BUSINESS PRIVILEGE TAX EXTENSION REQUEST

According to Rule 810-2-8-.06 any taxpayer required to file a business privilege tax return will be granted an automatic six month extension of time for filing the return. While an automatic extension is in place for the filing of the annual business privilege tax return, payment of the total tax due (including any corporate annual report fees) must be received on or before the original due date of the return. Payments made for a taxable year in which the automatic extension provision is utilized are referred to in these instructions and on the Form BPT-V as automatic extension payments. Form BPT-V must accompany all business privilege tax payments, unless payments are made electronically. Please see Rule 810-2-8-.06 on the Department's Web site (www.revenue.alabama.gov) for more information regarding the extension of time for filing of business privilege tax returns.

General Information – Filing Requirement for Business Privilege Tax:

Every corporation, limited liability entity, business trust, disregarded entity, and real estate investment trust (REIT) that is doing business in Alabama or has qualified with the Alabama Secretary of State to do business in Alabama is required to file an Alabama Business Privilege Tax Return and Annual Report.

S-corporations, limited liability entities, and disregarded entities must file Alabama Form PPT.

C-corporations, financial institution groups, insurance companies, REITs, and business trusts must file Alabama Form CPT. Limited liabilities taxed as corporations for federal income tax purposes must also file Alabama Form CPT.

“Limit liability entity (LLE)” is defined in Section 40-14A-1, Code of Alabama 1975, as:

“…Any entity, other than a corporation, organized under the laws of this or any other jurisdiction through which business may be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity and which is taxable under subchapter K of the Code, including, without limitation, limited liability companies, registered limited liability partnerships, and limited partnerships…”

“Corporation” is defined in Section 40-14A-1, Code of Alabama 1975, as:

“…Any entity, including a limited liability company electing to be taxed as a corporation for federal income tax purposes, through which business can be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity, other than a limited liability entity or a disregarded entity…”

“S-corporation” is defined in Section 40-14A-1, Code of Alabama 1975, as:

“…An S corporation defined under Section 40-18-160…”

Required Attachments to the Alabama Form PPT:

– A copy of pages 1 through 4 of the federal tax Form 1120S or pages 1 through 5 of the federal tax Form 1065.

– For taxpayers doing business in Alabama and outside the State of Alabama (multistate taxpayers), a copy of the Alabama apportionment schedule (from Form 20S or Form 65 for the taxpayer’s determination period).

– Documentation to thoroughly support any exclusion or deduction claimed in the computation of the taxpayer’s net worth.

– A copy of the balance sheet used to compute the taxpayer’s net worth, if not provided with the copy of the federal tax return.

Due date for the Alabama Form PPT:

For corporations, the Alabama business privilege tax return is due no later than two and a half months after the beginning of a taxpayer’s taxable year. The 2015 Form PPT for a calendar year S-corporation would be due on March 16, 2015.

For Limited Liability Entities, the Alabama business privilege tax return is due no later than three and a half months after the beginning of the taxpayer’s taxable year. The 2015 Form PPT for a calendar year limited liability entity would be due on April 15, 2015.

For Disregarded Entities, the Alabama business privilege tax return is due no later than the time its owner is required to file.

Mailing Address for the Form PPT:

If you are not making a payment, mail your return to:

Alabam a Department of Revenue
Business Privilege Tax Section
PO Box 327431
Montgomery, AL 36132-7431

If you are making a payment, mail your return, Form BPT-V, and payment to:

Alabam a Department of Revenue
Business Privilege Tax Section
PO Box 327320
Montgomery, AL 36132-7320

Determination Period Used to Compute the Business Privilege Tax:

Taxable Year Information: Enter the beginning and ending date of the determination period. The determination period is defined in Section 40-14A-1, Code of Alabama 1975, as the taxpayer’s taxable year next preceding the taxpayer’s current taxable year (Generally, it is the taxable year that just ended).

The net worth computations required to compute the Alabama business privilege tax for a business privilege taxable year are performed on information extracted from the balance sheet prepared as of the last day of the determination period (Generally, the last day of the determination period is the last day of the taxable year that just ended, and is the date of the balance sheet prepared that coincides with the taxable year that just ended).

