

### Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-2-6

Rule Title: Franchise Tax and Securities Recording Forms and Returns

New;  Amended;  Repealed;  Adopt by Reference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 relate to or effect any matter of litigation which the agency is a party to concerning the subject matter of the proposed rule? No

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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.

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#### 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 05/21/2018

APA-6  
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-2-6

Rule Title: FRANCHISE TAX AND SECURITIES RECORDING FORMS AND RETURNS

           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**

810-2-1	Corporations
810-2-2	Permit Fees
810-2-5	Registration Of Securities
810-2-6	Franchise Tax and Securities Recording Forms and Returns
810-3-200	Income Tax Forms Appendix I

**INTENDED ACTION** Repeal

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to repeal the above mentioned chapters because during reviewal of the rules required by the Red Tape Reduction Act they were determined to no longer be needed.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at **01:50 PM on Tuesday, July 10, 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, July 10, 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

**CHAPTER 810-2-6 FRANCHISE TAX AND SECURITIES RECORDING FORMS AND RETURNS**

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**810-2-6-.02 Form FTI-1 Foreign Corporation Franchise Tax Return, Permit Application, And Annual Report**

**810-2-6-.03 Form FTI-1A Foreign Franchise Tax Extension Request, Permit Application, And Annual Report**

**810-2-6-.04 Form 1-28 - Foreign Corporations, Newly Qualifying, Form To Be Used By**

**810-2-6-.05 Form FTS10 - Tax Return For Assessment Of Shares Of Domestic Corporations**

**810-2-6-.06 Form FT4-1 - Registration Of Securities By An Agent**

**810-2-6-.07 Form FT4-2 - Registration Of Securities By Owner**

**810-2-6-.08 Registration Of Securities - Reference 40-24-1 Through 40-24-8**

**810-2-6-.09 Petition for Refund-Money Paid Erroneously To The Department Of Revenue (Form FT8-2)**

**810-2-6-.10 Annual Report Of License Tax On Telephone Business To The State Department Of Revenue (Form FT5-8)**

**810-2-6-.11 Domestic Corporation Franchise Tax Return Instructions (Form FT2-14)**

**810-2-6-.12 Application For Agents Occupational License As A Mortgage Loan Broker (Form FT6-2)**

**810-2-6-.13 Schedule Of Capital Employed By Foreign Insurance Corporations (Form FT1-26)**

**810-2-6-.14 Instruction For Preparation Of Annual Foreign Corporation Franchise Tax Return And Annual Report-Franchise Tax Extension Request And Permit Application (Form FT1-2)**

**810-2-6-.15 2.2% Gross Receipts Tax Annual Report (Form FT5-7)**

810-2-6-.16 Hydro-Electric Company Gross Receipts Annual Report (Franchise Tax Form FT5-24)

810-2-6-.17 Railroad Annual Ad Valorem Tax Data Report (Form FT5-16)

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810-2-6-.21 Other Than Class "A" Telephone Company Annual Report (Form FT5-17)

810-2-6-.22 Electric Cooperative Annual Report (Form FT5-18)

810-2-6-.23 Radio Common Carriers Annual Report (Form FT5-20)

810-2-6-.24 Annual Report To State Of Alabama For Commercial Airlines Return Of Property (Form FT5-14)

810-2-6-.25 Railroad Return Of Freight Line Equipment (Form FT3-4)

810-2-6-.01 Form FT2-1 - Domestic Corporation Franchise Tax Return, Permit Application, And Annual Report. See Exhibit 1. (See Exhibit in Master Code.)

Author:

Statutory Authority: Code of Ala. 1975, §40-14-44.

History:

810-2-6-.02 Form FTI-1 Foreign Corporation Franchise Tax Return, Permit Application, And Annual Report. See Exhibits 2 and 4 (Foreign Insurance Companies Only). (See Exhibits in Master Code.)

Author:

Statutory Authority: Code of Ala. 1975, §40-14-44.

**History:**

**810-2-6-.03 Form FTI-1A Foreign Franchise Tax Extension Request, Permit Application, And Annual Report.** See Exhibit 3. (See Exhibit in Master Code.)

**Author:**

**Statutory Authority:** Code of Ala. 1975, §40-14-44.

**History:**

**810-2-6-.04 Form 1-28 - Foreign Corporations, Newly Qualifying, Form To Be Used By.** See Exhibit 5. (See Exhibit in Master Code.)

**Author:**

**Statutory Authority:** Code of Ala. 1975, §40-14-44.

**History:**

**810-2-6-.05 Form FTS10 - Tax Return For Assessment Of Shares Of Domestic Corporations.** See Exhibit 6. (See Exhibit in Master Code.) Instructions for filing this return are as follows, and failure to answer all questions and furnish the required information for use in determining the value of the shares may render the return unacceptable.

(a) The return (Form FTS 10 - Exhibit 6) is due on October 1, 1981 and thereafter and delinquent after the third Monday in January of 1982.

(b) Failure to file this return, with attachments listed below, with the Department of Revenue, shall result in a ten percent (10%) penalty automatically attached by statute.

(c) Attach to the copy of the Return to be filed with the Department of Revenue a true and correct copy of the Balance Sheet, corresponding Profit and Loss Statement, and Reconciliation of Retained Earnings for the annual of

fiscal closing period of the corporate books between October 1, 1980 and October 1, 1981.

(d) Assets listed as "Investments" in the Balance Sheet submitted should be separately itemized to show the name and acquisition cost of any Alabama Corporate Stock owned and held by the Corporation.

(e) In the Asset section of the Balance Sheet the net Book Value (cost less accumulated depreciation) of all Motor Vehicles owned by and assessed to and taxes paid by the corporation should be separately shown.

(f) In the Corporation owns Real and/or Personal Property situated outside the State, a schedule of such property should be attached showing the Book Value of such property and the names of the States in which the property is located. The book value is now allowed as a deduction from the total value of shares of stock by law.

(g) Below should be listed the various Alabama Counties in which the Corporation owns tangible property and has rendered an ad valorem tax assessment for the current tax year. Copies of all Certificates of Assessment must be attached to this return showing the assessed value of the property by the county assessing authority.

COUNTY \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(h) The actual location of the Home or Chief Office of the Corporation should be shown as the address of the Corporation. Of the Officer of the Corporation who signs the return does not receive mail at the Home Office of the Corporation, his actual address should be shown. While Post Office Boxes may be used in conjunction with the actual address, Post Office Box addressed alone will not be acceptable as sufficient addresses. See Code of Ala. 1975, §§40-14-70 through 40-14-74, as amended.



Author:

Statutory Authority: Code of Ala. 1975, §40-14-70.

History:

810-2-6-.06 Form FT4-1 Registration Of Securities By An Agent. See Exhibit 7. (See Exhibit in Master Code.)

Author:

Statutory Authority: Code of Ala. 1975, §40-24-3.

History:

810-2-6-.07 Form FT4-2 Registration Of Securities By Owner. See Exhibit 8. (See Exhibit in Master Code.)

Author:

Statutory Authority: Code of Ala. 1975, §40-24-3.

History:

810-2-6-.08 Registration Of Securities - Reference 40-24-1 Through 40-24-8. See Exhibit 9. (See Exhibit in Master Code.)

Author:

Statutory Authority: Code of Ala. 1975, §40-24-3.

History:

810-2-6-.09 Petition For Refund-Money Paid Erroneously ToThe Department Of Revenue (Form FT8-2).

810-2-6-.10 Annual Report Of License Tax On Telephone Business To The State Department Of Revenue (Form FT5-8).

810-2-6-.11 Domestic Corporation Franchise Tax Return Instructions (Form FT2-14).

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810-2-6-.15 2.2% Gross Receipts Tax Annual Report  
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810-2-6-.16 Hydro-Electric Company Gross  
Receipts Annual Report (Franchise Tax Form FT5-24).

Author:

Statutory Authority: Code of Ala. 1975, §40-14-44.

History:

810-2-6-.17 Railroad Annual Ad Valorem Tax Data  
Report (Form FT5-16).

810-2-6-.18 Utility Companies Statement Of  
Additions To Property In Alabama (Form FT5-2).

Author:

Statutory Authority: Code of Ala. 1975, §40-14-44.

History:

810-2-6-.19 Freight Line And Equipment Companies-  
Annual Report To State Department Of Revenue (Form FT3-  
1).

