

Department of the Treasury
Internal Revenue Service (77)

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

2008

For calendar year 2008 or tax year beginning _____, and ending _____

A S election effective date 04/23/2007	Use the IRS label. Otherwise, print or type.	Name ALLIED HEALTH CARE SERVICES, INC.	D Employer identification number 22-2278835
B Business activity code number (see instructions) 621610		Number, street, and room or suite no. If a P.O. box, see instructions. 89 MAIN STREET	E Date incorporated 09/21/1979
C Check if Sch. M-3 attached <input checked="" type="checkbox"/>		City or town, state, and ZIP code ORANGE, NJ 07050	F Total assets (see instructions) \$ 39,540,107.

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1 a Gross receipts or sales 31,407,132.	b Less returns and allowances	c Bal	1c	31,407,132.
	2 Cost of goods sold (Schedule A, line 8)			2	24,258,476.
	3 Gross profit. Subtract line 2 from line 1c			3	7,148,656.
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			4	
	5 Other income (loss) (attach statement) STATEMENT 1			5	
	6 Total income (loss). Add lines 3 through 5			6	7,148,656.
Deductions (See instructions for limitations)	7 Compensation of officers STATEMENT 2			7	690,000.
	8 Salaries and wages (less employment credits)			8	2,955,000.
	9 Repairs and maintenance			9	
	10 Bad debts			10	
	11 Rents			11	29,092.
	12 Taxes and licenses STATEMENT 3			12	275,772.
	13 Interest			13	1,868,741.
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)			14	41,807.
	15 Depletion (Do not deduct oil and gas depletion.)			15	
	16 Advertising			16	
	17 Pension, profit-sharing, etc., plans			17	349,126.
	18 Employee benefit programs			18	194,289.
	19 Other deductions (attach statement) STATEMENT 4			19	1,530,945.
	20 Total deductions. Add lines 7 through 19			20	7,934,772.
	21 Ordinary business income (loss). Subtract line 20 from line 6			21	-786,116.
Tax and Payments	22 a Excess net passive income or LIFO recapture tax (see instructions)	22a		22c	
	b Tax from Schedule D (Form 1120S)	22b			
	c Add lines 22a and 22b				
	23 a 2008 estimated tax payments and 2007 overpayment credited to 2008	23a		23d	
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d Add lines 23a through 23c				
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26	
27 Enter amount from line 26 Credited to 2009 estimated tax			27		
				Refunded	

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 ▶ Signature of officer _____ Date _____

▶ **PRESIDENT** Title _____

May the IRS discuss this return with the preparer shown below (see instr.?) Yes No

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN P00142928
	Firm's name (or yours if self-employed), address, and ZIP code FRIEDMAN LLP 100 EAGLE ROCK AVENUE SUITE 200 EAST HANOVER, NJ 07936	EIN 13-1610809	Phone no. (973) 929-3500	

JWA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form **1120S** (2008)

Schedule A Cost of Goods Sold (see instructions)			
1	Inventory at beginning of year	1	524,817.
2	Purchases	2	9,896,118.
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	15,918,597.
6	Total. Add lines 1 through 5	6	26,339,532.
7	Inventory at end of year	7	2,081,056.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	24,258,476.

9 a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (Specify method used and attach explanation) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) 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 corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)			Yes	No
1	Check accounting method: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶			
2	See the instructions and enter the: (a) Business activity ▶ <u>HEALTH CARE</u> (b) Product or service ▶ <u>RENTAL & SALES</u>			
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?			X
4	Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?			X
5	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.			
6	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years	\$	594,000.	
7	Enter the accumulated earnings and profits of the corporation at the end of the tax year	\$	5,319,238.	
8	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1			X

Schedule K Shareholders' Pro Rata Share Items		Total amount		
Income (Loss)	1	Ordinary business income (loss) (page 1, line 21)	1	-786,116.
	2	Net rental real estate income (loss) (attach Form 8825)	2	
	3a	Other gross rental income (loss)	3a	
	b	Expenses from other rental activities (attach statement)	3b	
	c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4	Interest income	4	27,188.
	5	Dividends: a Ordinary dividends	5a	
	b	Qualified dividends	5b	
	6	Royalties	6	
	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a		
b	Collectibles (28%) gain (loss)	8b		
c	Unrecaptured section 1250 gain (attach statement)	8c		
9	Net section 1231 gain (loss) (attach Form 4797)	9		
10	Other income (loss) (see instructions) Type ▶	10		

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions STATEMENT 7	12a	47,520.
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶		
	(2) Amount ▶	12c(2)	
d Other deductions (see instructions) Type ▶	12d		
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement)	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive category	14i	
	j General category	14j	
k Other (attach statement)	14k		
Other information			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	432,150.
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties - gross income	15d	
	e Oil, gas, and geothermal properties - deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	4,688,752.
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	27,188.
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits STATEMENT 8	17c	37,732.
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	-806,448.

JWA

Form **1120S** (2008)

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		4,026,486.		5,200,701.
2 a	Trade notes and accounts receivable	6,119,538.		7,716,975.	
b	Less allowance for bad debts	374,907.	5,744,631.	470,753.	7,246,222.
3	Inventories		524,817.		2,081,056.
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (att. stmt.)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. stmt.)				
10 a	Buildings and other depreciable assets	11,589,649.		32,450,643.	
b	Less accumulated depreciation	3,523,842.	8,065,807.	7,775,715.	24,674,928.
11 a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		6,800.		6,800.
13 a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (att. stmt.)	STATEMENT 11	512,967.		330,400.
15	Total assets		18,881,508.		39,540,107.
Liabilities and Shareholders' Equity					
16	Accounts payable		242,466.		368,585.
17	Mortgages, notes, bonds payable in less than 1 year		1,335,143.		4,359,518.
18	Other current liabilities (att. stmt.)	STATEMENT 12	47,475.		75,374.
19	Loans from shareholders		382,833.		382,833.
20	Mortgages, notes, bonds payable in 1 year or more		5,363,369.		17,335,930.
21	Other liabilities (att. stmt.)				
22	Capital stock		30,000.		30,000.
23	Additional paid-in capital		47,293.		47,293.
24	Retained earnings	STATEMENT 13	11,432,929.		16,940,574.
25	Adjustments to shareholders' equity (att. stmt.)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		18,881,508.		39,540,107.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3		8	Income (loss) (Schedule K, line 18). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	5,495,200.	
2	Ordinary income from page 1, line 21		
3	Other additions STATEMENT 9	27,188.	
4	Loss from page 1, line 21	(786,116.)	
5	Other reductions STATEMENT 10	(47,520.)	
6	Combine lines 1 through 5	4,688,752.	
7	Distributions other than dividend distributions	4,688,752.	
8	Balance at end of tax year. Subtract line 7 from line 6	0.	

**SCHEDULE M-3
(Form 1120S)**

**Net Income (Loss) Reconciliation for S Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120S.
▶ See separate instructions.

2008

Name of corporation

Employer identification number

ALLIED HEALTH CARE SERVICES, INC.

22-2278835

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1a Did the corporation prepare a certified audited non-tax-basis income statement for the period ending with or within this tax year?

(See instructions if multiple non-tax-basis income statements are prepared.)

- Yes. Skip line 1b and complete lines 2 through 11 with respect to that income statement.
 No. Go to line 1b.

b Did the corporation prepare a non-tax-basis income statement for that period?

- Yes. Complete lines 2 through 11 with respect to that income statement.
 No. Skip lines 2 through 3b and enter the corporation's net income (loss) per its books and records on line 4a.

2 Enter the income statement period: Beginning 01/01/2008 Ending 12/31/2008

3a Has the corporation's income statement been restated for the income statement period on line 2?

- Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

b Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2?

- Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	10,234,129.
b Indicate accounting standard used for line 4a (see instructions):		
(1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS		
(3) <input type="checkbox"/> Tax-basis (4) <input type="checkbox"/> Other (specify) _____		
5a Net income from nonincludible foreign entities (attach schedule)	5a	()
b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)	5b	
6a Net income from nonincludible U.S. entities (attach schedule)	6a	()
b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)	6b	
7a Net income (loss) of other foreign disregarded entities (attach schedule)	7a	
b Net income (loss) of other U.S. disregarded entities (except qualified subchapter S subsidiaries) (attach sch.)	7b	
c Net income (loss) of other qualified subchapter S subsidiaries (QSubs) (attach schedule)	7c	
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule)	8	
9 Adjustment to reconcile income statement period to tax year (attach schedule)	9	
10 Other adjustments to reconcile to amount on line 11 (attach schedule)	10	
11 Net income (loss) per income statement of the corporation. Combine lines 4 through 10	11	10,234,129.

Note. Part I, line 11, must equal Part II, line 26, column (a).

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines:

	Total Assets	Total Liabilities
a Included on Part I, line 4		
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

Name of corporation ALLIED HEALTH CARE SERVICES, INC.	Employer identification number 22-2278835
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Part II Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return (see instructions)

	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Gross foreign distributions previously taxed				
5 Income (loss) from equity method U.S. corporations				
6 U.S. dividends not eliminated in tax consolidation				
7 Income (loss) from U.S. partnerships (attach schedule)				
8 Income (loss) from foreign partnerships (attach schedule)				
9 Income (loss) from other pass-through entities (attach schedule)				
10 Items relating to reportable transactions (attach details)				
11 Interest income (attach Form 8916-A)	27,188.			27,188.
12 Total accrual to cash adjustment				
13 Hedging transactions				
14 Mark-to-market income (loss)				
15 Cost of goods sold (attach Form 8916-A)	(13,175,804.)	-11082672.		(24,258,476.)
16 Sale versus lease (for sellers and/or lessors)				
17 Section 481(a) adjustments				
18 Unearned/deferred revenue				
19 Income recognition from long-term contracts				
20 Original issue discount and other imputed interest				
21a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets other than inventory				
22 Other income (loss) items with differences (attach schedule) STMT 14	-474.		474.	
23 Total income (loss) items. Combine lines 1 through 22	-13149090.	-11082672.	474.	-24231288.
24 Total expense/deduction items (from Part III, line 30)	-2,392,224.	5,710.	35,911.	-2,350,603.
25 Other items with no differences STMT 16	25,775,443.			25,775,443.
26 Reconciliation totals. Combine lines 23 through 25	10,234,129.	-11076962.	36,385.	-806,448.

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120S, Schedule K, line 18.

Name of corporation ALLIED HEALTH CARE SERVICES, INC.	Employer identification number 22-2278835
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Part III Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return - Expense/Deduction Items (see instructions)

	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense				
2 U.S. deferred income tax expense				
3 State and local current income tax expense	43,409.			43,409.
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Equity-based compensation				
8 Meals and entertainment				
9 Fines and penalties				
10 Judgments, damages, awards, and similar costs				
11 Pension and profit-sharing	349,126.			349,126.
12 Other post-retirement benefits				
13 Deferred compensation				
14 Charitable contribution of cash and tangible property	47,520.			47,520.
15 Charitable contribution of intangible property				
16 Current year acquisition or reorganization investment banking fees				
17 Current year acquisition or reorganization legal and accounting fees				
18 Current year acquisition/reorganization other costs				
19 Amortization/impairment of goodwill				
20 Amortization of acquisition, reorganization, and start-up costs				
21 Other amortization or impairment write-offs				
22 Section 198 environmental remediation costs				
23a Depletion - Oil & Gas				
b Depletion - Other than Oil & Gas				
24 Depreciation	47,517.	-5,710.		41,807.
25 Bad debt expense				
26 Interest expense (attach Form 9916-A)	1,868,741.			1,868,741.
27 Corporate owned life insurance premiums STMT 18	35,911.		-35,911.	
28 Purchase versus lease (for purchasers and/or lessees)				
29 Other expense/deduction items with differences (attach schedule)				
30 Total expense/deduction items. Combine lines 1 through 29. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive	2,392,224.	-5,710.	-35,911.	2,350,603.

Schedule M-3 (Form 1120S) 2008

Depreciation and Amortization
 (Including Information on Listed Property) COGS

2008

Attachment
 Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return ALLIED HEALTH CARE SERVICES, INC.	Business or activity to which this form relates COST OF GOODS SOLD DEPRECIATION	Identifying number 22-2278835
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Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	800,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	10,382,565.
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	17	2,827,950.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		10,382,565.	5 YRS.	HY	200DB	2,076,513.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	15,287,028.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No				24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
	:	:	%					
	:	:	%					
	:	:	%					
27 Property used 50% or less in a qualified business use:								
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes		No		Yes		No		Yes		No	
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year:					
	:				
	:				
43 Amortization of costs that began before your 2008 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**

2008

Attachment
 Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return ALLIED HEALTH CARE SERVICES, INC.	Business or activity to which this form relates OTHER DEPRECIATION	Identifying number 22-2278835
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Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	800,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	157.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	17	3,870.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	18	<input type="checkbox"/>

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	37,780.
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	41,807.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				24b If "Yes," is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	32,880.
26 Property used more than 50% in a qualified business use:								
		%					4,900.	
SEE STATEMENT 19		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	37,780.
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32	SEE PART V STATEMENT											
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year:					
	:	:			
	:	:			
43 Amortization of costs that began before your 2008 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

2008 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
19	AUTO	03/19/07	200DB	5.00		HY21	43,269.				43,269.	6,735.		4,900.	11,635.
20	AUTO	08/20/08	200DB	5.00		HY21	44,994.			10,960.	34,034.			10,960.	
21	AUTO	07/08/08	200DB	5.00		HY21	25,588.			10,960.	14,628.			10,960.	
22	AUTO	07/08/08	200DB	5.00		HY21	25,309.			10,960.	14,349.			10,960.	
	* OTHER TOTAL OTHER						139,160.			32,880.	106,280.	6,735.		37,780.	11,635.
	FURNITURE & FIXTURES														
1	FURNITURE & FIXTURES	03/01/86	PRE	5.00		HY16	508.				508.	508.		0.	508.
2	FURNITURE & FIXTURES	12/31/86	SL	5.00		HY17	741.				741.	740.		0.	740.
3	FURNITURE & FIXTURES	03/31/87	SL	7.00		HY17	1,175.				1,175.	1,175.		0.	1,175.
4	FURNITURE & FIXTURES	03/31/88	SL	7.00		HY17	1,460.				1,460.	1,460.		0.	1,460.
5	FURNITURE & FIXTURES	03/31/89	SL	7.00		HY17	3,349.		3,349.					0.	
6	FURNITURE & FIXTURES	09/01/90	200DB	7.00		HY17	1,363.				1,363.	1,266.		0.	1,266.
7	FURNITURE & FIXTURES	12/01/90	200DB	7.00		HY17	2,824.				2,824.	2,623.		0.	2,623.
8	FURNITURE & FIXTURES	09/30/91	200DB	7.00		HY17	3,488.				3,488.	3,487.		0.	3,487.
10	FURNITURES & FIXTURES	07/01/92	200DB	7.00		HY17	865.				865.	865.		0.	865.
11	FURNITURES & FIXTURES	08/01/92	200DB	7.00		HY17	2,741.				2,741.	2,740.		0.	2,740.
12	FURNITURES & FIXTURES	11/01/92	200DB	7.00		HY17	1,500.				1,500.	1,499.		0.	1,499.
16	FURNITURE & FIXTURES	11/15/97	200DB	7.00		HY17	4,750.		4,750.					0.	

2008 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
	* OTHER TOTAL FURNITURE & FIXTURES						24,764.		8,099.		16,665.	16,363.		0.	16,363.
	LAND														
15	LAND	02/15/95	L			HY	33,600.				33,600.			0.	
	* OTHER TOTAL LAND						33,600.				33,600.	0.		0.	0.
	BUILDINGS														
9	LEASEHOLD IMPROVEM'T	12/15/91	SL	40.00		MM16	4,347.				4,347.	2,241.		109.	2,350.
13	LEASEHOLD IMPROV'T	10/01/92	SL	40.00		MM16	1,900.				1,900.	772.		48.	820.
17	LEASEHOLD IMPROVEMENTS	05/17/00	SL	39.00		MM17	4,790.				4,790.	938.		123.	1,061.
18	LEASEHOLD IMPROVEMENTS	06/30/01	SL	39.00		MM17	11,750.				11,750.	1,970.		301.	2,271.
	* OTHER TOTAL BUILDINGS						22,787.				22,787.	5,921.		581.	6,502.
	* OTHER TOTAL - BUILDINGS						220,311.		8,099.	32,880.	179,332.	29,019.		38,361.	34,500.
14	BUILDING	02/15/95	SL	39.00		MM17	134,400.				134,400.	44,368.		3,446.	47,814.
	* OTHER TOTAL BUILDINGS						134,400.				134,400.	44,368.		3,446.	47,814.
	* OTHER TOTAL - BUILDINGS						134,400.				134,400.	44,368.		3,446.	47,814.
	* GRAND TOTAL OTHER DEPRECIATION						354,711.		8,099.	32,880.	313,732.	73,387.		41,807.	82,314.
	CURRENT YEAR ACTIVITY														
	BEGINNING BALANCE						258,820.		8,099.	0.	250,721.	73,387.			82,314.

2008 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
	ACQUISITIONS						95,891.		0.	32,880.	63,011.	0.			0.
	DISPOSITIONS						0.		0.	0.	0.	0.			0.
	ENDING BALANCE						354,711.		8,099.	32,880.	313,732.	73,387.			82,314.

2008 DEPRECIATION AND AMORTIZATION REPORT

COST OF GOODS SOLD DEPRECIATION

COGS

Asset No.	Description	Date Acquired	Method	Life	C o n v	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
	MACHINERY & EQUIPMENT														
101	MEDICAL EQUIPMENT	06/01/95	200DB	5.00		HY17	54,326.				54,326.	54,325.		0.	54,325.
102	MEDICAL EQUIPMENT	09/01/95	200DB	5.00		HY17	89,511.				89,511.	89,511.		0.	89,511.
103	MEDICAL EQUIPMENT	12/01/95	200DB	5.00		HY17	35,832.				35,832.	35,832.		0.	35,832.
104	MEDICAL EQUIPMENT	03/01/96	200DB	5.00		HY17	2,500.				2,500.	2,500.		0.	2,500.
105	MEDICAL EQUIPMENT	03/01/96	200DB	5.00		HY17	56,433.				56,433.	56,433.		0.	56,433.
106	MEDICAL EQUIPMENT	07/01/96	200DB	5.00		MQ17	41,053.				41,053.	41,053.		0.	41,053.
107	MEDICAL EQUIPMENT	01/01/97	200DB	5.00		MQ17	24,919.				24,919.	24,919.		0.	24,919.
108	MEDICAL EQUIPMENT	03/01/97	200DB	5.00		MQ17	60,464.				60,464.	60,464.		0.	60,464.
109	MEDICAL EQUIPMENT	03/01/00	200DB	5.00		HY17	10,453.		10,480.		-27.	-27.		0.	-27.
110	MEDICAL EQUIPMENT	06/30/00	200DB	5.00		MQ17	9,460.				9,460.	9,460.		0.	9,460.
111	MEDICAL EQUIPMENT	09/30/00	200DB	5.00		MQ17	7,976.				7,976.	7,976.		0.	7,976.
112	MEDICAL EQUIPMENT	12/31/00	200DB	5.00		MQ17	93,678.				93,678.	93,678.		0.	93,678.
113	MEDICAL EQUIPMENT	03/01/01	200DB	5.00		MQ17	276,999.				276,999.	276,999.		0.	276,999.
114	MEDICAL EQUIPMENT	09/01/01	200DB	5.00		MQ17	110,099.				110,099.	110,099.		0.	110,099.
115	MEDICAL EQUIPMENT	12/01/01	200DB	5.00		MQ17	97,105.				97,105.	97,105.		0.	97,105.
116	MEDICAL EQUIPMENT	03/01/02	200DB	5.00		MQ17	159,424.				159,424.	159,424.		0.	159,424.
117	MEDICAL EQUIPMENT	06/30/02	200DB	5.00		MQ17	20,610.			6,183.	14,427.	14,427.		0.	14,427.

2008 DEPRECIATION AND AMORTIZATION REPORT

COST OF GOODS SOLD DEPRECIATION

COGS

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
118	MEDICAL EQUIPMENT	09/30/02	200DB	5.00	MO	17	135,697.			40,709.	94,988.	94,988.		0.	94,988.
119	MEDICAL EQUIPMENT	12/31/02	200DB	5.00	MO	17	77,147.			23,144.	54,003.	54,003.		0.	54,003.
120	MEDICAL EQUIPMENT	03/31/03	200DB	5.00	MO	17	132,658.			39,797.	92,861.	91,590.		1,271.	92,861.
121	MEDICAL EQUIPMENT	06/30/03	200DB	5.00	HY	17	159,752.			79,876.	79,876.	72,975.		6,901.	79,876.
122	MEDICAL EQUIPMENT	09/30/03	200DB	5.00	HY	17	464,361.			232,181.	232,180.	212,120.		20,060.	232,180.
123	MEDICAL EQUIPMENT	12/31/03	200DB	5.00	HY	17	231,927.			115,964.	115,963.	105,944.		10,019.	115,963.
124	MEDICAL EQUIPMENT	03/15/04	200DB	5.00	HY	17	229,984.			114,992.	114,992.	105,056.		9,936.	114,992.
125	MEDICAL EQUIPMENT	09/30/04	200DB	5.00	HY	17	63,827.			31,914.	31,913.	25,479.		3,677.	29,156.
126	MEDICAL EQUIPMENT	09/30/04	200DB	5.00	HY	17	12,943.			6,472.	6,471.	5,167.		745.	5,912.
127	MEDICAL EQUIPMENT	12/31/04	200DB	5.00	HY	17	100,000.			50,000.	50,000.	39,920.		5,760.	45,680.
128	MEDICAL EQUIPMENT	03/01/05	200DB	5.00	HY	17	72,174.		72,174.					0.	
129	MEDICAL EQUIPMENT	03/03/05	200DB	5.00	HY	17	72,856.		29,826.		43,030.	34,356.		4,957.	39,313.
130	MEDICAL EQUIPMENT	06/30/05	200DB	5.00	HY	17	232,041.				232,041.	154,075.		31,186.	185,261.
131	MEDICAL EQUIPMENT	09/30/05	200DB	5.00	HY	17	1,168,725.				1,168,725.	776,033.		157,077.	933,110.
132	MEDICAL EQUIPMENT	12/30/05	200DB	5.00	HY	17	170,000.				170,000.	112,880.		22,848.	135,728.
133	MEDICAL EQUIPMENT	03/31/06	200DB	5.00	HY	17	713,400.				713,400.	473,698.		95,881.	569,579.
134	MEDICAL EQUIPMENT	06/30/06	200DB	5.00	HY	17	114,360.				114,360.	50,318.		25,617.	75,935.
135	MEDICAL EQUIPMENT	09/30/06	200DB	5.00	HY	17	180,000.				180,000.	79,200.		40,320.	119,520.

2008 DEPRECIATION AND AMORTIZATION REPORT

COST OF GOODS SOLD DEPRECIATION

COGS

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
136	MEDICAL EQUIPMENT	12/30/06	200DB	5.00		HY17	709,103.				709,103.	312,006.		158,839.	470,845.
137	MEDICAL EQUIPMENT	03/31/07	200DB	5.00		HY17	457,656.				457,656.	201,369.		102,515.	303,884.
138	MEDICAL EQUIPMENT	12/09/06	200DB	5.00		HY17	10,779.				10,779.	4,743.		2,414.	7,157.
139	MEDICAL EQUIPMENT	03/31/07	200DB	5.00		HY17	430,000.				430,000.	129,000.		120,400.	249,400.
140	MEDICAL EQUIPMENT	03/31/07	200DB	5.00		HY17	27,656.				27,656.	8,297.		7,744.	16,041.
141	MEDICAL EQUIPMENT	04/03/07	200DB	5.00		HY17	480,000.				480,000.	72,000.		163,200.	235,200.
142	MEDICAL EQUIPMENT	06/30/07	200DB	5.00		HY17	54,100.				54,100.	8,115.		18,394.	26,509.
143	MEDICAL EQUIPMENT	06/30/07	200DB	5.00		HY17	800,000.				800,000.	120,000.		272,000.	392,000.
144	MEDICAL EQUIPMENT	09/30/07	200DB	5.00		HY17	1,050,000.				1,050,000.	157,500.		357,000.	514,500.
145	MEDICAL EQUIPMENT	09/30/07	200DB	5.00		HY17	259,415.				259,415.	38,912.		88,201.	127,113.
146	MEDICAL EQUIPMENT	08/26/07	200DB	5.00		HY17	504,000.				504,000.	75,600.		171,360.	246,960.
147	MEDICAL EQUIPMENT	07/02/07	200DB	5.00		HY17	420,000.				420,000.	63,000.		142,800.	205,800.
148	MEDICAL EQUIPMENT	07/03/07	200DB	5.00		HY17	500,000.				500,000.	75,000.		170,000.	245,000.
149	MEDICAL EQUIPMENT	12/01/07	200DB	5.00		HY17	1,800,000.				1,800,000.	270,000.		612,000.	882,000.
150	MEDICAL EQUIPMENT	12/01/07	200DB	5.00		HY17	14,200.				14,200.	2,130.		4,828.	6,958.
151	MEDICAL EQUIPMENT	01/02/08	200DB	5.00		HY19B	3,000,000.			1,500,000.	1,500,000.			1,800,000.	300,000.
152	MEDICAL EQUIPMENT	03/04/08	200DB	5.00		HY19B	5,000.			2,500.	2,500.			3,000.	500.
153	MEDICAL EQUIPMENT	03/15/08	200DB	5.00		HY19B	18,900.			9,450.	9,450.			11,340.	1,890.

2008 DEPRECIATION AND AMORTIZATION REPORT

COST OF GOODS SOLD DEPRECIATION

COGS

Asset No.	Description	Date Acquired	Method	Life	C o n v	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
154	MEDICAL EQUIPMENT	03/15/08	200DB	5.00		HY19B	10,000.			5,000.	5,000.			6,000.	1,000.
155	MEDICAL EQUIPMENT	03/31/08	200DB	5.00		HY19B	750,000.			375,000.	375,000.			450,000.	75,000.
156	MEDICAL EQUIPMENT	04/10/08	200DB	5.00		HY19B	500,000.			250,000.	250,000.			300,000.	50,000.
157	MEDICAL EQUIPMENT	05/03/08	200DB	5.00		HY19B	3,000,000.			1,500,000.	1,500,000.			1,800,000.	300,000.
158	MEDICAL EQUIPMENT	06/11/08	200DB	5.00		HY19B	100,000.			50,000.	50,000.			60,000.	10,000.
159	MEDICAL EQUIPMENT	06/24/08	200DB	5.00		HY19B	100,000.			50,000.	50,000.			60,000.	10,000.
160	MEDICAL EQUIPMENT	06/24/08	200DB	5.00		HY19B	400,000.			200,000.	200,000.			240,000.	40,000.
161	MEDICAL EQUIPMENT	06/30/08	200DB	5.00		HY19B	750,000.			375,000.	375,000.			450,000.	75,000.
162	MEDICAL EQUIPMENT	07/03/08	200DB	5.00		HY19B	250,000.			125,000.	125,000.			150,000.	25,000.
163	MEDICAL EQUIPMENT	07/07/08	200DB	5.00		HY19B	3,000,000.			1,500,000.	1,500,000.			1,800,000.	300,000.
164	MEDICAL EQUIPMENT	07/07/08	200DB	5.00		HY19B	7,000.			3,500.	3,500.			4,200.	700.
165	MEDICAL EQUIPMENT	07/08/08	200DB	5.00		HY19B	6,000.			3,000.	3,000.			3,600.	600.
166	MEDICAL EQUIPMENT	07/08/08	200DB	5.00		HY19B	500,000.			250,000.	250,000.			300,000.	50,000.
167	MEDICAL EQUIPMENT	07/20/08	200DB	5.00		HY19B	63,000.			31,500.	31,500.			37,800.	6,300.
168	MEDICAL EQUIPMENT	08/06/08	200DB	5.00		HY19B	500,000.			250,000.	250,000.			300,000.	50,000.
169	MEDICAL EQUIPMENT	09/30/08	200DB	5.00		HY19B	750,000.			375,000.	375,000.			450,000.	75,000.
170	MEDICAL EQUIPMENT	12/08/08	200DB	5.00		HY19B	5,230.			2,615.	2,615.			3,138.	523.
171	MEDICAL EQUIPMENT	12/08/08	200DB	5.00		HY19B	300,000.			150,000.	150,000.			180,000.	30,000.

2008 DEPRECIATION AND AMORTIZATION REPORT

COST OF GOODS SOLD DEPRECIATION

COGS

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
172	MEDICAL EQUIPMENT	12/01/08	200DB	5.00		HY19B	750,000.			375,000.	375,000.			450,000.	75,000.
173	MEDICAL EQUIPMENT	09/01/08	200DB	5.00		HY19B	2,000,000.			1,000,000.	1,000,000.			1,200,000.	200,000.
174	MEDICAL EQUIPMENT	10/31/08	200DB	5.00		HY19B	2,000,000.			1,000,000.	1,000,000.			1,200,000.	200,000.
175	MEDICAL EQUIPMENT	10/18/08	200DB	5.00		HY19B	2,000,000.			1,000,000.	1,000,000.			1,200,000.	200,000.
	* COGS TOTAL MACHINERY & EQUIPMENT						33764733.		112,480.	11123797.	22528456.	5,159,652.		15287028.	10064115.
	* GRAND TOTAL COGS DEPRECIATION						33764733.		112,480.	11123797.	22528456.	5,159,652.		15287028.	10064115.
	CURRENT YEAR ACTIVITY														
	BEGINNING BALANCE						12999603.		112,480.	741,232.	12145891.	5,159,652.			7,987,602.
	ACQUISITIONS						20765130.		0.	10382565.	10382565.	0.			2,076,513.
	DISPOSITIONS						0.		0.	0.	0.	0.			0.
	ENDING BALANCE						33764733.		112,480.	11123797.	22528456.	5,159,652.			10064115.

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

Name of common parent ALLIED HEALTH CARE SERVICES, INC.	Employer identification number 22-2278835
Name of subsidiary	Employer identification number

Part I	Cost of Goods Sold			
Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
a Stock option expense				
b Other equity based compensation				
c Meals and entertainment				
d Parachute payments				
e Compensation with section 162(m) limitation				
f Pension and profit sharing				
g Other post-retirement benefits				
h Deferred compensation				
i Section 198 environmental remediation costs				
j Amortization				
k Depletion				
l Depreciation	4,204,356.	11,082,672.		15,287,028.
m Corporate owned life insurance premiums ...				
n Other section 263A costs				
3 Inventory shrinkage accruals				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs				
6 Other items with differences (attach schedule) SEE STATEMENT 20				
7 Other items with no differences	8,971,448.			8,971,448.
8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d	13,175,804.	11,082,672.		24,258,476.

JWA For Paperwork Reduction Act Notice, see page 4.

Form 8916-A (2008)

Part II Interest Income		(a)	(b)	(c)	(d)
	Interest Income Item	Income (Loss) per Income Statement	Temporary Difference	Permanent Difference	Income (Loss) per Tax Return
1	Tax-exempt interest income				
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income	27,188.			27,188.
6	Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120-S) Part II, line 11.	27,188.			27,188.

Part III Interest Expense		(a)	(b)	(c)	(d)
	Interest Expense Item	Expense per Income Statement	Temporary Difference	Permanent Difference	Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense	1,868,741.			1,868,741.
5	Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120-S) Part III, line 26.	1,868,741.			1,868,741.

JWA

Form 8916-A (2008)

FORM 1120S	OTHER INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
FEDERAL TAX REFUND (C CORPORATION)	
TOTAL TO FORM 1120S, PAGE 1, LINE 5	

FORM 1120S	COMPENSATION OF OFFICERS	STATEMENT	2
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NAME OF OFFICER	SOCIAL SECURITY NUMBER	TIME DEVOTED TO BUSINESS	PCT OF STOCK	AMOUNT OF COMPENSATION
CHARLES K. SCHWARTZ	158-48-3334	100	100.00%	690,000.
TOTAL COMPENSATION OF OFFICERS				690,000.
LESS: COMPENSATION CLAIMED ELSEWHERE EMPLOYMENT CREDIT REDUCTION				
TOTAL TO FORM 1120S, PAGE 1, LINE 7				690,000.

FORM 1120S	TAXES AND LICENSES	STATEMENT	3
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DESCRIPTION	AMOUNT
PAYROLL TAXES	192,859.
REAL ESTATE TAX	39,504.
NEW JERSEY TAXES - BASED ON INCOME	6,180.
NEW YORK TAXES - BASED ON INCOME	37,229.
TOTAL TO FORM 1120S, PAGE 1, LINE 12	275,772.

FORM 1120S	OTHER DEDUCTIONS	STATEMENT	4
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DESCRIPTION	AMOUNT
AUTOMOBILE EXPENSE	212,113.
OFFICE EXPENSE	505,121.
INSURANCE	211,816.
PROFESSIONAL FEES	299,461.
OCCUPANCY EXPENSE	302,434.
OFFICERS LIFE INS. PREMIUMS	
TOTAL TO FORM 1120S, PAGE 1, LINE 19	1,530,945.

FORM 1120S COST OF GOODS SOLD - OTHER COSTS STATEMENT 5

DESCRIPTION	AMOUNT
REPAIRS & MAINTENANCE	86,101.
EQUIPMENTS PARTS & SUPPLIES	545,468.
DEPRECIATION EXPENSE	15,287,028.
TOTAL TO FORM 1120S, PAGE 2, LINE 5	15,918,597.

SCHEDULE K INTEREST INCOME STATEMENT 6

DESCRIPTION	AMOUNT
INTEREST INCOME	27,188.
TOTAL TO SCHEDULE K, LINE 4	27,188.

SCHEDULE K CHARITABLE CONTRIBUTIONS STATEMENT 7

DESCRIPTION	NO LIMIT	50% / 100% LIMIT	30% LIMIT	20% LIMIT
CHARITABLE CONTRIBUTIONS		47,520.		
TOTALS TO SCHEDULE K, LINE 12A		47,520.		

FORM 1120S EARNINGS AND PROFITS FROM A PRIOR YEAR C CORPORATION STATEMENT 8

DESCRIPTION	AMOUNT
EARNINGS AND PROFITS BALANCE BEFORE DIVIDENDS PAID	5,356,970.
TOTAL DIVIDENDS PAID FROM ACCUMULATED EARNINGS AND PROFITS	37,732.
ACCUMULATED EARNINGS AND PROFITS - END OF YEAR	5,319,238.

SCHEDULE M-2 ACCUMULATED ADJUSTMENTS ACCOUNT - OTHER ADDITIONS STATEMENT 9

DESCRIPTION	AMOUNT
PORTFOLIO INTEREST INCOME	27,188.
TOTAL TO SCHEDULE M-2, LINE 3 - COLUMN (A)	27,188.

SCHEDULE M-2 ACCUMULATED ADJUSTMENTS ACCOUNT- OTHER REDUCTIONS STATEMENT 10

DESCRIPTION	AMOUNT
CHARITABLE CONTRIBUTIONS	47,520.
TOTAL TO SCHEDULE M-2, LINE 5 - COLUMN (A)	47,520.

SCHEDULE L OTHER ASSETS STATEMENT 11

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
SECURITY DEPOSIT	512,967.	330,400.
TOTAL TO SCHEDULE L, LINE 14	512,967.	330,400.

SCHEDULE L OTHER CURRENT LIABILITIES STATEMENT 12

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED EXPENSES & TAXES	47,475.	75,374.
TOTAL TO SCHEDULE L, LINE 18	47,475.	75,374.

SCHEDULE L ANALYSIS OF TOTAL RETAINED EARNINGS PER BOOKS STATEMENT 13

DESCRIPTION	AMOUNT
BALANCE AT BEGINNING OF YEAR	11,432,929.
NET INCOME PER BOOKS	10,234,129.
DISTRIBUTIONS	-4,726,484.
OTHER INCREASES (DECREASES)	
BALANCE AT END OF YEAR - SCHEDULE L, LINE 24, COLUMN (D)	16,940,574.

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES STATEMENT 14

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
FEDERAL TAX REFUND (C CORPORATION)	-474.		474.	0.
TOTAL TO M-3, PART II, LINE 22	-474.		474.	0.

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH NO DIFFERENCES STATEMENT 15

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	INCOME (LOSS) PER TAX RETURN
SALES	31407132.	31407132.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	31407132.	31407132.

SCHEDULE M-3 OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION STATEMENT 16
ITEMS WITH NO DIFFERENCES

DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
OTHER INCOME (LOSS)	31407132.	31407132.
OTHER EXPENSE / DEDUCTION	-5631689.	-5631689.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	25775443.	25775443.

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS STATEMENT 17
WITH NO DIFFERENCES

DESCRIPTION	EXPENSE/DEDUCTION PER INCOME STATEMENT	EXPENSE/DEDUCTION PER TAX RETURN
AUTOMOBILE EXPENSE	212,113.	212,113.
COMP. OF OFFICERS, M-3 DETAIL	690,000.	690,000.
EMPLOYEE BENEFIT PROGRAMS	194,289.	194,289.
INSURANCE	211,816.	211,816.
OCCUPANCY EXPENSE	302,434.	302,434.
OFFICE EXPENSE	505,121.	505,121.
PAYROLL TAXES	192,859.	192,859.
PROFESSIONAL FEES	299,461.	299,461.
REAL ESTATE TAX	39,504.	39,504.
RENT EXPENSE	29,092.	29,092.
SALARIES AND WAGES	2,955,000.	2,955,000.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	5,631,689.	5,631,689.

SCHEDULE M-3 CORPORATE OWNED LIFE INSURANCE PREMIUMS STATEMENT 18

DESCRIPTION	INCOME (LOSS)		PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
	PER INCOME STATEMENT	TEMPORARY DIFFERENCE		
OFFICERS LIFE INS. PREMIUMS	35,911.		-35,911.	0.
TOTAL	35,911.		-35,911.	0.

FORM 4562, PART V LISTED PROPERTY INFORMATION-MORE THAN 50% STATEMENT 19

(A) DESCRIPTION	(B) DATE	(C) BUS. %	(D) COST	(E) BASIS	(F) LIFE	(G) MTH/CV	(H) DEDUCTION	(I) 179 ELECTED
(J) AUTO NO	(K) TOTAL MILES	(L) BUSINESS MILES	(M) COMMUTING MILES	(N) PERSONAL MILES	(O) WAS VEH. AVAIL.? Y N	(P) > 5% OWNER? Y N	(Q) ANOTHER VEH. AVAILABLE? Y N	
AUTO	03/19/07	100.00	43,269.	43,269.	5.00	200DB-HY	4,900.	
AUTO	08/20/08	100.00	44,994.	34,034.	5.00	200DB-HY		
AUTO	07/08/08	100.00	25,588.	14,628.	5.00	200DB-HY		
AUTO	07/08/08	100.00	25,309.	14,349.	5.00	200DB-HY		
TOTAL TO FORM 4562, PART V, LINE 26							4,900.	

FORM 8916-A OTHER ITEMS WITH NO DIFFERENCES STATEMENT 20

DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
BEGINNING INVENTORY	0.	0.
ENDING INVENTORY	524,817.	524,817.
EQUIPMENTS PARTS & SUPPLIES PURCHASES	-2081056.	-2081056.
REPAIRS & MAINTENANCE	545,468.	545,468.
	9,896,118.	9,896,118.
	86,101.	86,101.
TOTAL TO LINE 7	8,971,448.	8,971,448.

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	Regular Depreciation	AMT Depreciation	AMT Adjustment
19	AUTO	031907	150DB	5.00	43,269.	6,735.	4,900.	4,900.	0.
20	AUTO	082008	200DB	5.00	44,994.	0.	10,960.	10,960.	0.
21	AUTO	070808	200DB	5.00	25,588.	0.	10,960.	10,960.	0.
22	AUTO	070808	200DB	5.00	25,309.	0.	10,960.	10,960.	0.
9	LEASEHOLD IMPROVEM'T	121591		40.00	4,347.	2,233.	109.	109.	0.
13	LEASEHOLD IMPROV'T	100192		40.00	1,900.	768.	48.	48.	0.
17	LEASEHOLD IMPROVEMENTS	051700	SL	39.00	4,790.	938.	123.	123.	0.
18	LEASEHOLD IMPROVEMENTS	063001	SL	39.00	11,750.	1,970.	301.	301.	0.
14	BUILDING	021595	SL	40.00	134,400.	43,261.	3,446.	3,360.	86.
120	MEDICAL EQUIPMENT	033103	200DB	5.00	132,658.	91,590.	1,271.	1,271.	0.
121	MEDICAL EQUIPMENT	063003	200DB	5.00	159,752.	72,975.	6,901.	6,901.	0.
122	MEDICAL EQUIPMENT	093003	200DB	5.00	464,361.	212,120.	20,060.	20,060.	0.
123	MEDICAL EQUIPMENT	123103	200DB	5.00	231,927.	105,944.	10,019.	10,019.	0.
124	MEDICAL EQUIPMENT	031504	200DB	5.00	229,984.	105,056.	9,936.	9,936.	0.
125	MEDICAL EQUIPMENT	093004	200DB	5.00	63,827.	25,479.	3,677.	3,677.	0.
126	MEDICAL EQUIPMENT	093004	200DB	5.00	12,943.	5,167.	745.	745.	0.
127	MEDICAL EQUIPMENT	123104	200DB	5.00	100,000.	39,920.	5,760.	5,760.	0.
129	MEDICAL EQUIPMENT	030305	150DB	5.00	72,856.	30,485.	4,957.	7,169.	-2,212.
130	MEDICAL EQUIPMENT	063005	150DB	5.00	232,041.	125,041.	31,186.	38,909.	-7,723.
131	MEDICAL EQUIPMENT	093005	150DB	5.00	1168725.	629,797.	157,077.	195,974.	-38,897.
132	MEDICAL EQUIPMENT	123005	150DB	5.00	170,000.	91,609.	22,848.	28,506.	-5,658.
133	MEDICAL EQUIPMENT	033106	150DB	5.00	713,400.	384,434.	95,881.	119,624.	-23,743.
134	MEDICAL EQUIPMENT	063006	150DB	5.00	114,360.	39,026.	25,617.	22,600.	3,017.
135	MEDICAL EQUIPMENT	093006	150DB	5.00	180,000.	61,425.	40,320.	35,573.	4,747.
136	MEDICAL EQUIPMENT	123006	150DB	5.00	709,103.	241,982.	158,839.	140,136.	18,703.
137	MEDICAL EQUIPMENT	033107	150DB	5.00	457,656.	156,176.	102,515.	90,444.	12,071.
138	MEDICAL EQUIPMENT	120906	150DB	5.00	10,779.	3,679.	2,414.	2,130.	284.
139	MEDICAL EQUIPMENT	033107	150DB	5.00	430,000.	146,738.	120,400.	84,979.	35,421.
140	MEDICAL EQUIPMENT	033107	150DB	5.00	27,656.	9,437.	7,744.	5,466.	2,278.
141	MEDICAL EQUIPMENT	040307	150DB	5.00	480,000.	54,000.	163,200.	127,800.	35,400.
142	MEDICAL EQUIPMENT	063007	150DB	5.00	54,100.	6,086.	18,394.	14,404.	3,990.
143	MEDICAL EQUIPMENT	063007	150DB	5.00	800,000.	90,000.	272,000.	213,000.	59,000.
144	MEDICAL EQUIPMENT	093007	150DB	5.00	1050000.	118,125.	357,000.	279,563.	77,437.
145	MEDICAL EQUIPMENT	093007	150DB	5.00	259,415.	29,184.	88,201.	69,069.	19,132.

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	Regular Depreciation	AMT Depreciation	AMT Adjustment
146	MEDICAL EQUIPMENT	082607	150DB	5.00	504,000.	56,700.	171,360.	134,190.	37,170.
147	MEDICAL EQUIPMENT	070207	150DB	5.00	420,000.	47,250.	142,800.	111,825.	30,975.
148	MEDICAL EQUIPMENT	070307	150DB	5.00	500,000.	56,250.	170,000.	133,125.	36,875.
149	MEDICAL EQUIPMENT	120107	150DB	5.00	1800000.	202,500.	612,000.	479,250.	132,750.
150	MEDICAL EQUIPMENT	120107	150DB	5.00	14,200.	1,598.	4,828.	3,781.	1,047.
151	MEDICAL EQUIPMENT	010208	200DB	5.00	3000000.	0.	1800000.	1800000.	0.
152	MEDICAL EQUIPMENT	030408	200DB	5.00	5,000.	0.	3,000.	3,000.	0.
153	MEDICAL EQUIPMENT	031508	200DB	5.00	18,900.	0.	11,340.	11,340.	0.
154	MEDICAL EQUIPMENT	031508	200DB	5.00	10,000.	0.	6,000.	6,000.	0.
155	MEDICAL EQUIPMENT	033108	200DB	5.00	750,000.	0.	450,000.	450,000.	0.
156	MEDICAL EQUIPMENT	041008	200DB	5.00	500,000.	0.	300,000.	300,000.	0.
157	MEDICAL EQUIPMENT	050308	200DB	5.00	3000000.	0.	1800000.	1800000.	0.
158	MEDICAL EQUIPMENT	061108	200DB	5.00	100,000.	0.	60,000.	60,000.	0.
159	MEDICAL EQUIPMENT	062408	200DB	5.00	100,000.	0.	60,000.	60,000.	0.
160	MEDICAL EQUIPMENT	062408	200DB	5.00	400,000.	0.	240,000.	240,000.	0.
161	MEDICAL EQUIPMENT	063008	200DB	5.00	750,000.	0.	450,000.	450,000.	0.
162	MEDICAL EQUIPMENT	070308	200DB	5.00	250,000.	0.	150,000.	150,000.	0.
163	MEDICAL EQUIPMENT	070708	200DB	5.00	3000000.	0.	1800000.	1800000.	0.
164	MEDICAL EQUIPMENT	070708	200DB	5.00	7,000.	0.	4,200.	4,200.	0.
165	MEDICAL EQUIPMENT	070808	200DB	5.00	6,000.	0.	3,600.	3,600.	0.
166	MEDICAL EQUIPMENT	070808	200DB	5.00	500,000.	0.	300,000.	300,000.	0.
167	MEDICAL EQUIPMENT	072008	200DB	5.00	63,000.	0.	37,800.	37,800.	0.
168	MEDICAL EQUIPMENT	080608	200DB	5.00	500,000.	0.	300,000.	300,000.	0.
169	MEDICAL EQUIPMENT	093008	200DB	5.00	750,000.	0.	450,000.	450,000.	0.
170	MEDICAL EQUIPMENT	120808	200DB	5.00	5,230.	0.	3,138.	3,138.	0.
171	MEDICAL EQUIPMENT	120808	200DB	5.00	300,000.	0.	180,000.	180,000.	0.
172	MEDICAL EQUIPMENT	120108	200DB	5.00	750,000.	0.	450,000.	450,000.	0.
173	MEDICAL EQUIPMENT	090108	200DB	5.00	2000000.	0.	1200000.	1200000.	0.
174	MEDICAL EQUIPMENT	103108	200DB	5.00	2000000.	0.	1200000.	1200000.	0.
175	MEDICAL EQUIPMENT	101808	200DB	5.00	2000000.	0.	1200000.	1200000.	0.
TOTALS					32,625,220.	3295678.	15,328,835.	14,896,685.	432,150.
MACRS AMT ADJUSTMENT								432,150.	

2008 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
19	AUTO	031907	200DB	5.00	21	43,269.			43,269.	6,735.		4,900.
20	AUTO	082008	200DB	5.00	21	44,994.		10960.	34,034.			10,960.
21	AUTO	070808	200DB	5.00	21	25,588.		10960.	14,628.			10,960.
22	AUTO	070808	200DB	5.00	21	25,309.		10960.	14,349.			10,960.
	* OTHER TOTAL OTHER					139,160.		32880.	106,280.	6,735.		37,780.
	FURNITURE & FIXTURES											
1	FURNITURE & FIXTURES	030186	PRE	5.00	16	508.			508.	508.		0.
2	FURNITURE & FIXTURES	123186	SL	5.00	17	741.			741.	740.		0.
3	FURNITURE & FIXTURES	033187	SL	7.00	17	1,175.			1,175.	1,175.		0.
4	FURNITURE & FIXTURES	033188	SL	7.00	17	1,460.			1,460.	1,460.		0.
5	FURNITURE & FIXTURES	033189	SL	7.00	17	3,349.		3,349.				0.
6	FURNITURE & FIXTURES	090190	200DB	7.00	17	1,363.			1,363.	1,266.		0.
7	FURNITURE & FIXTURES	120190	200DB	7.00	17	2,824.			2,824.	2,623.		0.
8	FURNITURE & FIXTURES	093091	200DB	7.00	17	3,488.			3,488.	3,487.		0.
10	FURNITURES & FIXTURES	070192	200DB	7.00	17	865.			865.	865.		0.
11	FURNITURES & FIXTURES	080192	200DB	7.00	17	2,741.			2,741.	2,740.		0.
12	FURNITURES & FIXTURES	110192	200DB	7.00	17	1,500.			1,500.	1,499.		0.
16	FURNITURE & FIXTURES	111597	200DB	7.00	17	4,750.		4,750.				0.

2008 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	* OTHER TOTAL FURNITURE & FIXTURES					24,764.		8,099.	16,665.	16,363.		0.
	LAND											
15	LAND	021595	L			33,600.			33,600.			0.
	* OTHER TOTAL LAND					33,600.			33,600.	0.		0.
	BUILDINGS											
9	LEASEHOLD IMPROVEM'T	121591	SL	40.00	16	4,347.			4,347.	2,241.		109.
13	LEASEHOLD IMPROV'T	100192	SL	40.00	16	1,900.			1,900.	772.		48.
17	LEASEHOLD IMPROVEMENTS	051700	SL	39.00	17	4,790.			4,790.	938.		123.
18	LEASEHOLD IMPROVEMENTS	063001	SL	39.00	17	11,750.			11,750.	1,970.		301.
	* OTHER TOTAL BUILDINGS					22,787.			22,787.	5,921.		581.
	* OTHER TOTAL - BUILDINGS					220,311.		40979.	179,332.	29,019.		38,361.
14	BUILDING	021595	SL	39.00	17	134,400.			134,400.	44,368.		3,446.
	* OTHER TOTAL BUILDINGS					134,400.			134,400.	44,368.		3,446.
	* OTHER TOTAL -					134,400.			134,400.	44,368.		3,446.
	* GRAND TOTAL OTHER DEPRECIATION					354,711.		40979.	313,732.	73,387.		41,807.
	MACHINERY & EQUIPMENT											
101	MEDICAL EQUIPMENT	060195	200DB	5.00	17	54,326.			54,326.	54,325.		0.

2008 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
102	MEDICAL EQUIPMENT	090195	200DB	5.00	17	89,511.			89,511.	89,511.		0.
103	MEDICAL EQUIPMENT	120195	200DB	5.00	17	35,832.			35,832.	35,832.		0.
104	MEDICAL EQUIPMENT	030196	200DB	5.00	17	2,500.			2,500.	2,500.		0.
105	MEDICAL EQUIPMENT	030196	200DB	5.00	17	56,433.			56,433.	56,433.		0.
106	MEDICAL EQUIPMENT	070196	200DB	5.00	17	41,053.			41,053.	41,053.		0.
107	MEDICAL EQUIPMENT	010197	200DB	5.00	17	24,919.			24,919.	24,919.		0.
108	MEDICAL EQUIPMENT	030197	200DB	5.00	17	60,464.			60,464.	60,464.		0.
109	MEDICAL EQUIPMENT	030100	200DB	5.00	17	10,453.		10480.	-27.	-27.		0.
110	MEDICAL EQUIPMENT	063000	200DB	5.00	17	9,460.			9,460.	9,460.		0.
111	MEDICAL EQUIPMENT	093000	200DB	5.00	17	7,976.			7,976.	7,976.		0.
112	MEDICAL EQUIPMENT	123100	200DB	5.00	17	93,678.			93,678.	93,678.		0.
113	MEDICAL EQUIPMENT	030101	200DB	5.00	17	276,999.			276,999.	276,999.		0.
114	MEDICAL EQUIPMENT	090101	200DB	5.00	17	110,099.			110,099.	110,099.		0.
115	MEDICAL EQUIPMENT	120101	200DB	5.00	17	97,105.			97,105.	97,105.		0.
116	MEDICAL EQUIPMENT	030102	200DB	5.00	17	159,424.			159,424.	159,424.		0.
117	MEDICAL EQUIPMENT	063002	200DB	5.00	17	20,610.		6,183.	14,427.	14,427.		0.
118	MEDICAL EQUIPMENT	093002	200DB	5.00	17	135,697.		40709.	94,988.	94,988.		0.
119	MEDICAL EQUIPMENT	123102	200DB	5.00	17	77,147.		23144.	54,003.	54,003.		0.

2008 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
120	MEDICAL EQUIPMENT	033103	200DB	5.00	17	132,658.		39797.	92,861.	91,590.		1,271.
121	MEDICAL EQUIPMENT	063003	200DB	5.00	17	159,752.		79876.	79,876.	72,975.		6,901.
122	MEDICAL EQUIPMENT	093003	200DB	5.00	17	464,361.		232,181.	232,180.	212,120.		20,060.
123	MEDICAL EQUIPMENT	123103	200DB	5.00	17	231,927.		115,964.	115,963.	105,944.		10,019.
124	MEDICAL EQUIPMENT	031504	200DB	5.00	17	229,984.		114,992.	114,992.	105,056.		9,936.
125	MEDICAL EQUIPMENT	093004	200DB	5.00	17	63,827.		31914.	31,913.	25,479.		3,677.
126	MEDICAL EQUIPMENT	093004	200DB	5.00	17	12,943.		6,472.	6,471.	5,167.		745.
127	MEDICAL EQUIPMENT	123104	200DB	5.00	17	100,000.		50000.	50,000.	39,920.		5,760.
128	MEDICAL EQUIPMENT	030105	200DB	5.00	17	72,174.		72174.				0.
129	MEDICAL EQUIPMENT	030305	200DB	5.00	17	72,856.		29826.	43,030.	34,356.		4,957.
130	MEDICAL EQUIPMENT	063005	200DB	5.00	17	232,041.			232,041.	154,075.		31,186.
131	MEDICAL EQUIPMENT	093005	200DB	5.00	17	1,168,725.			1,168,725.	776,033.		157,077.
132	MEDICAL EQUIPMENT	123005	200DB	5.00	17	170,000.			170,000.	112,880.		22,848.
133	MEDICAL EQUIPMENT	033106	200DB	5.00	17	713,400.			713,400.	473,698.		95,881.
134	MEDICAL EQUIPMENT	063006	200DB	5.00	17	114,360.			114,360.	50,318.		25,617.
135	MEDICAL EQUIPMENT	093006	200DB	5.00	17	180,000.			180,000.	79,200.		40,320.
136	MEDICAL EQUIPMENT	123006	200DB	5.00	17	709,103.			709,103.	312,006.		158,839.
137	MEDICAL EQUIPMENT	033107	200DB	5.00	17	457,656.			457,656.	201,369.		102,515.

2008 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
138	MEDICAL EQUIPMENT	120906	200DB	5.00	17	10,779.			10,779.	4,743.		2,414.
139	MEDICAL EQUIPMENT	033107	200DB	5.00	17	430,000.			430,000.	129,000.		120,400.
140	MEDICAL EQUIPMENT	033107	200DB	5.00	17	27,656.			27,656.	8,297.		7,744.
141	MEDICAL EQUIPMENT	040307	200DB	5.00	17	480,000.			480,000.	72,000.		163,200.
142	MEDICAL EQUIPMENT	063007	200DB	5.00	17	54,100.			54,100.	8,115.		18,394.
143	MEDICAL EQUIPMENT	063007	200DB	5.00	17	800,000.			800,000.	120,000.		272,000.
144	MEDICAL EQUIPMENT	093007	200DB	5.00	17	1,050,000.			1,050,000.	157,500.		357,000.
145	MEDICAL EQUIPMENT	093007	200DB	5.00	17	259,415.			259,415.	38,912.		88,201.
146	MEDICAL EQUIPMENT	082607	200DB	5.00	17	504,000.			504,000.	75,600.		171,360.
147	MEDICAL EQUIPMENT	070207	200DB	5.00	17	420,000.			420,000.	63,000.		142,800.
148	MEDICAL EQUIPMENT	070307	200DB	5.00	17	500,000.			500,000.	75,000.		170,000.
149	MEDICAL EQUIPMENT	120107	200DB	5.00	17	1,800,000.			1,800,000.	270,000.		612,000.
150	MEDICAL EQUIPMENT	120107	200DB	5.00	17	14,200.			14,200.	2,130.		4,828.
151	MEDICAL EQUIPMENT	010208	200DB	5.00	19B	3,000,000.		1,500,000.	1,500,000.			1,800,000.
152	MEDICAL EQUIPMENT	030408	200DB	5.00	19B	5,000.		2,500.	2,500.			3,000.
153	MEDICAL EQUIPMENT	031508	200DB	5.00	19B	18,900.		9,450.	9,450.			11,340.
154	MEDICAL EQUIPMENT	031508	200DB	5.00	19B	10,000.		5,000.	5,000.			6,000.
155	MEDICAL EQUIPMENT	033108	200DB	5.00	19B	750,000.		375,000.	375,000.			450,000.

2008 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
156	MEDICAL EQUIPMENT	041008	200DB	5.00	19B	500,000.		250,000.	250,000.			300,000.
157	MEDICAL EQUIPMENT	050308	200DB	5.00	19B	3,000,000.		1,500,000.	1,500,000.			1,800,000.
158	MEDICAL EQUIPMENT	061108	200DB	5.00	19B	100,000.		50000.	50,000.			60,000.
159	MEDICAL EQUIPMENT	062408	200DB	5.00	19B	100,000.		50000.	50,000.			60,000.
160	MEDICAL EQUIPMENT	062408	200DB	5.00	19B	400,000.		200,000.	200,000.			240,000.
161	MEDICAL EQUIPMENT	063008	200DB	5.00	19B	750,000.		375,000.	375,000.			450,000.
162	MEDICAL EQUIPMENT	070308	200DB	5.00	19B	250,000.		125,000.	125,000.			150,000.
163	MEDICAL EQUIPMENT	070708	200DB	5.00	19B	3,000,000.		1,500,000.	1,500,000.			1,800,000.
164	MEDICAL EQUIPMENT	070708	200DB	5.00	19B	7,000.		3,500.	3,500.			4,200.
165	MEDICAL EQUIPMENT	070808	200DB	5.00	19B	6,000.		3,000.	3,000.			3,600.
166	MEDICAL EQUIPMENT	070808	200DB	5.00	19B	500,000.		250,000.	250,000.			300,000.
167	MEDICAL EQUIPMENT	072008	200DB	5.00	19B	63,000.		31500.	31,500.			37,800.
168	MEDICAL EQUIPMENT	080608	200DB	5.00	19B	500,000.		250,000.	250,000.			300,000.
169	MEDICAL EQUIPMENT	093008	200DB	5.00	19B	750,000.		375,000.	375,000.			450,000.
170	MEDICAL EQUIPMENT	120808	200DB	5.00	19B	5,230.		2,615.	2,615.			3,138.
171	MEDICAL EQUIPMENT	120808	200DB	5.00	19B	300,000.		150,000.	150,000.			180,000.
172	MEDICAL EQUIPMENT	120108	200DB	5.00	19B	750,000.		375,000.	375,000.			450,000.
173	MEDICAL EQUIPMENT	090108	200DB	5.00	19B	2,000,000.		1,000,000.	1,000,000.			1,200,000.

