

ALABAMA DEPARTMENT OF REVENUE
ADMINISTRATIVE CODE

CHAPTER 810-1-6
ADMINISTRATIVE RULES AND PROCEDURES APPLICABLE TO ALL TAXING
DIVISIONS OF THE DEPARTMENT OF REVENUE

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810-1-6-.01 Signature Requirements Of Tax Returns And Other Documents Of All Types Filed By Electronic Methods. For the Alabama Department of Revenue to identify a taxpayer who files a tax return or submits other documents by electronic means, the identity of the taxpayer must be established by an electronic identifier (signature). The electronic identifier must be sufficiently unique to provide the Department with reasonable

assurances of the correct identity of the taxpayer and must be compatible with the electronic filing systems in use by the Department. The Department shall determine which electronic procedures or methods are to be used in the electronic signature validation process.

Author: Michael E. Mason, CPA

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-5.

History: Filed July 18, 1989; November 15, 1989. **Repealed:** Filed August 6, 1998; effective September 10, 1998. **New Rule:** Filed May 13, 1999; effective June 17, 1999.

810-1-6-.02 **Scope Of The Rules.** This chapter sets forth the rules to be used by the Alabama Department of Revenue in conjunction with a department-sponsored paperless filing and payment system for the electronic filing and payment of the taxes enumerated in Rule 810-1-6-.05. The Department is authorized to accept tax returns filed in electronic commerce pursuant to Chapter 30 of Title 40 of the Code of Ala. 1975. The electronic payment of taxes filed under this program shall be made in accordance with the rules of the department governing electronic funds transfer found in Chapter 810-13-1.

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: **New Rule:** Filed August 30, 2001; effective October 4, 2001. **Amended:** Filed September 30, 2009; effective November 4, 2009.

810-1-6-.03 **Definitions.**

(1) The definitions of terms contained in Code of Ala. 1975, Section 40-30-3, are incorporated into this chapter by reference.

(2) The term "system" as used in this chapter shall mean the department-sponsored paperless filing and payment system for the electronic filing and payment of the taxes enumerated in Rule 810-1-6-.05.

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: **New Rule:** Filed August 30, 2001; effective October 4, 2001. **Amended:** Filed September 30, 2009; effective November 4, 2009.

**810-1-6-.04 Electronic Filing And Payment Of Taxes To Be
Provided Through The Paperless Filing And Payment System.**

(1) Under the authority of Chapter 30 of Title 40, Code of Ala. 1975, the department shall sponsor a paperless filing and payment system for the purpose of providing taxpayers with the capability to electronically file and pay the taxes enumerated in Rule 810-1-6-.05. The system will provide two electronic filing and payment options: to file and/or pay via the Internet or using the toll-free interactive voice response/touchtone telephone system (IVR). The paperless filing and payment system is the only means available to taxpayers for electronically filing returns for the taxes enumerated in Rule 810-1-6-.05(1).

(2) The system shall have an e-file/e-pay application and an e-pay only application. The e-file/e-pay application shall provide the taxpayer with the capability of electronically filing a return and paying the tax due by electronic funds transfer using Automated Clearing House (ACH) debit method, except as noted in section (4). An ACH debit method taxpayer who is not required to pay the tax due by electronic funds transfer can utilize the system to electronically file a return and choose to make payment by check rather than authorizing an electronic payment. However, payment by check option is not available for electronically filed Income Tax Withholding and Non-State Administered Local Tax returns. A taxpayer with prior approval from the department to pay by ACH credit method can utilize the system to electronically file a return without authorizing electronic payment through the system. The e-pay only application shall provide the taxpayer with the capability of making an ACH debit method payment or additional payment for returns, outstanding invoices, assessments, and other taxes and fees due the department. The e-pay only application cannot be utilized to make a payment for tax types for which a taxpayer has approval from the department to pay by ACH credit method or to make a payment to a non-state administered locality.

(3) The submission of a tax return and/or the initiation of an ACH debit method payment via the paperless filing and payment system by the taxpayer or by the taxpayer's authorized representative shall qualify as electronic signature of the person with the responsibility for filing the tax return. The taxpayer is responsible for the accuracy of the tax return information submitted to the department regardless of whether the return is filed by the taxpayer or by the authorized representative. A taxpayer filing returns or making payments for

a business or corporate tax may utilize the View History feature of the paperless filing and payment system to review all of his returns and payments submitted through the system for a period of at least one year.

(4) International ACH Transactions.

(a) Effective September 18, 2009, the National Automated Clearing House Association (NACHA) *Operating Rules* were amended to require all internationally funded payments sent via the ACH network to be identified as International ACH Transactions (IATs). All IAT entries must carry sufficient information to comply with the requirements of the U. S. Treasury Department's Office of Foreign Assets Control (OFAC).

(b) In order to remain in compliance with the rules, the Department of Revenue may prohibit the initiation of an ACH debit method payment by a taxpayer through the paperless filing and payment system when the transaction is an International ACH Transaction as defined by NACHA guidelines. A taxpayer who is prohibited from initiating an ACH debit method payment through the system must make tax payments of \$750 or more by ACH credit method. ACH credit payment method requires pre-registration and department approval. Tax payments made through ACH credit method must be initiated through the taxpayer's financial institution separate from the filing of the return.

