

810-2-8-.02 Determination of the Apportionment Factors for the Privilege Tax.

(1) For tax years beginning after December 31, 1999, taxpayers engaged in multistate operations will determine the Apportionment Factors used to compute Alabama net worth as follows:

(a) C Corporations, S Corporations, Limited Liability Entities, Real Estate Investment Trusts, and Disregarded Entities engaged in multistate operations shall apportion net worth computed under §40-14A-23, Code of Alabama 1975, in accordance with §40-27-1, Code of Alabama 1975, and the accompanying rules. During the determination period, the factors used to determine Alabama net worth shall be computed in the same manner as prescribed for purposes of the income tax levied by Chapter 18, Title 40, Code of Alabama 1975.

(b) Financial Institutions shall apportion net worth computed under §40-14A-23 in accordance with Chapter 16, Title 40, Code of Alabama 1975, and the accompanying rules. During the determination period, the factors used to determine Alabama net worth shall be computed in the same manner as prescribed for purposes of the financial institution excise tax.

(c) Insurance companies subject to the insurance premium tax levied by Chapter 4A of Title 27, Code of Alabama 1975, shall apportion income based on the ratio of the insurer's Alabama premium income to its nationwide total direct premiums. The information used to determine this ratio is reflected on Schedule T of the insurer's annual statement filed with the insurance commissioner for the immediate preceding tax year.

Author: Voncile Catledge

Authority: §§ 40-2A-7(a)(5) and 40-14A-1, Code of Alabama 1975

History: New rule: Filed July 26, 2000, effective August 30, 2000.