

ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL & CORPORATE TAX DIVISION
**Family Limited Liability
Entity Election Form**

Electing Family Limited Liability Entity: _____ Tax Period: _____

FEIN: _____

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)*. I hereby certify 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):

Signature: _____ Date: _____

Title: _____