



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

RV-R0011201

INTERNET (10-16)

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"/> 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"/>
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TAXPAYER NAME AND MAILING ADDRESS

NAME _____

BOX (STREET) _____

CITY _____

STATE _____ ZIP _____

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			
4. Income subject to excise tax from Schedule J, Line 38	(4)		
5. Excise tax (6.5% of Line 4)	(5)		
6. Add: Recapture of tax credit from Schedule T, Part 2	(6)		
7. Net excise tax due (Line 5 plus Line 6)	(7)		
SCHEDULE C - COMPUTATION OF TOTAL TAX DUE OR OVERPAYMENT			
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.	
Taxpayer's Signature _____ Date _____ Title _____ Tax Preparer's Signature _____ Preparer's PTIN _____ Date _____ Telephone _____ Preparer's Address _____ City _____ State _____ ZIP _____		Remit amount on Line 16, payable to: TENNESSEE DEPARTMENT OF REVENUE Andrew Jackson State Office Building 500 Deaderick Street, Nashville, TN 37242	

FOR OFFICE
USE ONLY

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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. Jobs Tax Credit from Schedule X, Line 16	(8)	
9. Jobs Tax Credit computed in accordance with Tenn. Code Ann. Section 67-4-2109 (b)(2) from Schedule X, Line 21	(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. Share of entity treated as a partnership real and tangible property, provided that the entity 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)	(B)		
12. Machinery & equipment used in manufacturing & processing	In Tennessee	x8	(11)	
13. Furniture, office machinery, and equipment		x3	(12)	
14. Delivery or mobile equipment		x2	(13)	
15. TENNESSEE TOTAL - Add lines 10-14 (Enter total here and on Schedule A, Line 2)		x1	(14)	

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 from Federal Form 1065, Line 22 (1)	
Additions:	
2. Additional income items specifically allocated to partners, including guaranteed payments to partners (Fed 1065-Sch K) (2)	
3. Any net loss or expense received from a "pass-through" entity subject to the excise tax, or any net loss or expense distributed to a publicly traded REIT (3)	
4. Total - Add lines 1, 2, and 3 (4)	
Deductions:	
5. Additional expense items specifically allocated to partners not deducted elsewhere (Fed 1065 -Sch 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 received from a "pass-through" entity subject to the excise tax, or any net gain or income distributed to a publicly traded REIT (8)	
9. Total deductions - Add lines 5 through 8 (9)	
10. Total - Line 4 less Line 9 (Enter here and on Schedule J, Line 1) (10)	

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. Any net loss or expense received from a "pass-through" entity subject to the excise tax (7)	
8. Total - Add lines 1 through 7 (8)	
Deductions:	
9. Amount subject to self-employment taxes distributable or paid to the single member (if negative, enter zero) (include on Schedule K, Line 3) (9)	
10. Any net gain or income received from a "pass-through" entity subject to the excise tax (10)	
11. Total deductions - Add lines 9 and 10 (11)	
12. Total - Line 8 less Line 11 (Enter here and on Schedule J, Line 1) (12)	

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

1. Ordinary Income or Loss from Federal Form 1120S, Line 21 (1)	
Additions:	
2. Income items to extent includable in federal income were it not for "S" status election (Fed 1120S - Schedule K) (2)	
3. Any net loss or expense received from a "pass-through" entity subject to the excise tax (3)	
4. Total - Add lines 1, 2 and 3 (4)	
Deductions:	
5. Expense items to extent includable in federal expenses were it not for "S" status election (Fed 1120S - Schedule K) (5)	
6. Any net gain or income received from a "pass-through" entity subject to the excise tax (6)	
7. Total deductions - Add lines 5 and 6 (7)	
8. Total - Line 4 less Line 7 (Enter here and on Schedule J, Line 1) (8)	

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. Federal Form 990-T, Line 30 (unrelated business taxable income) (2)	
3. Other: Form _____, Schedule _____ (include pass-through items from Form 1065, Schedule K) (3)	
Additions:	
4. Any net loss or expense received from a "pass-through" entity subject to the excise tax (4)	
Deductions:	
5. Any net gain or income received from a "pass-through" entity subject to the excise tax (5)	
6. Total - Lines 1 through 4 less Line 5 (Enter here and on Schedule J, Line 1) (6)	

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 deduction under the provisions of IRC Section 168 not permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation	(6)	
7. Any deduction for domestic production activities under the provisions of IRC Section 199	(7)	
8. Any gain on the sale of an asset sold within 12 months after the date of distribution to a nontaxable entity	(8)	
9. Tennessee excise tax expense (to the extent reported for federal purposes)	(9)	
10. Gross premiums tax deducted in determining federal income and used as an excise tax credit	(10)	
11. Interest income on obligations of states and their political subdivisions, less allowable amortization	(11)	
12. Depletion not based on actual recovery of cost	(12)	
13. Contribution carryover from prior period(s)	(13)	
14. Capital gains offset by capital loss carryover or carryback	(14)	
15. Excess fair market value over book value of property donated	(15)	
16. 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.	(16)	
17. 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)	(17)	
18. Total additions - Add lines 5 through 17	(18)	
DEDUCTIONS:		
19. Any depreciation under the provisions of IRC Section 168 permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation	(19)	
20. Any excess gain (or loss) from the basis adjustment resulting from Tennessee permanently decoupling from federal bonus depreciation	(20)	
21. Any loss on the sale of an asset sold within 12 months after the date of distribution	(21)	
22. Dividends received from corporations, at least 80% owned	(22)	
23. Contributions in excess of amount allowed by federal government	(23)	
24. Donations to Qualified Public School Support Groups and nonprofit organizations	(24)	
25. Portion of current year's capital loss not included in federal taxable income	(25)	
26. Any expense other than income taxes, not deducted in determining federal taxable income for which a credit against the federal income tax is allowable	(26)	
27. Adjustments related to the "safe harbor" lease election (see instructions)	(27)	
28. Nonbusiness earnings - Schedule M, Line 8	(28)	
29. Intangible Expenses paid, accrued or incurred to an affiliated entity or entities. The applicable box must be checked in order to take this deduction (check all that apply):		
<input type="checkbox"/> A) Form IE-N; Attached		
<input type="checkbox"/> B) Form IE-A; Previously Submitted, Approval/Denial Pending		
<input type="checkbox"/> C) Form IE-A; Previously Submitted and Approved	(29)	
30. 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)	(30)	
31. Bad debts not deducted but allowed by IRC 585 or 593 as it existed on 12-31-86	(31)	
32. Total deductions - Add lines 19 through 31	(32)	
COMPUTATION OF TAXABLE INCOME:		
33. Total business income (loss) - Add lines 4 and 18, less Line 32 (if loss, complete Schedule K)	(33)	
34. Apportionment Ratio (Financial Institutions Schedule SE, REITs Schedule N if applicable or 100%)	(34)	%
35. Apportioned business income (loss) (Line 33 multiplied by Line 34)	(35)	
36. Add: Nonbusiness earnings directly allocated to Tennessee (from Schedule M, Line 9)	(36)	
37. Deduct: Loss carryover from prior years (from Schedule U)	(37)	
38. Subject to excise tax (6.5%) (Line 35 plus Line 36, less Line 37) (Enter here and on Schedule B, Line 4) ...	(38)	

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 33	(1)	
ADD:		
2. Amounts reported on Schedule J, lines 22 and 28	(2)	
3. Amounts reported on Schedule J-1, lines 6 and 7, and Schedule J-2, Line 9	(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.

Tenn. Code Ann. Section 67-4-2118(c) reads as follows:

