Schedule **AB** (Form 20C)

Alabama Department of Revenue
Add-Back Form
2022

TAXPAYER NAME: ______ TAXPAYER FEIN: ______ FOR THE TAX PERIOD ______, 20 ___ through ______, 20 ___

Recipient related member who received interest/intangible income from the taxpayer:		Related Member 1	Related Member 2	Related Member 3	Related Member 4
1 a. Recipient related member FEIN.	1a	11-1111111	22-2222222	33-333333	44-444444
b. Recipient related member name.	1b	BCA Corp	CAB Corp	DEF Corp	EFG Corp
2 List the intangible expense amounts paid to the recipient related member.	2	50,000,000	0	0	0
3 List the interest expense amounts paid to the recipient related member.	3	0	10,000,000	20,000,000	4,000,000
4 Total intangible/interest expenses paid *(total lines 2 and 3)*.	4	50,000,000	10,000,000	20,000,000	4,000,000
To determine the exempt amount of intangible/interest expense, complete the applicable section(s) below.					
5 Exemption related to §40-18-35(b)(1):					
a. Jurisdiction(s) where recipient related member income is "subject to tax" and not allocated.	5a		GA,PA,TX,FL,LA	CA,MS,TN	
b. Amount of Interest/Intangible subject to apportionment in jurisdiction(s).	5b	0	10,000,000	19,500,000	0
c. Recipient related member's total apportionment percentage in the above jurisdiction(s).	5c	0 %	30 %	15 %	0 %
d. Interest/Intangible apportioned to jurisdictions (multiply Line 5b by Line 5c).	5d	0	3,000,000	2,925,000	0
e. Intangible/Interest income allocated to jurisdiction(s)	5e	0	0	500,000	0
f. Add Line 5d and Line 5e.	5f	0	3,000,000	3,425,000	0
6 Exemption related to §40-18-35(b)(2) and §40-18-35(b)(4) – Amount of Line 4 expense not added back.	6	0	0	0	4,000,000
7 Exemption related to §40-18-35(b)(3) – Amount of Line 4 expense not added back.	7	50,000,000	0	20,000,000	0
8 Recipient related member receipts by category: a. Intangible receipts	8a	0	0	0	0
b. Interest receipts	8b	50,000,000	0	30,000,000	0
9 a. ______	9a	0	0	2,000,000	0
b. ______	9b	60,000,000	0	1,000,000	0
c. ______	9c	250,000,000	0	250,000	0
d. ______	9d	1,000,000	0	0	0
10 a. If either Lines 8a or 8b are greater than Lines 9a, 9b, 9c or 9d, enter zero.	10a	0	0	0	0
b. If Lines 9a, 9b, 9c or 9d are greater than Lines 8a or 8b, enter amount from Line 7.	10b	50,000,000	0	0	0
11 Exempt Amount. Enter the greater of Lines 5f, 6, 10a or 10b.	11	50,000,000	3,000,000	3,425,000	4,000,000
12 Interest Expense Disallowed per IRC 163(j) (allocated pro rata see instructions).	12	0	3,529,416	7,058,820	1,411,764
12a Exempt amount of Disallowed IRC 163(j) (Line 11 divided by Line 4, multiplied by Line 12).	12a	0	1,058,825	1,208,823	1,411,764
13 Section 163(j) Carryforward	13		800,000		550,000
14 Total Intangible/Interest expenses paid to all related members less total disallowed IRC 163(j) Interest (sum of all Line 4 for all related members minus all Line 12 for all related members plus all Line 13 for all related members).	14	73,350,000			
15 Total Exempt Amount. (Line 11 minus Line 12a for all related members from all pages)	15	56,745,588			

In order to qualify for the exemption presented in §40-18-35(b)(3) and §40-18-24(e), Line 10b must be greater than zero and an informed corporate officer must sign Schedule AB, executed under penalty of perjury. This signature denotes that tax avoidance was not a principal motivating factor with respect to the transaction(s) giving rise to the related member's interest/intangible expenses and costs.

Signature Corporate Officer

Title CFO Date 4/15/22

THIS FORM MUST BE ATTACHED TO FORM 20C.

ADOR