

Alabama Business Privilege Tax
TY2005 Forms and Schedules
Preparation Instructions

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Appendix A: TY2005 Forms and Schedules

Frequently Asked Questions Concerning the Alabama Business Privilege Tax

(more information is available on the Alabama Department of Revenue website
www.ador.state.al.us)

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Frequently Asked Questions

1. What taxpayers must file an Alabama Business Privilege Tax return?

According to the Alabama business privilege tax law, every corporation, limited liability entity, and disregarded entity doing business in Alabama or is organized, incorporated, qualified, or registered under the laws of Alabama is required to file an Alabama Business Privilege Tax Return and Annual Report.

C-corporations, Financial Institution Groups, insurance companies, REITs, and business trusts must file Alabama Form CPT. Limited liability entities taxed as corporations for federal income tax purposes must also file Alabama Form CPT.

S-corporations, limited liability entities and disregarded entities must file Alabama Form PPT.

Limited liability entity is defined in Section 40-14A-1, Code of Alabama 1975, as:

“...Any entity, other than a corporation, organized under the laws of this or any other jurisdiction through which business may be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity and which is taxable under subchapter K of the Code, including, without limitation, limited liability companies, registered limited liability partnerships, and limited partnerships...”

Corporation is defined in Section 40-14A-1, Code of Alabama 1975, as:

“...Any entity, including a limited liability company electing to be taxed as a corporation for federal income tax purposes, through which business can be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity, other than a limited liability entity or a disregarded entity...”

“S-corporation” is defined in Section 40-14A-1, Code of Alabama 1975, as:

“... An S corporation defined under Section 40-18-160...”

Frequently Asked Questions

2. What entities are not required to file an Alabama Business Privilege Tax return?

County or municipal corporations
Political subdivisions of the state
Governmental corporations
Governmental agencies
Organizations described in Internal Revenue Code Section 501(a)
Community chest
Any entity organized and operated exclusively for religious purposes
Homeowners association
Political parties
Political action committees
Political campaign committees
Agricultural cooperative

See Section 40-14A-43, Code of Alabama 1975.

3. When is the Alabama Business Privilege Tax return due?

For corporations, the Alabama business privilege tax return is due no later than two and a half months after the beginning of a taxpayer's taxable year. The 2005 Form CPT for a calendar year C-corporation would be due on March 15, 2005. The 2005 Form PPT for a calendar year S-corporation would be due on March 15, 2005.

Generally, for all other taxpayer's, the Alabama business privilege tax return is due no later than three and a half months after the beginning of the taxpayer's taxable year. The 2005 Form PPT for a calendar year limited liability entity would be due on April 15, 2005.

See Section 40-14A-25, Code of Alabama 1975. See also Question Number 6 concerning extension requests.

Frequently Asked Questions

4. What address do I use to mail the Alabama Business Privilege Tax return?

**Alabama Department of Revenue
Business Privilege Tax Unit
PO Box 327431
Montgomery, AL 36132-7431**

5. Why is the Alabama Business Privilege Tax levied?

The Alabama Business Privilege Tax is levied for the privilege of being organized under the laws of Alabama or doing business in Alabama (if organized under the laws of another state or country). See Section 40-14A-22, Code of Alabama 1975.

6. Can I file an extension to obtain more time to file an Alabama Business Privilege Tax return?

Yes, an Alabama Form PSE, Extension Request for the Alabama Business Privilege Tax Return and Annual Report, must be filed. The form is available on the Alabama Department of Revenue website (www.ador.state.al.us).

7. What is an initial return? When is it due?

An initial business privilege tax return is the first return due after the taxpayer becomes in existence or begins doing business in Alabama. The initial business privilege tax return is due two and one half months after the taxpayer is incorporated or organized (if an Alabama taxpayer), or two and one half months after the taxpayer qualifies with the Alabama Secretary of State to do business in Alabama (if incorporated or organized in another state or country). Section 40-14A-29, Code of Alabama 1975. See the instructions for Alabama Schedule BPT-IN, Alabama Business Privilege Tax Initial Privilege Tax Computation Schedule.

Frequently Asked Questions

8. Does the Alabama Business Privilege Tax return require any attachments?

Yes, as follows:

- A copy of page 1 through 4 of the federal tax return.
- Insurance companies must attach pages 1 through 8 of the federal return in addition to a copy of the balance sheet.
- For taxpayers doing business in Alabama and outside the State of Alabama, a copy of the Alabama apportionment schedule (For Form 20C, for Form 20S, for Form 65, for Form ET-1).
- Documentation to thoroughly support any exclusion or deduction claimed in the computation of the taxpayer's net worth.
- A copy of the balance sheet used to compute the taxpayer's net worth, if not provided with the copy of the federal tax return.

9. How is an amended Alabama Business Privilege Tax return filed?

Prepare and submit the applicable Form CPT or Form PPT. Clearly mark on line 6 (on the front page of the form) the box to indicate an amended return. Attach a thorough explanation for filing the amended return, and attach the computation of the additional tax due or of the refund due to the taxpayer.

10. How can I pay what I owe using EFT?

In order to pay the Alabama business privilege tax using EFT, the taxpayer must first be a registered EFT taxpayer. Registration information is available on the Revenue Department's Web site at www.ador.state.al.us. Click on E-Services, and then click on payments.

Frequently Asked Questions

11. What is an Electing Family Limited Liability Entity?

An Electing Family Limited Liability Entity is defined in Section 40-14A-1, Code of Alabama 1975. Upon meeting certain requirements, an Electing Family Limited Liability Entity would qualify for a maximum Alabama Business Privilege Tax of \$500.

To qualify the LLE must be more than 80 percent owned, directly or indirectly, by an individual and the members of the individual's family (See 40-14A-1(h)(4), Code of Alabama 1975, for attribution rules to follow to identify an individual family members for indirect ownership).

The LLE must have more than 90% of its gross receipts from interest, dividends, rents, and certain other passive-time income. At least 90% of the adjusted basis of the assets owned by the LLE must consist of cash, stock, securities, timber, annuities, and certain other "non-business" type assets. Again, see Section 40-14A-1, Code of Alabama 1975, for a more thorough explanation of the Electing Family Limited Liability Entity ownership, income, and asset requirements.

A qualifying LLE would make the election to be treated as an Electing Family Limited Liability Entity by completing Alabama Form BPT-E, Family Limited Liability Entity Election Form, and attaching the completed form to the Alabama Form PPT being filed for the LLE. Page 1, line 20 must be checked to indicate that the election form is attached to the Form PPT. See the Department's website (www.ador.state.al.us) for a copy of the election form.

12. What is a Determination Period?

The relationship between a taxpayer's Determination Period and the taxpayer's taxable year is, at first, confusing. But, to understand how to properly compute the Alabama Business Privilege Tax, one must first understand the terms Determination Period and Taxable Year, as they are used in the Alabama business privilege tax law (See also Section 40-14A-1, Definitions).

Frequently Asked Questions

12. What is a Determination Period? (continued)

Determination Period

The Determination Period is defined in Section 40-14A-1, Code of Alabama 1975, as:

“...the taxpayer’s taxable year next preceding the taxpayer’s current taxable year...”

Generally, the Determination Period is the taxpayer’s previous taxable year.

Taxable Year

Taxable Year is defined in Section 40-14A-1, Code of Alabama 1975, as:

“...the fiscal year used by the taxpayer to file returns required under the income tax levied by Chapter 18 or the financial institution excise tax levied by Chapter 16, or, in the case of an insurance company subject to the premium tax levied by Chapter 4A of Title 27, the calendar year...”

Generally, Taxable Year means the year (whether calendar year or fiscal year) used by the taxpayer to report its taxes.

Computations Involving Determination Period Information

The Alabama business privilege tax is levied for the privilege of doing business during the taxpayer’s taxable year. The Alabama business privilege tax for a taxable year is computed, generally, from information concerning the taxpayer’s previous taxable year (Determination Period).

The net worth is computed from information reported on the taxpayer’s balance sheet, as of the last day of the taxpayer’s previous taxable year (Determination Period Ending Date). Net worth is computed on page 2 of the Form CPT and the Form PPT.

Frequently Asked Questions

12. What is a Determination Period? (continued)

The apportionment factor used by the taxpayer is, generally, based on the information from the taxpayer's state income tax returns for the previous taxable year (Determination Period). The apportionment factor is found on line 9, Part B, page 2 of Form CPT and on line 7, Part B, page 2 of Form PPT (please see the form instructions for apportionment factor).

The business privilege tax rate is based on the federal taxable income of the taxpayer for the previous taxable year (Determination Period). The business privilege tax rate is found on line 17b, Part B, page 2 of Form CPT and on line 16b, Part B, page 2 of Form PPT (please see the form instructions for business privilege tax rate).

Determination Period for Initial Returns

The Determination Period for entities organized in Alabama or qualifying with the Alabama Secretary of State during the current taxable year is, for both the beginning and ending dates, the date the entity was organized in Alabama or the date the entity qualified to do business in Alabama. An Alabama business privilege tax initial return is due two and one half months after the date the entity was organized in Alabama or the date the entity qualified to do business in Alabama. And, if the initial business privilege taxable year is a short taxable year, the business privilege tax is prorated, but not below \$100. (See the instructions for Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule).

Examples Concerning Determination Period and Taxable Year

Example Number 1 – Organized Prior to 2004: Assume that a calendar-year taxpayer, subject to the Alabama Business Privilege Tax, was organized in Alabama in 1998. The 2005 Alabama Business Privilege Tax return would be due on March 15, 2005.

	Determination Period	Privilege Tax Taxable Year
Beginning Date:	January 1, 2004	January 1, 2005
Ending Date:	December 31, 2004	December 31, 2005

Frequently Asked Questions

12. What is a Determination Period? (continued)

Example Number 2 – Organized During 2004: Assume that a calendar-year taxpayer, subject to the Alabama Business Privilege Tax, was organized in Alabama on April 1, 2004. The 2005 Alabama Business Privilege Tax return would be due on March 15, 2005.

	Determination Period	Privilege Tax Taxable Year
Beginning Date:	April 1, 2004	January 1, 2005
Ending Date:	December 31, 2004	December 31, 2005

Example Number 3 – Organized During 2005: Assume that a calendar-year taxpayer, subject to the Alabama Business Privilege Tax, was organized in Alabama on March 1, 2005. The initial Alabama Business Privilege Tax return would be due on May 15, 2005. See the instructions for Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule.

	Determination Period	Privilege Tax Taxable Year
Beginning Date:	March 1, 2005	March 1, 2005
Ending Date:	March 1, 2005	December 31, 2005

The taxable year would be a short taxable year, and the privilege tax computation would prorate the privilege tax over the short taxable year, but not below \$100. See the form instructions for computing Gross Privilege Tax Calculated (line 18, page 2, Part B, Form CPT and line 17, page 2, Part B, Form PPT).

TY2005 Alabama Form CPT

Alabama Business Privilege Tax Return and Annual Report

Form CPT is to be filed by C-corporations only!

General Information - Filing Requirement for Business Privilege Tax

Every corporation, limited liability entity, business trust, disregarded entity and real estate investment trust (REIT) that is doing business in Alabama or is registered/qualified to do business in Alabama is required to file an Alabama Business Privilege Tax Return and Annual Report.

C-corporations, Financial Institution Groups, insurance companies, REITs, and business trusts must file Alabama Form CPT. Limited liability entities taxed as corporations for federal income tax purposes must also file Alabama Form CPT.

S-corporations, limited liability entities and disregarded entities must file Alabama Form PPT.

Corporation is defined in Section 40-14A-1, Code of Alabama 1975, as:

“...Any entity, including a limited liability company electing to be taxed as a corporation for federal income tax purposes, through which business can be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity, other than a limited liability entity or a disregarded entity...”

Limited liability entity is defined in Section 40-14A-1, Code of Alabama 1975, as:

“...Any entity, other than a corporation, organized under the laws of this or any other jurisdiction through which business may be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity and which is taxable under subchapter K of the Code, including, without limitation, limited liability companies, registered limited liability partnerships, and limited partnerships...”

Instructions for Form CPT

Required Attachments to the Alabama Form CPT:

- A copy of page 1 through 4 of the federal tax return.
- Insurance companies must attach pages 1 through 8 of the federal return in addition to a copy of the balance sheet.
- For taxpayers doing business in Alabama and outside the State of Alabama, a copy of the Alabama apportionment schedule (For Form 20C or Form ET-1).
- Documentation to thoroughly support any exclusion or deduction claimed in the computation of the taxpayer's net worth.
- A copy of the balance sheet used to compute the taxpayer's net worth, if not provided with the copy of the federal tax return.

Due date for the Alabama Form CPT:

For corporations, the Alabama business privilege tax return is due no later than two and a half months after the beginning of a taxpayer's taxable year. The 2005 Form CPT for a calendar year C-corporation would be due on March 15, 2005.

Generally, for all other taxpayers, the Alabama business privilege tax return is due no later than three and a half months after the beginning of the taxpayer's taxable year.

See the Department's website (www.ador.state.al.us) concerning extension requests (Alabama Form PSE).

Mailing Address for the Form CPT:

Alabama Department of Revenue
Business Privilege Tax Unit
PO Box 327431
Montgomery, AL 36132-7431

Instructions for Form CPT, Page 1

Type of Taxpayer

Indicate the type of taxpayer by checking one of the boxes on line 1.a. through line 1.f.

Determination Period Used to Compute the Business Privilege Tax

Lines 2.a. and 2.b. Enter the beginning and ending date of the determination period. The determination period is defined in Section 40-14A-1, Code of Alabama 1975, as the taxpayer's taxable year next preceding the taxpayer's current taxable year (Generally, it is the taxable year that just ended).