Line 1. Calendar Year Indicator – Check this box if the taxpayer has a December 31st tax year end. Then enter the determination period begin date and end date in the spaces provided.

Line 1. Fiscal Year Indicator – Check this box if the taxpayer has a tax year end date other than a calendar year end. Then enter the determination period begin date and end date in the spaces provided.

Short Year – The taxpayer should file a short year return only if there is a change in the tax year end (For example, the taxpayer converts from a calendar year end to a fiscal year end). Do NOT file a short year return as a result of an acquisition or merger. The entity will use the calendar year or fiscal year check box and complete the spaces provided for short year returns. Check the calendar year indicator if the entity’s determination period end date is 12/31/2014 and enter the beginning date in the spaces provided. Check the fiscal year indicator if the entity’s determination period end date occurs in 2015 and enter the beginning and ending dates in the spaces provided.

EXAMPLES FOR ENTITIES CHANGING THEIR DETERMINATION PERIOD END DATE

COMPANY A changes from a calendar year end (12/31/2014) to a fiscal
year end (e.g., 03/31/2015). Company A should file the 2015 Business Privilege Tax Return and report the determination period begin date as 01/01/2015 and end date as 03/31/2015.

COMPANY B changes from a fiscal year end (e.g., 06/30/2014) to a calendar year end (12/31/2014). Company B should file the 2015 Business Privilege Tax Return and report the determination period begin date as 07/01/2014 and end date as 12/31/2014.

Privilege Tax Prorated for Short Taxable Years. The business privilege tax is prorated when taxpayers have a short taxable year – See the instructions for line 17, Part B, page 2, Form PPT.

Amended Return Indicator – Check this box if the return is an amended return. Attach a full explanation for filing the amended return, supporting documentation for the changes, and a computation of the additional amount due or the additional refund due.

Type of Taxpayer:

Indicate the type of taxpayer by checking one of the boxes on line 2a through line 2c.

Taxpayer Information:

| Line 3a | Enter the legal name of the business entity. Do not enter the owner's name or “doing business as” name. |
| Line 3b | The taxpayer’s Federal Employer Identification Number (FEIN) is required to complete Form CPT, Form PPT, and Form PPT-IN. Enter “applied for” if an FEIN will be assigned to the taxpayer. Check the box (FEIN Not Required) if an FEIN will not be assigned to the taxpayer. Single member limited liability companies should NOT use their owner’s FEIN or social security number. |
| Line 3c | Street Address – Enter the taxpayer’s mailing address or street address. |
| Line 3d | BPT Account Number – Enter the taxpayer’s BPT (Business Privilege Tax) account number only if the taxpayer does not have an FEIN (Federal Employer Identification Number). The account number is issued when the account is opened and is provided in the notice advising the taxpayer of the Business Privilege Tax liability. The account number is also provided in the letter notifying the taxpayer of a Sign-On ID and an Access Code for using the electronic Funds Transfer (EFT) System. Contact the Business Privilege Tax Section (334-242-9800) for any questions regarding the BPT account number. |
| Line 3e | City – Enter the taxpayer’s city. |
| Line 3f | State – Enter the taxpayer’s state. |
| Line 3g | Zip Code – Enter the taxpayer’s 9-digit zip code. |
| Line 3h | Enter the taxpayer’s federal business code number. This number is the North American Industry Classification System (NAICS) reported on the federal income tax return. The Federal Business Code Number (NAICS) is also located at www.census.gov or by contacting the U.S. Census Bureau (888-756-2427). |
| Line 3i | Contact Person Concerning This Form – Enter the name of the person who can answer questions concerning the preparation of this form. |
| Line 3j | Contact Person’s Phone Number – Enter the telephone number of the person who can answer questions concerning the preparation of this form. |

| Line 3k | Taxpayer’s E-mail Address – Enter the entity’s e-mail address. |
| Line 4a | Date of Incorporation or Organization – Enter the date the entity was incorporated or organized. |
| Line 4b | State of Incorporation or Organization – Enter the state in which the entity was incorporated or organized. |
| Line 4c | County of Incorporation or Organization – Enter the county in which the entity was incorporated or organized. |

