FORM
20C

[redacted]

Alabama
Department of Revenue

Corporation Income Tax Return

●CY ☐ ●FY ☐ ●SY ☐ ●52/53 WK ☐

2018

ADOR

For the year January 1 – December 31, 2018, or other tax year beginning ● ____________________, 2018, ending ● ____________________, ________

Check applicable box:

- ● ☐ PL 86-272
- ● ☐ Initial return
- ● ☐ Final return
- ● ☐ Amended return
- ● ☐ Federal audit change

FEDERAL BUSINESS CODE NUMBER ●	FEDERAL EMPLOYER IDENTIFICATION NUMBER ●
NAME ●	
ADDRESS ●	
CITY, STATE, COUNTRY (IF NOT U.S.) ●	9-DIGIT ZIP CODE ●
STATE OF INCORPORATION ● / DATE OF INCORPORATION ●	DATE QUALIFIED IN ALABAMA ● / NATURE OF BUSINESS IN ALABAMA ●

● ☐ This company files as part of a consolidated federal return.
Common parent corporation: *(See page 4, "Other Information," number 5.)*
Name ● FEIN ●

● ☐ Federal Form 1120-REIT filed ● ☐ 2220AL Attached

Filing Status: *(see instructions)*

- ● ☐ 1. Corporation operating only in Alabama.
- ● ☐ 2. Multistate Corporation – Apportionment **(Sch. D-1)**.
- ● ☐ 3. Multistate Corporation – Percentage of Sales **(Sch. D-2)**.
- ● ☐ 4. Multistate Corporation – Separate Accounting (Prior written approval required and must be attached).
- ● ☐ 5. Proforma Return – files as part of Alabama Affiliated Group.

1	**FEDERAL TAXABLE INCOME** *(see instructions)*	1	●
2	Federal Net Operating Loss *(included in line 1)*	2	●
3	Reconciliation adjustments *(from line 26, Schedule A)*	3	●
4	Federal taxable income adjusted to Alabama Basis *(add lines 1, 2 and 3)*	4	●
5	Net nonbusiness (income)/loss – Everywhere *(from Schedule C, line 2, col. E)*	5	●
6	Apportionable income *(add lines 4 and 5)*	6	●
7	Alabama apportionment factor *(from line 27, Schedule D-1)*	7	● %
8	Income apportioned to Alabama *(multiply line 6 by line 7)*	8	●
9	Net nonbusiness income/(loss) – Alabama *(from Schedule C, line 2, col. F)*	9	●
10	Alabama income before federal income tax deduction *(line 8 plus line 9)*	10	●
11a	Federal income tax deduction /(refund) *(from line 12, Schedule E)*	11a	●
b	Small Business Health Insurance Premiums *(see instructions)*	11b	●
12	Alabama income before net operating loss (NOL) carryforward *(line 10 less lines 11a and b)*	12	●
13	Alabama NOL deduction *(see instructions)*	13	●
14	Alabama taxable income *(line 12 less line 13)*	14	●
15	Alabama Income Tax *(6.5% of line 14)*	15	●
16	Nonrefundable Credits (from Schedule BC, Section E, line E3)	16	●
17	LIFO Reserve Tax Deferral (see instructions)	17	●
18	Net tax due Alabama (line 15 less lines 16 and 17)	18	●

19 Payments:

a	Carryover from prior year (2017)	19a	●
b	2018 estimated tax payments	19b	●
c	2018 composite payment(s) made on behalf of this entity *(see instructions)* Paid by ● ______ FEIN ● ______	19c	●
d	Extension payment	19d	●
e	Payments prior to adjustment	19e	●
f	Refundable credit (from Schedule BC, Section F, line F1)	19f	●
g	Total Payments (add lines 19a through 19f)	19g	●

UNLESS A COPY OF THE FEDERAL RETURN IS ATTACHED, THIS RETURN WILL BE CONSIDERED INCOMPLETE. (SEE ALSO PAGE 4, OTHER INFORMATION, NO. 5.)

