



TENNESSEE DEPARTMENT OF REVENUE
FRANCHISE AND EXCISE FINANCIAL INSTITUTION TAX RETURN

**FAE
174**

Taxable Year Beginning: _____ Ending: _____	Account No. _____ Due Date _____	FEIN or SSN _____ AMENDED RETURN, please check the box at right. } <input type="checkbox"/> FINAL RETURN for termination or withdrawal, please check box at right. } <input type="checkbox"/> Payment for this return was sent via EFT, please check the box at right. } <input type="checkbox"/> Taxpayer has made an election to calculate net worth per the provisions of T.C.A. 67-4-2103 (g)-(i), please check the box at right. } <input type="checkbox"/> Enter the principal business activity code (NAICS) listed in federal IRC instructions that best describes the principal business activity in Tennessee. _____ <table style="width:100%; border: none;"> <tr> <td style="width:30%; border: none;">Date Tennessee Operations Began _____</td> <td style="border: none;">If you use a paid preparer and do not want forms mailed to you next year, check box at right. <input type="checkbox"/></td> </tr> </table>	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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SCHEDULE A - COMPUTATION OF FRANCHISE TAX	DOLLARS	CENTS
1. Total net worth from Schedule F1, Line 6 or F2, Line 5 (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	DOLLARS	CENTS
4. Income subject to excise tax from Schedule J, Line 35 (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	DOLLARS	CENTS
8. Total Franchise and Excise taxes - Add lines 3 and 7 (8)	_____	_____
9. Deduct: Total credit from Schedule D, Line 7 (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 (9.00% per annum on taxes unpaid by the due date) (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. Credit to next year's tax \$ _____ B. 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. <table style="width:100%; border: none;"> <tr> <td style="width:30%; border: none;">Taxpayer's Signature _____</td> <td style="width:20%; border: none;">Date _____</td> <td style="width:50%; border: none;">Title _____</td> </tr> <tr> <td style="border: none;">Tax Preparer's Signature _____</td> <td style="border: none;">Preparer's SSN _____</td> <td style="border: none;">Date _____ Telephone _____</td> </tr> <tr> <td style="border: none;">Preparer's Address _____</td> <td style="border: none;">City _____</td> <td style="border: none;">State _____ ZIP _____</td> </tr> </table>	Taxpayer's Signature _____	Date _____	Title _____	Tax Preparer's Signature _____	Preparer's SSN _____	Date _____ Telephone _____	Preparer's Address _____	City _____	State _____ ZIP _____
Taxpayer's Signature _____	Date _____	Title _____								
Tax Preparer's Signature _____	Preparer's SSN _____	Date _____ Telephone _____								
Preparer's Address _____	City _____	State _____ ZIP _____								

**FOR OFFICE
USE ONLY** ▶

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Remit amount on Line 16, payable to:
TENNESSEE DEPARTMENT OF REVENUE
 Andrew Jackson State Office Building
 500 Deaderick Street, Nashville, TN 37242

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. Day Care Credit from Schedule W, Line 18/LIHTC from Schedule Y, Line 3/ Lender's Credit for Low-Income Housing and credit for contributions to the Tennessee Rural Opportunity Fund (3)		
4. Industrial Machinery Credit from Schedule T, Line 11 (4)		
5. Jobs Tax Credit from Schedule X, Line 28 (5)		
6. Jobs Tax Credit computed in accordance with T.C.A. Section 67-4-2109(H), (I) or (K) (6)		
7. Total Credit - Add Lines 1 through 6 (Enter here and on Schedule C, Line 9) (7)		

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 F1 - Non-Consolidated Net Worth

	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.....		
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.....		
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.....		
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.....		
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 F2 - Consolidated Net Worth

1. Net Worth (total assets less total liabilities).....	\$
2. Deduct twenty-five percent (25%) of financial institution affiliated group's securities classified as held to maturity or available for sale....	()
3. Total Line 1 less Line 2	
4. Ratio, Schedule 174 SC or 174 NC	%
5. Total (Line 3 multiplied by Line 4) (Enter here and on Schedule A, Line1)	\$

*Applies only to members of a unitary group of financial institutions required to file a combined return.

NOTE: Schedule F1, 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 F1).

