

ALABAMA DEPARTMENT OF REVENUE
Alabama S Corporation
Agreement of Nonresident Shareholder
ATTACHED TO THE SCHEDULE K-1



For the year January 1 – December 31, 20____, or other tax year beginning _____ 20____, ending _____ 20____.

SHAREHOLDER SOCIAL SECURITY NUMBER	S CORPORATION FEIN
SHAREHOLDER TAX YEAR	S CORPORATION TAX YEAR
NAME	NAME
RESIDENCE ADDRESS	ADDRESS
CITY	CITY
STATE ZIP	STATE ZIP
STATE OF LEGAL RESIDENCE	

AGREEMENT

As a consideration of allowing the above named corporation to elect to be an S corporation under the provisions of Alabama law, I hereby agree as follows:

- (1) That I will timely file a nonresident income tax return with the Alabama Department of Revenue and include therein my pro rata share of the income, loss and deductions of the above named S corporation **for any taxable year** in which I am a shareholder and will pay any tax liability due thereon.
- (2) That I hereby irrevocably appoint the registered agent of the above corporation and any agent or officer of the corporation present in Alabama as my agent for service of process of any documents from the Alabama Department of Revenue in connection with my income tax returns or those of the S corporation, and that I hereby consent to personal jurisdiction by the State of Alabama in connection with my income tax returns or those of the S corporation. In addition, I hereby appoint the following person or firm in Alabama as agent for service of process: (OPTIONAL)

- (3) That this agreement will be binding upon my heirs, representatives, assigns, successors, executors and administrators.
- (4) That I understand this agreement may not be revoked or cancelled after the due date (with extensions) of the corporation's Alabama return.

SIGNATURE OF SHAREHOLDER

TITLE OR STATUS

(If shares are jointly owned, each owner must execute a separate agreement. If held as trustee or custodian, indicate status. If executed under power of attorney, so state.)

State of _____ County of _____

Before me, the undersigned authority, personally appeared _____, who by me being first duly sworn, did depose and say that he/she is a nonresident of the State of Alabama, was a shareholder of the named corporation during the taxable year indicated, has authority to execute this agreement, and has freely done so. Sworn to and subscribed before me this _____ day of _____, 20____.

SIGNATURE OF NOTARY PUBLIC

Instructions for Completion of Schedule NRA for Form 20S

Schedule NRA must be completed by each nonresident shareholder of the S corporation for whom an agreement has not been previously filed. Schedule NRA must be attached to Form 20S. A copy of Schedule NRA should be maintained for future references.

If the Schedule NRA is not submitted timely by the corporation on behalf of the nonresident shareholder, when applicable, the corporation must complete the Form 20SC on behalf of that shareholder and pay to the State an amount equal to the highest income tax rate applicable to individuals, multiplied by the shareholder's pro rata share of income allocated and apportioned to this State as reflected in the corporation's return for the period in question. This payment will be considered a loan from the corporation to the shareholder, payable on demand, bearing interest from the date of the loan to the date of its payment at the minimum applicable Federal rate with respect to demand instruments.

In the spaces provided at the top of the form, insert the name and address of the shareholder. Also include the taxpayer identification number (social security account number or federal identification number) and the tax year of the shareholder. **BE SURE TO ENTER THE STATE OF LEGAL RESIDENCE OF THE SHAREHOLDER.**

For the Alabama S corporation, enter the federal employers identification number (FEIN) and the tax year together with the name and address.

In paragraph (2), you may elect to insert the name and address of an agent in Alabama (selected by you) that you wish to have for service of documents in connection with the Alabama income tax returns of the shareholder or the corporation. This agency designation is **OPTIONAL** with the shareholder and is in **ADDITION** to the agents designated by regulation.

The agreement must be signed by the shareholder in the space provided. If the signature is by an attorney-in-fact, agent, trustee, or custodian of the shareholder's shares, enter the proper title or status of the signer in the space provided. The shareholder may authorize any other person, including an officer or employee of the Alabama S corporation to execute this agreement on his behalf, if a properly executed power of attorney is filed with this Department not later than the date on which this agreement is submitted. See Reg. 810-3-160-.01(4)(d). If the shares of the Alabama S corporation are jointly owned, each owner must execute a separate agreement.

The agreement must be executed before a notary public or some other officer authorized to administer oaths in the state of legal residence of the shareholder. Note: Officer does not refer to an officer of the corporation unless that person is also a notary public or is otherwise authorized to administer an oath by the laws of the state of residence of the shareholder.

For further information, see Reg. 810-3-160-.01, and section 40-18-176, **Code of Alabama 1975.**