

**Tennessee Department of Revenue**  
**Franchise and Excise Tax - Family-Owned Noncorporate Entity**  
**Disclosure of Activity Instructions**

**Identifying information**

1. Enter the entity name and address.
2. Your exempt account number can be found on the cover letter you received with this form. If you do not know your exempt account number, enter your FEIN and write FEIN next to the number.

Example: 62-1234567 FEIN

**Organization Structure**

In order to qualify as an exempt family-owned noncorporate entity, 95% of the ownership units of the entity must be owned by members of the family. Please identify all members or partners and their respective ownership interest percentage in the entity. You must also give their relationship as defined in Tenn. Code Ann. § 67-4-2008(a)(11)(B)(i).

Attach additional schedules as necessary to disclose all members or partners in the exempt entity. The entity's name and account number/FEIN should be on all attachments.

**Passive Investment Income - Industrial and commercial real estate rental**

1. Description and address of property - provide a brief description of the property being rented and the street address of such property.  
Examples: Duplex, 800 State St., Anywhere, TN  
Retail Store, 123 Maple St., Anywhere, TN
2. Name of lessee(s) - Provide the name(s) of the entity or individual who is leasing the property that is generating passive investment income. If you are leasing a building with multiple tenants, such as an apartment building, you may write various tenants in the space provided. If you are leasing to a single lessee or a limited number of lessees, please identify them. Example: Various unrelated tenants
3. Check the box provided if any of the lessees are affiliated with or related to the exempt entity.  
Example:  John Smith, partner in exempt entity  
 Jones Properties, LLC, common owners
4. Total Appraised Value - Enter the appraised value used for property tax purposes.
5. Gross receipts - Enter the annual gross receipts received for the rental of the property. Gross receipts are defined as all receipts from whatever sources derived before any deductions.

6. Please attach additional schedules as necessary to disclose all industrial and commercial real estate rental received by the exempt entity for the reporting period. The entity's name and account number/FEIN should be on all attachments.

**Other Passive Income**

Check the box next to each source of income received and enter the annual gross receipts received from each source.

**Non-Passive Income**

List the source and amount of non-passive income received during the reporting period. Attach additional schedules as necessary to disclose all non-passive income. The entity's name and account number/FEIN should be on all attachments.

**Sign and Mail**

Please sign and date the Disclosure of Activity form attesting to accuracy of the information provided. The form should be mailed to:

Tennessee Department of Revenue  
FONCE Disclosure  
P.O. Box 190644  
Nashville, TN 37219-0644

**Relevant Definitions**

**"Industrial and commercial property"** includes all property of every kind used, directly or indirectly, or held for use, for any commercial, mining, industrial, manufacturing, trade, professional, club whether public or private, nonexempt lodge, business, or similar purpose, whether conducted for profit or not. All real property that is used, or held for use, for dwelling purposes that contains two (2) or more rental units is hereby defined and shall be classified as industrial and commercial property.

**"Farm property"** includes all real property that is used, or held for use, in agriculture, including, but not limited to, growing crops, pastures, orchards, nurseries, plants, trees, timber, raising livestock or poultry, or the production of raw dairy products.

**"Residential property"** includes all real property that is used, or held for use, for dwelling purposes and that contains not more than one (1) rental unit. All real property that is used, or held for use, for dwelling purposes, but that contains two (2) or more rental units, is defined and shall be classified as "industrial and commercial property".

The completed form should be mailed to: Tennessee Department of Revenue, FONCE Disclosure, P. O. Box 190644, Nashville, TN 37219-0644. If you have questions or need assistance, you can call the Department at (615) 253-0700. Callers within Tennessee but outside the Nashville calling area call (800) 397-8395. You may also e-mail the department at [TN.Revenue@state.tn.us](mailto:TN.Revenue@state.tn.us) or browse our web site at [www.Tennessee.gov/revenue](http://www.Tennessee.gov/revenue).