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 F1, 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 F1, 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 F1, 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 F1, 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 (Attach schedule)	(5)
6. Share of partnership real and tangible property provided that the partnership does not file a return (Attach schedule)	(6)
7. Inventories and work in progress	(7)
a. Deduct exempt inventory in excess of \$30 million (§67-4-2108(a)(6)(B))	(7a) ()
8. Deduct value of certified pollution control equipment (Include copy of certificate (§67-5-604))	(8) ()
9. Deduct exempt required capital investments (T.C.A. 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	
Net Annual Rental Paid for:	
11. Real property	(A) In Tennessee (B) x8 (11)
12. Machinery & equipment used in manufacturing & processing	x3 (12)
13. Furniture, office machinery, and equipment	x2 (13)
14. Delivery or mobile equipment	x1 (14)
15. TENNESSEE TOTAL - Add lines 10-14 (Enter total here and on Schedule A, Line 2)	(15) (C)

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 plus any intangible expense to an affiliated business entity deducted for federal tax purposes	(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 and paying the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	(3)	
4. Total - Add lines 1, 2, and 3	(4)	
Deductions:		
5. Additional expense items specifically allocated to partners (Fed 1065 -Sch K)	(5)	
6. Amount subject to self-employment taxes distributable or paid to each partner or member net of medical insurance payments previously deducted to determine Ordinary Income (Loss) on Form 1065 (If negative, enter zero) (Include on Schedule K, Line 3)	(6)	
7. Amount of contribution, not previously deducted, to qualified pension or benefit plans of any partner or member, including all IRC 401plans (Include on Schedule K, Line 3)	(7)	
8. Any net gain or income received from a "pass-through" entity subject to and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs)	(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 plus any intangible expense to an affiliated business entity	(1)	
2. Business Income from Form 1040, Schedule D plus any intangible expense to an affiliated business entity	(2)	
3. Business Income from Form 1040, Schedule E plus any intangible expense to an affiliated business entity	(3)	
4. Business Income from Form 1040, Schedule F plus any intangible expense to an affiliated business entity	(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 and paying the excise tax (include schedule of entities and FEINs)	(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 and paying the excise tax (include schedule of entities and FEINs)	(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 plus any intangible expense to an affiliated business entity deducted for federal tax purposes	(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 and paying the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	(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 and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs)	(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

Enter the amount of income(loss) from the applicable federal return to Schedule J, Line 1

1. Federal Form 1120 - Line 28 (Taxable income or loss before net operating loss deduction and special deductions) plus any intangible expense to an affiliated business entity deducted for federal tax purposes	(1)	
2. Federal Form 990-T, Line 30 (unrelated business taxable income)	(2)	
3. Other: Form _____, Schedule _____	(3)	
Additions:		
4. Any net loss or expense received from a "pass-through" entity subject to and paying the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	(4)	
Deductions:		
5. Any net gain or income received from a "pass-through" entity subject to and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs)	(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 unitary group	(2)	
3. Deduct dividends and receipts from transactions between members of the unitary group	(3)	
4. Net income for unitary group financial institutions (Line 1 plus Line 2, less Line 3)	(4)	
ADDITIONS:		
5. Any depreciation under the provisions of IRC Section 168 not permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation and any expense/depreciation deducted as a result of "safe harbor" lease elections. (attach schedule)	(5)	
6. Any deduction for domestic production activities under the provisions of IRC Section 199	(6)	
7. Any gain on the sale of an asset sold within twelve months after the date of distribution to a nontaxable entity	(7)	
8. Tennessee excise tax expense (to the extent reported for federal purposes)	(8)	
9. Gross premiums tax deducted in determining federal income and used as an excise tax credit	(9)	
10. Interest income on obligations of states and their political subdivisions, less allowable amortization	(10)	
11. Depletion not based on actual recovery of cost	(11)	
12. Contribution carryover from prior period(s)	(12)	
13. Capital gains offset by capital loss carryover or carryback	(13)	
14. Excess fair market value over book value of property donated	(14)	
15. Total additions - Add lines 5 through 14	(15)	
DEDUCTIONS:		
16. Any depreciation under the provisions of IRC Section 168 permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation	(16)	
17. Any excess gain (or loss) from the basis adjustment resulting from Tennessee permanently decoupling from federal bonus depreciation	(17)	
18. Any loss on the sale of an asset sold within twelve months after the date of distribution to a nontaxable entity	(18)	
19. Dividends received from corporations, at least 80% owned (attach schedule)	(19)	
20. Contributions in excess of amount allowed by federal government	(20)	
21. Donations to Qualified Public School Support Groups and nonprofit organizations	(21)	
22. Portion of current year's capital loss not included in federal taxable income	(22)	
23. Any expense other than income taxes, not deducted in determining federal taxable income for which a credit against the federal income tax is allowable	(23)	
24. Any income included for federal tax purposes and any depreciation or other expense that could have been deducted for "safe harbor" lease elections. (attach schedule)	(24)	
25. Nonbusiness earnings - Schedule M, Line 8	(25)	
26. Intangible expense to an affiliated business entity (Intangible expense disclosure form MUST be completed to avoid the adjustment provided in T.C.A. Section 67-4-2006(d)(3))	(26)	
27. Intangible income from an affiliated business entity if the corresponding intangible expense has not been disclosed or has been disallowed	(27)	
28. Bad debts not deducted but allowed by I.R.C. 585 or 593 as it existed on 12-31-86	(28)	
29. Total deductions - Add lines 16 through 28	(29)	()
COMPUTATION OF TAXABLE INCOME:		
30. Total Business Income (Loss) - Add lines 4 and 15, less Line 29 (If loss, complete Schedule K)	(30)	
31. Apportionment Ratio (Schedule SE if applicable or 100%)	(31)	%
32. Apportioned business income (Loss) (Line 30 multiplied by Line 31)	(32)	
33. Add: Nonbusiness earnings directly allocated to Tennessee (From Schedule M, Line 9)	(33)	
34. Deduct: Loss carryover from prior years (From Schedule U)	(34)	()
35. Subject to excise tax (6.5%) (Line 32 plus Line 33, less Line 34) (enter here and on Schedule B, Line 4)	(35)	

