

$$\frac{\begin{aligned} & \text{(Bad debts sustained, adjusted by recoveries} \\ & \text{received, during the applicable period} \\ & - \text{Bad debts written off in same taxable year} \\ & \text{accounts receivable generated)} \end{aligned}}{\text{Sum of accounts receivable at the beginning of} \\ \text{each taxable year during the applicable period}} \times \begin{aligned} & \text{Accounts receivable at end} \\ & \text{of current taxable year} \end{aligned}$$