20 Reductions/applications of overpayments

a	Credit to 2019 estimated tax	20a	●
b	Penny Trust Fund	20b	●
c	Penalty due *(see instructions)* Late Payment Estimate ● ______ Other ● ______	20c	●
d	Interest due *(see instructions)* Estimate Interest ● ______ Interest on Tax ● ______	20d	●
e	Total reductions *(total lines 20a, b, c and d)*	20e	●
21	Total amount due/(refund) *(line 18 less 19g, plus 20e)*	21	●

If you paid electronically check here: ☐

Please Sign Here

● ☐ I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature ______ Title ______ Date ______ ( ) Daytime Telephone No.

Paid Preparer's Use Only information moved to page 4

[redacted]

Schedule A Reconciliation Adjustments of Federal Taxable Income to Alabama Taxable Income

§40-18-33, *Code of Alabama 1975*, defines Alabama Taxable Income as federal taxable income without the benefit of the federal net operating loss plus specific additions and less specific deductions. The specific additions and deductions are reflected in the lines provided below. Other reconciliation items include transition adjustments to prevent duplicate deduction or duplicate taxation of items previously deducted or reported on Alabama income tax returns.

ADDITIONS

1	State and local income taxes	1	•
2	Federal exempt interest income (other than Alabama) on state, county and municipal obligations (everywhere)	2	•
3	Dividends from corporations in which the taxpayer owns less than 20 percent of stock to the extent properly deducted on federal income tax return *(see instructions)*	3	•
4	Federal depreciation on pollution control items previously deducted for Alabama (*see instructions)*	4	•
5	Net income from foreclosure property pursuant to §10A-10-1.21 (real estate investment trust)	5	•
6	Related members interest or intangible expenses or costs. From Schedule AB *(see instructions)*. Total Payments 6a • **minus** Exempt Amount 6b • **equals**	6c	•
7	Captive REITS: Dividends Paid Deduction (from federal Form 1120-REIT)	7	•
8	Contributions not deductible on state income tax return due to election to claim state tax credit	8	•
9	•	9	•
10	Total additions (add lines 1 through 9)	10	•

DEDUCTIONS

11	Refunds of state and local income taxes (due to overpayment or over accrual on the federal return)	11	•
12	Interest income earned on direct obligations of the United States	12	•
13	Interest income earned on obligations of Alabama or its subdivisions or instrumentalities to extent included in federal income tax return *(see instructions)*	13	•
14	Interest income earned on obligations issued prior to 12/31/1994 of this state or its subdivisions or instrumentalities pursuant to §40-9B-7, to extent included in federal income tax return	14	•
15	Aid or assistance provided to the Alabama State Industrial Development Authority pursuant to §41-10-44.8(d)	15	•
16	Expenses not deductible on federal income tax return due to election to claim a federal tax credit	16	•
17	Dividends described in 26 U.S.C. §78 from corporations in which taxpayer owns more than 20% of stock *(see instructions)*	17	•
18	Dividend income – more than 20% stock ownership (including that described in 26 U.S.C. §951) from non-U.S. corporations to the extent the dividend income would be deductible under 26 U.S.C. §243 if received from domestic corporations.	18	•
19	Dividends received from foreign sales corporations as determined in 26 U.S.C. §922 *(see instructions)*	19	•
20	Interest portion of rent paid under lease agreements entered into prior to January 1, 1995, relating to obligations of this state and its subdivisions pursuant to §40-9B-7(c) through (e) *(see instructions)*	20	•
21	Amount of the oil/gas depletion allowance provided by §40-18-16 that exceeds the federal allowance *(see instructions)*	21	•
22	Additional Alabama depreciation related to Economic Stimulus Act of 2008 *(see instructions)*	22	•
23	•	23	•
24	•	24	•
25	Total deductions (add lines 11 through 24)	25	•
26	TOTAL RECONCILIATION ADJUSTMENTS *(subtract line 25 from line 10 above)*. Enter here and on line 3, page 1 *(enclose a negative amount in parentheses)*	26	•

Schedule B Alabama Net Operating Loss Carryforward Calculation (§40-18-35.1, *Code of Alabama 1975*)

Column 1 Loss Year End MM / DD / YYYY	Column 2 Amount of Alabama net operating loss	Column 3 Amount used in years prior to this year	Column 4 Amount used this year	Column 5 Remaining unused net operating loss
•				
•				
•				
•				
•				
•				
•				
•				
•				
•				
•				
•				
•				
•				
•				
Alabama net operating loss (enter here and on line 13, page 1).			•	

[redacted]

Schedule C — Allocation of Nonbusiness Income, Loss, and Expense – *Use only if you checked Filing Status 2, page 1*

Identify by account name and amount, all items of nonbusiness income, loss and expense removed from apportionable income and those items which are directly allocable to Alabama. **Adjustment(s) must also be made for any proration of expenses under Alabama Income Tax Rule 810-27-1-.01,** which states, "Any allowable deduction that is applicable to both business and nonbusiness income of the taxpayer shall be prorated to each class of income in determining income subject to tax as provided…" (See instructions.)