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: New Rule: Filed August 30, 2001; effective October 4, 2001. **Repealed and New Rule:** Filed September 30, 2009; effective November 4, 2009.

810-1-6-.05 Tax Types Covered And Requirements For Tax Returns.

(1) The paperless filing and payment system's e-file/e-pay application shall provide the taxpayer with the capability of electronically filing returns and making payments for the taxes listed below from the taxpayer's personal computer or telephone, with the exception that returns cannot be filed by telephone for Utility Privilege License Tax Direct Pay Permit, Utility Excise Tax, Contractor's Gross Receipts Tax, Non State-Administered County and Municipal Tax, and A-3 State Withholding Tax Annual Return. A complete tax return filed via the system will consist of data transmitted electronically and shall contain the same information as the corresponding tax

return filed entirely on paper, as outlined in the rules shown below.

<u>Tax Type</u>	<u>Rule</u>
State Sales Tax	810-6-4-.19
State Sellers Use Tax	810-6-5-.19.01
State Consumers Use Tax	810-6-5-.19.01
State Rental Tax	810-6-5-.09
State Lodgings Tax	810-6-5-.22
Utility Privilege License Tax	810-6-5-.26
Utility Excise Tax	810-6-5-.26
Mobile Telecommunications Service	810-6-5-.26.01
Contractor's Gross Receipts Tax	810-6-5-.03
Pharmaceutical Providers Tax	810-6-5-.27
Alabama Nursing Facility Tax	810-6-5-.27.01
A-6 State Withholding Tax Monthly Return	810-3-74-.01
A-1 State Withholding Tax Quarterly Return	810-3-74-.01
A-3 State Withholding Tax Annual Return	810-3-75-.03
State-administered County & Municipal Sales, Use, Rental, & Lodgings Tax	810-6-5-.31
Nonstate-administered County & Municipal Sales, Use, Rental & Lodgings Tax (as provided by Local Ordinance or Resolution)	Guidelines issued by the Standard Tax Form Committee created pursuant to §11-51-210

(2) The paperless filing and payment system's e-pay only application shall provide the taxpayer with the capability of initiating an electronic funds transfer ACH debit method in payment of a tax liability for the tax types listed in paragraph (1) and for the tax types listed below, the returns for which are not available to be electronically filed through the system.

TAX TYPE
Aviation Fuel Tax
Business Privilege Tax
Financial Institution Excise Tax Freight Line RR Tax
Gas Tax County
Gasoline Tax
Hazardous Waste Fee
Horse Wagering Fee
Hydro Electric KWH Tax
Income Tax - Corporate
Income Tax - Individual
Lubricating Oil Tax
Motor Carrier Mileage Tax
Motor Fuel Tax
Pari-Mutuel Pool Tax
Playing Cards Tax
Sales Tax - Casual
Scrap Tire Fee
Severance - Coal Tax
Severance - Forest Products Tax
Severance - Local Solid Mineral Tax
Severance - Oil & Gas Tax
Severance - Uniform Natural Minerals Use
Storage Tank Trust Tax
Solid Waste Disposal Fee
Tennessee Valley Authority Electric
Tobacco Tax
Utility License Tax - 2.2% Utility

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: New Rule: Filed August 30, 2001; effective October 4, 2001. **Amended:** Filed September 30, 2009; effective November 4, 2009.

810-1-6-.06 Electronic Payment Requirements And Determining Timely Payment. Tax payments initiated via the paperless filing and payment system for the taxes enumerated in Rule 810-1-6-.05 shall be made in accordance with the rules of the department in Chapter 810-13-1, Payment of Taxes Through Electronic Funds Transfer. Timely payment of taxes initiated through electronic funds transfer will be determined pursuant to the provisions of that Chapter.

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: New Rule: Filed August 30, 2001; effective October 4, 2001. **Amended:** Filed September 30, 2009; effective November 4, 2009.

810-1-6-.07 Determining Timely Filing Of Electronic Returns.

The due date for filing electronic returns for the taxes enumerated in Rule 810-1-6-.05 shall be the same due date for filing the corresponding tax returns on paper. The date and time the taxpayer completes the filing of the tax return utilizing the paperless filing and payment system as documented on the confirmation page or spoken through the IVR system shall be the date and time used to determine timely filing of the electronic return.

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: New Rule: Filed August 30, 2001; effective October 4, 2001. **Amended:** Filed September 30, 2009; effective November 4, 2009.

810-1-6-.08 Acceptance Of Electronic Return Originators Into Program And Revocation Of Acceptance Into The Program.

(Repealed)

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: New Rule: Filed August 30, 2001; effective October 4, 2001. **Repealed:** Filed September 30, 2009; effective November 4, 2009.

810-1-6-.09 Requirements For Filing Declaration. (Repealed)

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: New Rule: Filed August 30, 2001; effective October 4, 2001. **Repealed:** Filed September 30, 2009; effective November 4, 2009.

