

INSTRUCTIONS FOR THE PREPARATION OF
ALABAMA DEPARTMENT OF REVENUE
Medical Cannabis Privilege Tax
Balance Sheet – Net Worth Computation

Assets

Line 1. Cash – Enter the amount of cash and the amount retained in certificates of deposit on this line.

Line 2 (a). Trade notes and accounts receivable – Enter the book value of trade notes and the book value of accounts receivable that are payable to the business entity.

(b). Less allowance for bad debts – Enter the allowance for bad debts. Enter the total amount of trade notes and accounts receivable in columns (a) and (c) respectively. Deduct allowance for bad debts from the amount on line 2 (a) and enter the differences in columns (b) and (d).

Line 3. Inventories – Enter the book value of inventories held by the business entity.

Line 4. U.S. government obligations – Enter the book value of financial debt instruments backed by the US government such as: treasury bonds, treasury bills, and savings bonds.

Line 5. Tax-exempt securities – Enter the book value of: 1.) State and local government obligations for which interest is excludable from gross income, and 2.) Stock in a mutual fund or other regulated investment company that distributed exempt-interest dividends during the tax year of the business entity.

Line 6. Other current assets (attach statement) – Enter the book value of current assets (assets that are reasonably expected to be converted into cash in less than 1 year) not entered elsewhere on lines 1 through 5. Amounts included here should not be included elsewhere on lines 1 through 14. Attach a statement itemizing the separate categories and amounts of other current assets included in the total of current assets.

Line 7. Loans to members, partners, shareholders (or person related to) – Enter the book value of loans issued by the business entity to the business entity's member or person related to members, partners or persons related to partners or shareholders.

Line 8. Mortgage and real estate loans – Enter the book value of mortgage and real estate loans issued by the business entity.

Line 9. Other investments (attach statement) – Enter the book value of investments not entered elsewhere on line 1 through 8. Amounts entered here should not be included elsewhere on lines 1 through 14. Attach a statement itemizing the separate categories and amounts of other investments included in the total of other investments.

Line 10 (a). Buildings and other depreciable assets – Enter the book value of buildings, including capital improvements, and other depreciable assets without deduction of accumulated depreciation.

(b). Less accumulated depreciation – Enter the amount of accumulated depreciation in columns (a) and (c) respectively. Deduct accumulated depreciation of buildings and depreciable assets from the amount on line 10 (a) and enter the differences in columns (b) and (d).

Line 11 (a). Depletable assets – Enter the book value of Depletable assets without deduction of accumulated depletion.

(b). Less accumulated depletion – Enter the book value of accumulated depletion of depletable assets in columns (a) and (c). Deduct accumulated depletion of depletable assets from the amount on line 11 (a) and enter the differences in columns (b) and (d).

Line 12. Land (net of amortization) – Enter the book value of land reduced by the amount of amortization.

Line 13 (a). Intangible assets (amortizable only) – Enter the book value of intangible assets (assets that lack physical substance such as: patents, copyrights, franchises, goodwill, trademarks, trade names, etc.) without deduction of amortization.

(b). Less accumulated amortization – Enter the amount of accumulated amortization of intangible assets in columns (a) and (c) respectively. Deduct accumulated amortization of intangible assets from the amount on line 13 (a) and enter the differences in columns (b) and (d).

Line 14. Other assets (attach statement) – Enter the book value of any assets not entered elsewhere on lines 1 through 13. Attach a statement itemizing the separate categories included in the total of other assets.

Line 15. Total assets – Enter the sums of columns (b) and (d) respectively for lines 1 through 14.

Liabilities

Line 16. Accounts payable – Enter the book value of accounts payable.

Line 17. Mortgages, notes, bonds payable in less than 1 year – Enter the book value of mortgages, notes, bonds payable in less than 1 year.

Line 18. Other current liabilities (attach statement) – Enter the book value of current liabilities (due in less than 1 year) not entered on lines 16 or 17. Attach a statement itemizing the separate categories and amounts of other current liabilities included in the total of other current assets.

Line 19. All nonrecourse loans – Enter the book value of nonrecourse loans. Nonrecourse loans are those liabilities of the business entity for which no member bears the economic risk of loss.

Line 20. Loans from members, partners, shareholders (or persons related to) – Enter the book value of loans from members (or persons related to members), partners or persons related to partners or shareholders. Capital contributions that increase basis should not be included on this line. Amounts included here should not be included elsewhere on lines 16 through 22.

Line 21. Mortgages, notes, bonds payable in 1 year or more – Enter the book value of mortgages, notes, bonds payable in 1 year or more. Loans entered on Line 20 should not be included on line 21.

Line 22. Other liabilities (attach statement) – Enter the book value of other noncurrent liabilities not entered elsewhere on lines 19 and 20. Amounts included here should not be included elsewhere on lines 16 through 22. Attach a statement itemizing the separate categories and amounts of other liabilities included in the total of other liabilities.

Line 23. Total liabilities. – Enter the sum of lines 16 through 22.

Capital/Shareholders' Equity

Line 24. Partners' capital accounts For Subchapter K only – Enter the total of all partners' capital accounts.

Line 25. Capital stock For Corporations only – Enter the total of all capital stock.

Line 26. Additional paid-in capital For Corporations only – Enter the total of all additional paid-in capital.

Line 27. Retained earnings – Appropriated For Corporations only – Enter the total of all appropriated retained earnings.

Line 28. Retained earnings – Unappropriated For Corporations only – Enter the total of all unappropriated retained earnings.

Line 29. Adjustments to shareholders' equity (attach statement) For Corporations only – Enter the total of all adjustments to shareholders' equity.

Attach a statement itemizing the separate categories and amounts of adjustments included.

Line 30. Total Capital. For Corporations only – Enter the sum of lines 25 through 29.

Line 31. Total liabilities and Shareholders' Equity For Subchapter K only. – Enter the sum of lines 23 and 24.

Line 32. Total liabilities and Capital. For Corporations only. – Enter the sum of lines 23 and 30.