2008 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
174	MEDICAL EQUIPMENT	103108	200DB	5.00	19B	2,000,000.		1,000,000.	1,000,000.			1,200,000.
175	MEDICAL EQUIPMENT	101808	200DB	5.00	19B	2,000,000.		1,000,000.	1,000,000.			1,200,000.
	* COGS TOTAL MACHINERY & EQUIPMENT					33,764,733.		11236277.	22,528,456.	5,159,652.		15,287,028.
	* GRAND TOTAL COGS DEPRECIATION					33,764,733.		11236277.	22,528,456.	5,159,652.		15,287,028.
	CURRENT YEAR ACTIVITY											
	BEGINNING BALANCE					13,258,423.		861,811.	12,396,612.	5,233,039.		
	ACQUISITIONS					20,861,021.		10415445.	10,445,576.	0.		
	DISPOSITIONS					0.		0.	0.	0.		
	ENDING BALANCE					34,119,444.		11277256.	22,842,188.	5,233,039.		

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
19	AUTO	031907	200DB	5.00	43,269.		43,269.	11,635.	2,850.
	AMT DEPRECIATION		150DB	5.00				11,635.	2,850.
20	AUTO	082008	200DB	5.00	44,994.	10960.	34,034.		4,800.
	AMT DEPRECIATION		200DB	5.00					4,800.
21	AUTO	070808	200DB	5.00	25,588.	10960.	14,628.		4,800.
	AMT DEPRECIATION		200DB	5.00					4,800.
22	AUTO	070808	200DB	5.00	25,309.	10960.	14,349.		4,800.
	AMT DEPRECIATION		200DB	5.00					4,800.
	* OTHER TOTAL OTHER				139,160.		106,280.	11,635.	17,250.
	FURNITURE & FIXTURES								
1	FURNITURE & FIXTURES	030186	PRE	5.00	508.		508.	508.	0.
2	FURNITURE & FIXTURES	123186	SL	5.00	741.		741.	740.	0.
3	FURNITURE & FIXTURES	033187	SL	7.00	1,175.		1,175.	1,175.	0.
4	FURNITURE & FIXTURES	033188	SL	7.00	1,460.		1,460.	1,460.	0.
5	FURNITURE & FIXTURES	033189	SL	7.00	3,349.	3,349.			0.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
6	FURNITURE & FIXTURES	090190	200DB	7.00	1,363.		1,363.	1,266.	0.
7	FURNITURE & FIXTURES	120190	200DB	7.00	2,824.		2,824.	2,623.	0.
8	FURNITURE & FIXTURES	093091	200DB	7.00	3,488.		3,488.	3,487.	0.
10	FURNITURES & FIXTURES	070192	200DB	7.00	865.		865.	865.	0.
11	FURNITURES & FIXTURES	080192	200DB	7.00	2,741.		2,741.	2,740.	0.
12	FURNITURES & FIXTURES	110192	200DB	7.00	1,500.		1,500.	1,499.	0.
16	FURNITURE & FIXTURES	111597	200DB	7.00	4,750.	4,750.			0.
	* OTHER TOTAL FURNITURE & FIXTURES				24,764.		16,665.	16,363.	0.
	LAND								
15	LAND	021595	L		33,600.		33,600.		0.
	* OTHER TOTAL LAND				33,600.		33,600.	0.	0.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
BUILDINGS									
9	LEASEHOLD IMPROVEM'T AMT DEPRECIATION	121591	SL SL	40.00 40.00	4,347.		4,347.	2,350. 2,342.	109. 109.
13	LEASEHOLD IMPROV'T AMT DEPRECIATION	100192	SL SL	40.00 40.00	1,900.		1,900.	820. 816.	48. 48.
17	LEASEHOLD IMPROVEMENTS AMT DEPRECIATION	051700	SL SL	39.00 39.00	4,790.		4,790.	1,061. 1,061.	123. 123.
18	LEASEHOLD IMPROVEMENTS AMT DEPRECIATION	063001	SL SL	39.00 39.00	11,750.		11,750.	2,271. 2,271.	301. 301.
* OTHER TOTAL BUILDINGS					22,787.		22,787.	6,502.	581.
* OTHER TOTAL -					220,311.		179,332.	34,500.	17,831.
BUILDINGS									
14	BUILDING AMT DEPRECIATION	021595	SL SL	39.00 40.00	134,400.		134,400.	47,814. 46,621.	3,446. 3,360.
* OTHER TOTAL BUILDINGS					134,400.		134,400.	47,814.	3,446.
* OTHER TOTAL -					134,400.		134,400.	47,814.	3,446.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
	* GRAND TOTAL OTHER DEPRECIATION				354,711.		313,732.	82,314.	21,277.
	AMT DEPRECIATION				296,347.		263,467.	64,746.	21,191.
	MACHINERY & EQUIPMENT								
101	MEDICAL EQUIPMENT	060195	200DB	5.00	54,326.		54,326.	54,325.	0.
102	MEDICAL EQUIPMENT	090195	200DB	5.00	89,511.		89,511.	89,511.	0.
103	MEDICAL EQUIPMENT	120195	200DB	5.00	35,832.		35,832.	35,832.	0.
104	MEDICAL EQUIPMENT	030196	200DB	5.00	2,500.		2,500.	2,500.	0.
105	MEDICAL EQUIPMENT	030196	200DB	5.00	56,433.		56,433.	56,433.	0.
106	MEDICAL EQUIPMENT	070196	200DB	5.00	41,053.		41,053.	41,053.	0.
107	MEDICAL EQUIPMENT	010197	200DB	5.00	24,919.		24,919.	24,919.	0.
108	MEDICAL EQUIPMENT	030197	200DB	5.00	60,464.		60,464.	60,464.	0.
109	MEDICAL EQUIPMENT	030100	200DB	5.00	10,453.	10480.	-27.	-27.	0.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
110	MEDICAL EQUIPMENT	063000	200DB	5.00	9,460.		9,460.	9,460.	0.
111	MEDICAL EQUIPMENT	093000	200DB	5.00	7,976.		7,976.	7,976.	0.
112	MEDICAL EQUIPMENT	123100	200DB	5.00	93,678.		93,678.	93,678.	0.
113	MEDICAL EQUIPMENT	030101	200DB	5.00	276,999.		276,999.	276,999.	0.
114	MEDICAL EQUIPMENT	090101	200DB	5.00	110,099.		110,099.	110,099.	0.
115	MEDICAL EQUIPMENT	120101	200DB	5.00	97,105.		97,105.	97,105.	0.
116	MEDICAL EQUIPMENT	030102	200DB	5.00	159,424.		159,424.	159,424.	0.
117	MEDICAL EQUIPMENT	063002	200DB	5.00	20,610.	6,183.	14,427.	14,427.	0.
118	MEDICAL EQUIPMENT	093002	200DB	5.00	135,697.	40709.	94,988.	94,988.	0.
119	MEDICAL EQUIPMENT	123102	200DB	5.00	77,147.	23144.	54,003.	54,003.	0.
120	MEDICAL EQUIPMENT	033103	200DB	5.00	132,658.	39797.	92,861.	92,861.	0.
	AMT DEPRECIATION		200DB	5.00				92,861.	

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
121	MEDICAL EQUIPMENT	063003	200DB	5.00	159,752.	79876.	79,876.	79,876.	0.
	AMT DEPRECIATION		200DB	5.00				79,876.	
122	MEDICAL EQUIPMENT	093003	200DB	5.00	464,361.	232,181.	232,180.	232,180.	0.
	AMT DEPRECIATION		200DB	5.00				232,180.	
123	MEDICAL EQUIPMENT	123103	200DB	5.00	231,927.	115,964.	115,963.	115,963.	0.
	AMT DEPRECIATION		200DB	5.00				115,963.	
124	MEDICAL EQUIPMENT	031504	200DB	5.00	229,984.	114,992.	114,992.	114,992.	0.
	AMT DEPRECIATION		200DB	5.00				114,992.	
125	MEDICAL EQUIPMENT	093004	200DB	5.00	63,827.	31914.	31,913.	29,156.	2,757.
	AMT DEPRECIATION		200DB	5.00				29,156.	2,757.
126	MEDICAL EQUIPMENT	093004	200DB	5.00	12,943.	6,472.	6,471.	5,912.	559.
	AMT DEPRECIATION		200DB	5.00				5,912.	559.
127	MEDICAL EQUIPMENT	123104	200DB	5.00	100,000.	50000.	50,000.	45,680.	4,320.
	AMT DEPRECIATION		200DB	5.00				45,680.	4,320.
128	MEDICAL EQUIPMENT	030105	200DB	5.00	72,174.	72174.			0.
129	MEDICAL EQUIPMENT	030305	200DB	5.00	72,856.	29826.	43,030.	39,313.	3,717.
	AMT DEPRECIATION		150DB	5.00				37,654.	5,376.
130	MEDICAL EQUIPMENT	063005	200DB	5.00	232,041.		232,041.	185,261.	26,731.
	AMT DEPRECIATION		150DB	5.00				163,950.	38,909.
131	MEDICAL EQUIPMENT	093005	200DB	5.00	1,168,725.		1,168,725.	933,110.	134,637.
	AMT DEPRECIATION		150DB	5.00				825,771.	195,974.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
132	MEDICAL EQUIPMENT	123005	200DB	5.00	170,000.		170,000.	135,728.	19,584.
	AMT DEPRECIATION		150DB	5.00				120,115.	28,506.
133	MEDICAL EQUIPMENT	033106	200DB	5.00	713,400.		713,400.	569,579.	82,183.
	AMT DEPRECIATION		150DB	5.00				504,058.	119,624.
134	MEDICAL EQUIPMENT	063006	200DB	5.00	114,360.		114,360.	75,935.	15,370.
	AMT DEPRECIATION		150DB	5.00				61,626.	19,176.
135	MEDICAL EQUIPMENT	093006	200DB	5.00	180,000.		180,000.	119,520.	24,192.
	AMT DEPRECIATION		150DB	5.00				96,998.	30,183.
136	MEDICAL EQUIPMENT	123006	200DB	5.00	709,103.		709,103.	470,845.	95,303.
	AMT DEPRECIATION		150DB	5.00				382,118.	118,904.
137	MEDICAL EQUIPMENT	033107	200DB	5.00	457,656.		457,656.	303,884.	61,509.
	AMT DEPRECIATION		150DB	5.00				246,620.	76,740.
138	MEDICAL EQUIPMENT	120906	200DB	5.00	10,779.		10,779.	7,157.	1,449.
	AMT DEPRECIATION		150DB	5.00				5,809.	1,807.
139	MEDICAL EQUIPMENT	033107	200DB	5.00	430,000.		430,000.	249,400.	72,240.
	AMT DEPRECIATION		150DB	5.00				231,717.	72,103.
140	MEDICAL EQUIPMENT	033107	200DB	5.00	27,656.		27,656.	16,041.	4,646.
	AMT DEPRECIATION		150DB	5.00				14,903.	4,637.
141	MEDICAL EQUIPMENT	040307	200DB	5.00	480,000.		480,000.	235,200.	97,920.
	AMT DEPRECIATION		150DB	5.00				181,800.	89,460.
142	MEDICAL EQUIPMENT	063007	200DB	5.00	54,100.		54,100.	26,509.	11,036.
	AMT DEPRECIATION		150DB	5.00				20,490.	10,083.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
143	MEDICAL EQUIPMENT	063007	200DB	5.00	800,000.		800,000.	392,000.	163,200.
	AMT DEPRECIATION		150DB	5.00				303,000.	149,100.
144	MEDICAL EQUIPMENT	093007	200DB	5.00	1,050,000.		1,050,000.	514,500.	214,200.
	AMT DEPRECIATION		150DB	5.00				397,688.	195,694.
145	MEDICAL EQUIPMENT	093007	200DB	5.00	259,415.		259,415.	127,113.	52,921.
	AMT DEPRECIATION		150DB	5.00				98,253.	48,349.
146	MEDICAL EQUIPMENT	082607	200DB	5.00	504,000.		504,000.	246,960.	102,816.
	AMT DEPRECIATION		150DB	5.00				190,890.	93,933.
147	MEDICAL EQUIPMENT	070207	200DB	5.00	420,000.		420,000.	205,800.	85,680.
	AMT DEPRECIATION		150DB	5.00				159,075.	78,278.
148	MEDICAL EQUIPMENT	070307	200DB	5.00	500,000.		500,000.	245,000.	102,000.
	AMT DEPRECIATION		150DB	5.00				189,375.	93,188.
149	MEDICAL EQUIPMENT	120107	200DB	5.00	1,800,000.		1,800,000.	882,000.	367,200.
	AMT DEPRECIATION		150DB	5.00				681,750.	335,475.
150	MEDICAL EQUIPMENT	120107	200DB	5.00	14,200.		14,200.	6,958.	2,897.
	AMT DEPRECIATION		150DB	5.00				5,379.	2,646.
151	MEDICAL EQUIPMENT	010208	200DB	5.00	3,000,000.	1,500,000.	1,500,000.	300,000.	480,000.
	AMT DEPRECIATION		200DB	5.00				300,000.	480,000.
152	MEDICAL EQUIPMENT	030408	200DB	5.00	5,000.	2,500.	2,500.	500.	800.
	AMT DEPRECIATION		200DB	5.00				500.	800.
153	MEDICAL EQUIPMENT	031508	200DB	5.00	18,900.	9,450.	9,450.	1,890.	3,024.
	AMT DEPRECIATION		200DB	5.00				1,890.	3,024.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
154	MEDICAL EQUIPMENT	031508	200DB	5.00	10,000.	5,000.	5,000.	1,000.	1,600.
	AMT DEPRECIATION		200DB	5.00				1,000.	1,600.
155	MEDICAL EQUIPMENT	033108	200DB	5.00	750,000.	375,000.	375,000.	75,000.	120,000.
	AMT DEPRECIATION		200DB	5.00				75,000.	120,000.
156	MEDICAL EQUIPMENT	041008	200DB	5.00	500,000.	250,000.	250,000.	50,000.	80,000.
	AMT DEPRECIATION		200DB	5.00				50,000.	80,000.
157	MEDICAL EQUIPMENT	050308	200DB	5.00	3,000,000.	1,500,000.	1,500,000.	300,000.	480,000.
	AMT DEPRECIATION		200DB	5.00				300,000.	480,000.
158	MEDICAL EQUIPMENT	061108	200DB	5.00	100,000.	50000.	50,000.	10,000.	16,000.
	AMT DEPRECIATION		200DB	5.00				10,000.	16,000.
159	MEDICAL EQUIPMENT	062408	200DB	5.00	100,000.	50000.	50,000.	10,000.	16,000.
	AMT DEPRECIATION		200DB	5.00				10,000.	16,000.
160	MEDICAL EQUIPMENT	062408	200DB	5.00	400,000.	200,000.	200,000.	40,000.	64,000.
	AMT DEPRECIATION		200DB	5.00				40,000.	64,000.
161	MEDICAL EQUIPMENT	063008	200DB	5.00	750,000.	375,000.	375,000.	75,000.	120,000.
	AMT DEPRECIATION		200DB	5.00				75,000.	120,000.
162	MEDICAL EQUIPMENT	070308	200DB	5.00	250,000.	125,000.	125,000.	25,000.	40,000.
	AMT DEPRECIATION		200DB	5.00				25,000.	40,000.
163	MEDICAL EQUIPMENT	070708	200DB	5.00	3,000,000.	1,500,000.	1,500,000.	300,000.	480,000.
	AMT DEPRECIATION		200DB	5.00				300,000.	480,000.
164	MEDICAL EQUIPMENT	070708	200DB	5.00	7,000.	3,500.	3,500.	700.	1,120.
	AMT DEPRECIATION		200DB	5.00				700.	1,120.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
165	MEDICAL EQUIPMENT	070808	200DB	5.00	6,000.	3,000.	3,000.	600.	960.
	AMT DEPRECIATION		200DB	5.00				600.	960.
166	MEDICAL EQUIPMENT	070808	200DB	5.00	500,000.	250,000.	250,000.	50,000.	80,000.
	AMT DEPRECIATION		200DB	5.00				50,000.	80,000.
167	MEDICAL EQUIPMENT	072008	200DB	5.00	63,000.	31500.	31,500.	6,300.	10,080.
	AMT DEPRECIATION		200DB	5.00				6,300.	10,080.
168	MEDICAL EQUIPMENT	080608	200DB	5.00	500,000.	250,000.	250,000.	50,000.	80,000.
	AMT DEPRECIATION		200DB	5.00				50,000.	80,000.
169	MEDICAL EQUIPMENT	093008	200DB	5.00	750,000.	375,000.	375,000.	75,000.	120,000.
	AMT DEPRECIATION		200DB	5.00				75,000.	120,000.
170	MEDICAL EQUIPMENT	120808	200DB	5.00	5,230.	2,615.	2,615.	523.	837.
	AMT DEPRECIATION		200DB	5.00				523.	837.
171	MEDICAL EQUIPMENT	120808	200DB	5.00	300,000.	150,000.	150,000.	30,000.	48,000.
	AMT DEPRECIATION		200DB	5.00				30,000.	48,000.
172	MEDICAL EQUIPMENT	120108	200DB	5.00	750,000.	375,000.	375,000.	75,000.	120,000.
	AMT DEPRECIATION		200DB	5.00				75,000.	120,000.
173	MEDICAL EQUIPMENT	090108	200DB	5.00	2,000,000.	1,000,000.	1,000,000.	200,000.	320,000.
	AMT DEPRECIATION		200DB	5.00				200,000.	320,000.
174	MEDICAL EQUIPMENT	103108	200DB	5.00	2,000,000.	1,000,000.	1,000,000.	200,000.	320,000.
	AMT DEPRECIATION		200DB	5.00				200,000.	320,000.
175	MEDICAL EQUIPMENT	101808	200DB	5.00	2,000,000.	1,000,000.	1,000,000.	200,000.	320,000.
	AMT DEPRECIATION		200DB	5.00				200,000.	320,000.

2009 DEPRECIATION AND AMORTIZATION REPORT

- NEXT YEAR FEDERAL - ALLIED HEALTH CARE SERVICES, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
	* COGS TOTAL MACHINERY & EQUIPMENT				33,764,733.		22,528,456.	10,064,115.	5,071,488.
	* GRAND TOTAL COGS DEPRECIATION				33,764,733.		22,528,456.	10,064,115.	5,071,488.
	AMT DEPRECIATION				32,328,873.		21,245,286.	7,712,172.	5,138,202.

**Schedule K-1
(Form 1120S)**

2008

Final K-1 Amended K-1

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____
 ending _____

**Shareholder's Share of Income, Deductions,
Credits, etc.** ▶ See separate instructions.

Part III **Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items**

Part I **Information About the Corporation**

A Corporation's employer identification number
22-2278835

B Corporation's name, address, city, state, and ZIP code
ALLIED HEALTH CARE SERVICES, INC.
89 MAIN STREET
ORANGE, NJ 07050

C IRS Center where corporation filed return
OGDEN, UT

Part II **Information About the Shareholder**

D Shareholder's identifying number
158-48-3334

E Shareholder's name, address, city, state and ZIP code
CHARLES K. SCHWARTZ
37 TIMBERLINE DRIVE
SPARTA, NJ 07871

F Shareholder's percentage of stock
ownership for tax year **100.000000%**

For IRS Use Only

1	Ordinary business income (loss) -786,116.	13	Credits
2	Net rental real estate inc (loss)		
3	Other net rental income (loss)		
4	Interest income 27,188.		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured sec 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15 A	Alternative min tax (AMT) items 432,150.
11	Section 179 deduction	16 D	Items affecting shareholder basis 4,688,752.
12 A	Other deductions 47,520.		
		17 A	Other information 27,188.

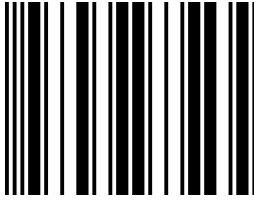
*See attached statement for additional information.

2008 TAX RETURN FILING INSTRUCTIONS

NEW JERSEY FORM CBT-100S

FOR THE YEAR ENDING
DECEMBER 31, 2008

Prepared for	ALLIED HEALTH CARE SERVICES, INC. 89 MAIN STREET ORANGE, NJ 07050
Prepared by	FRIEDMAN LLP 100 EAGLE ROCK AVENUE SUITE 200 EAST HANOVER, NJ 07936
To be signed and dated by	THE APPROPRIATE CORPORATE OFFICER(S).
Amount of tax	Total tax \$ 2,080.00 Less: payments and credits \$ 4,160.00 Plus: other amount \$ 0.00 Plus: interest and penalties \$ 7.00 OVERPAYMENT \$ 2,073.00
Overpayment	Credited to your estimated tax \$ 2,073.00 Other amount \$ 0.00 Refunded to you \$ 0.00
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	STATE OF NEW JERSEY DIV. OF TAXATION-REV PROCESSING CTR P.O. BOX 644 TRENTON, NJ 08646-0644
Return must be mailed on or before	OCTOBER 15, 2009
Special Instructions	ENCLOSED IS A COPY OF SCHEDULE K-1 TO BE DISTRIBUTED TO THE SHAREHOLDER. SCHEDULE T MUST BE SIGNED BY THE RESPONSIBLE CORPORATE OFFICER(S).



**NEW JERSEY CORPORATION
BUSINESS TAX RETURN**

For taxable years ending on or after July 31, 2008 through June 30, 2009

Taxable year beginning **01/01/2008** and ending **12/31/2008**

1019

Check if address change appears below.

Check if applicable Initial return Initial 1120-S Inactive

Federal Employer ID # **222-278-835/000**
NJ Corporation # **0100-0971-28**
Corporation Name **ALLIED HEALTH CARE SERVICES, INC.**

Date of NJ S Corporation election **04/23/2007**
State and date of incorporation **NJ 09/21/1979**
Date authorized to do business in NJ **09/21/1979**
Federal business activity code **621610**

Mailing Address
89 MAIN STREET

Corporation books are in the care of **TAXPAYER**
at **ADDRESS SHOWN**

City **ORANGE** State **NJ** Zip Code **07050**

Telephone Number

DIVISION USE:

RP NP A _____ R _____

1. Entire Net Income subject to Federal corporate income taxation from Schedule A, line 43 (if a net loss, enter zero) ...	1	0 .
2. Allocation factor from Schedule J, Part III, line 5. Non-allocating taxpayers should not make entry on line 2	2	.956085
3. Multiply line 1 by line 2. Non-allocating taxpayers enter the amount from line 1	3	0 .
4. AMOUNT OF TAX - Multiply line 3 by the applicable tax rate (see instruction 10(b))	4	0 .
5. Credit for taxes paid to other jurisdictions (see instruction 29(a))	5	
6. Subtract line 5 from line 4	6	0 .
7. Tax Credits (from Schedule A-3) (see instruction 17)	7	
8. TAX LIABILITY - line 6 minus line 7 or enter the minimum tax from Sch. A-GR or instruction 10(d)	8	2,000 .
9. Key Corporation Throw Out Payment (Form 400)	9	
10. Subtotal (Sum lines 8 and 9)	10	2,000 .
11. Surtax - Enter 4% of line 10	11	80 .
12. INSTALLMENT PAYMENT (Only applies if line 8 is \$500 - see instruction 46)	12	
13. Professional Corporation Fees (Schedule PC, line 5)	13	
14. TOTAL TAX AND PROFESSIONAL CORPORATION FEES (Sum of lines 10, 11, 12 and 13)	14	2,080 .
15. Payments & Credits (see instruction 47)	15	4,160 .
15a Payments made by Partnerships on behalf of taxpayer (attach copies of all NJ-K-1's)	15a	
16. Balance of Tax Due - line 14 minus line 15 and 15(a)	16	-2,080 .
17. Pro Rata Share of S Corp Income for nonconsenting shareholders (from Sch. K, Part VII, line 6, Column C)	17	
18. Gross Income Tax paid on behalf of nonconsenting shareholders - Line 17 x .0897	18	
19. Penalty and Interest Due - (see instructions 7(f), and 48) SEE STATEMENT 1	19	7 .
20. Total Balance Due - line 16 plus line 18 plus line 19	20	
21. If line 15 plus 15(a) is greater than line 14 plus line 18 plus line 19, enter the amount of overpayment		2,073 .

Division Use:

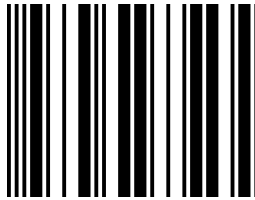
22. Amount of line 21 to be Credited to 2009 return Refunded
2,073 .



I declare under the penalties provided by law, that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

PRESIDENT

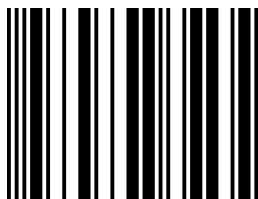
Date	Signature	Title
Paid Preparer's Signature		Federal Identification Number P00142928
Firm's Name and Address	Federal Employer Identification Number	
100 EAGLE ROCK AVENUE SUITE 200 EAST HANOVER, NJ	13-1610809	



ALL TAXPAYERS MUST COMPLETE THIS SCHEDULE

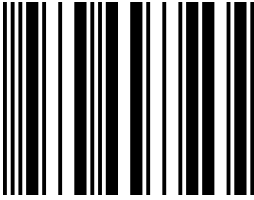
Name ALLIED HEALTH CARE SERVICES, INC.	Federal ID Number	222-278-835/000
SCHEDULE A Computation of Entire Net Income (See Instruction 14)		

1	Gross receipts or sales <u>31,407,132</u> . Less returns and allowances _____	1	31,407,132 .
2	Cost of goods sold (Schedule A-2, line 8) _____	2	24,258,476 .
3	Gross profit. Subtract line 2 from line 1 _____	3	7,148,656 .
4	Net gain (loss) from Form 4797 (attach Form 4797) (see instruction 14(b)) _____	4	
5	Other income (loss) (attach schedule) _____	5	
6	TOTAL INCOME (LOSS) - Combine lines 3 through 5 _____	6	7,148,656 .
7	Compensation of officers _____	7	690,000 .
8	Salaries and wages <u>2,955,000</u> . <small>Less jobs credit</small> _____	8	2,955,000 .
9	Repairs _____	9	
10	Bad debts _____	10	
11	Rents _____	11	29,092 .
12	Taxes _____	12	275,772 .
13	Interest _____	13	1,868,741 .
14a	Depreciation _____ 14a <u>15,328,835</u> .	14a	
14b	Depreciation claimed on Schedule A-2 and elsewhere on return _____ 14b <u>15,287,028</u> .	14b	
14c	Subtract line 14b from line 14a _____ 14c	14c	41,807 .
15	Depletion (do not deduct oil and gas depletion) _____	15	
16	Advertising _____	16	
17	Pension, profit-sharing, etc., plans _____	17	349,126 .
18	Employee benefit programs _____	18	194,289 .
19	Other deductions (attach schedule) _____ SEE STATEMENT 2	19	1,530,945 .
20	Total deductions. (add lines 7 through 19) _____	20	7,934,772 .
21	Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6 (see instruction 14(a)(1)) _____	21	-786,116 .
22	(a) Gross income from all rental activities _____ 22a		
	(b) Expenses related to the above rental activities (attach sch) _____ 22b		
	(c) Net income (loss) from all rental activities. Subtract line 22b from 22a _____ 22c	22c	
23	Portfolio income (loss):		
	(a) Interest income _____ 23a	23a	27,188 .
	(b) Dividend income _____ 23b	23b	
	(c) Royalty income _____ 23c	23c	
	(d) Capital gain net income (attach Schedule D (Form 1120S)) _____ 23d	23d	
	(e) Other portfolio income (loss) (attach schedule) _____ 23e	23e	
24	Net gain (loss) under section 1231 (attach Federal Form 4797) _____	24	
25	Other income (loss) (attach schedule) _____	25	
26	Section 179 expense deduction (attach Federal Form 4562) (see instruction 14(c)) _____	26	
27	Deductions related to portfolio income (loss) _____	27	
28	Other deductions (attach schedule) _____	28	
29	Combine lines 21 through 28 _____	29	-758,928 .
30	Charitable contributions (limited to 10% of line 29) _____ SEE STATEMENT 3	30	0 .
31	Taxable income before net operating loss and special deductions. Subtract line 30 from line 29. (see instruction 14(a) (2) and (3)) _____	31	-758,928 .



Name	ALLIED HEALTH CARE SERVICES, INC.	Federal ID Number	222-278-835/000
SCHEDULE A Computation of Entire Net Income (See Instruction 14)			

32	Taxable income before net operating loss and special deductions from page 2, line 31	32	-758,928 .
33	Interest on Federal, State, Municipal and other obligations not included above (see instruction 14(d))	33	
34	New Jersey State and other States income taxes deducted above (see instruction 14(e))	34	43,409 .
35	Taxes paid by the corporation on behalf of the shareholder (see instruction 14(f))	35	
36	Depreciation and other adjustments from Schedule S (see instruction 41)	36	8,260,817 .
37	(a) Deduction for IRC Section 78 Gross-up not deducted at line 41 below	37a	
	(b) Other deductions and additions. Explain on separate rider (see instruction 14(h))	37b	
	(c) Related interest addback (Schedule G, Part I)	37c	
	(d) Interest and intangibles expenses and costs addback (Schedule G, Part II)	37d	
	(e) Domestic Production Activity Deduction from Form 501 (see instruction 14(h))	37e	
38	Entire net income before net operating loss deduction and dividend exclusion. Total of lines 32 through 37(e) ...	38	7,545,298 .
39	Net operating loss deduction from Form 500 (see instructions 14(i) and 15)	39	
40	Entire Net Income before dividend exclusion (line 38 minus line 39)	40	7,545,298 .
41	Dividend exclusion from Schedule R, line 7 (see instruction 14(j))	41	
42	ENTIRE NET INCOME (line 40 minus line 41) (see instruction 14(k))	42	7,545,298 .
43	Entire Net Income that is subject to Federal corporate income taxation (see instruction 14(l), Carry to page 1, line 1)	43	0 .



