

Taxable Year	Taxpayer Name	Account No./FEIN
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**Apportionment Schedules for Taxpayers Electing to Report Net Worth on a Consolidated Basis**  
**Schedule 170NC - Consolidated Net Worth Franchise Tax Apportionment**

Property	In Tennessee (Single Entity)		Total Everywhere (Consolidated)	
	a. Beginning of Taxable Year	b. End of Taxable Year	a. Beginning of Taxable Year	b. End of Taxable Year
Use original cost of assets				
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. Ownership share of real and tangible property of a partnership that does not file a return.....				
7. Exempt inventory .....				
8. Franchise tax total (add Lines 1 through 6, subtract Line 7) .....				
9. Franchise tax average value (add Lines 8(a) & (b), divide by two) .....				
10. Rented property (rent paid x 8) .....				
Use triple weighted sales factor		a. In Tennessee	b. Total Everywhere	c. Franchise Ratio
11. Franchise tax property factor (add Lines 9 and 10) .....				%
12. Payroll factor .....				%
13. Sales factor (business gross receipts).....				%
14. Total ratios (add Lines 11,12 and (Line 13 x three)) .....				%
15. Apportionment ratio (divide Line 14 by five, or by the number of factors with everywhere values; enter here and on Schedule F2, Line 2) .....				%

**Schedule 170SF - Financial Institution Non-Unitary Group Member Apportionment Schedule for Franchise Tax Purposes**

Types of receipts defined in Tenn. Code Ann. § 67-4-2118	a. In Tennessee (Single Entity)	b. Everywhere (Consolidated)
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 assets .....		
8. Receipts from the sale of a security by a dealer in such property .....		
9. Receipts from fiduciary and other services.....		
10. Receipts from the issuance of travelers checks, money orders and U.S. savings bonds		
11. Interest income and other receipts from participation loans .....		
12. Other financial institution receipts .....		
13. Receipts of an affiliated group member that is not a financial institution.....		
14. Total receipts (add Lines 1 through 13).....		
15. Apportionment ratio (divide total Tennessee receipts by total everywhere receipts; enter here and on Line 2, Schedule F2).....		%

**Schedule 170SC - Manufacturer Single Sales Factor Consolidated Net Worth Apportionment**

	In Tennessee (Single Entity)	Everywhere (Consolidated)	Apportionment Ratio
1. Sales (business gross receipts) (Enter here and on Line 2, Schedule F2).....			%

## Instructions:

### **Who must file this form**

Every taxpayer that is a member of an affiliated group that has made an election to compute its net worth on a consolidated basis must complete this form.

### **Consolidated Net Worth Methodology**

The consolidated net worth election does not entitle the affiliated group to file a consolidated tax return. Each member of the affiliated group will use the same net worth (reported on Schedule F2, Line 1) in conjunction with its separately calculated apportionment ratio (calculated on this schedule and carried to Schedule F2, Line 2). The numerator values of this ratio are each individual taxpayer's Tennessee property, payroll and/or sales. The denominator values of this ratio are the affiliated group's everywhere property, payroll and sales.

### **Which schedule to use**

Taxpayers that are members of a financial institution affiliated group complete Sch. 170SF; all other taxpayers complete Sch. 170NC. A financial institution affiliated group is an affiliated group in which more than fifty percent of the group's aggregate gross income, excluding dividends and receipts resulting from transactions between members, comes from conducting the business of a financial institution.

### **Manufacturer who has elected Single Sales Factor apportionment**

If a manufacturer is part of an affiliated group that has made an election to compute its net worth on a consolidated basis and has also made an election to use single sales factor apportionment, the manufacturer must omit the property and payroll portions of Schedule NC (Lines 1-12). The election made by the manufacturer does not impact other members of the group. Other members of the affiliated group must complete the property and payroll portions of Schedule NC and include the manufacturer's property, payroll, and sales in the denominators.

### **Schedule NC - Apportionment - Standard**

Lines 1-3 Complete all four columns for each line using the original cost of the tangible property. Beginning and end of year values are reported in the respective columns for property located in Tennessee and for all property of the affiliated group located everywhere. A manufacturer that has elected the single sales factor method of apportionment should only complete line 16 of this schedule.

Line 4 Include all types of inventory on this line.

Line 5 Report all tangible assets, included those classified as "current assets" or "other assets."

Line 6 Multiply the taxpayer's percentage of ownership (shown on Fed. Sch. K-1) by the amount of real and tangible personal property shown on the balance sheet of an entity treated as a partnership for federal tax purposes. Only include on this line the taxpayer's ownership share of a partnership's property if the partnership itself is not required to file its own franchise, excise tax return.

Line 7 Enter the amount of exempt inventory on this line. Exempt inventory is any amount in excess of \$30,000,000 of finished goods that would otherwise be included in the Franchise Tax base. This \$30,000,000 cap on finished goods inventory in calculated on a separate entity basis and is not a single cap that can be applied to the affiliated group as a whole.

Line 8 Total Lines 1 through 6, less Line 7, in each column.

Line 9 Figure the average value by adding lines 8(a) and (b) and dividing by 2.

Line 10 Enter the year-end value of rented property, determined by multiplying the annual rental rate by 8. The value of owned or leased mobile/moveable property will be determined based on the percentage of time the property was within the state during the tax period. However, the value of an automobile/truck assigned to a traveling employee is entirely sourced to Tennessee if the vehicle is registered in this state or if the employee's compensation is assigned to Tennessee for purposes of the payroll factor.

Line 11 Determine the Tennessee and everywhere property factors by adding the applicable Line 9 and Line 10. Divide 11(a) by 11(b) to calculate the property ratio.

Line 12 Enter the separate entity's total compensation paid in Tennessee in 12(a) and the affiliated group's total paid everywhere in 12(b). Divide 12(a) by 12(b) to calculate the payroll ratio.

Line 13 Enter the separate entity's total business gross receipts in Tennessee in 13(a) and the affiliated group's total business gross receipts everywhere in 13(b). Divide 13(a) by 13(b) to calculate the sales ratio. Enter the value three times, as this factor is triple weighted in determining the apportionment ratio.

Line 14 Add Lines 11 through 13.

Line 15 Determine the apportionment ratio by dividing Line 14 by the lesser of 5 or the number of factors with everywhere values greater than zero. Enter result on Schedule F2, Line 2.

### **Schedule SF - Apportionment - Financial Institution Non-Unitary Group Member Apportionment Schedule**

Line 1 - 12 Enter the financial institution affiliated group's gross receipts everywhere in Column (b).

Line 13 Enter the separate entity's total business gross receipts in Tennessee in 13(a) and the affiliated group members who are not financial institutions total business gross receipts everywhere in 13(b).

Line 14 Add Lines 1 through 13. Line 15 Determine the apportionment ratio by dividing Line 14(a) by Line 14(b). Enter the result on Schedule F2, Line 2.

Line 15 Determine the apportionment ratio by dividing Line 14(a) by Line 14(b). Enter result on Schedule F2, Line 2.