Computation of Amount Due or Refund Due:

| Line 5 | Secretary of State Corporate Annual Report Fee – If the taxpayer is an S-corporation, enter $10.00, the amount of the Secretary of State’s corporate annual report fee. Please also attach a completed Alabama Schedule AL-CAR, Alabama Secretary of State Corporation Annual Report. Limited Liability Entities taxed as corporations are not subject to the $10 Secretary of State fee and are not required to complete Schedule AL-CAR. Alabama business privilege tax returns filed for S-corporations will not be considered a complete return without a properly completed Alabama Schedule AL-CAR, and without payment of the $10.00 fee. |

Pass-through entities other than S-corporations are not subject to the $10.00 corporate annual report fee, and can leave lines 5, 6 and 7 blank.

| Line 6 | Less: Annual Report Fee Previously Paid for the Taxable Year – Enter the amount of Secretary of State’s annual report fee previously paid for the taxable year (i.e., paid as an automatic extension payment with a Form BPT-V by the original due date of the return, but prior to the annual return’s filing on the extended due date of the return). If the return is an amended return, enter the amount of Secretary of State’s annual report fee shown for the taxable year on the originally-filed Alabama business privilege tax return. |

| Line 7 | Net Annual Report Fee Due – Subtract the amount on line 6 from the amount on line 5. |

| Line 8 | Privilege Tax Due – Enter the amount from page 2, Part B, line 19 (Privilege Tax Due). The Alabama business privilege tax is due, in full, by the original due date of the business privilege tax return, without consideration for any filing extensions. There is no provision in the Alabama business privilege tax law to allow an extension of time to pay the amount of tax due. |

| Line 9 | Less: Privilege Tax Previously Paid for the Taxable Year – Enter the amount of privilege tax previously paid for the taxable year (i.e., paid as an automatic extension payment with a Form BPT-V by the original due date of the return, but prior to the annual return’s filing on the extended due date of the return). If the return is an amended return, enter the amount of business privilege tax shown paid for the taxable year on the originally-filed Alabama business privilege tax return. Do Not include previous year overpayments as privilege tax previously paid for the taxable year. |

| Line 10 | Net Privilege Tax Due – Subtract the amount on line 9 from the amount on line 8. |

| Line 11 | Penalty Due – Enter the total amount of the penalty for failure to timely file the return and the penalty for failure to timely pay the tax shown due on the return, as specified in Section 40-2A-11, Code of Alabama 1975. The penalty for failure to timely file an Alabama business privilege tax return by the due date is 10% of the tax shown due with the return or $50, whichever is greater. The penalty for failure to timely pay the amount of tax shown due on an Alabama business privilege tax return equals to 1% of the amount of tax shown due on the return for each month the tax is unpaid – not to exceed 25% of the amount shown due on the return. |

| Line 12 | Interest Due – Enter the amount of interest due on any business privilege tax unpaid as of the original due date of the business privilege tax return. Section 40-1-44(a), Code of Alabama 1975, specifies the interest rate to be used in computing the amount of interest due (Section 40-1-44 references Internal Revenue Code Section 6621 for the interest rates to be used for underpayments). |

| Line 13 | Total Privilege Tax Due – Add the amounts shown on lines 10, 11, and 12. |

| Line 14 | Net Tax Due – Add the amounts shown on line 7 and line 13. A positive amount represents an amount due, and that amount should be entered on line 15 (Payment Due with Return). A negative amount represents a refund due to the taxpayer, and that amount should be entered on line 16 (Amount to be Refunded to Taxpayer). |

| Line 15 | Payment Due with Return – Enter the amount from line 14, but only if the amount is positive. |

| Line 16 | Amount to be Refunded to Taxpayer – Enter the amount from line 14, but only if the amount is negative. |

| Line 17 | Family LLE Election Indicator – Check the box if the Family LLE...
Election Schedule is completed and attached. The Family Limited Liability Election must be made annually on or before the due date, including extensions, of the return in accordance with Section 40-14A-1(h)(2), Code of Alabama 1975. Failure to attach Schedule BPT-E and sign Page 1 of Form PPT will result in the disallowance of the election. Single-member LLCs that are treated as a disregarded entity for federal income tax purposes do not qualify as an electing family limited liability entity, in accordance with Section 40-14A-1(h), Code of Alabama 1975.

