



**Alabama Department of Revenue  
Family Limited Liability Entity Election Form  
(DISREGARDED ENTITIES DO NOT QUALIFY FOR THE FAMILY LIMITED LIABILITY ENTITY ELECTION)**

1a FEIN

1b ELECTING FAMILY LIMITED LIABILITY ENTITY

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

(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: .....	_____	%
<b>Total</b> .....	_____	%

**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 .....	_____	%
<b>Total</b> .....	_____	%

(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 .....	_____	%
<b>Total</b> .....	_____	%

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 or Form BPT-IN 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).