Name **ALLIED HEALTH CARE SERVICES, INC.** Federal ID Number **222-278-835/000**

SCHEDULE A-1 NET OPERATING LOSS DEDUCTION AND CARRYOVER (See instructions 14(i) and 15)

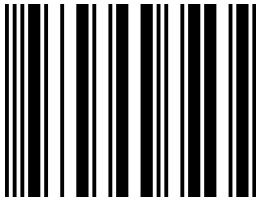
Schedule A-1 has been replaced by Form 500. Net operating losses must be detailed on Form 500 which is available separately. To obtain this form and related information, refer to the index on page 14.

SCHEDULE A-2 COST OF GOODS SOLD (See instruction 16)

1	Inventory at beginning of year	1	524,817 .
2	Purchases	2	9,896,118 .
3	Cost of labor	3	
4	Additional section 263A costs	4	
5	Other costs (attach schedule)	5	15,918,597 .
			SEE STATEMENT 4
6	Total - Add lines 1 through 5	6	26,339,532 .
7	Inventory at end of year	7	2,081,056 .
8	Cost of goods sold - Subtract line 7 from line 6. Enter here and on Schedule A, line 2	8	24,258,476 .

SCHEDULE A-3 SUMMARY OF TAX CREDITS (See instruction 17)

1	HMO Assistance Fund Tax Credit from Form 310	1
2	New Jobs Investment Tax Credit from Form 304	2
3	EITHER: a) Urban Enterprise Zone Employee Tax Credit from Form 300 OR b) Urban Enterprise Zone Investment Tax Credit from Form 301	3
4	Redevelopment Authority Project Tax Credit from Form 302	4
5	Recycling Equipment Tax Credit from Form 303	5
6	Manufacturing Equipment and Employment Investment Tax Credit from Form 305	6
7	Research and Development Tax Credit from Form 306	7
8	Small New Jersey-Based High-Technology Business Investment Tax Credit from Form 308	8
9	Neighborhood Revitalization State Tax Credit from Form 311	9
10	Effluent Equipment Tax Credit from Form 312	10
11	Economic Recovery Tax Credit from Form 313	11
12	Remediation Tax Credit from Form 314	12
13	AMA Tax Credit from Form 315	13
14	Business Retention and Relocation Tax Credit from Form 316	14
15	Sheltered Workshop Tax Credit from Form 317	15
16	Film Production Tax Credit from Form 318	16
17	Urban Transit Hub Tax Credit from Form 319	17
18	Other Tax Credits (see instruction 45(r))	18
19	Total tax credits taken on this return. Add lines 1 through 18. Enter here and on page 1, line 7	19



ALL CORPORATIONS MUST COMPLETE THIS SCHEDULE AND SUBMIT IT WITH THEIR CBT-100S TAX RETURN

Name ALLIED HEALTH CARE SERVICES, INC. Federal ID Number 222-278-835/000

SCHEDULE A-4 SUMMARY SCHEDULE (See instruction 18)

Net Operating Loss Deduction

and Carryover

1 Form 500, line 6 minus line 9 1

0 .

7 Schedule J, Part III, line 2(h) 7

0 .

8 Schedule J, Part III, line 2(j) 8

.950000

9 Schedule J, Part III, line 3(c) 9

.934559

Interest and Intangible

Costs and Expenses

2 Schedule G, Part I, line b ... 2

0 .

3 Schedule G, Part II, line b ... 3

0 .

Schedule J Information

4 Schedule J, Part III, line 1(c) 4

.989780

5 Schedule J, Part III, line 2(f) 5

29,836,775 .

6 Schedule J, Part III, line 2(g) 6

31,407,132 .

Non-operational Income Information

10 Schedule O, Part III, line 31 ... 10

0 .

Dividend Exclusion Information

11 Schedule R, line 4 11

0 .

12 Schedule R, line 6 12

0 .

Schedule A-GR Information

13 Schedule A-GR, line 6 13

29,836,775 .

SCHEDULE A-GR COMPUTATION OF NEW JERSEY GROSS RECEIPTS AND MINIMUM TAX (See instruction 19)

1 Enter sales of tangible personal property shipped to points within New Jersey 1

0 .

2 Enter services performed in New Jersey 2

29,836,775 .

3 Enter rentals of property situated in New Jersey 3

0 .

4 Enter royalties for the use in New Jersey of patents and copyrights 4

0 .

5 Enter all other business receipts earned in New Jersey 5

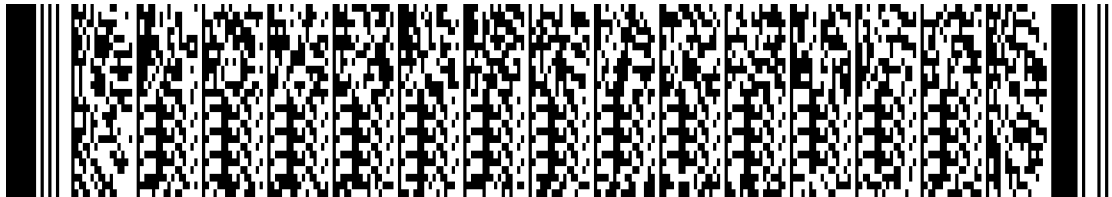
0 .

6 Total New Jersey Gross Receipts 6

29,836,775 .

7 Enter minimum tax per instruction 10(d). Carry to page 1, line 8 7

2,000 .



NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

ALLIED HEALTH CARE SERVICES, INC.

222-278-835/000

SCHEDULE B BALANCE SHEET AS OF DECEMBER 31, 2008 (See Instruction 20)

Figures appearing below must be the same as year-end figures shown on the taxpayer's books. If not, explain and reconcile on rider.

Assets	Beginning of Tax Year	End of Tax Year
1. Cash	4,026,486.	5,200,701.
2. Trade notes and accounts receivable (net)	5,744,631.	7,246,222.
3. Loans to stockholders/affiliates		
4. Stock of subsidiaries		
5. Corporate stocks		
6. Bonds, mortgages and notes		
7. New Jersey State and local government obligations		
8. All other government obligations		
9. Patents and copyrights		
10. Deferred charges		
11. Goodwill		
12. All other intangible personalty (itemize) SEE STATEMENT 5	512,967.	330,400.
13. Total intangible personal property (total lines 1 to 12)	10,284,084.	12,777,323.
14. Land	6,800.	6,800.
15. Buildings and other improvements	8,065,807.	24,674,928.
16. Machinery and equipment (net)		
17. Inventories	524,817.	2,081,056.
18. All other tangible personalty (net) (itemize on rider)		
19. Total real and tangible personal property (total lines 14 to 18)	8,597,424.	26,762,784.
20. Total assets (add lines 13 and 19)	18,881,508.	39,540,107.
Liabilities and Stockholder's Equity		
21. Accounts payable	242,466.	368,585.
22. Mortgages, notes, bonds payable in less than 1 year (attach schedule) SEE STATEMENT 6	1,335,143.	4,359,518.
23. Other current liabilities (attach schedule) SEE STATEMENT 7	47,475.	75,374.
24. Loans from stockholders/affiliates	382,833.	382,833.
25. Mortgages, notes, bonds payable in 1 year or more (attach schedule) SEE STATEMENT 8	5,363,369.	17,335,930.
26. Other liabilities (attach schedule)		
27. Capital stock	30,000.	30,000.
28. Paid-in or capital surplus	47,293.	47,293.
29. Retained earnings - appropriated (attach schedule)		
30. Retained earnings - unappropriated	11,432,929.	16,940,574.
31. Adjustments to shareholders' equity (attach schedule)		
32. Less cost of treasury stock		
33. Total liabilities and stockholder's equity (total lines 21 to 32)	18,881,508.	39,540,107.

SCHEDULE C RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN (See Instruction 21)

1. Net income per books	10,234,129.	7. Income recorded on books this year not included in this return (itemize)	
2. Federal income tax		(a) Tax-exempt interest \$ _____	
3. Excess of capital losses over capital gains		(b) _____	
4. Income subject to tax not recorded on books this year (itemize)		(c) _____	
STMT 9	474.	8. Deductions in this tax return not charged against book income this year (itemize)	
5. Expenses recorded on books this year not deducted in this return (itemize) STMT 10		(a) Depreciation \$ <u>11,076,962.</u>	
(a) Depreciation \$ _____		(b) Contributions Carryover \$ _____	11,076,962.
(b) Contributions Carryover \$ <u>47,520.</u>		9. Total of lines 7 and 8	11,076,962.
(c) Other (itemize) \$ <u>35,911.</u>	83,431.	10. Income (Item 31, Sch. A) - line 6 less 9	-758,928.
6. Total of lines 1 through 5	10,318,034.		

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER
ALLIED HEALTH CARE SERVICES, INC.	222-278-835/000

SCHEDULE E GENERAL INFORMATION (See Instruction 22)
ALL TAXPAYERS MUST ANSWER THE FOLLOWING QUESTIONS. RIDERS MUST BE PROVIDED WHERE NECESSARY.

1. Type of business HEALTH CARE

Principal products handled RENTAL & SALES

Internal Revenue Center where corresponding Federal tax return was filed OGDEN, UT

2. FINAL DETERMINATION OF NET INCOME BY FEDERAL GOVERNMENT (See Instruction 13)

Has a change or correction in the amount of taxable income of the reporting corporation or for any other corporation purchased, merged or consolidated with the reporting corporation, been finally determined by the Internal Revenue Service, and not previously reported to New Jersey?
 Yes or No NO . If Yes, an amended return must be filed.

3. Is this corporation a Professional Corporation (PC) formed pursuant to NJSA 14A:17-1 et.seq. or any similar law from a possession or territory of the United States, a state, or political subdivision thereof? "Yes or No" NO . If yes, go to the next question.

How many licensed professionals are owners, shareholders, and/or employees from this PC as of the first day of the privilege period? _____ .
 Attach a rider providing the names, addresses, and FID or SS numbers of the licensed professionals in the PC. If the number of licensed professionals is greater than 2, complete Schedule PC-Per Capita Licensed Professional Fee. See instruction 38 for examples of licensed professionals.

4. This question must be answered by corporations with income from sources outside the United States.

- (a) Is income from sources outside the United States included in entire net income at Item 42 of Schedule A? Yes or No _____ .
 (b) If the answer is no, set forth such items of gross income, the source, the deductions and the amount of foreign taxes deemed paid (Section 78 Gross-up) thereon. Enter at Item 37(b), Schedule A the difference between the net of such income and the amount of foreign taxes paid thereon not previously deducted.

5. During the period covered by the return, did the taxpayer acquire or dispose of directly or indirectly a controlling interest in certain commercial properties? Yes or No NO .

SCHEDULE F CORPORATE OFFICERS - GENERAL INFORMATION AND COMPENSATION (See Instruction 23)

(1) Name and Current Address of Officer	(2) Social Security Number	(3) Title	(4) Dates Employed in this position		(5) Percent of Corporation Stock Owned	(6) Amount of Compensation
			From	To		
SEE STATEMENT 11						

(a) Total compensation of officers	690,000.
(b) Less: Compensation of officers claimed elsewhere on the return	
(c) Balance of compensation of officers (enter here and on Schedule A, line 7, page 2)	690,000.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER
ALLIED HEALTH CARE SERVICES, INC.	222-278-835/000

SCHEDULE G - PART I INTEREST (See Instruction 24)

1. Was interest paid, accrued or incurred to a related member(s), deducted from entire net income?
 "Yes" or "No" **NO** . If "Yes", fill out the following schedule.

Name of Related Member	Federal ID Number	Relationship to Taxpayer	Amount Deducted
(a) Total amount of interest deducted			
(b) Less: Exceptions (see instruction 24)			()
(c) Balance of interest deducted (carry to Schedule A, line 37(c))			

SCHEDULE G - PART II INTEREST EXPENSES AND COSTS AND INTANGIBLE EXPENSES AND COSTS (See Instruction 24)

1. Were intangible expenses and costs including intangible interest expenses and costs, paid, accrued or incurred to related members, deducted from entire net income? "Yes" or "No" **NO** . If "Yes", fill out the following schedule.

Name of Related Member	Federal ID Number	Relationship to Taxpayer	Type of Intangible Expense Deducted	Amount Deducted
(a) Total amount of intangible expenses and costs deducted				
(b) Less: Exceptions (see instruction 24)				()
(c) Balance of intangible expenses and costs deducted (carry to Schedule A, line 37(d))				

SCHEDULE H TAXES (See Instructions 14(e) and 25)

Include all taxes paid or accrued during the accounting period wherever deducted on Schedule A.

	(A) Corporation Franchise/Business Taxes *	(B) Corporation Business/ Occupancy Taxes *	(C) Property Taxes	(D) U.C.C. or Payroll Taxes	(E) Other Taxes (attach schedule)	(F) Total
1. New Jersey Taxes	6,180.		39,504.	17,567.		63,251.
2. Other States & U.S. Possessions	37,229.			3,129.		40,358.
3. City and Local Taxes						
4. Taxes Paid to Foreign Countries						
5. Total	43,409.		39,504.	20,696.		103609.
6. Combine lines 5(a) and 5(b)		43,409.				
7. Sales & Use Taxes Paid by a Utility Vendor						
8. Add lines 6 and 7 - Carry to Schedule A, line 34.		43,409.				
9. Federal Taxes				172163.		172163.
10. Total (Combine lines 5 and 9)	43,409.		39,504.	192859.		275772.

* Include on line 4 taxes paid or accrued to any foreign country, state, province, territory, or subdivision thereof.

NAME AS SHOWN ON RETURN: **ALLIED HEALTH CARE SERVICES, INC.** FEDERAL ID NUMBER: **222-278-835/000**

SCHEDULE J
Parts I, II, III,
IV, V and VI

ALL TAXPAYERS WHO MAINTAIN A REGULAR PLACE OF BUSINESS OUTSIDE OF NEW JERSEY REGARDLESS OF THE AMOUNT OF ENTIRE NET INCOME REPORTED ON SCHEDULE A, LINE 42, OF THE CBT-100 SHOULD COMPLETE SCHEDULE J. THIS SCHEDULE SHOULD BE OMITTED IF THE TAXPAYER DOES NOT MAINTAIN A REGULAR PLACE OF BUSINESS OUTSIDE THIS STATE OTHER THAN A STATUTORY OFFICE, IN WHICH CASE THE TAX LAW REQUIRES THE ALLOCATION FACTOR TO BE 100% (1.000000).

PART I ALL ALLOCATING COMPANIES MUST ANSWER THE FOLLOWING QUESTIONS (See Instruction 27)

- (a) State the number of regular corporate places of business maintained outside this State (See instruction 27(b)) 1
- (b) List the address of at least one such regular place of business MONSEY NY
- (c) List the States in which the taxpayer maintained a permanent and continuous place of business, indicating type of establishment, such as warehouse, factory, store, office, etc. NJ & NY OFFICE
- (d) Give address of every factory, warehouse, store, or other place of business in New Jersey, indicating type of establishment 89 MAIN STREET, ORANGE NJ OFFICE & WAREHOUSE
- (e) Number of people employed (average) in New Jersey 33 outside New Jersey 4
- (f) Explain in detail internal controls used in distribution of receipts in and out of New Jersey, as shown in Part III, line 2 _____
- (g) State the location of the actual seat of management or control of the corporation 89 MAIN STREET, ORANGE NJ

PART II AVERAGE VALUES (See Instruction 28)

- (a) This schedule showing average values of real and tangible personal property must be completed by every taxpayer entitled to and electing to allocate.
- (b) The average values of real and tangible personal property owned are to be computed on the basis of the average book values thereof and not on original cost. Rented or leased property is valued at 8 times the annual rent, including any amounts paid or accrued in addition to or in lieu of rent during the period covered by the return. All other property which is used by the taxpayer but is neither owned, rented or leased, should be valued at book value, however, if no such book value exists, the market value of the property should be used.
- (c) The frequency upon which the amounts in Columns A and B below have been averaged is _____ (See instruction 28).

ASSETS	AVERAGE VALUES (See instruction 28) (Omit Cents)		DIVISION USE ONLY
	Column A - New Jersey	Column B - Everywhere	
1. Land	33,600.	33,600.	
2. Buildings and other Improvements	145,437.	157,187.	
3. Machinery and Equipment	23,382,168.	23,382,168.	
4. Inventories			
5. All other Tangible Personalty Owned (Itemize on Rider) STMT 12	115,979.	115,979.	
6. Property rented or leased (8 X Annual Rent)	0.	232,736.	
7. All other Property Used			
8. Total Real and Tangible Personal Property	23,677,184.	23,921,670.	

PART III COMPUTATION OF ALLOCATION FACTOR (See Instruction 29)

	COLUMN A (omit cents)	COLUMN B
1. Average value of the taxpayer's real and tangible personal property:		
(a) In New Jersey (Part II, Column A, line 8)	1(a) 23,677,184.	
(b) Everywhere (Part II, Column B, line 8)	1(b) 23,921,670.	
(c) Percentage in New Jersey (line 1(a) divided by line 1(b)). Enter in Column B.		1(c) .989780
2. Receipts:		
(a) From sales of tangible personal property shipped to points within New Jersey.	2(a)	Complete by carrying the fraction to six (6) decimal places. Do not express as a percent. Example: $\frac{123,456}{1,000,000} = .123456$
(b) From services performed in New Jersey	2(b) 29,836,775.	
(c) From rentals of property situated in New Jersey	2(c)	
(d) From royalties for the use in New Jersey of patents and copyrights	2(d)	
(e) All other business receipts earned in New Jersey. (See instruction 29(d))	2(e)	
(f) Total New Jersey receipts (Total of lines 2(a) to 2(e), inclusive, in Column A)	2(f) 29,836,775.	
(g) Total receipts from all sales, services, rentals, royalties and other business transactions everywhere.	2(g) 31,407,132.	
(h) Less Nonsourced Receipts (see instruction 29(e))	2(h)	
(i) Total Everywhere Receipts allowable (line 2(g) minus line 2(h))	2(i) 31,407,132.	
(j) Percentage in New Jersey (line 2(f) divided by line 2(i)). Enter in Column B.		2(j) .950000
(k) Double-weighted receipts factor (Enter 2(j))		2(k) .950000
3. Wages, salaries and other personal service compensation (See instruction 29(g))		
(a) In New Jersey	3(a) 3,406,467.	
(b) Everywhere	3(b) 3,645,000.	
(c) Percentage of New Jersey (line 3(a) divided by line 3(b)). Enter in Column B.		3(c) .934559
4. Sum of New Jersey percentages shown at lines 1(c), 2(j), 2(k), and 3(c). Enter in Column B.		4 3.824339
5. Allocation Factor (line 4 divided by four, or by the number of percentages included on line 4. See instruction 29(h)). Enter in Column B and carry to Line 2, page 1 and Schedule K and Schedule K Liquidated, Part III, line 3.		5 .956085

NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

ALLIED HEALTH CARE SERVICES, INC.

222-278-835/000

PART IV COMPUTATION OF THROW OUT RECEIPTS (See Instruction 30)

Name of the Jurisdiction in which Receipts are Sourced	Total Receipts from all Sales, Services, Rental, Royalties, and Other Business Transactions
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
TOTAL - Add lines 1 through 10. Carry to Schedule J, Part III, line 2(h)	

PART V KEY CORPORATION DESIGNATION (See Instruction 31)

All taxpayers claiming the throw out limitation must designate a key corporation and complete Part VI below. The key corporation will be responsible for remitting the additional tax. The key corporation must complete Form 400.

Name: _____ FID # _____

PART VI COMPUTATION OF THE THROW OUT TAX EFFECT FOR LIMITATION (See Instruction 31)

1. Entire net income from Schedule A, line 43	1.	
2. Allocation factor from Schedule J, line 5	2.	
3. Allocated net income - Multiply line 1 by line 2	3.	
4. Tax Rate (See Instruction 10(a) (and/or 10(b)))	4.	
5. Gross Tax Liability - Multiply line 3 by line 4	5.	
6. Less Tax Credits	6.	()
7. Net Tax Liability - line 5 minus line 6	7.	
8. Surtax - Multiply line 7 by .04	8.	
9. Total Tax Liability - line 7 plus line 8	9.	
10. Property Fraction (Schedule J, Part III, line 1(c))	10.	
11. Wage Fraction (Schedule J, Part III, line 3(c))	11.	
12. Total New Jersey Receipts (Schedule J, Part III, line 2(f))	12.	
13. Total Everywhere Receipts (Schedule J, Part III, line 2(g))	13.	
14. Receipts Fraction (line 12 divided by line 13)	14.	
15. Double Weight Receipts (enter amount from line 14)	15.	
16. Total (line 10 plus line 11 plus line 14 plus line 15)	16.	
17. Allocation Factor (line 16 divided by 4) Carry to Page 1, line 2	17.	
18. Entire Net Income from schedule A, line 43	18.	
19. Allocated Net Income - Multiply line 17 by line 18	19.	
20. Tax Rate (from line 4)	20.	
21. Gross Tax Liability - Multiply line 19 by line 20	21.	
22. Less Tax Credits	22.	()
23. Net Tax Liability (line 21 minus line 22)	23.	
24. Surtax - Multiply line 23 by .04	24.	
25. Total Tax Liability - line 23 plus line 24	25.	
26. Throw Out Tax Income (line 9 minus line 25) This amount should be carried to Form 400 of the CBT-100S filed by the designated key corporation	26.	

SCHEDULE K SHAREHOLDERS' SHARES OF INCOME, DEDUCTIONS, ETC. (See Instruction 32)

PART I

1. Total number of shareholders	1.
2. Total number of nonresident shareholders	
3. a. Total number of nonconsenting shareholders	
b. Percentage of stock owned	%

PART II NEW JERSEY S CORPORATION INCOME(LOSS)

1. Amount from Schedule A, line 21	1.	-786,116.
2. Add the following amounts from Federal 1120S, Schedule K		
a. Net income (loss) from rental real estate activities	a	
b. Net income (loss) from other rental activities	b	
c. Interest income	c	27,188.
d. Dividend income	d	
e. Royalty income	e	
f. Net short-term capital gain (loss)	f	
g. Net long-term capital gain (loss)	g	
h. Other portfolio income (loss)	h	
i. Net gain (loss) under section 1231 and/or 179	i	
j. Other income	j	
k. Tax-exempt interest income	k	
l. Other tax-exempt income	l	
Total of 2(a) through 2(l)	2.	27,188.
3. Add line 1 plus line 2	3.	-758,928.
4. Additions:		
a. Interest income on state and municipal bonds other than New Jersey	a	
b. New Jersey State and other states' income taxes deducted in arriving at line 3 including taxes paid on behalf of the shareholder	b	43,409.
c. All expenses included in line 3 to generate tax exempt income	c	
d. Losses included in line 3 from U.S. Treasury and other obligations pursuant to N.J.S.A. 54A:6-14 and 6-14.1	d	
e. Other additions	e	
Total of 4(a) through 4(e)	4.	43,409.
5. Add line 3 plus line 4	5.	-715,519.
6. Subtractions:		
a. U.S. Treasury and other interest income included in line 3 from investments exempt under N.J.S.A. 54A:6-14. and 6-14.1	a	
b. Gains included in line 3 from U.S. Treasury and other obligations pursuant to N.J.S.A. 54A:6-14. and 6-14.1	b	
c. IRS Section 179 expense from Federal Schedule K	c	
d. Federal 50% meals and entertainment limitation	d	
e. Charitable contributions from Federal Schedule K	e	47,520.
f. IRC Section 199 deduction from Form 501-GIT	f	
g. Other subtractions	g	
Total of 6(a) through 6(g)	6.	47,520.
7. New Jersey depreciation adjustment from Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP	7.	8,298,186.
8. New Jersey S Corporation Income (Loss) - Line 5 minus line 6 plus or minus line 7	8.	7,535,147.

PART III ALLOCATION OF S CORPORATION INCOME(LOSS)

1. New Jersey S Corporation Income (Loss) (Part II, line 8)	1.	7,535,147.
a. Current period nonoperational activity (Schedule O, Part I, line 34)	1a.	0.
2. Total operational income (loss) (line 1 minus line 1a)	2.	7,535,147.
3. Allocation factor (Schedule J, Part III, line 5)	3.	.956085
4. Allocated operational income (loss) (line 3 x line 2)	4.	7,204,238.
5. Allocated nonoperational income (loss) (Schedule O, Part III, line 31)	5.	0.
6. New Jersey allocated income (loss) (line 4 plus line 5)	6.	7,204,238.
7. Income (loss) not allocated to New Jersey (line 1 minus line 6)	7.	330,909.

NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

ALLIED HEALTH CARE SERVICES, INC.

222-278-835/000

PART IV - A ANALYSIS OF NEW JERSEY ACCUMULATED ADJUSTMENTS ACCOUNT

	(A) New Jersey AAA	(B) Non New Jersey AAA	(C) Total of Columns (A) & (B)
1. Beginning balance	5,460,425.		5,460,425.
2. Net pro rata share of S corporation income	7,535,147.		7,535,147.
3. Other income / loss			
4. Other reductions (attach schedule) SEE STATEMENT 13	43,409.		43,409.
5. Total lines 1 - 4	12,952,163.		12,952,163.
6. Distributions	4,726,484.		4,726,484.
7. Ending balance (line 5 minus line 6)	8,225,679.		8,225,679.

PART IV - B NEW JERSEY EARNINGS AND PROFITS

1. Beginning balance	1.
2. Additions / Adjustments	2.
3. Dividends paid	3.
4. Ending balance (line 1 plus line 2 minus line 3)	4.

PART V SUMMARY OF RESIDENT SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	(C) Pro Rata Share Income / Loss	(D) Distributions
CHARLES K. SCHWARTZ	158-48-3334	7,535,147.	4,726,484.
2.			
3.			
4.			
5.			
6. TOTAL		7,535,147.	4,726,484.

PART VI SUMMARY OF CONSENTING NON-RESIDENT SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	Pro Rata Share Income / Loss		(E) Distributions
		(C) Allocated to NJ	(D) Not Allocated to NJ	
1.				
2.				
3.				
4.				
5.				
6. TOTAL				

PART VII SUMMARY OF NONCONSENTING SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	Pro Rata Share Income / Loss		(E) Distributions	(F) Gross Income Tax Paid
		(C) Allocated to NJ	(D) Not Allocated to NJ		
1.					
2.					
3.					
4.					
5.					
6. TOTAL					

SCHEDULE K LIQUIDATED - S CORPORATIONS SHAREHOLDERS' SHARES OF INCOME, DEDUCTIONS, ETC. (See Instruction 33)

PART I

1. Total number of shareholders
2. Total number of nonresident shareholders
3. a. Total number of nonconsenting shareholders
- b. Percentage of stock owned
4. Enter date the assets were fully disposed
5. Enter date the shareholders' stock was fully disposed

PART II NJ S CORPORATION INCOME (LOSS) WORKSHEET UPON COMPLETE LIQUIDATION	Column A S Corp Income Prior to Disposition of Assets	Column B Income, Gains/Losses from Disposition of Assets in Complete Liquidation
1. Amount from Schedule A, line 21	1.	
2. Add the following amounts from Federal 1120S, Schedule K		
a. Net income (loss) from rental real estate activities	2a.	
b. Net income (loss) from other rental activities	2b.	
c. Interest income	2c.	
d. Dividend income	2d.	
e. Royalty income	2e.	
f. Net short-term capital gain (loss)	2f.	
g. Net long-term capital gain (loss)	2g.	
h. Other portfolio income (loss)	2h.	
i. Net gain (loss) under section 1231 and/or 179	2i.	
j. Other income	2j.	
k. Tax-exempt interest income	2k.	
l. Other tax-exempt income	2l.	
3. Add line 1 plus line 2(a) through 2(l)	3.	
4. Additions:		
a. Interest income on state and municipal bonds other than New Jersey	4a.	
b. New Jersey State and other states' income taxes deducted in arriving at line 3 including taxes paid on behalf of the shareholder	4b.	
c. All expenses included in line 3 to generate tax exempt income	4c.	
d. Losses included in line 3 from U.S. Treasury and other obligations pursuant to N.J.S.A. 54A:6-14 and 6-14.1	4d.	
e. Other additions	4e.	
5. Add line 3 plus lines 4(a) through 4(e)	5.	
6. Subtractions:		
a. U.S. Treasury and other interest income included in line 3 from investments exempt under N.J.S.A. 54A:6-14. and 6-14.1	6a.	
b. Gains included in line 3 from U.S. Treasury and other obligations pursuant to N.J.S.A. 54A:6-14. and 6-14.1	6b.	
c. IRC Section 179 expense from Federal Schedule K	6c.	
d. Federal 50% meals and entertainment limitation	6d.	
e. Charitable contributions from Federal Schedule K	6e.	
f. New Jersey allowable IRC Section 199 deduction	6f.	
g. Other subtractions	6g.	
Total of 6(a) through 6(g)	6.	
7. New Jersey depreciation adjustment from Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP	7.	
8. Total Income (Loss) - add line 5 minus line 6 plus or minus line 7	8.	
PART III ALLOCATION OF INCOME(LOSS)		
1. Income from Line 8, Part II Column A and Column B	1.	
a. Current period nonoperational activity (Schedule O, Part I, line 34)	1a.	
2. Total operational income (loss) (line 1 minus line 1a)	2.	
3. Allocation factor (Schedule J, Part III, line 5)	3.	
4. Allocated operational income (loss) (line 3 x line 2)	4.	
5. Allocated nonoperational income (loss) (Schedule O, Part III, line 31)	5.	
6. New Jersey allocated income (loss) (line 4 plus line 5)	6.	
7. Income (loss) not allocated to New Jersey (line 1 minus line 6)	7.	

NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

ALLIED HEALTH CARE SERVICES, INC.

222-278-835/000

SCHEDULE K LIQUIDATED - S CORPORATIONS SHAREHOLDERS' SHARES OF INCOME, DEDUCTIONS, ETC. (See Instruction 33)

PART IV - A ANALYSIS OF NEW JERSEY ACCUMULATED ADJUSTMENTS ACCOUNT

	(A) New Jersey AAA	(B) Non New Jersey AAA	(C) Total of Columns (A) & (B)
1. Beginning balance			
2. Net pro rata share of S corporation income			
3. Other income / loss			
4. Other reductions (attach schedule)			
5. Total lines 1 - 4			
6. Distributions			
7. Ending balance (line 5 minus line 6)			

PART IV - B NEW JERSEY EARNINGS AND PROFITS

1. Beginning balance	1.	
2. Additions / Adjustments	2.	
3. Dividends paid	3.	
4. Ending balance (line 1 plus line 2 minus line 3)	4.	

PART V SUMMARY OF RESIDENT SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	(C) Pro Rata Share Income/Loss	(D) Gain/Loss on Disposition of Assets	(E) Distributions	
1.					
2.					
3.					
4.					
5.					
6. Total					
1.					
2.					
3.					
4.					
5.					
6. Total					

PART VI SUMMARY OF CONSENTING NON-RESIDENT SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	Pro Rata Share Income/Loss		(G) Distributions
		(C) Allocated to NJ	(D) Not Allocated to NJ	
1.				
2.				
3.				
4.				
5.				
6. Total				
		Gain/Loss on Disposition of Assets		(G) Distributions
		(E) Allocated to NJ	(F) Not Allocated to NJ	
1.				
2.				
3.				
4.				
5.				
6. Total				

PART VII SUMMARY OF NONCONSENTING SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	Pro Rata Share Income/Loss		(G) Distributions	(H) Gross Income Tax Paid
		(C) Allocated to NJ	(D) Not Allocated to NJ		
1.					
2.					
3.					
4. Total					
		Gain/Loss on Disposition of Assets		(G) Distributions	(H) Gross Income Tax Paid
		(E) Allocated to NJ	(F) Not Allocated to NJ		
1.					
2.					
3.					
4. Total					

NAME AS SHOWN ON RETURN ALLIED HEALTH CARE SERVICES, INC.	FEDERAL ID NUMBER 222-278-835/000
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SCHEDULE P SUBSIDIARY INVESTMENT ANALYSIS (See Instruction 36)

NOTE: Taxpayers must hold at least 80% of the combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock, except non-voting stock which is limited and preferred as to dividends, for each subsidiary. Do not include advances to subsidiaries in book value.

(1) Name of Subsidiary	(2) Percentage of Interest		(3) Book Value <small>(as reported in Schedule B)</small>	(4) Dividend Income <small>(as reported in Schedule A)</small>
	Voting	Non-Voting		
Totals				

SCHEDULE P-1 PARTNERSHIP INVESTMENT ANALYSIS (See Instruction 37)

(1) Name of Partnership LLC, or Other Entity and Federal ID Number	(2) Date and State where Organized	(3) Percentage of Ownership	(4) Partner		(5) Tax Accounting Method		(6) New Jersey Nexus		(7) Tax Payments Made on Behalf of Taxpayer by Partnerships
			Limited Partner	General Partner	Flow Through	Separate Accounting	Yes	No	
Total Column 7									

SCHEDULE PC PER CAPITA LICENSED PROFESSIONAL FEE (See Instruction 38)

1(a). Enter number of resident and non-resident professionals with physical nexus with New Jersey _____ x \$150	1(a)	
1(b). Enter number of non-resident professionals without physical nexus with New Jersey _____ x \$150 x allocation factor of the PC	1(b)	
1(c). Total Fee Due - Add line 1(a) and line 1(b)	1(c)	
2. Installment Payment-50% of line 1(c)	2.	
3. Total Fee Due (line 1(c) plus line 2)	3.	
4. Less prior year 50% installment payment and credit (if applicable)	4.	()
5. Balance of Fee Due (line 3 minus line 4). If the result is zero or above, enter this amount on page 1, line 13	5.	
6. Credit to next year's Professional Corporation Fee (if line 5 is below zero, enter the amount here)	6.	

SCHEDULE Q QUALIFIED SUBCHAPTER S SUBSIDIARIES (QSSS) (See Instruction 39)

1. Is this corporation a Qualified Subchapter S Subsidiary? Yes No
If yes, indicate the parent corporation's name, address, and FID # below. See instruction 39 for filing requirements.

2. Does this corporation own any Qualified Subchapter S Subsidiaries? Yes No
If yes, list all the QSSS's names, addresses, and FID# below. Attach additional rider if necessary. Separately note those subsidiaries that have made a New Jersey QSSS election and whose activities are included in this return.

SCHEDULE R DIVIDEND EXCLUSION (See Instruction 40)

1. Dividend income included in Schedule A	1.	
2. Less: Dividend Income - Schedule P, Column (4)	2.	()
3. Balance (line 1 less line 2)	3.	
4. Less: Dividend income from investments where taxpayer owns less than 50% of voting stock and less than 50% of all other classes of stock	4.	()
5. Balance (line 3 less line 4)	5.	
6. 50% of line 5	6.	
7. DIVIDEND EXCLUSION: Line 2 plus line 6 (Carry to Schedule A, line 41)	7.	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER
ALLIED HEALTH CARE SERVICES, INC.	222-278-835/000

SCHEDULE S - PART I DEPRECIATION AND SAFE HARBOR LEASING (See Instruction 41)

1. Section 179 Deduction	1	
2. Special Depreciation Allowance - for certain property acquired after September 10, 2001	2	12,550,327.
3. a) MACRS - for assets placed in service during accounting periods beginning on and after July 7, 1993	3(a)	2,778,351.
b) MACRS - included in line 3(a) for assets on which bonus depreciation and excess section 179 depreciation taken	3(b)	4,957.
4. MACRS - for assets placed in service during accounting periods beginning prior to July 7, 1993	4	
5. ACRS	5	
6. Other Depreciation - for assets placed in service after December 31, 1980	6	157.
7. Other Depreciation - for assets placed in service prior to January 1, 1981	7	
8. Listed Property - for assets placed in service during accounting periods beginning on and after July 7, 1993	8	
9. Listed Property - for assets placed in service during accounting periods beginning prior to July 7, 1993	9	
10. Total depreciation claimed in arriving at line 28, Schedule A	10	15,328,835.

Attach Federal Form 4562 to Return and Include Federal Depreciation Worksheet

Adjustments at Line 36, Schedule A - Depreciation and Certain Safe Harbor Lease Transactions

11. Additions

(a) Amounts from lines 3(b), 4, 5, 6 and 9 above	a.	<u>5,114.</u>	
(b) Special Depreciation Allowance - for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation was taken in the current tax year. Include the initial 30% or 50% bonus amount and the regular depreciation on the adjusted basis	b.	<u>12,550,327.</u>	
(c) Distributive share of ACRS and MACRS from a partnership	c.		
(d) Deductions on Federal return resulting from an election made pursuant to IRC Section 168(f)8 exclusive of elections made with respect to mass commuting vehicles. Interest _____ Rent _____ Amortization of Transactional Costs _____ Other Deductions _____	d.		
(e) Section 179 depreciation in excess of New Jersey allowable deduction. Fiscal year filers refer to instruction 41	e.		
Total line 11 (lines a, b, c, d and e)	11		<u>12,555,441.</u>

12. Deductions

(a) New Jersey depreciation - (From Schedule S, Part II (A))	a.		
(b) New Jersey depreciation - (From Schedule S, Part II (B))	b.	<u>4,294,624.</u>	
(c) Recomputed depreciation attributable to distributive share of recovery property from a partnership	c.		
(d) Any income included in the return with respect to property described at line 11(d) solely as a result of that election	d.		
(e) The lessee/user should enter the amount of depreciation which would have been allowable under the Internal Revenue Code at December 31, 1980 had there been no safe harbor lease election	e.		
(f) Excess of accumulated ACRS, MACRS, or bonus depreciation over accumulated NJ depreciation on physical disposal of recovery property (attach computations)	f.		
Total line 12 (lines a, b, c, d, e and f)	12		<u>4,294,624.</u>

13. **ADJUSTMENT** - (line 11 minus line 12) Enter at line 36, Schedule A 13 8,260,817.

NAME AS SHOWN ON RETURN ALLIED HEALTH CARE SERVICES, INC. FEDERAL ID NUMBER 222-278-835/000

SCHEDULE S - PART II(A) N.J. Depreciation on Recovery Property Placed in Service On or After January 1, 1981 and Prior to Taxpayers Fiscal or Calendar Accounting Periods Beginning On and After July 7, 1993.

Table with 7 columns: (A) Description of Property, (B) Month, Day and Year placed in service, (C) Use Federal basis, (D) Depreciation allowable in earlier years, (E) Method of figuring depreciation, (F) Life or rate, (G) N.J. depreciation computations. Includes a row for 'Class Life Asset Depreciation Range (CLADR) System Depreciation' with values 0.

Total Column G

INSTRUCTIONS

- Column A - Do not classify as 3, 5, 10 or 15 year property...
Column B - Clearly segregate property placed in service during each year...
Column C - Basis is to be determined at the date property is placed in service...
Column D - Depreciation allowable under the method adopted...
Column E - Any method allowable under the Internal Revenue Code...
Column F - Any life or rate permissible under the Internal Revenue Code...
Column G - Consider any salvage value which was required to be considered...

866803 10-21-08

NAME AS SHOWN ON RETURN

ALLIED HEALTH CARE SERVICES, INC.

FEDERAL ID NUMBER

222-278-835/000

SCHEDULE S - PART II(B)

Special Depreciation Allowance - for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation or excess section 179 depreciation was taken.

Table with 8 columns: (A) Description of Property, (B) Month, Day and Year placed in service*, (C) Use Federal basis, (D) Special Depreciation Allowance, (E) Depreciation allowable in earlier years, (F) Method of figuring depreciation, (G) Life or rate, (H) N.J. Depreciation Computations. Row 1: SEE STATEMENT 14, 22,634,957., 12,555,284., 1,613,415., 4,294,624.

Total Column H

* Year placed in service acceptable for personal property only.

INSTRUCTIONS

- Column A - Classify consistent with Internal Revenue Code.
Column B - Clearly segregate property placed in service during each year.
Column C - Basis is to be determined at the date property is placed in service...
Column D - State the amount of the 30% or 50% special depreciation allowance...
Column E - Depreciation allowable under the method adopted...
Column F - Use the same method that was used for Federal purposes.
Column G - Use the same life that was used for Federal purposes.
Column H - Figure the depreciation amount as if the 30% or 50% special depreciation allowance was not in effect.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER
ALLIED HEALTH CARE SERVICES, INC.	222-278-835/000

SCHEDULE S - PART III NEW JERSEY DEPRECIATION FOR GAS, ELECTRIC, AND GAS AND ELECTRIC PUBLIC UTILITIES
 (See Instruction 41)

1. Total depreciation claimed in arriving at Schedule A, line 21 1. _____
2. Federal depreciation for assets placed in service after January 1, 1998 2. _____
3. Net (subtract line 2 from line 1) 3. _____
4. New Jersey depreciation allowable on the Single Asset Account. (Assets placed in service prior to January 1, 1998)
 - (a) Total adjusted Federal depreciable basis
as of December 31, 1997 a. _____
 - (b) Excess book depreciable basis over Federal
tax basis as of December 31, 1997 b. _____
 - (c) Less accumulated Federal basis for all single Asset
Account property sold, retired, or disposed of to date c. _____
 - (d) Total (line 4(a) plus 4(b) less line 4(c)) d. _____
5. New Jersey depreciation (divide line 4(d) by 30) 5. _____
6. New Jersey adjustment
 - (a) Depreciation adjustment for assets placed in service prior to
January 1, 1998 (subtract line 5 from line 3) a. _____
 - (b) Special bonus depreciation adjustment from Schedule S,
Part I, line 13 b. _____
7. Total Adjustment (add lines 6(a) and 6(b)). Enter at line 36, Schedule A 7. _____

SCHEDULE T ACKNOWLEDGEMENT OF RESPONSIBILITY (See Instruction 42)

(A) Name	(B) Social Security Number	(C) Title	(D) Signature	(E) Trust Fund Tax*
CHARLES SCHWARTZ	158-48-3334	PRESIDENT		GROSS INCOME WITHHOLDING TAX

*Trust Fund Taxes include: Sales and Use Tax, Gross Income Withholding Tax, Motor Fuels Tax, 9-1-1 Emergency Response Fee, Atlantic City Luxury Tax, Cape May Tourism Tax, Hotel/Motel State Occupancy Fee and Municipal Occupancy Fee, Motor Vehicle Tire Fee, Cosmetic Medical Procedures Gross Receipts Tax, Tobacco Products Wholesale Sales and Use Tax

CORPORATE NAME	FEDERAL EMPLOYER I.D. NUMBER	N.J. CORPORATION NUMBER
ALLIED HEALTH CARE SERVICES, INC.	222-278-835/000	0100-0971-28

PART I How to Compute Your Underpayment

Note: If you meet any of the exceptions that avoid the underpayment charge for ANY quarter, complete PART II

1. Amount of 2008 Tax - Refer to line 1 instruction				2,080.
2. 90% of Line 1. If you were qualified and elected to make a single payment in lieu of paying installments of estimated tax, you may enter zero. (See Instructions)				1,872.
3. Prior year's tax - Enter the total of lines 18 and 19 from page 1 of the 2007 CBT-100 or the total of lines 10 and 11 from page 1 of the 2007 CBT-100S.				2,080.
4. Enter the lesser of Lines 2 or 3				1,872.
5. Enter in columns (a) through (d) the installment dates that correspond to the 15th day of the 4th, 6th, 9th, and 12th mos of your tax year	(a)	(b)	(c)	(d)
	04/15/2008	06/16/2008	09/15/2008	12/15/2008
6. Enter 25% of Line 4 in columns (a) through (d)	468.	468.	468.	468.
7. (a) Amount paid or credited for each period (b) Overpayment of previous installment (enter any overpayment shown on line 9 that is more than the tot of all prior underpayments as a credit against the next installment)		2,080.		
			1,144.	676.
8. Add lines 7(a) and 7(b)		2,080.	1,144.	
9. Underpayment (subtract line 8 from line 6) or overpayment (subtract line 6 from line 8) ...	REFER TO STATEMENT			

PART II Exceptions (See instructions)

10. Total amount paid or credited from the beginning of the tax year through the installment dates that correspond to the 15th day of the 4th, 6th, 9th and 12th months of your tax year		2,080.	2,080.	2,080.
11. Exception 1, tax based on the facts shown on the prior year's return but using current year's rates. Refer to instructions regarding the sur-tax and taxable periods of less than one year	25% of tax	50% of tax	75% of tax	100% of tax
	22.5% of tax	45% of tax	67.5% of tax	90% of tax
12. Exception 2, tax based on annualized tax ...				

PART III Installment Interest Due (See instructions)

13. Amount of underpayment from line 9				
14. Enter same installment dates used above at Ln 5				
15. Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier				
16. Number of months from the date on line 14 to the date on line 15. (A part of a month is deemed to be a full month.)				
17. Interest				
18. Installment interest due - Add columns (a), (b), (c), and (d) of line 17. Enter the total here and on page 1, line 25, of Form CBT-100 or page 1, line 19 of Form CBT-100S	SEE STATEMENT 15			7.

Name ALLIED HEALTH CARE SERVICES, INC.		Social Security Number/FEIN 222-278-835/000	
For tax years beginning on or after January 1, 2004, use this worksheet to calculate the New Jersey depreciation adjustment required for assets placed in service on or after January 1, 2004 and for which any of the following criteria apply:			
<ul style="list-style-type: none"> • Federal Section 179 expense was deducted • Federal 50% Special Depreciation Allowance was deducted • Federal income includes Section 179 recapture income • Federal income includes a gain or loss from disposition of an asset for which a NJ depreciation adjustment was previously required. 			
PART I Complete Parts II, III and IV as required and enter results on this worksheet			
1	Total federal depreciation from Part II, Column C	1.	12,517,033.
2	Total NJ Section 179 deduction allowable from Part II, Column E; total can not exceed \$25,000 unless Liberty Zone Property is included	2.	
3	Total NJ depreciation allowable from Part II, Column K	3.	4,218,847.
4	Subtotal (Subtract Lines 2 and 3 from Line 1)	4.	8,298,186.
5	Total NJ adjustment to federal 179 recapture income from Part III, Column E	5.	
6	Total NJ adjustment to federal gain (loss) on disposition of asset(s) from Part IV, Column F	6.	
7	New Jersey Depreciation Adjustment (total of Lines 4, 5, and 6)	7.	8,298,186.

Enter the New Jersey Depreciation Adjustment, as a positive or negative amount, on the applicable form, schedule or worksheet.

For adjustment to S corporation income enter on:

CBT 100S Schedule K, Part II, Line 7

Bulletin GIT-9S, Worksheet B, Part I, Line 7

For adjustment to partnership income on:

NJ-1065 - If a net addition include on Line 13b; if a net subtraction include on Line 15g.

Bulletin GIT-9P, Worksheet A, - If a net addition include on Line 14b; if a net subtraction include on Line 16e.

For adjustment to net profits from business enter on:

A schedule detailing the calculation of NJ net profits from business and attach to forms 1040, 1040NR, 1041

For adjustment to income from rents, royalties, patents and copyrights

Enter the total adjustments to income from lines 4 and 5 on:

NJ 1040, Schedule C

NJ 1040NR, Part II

NJ 1041, Schedule C

Enter the adjustment to federal gain or loss on disposition from line 6 on:

NJ 1040, Schedule B

NJ 1040NR, Part I

NJ 1041, Schedule B

Name ALLIED HEALTH CARE SERVICES, INC.							Social Security Number/FEIN 222-278-835/000			
Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP										
PART II Calculation of New Jersey Depreciation										
For tax years beginning on or after January 1, 2004, use this section to calculate the NJ basis for depreciation and the NJ depreciation allowable for assets placed in service on or after January 1, 2004 and for which Section 179 expense or federal 50% special depreciation allowance were deducted.										
A	B	C	D	E	F	G	H	I	J	K
Description of Property	Date placed in Service	Current Year Federal Depreciation/179 Deducted	Federal Basis For Depreciation	NJ Section 179 Deduction	NJ Basis	Prior Year New Jersey Depreciation	NJ Current Year Basis	Federal Method of Depreciation	Life or Rate	New Jersey Depreciation Allowable
AUTO	08/20/08	10960	44994	0	44994	0	44994	200DB	5.0	2960
AUTO	07/08/08	10960	25588	0	25588	0	25588	200DB	5.0	2960
AUTO	07/08/08	10960	25309	0	25309	0	25309	200DB	5.0	2960
MEDICAL EQUIPMENT	03/15/04	9936	229984	0	229984	210114	19870	200DB	5.0	19870
MEDICAL EQUIPMENT	09/30/04	3677	63827	0	63827	50960	12867	200DB	5.0	7353
TOTALS		12,517,033.	21,412,805.		21,412,805.	467,040.	20,945,765.			4218847.

Instructions: For Liberty Zone Property Refer to General Instructions

Column A Classify consistent with Internal Revenue Code

Column B Clearly segregate property placed in service during each year

Column C Enter the total special depreciation allowance, 179 expense and depreciation deducted for federal purposes for this year.

Column D Enter federal basis for depreciation prior to special depreciation allowance, 179 expense or depreciation deduction.

Column E For the year placed in service enter the NJ allowable section 179 deduction, limited to a maximum of \$25,000 for all assets unless Liberty Zone Property is included.

Column F Column D less Column E

Column G Enter amounts from prior years' worksheets

Column H For the year placed in service, enter the amount from Column F. For subsequent years, subtract Column G from Column D.

Column I Use the same method that was used for federal purposes.

Column J Use the same life that was used for federal purposes.

Column K Calculate the NJ depreciation. The 30% special depreciation allowance is allowed only if it was taken for federal tax purposes. The 50% special depreciation allowance is not permitted.

Enter the total of Column C on Part I, Line 1

Enter the total of Column E on Part I, Line 2; total cannot exceed \$25,000 unless Liberty Zone Property is included.

Enter the total of Column K on Part I, Line 3

Name ALLIED HEALTH CARE SERVICES, INC.							Social Security Number/FEIN 222-278-835/000			
Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP										
PART II Calculation of New Jersey Depreciation										
For tax years beginning on or after January 1, 2004, use this section to calculate the NJ basis for depreciation and the NJ depreciation allowable for assets placed in service on or after January 1, 2004 and for which Section 179 expense or federal 50% special depreciation allowance were deducted.										
A	B	C	D	E	F	G	H	I	J	K
Description of Property	Date placed in Service	Current Year Federal Depreciation/179 Deducted	Federal Basis For Depreciation	NJ Section 179 Deduction	NJ Basis	Prior Year New Jersey Depreciation	NJ Current Year Basis	Federal Method of Depreciation	Life or Rate	New Jersey Depreciation Allowable
MEDICAL EQUIPMENT	09/30/04	745	12943	0	12943	10334	2609	200DB	5.0	1491
MEDICAL EQUIPMENT	12/31/04	5760	100000	0	100000	79840	20160	200DB	5.0	11520
MEDICAL EQUIPMENT	03/01/05	0	72174	0	72174	57624	14550	200DB	5.0	8314
MEDICAL EQUIPMENT	03/03/05	4957	72856	0	72856	58168	14688	200DB	5.0	8393
MEDICAL EQUIPMENT	01/02/08	1800000	3000000	0	3000000	0	3000000	200DB	5.0	600000
TOTALS										

Instructions: For Liberty Zone Property Refer to General Instructions

Column A Classify consistent with Internal Revenue Code

Column B Clearly segregate property placed in service during each year

Column C Enter the total special depreciation allowance, 179 expense and depreciation deducted for federal purposes for this year.

Column D Enter federal basis for depreciation prior to special depreciation allowance, 179 expense or depreciation deduction.

Column E For the year placed in service enter the NJ allowable section 179 deduction, limited to a maximum of \$25,000 for all assets unless Liberty Zone Property is included.

Column F Column D less Column E

Column G Enter amounts from prior years' worksheets

Column H For the year placed in service, enter the amount from Column F. For subsequent years, subtract Column G from Column D.

Column I Use the same method that was used for federal purposes.

Column J Use the same life that was used for federal purposes.

Column K Calculate the NJ depreciation. The 30% special depreciation allowance is allowed only if it was taken for federal tax purposes. The 50% special depreciation allowance is not permitted.

Enter the total of Column C on Part I, Line 1

Enter the total of Column E on Part I, Line 2; total cannot exceed \$25,000 unless Liberty Zone Property is included.

Enter the total of Column K on Part I, Line 3

Name ALLIED HEALTH CARE SERVICES, INC.	Social Security Number/FEIN 222-278-835/000
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Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP

PART II Calculation of New Jersey Depreciation

For tax years beginning on or after January 1, 2004, use this section to calculate the NJ basis for depreciation and the NJ depreciation allowable for assets placed in service on or after January 1, 2004 and for which Section 179 expense or federal 50% special depreciation allowance were deducted.

A	B	C	D	E	F	G	H	I	J	K
Description of Property	Date placed in Service	Current Year Federal Depreciation/179 Deducted	Federal Basis For Depreciation	NJ Section 179 Deduction	NJ Basis	Prior Year New Jersey Depreciation	NJ Current Year Basis	Federal Method of Depreciation	Life or Rate	New Jersey Depreciation Allowable
MEDICAL EQUIPMENT	03/04/08	3000	5000	0	5000	0	5000	200DB	5.0	1000
MEDICAL EQUIPMENT	03/15/08	11340	18900	0	18900	0	18900	200DB	5.0	3780
MEDICAL EQUIPMENT	03/15/08	6000	10000	0	10000	0	10000	200DB	5.0	2000
MEDICAL EQUIPMENT	03/31/08	450000	750000	0	750000	0	750000	200DB	5.0	150000
MEDICAL EQUIPMENT	04/10/08	300000	500000	0	500000	0	500000	200DB	5.0	100000
TOTALS										

- Instructions: For Liberty Zone Property Refer to General Instructions
- Column A Classify consistent with Internal Revenue Code
 - Column B Clearly segregate property placed in service during each year
 - Column C Enter the total special depreciation allowance, 179 expense and depreciation deducted for federal purposes for this year.
 - Column D Enter federal basis for depreciation prior to special depreciation allowance, 179 expense or depreciation deduction.
 - Column E For the year placed in service enter the NJ allowable section 179 deduction, limited to a maximum of \$25,000 for all assets unless Liberty Zone Property is included.
 - Column F Column D less Column E
 - Column G Enter amounts from prior years' worksheets
 - Column H For the year placed in service, enter the amount from Column F. For subsequent years, subtract Column G from Column D.
 - Column I Use the same method that was used for federal purposes.
 - Column J Use the same life that was used for federal purposes.
 - Column K Calculate the NJ depreciation. The 30% special depreciation allowance is allowed only if it was taken for federal tax purposes. The 50% special depreciation allowance is not permitted.
- Enter the total of Column C on Part I, Line 1
 Enter the total of Column E on Part I, Line 2; total cannot exceed \$25,000 unless Liberty Zone Property is included.
 Enter the total of Column K on Part I, Line 3

Name ALLIED HEALTH CARE SERVICES, INC.	Social Security Number/FEIN 222-278-835/000
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Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP

PART II Calculation of New Jersey Depreciation

For tax years beginning on or after January 1, 2004, use this section to calculate the NJ basis for depreciation and the NJ depreciation allowable for assets placed in service on or after January 1, 2004 and for which Section 179 expense or federal 50% special depreciation allowance were deducted.

A	B	C	D	E	F	G	H	I	J	K
Description of Property	Date placed in Service	Current Year Federal Depreciation/179 Deducted	Federal Basis For Depreciation	NJ Section 179 Deduction	NJ Basis	Prior Year New Jersey Depreciation	NJ Current Year Basis	Federal Method of Depreciation	Life or Rate	New Jersey Depreciation Allowable
MEDICAL EQUIPMENT	05/03/08	1800000	3000000	0	3000000	0	3000000	200DB	5.0	600000
MEDICAL EQUIPMENT	06/11/08	60000	100000	0	100000	0	100000	200DB	5.0	20000
MEDICAL EQUIPMENT	06/24/08	60000	100000	0	100000	0	100000	200DB	5.0	20000
MEDICAL EQUIPMENT	06/24/08	240000	400000	0	400000	0	400000	200DB	5.0	80000
MEDICAL EQUIPMENT	06/30/08	450000	750000	0	750000	0	750000	200DB	5.0	150000
TOTALS										

- Instructions: For Liberty Zone Property Refer to General Instructions
- Column A Classify consistent with Internal Revenue Code
 - Column B Clearly segregate property placed in service during each year
 - Column C Enter the total special depreciation allowance, 179 expense and depreciation deducted for federal purposes for this year.
 - Column D Enter federal basis for depreciation prior to special depreciation allowance, 179 expense or depreciation deduction.
 - Column E For the year placed in service enter the NJ allowable section 179 deduction, limited to a maximum of \$25,000 for all assets unless Liberty Zone Property is included.
 - Column F Column D less Column E
 - Column G Enter amounts from prior years' worksheets
 - Column H For the year placed in service, enter the amount from Column F. For subsequent years, subtract Column G from Column D.
 - Column I Use the same method that was used for federal purposes.
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Name ALLIED HEALTH CARE SERVICES, INC.	Social Security Number/FEIN 222-278-835/000
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Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP

PART II Calculation of New Jersey Depreciation

For tax years beginning on or after January 1, 2004, use this section to calculate the NJ basis for depreciation and the NJ depreciation allowable for assets placed in service on or after January 1, 2004 and for which Section 179 expense or federal 50% special depreciation allowance were deducted.

A	B	C	D	E	F	G	H	I	J	K
Description of Property	Date placed in Service	Current Year Federal Depreciation/179 Deducted	Federal Basis For Depreciation	NJ Section 179 Deduction	NJ Basis	Prior Year New Jersey Depreciation	NJ Current Year Basis	Federal Method of Depreciation	Life or Rate	New Jersey Depreciation Allowable
MEDICAL EQUIPMENT	07/03/08	150000	250000	0	250000	0	250000	200DB	5.0	50000
MEDICAL EQUIPMENT	07/07/08	1800000	3000000	0	3000000	0	3000000	200DB	5.0	600000
MEDICAL EQUIPMENT	07/07/08	4200	7000	0	7000	0	7000	200DB	5.0	1400
MEDICAL EQUIPMENT	07/08/08	3600	6000	0	6000	0	6000	200DB	5.0	1200
MEDICAL EQUIPMENT	07/08/08	300000	500000	0	500000	0	500000	200DB	5.0	100000
TOTALS										

- Instructions: For Liberty Zone Property Refer to General Instructions
- Column A Classify consistent with Internal Revenue Code
 - Column B Clearly segregate property placed in service during each year
 - Column C Enter the total special depreciation allowance, 179 expense and depreciation deducted for federal purposes for this year.
 - Column D Enter federal basis for depreciation prior to special depreciation allowance, 179 expense or depreciation deduction.
 - Column E For the year placed in service enter the NJ allowable section 179 deduction, limited to a maximum of \$25,000 for all assets unless Liberty Zone Property is included.
 - Column F Column D less Column E
 - Column G Enter amounts from prior years' worksheets
 - Column H For the year placed in service, enter the amount from Column F. For subsequent years, subtract Column G from Column D.
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Name ALLIED HEALTH CARE SERVICES, INC.							Social Security Number/FEIN 222-278-835/000			
Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP										
PART II Calculation of New Jersey Depreciation										
For tax years beginning on or after January 1, 2004, use this section to calculate the NJ basis for depreciation and the NJ depreciation allowable for assets placed in service on or after January 1, 2004 and for which Section 179 expense or federal 50% special depreciation allowance were deducted.										
A	B	C	D	E	F	G	H	I	J	K
Description of Property	Date placed in Service	Current Year Federal Depreciation/179 Deducted	Federal Basis For Depreciation	NJ Section 179 Deduction	NJ Basis	Prior Year New Jersey Depreciation	NJ Current Year Basis	Federal Method of Depreciation	Life or Rate	New Jersey Depreciation Allowable
MEDICAL EQUIPMENT	07/20/08	37800	63000	0	63000	0	63000	200DB	5.0	12600
MEDICAL EQUIPMENT	08/06/08	300000	500000	0	500000	0	500000	200DB	5.0	100000
MEDICAL EQUIPMENT	09/30/08	450000	750000	0	750000	0	750000	200DB	5.0	150000
MEDICAL EQUIPMENT	12/08/08	3138	5230	0	5230	0	5230	200DB	5.0	1046
MEDICAL EQUIPMENT	12/08/08	180000	300000	0	300000	0	300000	200DB	5.0	60000
TOTALS										

Instructions: For Liberty Zone Property Refer to General Instructions

Column A Classify consistent with Internal Revenue Code

Column B Clearly segregate property placed in service during each year

Column C Enter the total special depreciation allowance, 179 expense and depreciation deducted for federal purposes for this year.