Please note prior year forms referred to the Determination Period as the "Balance Sheet Year." The net worth computations required to compute the Alabama business privilege tax for a business privilege taxable year are performed on information extracted from the balance sheet prepared as of the last day of the determination period (Generally, the last day of the determination period is the last day of the taxable year that just ended, and is the date of the balance sheet prepared that coincides with the taxable year that just ended).

EXAMPLE:

For a calendar-year taxpayer filing a 2005 Form CPT, the determination period began on January 1, 2004, and ended on December 31, 2004. In line 2a would be entered 01/01/2004. In line 2b would be entered 12/31/2004. The taxpayer's net worth for the 2005 Form CPT would be computed from the taxpayer's December 31, 2004, balance sheet.

Special Instructions for Initial Business Privilege Tax Returns:

Initial business privilege tax returns should enter on both line 2a, Determination Period Beginning Date, and line 2b, Determination Period Ending Date, either the date of incorporation or organization for entities organized in the State of Alabama, or the date the entity qualified with the Alabama Secretary of State to do business in Alabama.

Instructions for Form CPT, Page 1

Taxable Year Information:

Lines 2.c. Calendar Taxable Year Indicator. Check this box if the taxable year is a calendar year.

Lines 2.d. Fiscal Taxable Year Indicator. Check this box if the taxable year is a fiscal year.

Lines 2.e. Short Taxable Year Indicator. Check this box if the taxable year is a short year.

Short Taxable Years that are Also Initial Years. If the short taxable year is also the taxpayer's initial taxable year, an initial business privilege tax return (with a properly completed Alabama Schedule BPT-IN) was due two and one-half months after the taxpayer was organized or qualified to do business in Alabama. Section 40-14A-29, Code of Alabama 1975, levies the initial business privilege tax and establishes the requirement for an initial business privilege tax return. See the preparation instructions for Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule.

Privilege Tax Prorated for Short Taxable Years. The business privilege tax is prorated when taxpayers have a short taxable year – See the instructions for line 18, page 2, Form CPT.

Taxpayer Information:

Line 3.a. Enter the taxpayer's legal name.

Line 3.b. Enter the taxpayer's Federal Employer Identification Number (FEIN).

Line 3.c. Enter the taxpayer's street address.

Line 3.d. Enter the taxpayer's city.

Line 3.e. Enter the taxpayer's state.

Line 3.f. Enter the taxpayer's 9-digit zip code.

Line 3.g. Enter the taxpayer's federal business code number. This number is the North American Industry Classification System (NAICS) reported on the federal income tax return.

Instructions for Form CPT, Page 1

Return Information:

Line 4.a. Check this box if the taxpayer's address represents an address change.

Line 4.b. Check this box if there is a change in the taxpayer's corporate president information reported on the accompanying Alabama Schedule AL-CAR, Alabama Secretary of State Corporation Annual Report.

Line 4.c. Check this box if there is a change in the taxpayer's corporate secretary information reported on the accompanying Alabama Schedule AL-CAR, Alabama Secretary of State Corporation Annual Report.

Line 5 - Amended Return Indicator. Check this box if the return is an amended return. Attach a full explanation for filing the amended return, in addition to a computation of the additional amount due or the additional refund due.

Line 6 - Initial Return Indicator. Check this box if the return is an initial return, as required by Section 40-14A-29, Code of Alabama 1975. Attach a completed Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule. See the preparation instructions for Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule.

Determination Dates to Use for Initial Returns. Please note initial business privilege tax returns should enter on both line 2a (Determination Period Beginning Date) and line 2b (Determination Period Ending Date) either the date of incorporation or organization for entities organized in the State of Alabama, or the date the entity qualified with the Alabama Secretary of State to do business in Alabama.

Computation of Amount Due or Refund Due:

Line 7 - Secretary of State Corporate Annual Report Fee. Enter \$10.00, the amount of the Secretary of State's corporate annual report fee. Please also attach a completed Alabama Schedule AL-CAR, Alabama Secretary of State Corporate Annual Report. The return will not be considered complete unless the required Alabama Schedule AL-CAR is attached (with the exception of initial returns, which do not require an Alabama Schedule AL-CAR).

A Financial Institution Group filing a consolidated Form CPT would enter an amount equal to the number of Schedule AL-CAR's attached for corporate group members multiplied by \$10.00.

Instructions for Form CPT, Page 1

Computation of Amount Due or Refund Due (continued):

Line 8 - Less: Annual Report Fee Previously Paid. Enter the amount of Secretary of State's annual report fee paid with the Alabama Form PSE, business privilege tax extension request. If the return is an amended return, enter the amount of Secretary of State's annual report fee paid with the originally-filed Alabama business privilege tax return.

Line 9 - Net Annual Report Fee Due. Subtract the amount on line 8 from the amount on line 7.

Line 10 - Privilege Tax Due. Enter the amount from page 2, Part B, line 20 (Privilege Tax Due). The Alabama business privilege tax is due, in full, by the original due date of the business privilege tax return, without consideration for any filing extensions. There is no provision in the Alabama business privilege tax law to allow an extension of time to pay the amount of tax due.

Note Concerning Financial Institution Groups. Financial Institution Groups filing a consolidated business privilege tax return, in accordance with Section 40-14A-22(f), Code of Alabama 1975, must enter on line 10, the Privilege Tax Due computed on Alabama Schedule G, Financial Institution Group Computation Schedule. Financial Institution Group members filing a separate Alabama business privilege tax return must enter on line 10, the Privilege Tax Due computed on Alabama Schedule G, Financial Institution Group Computation Schedule. See the instructions for Alabama Schedule G, Alabama Business Privilege Tax Financial Institution Group Computation Schedule.

Line 11 - Less: Privilege Tax Previously Paid. Enter the amount of business privilege tax paid with the Alabama Form PSE, business privilege tax extension request. If the return is an amended return, enter the amount of business privilege tax paid with the originally-filed Alabama business privilege tax return.

Line 12 - Net Privilege Tax Due. Subtract the amount on line 11 from the amount on line 10.

Line 13 - Penalty Due . Enter the total amount of the penalty for failure to timely file the return and the penalty for failure to timely pay the tax shown due on the return, as specified in Section 40-2A-11, Code of Alabama 1975. The penalty for failure to timely file an Alabama business privilege tax return by the due date is 10% of the tax shown due with the return or \$50, whichever is greater. The penalty for failure to timely pay the amount of tax shown due on an Alabama business privilege tax return equals to 1% of the amount of tax shown due on the return for each month the tax is unpaid - not to exceed 25% of the amount shown due on the return.

Instructions for Form CPT, Page 1

Computation of Amount Due or Refund Due (continued):

Line 14 - Interest Due. Enter the amount of interest due on any business privilege tax unpaid as of the original due date of the business privilege tax return. Section 40-1-44(a), Code of Alabama 1975, specifies the interest rate to be used in computing the amount of interest due (Section 40-1-44 references Internal Revenue Code Section 6621 for the interest rates to be used for underpayments).

Line 15 - Total Privilege Tax Due. Add the amounts shown on lines 12, 13, and 14.

Line 16 - Net Tax Due. Add the amounts shown on line 9 and line 15. A positive amount represents an amount due, and that amount should be entered on line 17 ((Payment Due with Return). A negative amount represents a refund due to the taxpayer, and that amount should be entered on line 18 (Amount to be Refunded to Taxpayer).

Line 17 - Payment Due with Return. Enter the amount from line 16, but only if the amount is positive.

Line 18 - Amount to be Refunded to Taxpayer. Enter the amount from line 16, but only if the amount is negative.

Line 19 - EFT Indicator. Check the box if the payment due with the return will be made with an EFT payment.

How to Make EFT Payments:

In order to pay the Alabama business privilege tax using EFT, the taxpayer must first be a registered EFT taxpayer. To register for EFT taxpayers must complete the Form [EFT:001, EFT Authorization Agreement Form](#), and mail or fax it to the Alabama Department of Revenue's EFT Unit. The mailing address and fax number are given at the top of the form. Form EFT:001 and instructions can be downloaded from the Department's Web site at <http://www.ador.state.al.us/eft/eftindex.html>.

EFT Unit's Mailing Address

Alabama Department of Revenue
EFT Unit
PO Box 327950
Montgomery, AL 36132-7950

Instructions for Form CPT, Page 2

Line 1.a. Enter the taxpayer's Federal Employer Identification Number (FEIN).

Line 1.b. Enter the taxpayer's legal name as shown on page 1, line 3.a.

Line 1.c. - Determination Period End Date/Balance Sheet Date. Enter the balance sheet date for which the net worth computations are made. This date should agree with the date shown on page 1, line 2.b.

Part A – Net Worth Computation:

Line 1. Enter the total amount of the taxpayer's capital stock and paid in capital, but not less than zero. The amount must not be reduced for any treasury stock owned by the corporation.

Line 2. Enter the amount of retained earnings, but not less than zero. Include any amounts designated for the payment of dividends until the amounts are definitely and irrevocably placed to the credit of the stockholders, subject to withdrawal on demand. If the taxpayer does not issue stock or if the taxpayer is either a business trust or a limited liability entity taxed as a corporation for federal tax purposes, enter the book value of the taxpayer's assets and liabilities (assets minus liabilities). The amount entered on line 2 must not be less than zero.

Line 3. Enter the amount of related party debt exceeding the total of the amounts entered on line 1 and line 2, as required by Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amounts on line 1 and line 2 in arriving at the taxpayer's net worth. Related parties are defined in Section 40-14A-1, Code of Alabama 1975, as any member of a controlled group of corporations as defined by Internal Revenue Code Section 1563. The definition of related parties also includes any limited liability entity that would be a member of a controlled group if rules similar to Section 1563 were applied to limited liability entities.

Line 4. For the determination period, enter the excess amount (the amount in excess of \$500,000 for each shareholder) of compensation or similar amounts paid to (or accrued as a liability to) certain direct or indirect shareholders, as defined in Section 40-14A-23, Code of Alabama 1975. This amount will be added to lines 1, 2, and 3, in arriving at the taxpayer's net worth. Section 40-14A-23(f), Code of Alabama 1975, should be referred to for a more thorough explanation of this adjustment.

Line 5 - Total Net Worth. Enter the sum of lines 1 through 4.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Exclusions and Deductions:

Exclusions - Exclusions are allowed by Section 40-14A-23 (g), Code of Alabama 1975. Attach documentation for any exclusion claimed on this return.

Line 1. Enter the Total Net Worth from line 5, Part A.

Line 2. Enter the total book value amount for the investment the taxpayer has in the equity of other taxpayers doing business in Alabama. Attach a listing providing for each separate investment, the name of the taxpayer, the taxpayer's FEIN, the taxpayer's address and the book value of the investment. This exclusion is not available for the book value of security held by a dealer primarily for sale to customers in the ordinary course of its trade or business, pursuant to Internal Revenue Code Section 1236.

Line 3. ***This exclusion is only available to financial institutions.*** Financial institutions should enter the total book value amount for the investment the financial institution taxpayer has in the equity of other entities not doing business in Alabama. The financial institution taxpayer must have an ownership percentage in the other entity of more than 50%. Section 40-14A-23(g), Code of Alabama 1975, provides additional information concerning the exclusion. Attach a listing providing for each separate investment, the name of the entity, the entity's FEIN, the entity's address, and the book value of the investment. The return will not be considered complete without the listing.

Line 4. Enter the amount reported on the taxpayer's balance sheet for the unamortized portion of goodwill and core deposit intangibles that resulted from a direct purchase of another corporation or limited liability entity. For goodwill, attach a listing showing for each direct purchase the goodwill originally acquired, the date the direct purchase occurred, accumulated amortization, the name and location of the business acquired, and the name and FEIN of the entity that acquired the business and goodwill.

Line 5. Enter the amount reported on the taxpayer's balance sheet for the unamortized portion of post-retirement benefits, which the taxpayer elected to amortize under Financial Accounting Standards Board (FASB) Statement Number 106, Employers' Accounting for Postretirement Benefits Other Than Pensions. The statement was issued in December 1990, and focuses principally on postretirement health care benefits.

Line 6. ***This exclusion is only available to financial institutions.*** Financial institutions should enter the total amount that the net worth, computed in accordance with lines 1 through 5, above, exceeds 6% of the total assets of the financial institution taxpayer. Attach a computation of the amount claimed as this exclusion.

Line 7 - Total Exclusions. Enter the total of lines 2 through 6.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Exclusions and Deductions: Net Worth Apportionment

Line 8 - Net Worth Subject to Apportionment. Enter the difference in line 1 (Total Net Worth) and line 7 (Total Exclusions).

Line 9 - Apportionment Factor. Section 40-14A-24(a), Code of Alabama 1975, establishes the net worth apportionment requirements for the Alabama business privilege tax. Taxpayers that conducted all of their business in Alabama during the determination period should enter 100%. No supporting documentation is required of taxpayers reporting an apportionment factor of 100%.

Taxpayers that conducted business both within and without Alabama (multistate taxpayers) during the determination period should generally not enter 100%. Multistate taxpayers must enter the same factor as was used by the taxpayer during the determination period for purposes of apportioning the taxpayer's income in accordance with Alabama's income tax law (Chapter 18, Title 40, Code of Alabama 1975), or Alabama's financial institutions excise tax law (Chapter 16, Title 40, Code of Alabama 1975). Attach a copy of the computation of the apportionment factor from the applicable Alabama tax return for the determination period.

The apportionment factor to be used by insurance companies, subject to Alabama's insurance premiums tax law (Chapter 4A, Title 27, Code of Alabama 1975) shall be the ratio of the insurer's Alabama premium income to its nationwide total direct premiums as reflected on schedule T of the insurer's annual statement filed with the Commissioner of Insurance for the then immediately preceding calendar year. Taxpayers must attach a copy of the schedule T filed with the Commissioner of Insurance.

