



TAXPAYER NAME: \_\_\_\_\_ TAXPAYER FEIN: \_\_\_\_\_ FOR THE TAX PERIOD \_\_\_\_\_, 20 \_\_\_\_ through \_\_\_\_\_, 20 \_\_\_\_

**Related member is defined to include a corporation, association, disregarded entity, or subchapter K entity (Alabama Code section 40-18-1(28) and (29)). Disregarded entities and subchapter K entities are related members separate and apart from their owner. A column must be completed for each recipient related member.**

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	33-3333333	44-4444444
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.

<b>5 Exemption related to §40-18-35(b)(1):</b>				
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
c. Recipient related member's total apportionment percentage in the above jurisdiction(s).....	● 5c	0 %	30 %	15 %
d. Interest/Intangible apportioned to jurisdictions (multiply Line 5b by Line 5c).....	● 5d	0	3,000,000	2,925,000
e. Intangible/Interest income allocated to jurisdiction(s).....	● 5e	0	0	500,000
f. Add Line 5d and Line 5e.....	● 5f	0	3,000,000	3,425,000
<b>6 Exemption related to §40-18-35(b)(2) and §40-18-35(b)(4) – Amount of Line 4 expense not added back.....</b>	● 6	0	0	0
<b>7 Exemption related to §40-18-35(b)(3) – Amount of Line 4 expense not added back.....</b>	● 7	50,000,000	0	20,000,000
<b>8 Recipient related member receipts by category:</b>				
a. Intangible receipts.....	● 8a	0	0	0
b. Interest receipts.....	● 8b	50,000,000	0	30,000,000
<b>9 a.</b> .....	● 9a	0	0	2,000,000
<b>b.</b> .....	● 9b	60,000,000	0	1,000,000
<b>c.</b> .....	● 9c	250,000,000	0	250,000
<b>d.</b> .....	● 9d	1,000,000	0	0
<b>10 a.</b> If either Lines 8a or 8b are greater than Lines 9a, 9b, 9c or 9d, enter zero.....	● 10a	0	0	0
<b>b.</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
<b>11 Exempt Amount.</b> Enter the greater of Lines 5f, 6, 10a or 10b.....	● 11	50,000,000	3,000,000	3,425,000
<b>12 Interest Expense Disallowed per IRC 163 (j)</b> (allocated pro rata see instructions).....	● 12	0	3,529,416	7,058,820
<b>12a Exempt amount of Disallowed IRC 163 (j)</b> (Line 11 divided by Line 4, multiplied by Line 12).....	● 12a	0	1,058,825	1,208,823
<b>12b Non-Exempt amount of Disallowed IRC 163 (j)</b> (Line 12 minus Line 12a).....	● 12b	0	2,470,591	5,849,997
<b>13 Section 163 (j) Carryforward.....</b>	● 13		800,000	550,000
<b>14 Total Intangible/Interest expenses paid to all related members less total disallowed IRC 163 (j) Interest</b> (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		
<b>15 Total Exempt Amount.</b> (Line 11 minus Line 12a for all related members from all pages. Subtract Line 15 from Line 14 and enter the difference on Form 65, Schedule A, Line 1 or Form 20S, Schedule A, Line 2.).....	● 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 PAB, 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 CEO Date 4/15/25