

ALABAMA DEPARTMENT OF REVENUE
**Notice of Change of Ownership,
Interest, or Participation of Interest
in Income Tax Capital Credit Project**

This form is used to report a change in investing companies, sale of project to another party, merger into another company, or any other change of ownership or assignment of interest in the participants of the project entity. Notice is given by completing all portions of this form and the schedule of allocation. When completed, the form will provide the Alabama Department of Revenue with the name of the current project entity and a complete list of current eligible participants of the capital credit project. The project number originally assigned by the Alabama Department of Revenue must be indicated.

Capital Credit Qualifying Project Identification

Project Number: _____ NAICS Code: _____

Project Location: _____

Type of project: New Expansion Small Business Addition Headquarters Facility
 Favored Geographic Area State Docks

Date project was originally placed in service as filed on Form INT-2, line 4: _____

Actual project capital costs as originally filed on Form INT-2, line 6: _____

Project Information Prior to Change of Ownership, Interest, or Participation of Interest in Project

Project Entity: _____ Project Name: _____

Address: _____ FEIN: _____

City: _____ State: _____ ZIP: _____ Telephone No.: () _____

Project filing status: (✓ only one) LLC Sole Proprietorship C Corporation S Corporation Estate Partnership

Project Information Subsequent to Change of Ownership, Interest, or Participation of Interest in Project

Effective date of change of ownership, interest, or participation of interest in project: _____

Description of the change (i.e., change of interest, merger, sale of project): _____

Project Entity: _____ Project Name: _____

Address: _____ FEIN: _____

City: _____ State: _____ ZIP: _____ Telephone No.: () _____

Project filing status: (✓ only one) LLC Sole Proprietorship C Corporation S Corporation Estate Partnership

Contact person for capital credit and to whom all correspondence will be sent: _____

Use The Schedule Below To List All Current Participants Of The Project Entity.

Current Allocations of Capital Credit

A **complete** list of all participants in the project entity entitled to receive the Capital Credit must be provided. (Attach additional sheets if necessary.)

1. Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Social Security No. or FEIN: _____
Percentage Allocation of Credit: _____ %

3. Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Social Security No. or FEIN: _____
Percentage Allocation of Credit: _____ %

2. Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Social Security No. or FEIN: _____
Percentage Allocation of Credit: _____ %

4. Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Social Security No. or FEIN: _____
Percentage Allocation of Credit: _____ %

Under penalties of perjury, I declare that I am duly authorized to complete this form and that I have listed all the participants of the project entity. I have examined the above statements and to the best of my knowledge and belief they are true, correct, and complete.

Your Signature: _____ Title: _____ Date: _____

Instructions for Preparing Notice of Change of Ownership, Interest, or Participation of Interest in Project (Form INT-4)

GENERAL INSTRUCTIONS

If at any time during the period in which an investing company or companies is qualified for the capital credit, there is change in the company or companies participating in the qualified project, or a change in the ownership regarding the shareholders, partners, members, owners, or beneficiaries of the investing company or companies, the project entity shall file with the Alabama Department of Revenue on Form INT-4 a complete listing of investing company or companies, or the shareholders, partners, members, owners, or beneficiaries of the investing company or companies entitled to the credit as a result of the change in ownership.

Pursuant to Section 40-18-193(c), *Code of Alabama 1975*, a change in ownership or assignment of interest in any project shall not increase the amount of capital credit available and the purchasers, assignees, or successors of the project or interest herein shall be entitled to the capital credit upon the same conditions and for the same period as the investing company or companies originally entitled to the capital credit.

This form must be filed and completed by the project entity in order for the taxpayer(s) to receive an income tax credit. The form is used to report a change in partnership members, S corporation shareholders, sale of project to another party, or merger into another company. When completed, the form will provide the Alabama Department of Revenue with the name of the current project entity and a complete list of current eligible recipients of the income tax credit for this project. The project number originally assigned by the Alabama Department of Revenue must be indicated.

If you have any questions pertaining to the administration of this form or related to the capital credit in general, please contact the Alabama Department of Revenue at (334) 242-1175. Additional capital credit forms and information can be downloaded from the Alabama Department of Revenue's Web site at www.ador.state.al.us under "Tax Incentives." Mail this completed form to: Alabama Department of Revenue, ATTN: Capital Credit Program Administrator, P.O. Box 327001, Montgomery, AL 36132-7001.

LINE BY LINE INSTRUCTIONS

Project Number – Enter the project number assigned by the Alabama Department of Revenue when the qualifying project was originally approved. This number must be on all correspondence with the Department pertaining to the capital credit project.

NAICS Code – Enter the North American Industry Classification System (NAICS) code for the new, expanding, small business addition, favored geographic area, or state docks project at which the predominate activity conducted will constitute an industrial, warehousing, or research activity as defined in Section 40-18-190(7). If the qualifying project is a Headquarters Facility, enter 000000.

