

Alabama Business Privilege Tax
TY2005 Alabama Forms CPT –
Alabama Business Privilege Tax
Return and Annual Report
(For C-Corporations Only)
Preparation Instructions

Prepared by the
Alabama Department of Revenue
Business Privilege Tax Unit
(334) 353-7923

November 2004

TY2005 Alabama Form CPT

Alabama Business Privilege Tax Return and Annual Report

Form CPT is to be filed by C-corporations only!

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 is registered/qualified to do business in Alabama is required to file an Alabama Business Privilege Tax Return and Annual Report.

C-corporations, Financial Institution Groups, insurance companies, REITs, and business trusts must file Alabama Form CPT. Limited liability entities taxed as corporations for federal income tax purposes must also file Alabama Form CPT.

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

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...”

Limited liability entity 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...”

Instructions for Form CPT

Required Attachments to the Alabama Form CPT:

- A copy of page 1 through 4 of the federal tax return.
- Insurance companies must attach pages 1 through 8 of the federal return in addition to a copy of the balance sheet.
- For taxpayers doing business in Alabama and outside the State of Alabama, a copy of the Alabama apportionment schedule (For Form 20C or Form ET-1).
- 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 CPT:

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 2005 Form CPT for a calendar year C-corporation would be due on March 15, 2005.

Generally, for all other taxpayers, 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.

See the Department's website (www.ador.state.al.us) concerning extension requests (Alabama Form PSE).

Mailing Address for the Form CPT:

Alabama Department of Revenue
Business Privilege Tax Unit
PO Box 327431
Montgomery, AL 36132-7431

Instructions for Form CPT, Page 1

Type of Taxpayer

Indicate the type of taxpayer by checking one of the boxes on line 1.a. through line 1.f.

Determination Period Used to Compute the Business Privilege Tax

Lines 2.a. and 2.b. 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).

Please note prior year forms referred to the Determination Period as the "Balance Sheet Year." 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).

EXAMPLE:

For a calendar-year taxpayer filing a 2005 Form CPT, the determination period began on January 1, 2004, and ended on December 31, 2004. In line 2a would be entered 01/01/2004. In line 2b would be entered 12/31/2004. The taxpayer's net worth for the 2005 Form CPT would be computed from the taxpayer's December 31, 2004, balance sheet.

Special Instructions for Initial Business Privilege Tax Returns:

Initial business privilege tax returns should enter on both line 2a, Determination Period Beginning Date, and line 2b, Determination Period Ending Date, either the date of incorporation or organization for entities organized in the State of Alabama, or the date the entity qualified with the Alabama Secretary of State to do business in Alabama.

Instructions for Form CPT, Page 1

Taxable Year Information:

Lines 2.c. Calendar Taxable Year Indicator. Check this box if the taxable year is a calendar year.

Lines 2.d. Fiscal Taxable Year Indicator. Check this box if the taxable year is a fiscal year.

Lines 2.e. Short Taxable Year Indicator. Check this box if the taxable year is a short year.

Short Taxable Years that are Also Initial Years. If the short taxable year is also the taxpayer's initial taxable year, an initial business privilege tax return (with a properly completed Alabama Schedule BPT-IN) was due two and one-half months after the taxpayer was organized or qualified to do business in Alabama. Section 40-14A-29, Code of Alabama 1975, levies the initial business privilege tax and establishes the requirement for an initial business privilege tax return. See the preparation instructions for Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule.

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 18, page 2, Form CPT.

Taxpayer Information:

Line 3.a. Enter the taxpayer's legal name.

Line 3.b. Enter the taxpayer's Federal Employer Identification Number (FEIN).

Line 3.c. Enter the taxpayer's street address.

Line 3.d. Enter the taxpayer's city.

Line 3.e. Enter the taxpayer's state.

Line 3.f. Enter the taxpayer's 9-digit zip code.

Line 3.g. 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.

Instructions for Form CPT, Page 1

Return Information:

Line 4.a. Check this box if the taxpayer's address represents an address change.

Line 4.b. Check this box if there is a change in the taxpayer's corporate president information reported on the accompanying Alabama Schedule AL-CAR, Alabama Secretary of State Corporation Annual Report.

Line 4.c. Check this box if there is a change in the taxpayer's corporate secretary information reported on the accompanying Alabama Schedule AL-CAR, Alabama Secretary of State Corporation Annual Report.

Line 5 - Amended Return Indicator. Check this box if the return is an amended return. Attach a full explanation for filing the amended return, in addition to a computation of the additional amount due or the additional refund due.

Line 6 - Initial Return Indicator. Check this box if the return is an initial return, as required by Section 40-14A-29, Code of Alabama 1975. Attach a completed Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule. See the preparation instructions for Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule.

Determination Dates to Use for Initial Returns. Please note initial business privilege tax returns should enter on both line 2a (Determination Period Beginning Date) and line 2b (Determination Period Ending Date) either the date of incorporation or organization for entities organized in the State of Alabama, or the date the entity qualified with the Alabama Secretary of State to do business in Alabama.

Computation of Amount Due or Refund Due:

Line 7 - Secretary of State Corporate Annual Report Fee. 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 Corporate Annual Report. The return will not be considered complete unless the required Alabama Schedule AL-CAR is attached (with the exception of initial returns, which do not require an Alabama Schedule AL-CAR).

A Financial Institution Group filing a consolidated Form CPT would enter an amount equal to the number of Schedule AL-CAR's attached for corporate group members multiplied by \$10.00.

Instructions for Form CPT, Page 1

Computation of Amount Due or Refund Due (continued):

Line 8 - Less: Annual Report Fee Previously Paid. Enter the amount of Secretary of State's annual report fee paid with the Alabama Form PSE, business privilege tax extension request. If the return is an amended return, enter the amount of Secretary of State's annual report fee paid with the originally-filed Alabama business privilege tax return.

Line 9 - Net Annual Report Fee Due. Subtract the amount on line 8 from the amount on line 7.

Line 10 - Privilege Tax Due. Enter the amount from page 2, Part B, line 20 (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.

Note Concerning Financial Institution Groups. Financial Institution Groups filing a consolidated business privilege tax return, in accordance with Section 40-14A-22(f), Code of Alabama 1975, must enter on line 10, the Privilege Tax Due computed on Alabama Schedule G, Financial Institution Group Computation Schedule. Financial Institution Group members filing a separate Alabama business privilege tax return must enter on line 10, the Privilege Tax Due computed on Alabama Schedule G, Financial Institution Group Computation Schedule. See the instructions for Alabama Schedule G, Alabama Business Privilege Tax Financial Institution Group Computation Schedule.

Line 11 - Less: Privilege Tax Previously Paid. Enter the amount of business privilege tax paid with the Alabama Form PSE, business privilege tax extension request. If the return is an amended return, enter the amount of business privilege tax paid with the originally-filed Alabama business privilege tax return.

Line 12 - Net Privilege Tax Due. Subtract the amount on line 11 from the amount on line 10.

Line 13 - 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.

Instructions for Form CPT, Page 1

Computation of Amount Due or Refund Due (continued):

Line 14 - 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 15 - Total Privilege Tax Due. Add the amounts shown on lines 12, 13, and 14.

Line 16 - Net Tax Due. Add the amounts shown on line 9 and line 15. A positive amount represents an amount due, and that amount should be entered on line 17 ((Payment Due with Return). A negative amount represents a refund due to the taxpayer, and that amount should be entered on line 18 (Amount to be Refunded to Taxpayer).

Line 17 - Payment Due with Return. Enter the amount from line 16, but only if the amount is positive.

Line 18 - Amount to be Refunded to Taxpayer. Enter the amount from line 16, but only if the amount is negative.

Line 19 - EFT Indicator. Check the box if the payment due with the return will be made with an EFT payment.

How to Make EFT Payments:

In order to pay the Alabama business privilege tax using EFT, the taxpayer must first be a registered EFT taxpayer. To register for EFT taxpayers must complete the Form [EFT:001, EFT Authorization Agreement Form](#), and mail or fax it to the Alabama Department of Revenue's EFT Unit. The mailing address and fax number are given at the top of the form. Form EFT:001 and instructions can be downloaded from the Department's Web site at <http://www.ador.state.al.us/eft/eftindex.html>.

EFT Unit's Mailing Address

Alabama Department of Revenue
EFT Unit
PO Box 327950
Montgomery, AL 36132-7950

Instructions for Form CPT, Page 2

Line 1.a. Enter the taxpayer's Federal Employer Identification Number (FEIN).

