



ALABAMA DEPARTMENT OF REVENUE  
INCOME TAX ADMINISTRATION DIVISION

# Subchapter K Affidavit of Exemption by Nonresident

For the tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

**This form is to be completed by a nonresident member to certify exemption from AL Code §40-18-24.2. This form should be returned to the entity before the original due date of the entity's return and a copy should be attached to the entity's composite and income tax return each year.**

**TO BE COMPLETED BY NONRESIDENT MEMBER**

<input type="checkbox"/> NAME OF NONRESIDENT MEMBER	<input type="checkbox"/> FEIN OF NONRESIDENT MEMBER	TELEPHONE NUMBER
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STREET ADDRESS

CITY	STATE	ZIP
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**INFORMATION OF ENTITY REQUESTING EXEMPTION**

NAME	FEIN OF ENTITY	TELEPHONE NUMBER
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STREET ADDRESS

CITY	STATE	ZIP
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**Check the box that applies and sign on page 2:**

- 1. Real Estate Investment Trust (REIT)**  
**Must not be a captive REIT pursuant to AL Code §40-18-1**  
 This election is required only once. Copies of original affidavit should be attached to future years' returns.  
 By checking the box above, the above named member hereby certifies that it:
  - a. Agrees to be subject to the personal jurisdiction in this state for all income tax purposes, files returns and pays all AL tax liabilities due for all years in which it is a member and the entity owns property in AL, does business in AL, or otherwise derives income from AL sources.
  - b. Has provided the requesting entity the signed original of this form on or before the due date (without extension) for filing the entity's income tax return for the taxable year for which the composite exemption is being requested.
  - c. Will make estimated income tax payments if required; and
  - d. Certifies that it will not owe any taxes as a result of the dividends paid deduction entitled to REITS.
  
- 2. Exempt organization (annual election required)**  
 The above named member hereby certifies that its share of taxable income sourced to Alabama does not result in unrelated business taxable income.
  
- 3. Insurance company member (annual election required)**  
 The above named member hereby certifies that it pays to Alabama a tax on its premium income and is not subject to Alabama income tax.
  
- 4. Pre-Approved Tiered Structure Exemption (prior written approval required and a copy must be attached each year)**  
 By checking the box above, the above named member hereby certifies that it:
  - a. Elects to remit a composite payment on behalf of its nonresident members' shares of the taxable income sourced to this state in the same manner and subject to the same requirements as the entity in which it owns a direct interest.
  - b. Agrees to be subject to the personal jurisdiction in this state for all income tax purposes together with related interest and penalties; and
  - c. Has provided the requesting entity the signed original of this form 30 days before the due date (without extension) for filing the entity's income tax return for the taxable year for which the composite exemption is being requested.



• **5. Capital Credit Exemption (annual election required)**

By checking the box above, the above named member hereby certifies that it:

- a. Has only AL sourced income that is derived from the capital project, and it expects all of its potential liability to be fully offset by the capital credit.
- b. Agrees to be subject to the personal jurisdiction in this state for all income tax purposes together with related interest and penalties; and
- c. Has provided the requesting entity the signed original of this form on or before the due date (without extension) for filing the entity's income tax return for the taxable year for which the composite exemption is being requested.

• **6. C Corporations with losses (annual election required)**

By checking the box above, the above named member hereby certifies that it:

- a. Is a C-Corporation that has been in a loss position for the three most recent tax years and expects to be in a loss position for the current.
- b. Has provided this form to the entity in which it is a member on or before the due date (without extension) for filing the entity's income tax return for the taxable year for which the composite payment is required; and
- c. Will make estimated income tax payments, if required.

**This form is to be completed by a nonresident member to certify exemption from AL Code §40-18-24.2. This form should be returned to the entity before the original due date of the entity's return and a copy should be attached to the entity's composite and income tax return each year.**

I authorize a representative of the Department of Revenue to discuss this form with the entity requesting exemption and any preparer named below.

**UNDER PENALTIES OF PERJURY**, I swear that the above information is to the best of my knowledge and belief, true, correct, and complete.

\_\_\_\_\_  
Signature of authorized person(s) Date

\_\_\_\_\_  
Print name(s) and title(s) of the authorized person(s)

**Paid Preparer's Use Only**

Preparer's Signature	Check if self-employed <input type="checkbox"/>	Date	Preparer's PTIN : : :
Firm's Name (or yours if self-employed) and address	Telephone No. (    )	E.I. No.	
		ZIP Code	
Email Address			