

Utilities Tax Calculation of Credit for F&E Tax Paid

- 1) Divide the taxpayer's total Tennessee gas, water, and electricity sales by its total Tennessee gross receipts.
- 2) Multiply the amount of franchise tax liability from the F&E tax return, Schedule A, Line 3, that has been paid by the decimal number calculated in step one. This is the amount of franchise tax credit available. This amount should be entered on Line 8 of the Gross Receipts Tax Return.
- 3) Multiply the amount of excise tax liability from the F&E tax return, Schedule B, Line 7, that has been paid by the decimal number calculated in step one. This is the amount of excise tax credit available. This amount should be entered on Line 9 of the Gross Receipts Tax Return.