



Alabama Department of Revenue
Family Limited Liability Entity Election Form
(DISREGARDED ENTITIES DO NOT QUALIFY FOR THE FAMILY LIMITED LIABILITY ENTITY ELECTION)

1a FEIN
▶

1b ELECTING FAMILY LIMITED LIABILITY ENTITY

1c Determination Period End Date (Balance Sheet Date): _____ (mm/dd/yyyy)
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The following information must be provided in order for this election to be effective.

PART 1 – 80% OWNERSHIP TEST

Partners' capital account from Form 1065, Schedule L: \$ _____

Percentages of partners' capital accounts that are directly or constructively owned by:

Individual:	_____	%
Spouse:	_____	%
Parents:	_____	%
Grandparents:	_____	%
Lineal descendants of grandparents:	_____	%
Total	_____	%

PART 2 – TAXPAYER MUST COMPLETE AT LEAST ONE OF THE FOLLOWING.

(a) **Gross Receipts Test:** 90% or more of the gross receipts of the entity consist of any combination of the following:

(i) Interest	_____	%
(ii) Dividends/distributions/payments on stock or securities	_____	%
(iii) Rents, license fees or other fees for use of property	_____	%
(iv) Receipts from sale or leasing of timber or timberland	_____	%
(v) Royalties	_____	%
(vi) Annuity payments	_____	%
(vii) Proceeds from sale of asset not in ordinary course of business	_____	%
Total	_____	%

(b) **Assets Test:** The aggregate adjusted basis of the following assets constitutes at least 90% of the adjusted basis of all of the entity's assets:

(i) Cash or cash equivalents	_____	%
(ii) Stocks, bonds, debentures, notes or other securities	_____	%
(iii) Timber or timberlands	_____	%
(iv) Annuities	_____	%
(v) Assets held principally for appreciation and not production of income	_____	%
(vi) Mutual funds	_____	%
(vii) Assets not used directly in the conduct of the entity's business	_____	%
(viii) Royalty interests	_____	%
Total	_____	%

This entity is making an election to be an electing family limited liability entity as described in *Code of Alabama 1975, §40-14A-1(h)*. The signature on page 1 of Form PPT or Form BPT-IN is certification that the profits and capital interests of the entity were calculated using the constructive ownership rules of 26 U.S.C. §318, without regard to the 50% limitation contained in 26 U.S.C. §318(a)(2)(C) and 26 U.S.C. §318(a)(3)(C).