	ALLOCABLE GROSS INCOME / LOSS		RELATED EXPENSE		NET OF RELATED EXPENSE	
DIRECTLY ALLOCABLE ITEMS OF NONBUSINESS INCOME OR LOSS	Column A Everywhere	Column B Alabama	Column C Everywhere	Column D Alabama	Column E Everywhere	Column F Alabama
1a ●						
b ●						
c ●						
d ●						
e ●						

	Column E	Column F
2 **NET NONBUSINESS INCOME / LOSS** Enter Column E total ((income)/loss) on line 5 of page 1. Enter Column F total (income/(loss)) on line 9 of page 1	●	

Schedule D-1 — Apportionment Factor – Use only if Filing Status 2 or Filing Status 5, page 1 with Multi-State Operations – Amounts must be Positive (+) Values

TANGIBLE PROPERTY AT COST FOR PRODUCTION OF BUSINESS INCOME	ALABAMA BEGINNING OF YEAR	ALABAMA END OF YEAR	EVERYWHERE BEGINNING OF YEAR	EVERYWHERE END OF YEAR
1 Inventories	●			
2 Land	●			
3 Furniture and fixtures	●			
4 Machinery and equipment	●			
5 Buildings and leasehold improvements	●			
6 IDB/IRB property (at cost)	●			
7 Government property (at FMV)	●			
8 ●	●			
9 Less Construction in progress (if included)	●			
10 Totals	●			
11 Average owned property (BOY + EOY ÷ 2)		●		●
12 Annual rental expense	● x8 =		x8 =	
13 Total average property (add line 11 and line 12)	13a	●	.... 13b	●
14 Alabama property factor — 13a ÷ 13b = line 14			14	● %

SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION RELATED TO THE PRODUCTION OF BUSINESS INCOME	15a ALABAMA	15b EVERYWHERE	15c
15 Alabama payroll factor — 15a ÷ 15b = 15c	●		%

SALES	ALABAMA	EVERYWHERE	
16 Destination sales *(see instructions)*	●		
17 Origin sales *(see instructions)*	●		
18 Total gross receipts from sales	●		
19 Dividends	●		
20 Interest	●		
21 Rents	●		
22 Royalties	●		
23 Gross proceeds from capital and ordinary gains	●		
24 Other ● ______________________ (Federal 1120, line ● _____)	●		
25 Alabama sales factor — 25a ÷ 25b = line 25c..................................	25a ●	25b ●	25c ● %
26 Alabama sales factor (Enter the same factor as on line 25c)........................			26 ● %
27 Sum of lines 14, 15c, 25c, and 26 ÷ 4 = **ALABAMA APPORTIONMENT FACTOR** (Enter here and on line 7, page 1).................		27	● %

Schedule D-2 — Percentage of Sales – *Use only if you checked Filing Status 3, page 1 – See instructions*

DO NOT USE THIS SCHEDULE IF ALABAMA SALES EXCEED $100,000.	ALABAMA	EVERYWHERE
1 Destination Sales	●	
2 Origin Sales	●	
3 Total gross receipts from sales	●	
4 Tax due (multiply line 3, Alabama by .0025) (enter here and on page 1, line 15)	●	

[redacted]

Schedule E — Federal Income Tax (FIT) Deduction/(Refund)

(Only method 1552(a)(1) can be used to calculate the Federal Income Tax Deduction.

(a) If this corporation is an accrual-basis taxpayer and files a separate (nonconsolidated) federal income tax return with the IRS, skip to line 6 and enter the amount of **federal income tax liability** shown on Form 1120.

(b) If this corporation is a cash-basis taxpayer and files a separate (nonconsolidated) federal income tax return with the IRS, skip to line 6 and enter the amount of **federal income tax paid** during the year.

