

Instructions for Completion of Schedule NRA

Schedule NRA must be completed by each non-resident owner/shareholder of the entity for whom an agreement has not been previously filed. Schedule NRA must be attached to Form 65 or Form 20S. A copy of Schedule NRA should be maintained for future reference.

If the Schedule NRA is not submitted timely by the entity on behalf of the non-resident owner/shareholder, when applicable, the entity must complete the Form PTE-C on behalf of that owner/shareholder and pay to the state an amount equal to the highest income tax rate applicable to individuals (if the owner/shareholder is an individual, trust, or partnership) or to corporations (if the owner is a corporation), multiplied by the owner's pro rata share of income allocated and apportioned to this State as reflected in the entity's return for the period in question. In the spaces provided at the top of the form, insert the name and legal resident address of the owner/shareholder. Also include the taxpayer identification number (Social Security Number or Federal Employer Identification Number) and the tax year of the owner. **BE SURE TO ENTER THE LEGAL RESIDENCE OF THE OWNER/SHAREHOLDER.**

For the Subchapter K entity/S corporation, enter the Federal Employer Identification Number (FEIN), tax year, name, and address.

In paragraph (2) on Schedule NRA, you may elect to insert the name and address of an agent in Alabama (selected by you) that you wish to have for service of documents in connection with the Alabama Income Tax Returns of the owner/shareholder or the entity. This agency designation is **OPTIONAL** with the owner/shareholder and is in **ADDITION** to the agents designated by regulation.

This agreement must be signed by the owner/shareholder in the space provided. If the signature is by an attorney-in-fact, agent, or trustee, enter the proper title or status of the signer in the space provided. The owner may authorize any other person, including an officer, or employee of the entity to execute this agreement on his/her behalf, if a properly executed power of attorney is filed with this Department not later than the date on which this agreement is submitted. If interest/shares of the Alabama partnership/S corporation are jointly owned, each owner must execute a separate agreement. The agreement must be executed before a notary public or some other officer authorized to administer oaths in the state of legal residence of the owner. Note: Officer does not refer to an officer of the entity unless that person is a notary public or is otherwise authorized to administer an oath by the laws of the state of residence of the owner.

For further information concerning Subchapter K entities, see Section 10-8A-1108, 40-18-24.1, and 40-18-176, **Code of Alabama 1975**.

For further information concerning S corporations, see Reg. 810-3-160.01 and Sections 40-18-176, **Code of Alabama 1975**.