Line 1.b. Enter the taxpayer's legal name as shown on page 1, line 3.a.

Line 1.c. - Determination Period End Date/Balance Sheet Date. Enter the balance sheet date for which the net worth computations are made. This date should agree with the date shown on page 1, line 2.b.

Part A – Net Worth Computation:

Line 1. Enter the total amount of the taxpayer's capital stock and 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. If the taxpayer does not issue stock or if the taxpayer is either a business trust or a limited liability entity taxed as a corporation for federal tax purposes, enter the book value of the taxpayer's assets and liabilities (assets minus liabilities). The amount entered on line 2 must not be less than zero.

Line 3. Enter the 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.

Line 4. For the determination period, 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, 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 Net Worth. Enter the sum of lines 1 through 4.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Exclusions and Deductions:

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

Line 1. Enter the Total Net Worth from line 5, Part A.

Line 2. Enter the total book value amount for the investment the taxpayer has in the equity of other taxpayers doing business in Alabama. 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 held by a dealer primarily for sale to customers in the ordinary course of its trade or business, pursuant to Internal Revenue Code Section 1236.

Line 3. ***This exclusion is only available to financial institutions.*** Financial institutions should enter the total book value amount for the investment the financial institution taxpayer has in the equity of other entities not doing business in Alabama. The financial institution taxpayer must have an ownership percentage in the other entity of more than 50%. Section 40-14A-23(g), Code of Alabama 1975, provides additional information concerning the exclusion. Attach a listing providing for each separate investment, the name of the entity, the entity's FEIN, the entity's address, and the book value of the investment. 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 goodwill and core deposit intangibles that resulted from a direct purchase of another corporation or limited liability entity. For goodwill, 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.

Line 5. Enter the amount reported on the taxpayer's balance sheet for the unamortized portion of post-retirement benefits, which the taxpayer elected to amortize under Financial Accounting Standards Board (FASB) Statement Number 106, Employers' Accounting for Postretirement Benefits Other Than Pensions. The statement was issued in December 1990, and focuses principally on postretirement health care benefits.

Line 6. ***This exclusion is only available to financial institutions.*** Financial institutions should enter the total amount that the net worth, computed in accordance with lines 1 through 5, above, exceeds 6% of the total assets of the financial institution taxpayer. Attach a computation of the amount claimed as this exclusion.

Line 7 - Total Exclusions. Enter the total of lines 2 through 6.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Exclusions and Deductions: Net Worth Apportionment

Line 8 - Net Worth Subject to Apportionment. Enter the difference in line 1 (Total Net Worth) and line 7 (Total Exclusions).

Line 9 - 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 taxpayer's income in accordance with Alabama's income tax law (Chapter 18, Title 40, Code of Alabama 1975), or Alabama's financial institutions excise tax law (Chapter 16, Title 40, Code of Alabama 1975). Attach a copy of the computation of the apportionment factor from the applicable Alabama tax return for the determination period.

The apportionment factor to be used by insurance companies, subject to Alabama's insurance premiums tax law (Chapter 4A, Title 27, Code of Alabama 1975) shall be the ratio of the insurer's Alabama premium income to its nationwide total direct premiums as reflected on schedule T of the insurer's annual statement filed with the Commissioner of Insurance for the then immediately preceding calendar year. Taxpayers must attach a copy of the schedule T filed with the Commissioner of Insurance.

Taxpayers required to file an Alabama business privilege tax return, but were not required to file a tax return in accordance with Alabama's income tax law or financial institutions excise tax law, and were not subject to Alabama's insurance premiums tax law, must compute the apportionment factor as if the taxpayer were subject to Alabama's income tax law. Taxpayers computing the apportionment factor in this manner must attach a computation of the apportionment factor.

Special Apportionment Factor for Initial Returns: Initial Alabama business privilege tax returns require an apportionment factor. The computation of the apportionment factor for an initial return is to be performed as of the opening of business of the first day the taxpayer is incorporated, formed, organized (if a domestic entity) or registered with the Alabama Secretary of State to do business in Alabama (if a foreign entity). Since usually at that point, a business has no sales or payroll information, the ratio of Alabama property to total property should be used as the apportionment factor for initial returns.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Deductions:

Line 10 - Total Alabama Net Worth. Multiply line 8 (Net Worth Subject to Apportionment) by line 9 (Apportionment Factor).

Deductions

Deductions are allowed by Section 40-14A-24(b), Code of Alabama 1975. Attach documentation for any deduction claimed on this return.

Line 11. Enter the net amount invested in bonds and securities issued by the State of Alabama, or its political subdivisions, prior to January 1, 2000.

“Net amount invested” means the cash, including any premium and net of any discount, paid as the purchase price for the bond or other security, less the amount of any premium amortized and plus the amount of any discount accreted, reduced by the proportionate amount of principal on the bond or other security that is amortized or otherwise paid or retired.

The taxpayer must attach a schedule listing the details of the deduction. For each bond or security, the listing should provide the net amount invested, the issuing agency, issuance date, and how the investment is reported on the taxpayer’s balance sheet.

This deduction is not available for the book value of bonds and securities held by a dealer primarily for sale to customers in the ordinary course of its trade or business, pursuant to Internal Revenue Code Section 1236.

Line 12. Enter the net amount invested in, or book value from the taxpayer’s balance sheet, for all devices, facilities, or structures, and all identifiable components or materials for use therein, that are located in Alabama and are acquired or constructed primarily for the control, reduction, or elimination of air, ground, or water pollution or radiological hazards where such pollution or radiological hazards result from or would be caused by the taxpayer’s activities in Alabama.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Deductions:

Deductions (continued) - Deductions are allowed by Section 40-14A-24(b), Code of Alabama 1975. Attach documentation for any deduction claimed on this return.

Line 13. Enter the amount reported on the taxpayer's balance sheet for the balance of any reserve, account, or trust reasonably determined to satisfy any liability that is imposed by federal, state, or local government laws or regulations for reclamation, storage, disposal, decontamination, retirement, or other related costs associated with a plant, facility, mine, or site in Alabama. Attach documentation identifying the applicable law or regulation that establishes taxpayer's liability, as well as a computation of the liability. The documentation must also identify the location of the plant, facility, mine or site in Alabama.

Line 14. Enter the total amount reported on the taxpayer's balance sheet as the book value of the taxpayer's investment in low-income, residential real estate projects that qualify for federal or state income tax credits, loans or grants. The taxpayer must attach a schedule listing the details of the deduction. For each separate low-income housing project, the attached documentation must identify the name of the project, the FEIN of the project, the site of the project, and the net amount invested in the project. The documentation must also identify how the investments are reported on the taxpayer's balance sheet.

Line 15 - Total Deductions. Enter the total of lines 11 through 14.

Part B – Computation of Privilege Tax Due:

Line 16 - Taxable Alabama Net Worth. Enter the difference between line 10 (Total Alabama Net Worth) and Line 15 (Total Deductions).

Line 17a - Federal Taxable Income. Enter the federal taxable income used to determine the Tax Rate (see line 17b) which is applied to the Taxable Alabama Net Worth (see line 16) to arrive at the Gross Privilege Tax Calculated (see line 18).

Instructions for Form CPT, Page 2

Part B – Computation of Privilege Tax Due (continued)

Line 17a - Federal Taxable Income (continued).

The tax rate used to compute the business privilege tax is based upon the taxpayer's federal taxable income, as required by Section 40-14A-22, Code of Alabama 1975. C-corporations are to use their federal taxable income before net operating losses and special deductions for the federal taxable income columns of the tax rate table, shown below. The federal taxable income shall be apportioned in accordance with Chapter 27, Title 40, Code of Alabama, 1975. The deduction for federal income tax is not allowed in computing the federal taxable income amount. C-corporations filing as members of an Alabama affiliated group must determine federal taxable income on a separate company basis.

Line 17b - Tax Rate.

The tax rate is specified in Section 40-14A-22(b), Code of Alabama 1975, and is determined using the following table:

Federal Taxable Income of the Taxpayer		Tax Rate
		(The amounts shown within the parentheses are the amounts per \$1,000 of Taxable Alabama Net Worth)
More Than or Equal to	But Less Than	
---	\$ 1	.00025 (\$.25 per \$1,000)
\$ 1	\$ 200,000	.00100 (\$ 1.00 per \$1,000)
\$ 200,000	\$ 500,000	.00125 (\$ 1.25 per \$1,000)
\$ 500,000	\$ 2,500,000	.00150 (\$ 1.50 per \$1,000)
\$2,500,000	---	.00175 (\$ 1.75 per \$1,000)

structions for Form CPT, Page 2 Part B – Computation of Privilege Tax Due

Line 18 - Gross Privilege Tax Calculated.

