



TENNESSEE DEPARTMENT OF REVENUE
FRANCHISE AND EXCISE FINANCIAL INSTITUTION AND
CAPTIVE REAL ESTATE INVESTMENT TRUST TAX RETURN

RV-R0011201

INTERNET (4-17)

**FAE
174**

Taxable Year Beginning: _____ Ending: _____	Account No. _____ Due Date _____	FEIN _____ CHECK ALL THAT APPLY: AMENDED RETURN } <input type="checkbox"/> FINAL RETURN for termination or withdrawal } <input type="checkbox"/> Payment for this return was sent via EFT } <input type="checkbox"/> Captive REIT not owned by a bank, bank holding company or public REIT } <input type="checkbox"/> Taxpayer has made an election to calculate net worth per the provisions of Tenn. Code Ann. Section 67-4-2103(g)-(i) } <input type="checkbox"/>
CHECK APPROPRIATE BLOCK: a. <input type="checkbox"/> Tennessee Domestic Corporation b. <input type="checkbox"/> Foreign Corporation c. <input type="checkbox"/> S Corporation d. <input type="checkbox"/> LLC e. <input type="checkbox"/> Single Member LLC/individual f. <input type="checkbox"/> Single Member LLC/corporation g. <input type="checkbox"/> Single Member LLC/general partnership h. <input type="checkbox"/> Series LLC/Series		i. <input type="checkbox"/> PLLC j. <input type="checkbox"/> LP k. <input type="checkbox"/> LLP l. <input type="checkbox"/> RLLP m. <input type="checkbox"/> PRLLP n. <input type="checkbox"/> Business Trust o. <input type="checkbox"/> Not-For-Profit p. <input type="checkbox"/> Other _____
TAXPAYER NAME AND MAILING ADDRESS NAME _____ BOX (STREET) _____ CITY _____ STATE _____ ZIP _____		Enter the principal business activity code (NAICS) listed in federal IRC instructions that best describes the principal business activity in Tennessee. _____ Date Tennessee Operations Began _____ If you use a paid preparer and do not want forms mailed to you next year, check box at right. <input type="checkbox"/>

SCHEDULE A - COMPUTATION OF FRANCHISE TAX	DOLLARS	CENTS
1. Total net worth from Schedule F, Line 6, Schedule F1, Line 3, or Schedule F2, Line 3 (1)	_____	_____
2. Total real & tangible personal property from Schedule G, Line 15 (2)	_____	_____
3. Franchise tax (25¢ per \$100.00 or major fraction thereof on the greater of Lines 1 or 2; minimum \$100.00) (3)	_____	_____

SCHEDULE B - COMPUTATION OF EXCISE TAX	DOLLARS	CENTS
4. Income subject to excise tax from Schedule J, Line 34 (4)	_____	_____
5. Excise tax (6.5% of Line 4) (5)	_____	_____
6. Add: Recapture of tax credit from Schedule T, Line 18 (6)	_____	_____
7. Net excise tax due (Line 5 plus Line 6) (7)	_____	_____

SCHEDULE C - COMPUTATION OF TOTAL TAX DUE OR OVERPAYMENT	DOLLARS	CENTS
8. Total Franchise and Excise taxes - Add lines 3 and 7 (8)	_____	_____
9. Deduct: Total credit from Schedule D, Line 10 (cannot exceed Line 8) (9)	_____	_____
10. Subtotal: Line 8 less Line 9 (if Line 9 exceeds Line 8, enter 0 here) (10)	_____	_____
11. Deduct: Total payments from Schedule E, Line 7 (11)	_____	_____
12. Penalty (5% for each 30-day period of delinquency not to exceed 25%; minimum penalty is \$15)(12)	_____	_____
13. Interest (on taxes not paid by the due date at the statutory rate) (13)	_____	_____
14. Penalty on estimated franchise, excise tax payments (14)	_____	_____
15. Interest on estimated franchise, excise tax payments (15)	_____	_____
16. Total amount due (overpayment) - Add lines 10, 12, 13, 14, and 15, less Line 11 (16)	_____	_____
If overpayment reported on Line 16, complete A and/or B: A. <input type="checkbox"/> Credit to next year's tax \$ _____ B. <input type="checkbox"/> Refund \$ _____		