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 30	(1)	
ADD:		
2. Amounts reported on Schedule J, lines 19 and 25	(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. Excise tax ratio (Schedule SE if applicable or 100%)	(5)	%
6. Current year loss carryover available (Line 4 multiplied by Line 5)	(6)	

Schedule L - FEDERAL INCOME REVISIONS

Year	1. Original Net Income on Federal Return	2. Net Income Corrected	3. Increase (Decrease) in Net Income	4. Increase (Decrease) Affecting Excise Tax

For Apportionment ratio purpose, receipts from the transaction of business in Tennessee are attributed to the Tennessee factor under the provisions of T.C.A. §§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.

T.C.A. §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 §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 §67-4-2118(c), and §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 T.C.A. 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 and enter ratio on Schedule J, Line 31		%



**TENNESSEE DEPARTMENT OF REVENUE
SCHEDULE OF NON-BUSINESS EARNINGS**

**SCHEDULE M
(FORM FAE 174)**

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 Sections 67-4-2010 and 67-4-2110 Tennessee Code Annotated. The burden is upon the taxpayer to show that the corporation 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. <u>Total nonbusiness earnings (Transfer to Schedule J, Line 25)</u>				XXXXX
9. <u>Nonbusiness earnings allocated directly (Transfer to Schedule J, Line 33)</u>			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 TAX CREDIT**

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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Franchise and excise taxes 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 generally 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 franchise and 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 (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, 2, 3, and 6	(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 4)	(11)	_____

PART 2 RECAPTURE OF TAX CREDIT

In the event that any industrial machinery 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:

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 franchise and excise tax liability (Transfer to 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. §67-4-2009(4)(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%

**TENNESSEE DEPARTMENT OF REVENUE
LOSS CARRYOVER SCHEDULE**

**SCHEDULE U
(FORM FAE 174)**

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN
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NOTE: SCHEDULE U IS NOT REQUIRED TO BE FILED WITH THE RETURN. This schedule may be used as a worksheet to compute the amount of net operating loss carryover.

IMPORTANT INFORMATION APPLICABLE TO LOSS CARRYOVER
<ol style="list-style-type: none"> 1. Any net operating loss incurred for fiscal years ended on or after 3-15-82 and prior to 1-15-84 may be carried forward seven (7) years as a net operating loss carryover. 2. Any net operating loss incurred for fiscal years ending on or after 1-15-84 may be carried forward fifteen (15) years as a net operating loss carryover. 3. COMBINED RETURN - UNITARY GROUP OF FINANCIAL INSTITUTIONS: Any net operating loss incurred by a member of the unitary group which has been apportioned to Tennessee in a tax year ending prior to July 15, 1990, may be carried forward seven (7) years as a net operating loss carryover by the unitary group. A net operating loss incurred by a unitary group of financial institutions computed on a combined basis may be carried forward fifteen (15) years by the unitary group. Reference: Section 67-4-2006(c), Tennessee Code Annotated.

