



**TENNESSEE DEPARTMENT OF REVENUE**  
**W - FRANCHISE AND EXCISE TAX DAY CARE CREDIT COMPUTATION**

Taxpayer Name	Account Number/FEIN/SSN	Taxable Year

	(a) FRANCHISE TAX	(b) EXCISE TAX
1. Qualified Expenses (Attach schedule) .....		
2. Percentage Allowed .....	25%	25%
3. Original Credit (Line 1 multiplied by Line 2) .....		
4. Day Care Credit carryover from prior years .....		
5. Total Day Care Credit available (Add lines 3 and 4) .....		
6. Total number of day care facilities in existence from all periods .....		
7. Number of facilities on Line 6 multiplied by \$25,000 .....		
8. Limitation on credit (Lesser of Line 7 or \$100,000) .....		
9. Total Credit Available for each tax (Lesser of Line 5 or Line 8) .....		
10. Franchise Tax (Schedule A, Line 3) .....		
11. Franchise Tax Day Care Credit (Lesser of Line 9 or Line 10) .....		
12. Excise Tax (Schedule B, Line 5) .....		
13. Excise Tax Day Care Credit (Lesser of Line 9 or Line 12) .....		
14. Total Credit from both taxes (Line 11a plus Line 13b) .....		
15. Franchise and Excise taxes (From Schedule A, Line 3, plus Schedule B, Line 5) .....		
16. Credits from Schedule D, Lines 1 and 2 .....		
17. Line 15 less Line 16 .....		
18. Amount available in current year (lesser of Line 14 or Line 17) to Schedule D, Line 3 .....		

SCHEDULE OF FRANCHISE TAX DAY CARE CREDIT CARRYOVER					
YEAR	PERIOD ENDED MMYY	FOR ORIGINAL RETURN OR AMENDED	USED IN PRIOR YEARS	EXPIRED	DAY CARE CREDIT CARRYOVER AVAILABLE
1					
2					
3					
Amount to carry to Line 4, Column a .....					

SCHEDULE OF EXCISE TAX DAY CARE CREDIT CARRYOVER					
YEAR	PERIOD ENDED MMYY	FOR ORIGINAL RETURN OR AMENDED	USED IN PRIOR YEARS	EXPIRED	DAY CARE CREDIT CARRYOVER AVAILABLE
1					
2					
3					
Amount to carry to Line 4, Column b .....					

## INSTRUCTIONS FOR DAY CARE CREDIT COMPUTATION

- LINE 1: Enter on this line the cost of planning, site preparation, construction, renovation or acquisition of facilities for the purpose of establishing a child day care facility to be used primarily by the children of the corporation's employees and equipment installed for the permanent use within or immediately adjacent to such facility, including kitchen appliances that are necessary in the use of such facility for the purpose of child day care.
- LINE 3: Multiply amount on Line 1 by Line 2.
- LINE 4: Day Care Credit carryover as shown on the carryover schedules. Unused Day Care Credit may be carried forward for three (3) years.
- LINE 5: Add amounts on lines 3 and 4.
- LINE 6: Enter the number of licensed day care facilities provided by the corporation for use primarily by the corporation's employees in Tennessee for which the application for building permit was issued after May 2, 1994. Include all facilities in existence, regardless if they were claimed in a prior year. Do not claim a facility, however, if it is operated for a period less than six (6) months.
- LINE 7: Multiply amount on Line 6 by \$25,000.
- LINE 8: Enter the lesser of Line 7 or \$100,000.
- LINE 9: Enter the lesser of Line 5 or Line 8.
- LINE 10: Amount of franchise tax shown on Page 1, Schedule A, Line 3 of the current return.
- LINE 11: Enter the lesser of Line 9 or Line 10.
- LINE 12: Amount of excise tax shown on Page 1, Schedule B, Line 5 of the current return.
- LINE 13: Enter the lesser of Line 9 or Line 12.
- LINE 14: Enter the total credit of both taxes by adding Line 11a and Line 13b.
- LINE 15: Enter the total amount of Franchise, Excise tax by adding Schedule A, Line 3 and Schedule B, Line 5.
- LINE 16: Enter the total amount of credits reported on Schedule D, Lines 1 and 2.
- LINE 17: Enter the amount of Line 15 less Line 16.
- LINE 18: Enter amount of credit available in current year, the lesser of Line 14 or Line 17. Enter on Schedule D, Line 3. If the taxpayer has multiple type of credits to apply in Schedule D of the return, the credit application worksheet can be completed in order to allow the taxpayer to elect the amount of credit to be applied to each tax.

The credit permitted under Public Chapter No. 885 of the Public Acts of 1994 shall be allowed only under the following conditions:

1. The credits shall only apply to projects for which an application for a building permit for the project is made after May 2, 1994.
2. Applications as submitted to the Department of Revenue for the credit shall be approved in the order that applications for building permits are filed.
3. For each application approved for credit it shall be assumed that credit will be twenty-five thousand dollars (\$25,000) for the fiscal year in which the application is approved and the ensuing two (2) fiscal years for purposes of limiting credits as set out in item 4 below.
4. Applications shall be limited to those that would result in no greater credit in any fiscal year than one hundred thousand dollars (\$100,000) based upon the assumption set forth in item 3 above.