



Tennessee Department of Revenue
Franchise Tax Short Period Return Worksheets

Do not file with return – Keep for your records.

Taxpayer Name	FEIN	Account Number	Tax Year
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Worksheet 1 - Annualize Rent

Description	(a) Rent Paid		(b) Days in Average Year		(c) Days in Tax Period		(d) Annualized Rent
Real property		x	365.25	÷		=	
Machinery & equipment used in manufacturing & processing		x	365.25	÷		=	
Furniture, office machinery and equipment		x	365.25	÷		=	
Delivery and mobile equipment		x	365.25	÷		=	

Instructions:

1. Enter the amount rent paid in accordance with Generally Accepted Accounting Principles (GAAP) for the tax period in the appropriate category.
2. Multiply column (a) by column (b), then divide by column (c) and enter the result in column (d).
3. Carry the annualized value to the applicable line in Schedule G in order to apply the correct multiple.

Worksheet 2 - Prorate Franchise Tax

Description	(a) Full Year Franchise Tax		(b) Days in Tax Period		(c) Days in Average Year		(d) Prorated Franchise Tax
Franchise tax for a full year		x		÷	365.25	=	

Instructions:

1. Enter a full year's franchise tax computed on the larger base of Form FAE170 or FAE174, Schedule A, Line 1 or Schedule A, Line 2.
2. Multiply column (a) by column (b), then divide by column (c) and enter the result in column (d).
3. Carry the prorated tax to Schedule A, Line 3.