

APA-1

Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-3-27-.08

Rule Title: Acceptance into the Alabama Electronic Filing Program, Monitoring, and Revocation of Acceptance into the Program.

New; Amended; Repealed; Adopt by Reference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 10/20/2017

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10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-27-.08

Rule Title: Acceptance into the Alabama Electronic Filing Program, Monitoring, and Revocation of Acceptance into the Program.

 New X 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-.12 | Requirements for the Alabama Electronic Business Privilege Tax Return. |
| 810-3-27-.05 | Requirements for the Alabama Electronic Individual Income Tax Return. |
| 810-3-27-.07 | Requirements for Electronic Filing Software. |
| 810-3-28-.05 | Requirements for Electronic Filing Software - Partnership/LLC Returns. |

INTENDED ACTION

Repeal, New

**SUBSTANCE OF
PROPOSED ACTION:
RULE NO. & TITLE**

The department proposes to repeal and replace the above mentioned rules in order to comply with the Red Tape Reduction Act 2013-088.

| | |
|---------------|---|
| 810-3-27-.06 | Requirements for the Individual Income Tax Declaration for Electronic Filing. |
| 810-3-27-.08 | Acceptance into the Alabama Electronic Filing Program, Monitoring, and Revocation of Acceptance into the Program. |
| 810-3-28-.02 | Participation in the Federal/State Electronic Filing Program - Partnership/LLC Returns of Income. |
| 810-3-28-.03 | Requirements For The Alabama Electronic Partnership/LLC Return Of Income. |
| 810-3-28-.04 | Requirements for the Partnership/LLC Return of Income Declaration for Electronic Filing. |
| 810-3-28-.06 | Acceptance Into The Alabama Electronic Filing Program, Monitoring, And Revocation Of Acceptance Into The Program. |
| 810-3-28-.07 | Alabama Requirements for Mandatory E-File of Original Partnership/Limited Liability Company Income Tax Returns. |
| 810-3-29-.08 | Alabama Requirements for Mandatory E-File of Fiduciary Income Tax Returns. |
| 810-3-176-.01 | Composite Returns of Alabama S Corporations. |

INTENDED ACTION

Amend

**SUBSTANCE OF
PROPOSED ACTION:**

The department proposes to amend the above mentioned rules in compliance of the Red Tape Reduction Act 2013-088. To add and remove applicable language.

RULE NO. & TITLE

| | |
|--------------|--|
| 810-3-28-.08 | Alabama Requirements for Compliance with Administrative Rule 810-3-28-.07. |
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INTENDED ACTION

Repeal

**SUBSTANCE OF
PROPOSED ACTION:**

The department proposes to repeal the above mentioned rules in compliance of the Red Tape Reduction Act 2013-088. The rules language is no longer

applicable.

RULE NO. & TITLE

810-3-28-.09

Requirements for the Alabama Electronic Partnership/LLC Return of Income Tax Return.

INTENDED ACTION

New

**SUBSTANCE OF
PROPOSED ACTION:**

The department proposes to create the above mentioned rule to define the filing and payment requirements of an Alabama electronic partnership/LLC return of income.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **01:45 PM on Tuesday, December 12, 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/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, December 12, 2017

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

810-3-27-.08 Acceptance into the Alabama Electronic Filing Program, Monitoring, and Revocation of Acceptance into the Program. Acceptance, Monitoring, and Revocation of Acceptance into the Alabama Individual Modernized E-File Program for Electronic Return Originators and Transmitters.

(1) SCOPE – This rule explains the requirements for electronic return originators and transmitters (not to include software developers and transmitters – See Rule 810-3-27-.07) to obtain and sustain active approval to serve as an Alabama Department of Revenue electronic filing agent in order to transmit returns through the Alabama Individual Modernized E-File Program.

(12) Electronic return originators and transmitters accepted by and in good standing with the **Federal Internal Revenue Service (IRS)** Electronic Filing Program are automatically accepted into the Alabama Electronic Filing Program. **This does not include software developers. They must complete the approval process with the Alabama Department of Revenue (See Rule 810-3-27-.07).**

(23) Electronic return originators and transmitters accepted into the Alabama Electronic Filing Program serve as agents of the Alabama Department of Revenue, and must comply with the requirements of the program as stated in the **Alabama Handbook for Electronic Filers of Individual Income Tax Returns Alabama Handbook for Modernized e-File (MeF) for Individual Preparers (Publication AL4163).**

(34) The Alabama Department of Revenue will conduct random monitoring visits with Electronic Return Originators and Transmitters to verify that the requirements of the Alabama Electronic Filing Program are being met.

(45) The Alabama Department of Revenue reserves the right to revoke the acceptance of an electronic return originator or transmitter for cause. Failure to comply with the guidelines set forth in **the Alabama Handbook for Electronic Filers of Individual Income Tax Returns Alabama Handbook for Modernized e-File (MeF) for Individual Preparers (Publication AL4163)** is considered cause.

(56) Any of the following can result in the revocation of an electronic return originator's or transmitter's acceptance into the program:

- (a) Conviction of a criminal offense under the revenue laws of any state or of any offense involving dishonesty, or breach of trust.
- (b) Failure to file timely and accurate tax returns, both personal and business.
- (c) Failure to pay personal tax liabilities or business tax liabilities.
- (d) Failure or refusal to effect corrective action as required by the Alabama Department of Revenue.

(e) Other facts or conduct of a disreputable nature that would reflect adversely on the Alabama Electronic Filing Program.

(f) Unethical practices in return preparation.

(g) Suspension by IRS.

Author: Ed Cutter **and Tavares Mathews.**

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

History: New rule filed April 23, 1998, effective date May 28, 1998.