Author:

Statutory Authority: Code of Ala. 1975, §40-14-44.

History:

810-2-6-.20 Water Company Annual Report (Form 5-15).

810-2-6-.21 Other Than Class "A" Telephone Company Annual Report (Form FT5-17).

810-2-6-.22 Electric Cooperative Annual Report (Form FT5-18).

810-2-6-.23 Radio Common Carriers Annual Report (Form FT5-20).

810-2-6-.24 Annual Report To State Of Alabama For Commercial Airlines Return Of Property (Form FT5-14).

810-2-6-.25 Railroad Return Of Freight Line Equipment (Form FT3-4).

EXHIBIT 1

Form al2001

Form al2002

EXHIBIT 2

Form al2003

Form al2004

Form al2005

Form al2006

EXHIBIT 3

Form al2007

Form al2008

EXHIBIT 4

**SCHEDULE-CAPITAL EMPLOYED BY FOREIGN INSURANCE  
CORPORATIONS**

This schedule is to be attached to Franchise Tax Return and Permit Application filed with the Department of Revenue by insurance companies qualifying or qualified to do business in Alabama in lieu of completing Sections A, B, C, D and F. All items on this form must be completed.

CAPITAL EMPLOYED IN ALABAMA FOR 19\_\_\_\_

A. Book values of Alabama real estate and improvements  
\_\_\_\_\_

B. Supplies located as Alabama (estimated value)  
\_\_\_\_\_

C. Higher of book value or assessed value of all  
\_\_\_\_\_

personal property located in Alabama

D. Average period's payroll for all Alabama salaried  
\_\_\_\_\_

employees

E. Average monthly payment to Alabama insurance brokers  
\_\_\_\_\_

and agents

F. Amount of rent paid in Alabama for one month  
\_\_\_\_\_

G. Alabama accounts receivable exclusive of policy loans  
\_\_\_\_\_

and recorded real estate mortgages

H. Cash on deposit in Alabama banks which is used in  
\_\_\_\_\_

Alabama operations

I. Unauthorized leasehold improvements in Alabama  
\_\_\_\_\_

J. Securities on deposit in Alabama \_\_\_\_\_

K. Securities issued by State of Alabama or political  
\_\_\_\_\_

subdivision thereof

L. Mortgages receivable on Alabama real state  
\_\_\_\_\_

M. Other assets located in Alabama and employed in  
\_\_\_\_\_

Alabama activities

CAPITAL EMPLOYED (Enter Line 11. Section E)  
\_\_\_\_\_

[COMPLETE] LINES 11. THROUGH 16. SECTION E OF FORM FT 1-1  
FOR FRANCHISE TAX PURPOSES

\_\_\_\_\_  
Corporate name

\_\_\_\_\_  
Address

**EXHIBIT 5**

FORM TO BE USED BY NEWLY QUALIFYING FOREIGN CORPORATIONS  
TO DETERMINE AMOUNT OF ALABAMA CAPITAL EMPLOYED AT DATE  
OF QUALIFICATION. THE AMOUNT THUS DETERMINED IS THE TAX  
MEASURE FOR BOTH FOREIGN CORPORATION FRANCHISE TAX AND  
FOREIGN CORPORATION PERMIT FEE.

This schedule should be completed showing the corporation's Alabama status at date of qualification. If this schedule is submitted with the initial return will not be necessary to complete Sections A through F on the Franchise Tax form. The sum of items 1 through 5 below should be entered as the Alabama Franchise Tax Base in Section E.

1. Alabama Cash \_\_\_\_\_
2. Alabama Accounts Receivable \_\_\_\_\_
3. Alabama Inventory \_\_\_\_\_
4. Alabama Tangible Property, exclusive of inventory of  
\_\_\_\_\_ book value
5. Alabama Assets (either tangible or nontangible not  
\_\_\_\_\_ included in 1 through 4 above

ALABAMA FRANCHISE TAX BASE (Enter in Section E)  
\_\_\_\_\_  
\_\_\_\_\_

Corporate Name  
\_\_\_\_\_

Address  
\_\_\_\_\_

**EXHIBIT 6**

**Form al2009**

**EXHIBIT 7**

Form a12010

EXHIBIT 8

Form a12011

EXHIBIT 9

Form a12012