POWER OF ATTORNEY - Check YES if this taxpayer's signature certifies that this tax preparer has the authority to execute this form on behalf of the taxpayer and is authorized to receive and inspect confidential tax information and to perform any and all acts relating to respective tax matters. <input type="checkbox"/> YES	Under penalties of perjury, I declare that I have examined this report, and to the best of my knowledge and belief, it is true, correct, and complete. <table style="width:100%; border: none;"> <tr> <td style="border: none;">Taxpayer's Signature _____</td> <td style="border: none;">Date _____</td> <td style="border: none;">Title _____</td> </tr> <tr> <td style="border: none;">Tax Preparer's Signature _____</td> <td style="border: none;">Date _____</td> <td style="border: none;">Telephone _____</td> </tr> <tr> <td style="border: none;">Preparer's Address _____</td> <td style="border: none;">City _____</td> <td style="border: none;">State _____ ZIP _____</td> </tr> </table>	Taxpayer's Signature _____	Date _____	Title _____	Tax Preparer's Signature _____	Date _____	Telephone _____	Preparer's Address _____	City _____	State _____ ZIP _____
Taxpayer's Signature _____	Date _____	Title _____								
Tax Preparer's Signature _____	Date _____	Telephone _____								
Preparer's Address _____	City _____	State _____ ZIP _____								

FOR OFFICE USE ONLY ➤

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Remit amount on Line 16, payable to:
TENNESSEE DEPARTMENT OF REVENUE
 Andrew Jackson State Office Building
 500 Deaderick Street, Nashville, TN 37242

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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Schedule D -- SCHEDULE OF CREDITS

1. Gross Premiums tax credit (cannot exceed Schedule C, Line 8)	(1)	
2. Tennessee Income Tax (cannot exceed Schedule B, Line 5)	(2)	
3. Community Investment Credit	(3)	
4. Tennessee Rural Opportunity Fund Credit	(4)	
5. Tennessee Small Business Opportunity Fund Credit	(5)	
6. Qualified Headquarters Relocation Expense Credit from business plans filed prior to July 1, 2015	(6)	
7. Industrial Machinery Credit from Schedule T, Line 11	(7)	
8. Job Tax Credit from Schedule X, Line 46	(8)	
9. Additional Annual Job Tax Credit from Schedule X, Line 38	(9)	
10. Total Credit - Add lines 1 through 9 (Enter here and on Schedule C, Line 9)	(10)	

Schedule E -- SCHEDULE OF PAYMENTS

1. Overpayment from previous year if available	(1)	
2. First quarterly estimated payment	(2)	
3. Second quarterly estimated payment	(3)	
4. Third quarterly estimated payment	(4)	
5. Fourth quarterly estimated payment	(5)	
6. Extension payment	(6)	
7. Total payments - Add lines 1 through 6 (Enter here and on Schedule C, Line 11)	(7)	

**Schedule F - Non-Consolidated Net Worth
(Financial Institutions Only)**

	PARENT COMPANY NAME ACCOUNT#	UNITARY GROUP MEMBER* NAME ACCOUNT#
1. Net Worth (total assets less total liabilities)	\$	\$
2. Indebtedness to or Guaranteed by Parent or Affiliated Corporation (cannot be a deduction)		
3. Total Lines 1 and 2		
4. Ratio, Schedule SF (each member must compute separate ratio) or 100%	%	%
5. Total (Line 3 multiplied by Line 4)	\$	\$
	UNITARY GROUP MEMBER* NAME ACCOUNT#	UNITARY GROUP MEMBER* NAME ACCOUNT#
1. Net Worth (total assets less total liabilities)	\$	\$
2. Indebtedness to or Guaranteed by Parent or Affiliated Corporation (cannot be a deduction)		
3. Total Lines 1 and 2		
4. Ratio, Schedule SF (each member must compute separate ratio) or 100%	%	%
5. Total (Line 3 multiplied by Line 4)	\$	\$
	UNITARY GROUP MEMBER* NAME ACCOUNT#	UNITARY GROUP MEMBER* NAME ACCOUNT#
1. Net Worth (total assets less total liabilities)	\$	\$
2. Indebtedness to or Guaranteed by Parent or Affiliated Corporation (cannot be a deduction)		
3. Total Lines 1 and 2		
4. Ratio, Schedule SF (each member must compute separate ratio) or 100%	%	%
5. Total (Line 3 multiplied by Line 4)	\$	\$
6. Total all Line 5s, enter here and on Schedule A, Line 1		