Column D Enter federal basis for depreciation prior to special depreciation allowance, 179 expense or depreciation deduction.

Column E For the year placed in service enter the NJ allowable section 179 deduction, limited to a maximum of \$25,000 for all assets unless Liberty Zone Property is included.

Column F Column D less Column E

Column G Enter amounts from prior years' worksheets

Column H For the year placed in service, enter the amount from Column F. For subsequent years, subtract Column G from Column D.

Column I Use the same method that was used for federal purposes.

Column J Use the same life that was used for federal purposes.

Column K Calculate the NJ depreciation. The 30% special depreciation allowance is allowed only if it was taken for federal tax purposes. The 50% special depreciation allowance is not permitted.

Enter the total of Column C on Part I, Line 1

Enter the total of Column E on Part I, Line 2; total cannot exceed \$25,000 unless Liberty Zone Property is included.

Enter the total of Column K on Part I, Line 3

Name ALLIED HEALTH CARE SERVICES, INC.	Social Security Number/FEIN 222-278-835/000
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Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP

PART II Calculation of New Jersey Depreciation

For tax years beginning on or after January 1, 2004, use this section to calculate the NJ basis for depreciation and the NJ depreciation allowable for assets placed in service on or after January 1, 2004 and for which Section 179 expense or federal 50% special depreciation allowance were deducted.

A	B	C	D	E	F	G	H	I	J	K
Description of Property	Date placed in Service	Current Year Federal Depreciation/179 Deducted	Federal Basis For Depreciation	NJ Section 179 Deduction	NJ Basis	Prior Year New Jersey Depreciation	NJ Current Year Basis	Federal Method of Depreciation	Life or Rate	New Jersey Depreciation Allowable
MEDICAL EQUIPMENT	12/01/08	450000	750000	0	750000	0	750000	200DB	5.0	150000
MEDICAL EQUIPMENT	09/01/08	1200000	2000000	0	2000000	0	2000000	200DB	5.0	400000
MEDICAL EQUIPMENT	10/31/08	1200000	2000000	0	2000000	0	2000000	200DB	5.0	400000
MEDICAL EQUIPMENT	10/18/08	1200000	2000000	0	2000000	0	2000000	200DB	5.0	400000
TOTALS										

- Instructions: For Liberty Zone Property Refer to General Instructions
- Column A Classify consistent with Internal Revenue Code
 - Column B Clearly segregate property placed in service during each year
 - Column C Enter the total special depreciation allowance, 179 expense and depreciation deducted for federal purposes for this year.
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 - Column E For the year placed in service enter the NJ allowable section 179 deduction, limited to a maximum of \$25,000 for all assets unless Liberty Zone Property is included.
 - Column F Column D less Column E
 - Column G Enter amounts from prior years' worksheets
 - Column H For the year placed in service, enter the amount from Column F. For subsequent years, subtract Column G from Column D.
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 - Column K Calculate the NJ depreciation. The 30% special depreciation allowance is allowed only if it was taken for federal tax purposes. The 50% special depreciation allowance is not permitted.
- Enter the total of Column C on Part I, Line 1
 Enter the total of Column E on Part I, Line 2; total cannot exceed \$25,000 unless Liberty Zone Property is included.
 Enter the total of Column K on Part I, Line 3

PENALTY AND INTEREST SUMMARY

STATEMENT 1

LATE PAYMENT PENALTY	
LATE FILING PENALTY	
LATE PAYMENT INTEREST	
UNDERPAYMENT PENALTY	7
	<hr/>
TOTAL PENALTIES AND INTEREST INCLUDED IN RETURN	7
	<hr/> <hr/>

SCHEDULE A	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION			AMOUNT
AUTOMOBILE EXPENSE			212,113.
OFFICE EXPENSE			505,121.
INSURANCE			211,816.
PROFESSIONAL FEES			299,461.
OCCUPANCY EXPENSE			302,434.
OFFICERS LIFE INS. PREMIUMS			
TOTAL TO SCHEDULE A, LINE 19			1,530,945.

NJ CBT-100S	CONTRIBUTION LIMITATION	STATEMENT	3
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CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS:

FOR TAX YEAR 2003
 FOR TAX YEAR 2004
 FOR TAX YEAR 2005
 FOR TAX YEAR 2006
 FOR TAX YEAR 2007

TOTAL CARRYOVER	
CURRENT YEAR CONTRIBUTIONS - FORM 1120S, SCHEDULE K, LINE 7	47,520
TOTAL CONTRIBUTIONS	47,520
10% OF TAXABLE INCOME AS ADJUSTED	0
EXCESS CONTRIBUTIONS	47,520
ALLOWABLE CONTRIBUTIONS CARRIED TO SCHEDULE A, LINE 30	0

SCHEDULE A-2		COST OF GOODS SOLD - OTHER COSTS		STATEMENT	4
DESCRIPTION				AMOUNT	
REPAIRS & MAINTENANCE				86,101.	
EQUIPMENTS PARTS & SUPPLIES				545,468.	
DEPRECIATION EXPENSE				15,287,028.	
TOTAL TO SCHEDULE A-2, LINE 5				15,918,597.	

SCHEDULE B		OTHER INTANGIBLE PERSONAL PROPERTY		STATEMENT	5
DESCRIPTION				BEGINNING OF YEAR AMOUNT	END OF YEAR AMOUNT
SECURITY DEPOSIT				512,967.	330,400.
TOTAL TO SCHEDULE B, LINE 12				512,967.	330,400.

SCHEDULE B		MORTGAGES, NOTES, BONDS PAYABLE IN LESS THAN 1 YEAR		STATEMENT	6
DESCRIPTION				BEGINNING OF YEAR AMOUNT	END OF YEAR AMOUNT
MORTGAGE PAYABLE - CURRENT PORTION				1,335,143.	4,359,518.
TOTAL TO SCHEDULE B, LINE 22				1,335,143.	4,359,518.

SCHEDULE B		OTHER CURRENT LIABILITIES		STATEMENT	7
DESCRIPTION				BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED EXPENSES & TAXES				47,475.	75,374.
TOTAL TO SCHEDULE B, LINE 23				47,475.	75,374.

SCHEDULE B MORTGAGES, NOTES, BONDS PAYABLE STATEMENT 8
IN 1 YEAR OR MORE

DESCRIPTION	BEGINNING OF YEAR AMOUNT	END OF YEAR AMOUNT
LONG-TERM MORTGAGES	5,363,369.	17,335,930.
TOTAL TO SCHEDULE B, LINE 25	5,363,369.	17,335,930.

SCHEDULE C INCOME SUBJECT TO TAX NOT STATEMENT 9
RECORDED ON BOOKS

DESCRIPTION	AMOUNT
FEDERAL TAX REFUND (C CORPORATION)	474.
TOTAL TO SCHEDULE C, LINE 4	474.

SCHEDULE C EXPENSES RECORDED ON BOOKS NOT DEDUCTED STATEMENT 10
ON THIS RETURN

DESCRIPTION	AMOUNT
OFFICERS LIFE INS. PREMIUMS	
CORPORATE OWNED LIFE INSURANCE PREMIUMS	35,911.
TOTAL TO SCHEDULE C, LINE 5(C)	35,911.

SCHEDULE F CORPORATE OFFICERS - INFORMATION AND COMPENSATION STATEMENT 11

NAME, ADDRESS, TITLE, SSN	DATES EMPLOYED FROM TO	% STOCK	AMOUNT OF COMPENSATION
CHARLES K. SCHWARTZ 37 TIMBERLINE DRIVE SPARTA NJ 07871 PRESIDENT 158-48-3334		100.00*	690,000.
TOTAL TO SCHEDULE F			690,000.

SCHEDULE J OTHER TANGIBLE PERSONALTY STATEMENT 12

DESCRIPTION	NEW JERSEY AMOUNT	EVERYWHERE AMOUNT
FURNITURE AND FIXTURES	24,764.	24,764.
OTHER DEPRECIABLE ASSETS	91,215.	91,215.
TOTAL TO SCHEDULE J, PART II, LINE 5	115,979.	115,979.

SCHEDULE K OTHER REDUCTIONS STATEMENT 13

DESCRIPTION	AMOUNT
NJ & OTHER STATE TAXES DEDUCTED ON FEDERAL RETURN	43,409.
TOTAL OTHER REDUCTIONS TO SCHEDULE K, PART IV-A, LINE 4	43,409.

SCHEDULE S		STATE DEPRECIATION - SCHEDULE S PART IIB			STATEMENT 14	
DESCRIPTION DATE IN SVC	METHOD	LIFE	BASIS	ACCUM DEPR	NJ CUR DEPR	
AUTO 08/20/08	200DB	5.00	44,994.	0.	2,960.	
AUTO 07/08/08	200DB	5.00	25,588.	0.	2,960.	
AUTO 07/08/08	200DB	5.00	25,309.	0.	2,960.	
MEDICAL EQUIPMENT 06/30/02	200DB	5.00	20,610.	20,610.	0.	
MEDICAL EQUIPMENT 09/30/02	200DB	5.00	135,697.	135,697.	0.	
MEDICAL EQUIPMENT 12/31/02	200DB	5.00	77,147.	77,147.	0.	
MEDICAL EQUIPMENT 03/31/03	200DB	5.00	132,658.	130,843.	1,815.	
MEDICAL EQUIPMENT 06/30/03	200DB	5.00	159,752.	145,949.	13,803.	
MEDICAL EQUIPMENT 09/30/03	200DB	5.00	464,361.	424,240.	40,121.	
MEDICAL EQUIPMENT 12/31/03	200DB	5.00	231,927.	211,889.	20,038.	
MEDICAL EQUIPMENT 03/15/04	200DB	5.00	229,984.	210,114.	19,870.	
MEDICAL EQUIPMENT 09/30/04	200DB	5.00	63,827.	50,960.	7,353.	
MEDICAL EQUIPMENT 09/30/04	200DB	5.00	12,943.	10,334.	1,491.	
MEDICAL EQUIPMENT 12/31/04	200DB	5.00	100,000.	79,840.	11,520.	
MEDICAL EQUIPMENT 03/01/05	200DB	5.00	72,174.	57,624.	8,314.	
MEDICAL EQUIPMENT 03/03/05	200DB	5.00	72,856.	58,168.	8,393.	
MEDICAL EQUIPMENT 01/02/08	200DB	5.00	3,000,000.	0.	600,000.	
MEDICAL EQUIPMENT 03/04/08	200DB	5.00	5,000.	0.	1,000.	
MEDICAL EQUIPMENT 03/15/08	200DB	5.00	18,900.	0.	3,780.	
MEDICAL EQUIPMENT 03/15/08	200DB	5.00	10,000.	0.	2,000.	
MEDICAL EQUIPMENT 03/31/08	200DB	5.00	750,000.	0.	150,000.	
MEDICAL EQUIPMENT 04/10/08	200DB	5.00	500,000.	0.	100,000.	
MEDICAL EQUIPMENT 05/03/08	200DB	5.00	3,000,000.	0.	600,000.	

MEDICAL EQUIPMENT					
06/11/08	200DB	5.00	100,000.	0.	20,000.
MEDICAL EQUIPMENT					
06/24/08	200DB	5.00	100,000.	0.	20,000.
MEDICAL EQUIPMENT					
06/24/08	200DB	5.00	400,000.	0.	80,000.
MEDICAL EQUIPMENT					
06/30/08	200DB	5.00	750,000.	0.	150,000.
MEDICAL EQUIPMENT					
07/03/08	200DB	5.00	250,000.	0.	50,000.
MEDICAL EQUIPMENT					
07/07/08	200DB	5.00	3,000,000.	0.	600,000.
MEDICAL EQUIPMENT					
07/07/08	200DB	5.00	7,000.	0.	1,400.
MEDICAL EQUIPMENT					
07/08/08	200DB	5.00	6,000.	0.	1,200.
MEDICAL EQUIPMENT					
07/08/08	200DB	5.00	500,000.	0.	100,000.
MEDICAL EQUIPMENT					
07/20/08	200DB	5.00	63,000.	0.	12,600.
MEDICAL EQUIPMENT					
08/06/08	200DB	5.00	500,000.	0.	100,000.
MEDICAL EQUIPMENT					
09/30/08	200DB	5.00	750,000.	0.	150,000.
MEDICAL EQUIPMENT					
12/08/08	200DB	5.00	5,230.	0.	1,046.
MEDICAL EQUIPMENT					
12/08/08	200DB	5.00	300,000.	0.	60,000.
MEDICAL EQUIPMENT					
12/01/08	200DB	5.00	750,000.	0.	150,000.
MEDICAL EQUIPMENT					
09/01/08	200DB	5.00	2,000,000.	0.	400,000.
MEDICAL EQUIPMENT					
10/31/08	200DB	5.00	2,000,000.	0.	400,000.
MEDICAL EQUIPMENT					
10/18/08	200DB	5.00	2,000,000.	0.	400,000.
TOTAL TO SCHEDULE S, PART IIB			<u>22,634,957.</u>	<u>1,613,415.</u>	<u>4,294,624.</u>

FORM CBT-160 COMPUTATION OF UNDERPAYMENT PENALTY STATEMENT 15

Q T R	EVENT AMOUNT	TYPE	REMAINING UNDERPAYMENT	PERIOD OF UNDERPAYMENT		MONS	INTEREST RATE	AMOUNT OF PENALTY
A	468.	Q	468.	04/15/2008	06/11/2008	2	9.00%	7.
	-468.	O	0.	06/11/2008		0	9.00%	0.
B	-2,080.	P	-2,080.	06/11/2008		0	.00%	0.
	468.	Q	-1,612.	06/16/2008		0	.00%	0.
C	-468.	O	-468.	06/11/2008		0	.00%	0.
	468.	Q	0.	09/15/2008		0	9.00%	0.
D	-468.	O	-468.	06/11/2008		0	.00%	0.
	468.	Q	0.	12/15/2008		0	9.00%	0.
TOTAL TO FORM CBT-160, LINE 18								7.

EVENT TYPE: Q = AMOUNT UNDERPAID AT START OF QUARTER
 P = PAYMENT OR PAYMENT NOT FULLY USED IN OTHER QUARTER(S)
 R = INTEREST RATE CHANGE
 L = SWITCH TO OR FROM A LEAP YEAR

Depreciation and Amortization
 (Including Information on Listed Property) **COGS**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return ALLIED HEALTH CARE SERVICES, INC.	Business or activity to which this form relates COST OF GOODS SOLD DEPRECIATION	Identifying number 22-2278835
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Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	25,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	200,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	17	2,897,342.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		20,765,130.	5 YRS.	HY	200DB	4,153,026.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life						
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	7,050,368.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with columns (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with columns for percentage and other details

27 Property used 50% or less in a qualified business use: Table with columns for percentage and other details

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns (a) through (f) Vehicle and rows 30-36 regarding miles driven and personal use availability

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table for Section C with rows 37-41 regarding policy statements and requirements for vehicle use

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table for Part VI with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year

42 Amortization of costs that begins during your 2008 tax year: Table with columns for percentage and other details

43 Amortization of costs that began before your 2008 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return ALLIED HEALTH CARE SERVICES, INC.	Business or activity to which this form relates OTHER DEPRECIATION	Identifying number 22-2278835
---	--	---

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	25,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	200,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	157.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	17	3,870.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	18	<input type="checkbox"/>

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	13,780.
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	17,807.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? **Yes** **No** **24b** If "Yes," is the evidence written? **Yes** **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

SEE STATEMENT	16	%					13,780.	
---------------	----	---	--	--	--	--	---------	--

27 Property used 50% or less in a qualified business use:

		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28** 13,780.

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year ...												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year:					
43 Amortization of costs that began before your 2008 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

SHAREHOLDER'S SHARE OF INCOME / LOSS

For calendar year 2008 or tax year beginning 01/01/08, and ending 12/31/08

Shareholder's identifying number 158-48-3334	Federal employer identification number 222-278-835/000
Shareholder's name, address, and ZIP code CHARLES K. SCHWARTZ 37 TIMBERLINE DRIVE SPARTA, NJ 07871	Corporation's name, address, and ZIP code ALLIED HEALTH CARE SERVICES, INC. 89 MAIN STREET ORANGE, NJ 07050

See Instruction 43

PART I

- Shareholder's percentage of stock ownership for tax year 100.000000 %
- Shareholder resident nonresident
- Shareholder consenting nonconsenting
- Check applicable box: Final NJ-K-1 Amended NJ-K-1
- Date the shareholder's stock was fully disposed

PART II

1. S Income/Loss allocated to NJ	7,204,238.
2. S Income/Loss not allocated to NJ	330,909.
3. Pro rata share of S Corporation Income/Loss (line 1 plus line 2)	7,535,147.
4. Gain/Loss on disposition of assets allocated to NJ	0.
5. Gain/Loss on disposition of assets not allocated to NJ	0.
6. Total Gain/Loss from disposition of assets (line 4 plus line 5)	0.
7. Total payments made on behalf of shareholder	0.
8. Distributions	4,726,484.

Shareholder: Follow the reporting instructions contained in your NJ Income Tax return packet and in Tax Topic Bulletin GIT-9S, Income From S Corporations.

This schedule must be included with your NJ Income Tax return.

PART III SHAREHOLDER'S NJ ACCUMULATED ADJUSTMENTS ACCOUNT

	New Jersey AAA	Non New Jersey AAA
1. Beginning balance	5,460,425.	0.
2. Income/Loss	7,535,147.	
3. Other Income/Loss		
4. Other reductions SEE STATEMENT	43,409.	
5. Total lines 1-4	12,952,163.	
6. Distributions	4,726,484.	
7. Ending Balance (line 5 minus line 6)	8,225,679.	0.

PART IV SHAREHOLDER'S NJ EARNINGS AND PROFITS ACCOUNT

1. Beginning balance	0.
2. Additions/Adjustments	
3. Dividends received	
4. Ending balance (line 1 plus line 2 minus line 3)	0.

PART V

- Interest paid to shareholder (per 1099-INT)
- Indebtedness:
 - From corporation to shareholder
 - From shareholder to corporation
- Shareholder's HEZ deduction

THIS FORM MAY BE REPRODUCED

SCHEDULE NJ-K-1

OTHER REDUCTIONS

DESCRIPTION	AMOUNT
NJ & OTHER STATE TAXES DEDUCTED ON FEDERAL RETURN	43,409.
TOTAL SHAREHOLDER'S SHARE OF OTHER REDUCTIONS	43,409.

New Jersey Shareholder Basis Worksheet

2008

Shareholder Name: CHARLES K. SCHWARTZ	S Corporation Name: ALLIED HEALTH CARE SERVICES, INC.
Shareholder ID Number: 158-48-3334 Ownership Percentage: 100.000000	S Corporation ID Number: 222-278-835/000

Shareholder's NJ Accumulated Adjustments Account

	New Jersey AAA	Non New Jersey AAA
1. Beginning balance	5,460,425.	0.
2. Income/Loss	7,535,147.	
3. Other income/loss		
4. Other reductions	43,409.	
5. Total lines 1-4	12,952,163.	
6. Distributions	4,726,484.	
7. Ending balance	8,225,679.	0.

Shareholder's NJ Earnings and Profits Account (Worksheet D)

1. Beginning balance	0.
2. Additions/Adjustments	
3. Dividends received	
4. Ending balance	0.

Shareholder's Stock Basis

1 Additional stock basis at beginning of tax year (not less than zero)	
2 Other Increases:	
a	
b	
3 Property distributions (including cash) not to exceed basis	
4 Other Decreases:	
a	
b	
5 Total of lines 1 through 4	
6 Disallowed excess losses & deductions	
7 Net increases or decreases to basis (line 5 less line 6)	
8 Less: Net increases applied to debt basis (not to exceed line 7 and not less than zero)	
9 Additional stock basis at end of tax year (not less than zero)	

Shareholder's Basis in Debt

10 Debt basis at beginning of tax year (not less than zero)	
11 Loans made during current tax year	
12 Restoration of debt basis (from line 8)	
13 Subtotal (add lines 11 and 12)	
14 Less: Loan repayments	
15 Adjustments to basis:	
a	
b	
16 Subtotal (lines 13, 14 and 15)	
17 Applied against excess loss and deductions (not to exceed line 16) (Not less than zero)	
18 Debt basis at end of tax year (not less than zero)	

2008 TAX RETURN FILING INSTRUCTIONS

NEW YORK FORM CT-3

FOR THE YEAR ENDING
DECEMBER 31, 2008

Prepared for	ALLIED HEALTH CARE SERVICES, INC. 89 MAIN STREET ORANGE, NJ 07050
Prepared by	FRIEDMAN LLP 100 EAGLE ROCK AVENUE SUITE 200 EAST HANOVER, NJ 07936
To be signed and dated by	THE APPROPRIATE CORPORATE OFFICER(S).
Amount of tax	Total tax \$ 40,079.00 Less: payments and credits \$ 64,800.00 Plus: other amount \$ 0.00 Plus: interest and penalties \$ 71.00 OVERPAYMENT \$ 24,650.00
Overpayment	Credited to your estimated tax \$ 13,590.00 Other amount \$ 6,298.00 CREDIT TO MTA SURCHARGE Refunded to you \$ 4,762.00
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	NYS CORPORATION TAX PROCESSING UNIT P.O. BOX 22095 ALBANY, NY 12201-2095
Return must be mailed on or before	SEPTEMBER 15, 2009
Special Instructions	THE MTA SURCHARGE RETURN SHOULD BE FILED WITH (BUT NOT ATTACHED TO) THE NEW YORK FRANCHISE TAX RETURN.

2008 TAX RETURN FILING INSTRUCTIONS

NEW YORK FORM CT-3M/4M

FOR THE YEAR ENDING
DECEMBER 31, 2008

Prepared for	ALLIED HEALTH CARE SERVICES, INC. 89 MAIN STREET ORANGE, NJ 07050
Prepared by	FRIEDMAN LLP 100 EAGLE ROCK AVENUE SUITE 200 EAST HANOVER, NJ 07936
To be signed and dated by	THE APPROPRIATE CORPORATE OFFICER(S).
Amount of tax	Total tax \$ 7,227.00 Less: payments and credits \$ 7,342.00 Plus: other amount \$ 0.00 Plus: interest and penalties \$ 115.00 NO PMT REQUIRED \$
Overpayment	Credited to your estimated tax \$ 0.00 Other amount \$ 0.00 Refunded to you \$ 0.00
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	NYS CORPORATION TAX PROCESSING UNIT P.O. BOX 22095 ALBANY, NY 12201-2095
Return must be mailed on or before	PLEASE MAIL AS SOON AS POSSIBLE.
Special Instructions	THE MTA SURCHARGE RETURN SHOULD BE FILED WITH (BUT NOT ATTACHED TO) THE NEW YORK FRANCHISE TAX RETURN.

2008

CT-3

New York State Department of Taxation and Finance
General Business Corporation
Franchise Tax Return
Tax Law - Article 9-A

Staple forms here

All filers must enter tax period:

Final return (see page 5 of the instructions)

Amended return

beginning 01-01-08 ending 12-31-08

Employer identification number File number Business telephone number

22-2278835 AA3

If you have any subsidiaries incorporated outside NYS, mark an X in the box

If you claim an overpayment, mark an X in the box

Legal name of corporation ALLIED HEALTH CARE SERVICES, INC Trade name / DBA

Mailing name (if different from legal name above) c/o

State or country of incorporation Date received (for Tax Dept use only) NJ

Number and street or PO box 89 MAIN STREET

Date of incorporation Foreign corporations: date began business in NYS 09-21-79 04-01-01

City State ZIP code ORANGE NJ 07050

NAICS business code number (from federal return)

621610

If address above is new, mark an X in the box

If your name, employer identification number, address, or owner/officer information has changed, you must file Form DTF-95. If only your address has changed, you may file Form DTF-96. You can get these forms from our Web site, by fax or by phone. See Need help? in the instructions.

Audit (for Tax Department use only)

Principal business activity HEALTH CARE

See Form CT-3/4-1, Instructions for Forms CT-4, CT-3, and CT-3-ATT, before completing this return.

Metropolitan transportation business tax (MTA surcharge)

During the tax year did you do business, employ capital, own or lease property, or maintain an office in the Metropolitan Commuter Transportation District (MCTD)? If Yes, you must file Form CT-3M/4M. The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. (mark an X in the appropriate box)

Yes X No

Payment enclosed

A. Pay amount shown on line 93. Make check payable to: New York State Corporation Tax

Attach your payment here. Detach all check stubs. (See instructions for details.) A. 0.

B. Federal return filed (you must mark an X in one): Attach a complete copy of your federal return.

Form 1120 Form 1120-H Form 1120-REIT or Form 1120-RIC

Consolidated basis Form 1120S Other:

C. If you included a qualified subchapter S subsidiary (QSSS) in this return, mark an X in the box and attach Form CT-60-QSSS

D. Have you underreported your tax due on past returns? To correct this without penalty, visit us at www.nystax.gov.

E. Did the entity have an interest in real property located in New York State during the last 3 years? (mark an X in the appropriate box) Yes No X

F. Has there been a transfer or acquisition of controlling interest in the entity during the last 3 years? (mark an X in the appropriate box) Yes No X

Computation of entire net income (ENI) base (see instructions)

1	Federal taxable income (FTI) before net operating loss (NOL) and special deductions	• 1.	-758,928.
2	Interest on federal, state, municipal, and other obligations not included on ln 1 (see instructions)	• 2.	
3	Interest paid to a corporate stockholder owning more than 50% of issued and outstanding stock	• 3.	
4a	Interest deductions directly attributable to subsidiary capital	• 4a.	0.
4b	Noninterest deductions directly attributable to subsidiary capital	• 4b.	0.
5a	Interest deductions indirectly attributable to subsidiary capital	• 5a.	0.
5b	Noninterest deductions indirectly attributable to subsidiary capital	• 5b.	0.
6	New York State and other state and local taxes deducted on your fed return (see instructions)	• 6.	43,409.
7	Federal depreciation from Form CT-399, if applicable (see instructions)	• 7.	12,549,056.
8	Other additions (see instructions)		
	• IRC Section 199 deduction:	• 8.	
9	Add lines 1 through 8	• 9.	11,833,537.
10	Income from subsidiary capital (from Form CT-3-ATT, line 26)	• 10.	
11	Fifty percent of dividends from nonsubsidiary corporations (see instr.)	• 11.	
12	Foreign dividends gross up not included on lines 10 and 11	• 12.	
13	New York net operating loss deduction (NOLD) (attach federal and New York State computations)	• 13.	
14	Allowable New York depreciation from Form CT-399, if applic (see instr.)	• 14.	4,276,102.
15	Other subtractions (attach list; see instructions)	• 15.	
16	Total subtractions (add lines 10 through 15)	• 16.	4,276,102.
17	ENI (subtract line 16 from line 9; show loss with a minus (-) sign; enter here and on line 42)	• 17.	7,557,435.
18	Investment income before allocation (from Form CT-3-ATT, ln 22, but not more than ln 17 above)	• 18.	0.
19	Business income before allocation (subtract line 18 from line 17)	• 19.	7,557,435.
20	Allocated investment income (multiply ln 18 by 100.0000 % from Form CT-3-ATT, ln 5)	• 20.	0.
21	Allocated business income (multiply line 19 by 5.0000 % from ln 119, 121, or 141)	• 21.	377,872.
22	Total allocated income (add lines 20 and 21)	• 22.	377,872.
23	Optional depreciation adjustments (attach Form CT-324; enter here and on line 69)	• 23.	
24	ENI base (line 22 plus or minus line 23)	• 24.	377,872.
25	ENI base tax (multiply line 24 by the appropriate rate from the Tax rates schedule on page 6 of Form CT-3/4-I; enter here and on ln 72)	• 25.	26,829.

