

APA-1

Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-3-32-.01.01

Rule Title: Political Organizations

New; Amended; Repealed; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that result from the absence of the proposed rule? N/A

Are all the facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer
Date 08/21/2017

Michael D. Gendron

APA-6
10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-32-.01.01

Rule Title: Political Organizations

 New Amend X Repeal Adopt by Reference

NO
 YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND

**BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE
BENEFITS AND BURDEN COMPARISON:**

9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC
HEALTH:**

10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH
IF THE RULE IS NOT IMPLEMENTED:**

11. **OTHER COMMENTS:**

ALABAMA DEPARTMENT OF REVENUE
Individual and Corporate Tax

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

| | |
|-----------------|--|
| 810-3-32-.01.01 | Political Organizations |
| 810-3-32-.03 | Unrelated Business Taxable Income |
| 810-3-38-.01 | Additional Deductions Allowed for Corporations |
| 810-3-39-.04 | Incentive Rules for Alabama Affiliated Groups Filing |
| 810-3-39-.06 | Mechanics of Consolidated Filing |

INTENDED ACTION

Repealed; Repealed; Repealed; Repealed; Repealed

SUBSTANCE OF PROPOSED ACTION:

The department proposes to repeal the above mentioned rules because during reviewal of the rule required by the Red Tape Reduction Act they were determined to be superfluous to the Alabama statute.

RULE NO. & TITLE

| | |
|--------------|----------------------|
| 810-3-17-.01 | Items Not Deductible |
|--------------|----------------------|

INTENDED ACTION

Amended

SUBSTANCE OF PROPOSED ACTION:

The department proposes to amend the above mentioned rule to include items that are now deductible and to add clarification on others that are not deductible.

RULE NO. & TITLE

| | |
|--------------|--------------------|
| 810-3-32-.02 | Proof of Exemption |
|--------------|--------------------|

INTENDED ACTION

Amended

SUBSTANCE OF PROPOSED ACTION:

The department proposes to amend the above mentioned rule, because during the reviewal required by the Red Tape Reduction Act, it was determined that within the rule there is a reference to 810-3-32-.03 which is being recommended for repeal.

RULE NO. & TITLE

| | |
|--------------|---|
| 810-3-39-.02 | Extension of Time for Filing a Corporation Return |
| 810-3-39-.05 | Taxable Years Following an Election Period for an Alabama Affiliated Group. |
| 810-3-71-.01 | Employers Required to Withhold Tax from Wages |
| 810-3-71-.02 | Computing Tax Withheld |
| 810-3-72-.01 | Included and Excluded Wages |
| 810-3-75-.01 | Withholding Statement Furnished Employees |
| 810-3-75-.02 | Extensions Of Time for Filing Reports Under Withholding Tax Laws |

INTENDED ACTION Amended; Amended; Amended; Amended; Amended; Amended; Amended

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above mentioned rule to comply with the Red Tape Reduction Act 2013-88 consisting of non technical clarifications.

RULE NO. & TITLE
810-9-1-.05 Apportionment and Allocation of Net Income of Financial Institutions

INTENDED ACTION Amended

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above mentioned rule pursuant to Alabama Act 2017-165 that requires multi-state financial institutions to include loans and credit card receivables in the calculation of their Alabama property factor, which will be sourced consistent with the interest receipts associated with such loans.

RULE NO. & TITLE
810-3-39-.03 Consolidated Filing

INTENDED ACTION New, Repealed

SUBSTANCE OF PROPOSED ACTION: The department proposes to repeal and create a new rule as required by the Red Tape Reduction Act. Proposed repealed rule has been deemed outdated due to changes to Alabama statute. Therefore, a new updated rule is also proposed.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **02:30 PM on Tuesday, October 10, 2017, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://www.revenue.alabama.gov/analysis/rules.cfm>.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time following publication of the notice up until the conclusion of the hearing. Interested parties may also appear at the hearing to present their views.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Tuesday, October 10, 2017

CONTACT PERSON AT AGENCY:

Meagan Barrett

Alabama Department of Revenue
4131 Gordon Persons Building



Michael D. Gamble, Secretary
Alabama Department of Revenue

Montgomery, Alabama 36132
(334) 242-1380

(1) A "Political Committee" as defined in Section 17-22A-1, et seq., Code of Ala. 1975, is "any political committee, club, association, principal campaign committee, political party, or other group of one or more persons which receives or anticipates receiving contributions or makes or anticipates making expenditures to or on behalf of any elected official, proposition, candidate, principal campaign committee or other political committee."

(2) The above defined organizations are taxable for Alabama tax purposes to the same extent and in the same manner as any other entity that exceeds the protection afforded by P.L. 86-272.

Author: Michael E. Mason, CPA
Authority: Code of Ala. 1975, §§40-2A-7(a)(5) and 17-22A-1
History: New rule filed May 5, 1999, effective June 9, 1999.