Taxpayers required to file an Alabama business privilege tax return, but were not required to file a tax return in accordance with Alabama's income tax law or financial institutions excise tax law, and were not subject to Alabama's insurance premiums tax law, must compute the apportionment factor as if the taxpayer were subject to Alabama's income tax law. Taxpayers computing the apportionment factor in this manner must attach a computation of the apportionment factor.

Special Apportionment Factor for Initial Returns: Initial Alabama business privilege tax returns require an apportionment factor. The computation of the apportionment factor for an initial return is to be performed as of the opening of business of the first day the taxpayer is incorporated, formed, organized (if a domestic entity) or registered with the Alabama Secretary of State to do business in Alabama (if a foreign entity). Since usually at that point, a business has no sales or payroll information, the ratio of Alabama property to total property should be used as the apportionment factor for initial returns.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Deductions:

Line 10 - Total Alabama Net Worth. Multiply line 8 (Net Worth Subject to Apportionment) by line 9 (Apportionment Factor).

Deductions

Deductions are allowed by Section 40-14A-24(b), Code of Alabama 1975. Attach documentation for any deduction claimed on this return.

Line 11. Enter the net amount invested in bonds and securities issued by the State of Alabama, or its political subdivisions, prior to January 1, 2000.

“Net amount invested” means the cash, including any premium and net of any discount, paid as the purchase price for the bond or other security, less the amount of any premium amortized and plus the amount of any discount accreted, reduced by the proportionate amount of principal on the bond or other security that is amortized or otherwise paid or retired.

The taxpayer must attach a schedule listing the details of the deduction. For each bond or security, the listing should provide the net amount invested, the issuing agency, issuance date, and how the investment is reported on the taxpayer’s balance sheet.

This deduction is not available for the book value of bonds and securities held by a dealer primarily for sale to customers in the ordinary course of its trade or business, pursuant to Internal Revenue Code Section 1236.

Line 12. Enter the net amount invested in, or book value from the taxpayer’s balance sheet, for all devices, facilities, or structures, and all identifiable components or materials for use therein, that are located in Alabama and are acquired or constructed primarily for the control, reduction, or elimination of air, ground, or water pollution or radiological hazards where such pollution or radiological hazards result from or would be caused by the taxpayer’s activities in Alabama.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Deductions:

Deductions (continued) - Deductions are allowed by Section 40-14A-24(b), Code of Alabama 1975. Attach documentation for any deduction claimed on this return.

Line 13. Enter the amount reported on the taxpayer's balance sheet for the balance of any reserve, account, or trust reasonably determined to satisfy any liability that is imposed by federal, state, or local government laws or regulations for reclamation, storage, disposal, decontamination, retirement, or other related costs associated with a plant, facility, mine, or site in Alabama. Attach documentation identifying the applicable law or regulation that establishes taxpayer's liability, as well as a computation of the liability. The documentation must also identify the location of the plant, facility, mine or site in Alabama.

Line 14. Enter the total amount reported on the taxpayer's balance sheet as the book value of the taxpayer's investment in low-income, residential real estate projects that qualify for federal or state income tax credits, loans or grants. The taxpayer must attach a schedule listing the details of the deduction. For each separate low-income housing project, the attached documentation must identify the name of the project, the FEIN of the project, the site of the project, and the net amount invested in the project. The documentation must also identify how the investments are reported on the taxpayer's balance sheet.

Line 15 - Total Deductions. Enter the total of lines 11 through 14.

Part B – Computation of Privilege Tax Due:

Line 16 - Taxable Alabama Net Worth. Enter the difference between line 10 (Total Alabama Net Worth) and Line 15 (Total Deductions).

Line 17a - Federal Taxable Income. Enter the federal taxable income used to determine the Tax Rate (see line 17b) which is applied to the Taxable Alabama Net Worth (see line 16) to arrive at the Gross Privilege Tax Calculated (see line 18).

Instructions for Form CPT, Page 2

Part B – Computation of Privilege Tax Due (continued)

Line 17a - Federal Taxable Income (continued).

The tax rate used to compute the business privilege tax is based upon the taxpayer's federal taxable income, as required by Section 40-14A-22, Code of Alabama 1975. C-corporations are to use their federal taxable income before net operating losses and special deductions for the federal taxable income columns of the tax rate table, shown below. The federal taxable income shall be apportioned in accordance with Chapter 27, Title 40, Code of Alabama, 1975. The deduction for federal income tax is not allowed in computing the federal taxable income amount. C-corporations filing as members of an Alabama affiliated group must determine federal taxable income on a separate company basis.

Line 17b - Tax Rate.

The tax rate is specified in Section 40-14A-22(b), Code of Alabama 1975, and is determined using the following table:

Federal Taxable Income of the Taxpayer		Tax Rate
		(The amounts shown within the parentheses are the amounts per \$1,000 of Taxable Alabama Net Worth)
More Than or Equal to	But Less Than	
---	\$ 1	.00025 (\$.25 per \$1,000)
\$ 1	\$ 200,000	.00100 (\$ 1.00 per \$1,000)
\$ 200,000	\$ 500,000	.00125 (\$ 1.25 per \$1,000)
\$ 500,000	\$ 2,500,000	.00150 (\$ 1.50 per \$1,000)
\$2,500,000	---	.00175 (\$ 1.75 per \$1,000)

structions for Form CPT, Page 2 Part B – Computation of Privilege Tax Due

Line 18 - Gross Privilege Tax Calculated.

Multiply the line 16 (Taxable Alabama Net Worth) by the line 17b (Tax Rate).

Example:

Line 16 – Taxable Alabama Net Worth	\$1,000,000
Line 17a – Federal Taxable Income	\$ 250,000
Line 17b – Tax Rate	.00125
Line 18 – Gross Privilege Tax Calculated	\$1,250

Special Calculation for Short Taxable Years: If the taxable year is a short taxable year, the gross privilege tax calculated will be prorated using a fraction, the numerator of which is the number of calendar days in the short taxable year, the denominator of which will be 365. The computation of prorated business privilege tax must be attached to the return.

Example Assuming Facts from Above Example and a Short Year of 180 days:

Taxable Alabama Net Worth		
Multiplied by Tax Rate Equals	\$1,250	
	Multiplied by	180/365 Short year factor
Line 18 – Gross Privilege Tax Calculated	\$616	

Line 19 – Alabama Enterprise Zone Credit. Enter the amount of Alabama Enterprise Zone Credit to which the taxpayer is entitled. Attach supporting documentation from the Alabama Department of Economic and Community Affairs (ADECA) showing the amount of the Alabama Enterprise Zone Credit the taxpayer is entitled to claim. Contact ADECA for additional information concerning the Alabama Enterprise Zone Credit.

Line 20 - Privilege Tax Due. Enter the difference between line 18 and line 19, but not less than \$100, the minimum amount of the tax. This amount is also entered on page 1 of Form CPT on line 10, in the Computation of Amount Due or Refund Due area of the page.

See the following concerning the maximum and minimum amount of business privilege tax.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Due

Maximum Privilege Tax:

Financial Institution Groups have a \$3,000,000 maximum levy for the Alabama Business Privilege Tax. See Section 40-14A-22, Code of Alabama 1975.

Insurance companies subject to the insurance premium taxes levied by Chapter 4A Title 27, Code of Alabama, 1975, have a \$3,000,000 maximum levy for the Alabama Business Privilege Tax. See Section 40-14A-22, Code of Alabama 1975.

C-corporations and LLEs taxed as corporations have a \$15,000 maximum levy for the Alabama Business Privilege Tax. See Section 40-14A-22, Code of Alabama 1975.

Section 40-14A-22(d), Code of Alabama 1975, establishes a maximum business privilege tax levy of \$100 for any corporation organized as a not-for-profit corporation that does not engage in any business other than holding title to property and paying the expenses thereof, including, without limitation, a property owner's association or a corporation organized solely to hold title to property on a temporary basis.

Minimum Privilege Tax:

Section 40-14A-22(c), Code of Alabama, 1975, establishes a minimum business privilege tax levy of \$100 for C-corporations, LLEs taxed as corporations, insurance companies and REITs – even for business privilege tax years that are short years.

The minimum business privilege tax levy for Financial Institution Groups is established by Section 40-14A-22(f), Code of Alabama 1975.

TY2005 Alabama Form PPT

Alabama Business Privilege Tax Return and Annual Report

Form PPT is to be filed by Pass-through Entities only.

General Information - Filing Requirement for Business Privilege Tax

Every corporation, limited liability entity, business trust, disregarded entity and real estate investment trust (REIT) that is doing business in Alabama or is registered/qualified to do business in Alabama is required to file an Alabama Business Privilege Tax Return and Annual Report.

S-corporations, limited liability entities, and disregarded entities must file Alabama Form PPT.

C-corporations, Financial Institution Groups, insurance companies, REITs and business trusts must file Alabama Form CPT. Limited liabilities taxed as corporations for federal income tax purposes must also file Alabama Form CPT.

“Limited liability entity (LLE)” is defined in Section 40-14A-1, Code of Alabama 1975, as:

“...Any entity, other than a corporation, organized under the laws of this or any other jurisdiction through which business may be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity and which is taxable under subchapter K of the Code, including, without limitation, limited liability companies, registered limited liability partnerships, and limited partnerships...”

“Corporation” is defined in Section 40-14A-1, Code of Alabama 1975, as:

“...Any entity, including a limited liability company electing to be taxed as a corporation for federal income tax purposes, through which business can be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity, other than a limited liability entity or a disregarded entity...”

“S-corporation” is defined in Section 40-14A-1, Code of Alabama 1975, as:

“... An S corporation defined under Section 40-18-160...”

Instructions for Form PPT

Required Attachments to the Alabama Form PPT:

- A copy of page 1 through 4 of the federal tax return.
- For taxpayers doing business in Alabama and outside the State of Alabama, a copy of the Alabama apportionment schedule (for Form 20S or for Form 65).
- Documentation to thoroughly support any exclusion or deduction claimed in the computation of the taxpayer's net worth.
- A copy of the balance sheet used to compute the taxpayer's net worth, if not provided with the copy of the federal tax return.

Due date for the Alabama Form PPT:

For corporations, the Alabama business privilege tax return is due no later than two and a half months after the beginning of a taxpayer's taxable year. The 2005 Form PPT for a calendar year S-corporation would be due on March 15, 2005.

Generally, for all other taxpayer's, the Alabama business privilege tax return is due no later than three and a half months after the beginning of the taxpayer's taxable year. The 2005 Form PPT for a calendar year limited liability entity would be due on April 15, 2005.

See the Department's website (www.ador.state.al.us) concerning extension requests (Alabama Form PSE).

Mailing Address for the Form PPT:

Alabama Department of Revenue
Business Privilege Tax Unit
PO Box 327431
Montgomery, AL 36132-7431

Instructions for Form PPT, Page 1

Type of Taxpayer:

Indicate the type of taxpayer by checking one of the boxes on line 1.a. through line 1.c.

Determination Period Used to Compute the Business Privilege Tax

Lines 2.a. and 2.b. Enter the beginning and ending date of the determination period. The determination period is defined in Section 40-14A-1, Code of Alabama 1975, as the taxpayer's taxable year next preceding the taxpayer's current taxable year (Generally, it is the taxable year that just ended).

Please note prior year forms referred to the Determination Period as the "Balance Sheet Year." The net worth computations required to compute the Alabama business privilege tax for a business privilege taxable year are performed on information extracted from the balance sheet prepared as of the last day of the determination period (Generally, the last day of the determination period is the last day of the taxable year that just ended, and is the date of the balance sheet prepared that coincides with the taxable year that just ended).

For example, for a calendar year taxpayer filing a 2005 Form PPT, the determination period began on January 1, 2004, and ended on December 31, 2004. In line 2a would be entered 01/01/2004. In line 2b would be entered 12/31/2004. The taxpayer's net worth for the 2005 Form PPT would be computed from the taxpayer's December 31, 2004, balance sheet.

Special Instructions for Initial Business Privilege Tax Returns:

Initial business privilege tax returns should enter on both line 2a (Determination Period Beginning Date) and line 2b (Determination Period Ending Date) either the date of incorporation or organization, for entities organized in the State of Alabama, or the date the entity qualified with the Alabama Secretary of State to do business in Alabama.

Instructions for Form PPT, Page 1

Taxable Year Information:

Lines 2.c. Calendar Taxable Year Indicator. Check this box if the taxable year is a calendar year.

Lines 2.d. Fiscal Taxable Year Indicator. Check this box if the taxable year is a fiscal year.

Lines 2.e. Short Taxable Year Indicator. Check this box if the taxable year is a short year (less than 12 months).

Short Taxable Years that are Also Initial Years. If the short taxable year is also the taxpayer's initial taxable year, an initial business privilege tax return (with a properly completed Alabama Schedule BPT-IN) was due two and one-half months after the taxpayer was organized or qualified to do business in Alabama. Section 40-14A-29, Code of Alabama 1975, levies the initial business privilege tax and establishes the requirement for an initial business privilege tax return. See also the instructions for preparing an initial business privilege tax return and the Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule.

Privilege Tax Prorated for Short Taxable Years. The business privilege tax is prorated when taxpayers have a short taxable year – See the instructions for line 17, page 2, Form PPT.

Taxpayer Information:

Line 3.a. Enter the taxpayer's legal name.

Line 3.b. Enter the taxpayer's Federal Employer Identification Number (FEIN).

Line 3.c. Enter the taxpayer's street address.

Line 3.d. Enter the taxpayer's city.

Line 3.e. Enter the taxpayer's state.

Line 3.f. Enter the taxpayer's 9-digit zip code.

Line 3.g. Enter the taxpayer's federal business code number. This number is the North American Industry Classification System (NAICS) reported on the federal income tax return.

Instructions for Form PPT, Page 1

Return Information:

Line 4.a. Check this box if the taxpayer's address represents an address change.

