Schedule PAB (Form 65, 20S)

Alabama Department of Revenue
Add-Back Form

20___
2/2025 **ADOR**

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	33-333333	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.

		Related Member 1	Related Member 2	Related Member 3	Related Member 4
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
12b Non-Exempt amount of Disallowed IRC 163 (j) (Line 12 minus Line 12a)	12b	0	2,470,591	5,849,997	0
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

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.

15 Total Exempt Amount. (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

Signature: *Corporate Officer*
Title: *CFO*   Date: 4/15/26

THIS FORM MUST BE ATTACHED TO FORM 65 or 20S.