

Schedule 5071, CORPORATION INVESTMENTS IN OR ADVANCES TO SUBSIDIARIES SCHEDULE

This information is for guidance only and does not state the complete law.

1. Complete and file with each Schedule MO-FT or Form INT-2-1 when claiming a deduction for investments in or advances to subsidiaries (Line 2b).
2. Identify the full name of each subsidiary. The entity must be a corporation. **Limited liability companies and partnerships are not allowable.**
3. Complete the amount of investment in or advances to subsidiaries.
4. Provide the percentage of ownership. The corporation claiming the deduction must own more than fifty percent (50%) of the voting stock of the subsidiary.
5. Assets advanced "upward" from a subsidiary to a parent may be deducted under the same conditions applicable to advances from parent to subsidiary.
6. Cross-company advances may be deducted when all of the following conditions are met:
 - a. The entities involved in the transaction must be connected in an uninterrupted chain of ownership of more than fifty percent (50%) of the voting stock; and
 - b. Both the entity claiming the deduction and the entity receiving the advance must be corporations; and
 - c. All of the entities connecting the corporations involved in the transaction must be corporations; and
 - d. The deduction may only be taken on one corporation's franchise tax schedule.
7. Intercompany receivables deducted on Line 2b may not be included in Schedule MO-FT or Form INT-2-1, Line 3a.