Line 4.b. Check this box only if the taxpayer is an S-corporation and if there is a change in the taxpayer's corporate president information reported on the accompanying Alabama Schedule AL-CAR, Alabama Secretary of State Corporation Annual Report. Line 4b does not apply to other pass-through entities.

Line 4.c. Check this box only if the taxpayer is an S-corporation and if there is a change in the taxpayer's corporate secretary information reported on the accompanying Alabama Schedule AL-CAR, Alabama Secretary of State Corporation Annual Report. Line 4c does not apply to other pass-through entities.

Line 5 – Amended Return Indicator. Check this box if the return is an amended return. Attach a full explanation for filing the amended return, in addition to a computation of the additional amount due or the additional refund due.

Line 6 – Initial Return Indicator. Check this box if the return is an initial return, as required by Section 40-14A-29, Code of Alabama 1975. Attach a completed Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule. See the preparation instructions for Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule.

Determination Dates to Use for Initial Returns. Please note initial business privilege tax returns should enter on both line 2a (Determination Period Beginning Date) and line 2b (Determination Period Ending Date), either the date of incorporation or organization for entities organized in the State of Alabama, or the date the entity qualified with the Alabama Secretary of State to do business in Alabama.

Computation of Amount Due or Refund Due:

Line 7 – Secretary of State Corporate Annual Report Fee. If the taxpayer is an S-corporation, enter \$10.00, the amount of the Secretary of State's corporate annual report fee. Please also attach a completed Alabama Schedule AL-CAR, Alabama Secretary of State Corporation Annual Report. Alabama business privilege tax returns filed for S-corporations will not be considered a complete return without a properly completed Alabama Schedule AL-CAR, and without payment of the \$10.00 fee (except for initial returns, which do not require an Alabama Schedule AL-CAR). **Pass-through entities other than S-corporations are not subject to the \$10.00 corporate annual report fee, and can leave lines 7, 8 and 9 blank.**

Instructions for Form PPT, Page 1

Computation of Amount Due or Refund Due (continued):

Line 8 – Less: Annual Report Fee Previously Paid. Enter the amount of Secretary of State’s annual report fee paid with the Alabama Form PSE, business privilege tax extension request. If the return is an amended return, enter the amount of Secretary of State’s annual report fee paid with the originally-filed Alabama business privilege tax return.

Line 9 - Net Annual Report Fee Due. Subtract the amount on line 8 from the amount on line 7.

Line 10 - Privilege Tax Due. Enter the amount from page 2, Part B, line 19 (Privilege Tax Due). The Alabama business privilege tax is due, in full, by the original due date of the business privilege tax return, without consideration for any filing extensions. There is no provision in the Alabama business privilege tax law to allow an extension of time to pay the amount of tax due.

Line 11 - Less: Privilege Tax Previously Paid. Enter the amount of business privilege tax paid with the Alabama Form PSE, business privilege tax extension request. If the return is an amended return, enter the amount of business privilege tax paid with the originally-filed Alabama business privilege tax return.

Line 12 - Net Privilege Tax Due. Subtract the amount on line 11 from the amount on line 10.

Line 13 - Penalty Due. Enter the total amount of the penalty for failure to timely file the return and the penalty for failure to timely pay the tax shown due on the return, as specified in Section 40-2A-11, Code of Alabama 1975. The penalty for failure to timely file an Alabama business privilege tax return by the due date is 10% of the tax shown due with the return or \$50, whichever is greater. The penalty for failure to timely pay the amount of tax shown due on an Alabama business privilege tax return equals to 1% of the amount of tax shown due on the return for each month the tax is unpaid - not to exceed 25% of the amount shown due on the return.

Line 14 - Interest Due. Enter the amount of interest due on any business privilege tax unpaid as of the original due date of the business privilege tax return. Section 40-1-44(a), Code of Alabama 1975, specifies the interest rate to be used in computing the amount of interest due (Section 40-1-44 references Internal Revenue Code Section 6621 for the interest rates to be used for underpayments).

Line 15 - Total Privilege Tax Due. Add the amounts shown on lines 12, 13, and 14.

Instructions for Form PPT, Page 1

Computation of Amount Due or Refund Due (continued):

Line 16 - Net Tax Due. Add the amounts shown on line 9 and line 15. A positive amount represents an amount due, and that amount should be entered on line 17 (Payment Due with Return). A negative amount represents a refund due to the taxpayer, and that amount should be entered on line 18 (Amount to be Refunded to Taxpayer).

Line 17 - Payment Due with Return. Enter the amount from line 16, but only if the amount is positive.

Line 18 – Amount to be Refunded to Taxpayer. Enter the amount from line 16, but only if the amount is negative.

Line 19 - EFT Indicator. Check the box if the payment due with the return will be made with an EFT payment.

How to Make EFT Payments:

In order to pay the Alabama business privilege tax using EFT, the taxpayer must first be a registered EFT taxpayer. To register for EFT, taxpayers must complete the Form [EFT:001, EFT Authorization Agreement Form](#), and mail or fax it to the Alabama Department of Revenue's EFT Unit. The mailing address and fax number are given at the top of the form. Form EFT:001 and instructions can be downloaded from the Department's Web site at <http://www.ador.state.al.us/eft/eftindex.html>.

EFT Unit's Mailing Address

Alabama Department of Revenue
EFT Unit
PO Box 327950
Montgomery, AL 36132-7950

Line 20 - Family LLE Election Indicator. Check the box if the new Family LLE Election Form is completed and attached.

Instructions for Form PPT, Page 2

Line 1.a. Enter the taxpayer's Federal Employer Identification Number (FEIN).

Line 1.b. Enter the taxpayer's legal name as shown on page 1, line 3.a.

Line 1.c. - Determination Period End Date. Enter the balance sheet date for which the net worth computations are made. This date should agree with the date shown on page 1, line 2.b. (the ending date of the determination period).

Part A – Net Worth Computation

I. S-corporations

Line 1. Enter the total amount of the taxpayer's capital stock and paid in capital, but not less than zero. The amount must not be reduced for any treasury stock owned by the corporation.

Line 2. Enter the amount of retained earnings, but not less than zero. Include any amounts designated for the payment of dividends until the amounts are definitely and irrevocably placed to the credit of the stockholders, subject to withdrawal on demand. The amount entered on line 2 must not be less than zero.

Line 3. Enter the amount of related party debt exceeding the total of the amounts entered on line 1 and line 2, as required by Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amounts on line 1 and line 2 in arriving at the taxpayer's net worth. Related parties are defined in Section 40-14A-1, Code of Alabama 1975, as any member of a controlled group of corporations as defined by Internal Revenue Code Section 1563. The definition of related parties also includes any limited liability entity that would be a member of a controlled group if rules similar to Section 1563 were applied to limited liability entities.

Line 4. For the determination period, enter the excess amount (the amount in excess of \$500,000 for each shareholder) of compensation or similar amounts paid to (or accrued as a liability to) certain direct or indirect shareholders, as defined in Section 40-14A-23, Code of Alabama 1975. This amount will be added to lines 1, 2, and 3, in arriving at the taxpayer's net worth. Section 40-14A-23(f), Code of Alabama 1975, should be referred to for a more thorough explanation of this adjustment.

Line 5 - Total S-Corporation Net Worth. Enter the sum of lines 1 through 4.

Instructions for Form PPT, Page 2
Part A – Net Worth Computation
II. Limited Liability Entities (LLEs)

Line 6. Enter the total amount of the partner/member capital accounts, but not less than zero.

Line 7. Enter the amount of related party debt exceeding the total of the amount entered on line 6, as required by Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amounts on line 6 in arriving at the taxpayer's net worth. Related parties are defined in Section 40-14A-1, Code of Alabama 1975, as any member of a controlled group of corporations as defined by Internal Revenue Code Section 1563. The definition of related parties also includes any limited liability entity that would be a member of a controlled group if rules similar to Section 1563 were applied to limited liability entities.

Line 8. For the determination period, enter the excess amount (the amount in excess of \$500,000 for each partner/member) of compensation, distributions or similar amounts paid to (or accrued as a liability to) certain direct or indirect partners/members, as defined in Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amounts entered on lines 6 and 7, in arriving at the taxpayer's net worth. Section 40-14A-23(f), Code of Alabama 1975, should be referred to for a more thorough explanation of this adjustment.

Line 9 - Total LLE Net Worth. Enter the sum of lines 6 through 8.

Part A – Net Worth Computation
III. Disregarded Entities

Line 10. Reserved for Future Use – Please leave the amount field on line 10 blank.

Line 11. If the taxpayer is a disregarded entity that has as its single member a taxpayer that IS subject to the Alabama business privilege tax, then the disregarded entity pays only the minimum tax. Enter \$100, the amount of the minimum business privilege tax, in Part B, line 19. The form can then be completed from that point, in accordance with the instructions for this form. The name and FEIN of the single member must be provided on line 11, or the form will be considered incomplete. Nothing should be entered in the amount field for line 11.

Line 12 - Disregarded Entity Net Worth Computation. If the taxpayer is a disregarded entity that has as its single member a taxpayer that IS NOT subject to the Alabama business privilege tax, then the disregarded entity must compute its own net worth, and pay the Alabama business privilege tax accordingly. Enter the amount the taxpayer's assets exceed its liabilities, but not less than zero. The name and FEIN of the single member owner must be provided with the return.

Instructions for Form PPT, Page 2

Part A – Net Worth Computation

III. Disregarded Entities (continued)

Line 13. Enter the amount of related party debt exceeding the amount entered on line 12, as required by Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amount on line 12 in arriving at the taxpayer's net worth. Related parties are defined in Section 40-14A-1, Code of Alabama 1975, as any member of a controlled group of corporations as defined by Internal Revenue Code Section 1563. The definition of related parties also includes any limited liability entity that would be a member of a controlled group if rules similar to Section 1563 were applied to limited liability entities.

Line 14. For the determination period, enter the excess amount (the amount in excess of \$500,000 for the owner) of compensation, distributions or similar amounts paid to (or accrued as a liability to) certain direct or indirect owners, as defined in Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amounts entered on lines 12 and 13, in arriving at the taxpayer's net worth. Section 40-14A-23(f), Code of Alabama 1975, should be referred to for a more thorough explanation of this adjustment.

Line 15 - Total Disregarded Entity Net Worth. Enter the sum of lines 12 through 14.

Part B – Privilege Tax Exclusions and Deductions

Exclusions - Exclusions are allowed by Section 40-14A-23 (g), Code of Alabama 1975. Attach documentation for any exclusion claimed on this return.

Line 1. Enter the amount of net worth from Part A line 5, line 9, or, Line 15.

Line 2. Enter the total book value amount for the investment the taxpayer has in the equity of other taxpayers doing business in Alabama. Attach a listing providing for each separate investment, the name of the taxpayer, the taxpayer's FEIN, the taxpayer's address and the book value of the investment (if this exclusion is taken, the return will not be considered complete without the listing). This exclusion is not available for the book value of security held by a dealer primarily for sale to customers in the ordinary course of its trade or business, pursuant to Internal Revenue Code Section 1236.

Line 3. Enter the amount reported on the taxpayer's balance sheet for the unamortized portion of goodwill that resulted from a direct purchase of another corporation or limited liability entity. Attach a listing showing for each direct purchase the goodwill originally acquired, the date the direct purchase occurred, accumulated amortization, the name and location of the business acquired, and the name and FEIN of the entity that acquired the business and goodwill. If this exclusion is taken, the return will not be considered complete without the listing.

Instructions for Form PPT, Page 2 Part B – Privilege Tax Exclusions and Deductions

Exclusions (continued)

Line 4. Enter the amount reported on the taxpayer's balance sheet for the unamortized portion of post-retirement benefits, for which the taxpayer elected to amortize under Financial Accounting Standards Board (FASB) Statement Number 106. FASB Statement Number 106, Employers' Accounting for Postretirement Benefits Other Than Pensions, was issued in December 1990, and focuses principally on postretirement health care benefits.

Line 5 - Total Exclusions. Enter the total of lines 2 through 4.

Net Worth Apportionment

Line 6 - Net Worth Subject to Apportionment. Enter the difference in line 1 (Total Net Worth) and line 5 (Total Exclusions).

Line 7 - Apportionment Factor. Section 40-14A-24(a), Code of Alabama 1975, establishes the net worth apportionment requirements for the Alabama business privilege tax. Taxpayers that conducted all of their business in Alabama during the determination period should enter 100%. No supporting documentation is required of taxpayers reporting an apportionment factor of 100%.

Taxpayers that conducted business both within and without Alabama (multistate taxpayers) during the determination period should generally not enter 100%. Multistate taxpayers must enter the same factor as was used by the taxpayer during the determination period for purposes of apportioning the taxpayer's income in accordance with Alabama's income tax law (Chapter 18, Title 40, Code of Alabama 1975), or Alabama's financial institutions excise tax law (Chapter 16, Title 40, Code of Alabama 1975). Attach a copy of the computation of the apportionment factor from the applicable Alabama tax return for the determination period.

Special Apportionment Factor for Initial Returns: Initial Alabama business privilege tax returns require an apportionment factor. The computation of the apportionment factor for an initial return is to be performed as of the opening of business of the first day the taxpayer is incorporated, formed, organized (if a domestic entity) or registered with the Alabama Secretary of State to do business in Alabama (if a foreign entity). Since usually at that point, a business has no sales or payroll information, the ratio of Alabama property to total property must be used as the apportionment factor for initial returns.

Line 8 - Total Alabama Net Worth. Multiply line 6 (Net Worth Subject to Apportionment) by line 7 (Apportionment Factor).

Instructions for Form PPT, Page 2

Part B – Privilege Tax Deductions

Deductions - Deductions are allowed by Section 40-14A-24(b), Code of Alabama 1975. Attach documentation for any deduction claimed on this return.

