# WALKING AWAY FROM A CORPORATION/LLC QUALIFIER

Use this checklist to see if the FTB can hold the shareholder or LLC member liable for unpaid income and franchise taxes.

## PART I

1. **Compensation taken from corporation/LLC:**
   - A. Cash ............................................................................................................. $___________
   - B. Fair market value of tangible personal property ................................... _______________
   - C. Fair market value of real estate ................................................................ _______________
   - D. Fair market value of inventory................................................................. _______________
   - E. Fair market value of accounts/notes payable ........................................ _______________
   - F. Face value of loans to shareholder/member ........................................... _______________
   - G. Fair market value of goodwill .................................................................. _______________
   - H. Fair market value of other intangibles .................................................... _______________
   - I. Other compensation taken ........................................................................ _______________
   - J. Total compensation received by shareholder/member (Add lines A – I) $___________

2. **Consideration given by shareholder/member:**
   - A. Wages or other compensation paid ......................................................... $___________
   - B. Loans from shareholder/member to corporation/LLC ....................... _______________
   - C. Liabilities assumed by shareholder/member ........................................ _______________
   - D. Corporate/LLC expenses paid by shareholder/member .................... _______________
   - E. Other consideration ................................................................................... _______________
   - F. Capital stock at shareholder’s cost (corporation) .................................. _______________
   - G. Member contributions (LLC) ................................................................. _______________
   - H. Total consideration given by shareholder/member (Add lines A – G) $___________

## PART II

If the answers to ALL of the following questions are YES, the FTB may hold the shareholder/member liable for income or franchise taxes:

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**Website**

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