



STATE OF TENNESSEE
DEPARTMENT OF REVENUE



**Audit Franchise Tax Property Measure (Schedule G) Refunds
2023 Returns**

August 30, 2024

Reply on
TNTAP

TEST BUSINESS
123 MAIN STREET
NASHVILLE TN 37221

Letter ID: Lxxxxxxxxx
Account ID: xxxxxxxxxxx-FAE
Account Type: Franchise/Excise Tax

Dear TEST BUSINESS:

In 2024, Tennessee eliminated the property measure from the franchise tax calculation for periods beginning on or after January 1, 2024. For the tax periods ending on or before December 31, 2023, Schedule G is still a required part of the return.

Previously, we advised taxpayers that they must complete Schedule G when filing their returns and calculate and pay their 2023 franchise tax based on the greater of Schedule F net worth or Schedule G property. Taxpayers who pay 2023 franchise tax based on Schedule G property may then amend their returns to report franchise tax on their lower Schedule F net worth base and submit a Claim for Refund of Franchise Tax Paid on Property Measure (Schedule G) form.

We have now developed an alternative method for taxpayers with a higher Schedule G tax base to use if they have filed, or plan to file, their 2023 return without completing and paying on Schedule G. The alternative method avoids the need to file multiple tax returns for the purposes of ultimately reporting less franchise tax on a lower basis of Schedule F net worth. However, it allows the Department to ensure that taxpayers are complying with the new law's requirements related to disclosure of taxpayer names and the waiver of certain legal rights.

If you are a taxpayer who has already filed your 2023 return using Schedule F net worth without fully completing Schedule G, and Schedule G property would have been higher than Schedule F net worth, **we will accept your return without requiring you to amend and pay on Schedule G property if you complete the steps below and submit a completed Pro Forma Schedule G and Claim for Refund of Franchise Tax Paid on Property Measure (Schedule G) form by November 30, 2024.**

If you are a taxpayer who has not yet filed your 2023 return but completing Schedule G would result in your calculating and paying franchise tax on a higher basis than if you simply filed using Schedule F net worth, **we will accept your return without Schedule G being completed if you complete the steps below and submit a completed Pro Forma Schedule G and Claim for Refund of Franchise Tax Paid on Property Measure (Schedule G) form by November 30, 2024.**

To submit the needed information via TNTAP, scan the QR code above, or take the following steps:

1. Login using your TNTAP credentials.
2. Navigate to the "More" tab.
3. Under the Letters group, select the "Respond to an Audit Communication Letter" link.

4. Reference the letter ID Lxxxxxxxxx.
5. Type a response in the required Message box.
6. Submit documents with appropriate title names.
7. Receive upload confirmation.

If you have issues completing the above steps, you may also submit the same information to the department by email to FAE.AuditHelp@tn.gov, but we strongly encourage you to make use of TNTAP for this purpose. If you are unable to use TNTAP for this purpose, please title any email sent with the needed information "Pro Forma G for 2023."

Taxpayers in the above categories who fail to respond to this letter may be assessed additional franchise tax, penalty, and interest. We urge you to avoid any such potential assessment by promptly providing the necessary information. If Schedule F net worth is higher for 2023, you are not eligible to file a Claim for Refund of Franchise Tax Paid on Property Measure (Schedule G). However, if you have already filed and not completed Schedule G, we ask that you also complete the steps above and submit a completed Pro Forma Schedule G. If you are a taxpayer who has not yet filed your 2023 tax return, but Schedule F net worth will be higher than Schedule G property, we ask that you fully complete Schedule G as part of your return.

For more information on the changes in the law and the Claim for Refund of Franchise Tax Paid on Property Measure (Schedule G), visit www.tn.gov/revenue/2024franchisetax.

For more information on how to follow the above steps in TNTAP, contact us at 615-253-0700, or submit a request to our help desk at <https://revenue.support.tn.gov>.

For questions regarding the necessary information to be included and eligibility for a refund, contact the Audit Division at 615-837-5043.

All inquiries should make reference to letter ID Lxxxxxxxxx.

Franchise/Excise Tax Unit
Audit Division

Taxable Year	Taxpayer Name	Account No./FEIN
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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. a. Inventories and work in progress.....	(7a)	_____
b. Exempt finished goods inventory in excess of \$30 million.....	(7b)	_____
8. Certified pollution control equipment (include copy of certificate) and equipment used to produce electricity at a certified green energy production facility	(8)	_____
9. Exempt required capital investment	(9)	_____
10. Subtotal (add Lines 1 through 7a, subtract Lines 7b through 9).....	(10)	_____

Rental Value of Property Used but Not Owned

Net Annual Rental Paid for:

In Tennessee

11. Real property.....	_____	x8	(11)	_____
12. Machinery and equipment used in manufacturing and processing....	_____	x3	(12)	_____
13. Furniture, office machinery, and equipment.....	_____	x2	(13)	_____
14. Delivery or mobile equipment	_____	x1	(14)	_____
15. Tennessee total (add Lines 10 through 14; enter here and on Schedule A, Line 2).....			(15)	_____



TENNESSEE DEPARTMENT OF REVENUE
Claim for Refund of Franchise Tax
Paid on Property Measure (Schedule G)

*In lieu of filing a claim using this form, we **strongly encourage** you to file the claim in TNTAP.*

Claims must be filed by November 30, 2024.

Taxpayer Name _____ Account Number _____ FEIN _____

Address _____
Street City State Zip Code

Provide the following information for each tax year included in the claim:

Tax Year	20__	20__	20__	20__
Amt Paid Per Sch. G				
Amt Due Per Sch. F				
Difference/Refund request*				

*Only include the difference in the franchise tax amount due as calculated on Schedule F vs. Schedule G. No other adjustments may be included in this claim. (To the extent tax was paid per Schedule G with tax credits from Schedule D, any previously applied tax credits in excess of those applied to the revised tax due will be reinstated on the taxpayer's account rather than refunded.)

Total amount of claim for refund: _____

Amended Returns Filed Yes No

Amended returns for each tax year included in the claim are *required*.

Balance Sheet Attached Yes No

A balance sheet, schedule of assets/liabilities, pro forma, or federal return pages supporting net worth calculation by entity *may* be provided to support the amount due per Schedule F. If your amended return requires additional review, the supporting information may decrease the time required to process your claim.

Report of Debts Attached Yes No

If a refund of \$200 or more is requested, a Report of Debts form *must* be completed and filed with this claim.

Under the penalties of perjury, I declare the following:

- That the taxpayer paid the tax due under Tenn. Code Ann. § 67-4-2108 on the minimum tax base in former sections Tenn. Code Ann. §§ 67-4-2108(a) and (b) ("property measure");
- That the amounts of this claim equal the amount of franchise tax actually paid based upon the property measure minus the amount otherwise due under Tenn. Code Ann. §§ 67-4-2106 and 2107 based upon net worth and any includable affiliated indebtedness;
- That amended returns have been filed for these periods or are attached to this form;
- That I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and

[Continued on the next page]

- That I understand the name of each taxpayer that receives a refund and the applicable range [\$750 or less; \$750.01-\$10,000; more than \$10,000] corresponding to the total amount of the refund will be published on the department of revenue's website from May 31, 2025, through June 30, 2025. Claims still pending as of May 31, 2025, will be disclosed and designated as "pending" without a range.

Name _____ Title _____
Signature of Taxpayer, Officer, or Authorized Representative

Printed Name _____ Date _____
Print name signed above

SB2103/HB1893 (2024) requires the following waiver to receive a refund under this claim:

Upon acceptance of this refund, the Taxpayer, _____, hereby knowingly waives all claims and rights of action in any court, state or federal, against the Tennessee Department of Revenue, Commissioner of Revenue, State of Tennessee, or its employees, based on any theory that the franchise tax in Title 67, Chapter 4, Part 21, or any provision of Part 21, including T.C.A. § 67-4-2108, as that Part and those provisions existed before the enactment of SB2103/HB1893 (2024), is unconstitutional by failing the internal consistency test.

Name _____ Title _____
Signature of Taxpayer, Officer, or Authorized Representative

Printed Name _____ Date _____
Print name signed above

Only if you cannot e-file in TNTAP, email or mail completed form and required attachments to: FAE.AuditHelp@tn.gov or Tennessee Department of Revenue, 500 Deaderick Street, 12th Floor, Nashville, TN 37242

For more information visit www.tn.gov/revenue/2024franchisetax, contact us at (615) 253-0700, or submit a request to our help desk at <https://revenue.support.tn.gov>.