Line 9. Enter the net amount invested in bonds and securities issued by the State of Alabama, or its political subdivisions, prior to January 1, 2000. “Net amount invested” means the cash, including any premium and net of any discount, paid as the purchase price for the bond or other security, less the amount of any premium amortized and plus the amount of any discount accreted, reduced by the proportionate amount of principal on the bond or other security that is amortized or otherwise paid or retired. The taxpayer must attach a listing showing the details of the deduction. For each bond or security, the listing should provide the net amount invested, the issuing agency, issuance date, and how the investment is reported on the taxpayer’s balance sheet. If this deduction is taken, the return will not be considered complete without the listing. This deduction is not available for the book value of bonds and securities held by a dealer primarily for sale to customers in the ordinary course of its trade or business, pursuant to Internal Revenue Code Section 1236.

Line 10. Enter the net amount invested in, or book value from the taxpayer’s balance sheet, for all devices, facilities, or structures, and all identifiable components or materials for use therein, that are located in Alabama and are acquired or constructed primarily for the control, reduction, or elimination of air, ground, or water pollution or radiological hazards where such pollution or radiological hazards result from or would be caused by the taxpayer’s activities in Alabama.

Line 11. Enter the amount reported on the taxpayer’s balance sheet for the balance of any reserve, account, or trust reasonably determined to satisfy any liability that is imposed by federal, state, or local government laws or regulations for reclamation, storage, disposal, decontamination, retirement, or other related costs associated with a plant, facility, mine, or site in Alabama. Attach documentation identifying the applicable law or regulation that establishes taxpayer’s liability, as well as a computation of the liability. The documentation must also identify the location of the plant, facility, mine or site in Alabama.

Line 12. Enter the total amount reported on the taxpayer’s balance sheet as the book value of the taxpayer’s investment in low-income, residential real estate projects that qualify for federal or state income tax credits, loans or grants. See Section 40-14A-24(b)(7) Code of Alabama, 1975. The taxpayer must attach a listing showing the details of the deduction. For each separate low-income housing project, the attached documentation must identify the name of the project, the FEIN of the project, the site of the project, and the net amount invested in the project. The documentation must also identify how the investments are reported on the taxpayer’s balance sheet. If this deduction is taken, the return will not be considered complete without the listing.

Instructions for Form PPT, Page 2 Part B – Privilege Tax Deductions

Deductions (continued)

Line 13. S-corporations, LLEs and disregarded entities enter 30% of the Alabama taxable income for the determination period. This deduction is allowed by Section 40-14A-24(b)(8) and (9), Code of Alabama 1975.

Taxable income is to include income passed through to the shareholders and members. Taxable income for an S-corporation, other than a qualified subchapter S subsidiary, is the amount taken into account by its owners pursuant to Internal Revenue Code Section 1366. Taxable income for an LLE is the amount taken into account by its owners pursuant to Internal Revenue Code Section 702. Taxable income for a disregarded entity is the amount taken into account by the owner pursuant to Internal Revenue Code Section 61 or 1361. Taxable income shall be apportioned and allocated to Alabama in accordance with Alabama income tax law (Title 40, Chapter 18, Code of Alabama 1975) or Alabama financial institutions excise tax law (Title 40, Chapter 16, Code of Alabama 1975).

Line 14 - Total Deductions. Enter the total of lines 9 through 13.

Line 15 - Taxable Alabama Net Worth. Enter the difference between line 8 (Total Alabama Net Worth) and Line 14 (Total Deductions).

Computation of Privilege Tax Due

Line 16a - Federal Taxable Income. Enter the federal taxable income used to determine the Tax Rate (see the instructions for line 16b) which is applied to the Taxable Alabama Net Worth (see line 15) to arrive at the Gross Privilege Tax Calculated (see line 17). The tax rate used to compute the business privilege tax is based upon the taxpayer's federal taxable income during the Determination Period, as required by Section 40-14A-22, Code of Alabama 1975.

Federal Taxable Income for S-Corporations. The federal taxable income to be used by S-corporations to determine the tax rate for the Alabama business privilege tax shall be the federal ordinary income or (loss) from trade or business activities plus any items of income or applicable deductions passed through to the shareholders that were determined pursuant to Internal Revenue Code Section 1366. The income shall be apportioned in accordance with Chapter 27, Title 40 Code of Alabama 1975, and the accompanying rules. Deductions shall not be allowed for the federal income tax or any federal or Alabama net operating loss in computing the federal taxable income for purposes of determining the business privilege tax rate.

Instructions for Form PPT, Page 2

Part B – Computation of Privilege Tax Due

Line 16a - Federal Taxable Income (continued) - Federal Taxable Income for Disregarded Entities.

Federal Taxable Income for LLEs. The federal taxable income to be used by LLEs to determine the tax rate for the Alabama business privilege tax shall be the federal ordinary income or (loss) from trade or business activities adjusted by any items of income or expenses passed through to the members or partners that were determined pursuant to Internal Revenue Code Section 702. The income shall be apportioned in accordance with Chapter 27, Title 40, Code of Alabama 1975, and the accompanying rules.

The federal taxable income to be used by Disregarded Entities to determine the tax rate for the Alabama business privilege tax shall be the federal ordinary income or (loss) from trade or business activities adjusted by any items of income or expenses, determined pursuant to Internal Revenue Code Section 61. This income shall be apportioned in accordance with Chapter 27, Title 40, Code of Alabama 1975, and the accompanying rules.

Line 16b - Tax Rate.

Enter on line 16b the taxpayer’s business privilege tax rate. The tax rate is specified in Section 40-14A-22, Code of Alabama 1975, and is determined using the following table:

Federal Taxable Income of the Taxpayer		Tax Rate
		(The amounts shown within the parentheses are the amounts per \$1,000 of Taxable Alabama Net Worth)
More Than or Equal to	But Less Than	
---	\$ 1	.00025 (\$.25 per \$1,000)
\$ 1	\$ 200,000	.00100 (\$ 1.00 per \$1,000)
\$ 200,000	\$ 500,000	.00125 (\$ 1.25 per \$1,000)
\$ 500,000	\$ 2,500,000	.00150 (\$ 1.50 per \$1,000)
\$2,500,000	---	.00175 (\$ 1.75 per \$1,000)

Instructions for Form PPT, Page 2

Part B – Computation of Privilege Tax Due

Line 17 - Gross Privilege Tax Calculated.

Multiply the amount on line 15 (Taxable Alabama Net Worth) by the rate on line 16b (Tax Rate).

Example:

Line 15 – Taxable Alabama Net Worth	\$1,000,000
Line 16a – Federal Taxable Income	\$ 250,000
Line 16b – Tax Rate	.00125
Line 17 – Gross Privilege Tax Calculated	\$1,250

Special Calculation for Short Taxable Years:

If the taxable year is a short taxable year, the gross privilege tax calculated will be prorated using a fraction, the numerator of which is the number of calendar days in the short taxable year, the denominator of which will be 365. The computation of prorated business privilege tax must be attached to the return.

Example Assuming Facts from Above Example and a Short Year of 180 days:

Taxable Alabama Net Worth		
Multiplied by Tax Rate Equals	\$1,250	
Multiplied by	180/365	Short year factor
Line 17 – Gross Privilege Tax Calculated	\$616	

Line 18 - Alabama Enterprise Zone Credit. Enter the amount of Alabama Enterprise Zone Credit to which the taxpayer is entitled. Attach supporting documentation from the Alabama Department of Economic and Community Affairs (ADECA) showing the amount of the Alabama Enterprise Zone Credit the taxpayer is entitled to claim. Contact ADECA for additional information concerning the Alabama Enterprise Zone Credit.

Line 19 - Privilege Tax Due.

Enter the difference between line 17 and line 18, but not less than \$100, the minimum amount of the tax. This amount is also entered on page 1 of Form PPT on line 10 (Privilege Tax Due) in the Computation of Amount Due or Refund Due area of page 1.

See the following concerning the minimum and maximum amounts for the tax.

Instructions for Form PPT, Page 2

Part B – Privilege Tax Due

Maximum Privilege Tax:

S-corporations, LLEs, and disregarded entities have a \$15,000 maximum levy for the Alabama Business Privilege Tax. See Section 40-14A-22(d), Code of Alabama 1975.

LLEs meeting the definition of “electing family limited liability entity” as stated in Section 40-14A-1, Code of Alabama, 1975, have a maximum levy for the Alabama Business Privilege Tax of \$500.

Minimum Privilege Tax:

Section 40-14A-22(c), Code of Alabama, 1975, establishes a minimum business privilege tax levy of \$100 for S-corporations, LLEs, and disregarded entities – even for business privilege tax years that are short years.

Alabama Schedule AL-CAR

Secretary of State Corporation Annual Report

Section 10-2B-16.22, Code of Alabama 1975, requires domestic and foreign corporations to file an annual report with the Alabama Secretary of State. The Alabama Schedule AL-CAR, submitted by corporations with Alabama Form CPT and Alabama Form PPT, is a means for corporations to satisfy that reporting requirement.

Preparation Instructions

Line 1a - FEIN. Enter the Federal Employer Identification Number (FEIN) of the corporation.

Line 1b - Legal Name. Enter the legal name of the corporation. Please note this schedule cannot be used to change the legal name of a corporation.

Line 2a - County of Incorporation for All Alabama Entities. Enter the Alabama county of incorporation, if the corporation was incorporated in Alabama.

Line 2b - State or Country of Incorporation for All Foreign Entities. Enter the state or country of incorporation, if the corporation is a foreign corporation.

Line 3a - Date of Qualification in Alabama for Foreign Entities. Enter the date the corporation qualified to do business in Alabama.

Line 3b - Date of Incorporation for All Entities. Enter the date of incorporation.

Line 3c - Telephone Number of Taxpayer. Enter the telephone number of the corporation.

Alabama Schedule AL-CAR

Secretary of State Corporation Annual Report

Preparation Instructions

Line 4a - Name of Registered Agent in Alabama. Enter the name of the registered agent in Alabama. This form cannot be used to change the registered agent of a corporation.

Line 4b - FEIN or Social Security Number. Enter the FEIN or social security number of the registered agent.

Line 4c - Street Address. Enter the street address or mailing address of the registered agent.

Line 4d - City, State, and Zip Code. Enter the city, state and zip code of the registered agent.

Line 5a - Name of Corporate President. Enter the name of the current corporate president. Please check the update box on this line, if there is a change in corporate president. Please also check the corporate president update box (line 4b) on page 1 of the Form CPT or the Form PPT, whichever is filed by the corporation.

Line 5b - Social Security Number. Enter the social security number of the current corporate president.

Line 5c - Street Address. Enter the street address or mailing address of the current corporate president.

Line 5d - City, State and Zip Code. Enter the city, state, and zip code of the current corporate president.

Alabama Schedule AL-CAR

Secretary of State Corporation Annual Report

Preparation Instructions

Line 6a - Name of Corporate Secretary. Enter the name of the current corporate secretary. Please check the update box on this line, if there is a change in corporate secretary. Please also check the corporate secretary update box (line 4c) on page 1 of the Form CPT or the Form PPT, whichever is filed by the corporation.

Line 6b - Social Security Number. Enter the social security number of the current corporate secretary.

Line 6c - Street Address. Enter the street address or mailing address of the current corporate secretary.

Line 6d - City, State and Zip Code. Enter the city, state, and zip code of the current corporate secretary.

Line 7 - Kind of Business Done in Alabama. Please provide a brief statement of the character of business in which the corporation is engaged in the State of Alabama.

Line 8 - Principal Place of Business in Alabama. Please provide the mailing address for the principal place of business in Alabama.

Line 9 - Kind of Business Done Generally. Please provide a brief statement of the general character of business in which the corporation is engaged.

Line 10 - Principal Office and Place of Business if Outside the State of Alabama. Please provide the mailing address for the principal place of business, if it is located outside of Alabama.

Alabama Schedule BPT-IN Initial Privilege Tax Computation Schedule

Section 40-14A-29, Code of Alabama 1975, requires newly organized corporations, limited liability entities, and disregarded entities to file an initial business privilege tax return and to pay the business privilege tax reported on the return, within two and one-half months after organization.

Corporations, limited liability entities, and disregarded entities organized outside of Alabama, but qualifying with the Alabama Secretary of State to do business in Alabama, must file an initial business privilege tax return and pay the business privilege tax reported on the return, within two and one-half months after the date of qualification.

The initial return generally consists of a Form CPT, for C-corporations, or a Form PPT, for pass-through entities, in addition to a properly completed Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule. An Alabama Schedule AL-CAR is not required for an initial return.

The preparation of the Form CPT and the Form PPT differs for an initial return, as follows:

1. Determination Period Dates. Line 2a and 2b on page 1 (the Determination Period Beginning Date and Ending Dates) should be the date of incorporation or organization for corporations, limited liability entities, and disregarded entities organized in Alabama. For corporations, limited liability entities, and disregarded entities organized outside the State of Alabama, line 2a and 2b should be the date the entities qualified with the Alabama Secretary of State to do business in Alabama.

2. Apportionment Factor. The apportionment factor used on the initial return is based solely on the ratio of property located in Alabama to total property owned by the taxpayer (which includes property located outside of Alabama). The apportionment factor is computed as of the date of organization, if organized in Alabama, or the date the entity qualified with the Alabama Secretary of State, if a foreign entity. See the instructions for apportionment factors – line 9, Part B, page 2, Form CPT and line 7, Part B, page 2, Form PPT.

3. Possible Short Taxable Year Proration of Privilege Tax. If the initial return is for a short taxable year (the period of time between the date organized or qualified and the last day of the taxable year is less than one year), the business privilege tax is prorated over the short period. The business privilege tax for a short taxable year will never be less than \$100.

