



**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)
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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 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).