



Massachusetts Department of Revenue

Schedule ABI

Exceptions to the Add Back of Interest Expenses

2020

Enclose this schedule to claim an exception to the requirement under MGL ch 63, §§ 31J, 31K to add back to net income related member interest expenses and costs. Complete a separate schedule for each transaction with a related member as to which an exception is claimed.

Name of taxpayer Federal Identification number For tax year beginning Ending
Related member reporting the income Federal Identification number For tax year beginning Ending
Name of jurisdiction(s) in which related member is taxed on net income (if applicable) Unitary business identifier
Principal reporting corporation (if applicable) Federal Identification number For tax year beginning Ending

Deduction claimed is taken on:

- Form 355U, Schedule U-E
Form 355U, Schedule U-MTI
Form 355 or 355S, Schedule E
Other

Total Exceptions Claimed

1 Amount from Exception 1, line 7.
2 Amount from Exception 2, line 15f.
3 Amount from Exception 3, line 1.
4 Total add back exception claimed. Add lines 1 through 3. Enter here and on appropriate corporate return.

Exception 1. Full exception for interest paid, accrued or incurred to a related member that is taxed at a similar rate.

1 Amount of deductible interest expense or cost claimed by taxpayer.
2 Actual tax rate applied to taxpayer (from Forms 355, 355U, 355S or 63 FI).
3 Tax rate(s) applied to the corresponding interest income from the related member's return(s). Do not enter the tax rate of a jurisdiction in which the related member is filing with the taxpayer on a combined or unitary basis.
3a Tax rate from related member's return.
3b Tax rate from related member's return.
3c Tax rate from related member's return.
3d Tax rate from related member's return.
3e Tax rate from related member's return.
4 Related member apportionment percentage(s) for the jurisdiction(s) referenced in line 3. Enter "1" if the related member is taxable in only one jurisdiction and therefore not subject to apportionment.
4a Related member's apportionment percentage.
4b Related member's apportionment percentage.
4c Related member's apportionment percentage.
4d Related member's apportionment percentage.
4e Related member's apportionment percentage.



Name of taxpayer

Federal Identification number

For tax year beginning

Ending

Exception 1 (cont'd.)

5 Multiply line 3 by line 4. Where the related member is taxed in more than one jurisdiction, multiply the respective responses from lines 3 and 4.

5a **5a**

5b **5b**

5c **5c**

5d **5d**

5e Apportioned tax rate. **5e**

5f Add lines 5a through 5e. **5f**

6 Subtract line 5f from line 2. **6**

7 Exception amount claimed. If line 6 is equal to or less than .03, enter the amount from line 1 here and in Total Exceptions Claimed, line 1. Otherwise, enter "0". **7**

Exception 2. Partial exception for interest paid, accrued or incurred to a related member.

Do not complete this section if you have claimed Exception 1 as to the same interest expense or cost add back. Complete this section only if the interest expense or cost was reported as income by the related member and, if applicable, the tax reported by the related member on that return exceeded the minimum tax.

1 Amount of deductible interest expense or cost claimed by taxpayer. **1**

2 Taxpayer's apportionment percentage from apportionment schedule, line 5. Enter "1" if an apportionment schedule was not filed. **2**

3 Multiply line 1 by line 2. **3**

4 Tax rate applied to taxpayer (from Forms 355, 355U, 355S or 63 FI). **4**

5 Multiply line 3 by line 4. **5**

6 Total interest expense or cost incurred to related member by all other related members including taxpayer. **6**

7 Divide line 1 by line 6. **7**

8 For each of the jurisdictions where the related member is taxed, enter the related member's net income. Do not enter any amount for a jurisdiction in which the related entity is filing with the taxpayer on a combined or unitary basis.

8a Related member's net income. **8a**

8b Related member's net income. **8b**

8c Related member's net income. **8c**

8d Related member's net income. **8d**

8e Related member's net income. **8e**

9 Multiply line 7 by line 8. Where the related member is taxed in more than one jurisdiction, multiply the respective responses from lines 7 and 8.

9a **9a**

9b **9b**

9c **9c**

9d **9d**

9e **9e**



Name of taxpayer

Federal Identification number

For tax year beginning

Ending

Exception 2 (cont'd.)

10 For each jurisdiction referenced in line 8, enter amount from line 1 or line 9, whichever is lesser.

- 10a** **10a**
- 10b** **10b**
- 10c** **10c**
- 10d** **10d**
- 10e** **10e**

11 Provide related member apportionment percentages for jurisdiction(s) referenced in line 8. Enter "1" if the related member is taxable in only one jurisdiction and therefore not subject to apportionment.

- 11a** Related member's apportionment percentage. **11a**
- 11b** Related member's apportionment percentage. **11b**
- 11c** Related member's apportionment percentage. **11c**
- 11d** Related member's apportionment percentage. **11d**
- 11e** Related member's apportionment percentage. **11e**

12 Multiply line 10 by line 11. Where the related member is taxed in more than one jurisdiction, multiply the respective responses from lines 10 and 11.

- 12a** **12a**
- 12b** **12b**
- 12c** **12c**
- 12d** **12d**
- 12e** **12e**

13 For each jurisdiction referenced in line 8, enter tax rate(s) applied to the related entity.

- 13a** Related entity's tax rate. **13a**
- 13b** Related entity's tax rate. **13b**
- 13c** Related entity's tax rate. **13c**
- 13d** Related entity's tax rate. **13d**
- 13e** Related entity's tax rate. **13e**

14 Divide each rate in line 13 by line 4. Do not enter more than "1".

- 14a** **14a**
- 14b** **14b**
- 14c** **14c**
- 14d** **14d**
- 14e** **14e**



Name of taxpayer Federal Identification number For tax year beginning Ending

Exception 2 (cont'd.)

15 Exception amount claimed. Multiply line 12 by line 14. Where the related member is taxed in more than one jurisdiction, multiply the respective responses from lines 12 and 14. Enter here and in Total Exceptions Claimed, line 2.

- 15a through 15f with input boxes for amounts.

Exception 3. Exception based on supporting statement.

Taxpayer must prepare with its tax return and make available to the Commissioner upon request a supporting statement prepared in accordance with the Department's public written statements. All double tax exception claims must be made by answering the questions in Exception 1 or 2.

Basis for this claim (fill in only one): Business purpose or economic substance Section 31K foreign treaty exception

- 1 through 19 with various input boxes and radio buttons for questions regarding interest expense and tax exceptions.