

APA-1

Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-3-28-.04

Rule Title: Requirements for the Partnership/LLC Return of Income Declaration for Electronic Filing

New; Amended; Repealed; Adopt by Reference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

APA-6
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-28-.04

Rule Title: Requirements for the Partnership/LLC Return of Income Declaration for Electronic Filing

_____ New Amend _____ Repeal _____ Adopt by Reference

- NO This rule has no economic impact.
 YES 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

810-3-28-.04 Requirements for the Partnership/LLC Return of Income Declaration for Electronic Filing.

(1) SCOPE – This rule defines the information required for the Partnership/LLC Return of Income declaration for electronic filing, which includes forms 65 and PTEC **that are filed through the Alabama Business Modernized E-File Program.**

(2) The Partnership/LLC Income Return of Income Declaration for Electronic Filing requires the following information:

- (a) The partnership/LLC's name.
- (b) The partnership/LLC's Federal Employer Identification Number.
- (c) The partnership/LLC's address.
- (d) The partnership/LLC's Phone Number.
- (e) The non-separately stated income allocated and apportioned to Alabama as reported by the electronic return.
- (f) If applicable, authorization for the Department and its designated financial agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the Partnership/LLC's Alabama taxes owed (as reported on the form PTEC if applicable), and the financial institution to debit the entry to this account.
- (g) Authorization for the Department to discuss the return and attachments with the preparer.

(h) Consent to the disclosure of all information pertaining to the user of the computer system and software used to create the business tax return and to the electronic transmission of the business tax return to the Department.

(h)(i) The signature of an officer/partner of the partnership/LLC, their title and date of the signature. **The Department will accept a signature made on a signature pad (defined in Rule 810-3-28-.03).**

(i)(j) The signature of the electronic return originator and date of the signature.

(j)(k) An indication whether the electronic return originator is self-employed.

(k)(l) The firm name of the electronic return originator.

(l)(m) The address, including the zip code, of the electronic return originator.

(m)(n) The federal employer identification number of the electronic return originator.

(n)(o) If the paid preparer is different from the electronic return originator, the following information is required:

1. The signature of the paid preparer and date of the signature.
2. An indication whether the paid preparer is self-employed.
3. The firm name of the paid preparer.
4. The address, including the zip code, of the paid preparer.

(3) The signatures of the officer/partner, the electronic return originator, and the paid preparer (if the paid preparer is different from the electronic return originator) must be affixed to the Alabama Form AL8453 - PTE-S-Corporation/Partnership Income Tax Declaration for Electronic Filing before the return is electronically transmitted.

(a) Members of the firm or designated employees may sign for the electronic return originator.

(b) If the taxpayer is unable to obtain the paid preparer's signature on the Alabama Form AL8453 - PTE, in lieu of the paid preparer's signature the electronic return originator may attach to the Alabama Form AL8453 - PTE a copy of the appropriate pages of the paper return with the paid preparer's signature.

(c) Electronic return originators and electronic return preparers are prohibited from allowing taxpayers to sign blank Alabama Forms AL8453 - PTE.

(4) The completed and signed Alabama Form AL8453 - PTE will serve as the filing declaration for the electronic Alabama Partnership/LLC return of income and the Subchapter K Entities/S Corporations Nonresident Composite Payment Return.

(5) The completed and signed Alabama Form AL8453 - PTE must be retained by the electronic return originator for a period of three years from the due date of the return or three years from the date the return was filed, whichever is later. The electronic return originator will provide the Department with the original Alabama Form AL8453 - PTE within five business days of receiving a written request for the documents from the Department.

Author: Neal Hearn, Kathleen C. Abrams, Veronica Jennings and Melissa

Gillis

Authority:

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

History:

New Rule: Filed January 22, 2007, effective February 26, 2007.

Amended: Filed January 28, 2010, effective March 4, 2010.

Amended: Filed January 27, 2014, effective March 3, 2014.

Amended: Filed January 27, 2015, effective March 3, 2015.