- (1) Receipts from the lease or rental of real or tangible personal property shall be attributed to Tennessee if the property is located in Tennessee;
- (2) (A) Interest income and other receipts from assets in the nature of loans or installment sales contracts that are primarily secured by or deal with real or tangible personal property shall be attributed to Tennessee if the security or sale property is located in Tennessee.
If any part of the sale property or property standing as security for the payment of the debt is located part in and part outside the state, only such proportion of the interest income or other receipts shall be attributed to Tennessee as the value of the property in the state bears to the whole property;
(B) "Value" means only that value which the property would command at a fair and voluntary sale. Value shall be determined at the time the loan is made and shall not vary from year to year. In the event additional real or tangible personal property is pledged as security or otherwise covered under a loan or installment sales contract after the time the loan is made, the ratio based on the value of the property in the state compared to the whole property shall be adjusted;
- (3) Interest income and other receipts from the consumer loans not secured by real or tangible personal property shall be attributed to Tennessee if the loan is made to a resident of Tennessee, whether at a place of business, by a traveling loan officer, by mail, by telephone or by other electronic means;
- (4) Interest income and other receipts from commercial loans and installment obligations not secured by real or tangible personal property shall be attributed to Tennessee if the proceeds of the loan are to be applied in Tennessee. If it cannot be determined where the funds are to be applied, the receipts are to be attributed to the state in which the business applied for the loan. As used in this subdivision, "applied for" means initial inquiry including customer assistance in preparing the loan application or submission of a completed loan application, whichever occurs first. For attribution purposes, the term "loan" shall not include demand deposit accounts, federal funds, certificates of deposit and other similar wholesale banking instruments issued by other financial institutions;
- (5) All receipts and fee income from the issuance of letters of credit, acceptance of drafts, and other devices for assuring or guaranteeing a loan or credit shall be attributed in the same manner as interest income and other receipts from the loan are attributed as set out in either subsection (d) (2), (3), or (4);
- (6) Interest income, merchant discount, and other receipts, including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders, and fees shall be attributed to the state to which the card charges and fees are regularly billed;
- (7) Receipts from the sales of an asset, tangible or intangible, shall be attributed in the same manner that the income from the asset would be attributed under this section;
- (8) Receipts from the performance of fiduciary and other services shall be attributed in accordance with Tenn. Code Ann. Section 67-4-2111(i);
- (9) Receipts from the issuance of traveler's checks, money orders, or United States savings bonds shall be attributed to the state where such items are purchased;
- (10) Receipts from a participating financial institution's portion of participation loans shall be attributed as otherwise provided under this subsection. A participation loan is any loan in which more than one (1) lender is a creditor to a common borrower.
- (11) Any other receipts of gross income not specifically attributed to Tennessee or to another taxing jurisdiction when applying this subsection (c) shall be attributed to Tennessee in the same proportion that aggregate receipts are attributed to Tennessee under subdivisions (c)(1)-(c)(10).

A financial institution which is not filing a combined report but has business activity both within and without Tennessee and is paying Tennessee franchise tax based on the value of its issued and outstanding stock, surplus and undivided profits and has earnings from business activity both within and without this state shall apportion net worth and business earnings to Tennessee by multiplying the tax base by the quotient of the institution's total receipts attributable to the transaction of business in Tennessee, as determined under Tenn. Code Ann. Section 67-4-2118(c), and Tenn. Code Ann. Section 67-4-2013(b), respectively divided by total receipts from business transacted everywhere.

Schedule S-E Financial Institution Apportionment Schedule for Excise Tax Purposes

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.

TYPES OF RECEIPTS AS DEFINED IN TENN. CODE ANN. SECTION 67-4-2013	In Tennessee	Everywhere
1. Receipts from leases of real property		
2. Interest income and other receipts from loans or installment sales secured by real or tangible personal property		
3. Interest income and other receipts from consumer loans which are not secured		
4. Interest income and receipts from commercial and installment loans which are not secured by real or tangible property		
5. Receipts and fee income from letters of credit, acceptance of drafts, and other devices for guaranteeing loans or credit		
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		
7. Sales of an intangible or tangible asset		
8. Receipts from fiduciary and other services		
9. Receipts from the issuance of travelers checks, money orders and U.S. Savings Bonds		
10. Interest income and other receipts from participation loans		
11. Other business receipts		
12. Total receipts (Add lines 1 through 11)		
13. Divide Total Tennessee receipts by Total Everywhere receipts (Enter here and on Schedule J, Line 34)		%



TENNESSEE DEPARTMENT OF REVENUE
SCHEDULE OF NON-BUSINESS EARNINGS

INTERNET (10-16)

SCHEDULE M
(FORM FAE174)

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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IMPORTANT: IF YOU USE THIS FORM, ATTACH IT TO YOUR FRANCHISE, EXCISE TAX RETURN.

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.

SCHEDULE M - Schedule of Nonbusiness Earnings

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 28)				XXXXX
9. Nonbusiness earnings allocated directly (Enter here and on Schedule J, Line 36)			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
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 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 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 (Enter here and on Schedule B, Line 6) \$

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

**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 37)					

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. Share of partnership property (if partnership is not taxable)				
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: Double 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)			%	%
13. Total Ratios			%	%
14. Apportionment Ratio (Line 13 divided by 4) (Enter Franchise Ratio to Sch. F1, Line 2. Enter Excise ratio to Sch. J, Line 34)			%	%