BROOKLYN** NY 11201-2

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instructions)

1. Description of property

Table with 4 rows for property description (1-4).

Table for Rent received or accrued, split into (a) and (b) columns, with a total row showing 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

Table for Unrelated Debt-Financed Income, columns 1-4, with rows (1)-(4).

Table for Unrelated Debt-Financed Income, columns 4-8, with rows (1)-(4).

Totals. Total dividends-received deductions included in column 8. Enter here and on page 1, Part I, line 7, column (A) 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table for Controlled Organizations, split into Exempt and Nonexempt sections, columns 1-6.

Table for Nonexempt Controlled Organizations, columns 7-11.

Totals. Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0.

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**  
 (see instructions)

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)				
<b>Totals</b>		Enter here and on page 1, Part I, line 9, column (A) 0.		Enter here and on page 1, Part I, line 9, column (B) 0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**  
 (see instructions)

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)						
<b>Totals</b>		Enter here and on page 1, Part I, line 10, col (A) 0.	Enter here and on page 1, Part I, line 10, col (B) 0.			Enter here and on page 1, Part II, line 26 0.

**Schedule J - Advertising Income** (see instructions)

**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)						
<b>Totals (carry to Part II, line (5))</b>		0.	0.			0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line 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)						
(5) <b>Totals from Part I</b>	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>		Enter here and on page 1, Part I, line 11, col (A) 0.	Enter here and on page 1, Part I, line 11, col (B) 0.			Enter here and on page 1, Part II, line 27 0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4) <b>SEE STATEMENT 2</b>		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			0.

**SCHEDULE D**  
**(Form 1120)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ See separate instructions.

OMB No 1545 0123

**2010**

Name <b>WATCH TOWER BIBLE AND TRACT SOCIETY OF PENNSYLVANIA</b>	Employer identification number <b>11-1857820</b>
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**Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less**

(a) Description of property (Example: 100 shares of Z Co)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1 From Schedule K-1 (Form 1065)					16,669.
2 Short-term capital gain from installment sales from Form 6252, line 26 or 37					2
3 Short-term gain or (loss) from like-kind exchanges from Form 8824					3
4 Unused capital loss carryover (attach computation)			See Cap Loss C/O Stmt		4      -396,370.
5 Net short-term capital gain or (loss) Combine lines 1 through 4					5      -379,701.

**Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year**

6 From Schedule K-1 (Form 1065)					18,174.
7 Enter gain from Form 4797, line 7 or 9					7
8 Long-term capital gain from installment sales from Form 6252, line 26 or 37					8
9 Long-term gain or (loss) from like-kind exchanges from Form 8824					9
10 Capital gain distributions (see instructions)					10
11 Net long-term capital gain or (loss) Combine lines 6 through 10					11      18,174.

**Part III Summary of Parts I and II**

12 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11)	12
13 Net capital gain Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)	13
14 Add lines 12 and 13 Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	14

Note. If losses exceed gains, see **Capital losses** in the instructions

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 1120.**

Schedule **D** (Form 1120) 2010

# Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

<b>Type or print</b>	Name of exempt organization <b>WATCH TOWER BIBLE AND TRACT SOCIETY OF PENNSYLVANIA</b>	Employer identification number <b>11-1857820</b>
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P O box, see instructions <b>25 COLUMBIA HEIGHTS</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>BROOKLYN, NY 11201-2483</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 07

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**GERALD F. SIMONIS**

• The books are in the care of ▶ **25M COLUMBIA HEIGHTS - BROOKLYN, NY 11201-1300**  
Telephone No ▶ **718-560-7502** FAX No. ▶ \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **JULYL 16, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year \_\_\_\_\_ or  
 ▶  tax year beginning **SEP 1, 2010**, and ending **AUG 31, 2011**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c</b> <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Paperwork Reduction Act Notice, see Instructions.**

**Net Operating Loss Summary**

<b>NOL Carryover Year</b>	<b>A NOL Carryover Available</b>	<b>B Deduction Allowed in Current Year</b>	<b>C Adjustment Under Section 172(b)(2)</b>	<b>D Remaining Carryover 20 Years</b>	<b>E Remaining Carryover 15 Years</b>
2009	660,836.			660,836.	0.
2008	423,613.			423,613.	0.
2007					
2006					
2005					
2004					
2003					
2002					
2001					
2000					
1999					
1998					
1997					
1996					
1995					
Totals	1,084,449.			1,084,449.	0.
Less: Carryover expiring due to 15-year limitation					
Add: Current year net operating loss					347,203.
Less: Carryback of current year net operating loss					
Net operating loss carryover to next year					1,431,652.

Schedule D  
Line 4

Capital Loss Carryover to 2010

2010

▶ Attach to return

Name as Shown on Return  
WATCH TOWER BIBLE AND TRACT SOCIETY OF PENNSYLVANIA

Employer Identification No  
11-1857820

Loss Year	Capital Loss	Carrybacks		Carryovers		Remaining Carryover to 2010
		Preceding Year	Amount Used	Subsequent Year	Amount Used	
2009	155,262.	2006 2007 2008				155,262.
2008	241,108.	2005 2006 2007		2009		241,108.
2007		2004 2005 2006		2008 2009		
2006		2003 2004 2005		2007 2008 2009		
2005		2002 2003 2004		2006 2007 2008 2009		
Total unused capital loss carryover to 2010 Schedule D, line 4						▶ 396,370.



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FORM 990-T OTHER INCOME STATEMENT 1

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DESCRIPTION	AMOUNT
FIDELITY INVESTMENTS INSTITUTIONAL OPERATIONS	19,288.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	19,288.

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FORM 990-T SCHEDULE K - COMPENSATION OF OFFICERS,  
DIRECTORS AND TRUSTEES STATEMENT 2

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NAME	TITLE	PERCENT	COMPENSATION
DON A. ADAMS	PRESIDENT	50.00%	0.
ROBERT W. WALLEN	VICE PRESIDENT	50.00%	0.
WILLIAM F. MALENFANT	VICE PRESIDENT	50.00%	0.
DANNY L. BLAND	SECRETARY/TREASURE	50.00%	0.
DAVID G. SINCLAIR	ASSISTANT SECRETARY/TREASURE	50.00%	0.
PHILIP D. WILCOX	ASSISTANT SECRETARY/TREASURE	50.00%	0.
JOHN N. WISCHUK	ASSISTANT SECRETARY/TREASURE	50.00%	0.
TOTAL TO FORM 990-T, SCHEDULE K			

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