

### FT-2 - Franchise Tax Computation on a Final Return

*This article is for informational purposes only.*

The franchise tax on a final return is computed using either the book value of assets or net worth immediately preceding liquidation or the average monthly values of net worth or assets, depending on how the business actually liquidated.

If a business' liquidation starts and ends on the same day, then the franchise tax is computed using net worth, or the minimum franchise tax base (assets less liabilities) on the date immediately preceding the liquidating event.

Otherwise, the franchise tax is computed by using the average monthly value method. Under this method, the taxpayer essentially computes what their franchise tax base would have been as of the end of each month in the final tax year and uses the average of those numbers. The taxpayer can use the [Franchise Tax Worksheet for Accounts Final Return Status](#) to compute the average monthly values.