SCHEDULE U - SCHEDULE OF LOSS CARRYOVER					
Year	Period Ended (mm/YY)	For 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 (Transfer to Schedule J, Line 34)					



**TENNESSEE DEPARTMENT OF REVENUE
FINANCIAL INSTITUTION
FRANCHISE AND EXCISE TAX
CAPTIVE REIT DIVIDEND DISCLOSURE FORM**

TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO. or FEIN
Has taxpayer requested and received a letter ruling from the Department of Revenue regarding Captive REIT(s) disclosed on this form? Yes <input type="checkbox"/> No <input type="checkbox"/>		

Complete a REIT Disclosure below for each captive REIT from which the taxpayer received dividends, directly or indirectly, during the taxable year. Attach additional forms as needed.

1. REIT Disclosure

Name of REIT:	FEIN:
Location Address:	City, State, Zip:
Amount of Dividend Received:	REIT's principal business activity: -----

Describe the taxpayer's relationship to the captive REIT. Attach an organizational chart to show the REIT's ownership.

2. REIT Disclosure

Name of REIT:	FEIN:
Location Address:	City, State, Zip:
Amount of Dividend Received:	REIT's principal business activity: -----

Describe the taxpayer's relationship to the captive REIT. Attach an organizational chart to show the REIT's ownership.

3. REIT Disclosure

Name of REIT:	FEIN:
Location Address:	City, State, Zip:
Amount of Dividend Received:	REIT's principal business activity: -----

Describe the taxpayer's relationship to the captive REIT. Attach an organizational chart to show the REIT's ownership.

This form must be completed and filed with your Franchise and Excise Financial Institution Tax Return (Form FAE 174) for tax years beginning on or after January 1, 2008, in order to comply with the disclosure requirements of Tenn. Code Ann. Section 67-4-2006(e).

Franchise and Excise Financial Institution Return Instructions to Captive REIT Disclosure Form

GENERAL INSTRUCTIONS

Purpose of Form

Public Chapter 1106 (2008) amended Tenn. Code Ann. Section 67-4-2006(e) to require financial institutions to disclose dividends received from captive REITs for tax years beginning on or after January 1, 2008.

“Captive real estate investment trust” or “captive REIT” means an entity with an election in effect under Section 856(c)(1) of the Internal Revenue Code, compiled in 26 U.S.C. Section 856(c)(1), in which the taxpayer, directly or indirectly, has at least ninety percent (90%) ownership interest by value determined in accordance with generally accepted accounting principles and whose shares are not traded on a national stock exchange. (Tenn. Code Ann. Section 67-4-2004)

Who Must File

Any financial institution that receives dividends, directly or indirectly, from one or more captive REITs must complete this form.

When to File

The Captive REIT Disclosure Form must be filed with the Franchise and Excise Financial Institution Tax Return (Form FAE 174). The tax return is due on the 15th day of the 4th month following the close of the taxable year.

Failure to File the Disclosure Form

Failure to file the required disclosure form will result in the disallowance of the dividends received deduction provided in Tenn. Code Ann. Section 67-4-2006(b)(2)(A) with respect to any direct or indirect dividends received from a captive REIT.

Penalty for Failure to Disclose

Failure to disclose the captive REIT dividend will result in a fifty percent (50%) penalty on the amount of any underpayment arising from the disallowance of the eighty percent (80%) owned dividend received deduction.

SPECIFIC INSTRUCTIONS

Taxable Year

Enter the taxable period shown on the Franchise and Excise Financial Institution Tax Return.

Taxpayer Name

Enter the legal name of the taxpayer.

Account No. or FEIN

Enter the taxpayer’s franchise and excise tax nine-digit account number or the federal employer identification number.

Letter Ruling Requested

Check the appropriate box to indicate whether or not the taxpayer has requested and received a binding letter ruling, in accordance with Tenn. Code Ann. Section 67-1-109, pertaining to the Captive REIT(s) disclosed on this form.

REIT Disclosure

Complete a REIT Disclosure section for each captive REIT from which the taxpayer received dividends, directly or indirectly, during the taxable year. Attach additional forms as needed.

Enter the legal name, address and FEIN of the REIT on the appropriate lines. Use the address of the REIT’s principal office or place of business.

Amount of Dividend Received

Enter the amount of dividends received, directly or indirectly from the captive REIT.

REIT’s Principal Business Activity

Provide a complete description of the captive REIT’s principal business activity.

Taxpayer’s Relationship to the Captive REIT

Provide a complete description of the relationship between the taxpayer and the captive REIT. If the captive REIT is indirectly owned, show the ownership from the REIT to the taxpayer. Attach an organizational chart to show the REIT’s ownership.