



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

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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The excise tax 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 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. Excise Tax liability before any credits (From 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 4	(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 5)	(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 excise tax, the following formula is to be used to recapture the excise 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 excise tax liability (Transfer to Schedule B, Line 6) \$ _____