Calculation of Franchise and Excise Tax Credits for GRO 200
Gross Receipts Tax Return – Bottlers & Manufacturers of Soft Drinks

Note: The total credit for franchise and excise taxes paid cannot exceed 78.95% of the gross receipts tax liability.

I. Tennessee taxpayer doing business only in Tennessee

(1) Calculate Tennessee receipts from the activity for which franchise and excise tax credit is being given on the Gross Receipts Tax Return.

(2) Divide the Tennessee receipts from the activity for which franchise and excise tax credit is being given on the Gross Receipts Tax Return by the total gross receipts received by the taxpayer from all sources. The result will be a decimal number.

(3) Multiply the amount of franchise tax actually paid on the Franchise and Excise Tax Return, Schedule A, Line 3, by the decimal number derived in step (2) to arrive at the amount of franchise tax credit available on the Gross Receipts Tax Return, and enter this amount on Line 7 of the Gross Receipts Tax Return.

(4) Multiply the amount of excise tax actually paid on the Franchise and Excise Tax Return, Schedule B, Line 7, by the decimal number derived in step (2) to arrive at the amount of excise tax credit available on the Gross Receipts Tax Return, and enter this amount on Line 8 of the Gross Receipts Tax Return.

II. Tennessee taxpayer doing business in Tennessee and in other states and reporting all gross receipts on Schedule N, line 16 of the Franchise and Excise Tax Return

(1) Use only Tennessee receipts from the activity for which franchise and excise tax credit is being given on the Gross Receipts Tax Return as reported on the Franchise and Excise Tax Return, Schedule N, Line 16, Column a.

(2) Divide the Tennessee receipts by the total gross receipts received by the taxpayer from all sources as reflected on the Franchise and Excise Tax Return, Schedule N, Line 16, Column b. The result will be a decimal number.

(3) Multiply the amount of franchise tax actually paid on the Franchise and Excise Tax Return, Schedule A, Line 3, by the decimal number derived in step (2) to arrive at the amount of franchise tax credit available on the Gross Receipts Tax Return, and enter this amount on Line 7 of the Gross Receipts Tax Return.

(4) Multiply the amount of excise tax actually paid on the Franchise and Excise Tax Return, Schedule B, Line 7, by the decimal number derived in step (2) to arrive at the amount of excise tax credit available on the Gross Receipts Tax Return, and enter this amount on Line 8 of the Gross Receipts Tax Return.

III. Tennessee taxpayer doing business in Tennessee and in other states and reporting only sales rather than all gross receipts on Schedule N, line 16 of the Franchise and Excise Tax Return

(1) Calculate Tennessee sales on the Franchise and Excise Tax Return, Schedule N, Line 16, Column a, for the activity on which franchise and excise tax credit is being given on the Gross Receipts Tax Return.

(2) Calculate revenue other than Tennessee sales using numbers from the taxpayer's Federal income tax return and multiply the sum of those numbers, less any bad debts, by the "Excise Ratio" as determined on the Franchise and Excise Tax Return, Schedule N, Line 18, Column *d*.

(3) Add the number calculated in Step 2 to the Tennessee sales factor on the Franchise and Excise Tax Return, Schedule N, Line 16, column a, to arrive at the total Tennessee receipts.

(4) Divide the total Tennessee receipts, as calculated in Step 3, by the total gross receipts received by the taxpayer from all sources. The result will be a decimal number.

(5) Multiply the amount of franchise tax actually paid on the Franchise and Excise Tax Return, Schedule A, Line 3, by the decimal number derived in step (4) to arrive at the amount of franchise tax credit available on the Gross Receipts Tax Return, and enter this amount on Line 7 of the Gross Receipts Tax Return.

(6) Multiply the amount of excise tax actually paid on the Franchise and Excise Tax Return, Schedule B, Line 7, by the decimal number derived in step (4) to arrive at the amount of excise tax credit available on the Gross Receipts Tax Return, and enter this amount on Line 8 of the Gross Receipts Tax Return.