



“Apportionable income” means all income that is apportionable under the Constitution of the United States and is not allocated under the laws of this state. Apportionable income includes, but is not limited to, income arising from transactions and activity in the regular course of the corporation’s trade or business. Apportionable income also includes, but is not limited to, income arising from tangible and intangible property if the acquisition, management, employment, development, or disposition of the property is or was related to the operation of the corporation’s trade or business.

Example: The taxpayer is engaged in the heavy construction business and uses equipment such as cranes and tractors. The taxpayer makes short-term leases of the equipment when the equipment is not needed on any particular project. The rental income from these leases is apportionable income.

“Nonapportionable income” means all income other than apportionable income.

Example: The taxpayer’s business is to operate a multistate chain of grocery stores. During the tax year, the taxpayer unexpectedly receives a plot of timberland bequeathed to it from a former employee. The taxpayer has never previously engaged in the sale of land or received a bequest. The taxpayer sells the timberland within that same tax year, and distributes all proceeds from the sale in a dividend to the taxpayer’s shareholders. The gain from that sale of timberland is nonapportionable income.

If you run out of space to enter information on Page 1 of Form MO-NAI, attach additional schedules/statements. If you have previously received a Letter Ruling, Final Decision, binding agreement, or other legal document from the Missouri Department of Revenue, Missouri Administrative Hearing Commission, or a Missouri court of competent jurisdiction, classifying an item of income listed above as nonapportionable income, attach a copy of that document.