Line 18. Indicate Payment Type – Check the box if the payment was remitted electronically.

How to Make EFT Payments:

ACH Credit Method Payment:

In order to pay the Alabama business privilege tax using EFT, (ACH Credit Method Payment), the taxpayer must first be a registered EFT taxpayer. To register for EFT taxpayers must complete Form EFT: 001, EFT Authorization Agreement Form, and submit it to the Alabama Department of Revenue’s EFT Unit. Form EFT: 001 and instructions can be downloaded from the Department’s Web site at www.revenue.alabama.gov/efteftindex.html.

My Alabama Taxes Payment:

The Department of Revenue mails each newly incorporated/organized company a letter with a Sign On ID and Access Code to access My Alabama Taxes for electronic payments. All existing companies were mailed Sign On ID and Access Code letters in February, 2007. For more information or to make a payment, refer to the Web site at www.revenue.alabama.gov or www.myalabamataxes.alabama.gov.

Instructions for Form PPT, Page 2

Line 1a. Enter the taxpayer’s Federal Employer Identification Number (FEIN), if the taxpayer does not have an FEIN, enter the same information as is entered on page 1, line 3b.

Line 1b. Enter the legal name of the business entity as shown on page 1, line 3a.

Line 1c. Determination Period End Date/Balance Sheet Date – The Determination Period End Date is the date of the balance sheet from which the net worth computations are made.

Part A – Net Worth Computation:

I. S-Corporations

Line 1. Enter the total amount of the taxpayer’s capital stock and additional paid in capital, but not less than zero. The amount must not be reduced for any treasury stock owned by the corporation.

Line 2. Enter the amount of retained earnings, but not less than zero. Include any amounts designated for the payment of dividends until the amounts are definitely and irrevocably placed to the credit of the stockholders, subject to withdrawal on demand. The amount entered on line 2 must not be less than zero.

Line 3. Enter the gross amount of related party debt exceeding the total of the amounts entered on line 1 and line 2, as required by Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amounts on line 1 and line 2 in arriving at the taxpayer’s net worth. Related parties are defined in Section 40-14A-1, Code of Alabama 1975, as any member of a controlled group of corporations as defined by Internal Revenue Code Section 1563. The definition of related parties also includes any limited liability entity that would be a member of a controlled group if rules similar to Section 1563 were applied to limited liability entities. Note: The amount entered on line 3 must not be less than zero. Individual shareholders are not considered related parties. Related party debt and related party receivables are not netted in any circumstances. Exempt payables are defined as stated in Section 40-14A-23(e)(2)(b). They include trade debt, accounts payable, or deposit liabilities to related parties that are doing business in Alabama. Non-Exempt payables are all other related party debts.

Line 4. Enter the excess amount (the amount in excess of $500,000 for each shareholder) of compensation or similar amounts paid to (or accrued as a liability to) certain direct or indirect shareholders during the determination period, as defined in Section 40-14A-23, Code of Alabama 1975. This amount will be added to lines 1, 2, and 3, in arriving at the taxpayer’s net worth. Section 40-14A-23(f), Code of Alabama 1975, should be referred to for a more thorough explanation of this adjustment.

Line 5. Total S-Corporation Net Worth – Enter the sum of lines 1 through 4.

II. Limited Liability Entities (LLEs)

Line 6. Enter the total amount of the partner/member capital accounts, but not less than zero.

Line 7. Enter the excess amount (the amount in excess of $500,000 for each partner/member) of compensation, distributions or similar amounts paid to (or accrued as a liability to) certain direct or indirect partners/members during the determination period, as defined in Section 40-14A-23, Code of Alabama 1975. Section 40-14A-23(f), Code of Alabama 1975, should be referred to for a more thorough explanation of this adjustment.

