

APA-1

Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-3-26-.03

Rule Title: Reporting Requirements of Payment Settlement Entities (PSE).

New; Amended; Repealed; Adopt by Reference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 09/20/2017

APA-6
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-26-.03

Rule Title: Reporting Requirements of Payment Settlement Entities (PSE).

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:

APA-2

ALABAMA DEPARTMENT OF REVENUE
Individual and Corporate Tax

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-3-26-.03

Reporting Requirements of Payment Settlement Entities (PSE).

INTENDED ACTION

New

**SUBSTANCE OF
PROPOSED ACTION:**

The department proposes to create the above mentioned rule to reflect the provisions established in Act 2017-294. Payment settlement entities who are required to file 1099-K information returns with the IRS must also file with the Department within 30 days of the IRS due date.

RULE NO. & TITLE

810-3-136-.01

Historic Rehabilitation Tax Credit

810-3-136-.02

Availability, Claiming and Transferability.

810-3-136-.03

Improperly Obtained Tax Credits and Recapture of Tax Credits.

INTENDED ACTION

Amend

**SUBSTANCE OF
PROPOSED ACTION:**

The department proposes to amend the above mentioned rules to reflect the appropriate Historic Rehabilitation Tax Credit year of passage due to the enactment of 2017-380.

RULE NO. & TITLE

810-3-137-.01

Historic Rehabilitation Tax Credit of 2017 - General Guidelines.

810-3-137-.02

Historic Rehabilitation Tax Credit of 2017 - Availability, Claiming and Transferability of the Historic Rehabilitation Tax Credit.

810-3-137-.03

Historic Rehabilitation Tax Credit of 2017- Improperly Obtained Historic Rehabilitation Tax Credits.

INTENDED ACTION

New

**SUBSTANCE OF
PROPOSED ACTION:**

The department proposes to create the above mentioned rules to provide guidance regarding the statutory requirements of the Historic Rehabilitation Tax Credit of 2017 to be used by the Department of Revenue in the administration of the Historic Rehabilitation Tax Credit of 2017.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **01:45 PM** on **Tuesday, November 14, 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, November 14, 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

(1) Payment settlement entities, third party settlement organizations, electronic payment facilitators or other third parties acting on behalf of a payment settlement entity, all as defined in IRC Section 6050W who are required to file 1099-K information returns with the IRS relating to payments made in settlement of payment card and third party network transactions must also file a duplicate of such returns with the Department.

(2) Such returns must be filed electronically with the Department and shall include one of the following in their electronic submission:

(a) a duplicate of all 1099-K information returns filed with the IRS, or

(b) a duplicate of all 1099-K information returns related to Alabama taxpayers or participating payees with an Alabama address.

(3) A copy of each Form 1099-K must be filed electronically with the Department on or before 30 days after the due date prescribed by IRC Section 6050W and regulations promulgated thereunder each year following the year in which the payments were made. If an extension has been granted by the IRS to the reporting entity, the extension will automatically apply for Alabama purposes. If a due date falls on a federal or state observed holiday, or the weekend, the next business day will be considered as timely filed.

(4) The duplicate 1099-K information returns received by the Department shall be restricted for use only to those taxes administered by the Department.

(5) Penalties for non-compliance.

(a) The first violation for any reporting entity failing to timely file the required duplicate 1099-K information with the Department shall result in a written warning advising the entity of their non-compliance, the penalty for future non-compliance, and will provide a 30 day period in which to file the information.

(b) Subsequent violations or non-compliance shall result in a penalty of \$1000 for each month or fraction of a month during which non-compliance continues.

(c) The Department has the authority to waive all or a portion of a penalty if it is shown that the failure to file was due to reasonable cause and not willful neglect.

Authors: Neal Hearn and Cameran Clark

Authority: Sections 40-2A-7(a)(5), 40-2A-11(2)(a), and 40-23-261, Code of Alabama 1975.

History: