



ALABAMA DEPARTMENT OF REVENUE
Family Limited Liability Entity Election Form

(DISREGARDED ENTITIES DO NOT QUALIFY FOR THE FAMILY LIMITED LIABILITY ENTITY ELECTION)

**1c Determination Period End Date
(Balance Sheet Date):**

1a FEIN

1b ELECTING FAMILY LIMITED LIABILITY ENTITY

____/____/____
(mm/dd/yyyy)

The following information must be provided in order for this election to be effective.

Part 1 – 80% Ownership Test

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

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

- Individual: %
- Spouse: %
- Parents: %
- Grandparents: %
- Lineal descendants of grandparents: %
- 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 on 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 not in ordinary course of business %
- Total** %

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

- (i) Cash or cash equivalents %
- (ii) Stocks, bonds, debentures, notes or other 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 making an election to be an electing family limited liability entity as described in *Code of Alabama 1975*, §40-14A-1(h). The signature on page 1 of Form PPT is certification that the profits and capital interests of the entity were calculated using the constructive ownership rules of 26 U.S.C. §318, without regard to the 50% limitation contained in 26 U.S.C. §318(a)(2)(C) and 26 U.S.C. §318(a)(3)(C).