

Instructions for Filing Schedule 500-MT Electric Cooperative Minimum Tax

For taxable years beginning on or after January 1, 2004, electric cooperatives are required to pay a minimum tax rather than a modified net income tax for any taxable year their minimum tax liability is greater than their modified net income tax liability. The minimum tax is equal to 1.45% of the electric cooperative's gross receipts from sales to nonmembers minus the state's portion of the consumption tax collected from nonmembers. For years in which the minimum tax exceeds the modified net income tax, a carry forward credit is computed for use against future modified net income tax when modified net income tax exceeds the minimum tax.

Line by Line Instructions:

Part I Minimum Tax Computation:

Line 1: Enter the amount of gross receipts as certified by the State Corporation Commission.

Line 2: Multiply line 1 by 1.45% (.0145), the minimum tax rate, or enter the amount of minimum tax certified by the State Corporation Commission.

Line 3: Enter the state's portion of the electric utility consumption tax collected from nonmembers.

Line 4: Minimum Tax - Subtract line 3 from line 2.

Part II Tax Computation:

Line 5: Enter the modified net income tax from line 8 of Form 500-EC. If line 4 is greater than line 5, enter that amount on line 12 and skip to line 13 to compute the modified net income tax credit carryover amount. If line 5 is greater than line 4, continue to line 6.

Line 6: Subtract line 4 from line 5.

Line 7: Enter the amount of credit available from previous years (not to exceed the amount on line 6).

Line 8: Subtract line 7 from line 6.

Line 9: If estimated payments were made and not used in 2001, 2002 and/or 2003, enter the available amount here. Do not exceed the amount of excess modified net income tax on line 8.

Line 10: Subtotal - Subtract line 9 from line 8.

Line 11: Add line 4 and line 10.

Line 12: Tax. Enter the greater of line 4 or line 11. Enter this amount on line 8a of Form 500-EC.

Part III Tax Credit Carryover Amount :

Line 13: If line 4 (minimum tax) exceeds line 5 (modified net income tax), subtract line 5 from line 4 and enter the result. This is the credit amount available for carry forward to subsequent tax years

Line 14: Enter the amount of carryover credit from Part III, line 17 of previous year's return.

Line 15: Subtotal - Add line 13 and line 14.

Line 16: Enter the amount of credit used in the current year from line 7.

Line 17: Subtract line 16 from line 15. This is the amount of carryover credit available for subsequent years.

Part IV Estimated Income Tax Carryover Amount:

Line 18: Enter the amount of unused estimated income tax payments from prior years.

Line 19: Enter the amount of estimated tax used in payment of current year taxes (from line 9).

Line 20: Subtract line 19 from line 18. This is the amount of carryover estimated income tax payments available for subsequent years.