Multiply the line 16 (Taxable Alabama Net Worth) by the line 17b (Tax Rate).

Example:

Line 16 – Taxable Alabama Net Worth	\$1,000,000
Line 17a – Federal Taxable Income	\$ 250,000
Line 17b – Tax Rate	.00125
Line 18 – Gross Privilege Tax Calculated	\$1,250

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.

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

Taxable Alabama Net Worth		
Multiplied by Tax Rate Equals	\$1,250	
	Multiplied by	180/365 Short year factor
Line 18 – Gross Privilege Tax Calculated	\$616	

Line 19 – 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 20 - Privilege Tax Due. Enter the difference between line 18 and line 19, but not less than \$100, the minimum amount of the tax. This amount is also entered on page 1 of Form CPT on line 10, in the Computation of Amount Due or Refund Due area of the page.

See the following concerning the maximum and minimum amount of business privilege tax.

Instructions for Form CPT, Page 2

Part B – Privilege Tax Due

Maximum Privilege Tax:

Financial Institution Groups have a \$3,000,000 maximum levy for the Alabama Business Privilege Tax. See Section 40-14A-22, Code of Alabama 1975.

Insurance companies subject to the insurance premium taxes levied by Chapter 4A Title 27, Code of Alabama, 1975, have a \$3,000,000 maximum levy for the Alabama Business Privilege Tax. See Section 40-14A-22, Code of Alabama 1975.

C-corporations and LLEs taxed as corporations have a \$15,000 maximum levy for the Alabama Business Privilege Tax. See Section 40-14A-22, Code of Alabama 1975.

Section 40-14A-22(d), Code of Alabama 1975, establishes a maximum business privilege tax levy of \$100 for any corporation organized as a not-for-profit corporation that does not engage in any business other than holding title to property and paying the expenses thereof, including, without limitation, a property owner's association or a corporation organized solely to hold title to property on a temporary basis.

Minimum Privilege Tax:

Section 40-14A-22(c), Code of Alabama, 1975, establishes a minimum business privilege tax levy of \$100 for C-corporations, LLEs taxed as corporations, insurance companies and REITs – even for business privilege tax years that are short years.

The minimum business privilege tax levy for Financial Institution Groups is established by Section 40-14A-22(f), Code of Alabama 1975.

— FOR C-CORPORATIONS ONLY! —

Type of taxpayer (*check only one*):

- 1a C Corporation
- 1b Insurance Company (*See definitions*)
- 1c LLE Taxed as Corporation
- 1d Financial Institution Group Member
- 1e Real Estate investment Trust (REIT)
- 1f Business Trust

Determination Period:

- 2a Beginning
____/____/____
(mm/dd/yyyy)
- 2b Ending
____/____/____
(mm/dd/yyyy)
- 2c CY (Calendar Year)
- 2d FY (Fiscal Year)
- 2e SY (Short Year)

TAXPAYER INFORMATION

3a LEGAL NAME OF TAXPAYER		3b FEIN	
3c MAILING ADDRESS			
3d CITY	3e STATE	3f ZIP CODE	3g FEDERAL BUSINESS CODE NUMBER (NAICS)

RETURN INFORMATION

- 4a Address Change for Corporation
- 4b Corporate President Information Change on Corporation Annual Report
- 4c Corporate Secretary Information Change on Corporation Annual Report

5 Check Box if an Amended Return



6 Check Box if an Initial Return – Schedule BPT-IN Must Be Attached

NOTE: Initial returns must be filed within 2-1/2 months of incorporation or qualification – See instructions.

COMPUTATION OF AMOUNT DUE OR REFUND DUE

	Amount Due		FOR DEPARTMENT USE ONLY
7 Secretary of State corporate annual report fee \$10	7	\$10	
8 Less: Annual report fee previously paid for this period	8		
9 Net annual report fee due (<i>line 7 less line 8</i>)	9		
10 Privilege tax due (<i>enter amount from Page 2, Part B, line 20</i>)	10		
11 Less: Privilege tax previously paid for this period	11		
12 Net privilege tax due (<i>line 10 less line 11</i>)	12		
13 Penalty due (<i>see instructions</i>)	13		
14 Interest due (<i>see instructions</i>)	14		
15 Total privilege tax due (<i>add lines 12, 13 and 14</i>)	15		
16 Net tax due (<i>add lines 9 and 15</i>)	16		
17 Payment due with return if line 16 is positive	17		
18 Amount to be refunded if line 16 is negative	18		

19 EFT Indicator if payment made through Electronic Funds Transfer (EFT) check this box and see instructions.

Make check payable to: **Alabama Department of Revenue** Telephone number: (334) 353-7923 Web Site: www.ador.state.al.us
Mail to: Alabama Department of Revenue, Business Privilege Tax Section, P.O. Box 327431, Montgomery, AL 36132-7431

Form CPT is to be filed only by C-Corporations!



I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.
UNDER PENALTIES OF PERJURY, I declare that I have examined this return and accompanying schedules and statements and, to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here

Your Signature**	Title		Date	
	Preparer's signature		Phone number	Preparer's social security no.
Paid Preparer's Use Only	Firm's name (or yours, if self-employed) and address		E.I. No.	
			ZIP Code	

**Paid preparers may sign in lieu of an officer IF a power of attorney is on file with the Department of Revenue or attached to this return.

ALABAMA DEPARTMENT OF REVENUE
Alabama Business Privilege Tax
C-Corporation Privilege Tax Computation Schedule

1a FEIN ▶	1b TAXPAYER NAME	1c Determination Period End Date (Balance Sheet Date): ____/____/____ (mm/dd/yyyy)
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Part A – Net Worth Computation.

Corporations & Entities Taxed as Corporations		
1 Issued capital stock and additional paid in capital (without reduction for treasury stock) but not less than zero.	1	
2 Retained earnings, but not less than zero, including dividends payable. For LLC's taxed as corporations and non-stock issuing entities such as business trusts, enter assets minus liabilities . .	2	
3 Amount of related party debt exceeding the sums of line 1 and 2.	3	
4 All payments for compensation or similar amounts in excess of \$500,000.	4	
5 Total net worth (add lines 1-4)		5

Part B – Privilege Tax Exclusions and Deductions

Exclusions (Attach supporting documentation)		
1 Net worth from line 5 above.		1
2 Book value of the investments by the taxpayer in the equity of other taxpayers doing business in Alabama.	2	
3 Financial institutions, only – Book value of the investments in other corporations or LLE's that are not doing business in Alabama if the taxpayer owns more than 50 percent of the corporation or LLE.	3	
4 Unamortized portion of goodwill and core deposit intangibles resulting from a direct purchase. . . .	4	
5 Unamortized balance of properly elected post-retirement benefits pursuant to FASB 106.	5	
6 Financial institutions, only – The amount adjusted net worth exceeds six percent of total assets (see instructions)	6	
7 Total exclusions (sum of lines 2-6)		7
8 Net worth subject to apportionment (line 1 less line 7).		8
9 Apportionment factor (see instructions)	9	_____ %
10 Total Alabama net worth (multiply line 8 by line 9)		10

Deductions (Attach supporting documentation)		
11 Net investment in bonds and securities issued by the State of Alabama or political subdivision thereof, when issued prior to January 1, 2000.	11	
12 Net investment in all air, ground, or water pollution control devices in Alabama.	12	
13 Reserves for reclamation, storage, disposal, decontamination, or retirement associated with a plant, facility, mine or site in Alabama	13	
14 Book value of amount invested in qualifying low income housing projects (see instructions).	14	
15 Total deductions (add lines 11-14).		15
16 Taxable Alabama net worth (line 10 less line 15)		16
17a Federal Taxable Income (see instructions)	17a	
17b Tax rate (see instructions)	17b	_____
18 Gross privilege tax calculated (multiply line 16 by line 17b)		18
19 Alabama enterprise zone credit (see instructions)	19	
20 Privilege Tax Due (line 18 less line 19) (minimum \$100, for maximum see instructions) Enter also on Form CPT, page 1, line 10, Privilege Tax Due.		20

With the exception of initial returns, an Alabama Schedule AL-CAR, Corporation Annual Report, ***must be completed and attached to this return.***
Also, a \$10 Secretary of State Corporate Annual Report fee must be recorded on page 1, line 7, of this form.