

**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control 810 Department or Agency REVENUE

Rule Nos. 810-4-1-.26

Rule Title: Valuation and Assessment of Business Personal Property Using Form ADV-40S (Short Form)

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

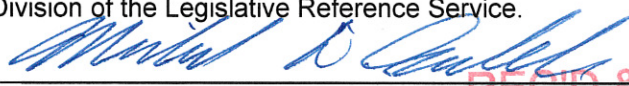
Does the proposed rule have any economic impact?

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 5/20/14

REC'D & FILED
MAY 20 2014
LEGISLATIVE REF SERVICE

APA-2
11/96

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

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-4-1-.26 Valuation and Assessment of Business Personal Property Using From
ADV-40S (Short Form)

INTENDED ACTION: Adopt a new rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to provide procedures for taxpayers filing Form ADV-40S (Short Form) for taxable tangible Business Personal Property as provided by Act 2014-415.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **1:30 p.m. on Wednesday, July 9, 2014, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at ww.revenue.alabama.gov/rulehear.html.

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, July 9, 2014

CONTACT PERSON AT AGENCY:

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



Michael D. Gamble, Secretary
Alabama Department of Revenue

APA-6
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-4-1-.26

Rule Title: Valuation and Assessment of Business Personal Property using Form ADV-40S (Short Form)

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:

810-4-1-.26 Valuation and Assessment of Business Personal Property Using Form ADV-40S (Short Form). **(NEW RULE)**

(1) In order to achieve uniformity throughout the State of Alabama, the following procedures must be followed for any taxpayer choosing to file Form ADV-40S (Short Form) in accordance with Act 2014-415 for assessment of business personal property.

(a) A taxpayer who meets the following qualifications has the option to file Form ADV-40S as an alternative to filing the itemized return (Form ADV-40).

1. To initially qualify for filing Form ADV-40S (Short Form), the taxpayer must have filed an itemized return (Form ADV-40) with the local assessing official for the immediately preceding year and the total acquisition cost of all taxable tangible personal property must have been \$10,000 or less. For subsequent years, Form ADV-40S (Short Form) must have been filed for the previous year.

2. The taxpayer must have \$10,000 or less in total acquisition cost of all tangible taxable personal property assets for the current year.

(2) The taxpayer upon filing Form ADV-40S (Short Form) agrees that his/her market value for the business personal property assessment will be \$10,000 and taxes will be due based upon this market value.

(a) No refund of taxes overpaid by agreeing to the market value of \$10,000 will be allowed.

(b) If a taxpayer knowingly submits a false or incorrect short form, the return shall be subject to a 50 percent penalty on all additional taxes found to be owed.

(c) All other penalties, fines and fees associated with the filing of a business personal property return remain in effect even if a taxpayer chooses to file Form ADV-40S (Short Form).

(3) If on any October 1 lien date a taxpayer's total acquisition cost of all taxable tangible personal property assets exceeds \$10,000, the taxpayer is required to file an itemized return (Form ADV-40) with the local assessing official in the taxing jurisdiction in which the property is located.

Author: Jennifer Byrd

Authority: Section 40-2A-7(a)(5), Code of Alabama 1975 and Act 2014-415.

History: