



**TENNESSEE DEPARTMENT OF REVENUE
INDUSTRIAL MACHINERY TAX CREDIT**

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
--------------	---------------	----------------------

Franchise and excise taxes may be reduced by a credit on industrial machinery purchased during the tax period covered by the return and located in Tennessee. The credit is computed at 1% of the purchase price of qualified industrial machinery. 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 T.C.A. Section 67-4-2009(4).

SCHEDULE T (FORM FAE 170) - SCHEDULE OF INDUSTRIAL MACHINERY

PART 1 TAX CREDIT COMPUTATION

1. Purchase price of machinery	(1)	_____
2. Percentage allowed	(2)	_____ 1%
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, 2, 3, and 6	(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; transfer to Schedule D, Line 4)	(11)	_____

PART 2 RECAPTURE OF EXCISE TAX CREDIT

In the event that any industrial machinery is sold or removed 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:

Credit taken on purchase of machinery X percentage of useful life remaining at time of sale or removal = Amount of credit to be recaptured.

Total amount of recapture to be used to increase franchise and excise tax liability (Transfer to Schedule B, Line 6) \$ _____