(c) If this corporation is a member of an affiliated group which files a consolidated federal return, enter the separate company income from line 30 of the proforma 1120 for this company on line 1. You must complete lines 1-5 before moving on to line 6.

Items excluded from Alabama Taxable Income must be added to adjusted total income on line 8b to calculate the Federal Income Tax deduction. (This includes any amounts listed on Schedule A lines 12, 13, 14, 17, 18, and 19).

Alternative Minimum Tax (AMT) paid? ● ☐ Yes ● ☐ No

Note: If AMT is paid for this year, use Alternative Minimum Taxable Income to determine lines 1 and 2 or line 6 below.

1	This company's separate federal taxable income	1	●
2	Total positive consolidated federal taxable income	2	●
3	This company's percentage *(divide line 1 by line 2)*	3	● %
4	Consolidated federal income tax (liability/payment)	4	●
5	Federal income tax for this company *(multiply line 3 by line 4)*	5	●

6	Federal income tax to be apportioned	6	●
7	Alabama income, page 1, line 10	7	●
8a	Adjusted total income, page 1, line 4	8a	●
8b	Income excluded from Alabama Taxable Income (include any amounts listed on Schedule A lines 12, 13, 14, 17, 18, and 19)	8b	●
8c	Adjusted Total Income including items excluded from Alabama Taxable Income (Add lines 8a and 8b)	8c	●
9	Federal income tax ratio *(divide line 7 by line 8c)*	9	● %
10	Federal income tax apportioned to Alabama *(multiply line 6 by line 9)*	10	●
11	Less refunds or adjustments	11	●
12	Net federal income tax deduction / <refund>	12	●

Other Information

1. Briefly describe your Alabama operations. ● ______
2. List locations of property within Alabama *(cities and counties)*. ● ______
3. List other states in which corporation operates, if applicable. ● ______
4. Indicate your tax accounting method:
   ● ☐ Accrual ● ☐ Cash ● ☐ Other ● ______
5. If this corporation is a member of an affiliated group which files a consolidated federal return, the following information **must be provided:**
   (a) Copy of Federal Form 851, Affiliations Schedule. Identify by asterisk or underline the names of those corporations subject to tax in Alabama.
   (b) Signed copy of consolidated Federal Form 1120, pages 1-5, as filed with the IRS.
   (c) Copy of the spreadsheet of income statements; all supporting schedules for all legal entities that file as part of the consolidated federal group including **(but not limited to)** a copy of the spreadsheet of income statements (which includes a separate column that identifies the eliminations and adjustments used in completing the federal consolidated return), beginning and ending balance sheets, Schedule M-3 for the entire federal consolidated group.
   (d) Copy of federal Schedule K-1 for each tax entity that the corporation holds an interest in at any time during the taxable year.
   (e) Copy of federal Schedule(s) UTP.
6. Enter this corporation's federal net income (see instructions for page 1, line 1) for the last three (3) years, as last determined (e.g.: per amended federal return or IRS audit).
   2017 ● ______ 2016 ● ______ 2015 ● ______
7. Check if currently being audited by the IRS. ● ☐
8. Location of the corporate records: Street address: ● ______
   City: ● ______ State: ● ______ ZIP: ● ______
9. Person to contact for information concerning this return:
   Name: ● ______ Email Address: ● ______ Telephone: ● (____) ______
10. If this entity filed an Alabama Business Privilege tax return under a different FEIN than the one listed on this Form 20C, please enter that number here: ● ______

Paid Preparer's Use Only			
Preparer's signature	Date ●	Check if self-employed ● ☐	Preparer's Tax Identification Number ●
Firm's name (or yours, if self-employed) ●	Tel. No. ● ( )		E.I. No. ●
and address ●			ZIP Code ●

Non-payment returns, mail to:

Alabama Department of Revenue
Individual and Corporate Tax Division
Corporate Tax Section
PO Box 327430
Montgomery, AL 36132-7430

Payment returns, mail with payment voucher (Form BIT-V) to:

Alabama Department of Revenue
Individual and Corporate Tax Division
Corporate Tax Section
PO Box 327435
Montgomery, AL 36132-7435

Federal audit change returns, mail to:

Alabama Department of Revenue
Individual and Corporate Tax Division
Corporate Tax Section
PO Box 327451
Montgomery, AL 36132-7451