Alabama Schedule BPT-IN **Initial Privilege Tax Computation Schedule**

Preparation Instructions

Line 1a. FEIN. Enter the Federal Employer Identification Number (FEIN) of the entity.

Line 1b. Name. Enter the legal name of the entity.

Line 1c. Determination Period Ending Date. Enter the date the entity was incorporated or organized in Alabama. If the entity was organized outside the State of Alabama, enter the date the entity qualified with the Alabama Secretary of State to do business in Alabama. Complete Form CPT or Form PPT, whichever is applicable, as of the Determination Period Ending Date.

For example, if a corporation is incorporated on April 1, 2005, then the date that would be entered on line 1c, as the Determination Period Ending Date, would be 04/01/05.

Line 1d. Short Taxable Year Return Indicator. Check this box if the period of time between date of organization or qualification until the end of the taxpayer's taxable year is less than a year. An example of a short year would be where a corporation incorporated on April 1, 2005, but is intending (or is possibly required) to have a December 31st taxable year end.

Line 2. Taxable Alabama Net Worth. Compute Taxable Alabama Net Worth (Line 16 on Form CPT and Line 15 on Form PPT) in accordance with the instructions for the applicable form. Please note the apportionment factor for initial returns differs from the apportionment factor for the annual business privilege tax returns. Preparation instructions for Form CPT and Form PPT provide instructions concerning the apportionment factor used to compute the Alabama business privilege tax. The instructions provide an explanation of the property-only apportionment factor required for initial returns.

Line 3. Tax Rate. The tax rate for initial privilege tax computations is always .00025.

Line 4. Gross Tax Due. Multiply line 2 (Taxable Alabama Net Worth) by line 3 (Tax Rate).

Alabama Schedule BPT-IN

Initial Privilege Tax Computation Schedule

Preparation Instructions

Line 5. Ratio of Days Remaining in the Calendar Year Divided by 365. Enter the ratio of the number of days remaining in the calendar year or, if different, the number of days remaining in the taxpayer's taxable year, to 365. This ratio will allow the business privilege tax to be prorated to the short taxable year.

Line 6. Tax Due. Multiply line 4 (Gross Tax Due) by line 5 (Ratio of Days Remaining in Taxable Year). Line 6 cannot be less than \$100. The amount computed for line 6 should also be entered on page 2, line 20, of Form CPT or page 2, line 19, of Form PPT, whichever is applicable.

Line 7a. Contact Person Concerning this Form. Enter the name of the person who can answer questions concerning the preparation of this form.

Line 7b. Contact Person's Phone Number. Enter the phone number of the person who can answer questions concerning the preparation of this form.

Line 8a. County of Incorporation or Organization for All Alabama Entities. Enter the Alabama county of incorporation or organization, if the entity was incorporated or formed in Alabama.

Line 8b. State or Country of Incorporation or Organization for All Foreign Entities. Enter the state or country of incorporation or organization, if the entity was not incorporated or formed in Alabama.

Line 9a. Date of Qualification or Registration in Alabama for Foreign Entities. Enter the date the entity qualified with the Alabama Secretary of State to do business in Alabama.

Line 9b. Date of Incorporation or Organization for All Entities. Enter the date of incorporation or organization.

Line 9c. Telephone Number of Taxpayer. Enter the telephone number of the taxpayer's primary office.

Alabama Schedule BPT-IN **Initial Privilege Tax Computation Schedule**

Preparation Instructions

Line 10a. Name of Registered Agent in Alabama. Enter the name of the registered agent in Alabama. This form cannot be used to change the registered agent of a corporation.

Line 10b. FEIN or Social Security Number. Enter the FEIN or social security number of the registered agent.

Line 10c. Street Address. Enter the street address or mailing address of the registered agent.

Line 10d. City, State, and Zip Code. Enter the city, state and zip code of the registered agent.

Line 11a. Name of Corporate President. Enter the name of the current corporate president.

Line 11b. Social Security Number. Enter the social security number of the current corporate president.

Line 11c. Street Address. Enter the street address or mailing address of the current corporate president.

Line 11d. City, State and Zip Code. Enter the city, state, and zip code of the current corporate president.

Line 12a. Name of Corporate Secretary. Enter the name of the current corporate secretary.

Line 12b. Social Security Number. Enter the social security number of the current corporate secretary.

Line 12c. Street Address. Enter the street address or mailing address of the current corporate secretary.

Line 12d. City, State and Zip Code. Enter the city, state, and zip code of the current corporate secretary.

Alabama Schedule BPT-IN

Initial Privilege Tax Computation Schedule

Preparation Instructions

Line 13. Kind of Business Done in Alabama. Please provide a brief statement of the character of business in which the entity is engaged in the State of Alabama.

Line 14. Principal Place of Business in Alabama. Please provide the mailing address for the principal place of business in Alabama.

Line 15. Kind of Business Done Generally. Please provide a brief statement of the general character of business in which the entity is engaged.

Line 16. Principal Office and Place of Business if Outside the State of Alabama. Please provide the mailing address for the principal place of business, if it is located outside of Alabama.

Alabama Schedule G - Financial Institution Group Computation Schedule

General Information

See definitions in the last section of this document.

What Taxpayers Must File an Alabama Schedule G?

Alabama Schedule G, Financial Institution Group Computation Schedule, must be filed only by:

1. Financial Institution Groups (as defined in the Alabama Business Privilege Tax law), if a consolidated filing election is made by the parent, in accordance with Section 40-14A-22(f), Code of Alabama 1975, or
2. Each member of the Financial Institution Group must file an Alabama Form CPT, accompanied by a properly completed Alabama Schedule G, if the parent of the Financial Institution Group does not elect to file a consolidated business privilege tax return.

No other taxpayer should file an Alabama Schedule G.

Maximum Business Privilege Tax for Financial Institution Groups. Section 40-14A-22(d), Code of Alabama 1975, establishes a maximum Alabama business privilege tax for a Financial Institution Group of \$3,000,000, per taxable year.

Minimum Business Privilege Tax for Financial Institution Groups. Section 40-14A-22(f)(5), Code of Alabama 1975, establishes a minimum Alabama business privilege tax for a taxable year, which is based on the amount of deposits the Financial Institution Group has in Alabama, as reported by the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), or the National Credit Union Share Insurance Fund (NCISIF). The minimum tax is computed by applying a tax rate (stated in terms of dollars per \$1,000 of FDIC, OTS, or NCUSIF deposits in Alabama) to the Alabama deposits, as follows:

<u>Deposits in Alabama</u>	<u>Rate per \$1,000 of Deposits</u>
Less than \$1 billion	\$.125 per \$1,000
\$1 billion or more up to \$6 billion	\$.17 per \$1,000
More than \$6 billion	\$.225 per \$1,000

Alabama Business Privilege Tax
TY2005 Form/Schedule Preparation Instructions (Nov 12, 2004)

Financial Institution Group Members. A Financial Institution Group can have as members, corporations and limited liability entities. Individual Financial Institution Group members can file separate Alabama business privilege tax returns, but they must file Form CPT only, regardless of the type of entity they may be. The minimum and maximum business privilege tax amounts still apply to the Financial Institution Group.

Financial Institution Group Consolidated Filing Election. A Financial Institution Group can make an annual election to file a single consolidated business privilege tax return. The consolidated filing election is made on Alabama Schedule G, Financial Institution Group Computation Schedule. A Financial Institution Group must file the consolidated return using the Alabama Form CPT, the C-corporation business privilege tax return, accompanied by a properly completed Alabama Schedule G.

Preparation Instructions

Consolidated Filing Election - Area on Top of Schedule G

Indicate, by checking the appropriate box, if the Financial Institution Group is making the election to file a consolidated Alabama business privilege tax return.

If a member of the Financial Institution Group is filing separately, the appropriate box should be checked, and the FEIN of the common parent of the affiliated group must be provided.

Alabama Business Privilege Tax

TY2005 Form/Schedule Preparation Instructions (Nov 12, 2004)

Tax Computation If Electing to File a Consolidated Return

If the Financial Institution Group chooses to make the Consolidated Filing Election, lines 1 through 5 should be completed.

Consolidated Election - Line 1. Total Deposits Inside Alabama for the Financial Institution Group. This amount should be obtained from either, FDIC, OTS, or NCUSIF, whichever is the appropriate federal regulator, as of June 30th of the Determination Period for the Financial Institution Group.

Consolidated Election - Line 2. Appropriate Rate from Deposit Rate Schedule.

Based on the amount of deposits, as of June 30th of the Determination Period, determine the rate from the following Deposit Rate Schedule.

Deposit Rate Schedule:

Deposits in Alabama	Rate per \$1,000 of Deposits
Less than \$1 billion	\$.125 per \$1,000
\$1 billion or more up to \$6 billion	\$.17 per \$1,000
More than \$6 billion	\$.225 per \$1,000

Consolidated Election - Line 3. Alternative Minimum Privilege Tax. Multiply line 1 (total Alabama deposits for the Financial Institution Group) by line 2 (rate determined based on deposits).

Consolidated Election - Line 4. Amount of Tax Liability from Form CPT, page 2, Part B, line 20. If a consolidated filing election is made, Form CPT must be computed for the entire Financial Institution Group. If the election is made, Form CPT must be accompanied by a worksheet that shows, in detail, for every amount entered on page 1 and page 2 of the form, the amount attributable to each member of the Financial Institution Group.

Alabama Business Privilege Tax
TY2005 Form/Schedule Preparation Instructions (Nov 12, 2004)

Consolidated Election - Line 4 (continued). Amount of Tax Liability from Form CPT, page 2, Part B, line 20.

Filed with the Form CPT, which is being filed as a consolidated business privilege tax return, must be a listing that provides, for each member of the Financial Institution Group:

1. The legal name of the member.
2. The entity type of the member.
3. The FEIN of the member.
4. The mailing address of the member.
5. The city, state, and zip code of the member.
6. The principal business activity shown on the federal tax return.
7. The ownership percentage at the beginning of the Determination Period.
8. The ownership percentage at the end of the Determination Period.
9. The Taxable Alabama Net Worth.
10. The Business Privilege Tax Due.
11. The Annual Report Fee Due.

The listing must provide totals for the Taxable Alabama Net Worth, The Business Privilege Tax Due, and the Annual Report Fee Due. A separate Alabama Schedule AL-CAR (Alabama Secretary of State Corporation Annual Report) must be filed for every group member that is a corporation.

Consolidated Election - Line 5. Amount Due. Enter the greater of line 3 (Alternate Minimum Privilege Tax – based on Alabama deposits) or line 4 (Amount of Tax Liability from Form CPT, page 2, Part B, line 20 – total for all members of the Financial Institution Group). Also enter the amount computed for line 5 on line 10, page 1, of the Form CPT, filed by the Financial Institution Group.

Tax Computation if Electing to File Separately

If a member of the Financial Institution Group is filing separately, the appropriate box at the top of Schedule G should be checked, and the FEIN of the common parent of the affiliated group must be provided. Lines 1 through 9 must be completed (Tax Computation if Electing to File Separately)

Separate Member Filing - Line 1. Total Deposits Inside Alabama for the Financial Institution Group. This amount should be obtained from either, FDIC, OTS, or NCUSIF, whichever is the appropriate federal regulator, as of June 30th of the Determination Period for the Financial Institution Group.

Separate Member Filing - Line 2. Appropriate Rate from Deposit Rate Schedule.

Based on the amount of deposits, as of June 30th of the Determination Period, determine the rate from the following Deposit Rate Schedule.

Deposit Rate Schedule:

Deposits in Alabama	Rate per \$1,000 of Deposits
Less than \$1 billion	\$.125 per \$1,000
\$1 billion or more up to \$6 billion	\$.17 per \$1,000
More than \$6 billion	\$.225 per \$1,000

Separate Member Filing - Line 3. Alternative Minimum Privilege Tax. Multiply line 1 (total Alabama deposits for the Financial Institution Group) by line 2 (rate determined based on deposits).

Separate Member Filing - Line 4. Amount of Tax Liability from Form CPT, page 2, Part B, line 20. The separate member of the Financial Institution Group must complete Form CPT, in order to compute the amount of Privilege Tax Due. That amount must be entered on Schedule G, line 4, in the separately filing area.

Separate Member Filing - Line 5. Sum of All Taxpayers' Taxes. Enter the sum of the Privilege Tax Due (Form CPT, page 2, Part B, line 20) for each separate member of the Financial Institution Group.

Alabama Business Privilege Tax

TY2005 Form/Schedule Preparation Instructions (Nov 12, 2004)

Separate Member Filing - Line 6. If Line 5 Is Greater Than Line 3. If line 5 (Amount Due – Separate Member) exceeds line 3 (Alternate Minimum Privilege Tax for the Financial Institution Group – based on Alabama deposits) enter the amount from line 4 (Amount of Tax Liability from Form CPT, page 2, Part B, line 20 – for the separate member of the Financial Institution Group) on line 6 and line 9. Enter zeroes on line 7 and line 8.

Separate Member Filing - Line 7. If Line 5 Is Less Than Line 3. If line 5 (Amount Due – Separate Member) is less than line 3 (Alternate Minimum Privilege Tax for the Financial Institution Group – based on Alabama deposits) divide the amount from line 4 (Amount of Tax Liability from Form CPT, page 2, Part B, line 20 – for the separate member of the Financial Institution Group) by the amount on line 5 (the sum of the Privilege Tax Due - Form CPT, page 2, Part B, line 20 - for each separate member of the Financial Institution Group) and enter the percentage on line 7.

Separate Member Filing - Line 8. Multiply Line 7 by Line 3. Multiply the percentage on line 7 by the amount entered on line 3 (Alternate Minimum Privilege Tax for the Financial Institution Group – based on Alabama deposits).

Separate Member Filing - Line 9. Amount Due. Enter the greater of line 6 or line 8. Also enter the amount computed for line 9 on line 10 page 1, of the Form CPT filed by the separate member.