Computation of capital base (enter whole dollars for lines 26 through 31; see instructions)

		A. Beginning of year	B. End of year	C. Average value
26	Total assets from fed return	• 26. 18,881,508.	• 39,540,107.	• 29,210,808.
27	Real property and marketable securities included on line 26			
28	Subtract line 27 from line 26	• 28. 18,881,508.	• 39,540,107.	• 29,210,808.
29	Real property and marketable securities at fair market value			
30	Adjusted total assets (add lines 28 and 29)	• 30. 18,881,508.	• 39,540,107.	• 29,210,808.
31	Total liabilities	• 31. 7,371,286.	• 22,522,240.	• 14,946,763.
32	Total capital (subtract line 31, column C, from line 30, column C)			• 32. 14,264,045.
33	Subsidiary capital (from Form CT-3-ATT, line 28; if none, enter 0)			• 33.
34	Business and investment capital (subtract line 33 from line 32)			• 34. 14,264,045.
35	Investment capital (from Form CT-3-ATT, line 7, column E; if none, enter 0)			• 35.
36	Business capital (subtract line 35 from line 34)			• 36. 14,264,045.
37	Allocated investment capital (multiply line 35 by 100.0000 % from Form CT-3-ATT, line 5)	• 37.		
38	Allocated business capital (multiply line 36 by 5.0000 % from line 119, 121, or 141)	• 38.		713,202.
39	Capital base (add lines 37 and 38)	• 39.		713,202.
40	Capital base tax (see instructions)	• 40.		1,070.
41	Issuer's allocation percentage (see instructions)	• 41. 5.0000 %		



ALLIED HEALTH CARE SERVICES, INC.
Computation of minimum taxable income (MTI) base

22-2278835

42 ENI from line 17	42.	7,557,435.
Adjustments (see instructions)		
43 Depreciation of tangible property placed in service after 1986 (see instructions)	• 43.	432,150.
44 Amortization of mining exploration and development costs paid or incurred after 1986	• 44.	
45 Amortization of circulation expenditures paid or incurred after 1986 (personal holding companies only) ...	• 45.	
46 Basis adjustments in determining gain or loss from sale or exchange of property	• 46.	
47 Long term contracts entered into after February 28, 1986	• 47.	
48 Installment sales of certain property	• 48.	
49 Merchant marine capital construction funds	• 49.	
50 Passive activity loss (closely held and personal service corporations only)	• 50.	
51 Add lines 42 through 50	51.	7,989,585.
Tax preference items (see instructions)		
52 Depletion	• 52.	
53 Appreciated property charitable deduction	• 53.	
54 Intangible drilling costs	• 54.	
55 Add lines 51 through 54	55.	7,989,585.
56 New York NOLD from line 13	• 56.	
57 Add lines 55 and 56	• 57.	7,989,585.
58 Alternative net operating loss deduction (ANOLD) (see instructions)	• 58.	
59 MTI (subtract line 58 from line 57)	• 59.	7,989,585.
60 Investment income before apportioned NOLD (add line 18 and Form CT-3-ATT, line 21)	60.	
61 Investment income not included in ENI but included in MTI	• 61.	
62 Investment income before apportioned ANOLD (add lines 60 and 61)	• 62.	
63 Apportioned New York ANOLD (see instructions)	• 63.	
64 Alternative investment income before allocation (subtract line 63 from line 62)	64.	
65 Alternative business income before allocation (subtract line 64 from line 59)	• 65.	7,989,585.
66 Allocated alternative business inc (multiply line 65 by 5.0000 %from line 119, 121, or 161)	• 66.	399,479.
67 Allocated alternative investment inc (multiply ln 64 by 100.0000 %from Form CT-3-ATT, line 5)	• 67.	
68 Allocated MTI (add lines 66 and 67)	68.	399,479.
69 Optional depreciation adjustments from line 23	69.	
70 MTI base (line 68 plus or minus line 69)	• 70.	399,479.
71 Tax on MTI base (multiply line 70 by 1.5% (.015))	• 71.	5,992.



ALLIED HEALTH CARE SERVICES, INC.

22-2278835

Computation of tax

72	Tax on ENI base from line 25	• 72.	26,829.
73	Tax on capital base from line 40 (see instructions)		
	New small business: First year • Second year •	• 73.	1,070.

You must enter an amount on line 74a, below; if none, enter 0.

74a	New York receipts (see instructions)	• 74a.	1,570,357.
74b	Fixed dollar minimum tax (see instructions)	• 74b.	1,500.
75	Amount from line 71, 72, 73, or 74b, whichever is largest (see instructions for exception)	• 75.	26,829.
76	Subsidiary capital base from Form CT-3-ATT, line 31	• 76.	0.
77	Subsidiary capital base tax from Form CT-3-ATT, line 32	• 77.	0.
78	Tax due before credits (add lines 75 and 77)	• 78.	26,829.
79	Tax credits (from line 100a; attach appropriate form for each credit claimed)	• 79.	
80	Balance (subtract line 79 from line 78; if line 79 is more than line 78, enter 0)	• 80.	26,829.
81	Amount from line 71 or 74b, whichever is larger	• 81.	5,992.
82	Tax due (see instructions)	■ 82.	26,829.

First installment of estimated tax for next period:

83a	If you filed a request for extension, enter amount from Form CT-5, line 2	• 83a.	13,250.
83b	If you did not file Form CT-5 and line 82 is over \$1,000 (see instructions)	■ 83b.	
84	Add line 82 and line 83a or 83b	84.	40,079.
85	Total prepayments from line 106	• 85.	64,800.
86	Balance (subtract line 85 from line 84; if line 85 is more than line 84, enter 0)	86.	0.
87	Estimated tax penalty (see instructions): (mark an X in the box if Form CT-222 is att)	• X • 87.	71.
88	Interest on late payment (see instructions)	• 88.	
89	Late filing and late payment penalties (see instructions)	• 89.	
90	Balance (add lines 86 through 89)	90.	0.

Voluntary gifts/contributions (see instructions):

91a	Amount for Return a Gift to Wildlife	■ 91a.	
91b	Amount for Breast Cancer Research and Education Fund	■ 91b.	
91c	Amt for Prostate Cancer Research, Detection, and Education Fund	■ 91c.	
91d	Amount for National 9/11 Memorial	■ 91d.	
92	Total (add lines 84, 87, 88, 89, and 91a through 91d)	92.	40,150.
93	Balance due (If line 85 is less than line 92, subtract line 85 from line 92 and enter here. This is the amount due; enter the payment amount on line A on page 1)	■ 93.	0.
94	Overpayment (If line 85 is more than line 92, subtract line 92 from line 85. This is your overpayment; enter here and see instructions)	94.	24,650.
95	Amount of overpayment to be credited to next period	■ 95.	13,590.
96	Balance of overpayment (subtract line 95 from line 94)	• 96.	11,060.
97	Amount of overpayment to be credited to Form CT-3M/4M	• 97.	6,298.
98	Refund of overpayment (subtract line 97 from line 96)	■ 98.	4,762.
99a	Refund of unused tax credits (see instructions and attach appropriate forms)	■ 99a.	
99b	Tax credits to be credited as an overpayment to next year's return (see instructions and attach appropriate forms)	■ 99b.	



ALLIED HEALTH CARE SERVICES, INC.

22-2278835

Summary of credits claimed on line 79 against current year's franchise tax (see instructions for lines 79, 99a, 99b, 100a, and 100b)

Form CT-38, line 28	•	Form CT-246	•	Form CT-611	•
Form CT-40	•	Form CT-248	•	Form CT-612	•
Form CT-41	•	Form CT-249	•	Form CT-613	•
Form CT-43	•	Form CT-250	•	Form CT-631	•
Form CT-44	•	Form CT-259	•	Servicing mortgages credit	•
Form CT-46	•	Form CT-601	•	Form DTF-619	•
Form CT-47	•	Form CT-601.1	•	Form DTF-621	•
Form CT-238	•	Form CT-602	•	Form DTF-622	•
Form CT-239	•	Form CT-603	•	Form DTF-624	•
Form CT-241	•	Form CT-604	•	Form DTF-630	•
Form CT-242	•	Form CT-605	•	Other credits	•
Form CT-243	•	Form CT-606	•		

If you claimed the QEZE tax reduction credit and you had a 100% zone allocation factor, mark an **X** in the box

100a Total tax credits claimed above (enter here and on line 79; att. form or stmt. for each tax credit claimed) • **100a.**
100b Total tax credits above that are refund eligible (see instructions) • **100b.**

Composition of prepayments on line 85 (see instructions)

		Date paid	Amount
101 Mandatory first installment	101.		1,250.
102a Second installment from Form CT-400	102a.	06-11-08	18,150.
102b Third installment from Form CT-400	102b.		
102c Fourth installment from Form CT-400	102c.		
103 Payment with extension request from Form CT-5, line 5	103.	03-15-09	45,400.
104 Overpayment credited from prior years Period	104.		
105 Overpayment credited from Form CT-3M/4M Period	105.		
106 Total prepayments (add lines 101 through 105; enter here and on line 85)	106.		64,800.

107 If you are a member of an affiliated federal group, enter primary corporation name and EIN:

• Name • EIN

If you are more than 50% owned by another corporation, enter parent corporation name and EIN:

• Name • EIN

(continued)



Interest paid to shareholders

ALLIED HEALTH CARE SERVICES, INC.

22-2278835

108 Did this corporation make any payments treated as interest in the computation of ENI to shareholders owning directly or indirectly, individually or in the aggregate, more than 50% of the corporation's issued and outstanding capital stock? (mark an X in the appropriate box) If Yes, complete the following and line 109 (attach additional sheets if necessary) 108. Yes • No • X

Shareholder's name

SSN or EIN

Interest paid to shareholder

Total indebtedness to shareholder described above

Total interest paid

109 Is there written evidence of the indebtedness? (mark an X in the appropriate box) 109. Yes • No •

110 Interest deducted in computing FTI on line 1 of this form 110.

1,868,741.

111 If the Internal Revenue Service (IRS) has completed an audit of any of your returns within the last five years, list years 111.

Schedule A, Part 1 - Computation of business allocation percentage for aviation corporations

Table with columns for Revenue aircraft arrivals and departures, Revenue tons handled, and Originating revenue. It includes sub-rows for adjustments and final percentage calculations for New York State and Everywhere.

Schedule A, Part 2 - Computation of business allocation percentage for trucking and railroad corporations

ALLIED HEALTH CARE SERVICES, INC.

22-2278835

A
New York State

B
Everywhere

120 Revenue miles • **120.** •

121 New York State business allocation percentage (divide line 120, column A, by line 120, column B; use to compute lines 21, 38, and 66, and Form CT-38, line 6) • **121.** %

Schedule A, Part 3 - Computation of business allocation percentage

Did you make an election to use fair market value in your property factor? (mark an **X** in the appropriate box) Yes • No • **X**

If this is your first tax year, are you making the election to use fair market value in your property factor? (mark an **X** in the appropriate box) Yes • No •

Mark an **X** in the box if you are an air freight forwarder acting as principal or like indirect air carrier, or a qualified foreign air carrier (see instructions) •

If you are **not** an air freight forwarder acting as principal, or like indirect air carrier or a qualified foreign air carrier, complete **only** lines 129 through 136 and enter on line 141 the receipts factor computed on line 136. The receipts factor is the business allocation percentage.

	A	B
Average value of property (see instructions)	New York State	Everywhere
122 Real estate owned • 122. •		
123 Real estate rented • 123. •		
124 Inventories owned • 124. •		
125 Tangible personal property owned • 125. •		
126 Tangible personal property rented • 126. •		
127 Total (add lines 122 through 126) • 127. •		
128 New York State property factor (divide line 127, column A, by line 127, column B) • 128. %		

Receipts in the regular course of business from:

129 Sales of tangible personal property allocated to New York State • 129. •		
130 All sales of tangible personal property 130. •		
131 Services performed • 131. 1,570,357. •	31,407,132.	
132 Rentals of property • 132. •		
133 Royalties • 133. •		
134 Other business receipts • 134. •		
135 Total (add lines 129 through 134) • 135. 1,570,357. •	31,407,132.	
136 New York State receipts factor (divide line 135, column A, by line 135, column B) • 136. 5.0000 %		
137 New York State additional receipts factor (see instructions) • 137. %		

Payroll

138 Wages and other compensation of employees, except general executive officers • 138. •		
139 New York State payroll factor (divide line 138, column A, by line 138, column B) • 139. %		
140 Total New York State weighted factors (add lines 128, 136, 137, and 139) 140. %		
141 New York State business allocation percentage (see instructions) • 141. 5.0000 %		

Schedule A, Part 4 - Computation of alternative business allocation percentage for MTI base

If you are not an air freight forwarder acting as principal, or like indirect air carrier or a qualified foreign air carrier, complete only lines 149 through 156 and enter on line 161 the receipts factor computed on line 156. The receipts factor is the alternative business allocation percentage.

Table with columns: Average value of property (see instructions), A - New York State, B - Everywhere. Rows 142-148 including Real estate owned, Real estate rented, Inventories owned, Tangible personal property owned, Tangible personal property rented, Total, and New York State property factor.

Receipts in the regular course of business from:

Table with columns: Receipts in the regular course of business from, A - New York State, B - Everywhere. Rows 149-157 including Sales of tangible personal property, All sales of tangible personal property, Services performed, Rentals of property, Royalties, Other business receipts, Total, New York State receipts factor, and New York State additional receipts factor.

Table with columns: Payroll, A - New York State, B - Everywhere. Rows 158-165 including Wages and other compensation, New York State payroll factor, Total New York State factors, Alternative business allocation percentage, and tax status questions.

Corporations organized outside New York State: Complete the following for capital stock issued and outstanding.

Table with columns: Number of par shares, Value, Number of no-par shares, Value. Rows for par and no-par shares.

Table with columns: Third - party designee, Yes, No, Designee's name (print), Designee's phone number, Designee's e-mail address. Includes fields for PREPARER and phone number 973-929-3500.

Certification: I certify that this return and any attachments are to the best of my knowledge and belief true, correct, and complete.

Table with columns: Authorized person, Official Title, Date, Paid preparer use only, Firm's name (or yours if self-employed), ID number. Includes fields for PREPARER, PRESIDENT, FRIEDMAN LLP, and ID number 13-1610809.

Table with columns: Address, City, State, ZIP code, Date, E-mail address of individual preparing this return. Includes address 100 EAGLE ROCK AVENUE SUITE 200 EAST HANOVER NJ 07936 and email ACHAVKIN@FRIEDMANLLP.COM.

|Staple forms here|

New York State Department of Taxation and Finance
**Schedules B, C, and D -
 Attachment to Form CT-3
 General Business Corporation
 Franchise Tax Return**

Name
ALLIED HEALTH CARE SERVICES, INC.

Employer identification number (EIN)
22-2278835

Attach to Form CT-3, General Business Corporation Franchise Tax Return.

Schedule B, Part 1 - Computation of investment capital and investment allocation percentage

Attach separate sheets if necessary, displaying this information formatted as below.

Section 1 - Corporate and governmental debt instruments

Description of investment (identify each debt instrument and its date of maturity here; for each debt instrument complete columns C through G on the corresponding lines below)

Item	A - Debt instrument				B - Maturity date
A					
B					
	C	D	E	F	G
Item	Average value	Liabilities directly or indirectly attributable to investment capital	Net average value (column C - column D)	Issuer's allocation %	Value allocated to New York State (column E x column F)

A
 B
 Amounts from attached list

Totals of Section 1

1.

Section 2 - Corporate stock, stock rights, stock warrants, and stock options

Description of investment (identify each investment and enter number of shares here; for each investment complete columns C through G on the corresponding lines below)

Item	A - Investment				B - Number of shares
A					
B					
	C	D	E	F	G
Item	Average value	Liabilities directly or indirectly attributable to investment capital	Net average value (column C - column D)	Issuer's allocation %	Value allocated to New York State (column E x column F)

A
 B
 Amounts from attached list

Totals of Section 2

2.

Totals of Section 1 (from line 1)

3.

Totals (add lines 2 and 3 in columns C, D, E, and G)

• 4.	•	•	•	•	
5.	Investment allocation percentage without the addition of cash (divide line 4, column G by line 4, column E). Use to compute Form CT-3, lines 20, 37, and 67; and Form CT-38, line 7	•	5.	100.0000	%
	Cash (optional)				

• 6. Investment capital (add lines 4 and 6 in columns C, D, and E). Enter column E total on Form CT-3, line 35

• 7.

Schedule B, Part 2 - Computation of investment income before allocation (see instructions)

ALLIED HEALTH CARE SERVICES, INC.		22-2278835	
8	Interest income from investment capital in Part 1, Section 1	• 8.	
9	Interest income from bank accounts (if line 5 is zero, enter 0 here)	• 9.	
10	All other interest income from investment capital	• 10.	
11	Dividend income from investment capital	• 11.	
12	Net capital gain or loss from investment capital	• 12.	
13	Investment income other than interest, dividends, capital gains, or capital losses	• 13.	
14	Total investment income (add lines 8 through 13)	• 14.	
15	Interest deductions directly attributable to investment capital	• 15.	0.
16	Noninterest deductions directly attributable to investment capital	• 16.	0.
17	Interest deductions indirectly attributable to investment capital	• 17.	0.
18	Noninterest deductions indirectly attributable to investment capital	• 18.	0.
19	Total deductions (add lines 15 through 18)	19.	
20	Balance (subtract line 19 from line 14)	• 20.	
21	Apportioned New York net operating loss deduction (NOLD)	• 21.	
22	Investment inc before allocation (subtract line 21 from line 20; enter here and on Form CT-3, ln 18)	• 22.	

Schedule C, Part 1 - Income attributable to subsidiary capital

23	Interest from subsidiary capital (attach list)	• 23.
24	Dividends from subsidiary capital (attach list)	• 24.
25	Capital gains from subsidiary capital (see instructions; attach list)	• 25.
26	Total (add lines 23 through 25; enter here and on Form CT-3, line 10)	• 26.

Schedule C, Part 2 - Computation and allocation of subsidiary capital base and tax

Include all corporations, except a DISC, in which you own more than 50% of the voting stock. Attach separate sheets if necessary, displaying this information formatted as below.

A - Desc of subsidiary capital (list the name of ea corp and the EIN here; for ea corp complete columns B through G on the corresponding lines below)

Item	Name	EIN					
A	B	C	D	E	F	G	
Item	% of voting stock owned	Average value	Liabilities directly or indirectly attributable to subsidiary capital	Net average value (column C - column D)	Issuer's allocation %	Value allocated to New York State (column E x column F)	

A
B
C

Amounts from attached list

27 Totals (add amounts in columns C and D)

• 27.

28 Total net average value of subsidiary capital (add amounts in column E; enter here and on Form CT-3, line 33) • 28.

29 Subsidiary capital base before deduction (add amounts in column G) • 29.

30 Value of subsidiary capital included in column G of subsidiaries taxable under Tax Law Article 32; Article 33; or Article 9, section 186 • 30.

31 Subsidiary capital base (subtract line 30 from line 29; enter here and on Form CT-3, line 76) • 31.

32 Subsidiary capital base tax (subtract line 31 by .0009; enter here, on Form CT-3, line 77, and on Form CT-38, line 25) • 32.



ALLIED HEALTH CARE SERVICES, INC.

22-2278835

Qualified public utilities: use Schedule D, Part 1 to compute the adjustment for entire net income (ENI).
Transferees: use lines 40, 41, and 43 only to compute the adjustment for ENI.

Schedule D, Part 1 - Adjustments for qualified public utilities and transferees

Other additions

- 33 Federal depreciation deduction for transition property (see instructions) • 33.
34 Federal loss on the sale of transition property (see instructions) • 34.
35 New York gain on the sale of transition property (see instructions) • 35.
36 Add lines 33, 34, and 35 (enter here and include on Form CT-3, line 8) • 36.

Other subtractions

- 37 New York depreciation deduction for transition property (see instructions) • 37.
38 New York loss on the sale of transition property (see instructions) • 38.
39 Federal gain on the sale of transition property (see instructions) • 39.
40 Transition property basis adjustment carryover to gain transactions • 40.
41 Transition property basis adjustment carryover to loss transactions • 41.
42 New York regulatory asset deduction • 42.
43 Add lines 37 through 42 (enter here and include on Form CT-3, line 15) • 43.

Qualified power producers or qualified pipeline corporations: use Schedule D, Part 2 if you claim a depreciation deduction on transition property for federal income tax purposes.

Schedule D, Part 2 - Adjustments for qualified power producers and qualified pipeline corporations

Other additions

- 44 Federal depreciation deduction for transition property (see instructions; enter here and include on Form CT-3, line 8) • 44.

Other subtractions

- 45 New York depreciation deduction for transition property (see instructions; enter here and include on Form CT-3, line 15) • 45.



CT-222

2008

New York State Department of Taxation and Finance

Underpayment of Estimated Tax by a Corporation Tax Law Section 1085

All filers must enter tax period:

Tax return filed: CT-3

beginning 01-01-08 ending 12-31-08

Name ALLIED HEALTH CARE SERVICES, INC.	Employer identification number 22-2278835
--	---

Read the instructions, Form CT-222-I, before completing.

Part 1 - Annual payment

1 Enter your 2008 corporation franchise, excise, or gross receipts tax after credits or the metropolitan transportation business tax (MTA surcharge) (if both, use separate forms)	1.	26,829.
2 Multiply line 1 by 91% (.91) or, if a large corporation, 100% (1.0). Large corporations enter this amount on line 5 and skip lines 3 and 4	2.	24,414.
3 Enter your 2007 corporation franchise, excise or gross receipts tax after credits or the MTA surcharge	3.	19,376.
4 Enter the amount from line 103; if not using the line 9 exception, skip this line	4.	
5 Annual payment. Enter the lesser of lines 2, 3, or 4. Large corporations, enter the line 2 amount	5.	19,376.

Part 2 - Reasons for filing (see instructions)

Mark an X in the boxes below that apply. If any boxes are marked, you must file Form CT-222 even if you do not owe a penalty.

- 6 You are using the adjusted seasonal installment method. (see instructions; complete Schedule A)
- 7 You are using the annualized income installment method. (see instructions; complete Schedule A)
- 8 You are **not** a large corporation and figure your estimated tax based on the prior year's tax (the prior year cannot be a short year, and your return must show a tax liability)
- 9 You are **not** a large corporation and figure your estimated tax by applying to the tax base on which the current year's tax was paid the facts shown on your return for, and the law applicable to, the preceding tax year, but using the rates applicable to the current year (complete Schedule B)

Part 3 - Computing the underpayment - for lines 11 through 19, complete one column before going to the next column.

	A	B	C	D
10 Installment due dates (see instructions)	03-17-08	06-16-08	09-15-08	12-15-08
11 Required installments (see instructions)	4,844.	4,844.	4,844.	4,844.
12 Estimated tax timely paid or credited for each period (see instructions). For column A only, also enter the amount from this line on line 16	1,250.	18,150.		
13 Enter amount, if any, from line 19 of the preceding column			9,712.	4,868.
14 Add lines 12 and 13		18,150.	9,712.	4,868.
15 In column B, enter line 18, column A amount. In columns C and D, add amounts on lines 17 and 18 of the preceding column		3,594.		
16 In column A, enter the line 12 amount. For other columns, subtract line 15 from line 14. If zero or less, enter 0	1,250.	14,556.	9,712.	4,868.
17 If the amount on line 16 is zero, subtract line 14 from line 15. Otherwise, enter 0		0.	0.	
18 Underpayment - If line 16 is less than or equal to line 11, subtract line 16 from line 11. Otherwise, go to line 19 (see instructions)	3,594.			
19 Overpayment - If line 11 is less than line 16, subtract line 11 from line 16		9,712.	4,868.	

Part 4 - Computation of the underpayment penalty	A First	B Second	C Third	D Fourth
20 Enter the date of payment or the 15th day of the 3rd month after the end of the tax year, whichever is earlier (mm/dd/yy) ...				
21 Number of days from due date of installment to the date shown on line 20				
22 Number of days on line 21 after 3/15/08 and before 4/1/08				
23 Number of days on line 21 after 3/31/08 and before 7/1/08				
24 Number of days on line 21 after 6/30/08 and before 10/1/08				
25 Number of days on line 21 after 9/30/08 and before 1/1/09				
26 Number of days on line 21 after 12/31/08 and before 4/1/09				
27 Number of days on line 21 after 3/31/09 and before 7/1/09				
28 Number of days on line 21 after 6/30/09 and before 10/1/09				
29 Number of days on line 21 after 9/30/09 and before 1/1/10				
30 Number of days on line 21 after 12/31/09 and before 3/15/10				
31 Number of days on line 22 ÷ 366 x 9% x amount on line 18				
32 Number of days on line 23 ÷ 366 x 8% x amount on line 18				
33 Number of days on line 24 ÷ 366 x 7% x amount on line 18				
34 Number of days on line 25 ÷ 366 x 8% x amount on line 18				
35 Number of days on line 26 ÷ 365 x %* x amount on line 18				
36 Number of days on line 27 ÷ 365 x %* x amount on line 18				
37 Number of days on line 28 ÷ 365 x %* x amount on line 18				
38 Number of days on line 29 ÷ 365 x %* x amount on line 18				
39 Number of days on line 30 ÷ 365 x %* x amount on line 18				
40 Add lines 31 through 39 SEE STATEMENT 1	71.			
41 Underpayment penalty (see instructions)	71.			
42 Add line 41 columns A through D; enter here and on your franchise tax return or MTA surcharge return				71.
43 Multiply line 1 by 80% (.8)			43.	21,463.
44 Subtract line 11, column A from line 43			44.	16,619.
45 Divide line 44 by three			45.	5,540.

*For rates not shown, access our Web site or call the Corporation Tax Information Center (see *Need help?* in the instructions of your tax return).

Schedule A, Part I - Adjusted seasonal installment method (see instructions)

Note: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. Use lines 46 through 51 below to compute the base period percentage. When appropriate, in lieu of ENI, use the applicable base.

	A - 2005	B - 2006	C - 2007
46 Enter the period of 6 consecutive months for which the base percentage is to be computed: _____ through _____			
47 Enter the ENI for the same 6 consecutive month period in preceding periods			
48 Enter the total ENI for the entire year in preceding periods			
49 In each column, enter as a percentage the result of dividing that column's line 47 by that column's line 48	%	%	%
50 Add the percentages in line 49, columns A, B, and C, and enter the result here: _____	%		
51 Base period percentage: Divide line 50 by three and enter the result here: _____	%		

Enter ENI for the following:	A	B - 1st 5 months	C - 1st 8 months	D - 1st 11 months
52a Tax year beginning in 2005				
52b Tax year beginning in 2006				
52c Tax year beginning in 2007				
53 Enter the total of the amounts that enter into the computation of ENI for 2008 for the months delineated in each column				
Enter ENI for the following periods:		1st 6 months	1st 9 months	Entire year
54a Tax year beginning in 2005				
54b Tax year beginning in 2006				
54c Tax year beginning in 2007				
55 Divide the amount in each column on line 52a by the amount in column D on line 54a				
56 Divide the amount in each column on line 52b by the amount in column D on line 54b				
57 Divide the amount in each column on line 52c by the amount in column D on line 54c				
58 Add lines 55 through 57				
59 Divide line 58 by three				
60 Divide line 53 by line 59				
61 Figure the tax on the amount on line 60 using the instructions for your corporation's return				
62 Divide the amount in each of columns B and C on line 54a by the amount in column D on line 54a				
63 Divide the amount in each of columns B and C on line 54b by the amount in column D on line 54b				
64 Divide the amount in each of columns B and C on line 54c by the amount in column D on line 54c				
65 Add lines 62 through 64				
66 Divide line 65 by three				
67 Multiply the amounts in columns B and C of line 61 by columns B and C of line 66. In column D, enter the amount from line 61, column D				
68 Enter any other taxes for each payment period (see instructions)				
69 Total tax before credits (add lines 67 and 68)				
70 Enter the amount of tax credits your corporation is entitled to for the months shown in each column heading above line 52a				
71 Total tax after credits. Subtract line 70 from line 69. If zero or less, enter 0				
72 If not a large corporation, enter .91(91%). Otherwise, enter 1.				
73 Multiply line 71 by line 72				

Schedule A, Part 2 - Annualized income installment method

	A	B	C	D
		1st months	1st months	1st months
74 Annualized periods (see instructions)				
75 See instructions				
76 See instructions				
77 Annualized taxable income. Multiply line 75 by line 76				
78 Figure the tax on the line 77 amount using the instructions for your corporation's return (see instructions for MTA surcharge)				
79 Enter any other taxes for each payment period (see instructions)				
80 Total tax before credits (add lines 78 and 79)				
81 Tax credits (see instructions)				
82 Total tax after credits. Subtract line 81 from line 80; if zero or less, enter 0				
83 If not a large corporation, enter .91 (91%). Otherwise, enter 1				
84 Multiply line 82 by line 83				
85 Applicable percentage		50%	75%	100%
86 Multiply line 84 by line 85				

Schedule A, Part 3 - Required installment - In completing Part 3, complete one column before going to the next column.

	A	B	C	D
87 If only Schedule A, Part 1 or Part 2 is completed, enter the amount in each column from line 73 or line 86. If both parts are completed, enter the smaller of the amounts in each column from line 73 or line 86				
88 Add the amounts in all preceding columns of line 93				
89 Subtract line 88 from line 87. If zero or less, enter 0				
90 Subtract line 11, column A (MFI), from line 5. Divide the result by three and enter in each of columns B, C, and D				
91 In column C, subtract line 89, column B from line 90, column B. If zero or less, enter 0. In column D, subtract line 93, column C from line 92, column C and enter the result				
92 Add lines 90 and 91				
93 Required installments - For column A, enter the amount from line 11, column A (MFI). For column B, enter the smaller of line 89, column B or line 90, column B. For columns C and D, respectively, enter the smaller of line 89 or line 92. Also enter each result on line 11				

Schedule B - Line 9 exception - (see instructions)

94 2007 ENI base multiplied by 2008 ENI tax rate	94.	
95 2007 capital base multiplied by 2008 capital tax rate	95.	
96 2007 MTI base multiplied by 2008 MTI tax rate	96.	
97 2008 fixed dollar minimum tax	97.	
98 Enter the amount from line 94, 95, 96, or 97, as applicable	98.	
99 2007 subsidiary capital base multiplied by 2008 subsidiary capital tax rate	99.	
100 Any other taxes (see instructions)	100.	
101 Add line 98, 99, and 100	101.	
102 2007 tax credits	102.	
103 Recomputed tax (subtract line 102 from line 101); enter here and on line 4	103.	

