

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-2-8-.16

Rule Title: Alabama Requirements for Mandatory E-File of Business Privilege Tax Returns

XX 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? Yes

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 7/14/15

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-.16

Rule Title: Alabama Requirements for Mandatory E-File of Business Privilege Tax Returns

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:**  
Electronically filed returns have less errors, have built in checks to prevent filing returns with errors, saves personnel resources from having to manually key all the paper returns and research and correct all the errors. Saves storage and retention costs, costs to shred at end of purpose, and any retrieving and filing.
2. **COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:**  
Less errors and less resources used to correct the errors filed in the old format.
3. **EFFECT OF THIS RULE ON COMPETITION:**  
n/a
4. **EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:**  
n/a
5. **EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:**  
n/a
6. **SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:**  
ADOR resources

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:  
Good rule to promote efile compliance, reduce paper filed returns and storage of the paper, reduces personnel costs for Department concerning the filing and working on the returns
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:  
n/a
9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:  
n/a
10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:  
none
11. OTHER COMMENTS:  
Good rule to promote efile compliance, reduce paper filed returns and storage of the paper, reduces personnel costs concerning the filing and working on the returns

APA-2  
11/96

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

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-2-8-.16                      Alabama Requirements for Mandatory E-File of Business Privilege  
Tax Returns

**INTENDED ACTION:**        Adopt new rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to adopt the above rule to explain the electronic filing mandate requirements for business privilege tax returns prepared by financial institution groups.

**RULE NO. & TITLE**

810-3-61-.01                    Definition of Terms and Phrases used in Connection with the Scholarship  
Program  
810-3-61-.02                    Credits for Contributions to Scholarship Granting Organizations (SGOs)  
810-3-61-.03                    Application of Scholarship Granting Organizations (SGOs) for  
Participation in the Scholarship Program  
810-3-61-.04                    Receipt, Maintenance and Disbursement of Scholarship Funds by  
Scholarship Granting Organizations (SGOs)  
810-3-61-.05                    Annual Report of Scholarship Granting Organizations (SGOs)  
810-3-61-.06                    Notice of Nonpublic School to the Department of its Intention to  
Participate in the Scholarship Program  
810-3-61-.07                    Continuing Eligibility of Scholarship Granting Organization (SGO) to  
Participate in the Tax Credit Scholarship Program

**INTENDED ACTION:**        Amend rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rules to comply with the provisions of Act 2015-434, concerning Scholarship Granting Organizations (SGOs).

**RULE NO. & TITLE**

810-3-61-.08                    Percentage of Low-Income Eligible Students in a County

**INTENDED ACTION:**        Repeal rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to repeal the above rule to comply with the provisions of Act 2015-434, concerning Scholarship Granting Organizations (SGOs).

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at **2:00 p.m. on Wednesday, September 9, 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>

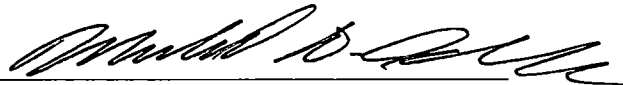
All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing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

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

Wednesday, September 9, 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-.16 Alabama Requirements for Mandatory E-File of Business Privilege Tax Returns.  
(NEW RULE)

(1) **Scope** – This rule explains the electronic filing mandate requirements for Business Privilege Tax returns prepared by Financial Institution Groups.

(2) **Definitions.**

(a) “Original Business Privilege Tax Return” is any return that is required, to be filed with respect to the tax imposed as defined by Section 40-14A-22, Code of Alabama 1975.

(b) “Acceptable Business Privilege Tax return” means, for the purposes of the mandatory Business Privilege Tax filing program, any original Business Privilege Tax return that is authorized by the Department to be filed solely using electronic technology as defined in Section 40-30-3(2), Code of Alabama 1975 and Rule 810-2-8-.12(4).

(c) “Financial Institution Group” as defined in Section 40-14A-22(f), Code of Alabama 1975.

(d) “Financial Institution” as defined in Section 40-16-1, Code of Alabama 1975.

(e) “Fiscal Year”. The annual period used by a taxpayer to determine its federal income tax, financial institution excise tax, or report its financial results.

(f) “Taxable Year” is the fiscal year used by the taxpayer to file returns required under the income tax levied by Chapter 18 or the financial institution excise tax levied by Chapter 16, or, in the case of an insurance company subject to the premium tax levied by Chapter 4A of Title 27, the calendar year.

(g) “Determination Period” is the taxpayer's taxable year that precedes the taxpayer's current taxable year.

(3) **Financial Institution Group Mandate.**

(a) For determination periods beginning on and after January 1, 2015, Financial Institution groups are mandated to electronically file all Alabama original business privilege tax returns for that calendar year and all subsequent tax years.

(b) Paragraph (3)(a) of this rule may not be interpreted to require electronic filing of acceptable Business Privilege Tax returns that are required to be filed before January 1, 2016.

Author: Michaelyn Adams, Veronica Jennings  
Authority: Sections 40-2A-7(a)(5), 40-14A-25(b), 40-14A-22, 40-16-1 and 40-30-1 through 6, Code of Alabama, 1975  
History: