

Tennessee

What's New

Returns Included	e-File Approved*	e-File Activated
FAE 170	12/13/2023	01/02/2024
FAE 172	11/01/2023	01/02/2024
FAE 173	11/01/2023	01/02/2024
FAE 183	11/01/2023	01/02/2024
FAE 188	11/01/2023	01/02/2024

*NOTE: Certain return types may not be available for e-file as of the EF approval date. e-File will be activated when the state taxing authority is ready to receive all forms within the applicable package.

New Forms

- **Schedule 170 N1, Apportionment (FAE 170)** – For taxpayers electing to continue using triple weighted sales or any taxpayer required to use triple weighted sales by TCA 67-4-2012(a)
- **Schedule 170 NC1, Consolidated Net Worth Franchise Tax Apportionment (Schedule 170NC)** – For taxpayers electing to continue using triple weighted sales or any taxpayer required to use triple weighted sales by TCA 67-4-2012(a)
- **Schedule BR, Franchise and Excise Brownfield Remediation Credit**
- **Schedule BRCF, Schedule of Brownfield Remediation Credit Carryover**
- **Schedule PL, Franchise and Excise Paid Family and Medical Leave Credit**
- **Schedule PLCF, Schedule of Paid Family and Medical Leave Credit Carryover**

Modified Forms

- **FAE 170, Franchise and Excise Tax Return**
 - Increased from 8 to 9 pages
 - Added Schedule 170 N1 to handle the 3-year transition to a single sales apportionment factor
 - Added the following options to page 1:
 - J – Triple weighted sales election
 - K – Telecom Qualified Member
 - Added line 9, “Employer Credit for Paid Family and Medical Leave from Schedule PL,” to Schedule D
- **Schedule 170NC, Consolidated Net Worth Franchise Tax Apportionment** – Added Schedule 170NC1

Tax Law Changes

- Tennessee now conforms with the federal bonus depreciation provisions of the Tax Cuts & Jobs Act of 2017. For TN excise tax purposes, taxpayers may take bonus depreciation deductions for assets purchased on or after January 1, 2023, in the year of the purchase if the taxpayer takes bonus depreciation on the asset for federal tax purposes. Bonus depreciation for assets purchased on or before December 31, 2022, is not allowed.
- TN created a 2-year paid family and medical leave credit based on the federal Paid Sick and Family Leave Credit (Internal Revenue Code §45S).
- The carryforward periods for several franchise and excise tax credits were extended to 25 years.
- The single sales factor apportionment was adopted, which will be phased in over a 3-year period.
- Other changes in the Tennessee Works Tax Act have delayed effective dates and will appear in Drake Tax 2024:
 - **Excludes \$500,000 of real and tangible property from the franchise tax minimum measure** – The TN DOR plans to add 2 lines to the 2024 Schedule G to implement the change.
 - **Establishes a \$50,000 standard deduction from net earnings before apportionment and cannot create or increase a loss when calculating excise tax** – The TN DOR plans to add 3 lines to the 2024 Schedule J to implement the change
- The TN DOR issued a new [Franchise and Excise Tax Manual](#) in July 2023.

Supported Forms

The following Tennessee forms are supported in Drake Tax 2023. TN forms cannot be e-signed.

Form	Description	IND	CRP	SCRIP	PTR
FAE 170	Franchise and Excise Tax Return	✓	✓	✓	✓
Schedule A	Computation of Franchise Tax	✓	✓	✓	✓
Schedule B	Computation of Excise Tax	✓	✓	✓	✓
Schedule C	Computation of Total Tax Due or Overpayment	✓	✓	✓	✓
Schedule D	Schedule of Credits	✓	✓	✓	✓
Schedule E	Schedule of Required Quarterly Installments and Payments	✓	✓	✓	✓
Schedule F1	Non-Consolidated Net Worth	✓	✓	✓	✓
Schedule F2	Consolidated Net Worth	✓	✓	✓	✓
Schedule G	Determination of Real and Tangible Property	✓	✓	✓	✓
Schedule H	Gross Receipts	✓	✓	✓	✓
Schedule J1	Computation of Net Earnings for Entities Treated as Partnerships	✓	✓	✓	✓
Schedule J2	Computation of Net Earnings for a Single Member LLC Filing as an Individual	✓	✓	✓	✓
Schedule J3	Computation of Net Earnings for Entities Treated as Subchapter S Corporations	✓	✓	✓	✓
Schedule J4	Computation of Net Earnings for Entities Treated as Corporations and Other Entities	✓	✓	✓	✓
Schedule J	Computation of Net Earnings Subject to Excise Tax	✓	✓	✓	✓
Schedule K	Determination of Loss Carryover Available	✓	✓	✓	✓
Schedule M	Nonbusiness Earnings Allocation	✓	✓	✓	✓
Schedule N	Apportionment – Standard	✓	✓	✓	✓
Schedule O	Apportionment – Common Carriers (Railroads, Motor Carriers, Pipelines, and Barges)	✓	✓	✓	✓
Schedule P	Apportionment – Air Carriers	✓	✓	✓	✓
Schedule R	Apportionment – Air Express Carriers	✓	✓	✓	✓
Schedule S	Apportionment – Manufacturer Single Sales Factor	✓	✓	✓	✓
Schedule T	Industrial Machinery and Research and Development Equipment Tax Credit	✓	✓	✓	✓
Schedule U	Schedule of Loss Carryover	✓	✓	✓	✓
Schedule V	Schedule of Industrial Machinery and Research and Development Equipment Credit Carryover	✓	✓	✓	✓
FAE 183 (pp. 1 – 2)	Application for Exemption/Annual Exemption Renewal	✓	✓	✓	✓
FAE 183 (p. 3)	Disclosure of Activity	✓	✓	✓	✓
IE	Intangible Expense Disclosure	✓	✓	✓	✓
RV-F1308301	Consolidated Net Worth Election Registration Application	✓	✓	✓	✓
RV-F1406501	Report of Debts	✓	✓	✓	✓
Schedule 170NC	Consolidated Net Worth Franchise Tax Apportionment	✓	✓	✓	✓
Schedule 170SC	Manufacturer Single Sales Factor Consolidated Net Worth Apportionment	✓	✓	✓	✓
Schedule 170SF	Financial Institution Non-Unitary Group Member Apportionment Schedule for Franchise Tax Purposes	✓	✓	✓	✓
Schedule BP	Franchise and Excise Brownfield Property Tax Credit	✓	✓	✓	✓
Schedule BPCF	Schedule of Brownfield Property Credit Carryover	✓	✓	✓	✓

Form	Description	IND	CRP	SCRIP	PTR
Schedule BR	Franchise and Excise Brownfield Remediation Credit	✓	✓	✓	✓
Schedule BRCF	Schedule of Brownfield Remediation Credit Carryover	✓	✓	✓	✓
Schedule PL	Franchise and Excise Paid Family and Medical Leave Credit	✓	✓	✓	✓
Schedule PLCF	Schedule of Paid Family and Medical Leave Credit Carryover	✓	✓	✓	✓
Schedule QP	Franchise and Excise Qualified Production Credit	✓	✓	✓	✓
Schedule QPCF	Schedule of Qualified Production Credit Carryover	✓	✓	✓	✓
Schedule X	Jobs Credits Computation	✓	✓	✓	✓