



Alabama Department of Revenue
Add-Back Form

20
2/2023 **ADOR**

TAXPAYER NAME: _____ TAXPAYER FEIN: _____ FOR THE TAX PERIOD _____, 20 ____ through _____, 20 ____

Related member is defined to include a corporation, association, disregarded entity, or subchapter K entity (Alabama Code section 40-18-1(28) and (29)). Disregarded entities and subchapter K entities are related members separate and apart from their owner. A column must be completed for each recipient related member.

Recipient related member who received interest/intangible income from the taxpayer:	Related Member 1	Related Member 2	Related Member 3	Related Member 4
1 a. Recipient related member FEIN.....	1a ● 11-1111111	● 22-2222222	● 33-333333	● 44-444444
b. Recipient related member name.....	1b ● BCA Corp	● CAB Corp	● DEF Corp	● EFG Corp
2 List the intangible expense amounts paid to the recipient related member.....	2 ● 50,000,000	● 0	● 0	● 0
3 List the interest expense amounts paid to the recipient related member.....	3 ● 0	● 10,000,000	● 20,000,000	● 4,000,000
4 Total intangible/interest expenses paid (total lines 2 and 3).....	4 ● 50,000,000	● 10,000,000	● 20,000,000	● 4,000,000

To determine the exempt amount of intangible/interest expense, complete the applicable section(s) below.

5 Exemption related to §40-18-35(b)(1):				
a. Jurisdiction(s) where recipient related member income is "subject to tax" and not allocated.	5a ●	● GA, PA, TX, FL, LA	● CA, MS, TN	●
b. Amount of Interest/Intangible subject to apportionment in jurisdiction(s).....	5b ● 0	● 10,000,000	● 19,500,000	● 0
c. Recipient related member's total apportionment percentage in the above jurisdiction(s).	5c ● 0 %	● 30 %	● 15 %	● 0 %
d. Interest/Intangible apportioned to jurisdictions (multiply Line 5b by Line 5c).	5d ● 0	● 3,000,000	● 2,925,000	● 0
e. Intangible/Interest income allocated to jurisdiction(s).....	5e ● 0	● 0	● 500,000	● 0
f. Add Line 5d and Line 5e.....	5f ● 0	● 3,000,000	● 3,425,000	● 0
6 Exemption related to §40-18-35(b)(2) and §40-18-35(b)(4) – Amount of Line 4 expense not added back.....		6 ● 0	● 0	● 4,000,000
7 Exemption related to §40-18-35(b)(3) – Amount of Line 4 expense not added back.....		7 ● 50,000,000	● 0	● 20,000,000
8 Recipient related member receipts by category:				
a. Intangible receipts.....	8a ● 0	● 0	● 0	● 0
b. Interest receipts.....	8b ● 50,000,000	● 0	● 30,000,000	● 0
9 a. ●	9a ● 0	● 0	● 2,000,000	● 0
b. ●	9b ● 60,000,000	● 0	● 1,000,000	● 0
c. ●	9c ● 250,000,000	● 0	● 250,000	● 0
d. ●	9d ● 1,000,000	● 0	● 0	● 0
10 a. If either Lines 8a or 8b are greater than Lines 9a, 9b, 9c or 9d, enter zero.....	10a ● 0	● 0	● 0	● 0
b. If Lines 9a, 9b, 9c or 9d are greater than Lines 8a or 8b, enter amount from Line 7.	10b ● 50,000,000	● 0	● 0	● 0
11 Exempt Amount. Enter the greater of Lines 5f, 6, 10a or 10b.	11 ● 50,000,000	● 3,000,000	● 3,425,000	● 4,000,000
12 Interest Expense Disallowed per IRC 163 (j) (allocated pro rata see instructions).	12 ● 0	● 3,529,416	● 7,058,820	● 1,411,764
12a Exempt amount of Disallowed IRC 163 (j) (Line 11 divided by Line 4, multiplied by Line 12).	12a ● 0	● 1,058,825	● 1,208,823	● 1,411,764
13 Section 163 (j) Carryforward	13 ●	● 800,000	●	● 550,000
14 Total Intangible/Interest expenses paid to all related members less total disallowed IRC 163 (j) Interest (sum of all Line 4 for all related members minus all Line 12 for all related members plus all Line 13 for all related members).....	14 ● 72,000,000			
15 Total Exempt Amount. (Line 11 minus Line 12a for all related members from all pages. Subtract Line 15 from Line 14 and enter the difference on Form 65, Schedule A, Line 1 or Form 20S, Schedule A, Line 2.).....	15 ● 56,745,588			

In order to qualify for the exemption presented in §40-18-35(b)(3) and §40-18-24(e), Line 10b must be greater than zero and an informed corporate officer must sign Schedule PAB, executed under penalty of perjury. This signature denotes that tax avoidance was not a principal motivating factor with respect to the transaction(s) giving rise to the related member's interest/intangible expenses and costs.

Signature Corporate Officer
Title CEO Date 4/15/24