Line 8. Enter the gross amount of related party debt exceeding the total of the amount entered on line 6, as required by Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amount on line 6 in arriving at the taxpayer’s net worth. Related parties are defined in Section 40-14A-1, Code of Alabama 1975, as any member of a controlled group of corporations as defined by Internal Revenue Code Section 1563. The definition of related parties also includes any limited liability entity that would be a member of a controlled group if rules similar to Section 1563 were applied to limited liability entities. Note: The amount entered on line 8 must not be less than zero. Individual shareholders are not considered related parties. Related party debt and related party receivables are not netted in any circumstances. Exempt payables are defined as stated in Section 40-14A-23(e)(2)(b). They include trade debt, accounts payable, or deposit liabilities to related parties that are doing business in Alabama. Non-Exempt payables are all other related party debts.

Line 9. Total LLE Net Worth – Enter the sum of lines 6 through 8.

III. Disregarded Entities

Line 10. Enter the name and Federal Employer Identification Number (FEIN) or Social Security Number (SSN) of the single member of the disregarded entity.

Line 11. If the taxpayer is a disregarded entity that has as its single member a taxpayer that is subject to the Alabama business privilege tax, then the disregarded entity pays only the minimum tax. Enter $100, the amount of the minimum business privilege tax, in Part B, line 19. The form can then be completed from that point, in accordance with the instructions for this form. The name and FEIN of the single member must be provided on line 10, or the form will be considered incomplete.

Line 12. Disregarded Entity Net Worth Computation – If the taxpayer is a disregarded entity that has as its single member a taxpayer that is NOT subject to the Alabama business privilege tax, then the disregarded entity must compute its own net worth, and pay the Alabama business privilege tax accordingly. Enter the amount the taxpayer’s assets exceed its liabilities, but not less than zero. The name and FEIN/SSN of the single member must be provided on line 10, or the form will be considered incomplete. A statement must be attached to the business privilege tax return explaining why the owner is not subject to the Alabama business privilege tax. Documentation of assets minus liabilities must be provided.

Disregarded entity owners that are not subject to the Alabama business privilege tax include, but are not limited to: resident individual taxpayers; non-resident individual taxpayers; general partnerships; and, foreign business entities doing business in the state of Alabama and not registered with the Alabama Secretary of State’s Office to do business in the state of Alabama.

Line 13. Enter the gross amount of related party debt exceeding the amount entered on line 12, as required by Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amount on line 12 in arriving at the taxpayer’s
net worth. Related parties are defined in Section 40-14A-1, Code of Alabama 1975, as any member of a controlled group of corporations as defined by Internal Revenue Code Section 1563. The definition of related parties also includes any limited liability entity that would be a member of a controlled group if rules similar to Section 1563 were applied to limited liability entities. Note: The amount entered on line 13 must not be less than zero. Individual shareholders are not considered related parties. Related party debt and related party receivables are not netted in any circumstances. Exempt payables are defined as stated in Section 40-14A-23(e)(2)(b). They include trade debt, accounts payable, or deposit liabilities to related parties that are doing business in Alabama. Non-Exempt payables are all other related party debts.

Line 14. Enter the excess amount (the amount in excess of $500,000 for the owner) of compensation, distributions or similar amounts paid to (or accrued as a liability to) certain direct or indirect owners during the determination period, as defined in Section 40-14A-23, Code of Alabama 1975. This amount will be added to the amounts entered on lines 12 and 13, in arriving at the taxpayer’s net worth. Section 40-14A-23(f), Code of Alabama 1975, should be referred to for a more thorough explanation of this adjustment.

Line 15. Total Disregarded Entity Net Worth – Enter the sum of lines 12 through 14.

Part B – Privilege Tax Exclusions and Deductions:

Exclusions – Exclusions are allowed by Section 40-14A-23(g), Code of Alabama 1975. Attach documentation supporting any exclusion claimed on the return.

Line 1. Enter the amount of net worth from Part A line 5, line 9, or, Line 15.

