

APA-1

### Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-3-39-.13

Rule Title: Alabama Requirements for Compliance with Administrative Rule 810-3-39-.12

New;  Amended;  Repealed;  Adopt by Reference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 Services Agency.



Signature of certifying officer  
Date 12/19/2017

APA-6  
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-39-.13

Rule Title: Alabama Requirements for Compliance with Administrative Rule 810-3-39-.12

New  Amend  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**

810-2-8-.06

Extension of Time for Filing of Business Privilege Tax Returns

**INTENDED ACTION**

New, Repeal

**SUBSTANCE OF PROPOSED ACTION:**

The department proposes to comply with Act 2017-363 (HB46) that amended Code Sections 40-14A-22 and 40-14A-25 to make the due dates of returns for Business Privilege Tax and Financial Institutions Excise Tax coincide with the corresponding federal due dates,

**RULE NO. & TITLE**

810-3-29-.05

Requirements for Electronic Filing Software - Fiduciary Tax Returns

810-3-39-.10

Requirements for Electronic Filing Software - Corporate Tax Returns

**INTENDED ACTION**

New, Repeal

**SUBSTANCE OF PROPOSED ACTION:**

The department proposes to update the above mentioned rules in compliance with the Red Tape Reduction Act 2013-088. This rule concerns the electronic filing program requirements for software developers. The new rule replaces outdated verbiage and lays out guidelines which must be followed to successfully participate in the program from acceptance to revocation.

**RULE NO. & TITLE**

810-3-39-.13

Alabama Requirements for Compliance with Administrative Rule 810-3-39-.12

**INTENDED ACTION**

New, Repeal

**SUBSTANCE OF PROPOSED ACTION:**

The department proposes to To repeal and replace the above mentioned rule in order to maintain consistency and uniformity throughout all MEF rules. The original rule which is being repealed has duplicate language included in Rule 810-3-39-.11. The new proposed rule contains the requirements for an electronic Corporate Income Tax Return.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at **01:30 PM on Tuesday, February 13, 2018, 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/tax-policy/>.

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, February 13, 2018

**CONTACT PERSON AT AGENCY:**

Meagan Barrett

Alabama Department of Revenue  
4131 Gordon Persons Building  
Montgomery, Alabama 36132  
(334) 242-1380



Michael D. Gamble, Secretary  
Alabama Department of Revenue

(1) An income tax preparer may be subject to a random monitoring visit for not electronically filing returns.

(2) If it is shown that failure to electronically file corporate/partnership income tax return is due to willful neglect and not due to reasonable cause, then that tax preparer's acceptance in the Alabama e-file program shall be revoked, and that tax preparer shall be unable to electronically transmit corporate/partnership income tax returns to the Department.

(3) For purposes of this rule, reasonable cause includes, but is not limited to:

(a) Any electronically prepared original corporate/partnership income tax return that cannot be filed or transmitted electronically by the tax preparer, or any original corporate/partnership income tax return that cannot be accepted by the Department.

(4) Any original corporate/partnership income tax return prepared, including those not electronically filed due to "reasonable cause," will be included in the total mandate return count as defined in 810-3-39-.12.

Author: Jo Ann Ledbetter, Richard Henninger, and Ann F.  
Winborne, CPA

Authority: Sections 40-2A-7(a)(5), 40-18-40, and 40-30-1  
through 6, Code of Alabama 1975

History: New rule: Filed January 28, 2010, effective March 4, 2010.

810-3-39-.13 Requirements for the Alabama Electronic Corporate Income Tax Return. (NEW RULE)

(1) **SCOPE** – To define the filing and payment requirements for an Alabama electronic Corporate Income Tax return filed through the Alabama Business Modernized E-File program. Terms are defined to clarify when an electronic return is considered to be timely filed for accepted and rejected returns.

**(2) Return Filing and Payment Requirements**

(a) A complete Alabama electronic Corporate Income Tax return will consist of XML data transmitted electronically and supporting binary documents (such as .pdf documents) as required by the Alabama Corporate Modernized Electronic Filing (MeF) schemas, business rules, and Alabama Business MeF Software Developers and Transmitters Guidelines (Publication 4164). A complete Alabama electronic Corporate Income Tax return must contain the same information as a comparable Alabama Corporate Income Tax return as if filed entirely on paper.

(b) Corporations that electronically file their Alabama Corporate Income Tax return must also pay their tax liability electronically.

(c) S-Corporations that electronically file their Alabama S-Corporation Income Tax return must also pay their tax liability electronically on the Form PTEC (Nonresident Composite Payment Return) if applicable.

**(3) Timely Filed Information for Accepted and Rejected Returns**

(a) The electronic postmark or IRS received date of an accepted Alabama electronic Corporate Income Tax return will be used to determine timely filing of an electronic return in the same manner that the postmarked date is used to determine timely filing of a paper Alabama Corporate Income Tax return.

(b) The electronic postmark (based on the taxpayer's time zone) will be used as the received date of the electronic transmission if the electronic postmark is within three (3) days of the IRS received date. However, if there is no electronic postmark date or if the electronic postmark date is greater than three (3) days of the IRS received date, then the IRS received date will be used.

(c) If a timely filed electronic return is rejected, the filer has the later of 10 calendar days from the date of the first transmission or the due date of the return (with extensions) to correct the errors and resubmit the return. In order for the Department to acknowledge the transmission date of the original return, the submission ID of the original return must be transmitted in each subsequent filing. If the return is resubmitted and accepted after the due date (with extensions) or the transmission perfection period, the received date will be the transmission date of the accepted resubmitted (perfected) return and not the date that the original rejected return was

submitted.

(d) Perfection of a return for electronic re-transmission is generally required when the original timely filed electronic return had errors in the XML format, or errors that caused the return to fail Alabama Corporate MeF schema validation and or business rules. Therefore, the transmission perfection period is not an extension of time to file; it is a period of time to correct errors in the electronic file.

(e) If a filer is unable to correct a rejected electronic Alabama Corporate Income Tax Return to an accepted status, the filer must submit their paper return with a copy of the last rejection notification from the Department. To be considered timely filed, this paper return must be postmarked by the later of the due date of the return (including extensions) or 10 calendar days after the date that Alabama last gives notification that the return was rejected. If the paper return is received after the due date or the transmission perfection period, the received date will be the postmark date of the paper return.

Author: Michaelyn N. Adams and Melissa A. Gillis  
Authority: Sections 40-2A-7(a)(5) and 40-30-5, Code of Alabama 1975  
History: New rule: