

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-2-8-11

Rule Title: Issuance of a Certificate of Good Standing for the Alabama Business Privilege Tax

New;  Amend;  Repeal;  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 might result from the absence of the proposed rule?

N/A

Are all 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

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Does the proposed rule have any economic impact?

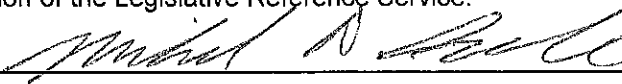
No

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 Reference Service.

Signature of certifying officer 

Date 8/17/15

APA-6  
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-2-8-.11

Rule Title: Issuance of a Certificate of Good Standing for the Alabama Business Privilege Tax

           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:**

APA-2  
11/96

**ALABAMA DEPARTMENT OF REVENUE  
Individual & Corporate Tax Division**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-2-8-.11                      Issuance of a Certificate of Good Standing for the Alabama  
Business Privilege Tax

**INTENDED ACTION:**        Repeal rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to repeal the above rule to comply with Act 2015-382.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at **1:30 p.m. on Wednesday, October 7, 2015, 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://revenue.alabama.gov/analysis/upcoming-rule-hearings.cfm>

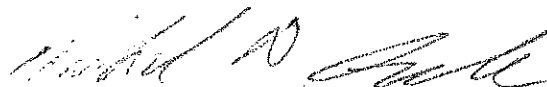
All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**

Wednesday, October 7, 2015

**CONTACT PERSON AT AGENCY:**

Patricia Thomas  
Alabama Department of Revenue  
4131 Gordon Persons Building  
Montgomery, Alabama 36132  
(334) 242-1380



Michael D. Gamble, Secretary  
Alabama Department of Revenue

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810-2-8-.11 Issuance of a Certificate of Good Standing for the Alabama Business Privilege Tax. **(REPEALED)**

(1) Scope. This rule provides guidance about the request for and issuance of the certificate of good standing allowed by §40-2A-10, Code of Alabama 1975, concerning the filing and payment compliance of a business entity with the Alabama business privilege tax filing and payment requirements of Chapter 14A, Title 40, Code of Alabama, 1975, The Alabama Business Privilege and Corporate Shares Act of 1999.

(2) Section 40-14A-22, Code of Alabama 1975, levies an annual privilege tax on every corporation, limited liability entity, and disregarded entity doing business in Alabama, or organized, incorporated, qualified, or registered under the laws of Alabama.

(a) When the term, "business entity," is used in this rule, it has the same meaning as is used for the term "taxpayer," in Chapter 14A, Title 40, Code of Alabama, 1975.

(b) See Section 40-14A-1, Code of Alabama 1975, for the definitions of "corporation," "limited liability entity," "disregarded entity," and "taxpayer."

(3) Section 40-14A-43, Code of Alabama 1975, exempts certain nonprofit entities from the Alabama business privilege tax. The section refers to the entities described in 26 U.S.C. §501(a) as being exempt from the tax. Also, the section specifically identifies additional nonprofit entities that are exempt from the tax.

(a) See Alabama Department of Revenue Rule Number 810-2-8-.07, Definition of Homeowners Association for Purposes of Administering the Alabama Business Privilege Tax Law, for a clarification of the exempt nature of homeowners associations.

(4) Section 40-2A-10, Code of Alabama 1975, as a general rule, prohibits the disclosure of tax returns and tax return information, without the written permission or approval of the taxpayer. As one of the exceptions to the general disclosure rule, the section allows the Commissioner of Revenue or his or her delegate to disclose in writing, to any person that makes such a request, the status of compliance of business entities subject to the Alabama business privilege tax.

(a) The Department will issue a certificate of good standing to a requesting person with respect to a business entity if the business entity is subject to the Alabama business privilege tax; has filed all tax returns required under Chapter 14A, Title 40, Code of Alabama 1975; and, has paid all of the taxes, penalties, and interest shown payable on those returns, as those returns may have been adjusted by the Alabama Department of Revenue.

return and the related payment with any employee of the paid preparer, upon determining that the paid preparer employee is authentic.

(g) If, the Department issues a notice that a certificate of good standing cannot be issued, and within five business days of the issuance date of the notice, information, returns, or payments are provided to the Department which will cause the business entity to be in compliance with the business privilege tax filing and payment requirements, then a certificate of good standing may be issued, at no additional fee. Otherwise, a new certificate of good standing request must be submitted with the required payment, if a certificate of good standing is needed for the business entity.

Authors: Neal Hearn, Brenda J. Russ and Cathy McCary  
Authority: Sections 40-2A-7(a)(5) and 40-2A-10, Code of Alabama 1975  
History: New rule: Filed May 25, 2011, effective June 29, 2011.