Line 2. Enter the total book value amount for the investment the taxpayer has in the equity of other taxpayers. Attach a listing providing for each separate investment, the name of the taxpayer, the taxpayer’s FEIN, the taxpayer’s address and the book value of the investment. This exclusion is not available for the book value of security (as defined in Internal Revenue Code Section 1236) held by a dealer in securities (as referred to in Internal Revenue Code Section 1236) primarily for sale to customers in the ordinary course of its trade or business.

Line 3. Enter the amount reported on the taxpayer’s balance sheet for the unamortized portion of goodwill that resulted from a direct purchase of another corporation or limited liability entity. Attach a listing showing for each direct purchase the goodwill originally acquired, the date the direct purchase occurred, accumulated amortization, the name and location of the business acquired, and the name and FEIN of the entity that acquired the business and goodwill. If this exclusion is taken, the return will not be considered complete without the listing.

Line 4. Enter the amount reported on the taxpayer’s balance sheet for the unamortized portion of post-retirement benefits, for which the taxpayer elected to amortize under Financial Accounting Standards Board (FASB) Statement Number 106. FASB Statement Number 106, Employers’ Accounting for Post-retirement Benefits Other Than Pensions, was issued in December 1990, and focuses principally on post-retirement health care benefits. The supporting documentation should include a description of benefits, amortization schedule, and the line detail of the post-retirement benefits on the balance sheet.

Line 5. Total Exclusions – Enter the total of lines 2, 3, and 4.

Net Worth Apportionment

Line 6. Net Worth Subject to Apportionment – Enter the difference between line 1(Total Net Worth) and line 5 (Total Exclusions).

Line 7. Apportionment Factor – Section 40-14A-24(a), Code of Alabama 1975, establishes the net worth apportionment requirements for the Alabama business privilege tax. Taxpayers that conducted all of their business in Alabama during the determination period should enter 100%. No supporting documentation is required of taxpayers reporting an apportionment factor of 100%.

Taxpayers that conducted business both within and without Alabama (multistate taxpayers) during the determination period should generally not enter 100%. Multistate taxpayers must enter the same factor as was used by the taxpayer during the determination period for purposes of apportioning the taxpay-
with Alabama income tax law (Title 40, Chapter 18, Code of Alabama 1975) or Alabama financial institutions excise tax law (Title 40, Chapter 16, Code of Alabama 1975).

Line 14. Total Deductions – Enter the total of lines 9 through 13.

Line 15. Taxable Alabama Net Worth – Enter the difference between line 8 (Total Alabama Net Worth) and line 14 (Total Deductions).

Computation of Privilege Tax Due

Line 16a. Federal Taxable Income Apportioned to Alabama – Enter the federal taxable income used to determine the Tax Rate (see the instructions for line 16b) which is applied to the Taxable Alabama Net Worth (see line 15) to arrive at the Gross Privilege Tax Calculated (see line 17). The tax rate used to compute the business privilege tax is based upon the taxpayer’s federal taxable income during the determination period, as required by Section 40-14A-22, Code of Alabama 1975.

Federal Taxable Income for S-Corporations. The federal taxable income to be used by S-corporations to determine the tax rate for the Alabama business privilege tax shall be the federal ordinary income or (loss) from trade or business activities plus any items of income or applicable deductions passed through to the shareholders that were determined pursuant to Internal Revenue Code Section 1366. The income shall be apportioned in accordance with Chapter 27, Title 40, Code of Alabama 1975, and the accompanying rules. Deductions shall not be allowed for the federal income tax or any federal or Alabama net operating loss in computing the federal taxable income for purposes of determining the business privilege tax rate.

Federal Taxable Income for LLEs. The federal taxable income to be used by LLEs to determine the tax rate for the Alabama business privilege tax shall be the federal ordinary income or (loss) from trade or business activities adjusted by any items of income or expenses passed through to the members or partners that were determined pursuant to Internal Revenue Code Section 702. The income shall be apportioned in accordance with Chapter 27, Title 40, Code of Alabama 1975, and the accompanying rules.

Federal Taxable Income for Disregarded Entities. The federal taxable income to be used by Disregarded Entities to determine the tax rate for the Alabama business privilege tax shall be the federal ordinary income or (loss) from trade or business activities adjusted by any items of income or expenses, determined pursuant to internal Revenue Code Section 1361 or Internal Revenue Code Section 61. This income shall be apportioned in accordance with Chapter 27, Title 40, Code of Alabama 1975, and the accompanying rules.

Line 16b. Tax Rate – Enter on line 16b the taxpayer’s business privilege tax rate. The tax rate is specified in Section 40-14A-22, Code of Alabama 1975, and is determined using the following table:

<table>
<thead>
<tr>
<th>Federal Taxable Income Apportioned and Allocated to Alabama</th>
<th>Amount of tax per $1,000 of Taxable Alabama Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>More Than or Equal to</td>
<td>But Less Than</td>
</tr>
<tr>
<td>$  –</td>
<td>$ 200,000</td>
</tr>
<tr>
<td>$ 1</td>
<td>$ 500,000</td>
</tr>
<tr>
<td>$ 200,000</td>
<td>$ 2,500,000</td>
</tr>
<tr>
<td>$ 500,000</td>
<td>–</td>
</tr>
<tr>
<td>$ 2,500,000</td>
<td>–</td>
</tr>
</tbody>
</table>

Line 17. Gross Privilege Tax Calculated –

Multiply the amount on line 15 (Taxable Alabama Net Worth) by the rate on line 16b (Tax Rate).

Example:

<table>
<thead>
<tr>
<th>Line 15 – Taxable Alabama Net Worth</th>
<th>$1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line 16a – Federal Taxable Income Apportioned and Allocated to Alabama</td>
<td>$250,000</td>
</tr>
<tr>
<td>Line 16b – Tax Rate</td>
<td>.00125</td>
</tr>
<tr>
<td>Line 17 – Gross Privilege Tax Calculated</td>
<td>$1,250</td>
</tr>
</tbody>
</table>

Special Calculation for Short Taxable Years: If the taxable year is a short taxable year, the gross privilege tax calculated will be prorated using a fraction, the numerator of which is the number of calendar days in the short taxable year, the denominator of which will be 365. The computation of prorated business privilege tax must be attached to the return. Please note the taxpayer should file a short year return only if there is a change in the tax year end (For example, the taxpayer converts from a calendar year end to a fiscal year end).

Example Assuming Facts from Above Example and a Short Year of 180 days:

<table>
<thead>
<tr>
<th>Taxable Alabama Net Worth</th>
<th>$2,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplied by Tax Rate Equals</td>
<td>$1,250</td>
</tr>
<tr>
<td>Multiplied by</td>
<td>180/365</td>
</tr>
<tr>
<td>Short year factor</td>
<td>$616</td>
</tr>
</tbody>
</table>

Please note: A determination period that is less than a full year does not constitute a short year return. If a taxpayer has a change in tax year to a calendar tax year or vice versa, the return for the new tax year is not the short year return.

Example: Corporation A previously had a tax year ending June 30 but has changed to a calendar tax year effective January 1, 2015. The corporation previously filed the 2014 Business Privilege Tax return based on the determination period ending June 30, 2014. The 2015 return would have as its determination period July 1, 2014-December 31, 2014. The 2015 return pays the tax for the full 2015 tax year; therefore it would not be a short year return. The 2014 tax year was a short tax year. The 2014 return would need to be amended, with the tax due prorated.

Line 18. Alabama Enterprise Zone Credit – Enter the amount of Alabama Enterprise Zone Credit to which the taxpayer is entitled. Attach supporting documentation from the Alabama Department of Economic and Community Affairs (ADECA) showing the amount of the Alabama Enterprise Zone Credit the taxpayer is entitled to claim. Contact ADECA for additional information concerning the Alabama Enterprise Zone Credit.

Line 19. Privilege Tax Due – Enter the difference between line 17 and line 18, but not less than $100, the minimum amount of the tax. This amount is also entered on page 1 of Form PPT on line 8 (Privilege Tax Due) in the Computation of Amount Due or Refund Due area of page 1.

See the following concerning the minimum and maximum amounts for the tax.

Maximum Privilege Tax:

S-corporations, LLEs, and disregarded entities have a $15,000 maximum levy for the Alabama Business Privilege Tax. See Section 40-14A-22(d), Code of Alabama 1975.

LLEs meeting the definition of “electing family limited liability entity” as stated in Section 40-14A-1, Code of Alabama 1975, have a maximum levy for the Alabama Business Privilege Tax of $500.

Minimum Privilege Tax:

Section 40-14A-22(c), Code of Alabama 1975, establishes a minimum business privilege tax levy of $100 for S-corporations, LLEs, and disregarded entities – even for business privilege tax years that are short years.
Section 10-2B-16.22, *Code of Alabama 1975*, requires domestic and foreign corporations to file an annual report with the Alabama Secretary of State. The Alabama Schedule AL-CAR, submitted by corporations with Alabama Form CPT and Alabama Form PPT, is a means for corporations to satisfy that reporting requirement.

**Preparation Instructions:**

**Line 1a. FEIN** – Enter the Federal Employer Identification Number (FEIN) of the corporation.

**Line 1b. Legal Name of Business Entity** – Enter the legal name of the corporation. Please note this schedule cannot be used to change the legal name of a corporation.

**Line 1c. Contact Person Concerning This Form** – Enter the name of the person that is knowledgeable of the information provided on the form. Providing the contact person’s name and phone number can facilitate the resolution of possible processing errors.

**Line 1d. Contact Person’s Phone Number** – Enter the contact person’s telephone number. Providing the contact person’s name and phone number can facilitate the resolution of possible processing errors.

**Line 1e. Taxpayer’s E-mail Address** – Enter the entity’s e-mail address.

**Line 2a. County of Incorporation for All Alabama Entities** – Enter the Alabama county of incorporation, if the corporation was incorporated in Alabama.

**Line 2b. State or Country of Incorporation for All Foreign Entities** – Enter the state or country of incorporation, if the corporation is a foreign corporation.

**Line 3a. Date of Qualification in Alabama for Foreign Entities** – Enter the date the corporation qualified to do business in Alabama.

**Line 3b. Date of Incorporation for All Entities** – Enter the date of incorporation.

**Line 3c. Telephone Number of Taxpayer** – Enter the telephone number of the corporation.

**Line 4a. Name of Registered Agent in Alabama** – Enter the name of the registered agent in Alabama. This form cannot be used to change the registered agent of a corporation.

**Line 4b. FEIN or Social Security Number** – Enter the FEIN or social security number of the registered agent.

**Line 4c. Street Address** – Enter the street address or mailing address of the registered agent.

**Line 4d. City, State, and Zip Code** – Enter the city, state, and zip code of the registered agent.

**Line 5a. Name of Corporate President** – Enter the name of the current corporate president.

**Line 5b. Social Security Number** – Enter the social security number of the current corporate president.

**Line 5c. Street Address** – Enter the street address or mailing address of the current corporate president.

**Line 5d. City, State, and Zip Code** – Enter the city, state, and zip code of the current corporate president.

**Line 6a. Name of Corporate Secretary** – Enter the name of the current corporate secretary.

**Line 6b. Social Security Number** – Enter the social security number of the current corporate secretary.

**Line 6c. Street Address** – Enter the street address or mailing address of the current corporate secretary.

**Line 6d. City, State, and Zip Code** – Enter the city, state, and zip code of the current corporate secretary.

**Line 7. Kind of Business Done in Alabama** – Please provide a brief statement of the character of business in which the corporation is engaged in the State of Alabama.

**Line 8. Street Address of the Principal Place of Business in Alabama** – Please provide the street address for the principal place of business in Alabama.

**Line 9. Kind of Business Done Generally** – Please provide a brief statement of the general character of business in which the corporation is engaged.

**Line 10. Mailing Address of the Principal Office and Place of Business if Outside the State of Alabama** – Please provide the mailing address for the principal place of business, if it is located outside of Alabama.