



TENNESSEE DEPARTMENT OF REVENUE
Franchise Tax Worksheet for Accounts in Final Return Status

Do not file with return. Keep for your records.

Taxable Year	Taxpayer Name	Account No./FEIN
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Worksheet F1 - Non-Consolidated Net Worth Computation Using Average Monthly Value

Final day of	Net worth	Indebtedness to or guaranteed by an affiliate
1. 1st Month		
2nd Month		
3rd Month		
4th Month		
5th Month		
6th Month		
7th Month		
8th Month		
9th Month		
10th Month		
11th Month		
12th Month		
2. Total Value		
3. Number of Months		
4. Average Value		

Worksheet F2 - Consolidated Net Worth Computation Using Average Monthly Value

Final day of	Consolidated net worth
1. 1st Month	
2nd Month	
3rd Month	
4th Month	
5th Month	
6th Month	
7th Month	
8th Month	
9th Month	
10th Month	
11th Month	
12th Month	
2. Total Value	
3. Number of Months	
4. Average Value	

Instructions: Franchise Tax Worksheet for Accounts in Final Return Status

Final return status means that a taxpayer is in the process of winding down business operations which will result in or is intended to result in the taxpayer ceasing to exist or no longer being subject to the franchise and excise taxes (Tenn. Code Ann. § 67-4-2004(16)). It applies to the first return that reflects any activity or event giving rise to such status and all subsequent returns filed by the taxpayer. A taxpayer can be in final return status for more than one year and should file a return for each tax period while in this status. Accounts in final return status must use average monthly values in determining both the net worth and owned property sections of the franchise tax base.

If liquidation and final distribution occur on one day, this worksheet should not be used. Under these circumstances, pre-liquidation balances must be used (Tenn. Code Ann § 67-4-2115(b)).

Worksheet F1 - Non-Consolidated Net Worth Computation Using Average Monthly Value

Taxpayers that are not members of an affiliated group that has made the consolidated net worth election and taxpayers that are members of an affiliated group that has made the consolidated net worth election, where the affiliated group is not in final return status for the same tax period, should complete this schedule.

Line 1: Enter the applicable values as of the last day of the month for each month in the tax period. The value reported in the final month should be zero, since all assets have been liquidated and the proceeds distributed to the owners.

Line 2: Enter the total amount for each column.

Line 3: Enter the number of months in the tax period. Do not count the final month, since all assets have been liquidated and distributed. This value should be the same as Line 3 of Worksheet G.

Line 4: Divide Line 2 by Line 3. Enter these values on Form FAE170, Schedule F1 or Form FAE174, Schedule F.

Worksheet F2 - Consolidated Net Worth Computation Using Average Monthly Value

Taxpayers that are part of an affiliated group that has made the consolidated net worth election and where the entire affiliated group is in final return status for the same tax period should complete this schedule. Note that this election will not apply to a taxpayer in final return status unless the entire affiliated group is in final return status during the same tax period.

Line 1: Enter the consolidated net worth value as of the last day of the month for each month in the tax period. The value reported in the final month should be zero, since all assets have been liquidated and the proceeds distributed to the owners.

Line 2: Enter the total amount for each column.

Line 3: Enter the number of months in the tax period. Do not count the final month, since all assets have been liquidated and distributed. This value should be the same as Line 3 of Worksheet G

Line 4: Divide Line 2 by Line 3. Enter this value on Form FAE170, Schedule F2 or Form FAE174, Schedule F2.

Worksheet G - Real and Tangible Property Computation Using Average Monthly Value

The property values reported on this worksheet should be cost less accumulated depreciation, in accordance with generally accepted accounting principles (Tenn. Code Ann. § 67-4-2108). Applicable rents are not entered on this worksheet, but are entered directly on Form FAE170, Schedule G or Form FAE174, Schedule G. Note that rent reported in Schedule G must be annualized if the tax return covers less than 12 months.

Line 1: Enter the real and tangible property values as of the last day of the month for each month in the tax period. The value reported in the final month should be zero, since all assets have been liquidated and the proceeds distributed to the owners.

Line 2: Enter the total amount for each column.

Line 3: Enter the number of months in the tax period. Do not count the final month, since all assets have been liquidated and distributed. This value should be the same as Line 3 of Worksheet F1 or F2.

Line 4: Divide Line 2 by Line 3. Enter these values on the applicable lines on Form FAE170, Schedule G or Form FAE174, Schedule G.