Schedule G - DEFINITIONS

Definition of Financial Institution Group.

Definition of Financial Institution.

Definition of Affiliated Group.

Definition of Financial Institution Group. The Alabama business privilege tax law, in Section 40-14A-22(f), Code of Alabama 1975, defines the term Financial Institution Group as:

“...all taxpayers in an affiliated group where at least one member of the group is a financial institution that is subject to the provisions of Chapter 16...”

A financial institution that is not a member of an affiliated group is still a financial institution group.

Section 40-14A-22(f) further states:

“...In the event, a financial institution taxpayer is not a member of an affiliated group, that financial institution shall be treated as a financial institution group...”

Alabama Business Privilege Tax
TY2005 Form/Schedule Preparation Instructions (Nov 12, 2004)

Definition of Financial Institution. Chapter 16 of Title 40, Code of Alabama 1975, is the Alabama Financial Institutions Excise Tax law. Section 40-16-1(1), Code of Alabama 1975, defines the term financial institution as follows:

(1) *Financial institution.* Any person, firm, corporation and any legal entity whatsoever doing business in this state as a national banking association, bank, banking association, trust company, industrial or other loan company or building and loan association, and such term shall likewise include any other institution or person employing moneyed capital coming into competition with the business of national banks, and shall apply to such person or institution regardless of what business form and whether or not incorporated, whether of issue or not, and by whatsoever authority existing. The common parent corporation of a controlled group of corporations eligible to elect to file a consolidated excise tax return, in accordance with Section 40-16-3, shall be considered a financial institution if such parent corporation is a registered bank holding company as defined by the Bank Holding Company Act of 1956, as amended. As a financial institution, the common parent corporation will be governed by Sections 40-16-1 through 40-16-8 and exempt from all income taxes under Sections 40-18-1 through 40-18-85, with the exception that the credit for licenses or taxes as provided by Section 40-16-8 and the regulations issued or promulgated pursuant thereto by the Department of Revenue will not apply to amounts of excise tax on financial institutions imposed hereby and paid by such parent corporation. Financial institution shall not mean or include individual citizens and fiduciaries acting in a representative capacity for individual citizens, not engaged in a banking, loan, investment or similar business, but merely making personal investments of personal or fiduciary funds in bonds, notes or other evidences of indebtedness and not made in competition with the business of national banks, nor shall such term apply to insurance companies or insurance associations merely making investments of reserves in bonds, notes or other evidences of indebtedness and not made in competition with the business of national banks.

Alabama Business Privilege Tax
TY2005 Form/Schedule Preparation Instructions (Nov 12, 2004)

Definition of Affiliated Group. The Alabama business privilege tax law, in Section 40-14A-22(f)(1)a, Code of Alabama 1975, defines the term Affiliated Group as:

a. Affiliated Group. (i) One or more chains of corporations or limited liability entities connected through the ownership of stock or ownership interests with a common parent which is a corporation or limited liability entity, but only if the common parent owns directly stock or ownership interests meeting the requirements of item (ii) in at least one of the other corporations or limited liability entities, and only if stock or ownership interests meeting the requirements of item (ii) in each of the corporations or limited liability entities (except the common parent) is owned directly by one or more of the other corporations or limited liability entities. (iii) The ownership of stock or ownership interests of any corporation or limited liability entity meets the requirements of this paragraph if it possesses at least 80 percent of the total voting power or capital and profits interest of the corporation or limited liability entity.

— FOR C-CORPORATIONS ONLY! —

Type of taxpayer (*check only one*):

- 1a C Corporation
- 1b Insurance Company (*See definitions*)
- 1c LLE Taxed as Corporation
- 1d Financial Institution Group Member
- 1e Real Estate investment Trust (REIT)
- 1f Business Trust

Determination Period:

- 2a Beginning
____/____/____
(mm/dd/yyyy)
- 2b Ending
____/____/____
(mm/dd/yyyy)
- 2c CY (Calendar Year)
- 2d FY (Fiscal Year)
- 2e SY (Short Year)

TAXPAYER INFORMATION

3a LEGAL NAME OF TAXPAYER		3b FEIN	
3c MAILING ADDRESS			
3d CITY	3e STATE	3f ZIP CODE	3g FEDERAL BUSINESS CODE NUMBER (NAICS)

RETURN INFORMATION

- 4a Address Change for Corporation
- 4b Corporate President Information Change on Corporation Annual Report
- 4c Corporate Secretary Information Change on Corporation Annual Report

5 Check Box if an Amended Return



6 Check Box if an Initial Return – Schedule BPT-IN Must Be Attached

NOTE: Initial returns must be filed within 2-1/2 months of incorporation or qualification – See instructions.

COMPUTATION OF AMOUNT DUE OR REFUND DUE

		Amount Due	FOR DEPARTMENT USE ONLY
7 Secretary of State corporate annual report fee \$10	7	\$10	
8 Less: Annual report fee previously paid for this period	8		
9 Net annual report fee due (<i>line 7 less line 8</i>)	9		
10 Privilege tax due (<i>enter amount from Page 2, Part B, line 20</i>)	10		
11 Less: Privilege tax previously paid for this period	11		
12 Net privilege tax due (<i>line 10 less line 11</i>)	12		
13 Penalty due (<i>see instructions</i>)	13		
14 Interest due (<i>see instructions</i>)	14		
15 Total privilege tax due (<i>add lines 12, 13 and 14</i>)	15		
16 Net tax due (<i>add lines 9 and 15</i>)	16		
17 Payment due with return if line 16 is positive	17		
18 Amount to be refunded if line 16 is negative	18		
19 EFT Indicator if payment made through Electronic Funds Transfer (EFT) check this box and see instructions.			<input type="checkbox"/>

Make check payable to: **Alabama Department of Revenue** Telephone number: (334) 353-7923 Web Site: www.ador.state.al.us
 Mail to: Alabama Department of Revenue, Business Privilege Tax Section, P.O. Box 327431, Montgomery, AL 36132-7431

Form CPT is to be filed only by C-Corporations!



I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.
UNDER PENALTIES OF PERJURY, I declare that I have examined this return and accompanying schedules and statements and, to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here



Your Signature**

Paid Preparer's Use Only



Preparer's signature

Firm's name (or yours, if self-employed) and address

Title	Date	Phone number	Preparer's social security no.
			⋮ ⋮ ⋮
		E.I. No.	
		ZIP Code	

**Paid preparers may sign in lieu of an officer IF a power of attorney is on file with the Department of Revenue or attached to this return.

ALABAMA DEPARTMENT OF REVENUE
Alabama Business Privilege Tax
C-Corporation Privilege Tax Computation Schedule

1a FEIN ▶	1b TAXPAYER NAME	1c Determination Period End Date (Balance Sheet Date): ____/____/____ (mm/dd/yyyy)
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Part A – Net Worth Computation.

Corporations & Entities Taxed as Corporations		
1 Issued capital stock and additional paid in capital (without reduction for treasury stock) but not less than zero.	1	
2 Retained earnings, but not less than zero, including dividends payable. For LLC's taxed as corporations and non-stock issuing entities such as business trusts, enter assets minus liabilities . .	2	
3 Amount of related party debt exceeding the sums of line 1 and 2.	3	
4 All payments for compensation or similar amounts in excess of \$500,000.	4	
5 Total net worth (add lines 1-4)		5

Part B – Privilege Tax Exclusions and Deductions

Exclusions (Attach supporting documentation)		
1 Net worth from line 5 above.		1
2 Book value of the investments by the taxpayer in the equity of other taxpayers doing business in Alabama.	2	
3 Financial institutions, only – Book value of the investments in other corporations or LLE's that are not doing business in Alabama if the taxpayer owns more than 50 percent of the corporation or LLE.	3	
4 Unamortized portion of goodwill and core deposit intangibles resulting from a direct purchase. . . .	4	
5 Unamortized balance of properly elected post-retirement benefits pursuant to FASB 106.	5	
6 Financial institutions, only – The amount adjusted net worth exceeds six percent of total assets (see instructions)	6	
7 Total exclusions (sum of lines 2-6)		7
8 Net worth subject to apportionment (line 1 less line 7)		8
9 Apportionment factor (see instructions)	9	_____ %
10 Total Alabama net worth (multiply line 8 by line 9)		10

Deductions (Attach supporting documentation)		
11 Net investment in bonds and securities issued by the State of Alabama or political subdivision thereof, when issued prior to January 1, 2000.	11	
12 Net investment in all air, ground, or water pollution control devices in Alabama.	12	
13 Reserves for reclamation, storage, disposal, decontamination, or retirement associated with a plant, facility, mine or site in Alabama	13	
14 Book value of amount invested in qualifying low income housing projects (see instructions).	14	
15 Total deductions (add lines 11-14)		15
16 Taxable Alabama net worth (line 10 less line 15)		16
17a Federal Taxable Income (see instructions)	17a	
17b Tax rate (see instructions)	17b	_____
18 Gross privilege tax calculated (multiply line 16 by line 17b)		18
19 Alabama enterprise zone credit (see instructions)	19	
20 Privilege Tax Due (line 18 less line 19) (minimum \$100, for maximum see instructions) Enter also on Form CPT, page 1, line 10, Privilege Tax Due.		20

With the exception of initial returns, an Alabama Schedule AL-CAR, Corporation Annual Report, ***must be completed and attached to this return.***
Also, a \$10 Secretary of State Corporate Annual Report fee must be recorded on page 1, line 7, of this form.

Type of taxpayer (*check only one*):

1a S Corporation

1b Limited Liability Entity

1c Disregarded Entity

Determination Period:

2a Beginning
____/____/____
(mm/dd/yyyy)

2b Ending
____/____/____
(mm/dd/yyyy)

2c CY (Calendar Year)

2d FY (Fiscal Year)

2e SY (Short Year)

TAXPAYER INFORMATION

3a LEGAL NAME OF TAXPAYER

3b FEIN

3c MAILING ADDRESS

3d CITY

3e STATE

3f ZIP CODE

3g FEDERAL BUSINESS CODE NUMBER (NAICS)

RETURN INFORMATION

4a Address Change for Taxpayer

4b S Corporation President Information Change on Annual Report

4c S Corporation Secretary Information Change on Annual Report

5 Check Box if an Amended Return

P

6 Check Box if an Initial Return – Schedule BPT-IN Must Be Attached

NOTE: Initial returns must be filed within 2-1/2 months of incorporation or qualification – See instructions.

COMPUTATION OF AMOUNT DUE OR REFUND DUE

		Amount Due	FOR DEPARTMENT USE ONLY
7 Secretary of State corporate annual report fee \$10	7		
8 Less: Annual report fee previously paid for this period	8		
9 Net annual report fee due (line 7 less line 8)		9	
10 Privilege tax due (Page 2, Part B, line 19)	10		
11 Less: Privilege tax previously paid for this period	11		
12 Net privilege tax due (line 10 less line 11)	12		
13 Penalty due (see instructions)	13		
14 Interest due (see instructions)	14		
15 Total privilege tax due (add lines 12, 13 and 14)		15	
16 Net tax due (add lines 9 and 15)		16	
17 Payment due with return if line 16 is positive		17	
18 Amount to be refunded if line 16 is negative	18		
19 EFT Indicator if payment made through Electronic Funds Transfer (EFT) check this box and see instructions			<input type="checkbox"/>
20 Family LLE Election attached			<input type="checkbox"/>

Make check payable to: **Alabama Department of Revenue**

Telephone number: (334) 353-7923

Web Site: www.ador.state.al.us

Mail to: Alabama Department of Revenue, Business Privilege Tax Section, P.O. Box 327431, Montgomery, AL 36132-7431

Form PPT is to be filed only by Pass-Through Entities!

P

I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.

UNDER PENALTIES OF PERJURY, I declare that I have examined this return and accompanying schedules and statements and, to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here



Your Signature**

Title

Date

Paid Preparer's Use Only



Preparer's signature

Date

Phone number

Preparer's social security no.

Firm's name (or yours, if self-employed) and address

E.I. No.

ZIP Code

**Paid preparers may sign in lieu of an officer IF a power of attorney is on file with the Department of Revenue or attached to this return.