Schedule F1 - Captive Real Estate Investment Trust Net Worth

1. Net Worth (total assets less total liabilities)	(1)	\$
2. Ratio (Schedules N if applicable or 100%)	(2)	%
3. Total - (Line 1 multiplied by Line 2) (Enter here and on Schedule A, Line 1)	(3)	\$

Schedule F2 - Consolidated Net Worth

1. Net Worth (total assets less total liabilities)	(1)	\$
2. Ratio, Schedule 174 SC or 174 NC	(2)	%
3. Total (Line 1 multiplied by Line 2) (Enter here and on Schedule A, Line 1)	(3)	\$

*Applies only to members of a unitary group of financial institutions required to file a combined return.

NOTE: Schedule F, Base of franchise tax and the franchise tax apportionment ratio (Schedule SF) of each member of the unitary filing group must be computed as though each member were filing a separate return unless an election has been made to compute consolidated net worth. Copies of this form should be made if necessary in order to compute the net worth of each member of the unitary filing group. The total of all the bases is entered on Schedule A, Line 1.

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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SCHEDULE SF - Financial Institution Apportionment Schedule for Franchise Tax Purposes

The apportionment schedules below are to be used by financial institutions or unitary groups of financial institutions doing business within and without Tennessee within the meaning of Tennessee statutes who have not elected to compute net worth on a consolidated basis.

In cases of unitary groups of financial institutions filing a combined return, a separate franchise tax apportionment ratio is to be computed for each member of the unitary filing group and applied to the separate net worth of each member of the group to obtain the net worth apportioned to Tennessee. Such apportioned net worth bases for each group member are then combined to obtain the franchise tax net worth base for the unitary filing group (see Schedule F).

Schedule SF - Apportionment Ratio for Parent's Franchise Tax Purposes

Name of Financial Institution	Federal Employer (Tennessee) Identification Number	Corporation's Account Period
1. Receipts defined in T.C.A. §67-4-2118 Enter ratio on Schedule F, Line 4 of Parent's computation schedule	In Tennessee	Everywhere
		Ratio
		%

Schedule SF - Apportionment Ratio for Unitary Group Member's Franchise Tax Purposes

Name of Financial Institution	Federal Employer (Tennessee) Identification Number	Corporation's Account Period
1. Receipts defined in T.C.A. §67-4-2118 Enter ratio on Schedule F, Line 4 of Unitary Group member's computation schedule	In Tennessee	Everywhere
		Ratio
		%

Schedule SF - Apportionment Ratio for Unitary Group Member's Franchise Tax Purposes

Name of Financial Institution	Federal Employer (Tennessee) Identification Number	Corporation's Account Period
1. Receipts defined in T.C.A. §67-4-2118 Enter ratio on Schedule F, Line 4 of Unitary Group member's computation schedule	In Tennessee	Everywhere
		Ratio
		%

Schedule SF - Apportionment Ratio for Unitary Group Member's Franchise Tax Purposes

Name of Financial Institution	Federal Employer (Tennessee) Identification Number	Corporation's Account Period
1. Receipts defined in T.C.A. §67-4-2118 Enter ratio on Schedule F, Line 4 of Unitary Group member's computation schedule	In Tennessee	Everywhere
		Ratio
		%

Schedule G - DETERMINATION OF REAL AND TANGIBLE PROPERTY

BOOK VALUE OF PROPERTY OWNED - Cost less accumulated depreciation	In Tennessee
1. Land	(1)
2. Buildings, leaseholds, and improvements	(2)
3. Machinery, equipment, furniture, and fixtures	(3)
4. Automobiles and trucks	(4)
5. Prepaid supplies and other tangible personal property	(5)
6. Ownership share of real and tangible property of a partnership that does not file a return	(6)
7. Inventories and work in progress	(7)
a. Deduct exempt inventory in excess of \$30 million (Tenn. Code Ann. Section 67-4-2108(a)(6)(B))	(7a) ()
8. Deduct value of certified pollution control equipment (include copy of certificate (Tenn. Code Ann. Section 67-5-604))	(8) ()
9. Deduct exempt required capital investments (Tenn. Code Ann. Section 67-4-2108(a)(6)(G))	(9) ()
10. SUBTOTALS - Add lines 1 through 7, less Line 7a through Line 9	(10)
RENTAL VALUE OF PROPERTY USED BUT NOT OWNED	(C)
Net Annual Rental Paid for:	
11. Real property	(A) In Tennessee (B) x8 (11)
12. Machinery & equipment used in manufacturing & processing	x3 (12)
13. Furniture, office machinery, and equipment	x2 (13)
14. Delivery or mobile equipment	x1 (14)
15. TENNESSEE TOTAL - Add lines 10-14 (Enter total here and on Schedule A, Line 2)	(15)

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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Schedule H -- GROSS RECEIPTS

1. Gross receipts or sales per federal income tax return (1)

COMPUTATION OF EXCISE TAX

Schedule J-1 -- COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS PARTNERSHIPS

- | | |
|--|--|
| 1. Ordinary Income or Loss (Federal Form 1065, Line 22)..... (1) | |
| Additions: | |
| 2. Income items specifically allocated to partners, including guaranteed payments to partners (Federal Form 1065, Schedule K) (2) | |
| 3. Any net loss or expense distributed to a publicly traded REIT (3) | |
| 4. Total additions - Add lines 1, 2, and 3 (4) | |
| Deductions: | |
| 5. Expense items specifically allocated to partners not deducted elsewhere (Federal Form 1065, Schedule K) (5) | |
| 6. Amount subject to self-employment taxes distributable or paid to each partner or member net of any "pass-through" expense deducted elsewhere on this return (if negative, enter zero) (include on Schedule K, Line 3) (6) | |
| 7. Amount of contribution to qualified pension or benefit plans of any partner or member, including all IRC 401 plans (include on Schedule K, Line 3) (7) | |
| 8. Any net gain or income distributed to a publicly traded REIT (8) | |
| 9. Any loss on the sale of an asset sold within 12 months after the date of distribution (9) | |
| 10. Total deductions - Add lines 5 through 9 (10) | |
| 11. Total - Line 4 less Line 10 (Enter here and on Schedule J, Line 1) (11) | |

Schedule J-2 -- COMPUTATION OF NET EARNINGS FOR A SINGLE MEMBER LLC FILING AS AN INDIVIDUAL

- | | |
|--|--|
| Additions: | |
| 1. Business Income from Form 1040, Schedule C (1) | |
| 2. Business Income from Form 1040, Schedule D (2) | |
| 3. Business Income from Form 1040, Schedule E (3) | |
| 4. Business Income from Form 1040, Schedule F (4) | |
| 5. Business Income from Form 4797 (5) | |
| 6. Other: Form _____, Schedule _____ (6) | |
| 7. Total additions - Add lines 1 through 6 (7) | |
| Deductions: | |
| 8. Amount subject to self-employment taxes distributable or paid to the single member (if negative, enter zero)(include on Schedule K, Line 3) (8) | |
| 9. Total - Line 7 less Line 8 (Enter here and on Schedule J, Line 1) (9) | |

Schedule J-3 -- COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS SUBCHAPTER S CORPORATIONS

- | | |
|--|--|
| 1. Ordinary Income or Loss (Federal Form 1120S, Line 21) (1) | |
| Additions: | |
| 2. Income items to extent includable in federal income were it not for "S" status election (Federal Form 1120S, Schedule K) (2) | |
| 3. Total additions - Add lines 1 and 2 (3) | |
| Deductions: | |
| 4. Expense items to extent includable in federal expenses were it not for "S" status election (Federal Form 1120S, Schedule K) (4) | |
| 5. Any loss on the sale of an asset sold within 12 months after the date of distribution (5) | |
| 6. Total deductions - Add lines 4 and 5 (6) | |
| 7. Total - Line 3 less Line 6 (Enter here and on Schedule J, Line 1) (7) | |

Schedule J-4 -- COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS CORPORATIONS AND "OTHER" ENTITIES

- | | |
|--|--|
| 1. Taxable Income or Loss before net operating loss deduction and special deductions from Federal Form 1120, Line 28 and Ordinary Income or Loss from Federal Form 1065, Line 22 (1) | |
| 2. Unrelated business taxable income (Federal Form 990-T, Line 30) (2) | |
| 3. Other: Form _____, Schedule _____ (include pass-through items from Form 1065, Schedule K) . (3) | |
| 4. Any deduction for domestic production activities under the provisions of IRC Section 199 (4) | |
| 5. Contribution carryover from prior period(s) (5) | |
| 6. Capital gains offset by capital loss carryover or carryback (6) | |
| 7. Total additions - Add lines 1 through 6 (7) | |
| Deductions: | |
| 8. Contributions in excess of amount allowed by federal government (8) | |
| 9. Portion of current year's capital loss not included in federal taxable income (9) | |
| 10. Total deductions - Add lines 8 and 9 (10) | |
| 11. Total - Line 7 less Line 10 (Enter here and on Schedule J, Line 1) (11) | |

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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Schedule J - COMPUTATION OF NET EARNINGS SUBJECT TO EXCISE TAX

1. Federal income or loss (Enter amount from Schedule J-1, J-2, J-3, or J-4)	(1)	
2. Add expenses from transactions between members of the group	(2)	
3. Deduct dividends and receipts from transactions between members of the group	(3)	
4. Net income for group (Line 1 plus Line 2, less Line 3)	(4)	
ADDITIONS:		
5. Intangible Expenses paid, accrued or incurred to an affiliated business entity or entities deducted for federal income tax purposes	(5)	
6. Any depreciation under the provisions of IRC Section 168 not permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation	(6)	
7. Gain on the sale of an asset sold within 12 months after the date of distribution to a nontaxable entity	(7)	
8. Tennessee excise tax expense (to the extent reported for federal purposes)	(8)	
9. Gross premiums tax deducted in determining federal income and used as an excise tax credit	(9)	
10. Interest income on obligations of states and their political subdivisions, less allowable amortization	(10)	
11. Depletion not based on actual recovery of cost	(11)	
12. Excess fair market value over book value of property donated	(12)	
13. Excess rent to/from an affiliate. A taxpayer paying excess rent enters a positive amount on this line. A taxpayer receiving excess rent, to the extent added back to net earnings by its affiliate, enters a negative amount on this line.	(13)	
14. Captive REIT Dividends Paid Deduction taken in computing Federal income (does not apply to a captive REIT that is owned, directly or indirectly, by a bank, bank holding company or a public REIT)	(14)	
15. Any net loss or expense received from a "pass-through" entity subject to the excise tax	(15)	
16. Total additions - Add lines 5 through 15	(16)	
DEDUCTIONS:		
17. Any depreciation under the provisions of IRC Section 168 permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation	(17)	
18. Any excess gain (or loss) from the basis adjustment resulting from Tennessee permanently decoupling from federal bonus depreciation	(18)	
19. Dividends received from corporations, at least 80% owned	(19)	
20. Donations to Qualified Public School Support Groups and nonprofit organizations	(20)	
21. Any expense other than income taxes, not deducted in determining federal taxable income for which a credit against the federal income tax is allowable	(21)	
22. Adjustments related to the "safe harbor" lease election (see instructions)	(22)	
23. Nonbusiness earnings - Schedule M, Line 8	(23)	
24. Intangible expenses paid, accrued or incurred to an affiliated entity or entities. Form IE - Intangible Expense Disclosure form must be included with this return	(24)	
25. Intangible income from an affiliated business entity or entities if the corresponding intangible expenses have not been deducted by the affiliate(s) under Tenn. Code Ann. Section 67-4-2006(b)(2)(N)	(25)	
26. Bad debts not deducted but allowed by IRC 585 or 593 as it existed on 12-31-86	(26)	
27. Any net gain or income received from a "pass-through" entity subject to the excise tax	(27)	
28. Total deductions - Add lines 17 through 27	(28)	
COMPUTATION OF TAXABLE INCOME:		
29. Total business income (loss) - Add lines 4 and 16, less Line 28 (if loss, complete Schedule K)	(29)	
30. Apportionment Ratio (Financial Institutions Schedule SE, REITs Schedule N if applicable or 100%)	(30)	%
31. Apportioned business income (loss) (Line 29 multiplied by Line 30)	(31)	
32. Add: Nonbusiness earnings directly allocated to Tennessee (from Schedule M, Line 9)	(32)	
33. Deduct: Loss carryover from prior years (from Schedule U)	(33)	
34. Subject to excise tax (6.5%) (Line 31 plus Line 32, less Line 33) (Enter here and on Schedule B, Line 4) ...	(34)	

Schedule K - DETERMINATION OF LOSS CARRYOVER AVAILABLE -See Rule 1320-6-1-.21 of Departmental Rules and Regulations

1. Net loss from Schedule J, Line 29	(1)	
ADD:		
2. Amounts reported on Schedule J, lines 19 and 23	(2)	
3. Amounts reported on Schedule J-1, lines 6 and 7, and Schedule J-2, Line 8	(3)	
4. Reduced loss - Add lines 1 through 3 (if net amount is positive, enter "0")	(4)	
5. Apportionment Ratio (Financial Institutions Schedule SE, REITs Schedule N if applicable or 100%)	(5)	%
6. Current year loss carryover available (Line 4 multiplied by Line 5)	(6)	

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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APPORTIONMENT SCHEDULE FOR FINANCIAL INSTITUTIONS DOING BUSINESS OUTSIDE TENNESSEE

For Apportionment ratio purposes, receipts from the transaction of business in Tennessee are attributed to the Tennessee factor under the provisions of Tenn. Code Ann. Sections 67-4-2118(c) and 67-4-2013(b). Receipts from the transaction of business in all taxing jurisdictions are determined for the everywhere factor under the same provisions.

The apportionment schedule below is to be used by financial institutions or unitary groups of financial institutions doing business within and without Tennessee within the meaning of Tennessee statutes. For excise tax purposes, unitary filing groups are to combine gross receipts of each member of the filing groups to obtain an apportionment formula for this group as a whole. This combined ratio is then applied to the combined net earnings of the group in Schedule J to obtain the excise tax base for the group.

Schedule S-E Financial Institution Apportionment Schedule for Excise Tax Purposes		
TYPES OF RECEIPTS AS DEFINED IN TENN. CODE ANN. SECTION 67-4-2013	In Tennessee	Everywhere
1. Receipts from leases of real property (1)		
2. Interest income and other receipts from loans or installment sales secured by real or tangible personal property (2)		
3. Interest income and other receipts from consumer loans which are not secured (3)		
4. Interest income and receipts from commercial and installment loans which are not secured by real or tangible property (4)		
5. Receipts and fee income from letters of credit, acceptance of drafts, and other devices for guaranteeing loans or credit (5)		
6. Interest income, merchant discount, and other receipts including service charges from credit card and travel and entertainment credit cards, and credit card holders' fees (6)		
7. Sales of an intangible or tangible asset (7)		
8. Receipts from the sale of a security by a dealer in such security (8)		
9. Receipts from fiduciary and other services (9)		
10. Receipts from the issuance of travelers checks, money orders and U.S. Savings Bonds (10)		
11. Interest income and other receipts from participation loans (11)		
12. Other business receipts (12)		
13. Total receipts (Add lines 1 through 12) (13)		
14. Divide Total Tennessee receipts by Total Everywhere receipts (Enter here and on Schedule J, Line 30) (14)		%



**TENNESSEE DEPARTMENT OF REVENUE
SCHEDULE M - NON-BUSINESS EARNINGS**

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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Allocation and apportionment schedules may be used only by taxpayers doing business outside the state of Tennessee within the meaning of Tenn. Code Ann. Sections 67-4-2010 and 67-4-2110. The burden is upon the taxpayer to show that the taxpayer has the right to apportion.

Note - If all earnings are business earnings as defined below, do not complete this schedule. Any nonbusiness earnings, less related expenses are subject to direct allocation and should be reported in this schedule.

Definitions: "Business Earnings" means (1) earnings arising from transactions and activity in the regular course of the taxpayer's trade or business or (2) earnings from tangible and intangible property if the acquisition, use, management, or disposition of the property constitutes an integral part of the taxpayer's regular trade or business operations. In essence, earnings which arise from the conduct of the trade or trades or business operations of a taxpayer are business earnings, and the taxpayer must show by clear and cogent evidence that particular earnings are classifiable as nonbusiness earnings. A taxpayer may have more than one regular trade or business in determining whether income is business earnings.

"Nonbusiness Earnings" means all earnings other than business earnings.

Description (If further description is necessary see below)	Gross Amounts	*Less Related Expenses	Net Amounts	Net Amounts Allocated Directly to Tenn.
1. _____				
2. _____				
3. _____				
4. _____				
5. _____				
6. _____				
7. _____				
8. Total nonbusiness earnings (Enter here and on Schedule J, Line 23)				XXXXX
9. Nonbusiness earnings allocated directly (Enter here and on Schedule J, Line 32)			XXXXX	

If necessary, describe source of nonbusiness earnings and explain why such earnings do not constitute business earnings as defined above. Enumerate these items to correspond with items listed above.

*As a general rule, the allowable deductions for expenses of a taxpayer are related to both business and nonbusiness earnings. Such items as administrative costs, taxes, insurance, repairs, maintenance, and depreciation are to be considered. In the absence of evidence to the contrary, it is assumed that the expenses related to nonbusiness rental earnings will be an amount equal to 50 percent of such earnings and that expenses related to other nonbusiness earnings will be an amount equal to 5 percent of such earnings. (See regulation 1320-6-1.23(3))



**TENNESSEE DEPARTMENT OF REVENUE
INDUSTRIAL MACHINERY AND RESEARCH AND DEVELOPMENT EQUIPMENT TAX CREDIT**

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN
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Franchise and excise taxes may be reduced by a credit on industrial machinery and research and development equipment purchased during the tax period covered by the return and located in Tennessee. The credit is generally computed at 1% of the purchase price of qualified industrial machinery and research and development equipment. The credit taken on any return cannot exceed 50% of the current year's franchise and excise tax liability, but any unused credit may be carried forward 15 years under Tenn. Code Ann. Section 67-4-2009(3).

SCHEDULE T (FORM FAE 174) - INDUSTRIAL MACHINERY AND RESEARCH AND DEVELOPMENT EQUIPMENT

PART 1 TAX CREDIT COMPUTATION

1. Purchase price of industrial machinery and research and development equipment (1)	
2. Percentage allowed (generally 1%, see note below) (2)	%
3. Original credit (Line 1 multiplied by Line 2) (3)	
4. Credit available from prior year(s) (from Schedule V) (4)	
5. Total credit available (Add Lines 3 and 4) (5)	
6. Franchise and Excise Tax liability before any credits (from Schedule A, Line 3 plus Schedule B, Line 5) ... (6)	
7. Limitation on Credit (50% of line 6) (7)	
8. Franchise and Excise Tax liability before any credits (from Schedule A, Line 3 plus Schedule B, Line 5) ... (8)	
9. Credits from Schedule D, Lines 1 through 6 and Schedule D, Line 9 (9)	
10. Tax before industrial machinery credit (Line 8 less Line 9) (10)	
11. Amount available in current year (Least of Lines 5, 7, or 10; Enter here and on Schedule D, Line 7) (11)	

PART 2 RECAPTURE OF TAX CREDIT

In the event that any industrial machinery or research and development equipment is sold or removed from the state and credit has been taken against franchise and/or excise taxes, the following formula is to be used to recapture the tax credit taken for each item of machinery. If the credit has not been taken due to the 50% annual limitation, carryover should be adjusted accordingly.

Credit taken on purchase of industrial machinery or research and development equipment times percentage of useful life remaining at time of sale or removal equals the amount of credit to be recaptured.

12. Original purchase price of industrial machinery and research and development equipment (12)	
13. Original credit established from the purchase of this machinery (13)	
14. Amount of Line 13 that was actually used to offset franchise and excise taxes (14)	
15. Remaining useful life at time of sale or removal (in months) (15)	
16. Total useful life (in months) (16)	
17. Percentage of useful life remaining at time of sale or removal - Divide Line 15 by Line 16 (17)	%
18. Total amount of recapture - Multiply Line 14 by Line 17 (Enter here and on Schedule B, Line 6) (18)	

Note: The percentage allowed on Part 1, Line 2 above is 1%, unless the taxpayer has met the requirements of Tenn. Code Ann. Section 67-4-2009(3)(l) and has been approved by the Commissioner of Revenue for an enhanced rate based on the investment amount. The statutory minimum investment requirements and applicable rates are shown on the following chart:

Minimum Required Capital Investment	Rate of Credit
\$100,000,000	3%
\$250,000,000	5%
\$500,000,000	7%
\$1,000,000,000	10%

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN
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SCHEDULE U and V - LOSS CARRYOVER/INDUSTRIAL MACHINERY AND RESEARCH AND DEVELOPMENT EQUIPMENT CREDIT CARRYOVER

IMPORTANT INFORMATION APPLICABLE TO LOSS CARRYOVER

1. Net operating losses may be carried forward for up to fifteen (15) years until fully utilized.
2. Tenn. Code Ann. Section 67-4-2006(c)(8) requires that loss carryover be reduced by the Tennessee portion of discharge of indebtedness income excluded from federal gross income under I.R.C. section 108(a) where the bankruptcy discharge occurs on or after October 1, 2013. See Excise Tax Report of Bankruptcy Discharge form and the above referenced code section for more information.

SCHEDULE U - SCHEDULE OF LOSS CARRYOVER

Year	Period Ended (MM/YY)	Original Return or As Amended	Used In Prior Year(s)	Expired	Loss Carryover Available
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
Total Amount (Enter here and on Schedule J, Line 33)					

SCHEDULE V - SCHEDULE OF INDUSTRIAL MACHINERY AND RESEARCH AND DEVELOPMENT EQUIPMENT CREDIT CARRYOVER

IMPORTANT INFORMATION APPLICABLE TO INDUSTRIAL MACHINERY AND RESEARCH AND DEVELOPMENT CREDIT CARRYOVER

Unused credit may be carried forward for up to fifteen (15) years.
 Reference: Tenn. Code Ann. Section 67-4-2009(3)(c).

Year	Period Ended (MM/YY)	Original Return or As Amended	Used In Prior Year(s)	Expired	Industrial Machinery Credit Carryover Available
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
Total Amount (Enter here and on Schedule T, Line 4)					

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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APPORTIONMENT SCHEDULES FOR CAPTIVE REITS NOT OWNED BY A BANK, BANK HOLDING COMPANY OR PUBLIC REIT AND DOING BUSINESS OUTSIDE THE STATE OF TENNESSEE

Franchise and excise tax ratios are obtained by using the arithmetical average of the following ratios. If a factor's denominator (everywhere value) is zero, that factor is to be eliminated entirely and the average is to be computed from the remaining factor or factors.

SCHEDULE N - APPORTIONMENT - Captive REITS				
Property	In Tennessee (Combined)		Total Everywhere (Combined)	
NOTE: USE ORIGINAL COST OF ASSETS	a. Beginning of Taxable year	b. End of Taxable year	a. Beginning of Taxable year	b. End of Taxable year
1. Land, buildings, leaseholds, and improvements				
2. Machinery, equipment, furniture, and fixtures.				
3. Automobiles and trucks				
4. Inventories and work in progress				
5. Prepaid supplies and other property				
6. Ownership share of real and tangible property of a partnership that does not file a return				
7. Total (Lines 1 through 6)	a.	b.	a.	b.
8. Average value (add Line 7(a) & (b), divide by 2)				
9. Add: Rented property (rent paid X 8)				
NOTE: Triple Weighted Sales Factor	a. In Tennessee	b. Total Everywhere	c. Franchise Ratio (Col. a ÷ Col. b)	d. Excise Ratio (Col. a ÷ Col. b)
10. Property factor (Line 8 plus Line 9)			%	%
11. Payroll factor			%	%
12. Sales factor - (Business Gross Receipts)			%	%
Sales factor - (Business Gross Receipts)			%	%
Sales factor - (Business Gross Receipts)			%	%
13. Total Ratios			%	%
14. Apportionment Ratio (Line 13 divided by 5) (Enter Franchise Ratio to Sch. F1, Line 2. Enter Excise ratio on Sch. J, Line 30)			%	%