810-1-6-.10 Requirements For Submitting Tax Returns.
(Repealed)**Author:** Deborah Lee**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.**History: New Rule:** Filed August 30, 2001; effective October 4, 2001. **Repealed:** Filed September 30, 2009; effective November 4, 2009.**810-1-6-.11 Requirements For Testing Prior To Department Approval.** **(Repealed)****Author:** Deborah Lee**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.**History: New Rule:** Filed August 30, 2001; effective October 4, 2001. **Repealed:** Filed September 30, 2009; effective November 4, 2009.**810-1-6-.12 Taxes Required To Be Filed Electronically.**

(1) Section 40-23-7, Code of Ala. 1975, as amended, requires persons to report certain taxes on a form prescribed by the department and to pay the amount of taxes shown due. Pursuant to Chapter 30 of Title 40, the department is authorized to accept tax returns reported on an electronic form filed electronically.

(2) Effective October 1, 2003 the following taxes are required to be filed electronically; State Sales, Use, Rental or Leasing, Lodgings, Utility Gross Receipts, Utility Service Use, Mobile Telecommunications Service, Contractor's Gross Receipts, Pharmaceutical Providers, Alabama Nursing Home Privilege and State Administered Local Sales, Use, Rental or Leasing, and Lodgings Taxes.

(3) Persons subject to the above listed taxes, who are unable to utilize the electronic filing system available over the Internet are required to utilize the department's Telephone Voice Response system to file these taxes.

(4) Certain circumstances may require a waiver from the Commissioner to file in another department approved manner. These circumstances include:

(a) No Computer,

- (b) No Internet Access,
- (c) Incompatible Computer Hardware,
- (d) No Access to a Telephone,
- (e) Any special circumstance (i.e. physical disability) deemed worthy of a waiver by the Commissioner of Revenue.

1. A waiver request must be submitted in writing and include the business name and address, account number and reason(s) why a method other than the prescribed method is necessary.

(5) For the taxes listed above, the return will be considered timely filed when due for these taxes if filed electronically the last day before the return and payment are considered delinquent.

Authors: Joseph W. Cowen, Don Graham, Sales, Use & Business Tax Division

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-7, 40-23-31, 40-23-83, 40-30-2, 40-26B-5, 40-26B-24, 40-26-19, 40-21-105, 11-3-11.3(f).

History: New Rule: Filed August 18, 2003, effective September 22, 2003.

810-1-6-.13 Requirements For Third-Party Bulk Filers.

(1) The term "third-party bulk filer", as used in this rule, means a person who is registered to file and pay the taxes enumerated in Rule 810-1-6-.05 on behalf of multiple taxpayers.

(2) A person shall not act as a third-party bulk filer unless the person is registered with the Department for the purpose of electronically filing ADOR returns and payments.

(3) A person may apply to the Department, on a form prescribed by the Department, for registration as a third-party bulk filer under this rule, and the Department will approve the application if the properly completed application indicates that the person will comply with this rule. However, approval of the application does not grant the third-party bulk filer authority to act as an agent of the Department.

(4) Persons approved as third-party bulk filers are required to:

(a) Submit returns and payments for those taxes required to be filed electronically, in a timely manner using the electronic filing systems made available by the Department for taxpayers having a valid account with the Department.

(b) Submit a separate electronic payment for each return, account, or filing period.

(c) Maintain on file the client's power of attorney allowing the third-party to file returns and/or pay Alabama taxes on behalf of the client and, upon request, provide a copy to the Department. The power of attorney must also indicate the authorization for the third-party to receive information about filings or payments directly from the Department.

(d) Electronically provide the Department, on a monthly basis, an updated client list containing at least the name, current mailing address, account number, and telephone number for those clients for whom they are authorized to file. The mailing address listed for the client must be the client's actual street or post office box address and not the third-party bulk filer's address.

1. Initial client list must show all clients.

2. Subsequent updates should show only additions and deletions.

(5) Third-party bulk filers are prohibited from including any information in marketing materials, sales materials, or advertisements that could reasonably be understood to mean that the Department endorses or approves any third-party bulk filer.

(6) If the Department determines that a third-party bulk filer is not substantially complying with the Department's electronic filing requirements, the Department may revoke the registration of the third-party bulk filer and notify the clients of the revocation.

Authors: Ginger L. Buchanan, Ewell Berry

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-2A-7(a)(1), 40-23-31, 40-23-83, 40-23-111, 40-30-2.

History: New rule: Filed August 31, 2004, effective October 5, 2004. **Amended:** Filed January 6, 2009; effective February 10, 2009.

APPENDIX A

ATTACHMENT TO 810-1-6-.08
(REPEALED 11/4/09)

**Application for Qualification as Electronic Return Originator for
Internet-Based Filing and Payment of Taxes**

Author: Donna Joyner

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5),
40-30-1, 40-30-2, 40-30-3, 40-30-4, 40-30-5, 40-30-6.

History: New Form: Application for Qualification (Form
ST:EF-1). Filed August 30, 2001; effective October 4, 2001.

Repealed: Filed September 30, 2009; effective November 4, 2009.