ALABAMA DEPARTMENT OF REVENUE
Alabama Business Privilege Tax
Pass-Through Entity Privilege Tax Computation Schedule

1a FEIN ▶	1b TAXPAYER NAME	1c Determination Period End Date (Balance Sheet Date): ____/____/____ (mm/dd/yyyy)
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Part A – Net Worth Computation

I. S-Corporations			
1 Issued capital stock and additional paid in capital (without reduction for treasury stock) but not less than zero.	1		
2 Retained earnings, but not less than zero, including dividends payable.	2		
3 Amount of related party debt exceeding the sums of line 1 and 2.	3		
4 All payments for compensation, distributions, or similar amounts in excess of \$500,000.	4		
5 Total net worth (add lines 1-4). Go to Part B, line 1.		5	
II. Limited Liability Entities (LLE's)			
6 Sum of the partners'/members' capital accounts, but not less than zero	6		
7 All compensation, distributions, or similar amounts paid to a partner/member in excess of \$500,000.	7		
8 Amount of related party debt exceeding the amount on line 6.	8		
9 Total net worth (add lines 6, 7 and 8). Go to Part B, line 1.		9	
III. Disregarded Entities			
10 (Reserved for future use.)		10	
11 If a disregarded entity has as its single member a taxpayer that is subject to the privilege tax, then the disregarded entity pays the minimum tax. (Go to Part B, line 19.) Single Member Name: _____ FEIN: _____		11	
12 Assets minus liabilities for all disregarded entities that have as a single member an entity that is not subject to the privilege tax.	12		
13 Amount of related party debt exceeding the amount on line 12	13		
14 For disregarded entities, all compensation, distributions, or similar amounts paid to a member in excess of \$500,000.	14		
15 Total net worth (sum of lines 12, 13 and 14). Go to Part B, line 1.		15	

Part B – Privilege Tax Exclusions and Deductions

Exclusions (Attach supporting documentation)			
1 Net worth from Part A – line 5, 9, or 15.		1	
2 Book value of the investments by the taxpayer in the equity of other taxpayers doing business in Alabama.	2		
3 Unamortized portion of goodwill resulting from a direct purchase.	3		
4 Unamortized balance of properly elected post-retirement benefits pursuant to FASB 106.	4		
5 Total exclusions (sum of lines 2-4)		5	
6 Net worth subject to apportionment (line 1 less line 5)		6	
7 Apportionment factor (see instructions)	7	_____ %	
8 Total Alabama net worth (multiply line 6 by line 7)		8	
Deductions (Attach supporting documentation)			
9 Net investment in bonds and securities issued by the State of Alabama or political subdivision thereof, when issued prior to January 1, 2000.	9		
10 Net investment in all air, ground, or water pollution control devices in Alabama.	10		
11 Reserves for reclamation, storage, disposal, decontamination, or retirement associated with a plant, facility, mine or site in Alabama	11		
12 Book value of amount invested in qualifying low income housing projects (see instructions)	12		
13 For S corporations and LLE's, 30 percent of Alabama taxable income (see instructions)	13		
14 Total deductions (add lines 9-13)		14	
15 Taxable Alabama net worth (line 8 less line 14)		15	
16a Federal Taxable Income (see instructions)	16a		
16b Tax rate (see instructions)	16b	_____ %	
17 Gross privilege tax calculated (multiply line 15 by line 16b)		17	
18 Alabama enterprise zone credit (see instructions)	18		
19 Privilege Tax Due (line 17 less line 18) (minimum \$100, for maximum see instructions) Enter also on Form PPT, page 1, line 10, Privilege Tax Due		19	

S-corporations must complete and attach an Alabama Schedule AL-CAR, and enter \$10 for the corporate annual report fee on line 7, page 1. Other (noncorporate) pass-through entities are not required to file an Alabama Schedule AL-CAR or pay the corporate annual report fee.

SCHEDULE
AL-CAR

ALABAMA DEPARTMENT OF REVENUE
Alabama Secretary of State
Corporation Annual Report

BUSINESS PRIVILEGE
TAX YEAR
2005

1a FEIN

1b LEGAL NAME (PLEASE TYPE OR PRINT)

2a County of incorporation or organization for all Alabama entities	2a	
2b State or country of incorporation or organization for all foreign entities	2b	
3a Date of qualification or registration in Alabama for foreign entities	3a	
3b Date of incorporation or organization for all entities	3b	
3c Telephone number of the taxpayer	3c	()
4a Name of registered agent in Alabama	4a	
4b FEIN or social security number	4b	
4c Street address	4c	
4d City, state and zip code	4d	
5a Name of corporate president (update <input type="checkbox"/>)	5a	
5b Social security number	5b	
5c Street address	5c	
5d City, state and zip code	5d	
6a Name of corporate secretary (update <input type="checkbox"/>)	6a	
6b Social security number	6b	
6c Street address	6c	
6d City, state and zip code	6d	
7 Kind of business done in Alabama	7	
8 Principal place of business in Alabama	8	
City, state and zip code		
9 Kind of business done generally	9	
10 Principal office and place of business if outside State of Alabama	10	
City, state and zip code		

SCHEDULE
BPT-IN

ALABAMA DEPARTMENT OF REVENUE
Alabama Business Privilege Tax
Initial Privilege Tax Computation Schedule

BUSINESS PRIVILEGE
TAX YEAR
2005

1a FEIN ▶	1b NAME	1c Determination Period: Ending ____/____/____ (mm/dd/yyyy) 1d <input type="checkbox"/> SY (Short Year)
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Initial Privilege Tax Computation

THIS SCHEDULE IS TO BE COMPLETED ONLY BY TAXPAYERS WHO INCORPORATED, ORGANIZED, QUALIFIED, REGISTERED OR STARTED DOING BUSINESS IN ALABAMA DURING THE TAX YEAR. Enter the date the entity incorporated, organized, qualified, registered, or started doing business in Alabama, **whichever occurred first**: mm/dd/yy ____/____/____. Complete Form CPT or Form PPT as of this date.

2 Taxable Alabama net worth from Form CPT, page 2, part B, line 16 or Form PPT, page 2, part B, line 15	2	
3 Tax rate	3	.00025
4 Gross tax due	4	
5 Ratio of the days remaining in the calendar year divided by 365	5	____.____.____%
6 Tax due (multiply line 4 by line 5) (\$100 minimum) enter also on Form CPT, page 2, line 20 or Form PPT, page 2, line 19.	6	

TAXPAYER INFORMATION

7a CONTACT PERSON CONCERNING THIS FORM	7b CONTACT PERSON'S PHONE NUMBER ()
--	--

8a County of incorporation or organization for all Alabama entities	8a	
8b State or country of incorporation or organization for all foreign entities	8b	
9a Date of qualification or registration in Alabama for foreign entities	9a	
9b Date of incorporation or organization for all entities	9b	
9c Telephone number of the taxpayer	9c	()
10a Name of registered agent in Alabama	10a	
10b FEIN or social security number	10b	
10c Street address	10c	
10d City, state and zip code	10d	
11a Name of corporate president	11a	
11b Social security number	11b	
11c Street address	11c	
11d City, state and zip code	11d	
12a Name of corporate secretary	12a	
12b Social security number	12b	
12c Street address	12c	
12d City, state and zip code	12d	
13 Kind of business done in Alabama	13	
14 Principal place of business in Alabama	14	
City, state and zip code		
15 Kind of business done generally	15	
16 Principal office and place of business if outside State of Alabama	16	
City, state and zip code		

**Alabama Business Privilege Tax
Financial Institution Group Computation Schedule**

Schedule G Must be Filed Only by Financial Institution Groups or Group Members

FEIN ▶	LEGAL NAME OF TAXPAYER
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Filing Election

- Check box if electing to file a consolidated business privilege tax return in accordance with Section 40-14A-22(f), *Code of Alabama 1975*.
- Check box if a member of a Financial Institution Group filing separately.

FEIN of Common Parent: _____

Tax Computation If Electing To File A Consolidated Return

1 Total deposits inside Alabama for the entire Financial Institutional Group.....	1	
2 Appropriate rate from deposit rate schedule (<i>see instructions</i>).....	2	
3 Alternative Minimum Privilege Tax (<i>multiply line 1 by line 2</i>).....	3	
4 Amount of tax liability from consolidated Form CPT, page 2, Part B, line 20 (<i>see instructions</i>).....	4	
5 Amount due (<i>the greater of line 3 or 4</i>) Enter this same amount on Form CPT, page 1, line 10 (Privilege Tax Due).....	5	

Tax Computation If Electing To File Separately

1 Total deposits inside Alabama for the entire Financial Institutional Group.....	1	
2 Appropriate rate from deposit rate schedule (<i>see instructions</i>).....	2	
3 Alternative Minimum Privilege Tax (<i>multiply line 1 by line 2</i>).....	3	
4 This taxpayer's tax liability from Form CPT, page 2, Part B, line 20	4	
5 Sum of all group members' tax liabilities.....	5	
6 If line 5 is greater than line 3, enter line 4 here and skip to line 9	6	
7 If line 5 is less than line 3, divide line 4 by line 5.....	7	_____%
8 Multiply line 7 by line 3 and enter the result.....	8	
9 Amount due (<i>the greater of line 6 or 8</i>) Enter this same amount on Form CPT, page 1, line 10 (Privilege Tax Due).....	9	

**A listing of all Financial Institution Group members with FEINs
must be attached to this schedule.**

See the instructions for Schedule G, Financial Institution Group Computation Schedule.

**See the instructions for Form CPT, Alabama Business Privilege Tax Return
and Annual Report (for C-corporations).**

Additional Information Available at www.ador.state.al.us

Extension Request For The Alabama Business Privilege Tax Return and Annual Report

2005

Type of business entity (<i>must check one</i>): C Corporation <input type="checkbox"/> Regular C Corporation <input type="checkbox"/> Insurance Company <input type="checkbox"/> Financial Institution Group Member <input type="checkbox"/> LLE Taxed as Corporation			S Corporation <input type="checkbox"/> Regular S Corporation <input type="checkbox"/> Insurance Company <input type="checkbox"/> Financial Institution Group Member <input type="checkbox"/> LLE Taxed as Corporation			Other <input type="checkbox"/> Real Estate Investment Trust <input type="checkbox"/> Limited Liability Entity <input type="checkbox"/> Business Trust <input type="checkbox"/> Disregarded Entity			For Determination Period: Beginning _____ (mm/dd/yyyy) Ending _____ (mm/dd/yyyy) <input type="checkbox"/> CY (Calendar Year) <input type="checkbox"/> FY (Fiscal Year) <input type="checkbox"/> SY (Short Year)
LEGAL ENTITY NAME (PLEASE TYPE OR PRINT)									
MAILING ADDRESS					FEIN				
CITY, STATE, AND ZIP CODE			(This Space For Use By Alabama Department of Revenue)						
FEDERAL BUSINESS CODE NUMBER (NAICS)		DOES THIS REPRESENT A CHANGE OF ADDRESS? <input type="checkbox"/> Yes							

RECEIVING STAMP

FOR DEPARTMENT USE ONLY

1 Secretary of State annual report fee \$10 (corporations only)	1		
2 Privilege tax due (minimum \$100)	2		
3 Payment due (sum of lines 1 and 2)	3		
4 If payment made through Electronic Funds Transfer (EFT) check this box. <input type="checkbox"/>			

I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.
UNDER PENALTIES OF PERJURY, I declare that I have examined this return and accompanying schedules and statements and, to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here

Your Signature Preparer's signature Firm's name (or yours, if self-employed) and address	Title Date Telephone ()	Date Phone number E.I. No. ZIP Code	Preparer's social security no. : :
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MAIL TO: Alabama Department of Revenue, Business Privilege Tax Section, PO Box 327431, Montgomery, AL 36132-7431

Extension Requirements

The Department will grant an extension of time, not to exceed six months, for filing the Business Privilege Tax return provided:

1. The Extension Request (Form PSE) is received by the Department or postmarked by the U.S. Post Office on or before the due date, and
2. A payment of 90% (but in no case less than \$100.00) of the tax liability is made with the request. Corporations must also pay the \$10.00 Secretary of State's fee, and
3. All sections of the Extension Request are completed, and
4. The Extension Request is signed.

An extension of time for filing an initial return is not allowed.

Due Dates

BUSINESS PRIVILEGE TAX – Taxpayers who report on a calendar year basis will file their extension request or tax return on or before March 15, 2005 for corporations or April 15, 2005 for LLE's.

Taxpayers who have a tax year other than a calendar year **must**

file an extension request or tax return no later than two and one-half months if a corporation or three and one-half months if an LLE, after the beginning of each fiscal or short tax year.

If you have any questions, please contact the Business Privilege Tax Section at (334) 353-7923. (www.ador.state.al.us).

Electronic Funds Transfer Tax Payment and Filing

Section 41-1-20, **Code of Alabama 1975**, requires the use of Electronic Funds Transfer (EFT) for all tax payments of \$25,000 or more. Taxpayers must register to use EFT. Call the Revenue Department EFT Hotline at 1-800-322-4106 or (334) 242-0192 for further information.

If payment is made by EFT, mail completed return to:

Alabama Department of Revenue
 EFT Unit
 P.O. Box 327950
 Montgomery, AL 36132-7950

NOTE: Effective for tax year 2005, the Form PSA has been discontinued. It has been replaced with Form CPT for C-corporations and Form PPT for pass through Entities.

ATTACH HERE

ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL & CORPORATE TAX DIVISION
**Family Limited Liability
Entity Election Form**

Tax Period: _____

Partnership: _____

FEIN: _____

The following substantiation must be completed in order for this election to be granted.

Part 1 - 80% Test

Partners' capital account from Form 1065, Schedule L: \$ _____

Percentages of partners' capital account that are directly or constructively owned by:

Individual:	_____ %
Spouse:	_____ %
Parents:	_____ %
Grandparents:	_____ %
Lineal Descendants:	_____ %
Total	_____ %

Part 2 - Taxpayer must complete at least one of the following.

(a) **Gross Receipts Test:** 90% or more of the gross receipts of the entity consist of any combination of the following:

(i) Interest	_____ %
(ii) Dividends/Distributions/Payments of stock or securities	_____ %
(iii) Rents, License fees or other fees for use of property	_____ %
(iv) Receipts from sale or leasing of timber or timberland	_____ %
(v) Royalties	_____ %
(vi) Annuity Payments	_____ %
(vii) Proceeds from sale of asset in ordinary course of business	_____ %
Total	_____ %

(b) **Assets Test:** The adjusted basis of the following assets constitutes at least 90% of the adjusted basis of all of the entities assets:

(i) Cash or cash equivalents	_____ %
(ii) Stocks, bonds, debentures, notes or securities	_____ %
(iii) Timber or timberlands	_____ %
(iv) Annuities	_____ %
(v) Assets held principally for appreciation and not production of income ..	_____ %
(vi) Mutual funds	_____ %
(vii) Assets not used directly in the conduct of the entity's business	_____ %
(viii) Royalty interests	_____ %
Total	_____ %

This entity is officially requesting to make the annual election to be an electing family limited liability entity as described in *Code of Alabama 1975, Section 40-14A-1(h)*. I hereby certify that the profits and capital interests of the entity meet the definition of "constructively owned" by 26 U.S.C. Section 318(a)(2)(C) and 26 U.S.C. Section 318(a)(3)(C):

Signature: _____

Date: _____

Title: _____