Act 2001-965, which was signed into law on September 26, 2001, amended the existing income tax capital credit, changing the qualifying Standard Industrial Classification (SIC) codes to the NAICS codes, covering the same types of businesses. Projects that were originally approved using a SIC code must convert to the NAICS code.

Project Location – Enter the address where the project is physically located in Alabama.

Type of Project – Enter the project type as originally filed on Form INT and Form INT-2. The project type will not change throughout the life of the project, regardless of the change of ownership, interest, or participation of interest in the project.

Date Project Was Originally Placed In Service – Enter the original placed in service date of the project as filed on Form INT-2. The capital credit for the qualifying project runs for 20 consecutive years from this date.

Actual Project Capital Costs As Originally Filed On Form INT-2 – Enter the amount of actual project costs as filed originally on Form INT-2, line 6. The amount of the annual capital credit available to be applied against the project's tax liability is determined by multiplying the total actual project capital costs on Form INT-2, line 6, by five percent. This amount will remain constant throughout the 20-year life of the qualifying project.

PROJECT INFORMATION PRIOR TO CHANGE OF OWNERSHIP, INTEREST, OR PARTICIPATION OF INTEREST IN THE PROJECT

Project Entity – Enter the name of the entity that was receiving the capital credit prior to the change of ownership, interest, or participation in the project.

Project Name – If the project was identified internally by a project name, enter the project name.

Address – Enter the address to which all correspondence regarding this project was sent prior to the change of ownership, interest, or participation in the project.

FEIN – Enter the Federal Employer Identification Number of the project entity prior to the change of ownership, interest, or participation of interest in the project.

Project Filing Status – Check the filing status of the project entity prior to the change of ownership, interest, or participation of interest in the project.

PROJECT INFORMATION SUBSEQUENT TO CHANGE OF OWNERSHIP, INTEREST, OR PARTICIPATION OF INTEREST IN THE PROJECT

Effective date of the change of Ownership, Interest, or Participation of Interest in Project – Enter the date the change of ownership, interest, or participation of interest in the project occurred. Please include month, day, and year.

Description of the change – Enter the type of change that occurred, i.e., change of ownership, sale of project to another party, merger into another company, change in legal entity, change of participation of interest in project for the members, shareholders, or partners. Please be very detailed.

Project Entity – Enter the name of the entity that will be receiving the capital credit subsequent to the change of ownership, interest, or participation of interest in the project. The entity qualifying for the capital credit must be the entity meeting the requirements for the capital credit. If the qualifying project is a joint venture, the joint venture must be in the form of a legal entity.

Single Member Limited Liability Companies ("SMLLC") will be classified as they are classified for federal income tax purposes under the Internal Revenue Service's (IRS) "check-the-box" regulations. If the investing company is a SMLLC that elects to be treated as a corporation for federal income tax purposes, enter the SMLLC as the project entity. If the investing company is a SMLLC that does not "check-the-box" for federal income tax purposes, the SMLLC shall be treated as a disregarded entity for Alabama income tax purposes and the parent must be entered as the project entity.

Qualified Subchapter S Subsidiaries (Q-sub) under 26 U.S.C. Section 1361(b)(3) shall be treated as disregarded entities for Alabama income tax purposes. If the investing company is a Q-sub, the parent must be entered as the project entity.

Project Name – If the project is identified internally by a project name, enter the project name. For example, ABC, Inc. is the project entity, but the project is known as Alpha Division. If the project is doing business as (dba), enter the dba name. If the project entity has more than one qualifying project for the capital credit, include a project name that can identify each project. If the qualifying project is a SMLLC treated as a disregarded entity for tax purposes, enter the name of the SMLLC as the project name. If the qualifying project is a Q-sub, enter the name of the Q-sub as the project name.

Address – Enter the address to which all correspondence regarding this project should be sent subsequent to the change of ownership, interest, or participation in the project.

FEIN – Enter the Federal Employer Identification Number of the project entity subsequent to the change of ownership, interest, or participation in the project.

Project Filing Status – Check the filing status the project entity will be subsequent to the change of ownership, interest, or participation of interest in the project.

Contact Person – Enter the name of the person to be contacted if additional information is needed regarding the capital credit and to whom all correspondence for the capital credit will be sent. Include a telephone number if different from the number indicated above.

Current Allocations of Capital Credit – List all participants of the project entity to receive the capital credit subsequent to the change of ownership, interest, or participation of interest in project. Include the entities' names, addresses, social security numbers or federal employer identification numbers, and percentage of credit allocated to each entity or participant. This list will serve as the agreement between the Alabama Department of Revenue and the investing company or companies specifying the allocation and treatment of the capital credit provided by Section 40-18-190 et. seq. and Section 40-18-203 et. seq., *Code of Alabama 1975*.

The capital credit shall be allocated among the shareholders, partners, members, owners, or beneficiaries of the investing company or companies entitled to the capital credit based on their distributive share, whether or not distributed, of the project's Alabama taxable apportionable income. If an investing company or participant is not listed on this schedule, the capital credit will be disallowed.

Attach additional sheets if necessary.