CT-399

| Staple forms here |

New York State Department of Taxation and Finance

Depreciation Adjustment Schedule

Tax Law - Articles 9-A, 32, and 33

2008

Name ALLIED HEALTH CARE SERVICES, INC.	Employer identification no. 22-2278835
--	--

Part 1 - Computation of New York State depreciation modifications when computing entire net income (ENI)

List only depreciable property that requires or is entitled to a depreciation modification when computing ENI (see Form CT-399-I, Instructions for Form CT-399).

Section A - ACRS/MACRS property (attach separate sheets if necessary, displaying this information formatted as below; see instructions)

A - Description of property (identify ea item of property here; for ea item of property complete columns B through I on the corresponding lines below)

Item	Property							
A								
B								
C								
D								
E								
F								
G								
H								
I								
J								
K								
L								
M								
N								
O								
P								
Q								
A Item	B Date placed in service (mm-dd-yy)	C Cost or other basis	D Accumulated federal ACRS/MACRS depreciation	E Federal ACRS/MACRS depreciation deduction	F Method of figuring NYS de- preciation	G Life or rate	H Accumulated NYS depreciation	I Allowable NYS depreciation
A								
B								
C								
D								
E								
F								
G								
H								
I								
J								
K								
L								
M								
N								
O								
P								
Q								
Amounts from attached list, if any								
1 Totals of Section A	1.							

868741
09-26-08 **1019**

48201081019

ALLIED HEALTH CARE SERVICES, INC.

22-2278835

Section B - 30%/50% federal special depreciation property (attach separate sheets if necessary, displaying this information formatted as below; see instructions)

A - Description of property (identify ea item of property here; for ea item of property complete columns B through I on the corresponding lines below)

Item	SEE STATEMENT 2 Property							
A								
B								
C								
D								
E								
F								
G								
H								
I								
J								
K								
L								
M								
A Item	B Date placed in service (mm-dd-yy)	C Cost or other basis	D Accumulated federal depreciation	E Federal depreciation deduction	F Method of figuring NYS depreciation	G Life or rate	H Accumulated NYS depreciation	I Allowable NYS depreciation
A								
B								
C								
D								
E								
F								
G								
H								
I								
J								
K								
L								
M								
Amounts from attached list, if any								
2 Totals of Section B	2.	22,123,815.	1,198,060.	12,549,056.			1,133,326.	4276102.
3 Add lines 1 and 2 in columns C, D, E, H, and I	3.	22,123,815.	1,198,060.	12,549,056.			1,133,326.	4276102.

If you **have not disposed** of any ACRS/MACRS property placed in service in tax years beginning before 1994, and you **have not disposed** of qualified property for which you claimed a 30%/50% federal special depreciation (in a tax year beginning after December 31, 2002, for property placed in service on or after June 1, 2003) enter the total of column E as an addback to federal taxable income (FTI) and the total of column I as a deduction from FTI on the appropriate lines of your corporation franchise tax return (see instructions).

If you have disposed of any property listed on this form in a prior year, complete Parts 2 and 3.

If you file Form CT-3, CT-3-A, or CT-4, use Part 4 to determine your depreciation adjustment used to compute your minimum taxable income base.

868742 09-26-08 **1019**

ALLIED HEALTH CARE SERVICES, INC.

22-2278835

Part 2 - Disposition adjustments (attach separate sheets if necessary, displaying this information as below; see instructions)

. For each item of property listed below, determine the difference between the total federal depreciation deduction, including a 30%/50% federal special depreciation deduction, and the total New York State depreciation used in the computation of federal and New York State taxable income in prior and current years.
 . If the federal depreciation deduction is larger than the New York State depreciation deduction, subtract column D from column C and enter the result in column E.
 . If the New York State depreciation deduction is larger than the federal depreciation deduction, subtract column C from column D and enter the result in column F.

A - Description of property (identify ea item of property here; for ea item of property complete columns B through F on the corresponding lines below)

Item	Property				
A					
B					
C					
D					
E					
F					
G					
H					

A Item	B Date placed in service (mm-dd-yy)	C Total federal depreciation deduction taken	D Total New York State depreciation taken	E Adjustment (if C is larger than D, column C - column D))	F Adjustment (if D is larger than C, column D - column C)
A					
B					
C					
D					
E					
F					
G					
H					
Amounts from attached list, if any					

4 Total excess federal depreciation deductions over New York State depreciation deductions (add column E amounts) **4.**

5 Total excess NY State depreciation deductions over federal depreciation deductions (add column F amounts) **5.**

Part 3 - Summary of adjustments to ENI

		A Federal	B New York State
6 Enter amount from line 3, column E	6.	12549056.	
7 Enter amount from line 3, column I	7.		4,276,102.
8 Enter amount from line 4	8.		
9 Enter amount from line 5	9.		
10 Add amounts in column A and column B	10.	12549056.	4,276,102.

If you file Form:

Enter the amount from line 10, column A, on:

Enter the amount from line 10, column B, on:

CT-3 or CT-3-A	line 7	line 14
CT-4	line 5	line 8
CT-32	line 28	line 39
CT-32-A	line 30	line 39
CT-33	line 70	line 78
CT-33-A	line 73	line 82

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09-26-08 **1019**

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ALLIED HEALTH CARE SERVICES, INC.

22-2278835

Part 4 - Minimum taxable income base depreciation adjustments - Article 9-A only

Only list below the properties entered in Part 1, Section A, that were placed in service after 1986. **Do not** include qualified property for which a 30%/50% federal special depreciation deduction was claimed in Part 1, Section B. Attach separate sheets if necessary, displaying this information formatted as below.

A - Description of property (*identify ea item of property here; for ea item of property complete columns B through E on the corresponding lines below*)

Item	Property			
A				
B				
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
M				
N				
O				

A Item	B Date placed in service mm-dd-yy	C Cost or other basis	D Federal depreciation deduction	E Alternative depreciation system
A				
B				
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
M				
N				
O				

Amounts from attached list, if any

11 Total columns D and E	11.	
12 If column D total is more than column E total, enter the excess ...	12.	
13 If column E total is more than column D total, enter the excess ...	13.	
14 Enter amount from federal Form 4626, line 2a, depreciation of post-1986 property (<i>see instructions</i>)	14.	
15 If there is an excess on line 12, subtract line 12 from line 14	15.	
16 If there is an excess on line 13, add lines 13 and 14	16.	

Enter amount from line 15 or line 16 on Form CT-4, line 22; or Form CT-3 or CT-3-A, line 43.

Attach this form and a copy of federal Form 4562 or 4562-FY to your New York State corporation franchise tax return.

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COMPUTATION OF FEDERAL TAXABLE INCOME

INCOME

1 (a) Gross receipts/ sales <u>31,407,132.</u> (b) Less: Returns and allow. _____ Balance ... ▶	1 (c)	31,407,132.
2 Less: Cost of goods sold and/or operations	2	24,258,476.
3 Gross profit	3	7,148,656.
4 Dividends	4	
5 Interest	5	27,188.
6 Gross rents	6	
7 Gross royalties	7	
8 Capital gain net income	8	
9 Net gain or (loss) from Form 4797, Part II, line 17	9	
10 Other income (attach schedule)	10	
11 TOTAL income - Add lines 3 through 10	11	7,175,844.

DEDUCTIONS

12 Compensation of officers		690,000.
13 (a) Salaries and wages <u>2,955,000.</u> 13(b) Less empl. credit _____ Balance ... ▶	13(c)	2,955,000.
14 Repairs and maintenance	14	
15 Bad debts	15	
16 Rents	16	29,092.
17 Taxes and licenses	17	275,772.
18 Interest	18	1,868,741.
19 Contributions	19	
20a Depreciation (attach Form 4562)	20a	15,328,835.
20b Less depreciation claimed elsewhere on return	20b	15,287,028.
20c	20c	41,807.
21 Depletion	21	
22 Advertising	22	
23 Pension, profit-sharing, etc. plans	23	349,126.
24 Employee benefit programs	24	194,289.
25 Domestic production activities deduction	25	
26 Other deductions (attach schedule)	26	1,530,945.
27 TOTAL deductions - Add lines 12 through 26	27	7,934,772.
28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)	28	-758,928.

NY FORM CT-3/4/3A/32A STATEMENT 1
 NY FORM CT-3-S/4-S UNDERPAYMENT OF ESTIMATED TAX

Q T R	EVENT AMOUNT TYPE	REMAINING UNDERPAYMENT	PERIOD OF UNDERPAYMENT	DAYS	INTEREST RATE	AMOUNT OF PENALTY
A						
	Q	3,594.	03-15-2008 03-31-2008	16	9.0000	14.
	R	3,594.	03-31-2008 06-11-2008	72	8.0000	57.
	-18,150. P	-14,556.	06-11-2008	0	8.0000	0.
TOTAL TO FORM CT-222 LINE 38						71.

EVENT TYPE: Q = QUARTERLY AMOUNT DUE
 P = PAYMENT
 R = INTEREST RATE CHANGE
 L = LEAP YEAR CHANGE
 O = OVERPAYMENT FROM PRIOR YEAR/QUARTER

NYS CORPORATION FORM CT-399, DEPRECIATION ADJUSTMENTS STATEMENT 2

A DESCRIPTION	B DATE IN SERVICE	C COST OR BASIS	D ACC FED DEPREC.	E 30/50% DEDUCT	F MTH	G LFE	H ACCUM NY DEPREC	I ALLOW NY DEPREC
AUTO	08-20-08	44,994.	0.	10,960.	200	5.0	0.	2,960.
AUTO	07-08-08	25,588.	0.	10,960.	200	5.0	0.	2,960.
AUTO	07-08-08	25,309.	0.	10,960.	200	5.0	0.	2,960.
MEDICAL EQUIPMENT	06-30-03	159752.	152851.	6,901.	200	5.0	145,949.	13,803.
MEDICAL EQUIPMENT	09-30-03	464361.	444301.	20,060.	200	5.0	424,240.	40,121.
MEDICAL EQUIPMENT	12-31-03	231927.	221908.	10,019.	200	5.0	211,889.	20,038.
MEDICAL EQUIPMENT	03-15-04	229984.	220048.	9,936.	200	5.0	210,114.	19,870.
MEDICAL EQUIPMENT	09-30-04	63,827.	57,393.	3,677.	200	5.0	50,960.	7,353.
MEDICAL EQUIPMENT	09-30-04	12,943.	11,639.	745.	200	5.0	10,334.	1,491.
MEDICAL EQUIPMENT	12-31-04	100000.	89,920.	5,760.	200	5.0	79,840.	11,520.
MEDICAL EQUIPMENT	01-02-08	3,000,000.	0.	1,800,000.	200	5.0	0.	600,000.
MEDICAL EQUIPMENT	03-04-08	5,000.	0.	3,000.	200	5.0	0.	1,000.

MEDICAL EQUIPMENT							
03-15-08	18,900.	0.	11,340.	200	5.0	0.	3,780.
MEDICAL EQUIPMENT							
03-15-08	10,000.	0.	6,000.	200	5.0	0.	2,000.
MEDICAL EQUIPMENT							
03-31-08	750000.	0.	450000.	200	5.0	0.	150,000.
MEDICAL EQUIPMENT							
04-10-08	500000.	0.	300000.	200	5.0	0.	100,000.
MEDICAL EQUIPMENT							
05-03-08	3,000,000.	0.	1,800,000.	200	5.0	0.	600,000.
MEDICAL EQUIPMENT							
06-11-08	100000.	0.	60,000.	200	5.0	0.	20,000.
MEDICAL EQUIPMENT							
06-24-08	100000.	0.	60,000.	200	5.0	0.	20,000.
MEDICAL EQUIPMENT							
06-24-08	400000.	0.	240000.	200	5.0	0.	80,000.
MEDICAL EQUIPMENT							
06-30-08	750000.	0.	450000.	200	5.0	0.	150,000.
MEDICAL EQUIPMENT							
07-03-08	250000.	0.	150000.	200	5.0	0.	50,000.
MEDICAL EQUIPMENT							
07-07-08	3,000,000.	0.	1,800,000.	200	5.0	0.	600,000.
MEDICAL EQUIPMENT							
07-07-08	7,000.	0.	4,200.	200	5.0	0.	1,400.
MEDICAL EQUIPMENT							
07-08-08	6,000.	0.	3,600.	200	5.0	0.	1,200.
MEDICAL EQUIPMENT							
07-08-08	500000.	0.	300000.	200	5.0	0.	100,000.
MEDICAL EQUIPMENT							
07-20-08	63,000.	0.	37,800.	200	5.0	0.	12,600.
MEDICAL EQUIPMENT							
08-06-08	500000.	0.	300000.	200	5.0	0.	100,000.
MEDICAL EQUIPMENT							
09-30-08	750000.	0.	450000.	200	5.0	0.	150,000.
MEDICAL EQUIPMENT							
12-08-08	5,230.	0.	3,138.	200	5.0	0.	1,046.
MEDICAL EQUIPMENT							
12-08-08	300000.	0.	180000.	200	5.0	0.	60,000.
MEDICAL EQUIPMENT							
12-01-08	750000.	0.	450000.	200	5.0	0.	150,000.
MEDICAL EQUIPMENT							
09-01-08	2,000,000.	0.	1,200,000.	200	5.0	0.	400,000.
MEDICAL EQUIPMENT							
10-31-08	2,000,000.	0.	1,200,000.	200	5.0	0.	400,000.
MEDICAL EQUIPMENT							
10-18-08	2,000,000.	0.	1,200,000.	200	5.0	0.	400,000.
TOTALS TO CT-399, P2	<u>22,123,815.</u>	<u>1,198,060.</u>	<u>12,549,056.</u>			<u>1133326.</u>	<u>4276102.</u>

C CORPORATION	CONTRIBUTION LIMITATION	STATEMENT	3
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CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS:

FOR TAX YEAR 2003
 FOR TAX YEAR 2004
 FOR TAX YEAR 2005
 FOR TAX YEAR 2006
 FOR TAX YEAR 2007

TOTAL CARRYOVER			
CURRENT YEAR CONTRIBUTIONS		47,520	
		47,520	
TOTAL CONTRIBUTIONS		47,520	
10% OF TAXABLE INCOME AS ADJUSTED		0	
		47,520	
EXCESS CONTRIBUTIONS		47,520	
		47,520	
ALLOWABLE CONTRIBUTIONS			0

New York State Department of Taxation and Finance
General Business Corporation
MTA Surcharge Return
Tax Law - Article 9-A, Section 209-B

All filers must enter tax period:

Amended return

Employer identification number 22-2278835 File number AA3 Business telephone number beginning 01-01-08 ending 12-31-08

If you claim an overpayment, mark an X in the box

Legal name of corporation ALLIED HEALTH CARE SERVICES, INC Trade name/DBA

Mailing name (if different from legal name above) c/o Number and street or PO box 89 MAIN STREET State or country of incorporation NJ Date received (for Tax Dept use only)

City ORANGE State ZIP code NJ 07050 Date of incorporation 09-21-79 Foreign corporations: date began business in NYS 04-01-01

If your name, employer identification number, address, or owner/officer information has changed, you must file Form DTF-95. If only your address has changed, you may file Form DTF-96. You can get these forms from our Web site, by fax, or by phone. See Need help? in the instructions. If you do business, employ capital, own or lease property, or maintain an office in the Metropolitan Commuter Transportation District (MCTD), you must file this form. If not, you do not have to file this form. However, you must disclaim liability for the MTA surcharge on Form CT-3, CT-3-A, or CT-4. The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

A. Pay amount shown on line 12. Make check payable to: New York State Corporation Tax Payment enclosed Attach your payment here. Detach all check stubs. (See instructions for details.) A.

Computation of MTA surcharge SEE STATEMENT 1

Table with 4 columns: Line number, Description, Amount, and Total. Includes lines 1-4 for MTA surcharge calculation.

First installment of estimated tax for next period:

Table with 3 columns: Line number, Description, and Amount. Includes lines 5a-16 for estimated tax and penalties.

Schedule A - Computation of MCTD allocation percentage

Schedule A, Part 1 - MCTD allocation

Table with 3 columns: Description, Column A (MCTD), and Column B (New York State). Includes lines 17-23 for MCTD allocation calculation.

(continued)

Receipts in the regular course of business from:

Table with 5 columns: Line number, Description, Column A, Column B, and Percentage. Rows include sales of tangible personal property, services performed, royalties, and payroll factors.

Schedule A, Part 2 - Computation of MCTD allocation for aviation corporations

Table with 3 columns: Line number, Column A (MCTD), and Column B (New York State). Rows include revenue aircraft arrivals, tons handled, and MCTD allocation percentage.

Schedule A, Part 3 - Computation of MCTD allocation for trucking and railroad corporations

Table with 3 columns: Line number, Column A (MCTD), and Column B (New York State). Rows include revenue miles and MCTD allocation percentage.

Composition of prepayments claimed on line 7 (see instructions)

Table with 4 columns: Line number, Description, Date paid, and Amount. Rows include mandatory first installment, subsequent installments, and overpayment credits.

Third - party Yes X No

designee (see instructions) Designee's name (print) PREPARER Designee's phone number 973-929-3500 Designee's e-mail address PIN

Certification: I certify that this return and any attachments are to the best of my knowledge and belief true, correct, and complete.

Authorized person

Signature of authorized person Official Title PRESIDENT Date

Paid preparer use only

Firm's name (or yours if self-employed) FRIEDMAN LLP ID number 13-1610809 Signature of individual preparing this return

Address 100 EAGLE ROCK AVENUE SUITE 200 City EAST HANOVER State NJ ZIP code 07936 Date E-mail address of individual preparing this return ACHAVKIN@FRIEDMANLLP.COM

See instructions for where to file.

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CT-222

2008

New York State Department of Taxation and Finance

Underpayment of Estimated Tax by a Corporation Tax Law Section 1085

All filers must enter tax period:

Tax return filed: CT-3M/4M

beginning 01-01-08 ending 12-31-08

Name ALLIED HEALTH CARE SERVICES, INC.	Employer identification number 22-2278835
--	---

Read the instructions, Form CT-222-I, before completing.

Part 1 - Annual payment

1 Enter your 2008 corporation franchise, excise, or gross receipts tax after credits or the metropolitan transportation business tax (MTA surcharge) (if both, use separate forms)	1.	5,781.
2 Multiply line 1 by 91% (.91) or, if a large corporation, 100% (1.0). Large corporations enter this amount on line 5 and skip lines 3 and 4	2.	5,261.
3 Enter your 2007 corporation franchise, excise or gross receipts tax after credits or the MTA surcharge	3.	4,175.
4 Enter the amount from line 103; if not using the line 9 exception, skip this line	4.	
5 Annual payment. Enter the lesser of lines 2, 3, or 4. Large corporations, enter the line 2 amount	5.	4,175.

Part 2 - Reasons for filing (see instructions)

Mark an X in the boxes below that apply. If any boxes are marked, you must file Form CT-222 even if you do not owe a penalty.

- 6 You are using the adjusted seasonal installment method. (see instructions; complete Schedule A)
- 7 You are using the annualized income installment method. (see instructions; complete Schedule A)
- 8 You are **not** a large corporation and figure your estimated tax based on the prior year's tax (the prior year cannot be a short year, and your return must show a tax liability) **X**
- 9 You are **not** a large corporation and figure your estimated tax by applying to the tax base on which the current year's tax was paid the facts shown on your return for, and the law applicable to, the preceding tax year, but using the rates applicable to the current year (complete Schedule B)

Part 3 - Computing the underpayment - for lines 11 through 19, complete one column before going to the next column.

	A	B	C	D
10 Installment due dates (see instructions)	03-17-08	06-16-08	09-15-08	12-15-08
11 Required installments (see instructions)	1,044.	1,044.	1,044.	1,043.
12 Estimated tax timely paid or credited for each period (see instructions). For column A only, also enter the amount from this line on line 16	1,044.			
13 Enter amount, if any, from line 19 of the preceding column				
14 Add lines 12 and 13				
15 In column B, enter line 18, column A amount. In columns C and D, add amounts on lines 17 and 18 of the preceding column			1,044.	2,088.
16 In column A, enter the line 12 amount. For other columns, subtract line 15 from line 14. If zero or less, enter 0	1,044.	0.	0.	0.
17 If the amount on line 16 is zero, subtract line 14 from line 15. Otherwise, enter 0		0.	1,044.	
18 Underpayment - If line 16 is less than or equal to line 11, subtract line 16 from line 11. Otherwise, go to line 19 (see instructions)	0.	1,044.	1,044.	1,043.
19 Overpayment - If line 11 is less than line 16, subtract line 11 from line 16				

Part 4 - Computation of the underpayment penalty	A First	B Second	C Third	D Fourth
20 Enter the date of payment or the 15th day of the 3rd month after the end of the tax year, whichever is earlier (mm/dd/yy) ...				
21 Number of days from due date of installment to the date shown on line 20				
22 Number of days on line 21 after 3/15/08 and before 4/1/08				
23 Number of days on line 21 after 3/31/08 and before 7/1/08				
24 Number of days on line 21 after 6/30/08 and before 10/1/08				
25 Number of days on line 21 after 9/30/08 and before 1/1/09				
26 Number of days on line 21 after 12/31/08 and before 4/1/09				
27 Number of days on line 21 after 3/31/09 and before 7/1/09				
28 Number of days on line 21 after 6/30/09 and before 10/1/09				
29 Number of days on line 21 after 9/30/09 and before 1/1/10				
30 Number of days on line 21 after 12/31/09 and before 3/15/10				
31 Number of days on line 22 ÷ 366 x 9% x amount on line 18				
32 Number of days on line 23 ÷ 366 x 8% x amount on line 18				
33 Number of days on line 24 ÷ 366 x 7% x amount on line 18				
34 Number of days on line 25 ÷ 366 x 8% x amount on line 18				
35 Number of days on line 26 ÷ 365 x %* x amount on line 18				
36 Number of days on line 27 ÷ 365 x %* x amount on line 18				
37 Number of days on line 28 ÷ 365 x %* x amount on line 18				
38 Number of days on line 29 ÷ 365 x %* x amount on line 18				
39 Number of days on line 30 ÷ 365 x %* x amount on line 18				
40 Add lines 31 through 39 SEE STATEMENT 2		57.	39.	19.
41 Underpayment penalty (see instructions)		57.	39.	19.
42 Add line 41 columns A through D; enter here and on your franchise tax return or MTA surcharge return				115.
43 Multiply line 1 by 80% (.8)			43.	4,625.
44 Subtract line 11, column A from line 43			44.	3,581.
45 Divide line 44 by three			45.	1,194.

*For rates not shown, access our Web site or call the Corporation Tax Information Center (see *Need help?* in the instructions of your tax return).

Schedule A, Part I - Adjusted seasonal installment method (see instructions)

Note: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. Use lines 46 through 51 below to compute the base period percentage. When appropriate, in lieu of ENI, use the applicable base.

	A - 2005	B - 2006	C - 2007
46 Enter the period of 6 consecutive months for which the base percentage is to be computed: _____ through _____			
47 Enter the ENI for the same 6 consecutive month period in preceding periods			
48 Enter the total ENI for the entire year in preceding periods			
49 In each column, enter as a percentage the result of dividing that column's line 47 by that column's line 48	%	%	%
50 Add the percentages in line 49, columns A, B, and C, and enter the result here: _____	%		
51 Base period percentage: Divide line 50 by three and enter the result here: _____	%		

Enter ENI for the following:	A	B - 1st 5 months	C - 1st 8 months	D - 1st 11 months
52a Tax year beginning in 2005				
52b Tax year beginning in 2006				
52c Tax year beginning in 2007				
53 Enter the total of the amounts that enter into the computation of ENI for 2008 for the months delineated in each column				
Enter ENI for the following periods:		1st 6 months	1st 9 months	Entire year
54a Tax year beginning in 2005				
54b Tax year beginning in 2006				
54c Tax year beginning in 2007				
55 Divide the amount in each column on line 52a by the amount in column D on line 54a				
56 Divide the amount in each column on line 52b by the amount in column D on line 54b				
57 Divide the amount in each column on line 52c by the amount in column D on line 54c				
58 Add lines 55 through 57				
59 Divide line 58 by three				
60 Divide line 53 by line 59				
61 Figure the tax on the amount on line 60 using the instructions for your corporation's return				
62 Divide the amount in each of columns B and C on line 54a by the amount in column D on line 54a				
63 Divide the amount in each of columns B and C on line 54b by the amount in column D on line 54b				
64 Divide the amount in each of columns B and C on line 54c by the amount in column D on line 54c				
65 Add lines 62 through 64				
66 Divide line 65 by three				
67 Multiply the amounts in columns B and C of line 61 by columns B and C of line 66. In column D, enter the amount from line 61, column D				
68 Enter any other taxes for each payment period (see instructions)				
69 Total tax before credits (add lines 67 and 68)				
70 Enter the amount of tax credits your corporation is entitled to for the months shown in each column heading above line 52a				
71 Total tax after credits. Subtract line 70 from line 69. If zero or less, enter 0				
72 If not a large corporation, enter .91(91%). Otherwise, enter 1.				
73 Multiply line 71 by line 72				

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10-30-08 **1019**

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Schedule A, Part 2 - Annualized income installment method

	A	B	C	D
		1st months	1st months	1st months
74 Annualized periods (see instructions)				
75 See instructions				
76 See instructions				
77 Annualized taxable income. Multiply line 75 by line 76				
78 Figure the tax on the line 77 amount using the instructions for your corporation's return (see instructions for MTA surcharge)				
79 Enter any other taxes for each payment period (see instructions)				
80 Total tax before credits (add lines 78 and 79)				
81 Tax credits (see instructions)				
82 Total tax after credits. Subtract line 81 from line 80; if zero or less, enter 0				
83 If not a large corporation, enter .91 (91%). Otherwise, enter 1				
84 Multiply line 82 by line 83				
85 Applicable percentage		50%	75%	100%
86 Multiply line 84 by line 85				

Schedule A, Part 3 - Required installment - In completing Part 3, complete one column before going to the next column.

	A	B	C	D
87 If only Schedule A, Part 1 or Part 2 is completed, enter the amount in each column from line 73 or line 86. If both parts are completed, enter the smaller of the amounts in each column from line 73 or line 86				
88 Add the amounts in all preceding columns of line 93				
89 Subtract line 88 from line 87. If zero or less, enter 0				
90 Subtract line 11, column A (MFI), from line 5. Divide the result by three and enter in each of columns B, C, and D				
91 In column C, subtract line 89, column B from line 90, column B. If zero or less, enter 0. In column D, subtract line 93, column C from line 92, column C and enter the result				
92 Add lines 90 and 91				
93 Required installments - For column A, enter the amount from line 11, column A (MFI). For column B, enter the smaller of line 89, column B or line 90, column B. For columns C and D, respectively, enter the smaller of line 89 or line 92. Also enter each result on line 11				

Schedule B - Line 9 exception - (see instructions)

94 2007 ENI base multiplied by 2008 ENI tax rate	94.	
95 2007 capital base multiplied by 2008 capital tax rate	95.	
96 2007 MTI base multiplied by 2008 MTI tax rate	96.	
97 2008 fixed dollar minimum tax	97.	
98 Enter the amount from line 94, 95, 96, or 97, as applicable	98.	
99 2007 subsidiary capital base multiplied by 2008 subsidiary capital tax rate	99.	
100 Any other taxes (see instructions)	100.	
101 Add line 98, 99, and 100	101.	
102 2007 tax credits	102.	
103 Recomputed tax (subtract line 102 from line 101); enter here and on line 4	103.	

FORM CT-3M/4M		RECOMPUTATION OF THE NEW YORK FRANCHISE		STATEMENT	1
		TAX USING TAX RATES IN EFFECT FOR TAX YEARS			
		BEGINNING PRIOR TO 7/1/98			

ENI BASE WORKSHEET

RECALCULATED TAX BASED ON WORKSHEET 1		34,008
TAX ON SUBSIDIARY CAPITAL (IF APPLICABLE)		
FIXED DOLLAR MINIMUM TAX FOR SUBSIDIARIES (CT-3-A ONLY)		
		<hr/>
TOTAL TAX BEFORE CREDITS		34,008
TAX CREDITS (IF APPLICABLE)		
		<hr/>
TOTAL COMBINED TAX TO CT-3M/4M, LINE 1		34,008
		<hr/> <hr/>

NY FORM CT-3M/4M

STATEMENT 2

NY FORM CT-32M

UNDERPAYMENT OF ESTIMATED TAX

Q T R	EVENT AMOUNT TYPE	REMAINING UNDERPAYMENT	PERIOD OF UNDERPAYMENT	DAYS	INTEREST RATE	AMOUNT OF PENALTY
B	Q	1,044.	06-15-2008 06-30-2008	15	8.0000	3.
	R	1,044.	06-30-2008 09-30-2008	92	7.0000	18.
	R	1,044.	09-30-2008 12-31-2008	92	8.0000	21.
	R	1,044.	12-31-2008 03-15-2009	74	7.0000	15.
C	Q	1,044.	09-15-2008 09-30-2008	15	7.0000	3.
	R	1,044.	09-30-2008 12-31-2008	92	8.0000	21.
	R	1,044.	12-31-2008 03-15-2009	74	7.0000	15.
D	Q	1,043.	12-15-2008 12-31-2008	16	8.0000	4.
	R	1,043.	12-31-2008 03-15-2009	74	7.0000	15.
TOTAL TO FORM CT-222 LINE 38						115.

EVENT TYPE: Q = QUARTERLY AMOUNT DUE
 P = PAYMENT
 R = INTEREST RATE CHANGE
 L = LEAP YEAR CHANGE
 O = OVERPAYMENT FROM PRIOR YEAR/QUARTER