

APA-6
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-27-.09

Rule Title: Alabama Requirements for Mandatory E -File and Application of Two -Dimensional (2-D)
Barcode on Original Individual Income Tax Returns .

 New X 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:
N/A
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
The rule is expected to generate more electronically filed returns. It reduces the number of individual income tax returns that a tax preparer must submit in order to be mandated to electronically file from 50 to 11.
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:
N/A
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:
N/A

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:
N/A

11. OTHER COMMENTS:
NONE

APA-2
11/96

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

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-3-27-.09 Alabama Requirements for Mandatory E-File and Application of Two-Dimensional (2-D) Barcode on Original Individual Income Tax Returns

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to conform to an electronic filing mandate from the Internal Revenue Service.

RULE NO. & TITLE

810-3-28-.07 Alabama Requirements for Mandatory E-File of Original Partnership/Limited Liability Company Income Tax Returns

810-3-39-.12 Alabama Requirements for Mandatory E-File of Original Corporate Income Tax Returns

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rules to reduce the number of returns that are required to be filed electronically.

RULE NO. & TITLE

810-3-39-.11 Acceptance into the Alabama Electronic Filing Program, Monitoring, and Revocation of Acceptance into the Program

810-3-28-.06 Acceptance into the Alabama Electronic Filing Program, Monitoring, and Revocation of Acceptance into the Program

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rules to require electronic return originators and transmitters to comply with the requirements of the Alabama Business Modernized E-file Program.

RULE NO. & TITLE

810-3-28-.05 Requirements for Electronic Filing Software
810-3-39-.10 Requirements for Electronic Filing Software

INTENDED ACTION: Amend an existing rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rules to require electronic filing software to be used with specifications issued by the Alabama Business Modernized E-file Program.

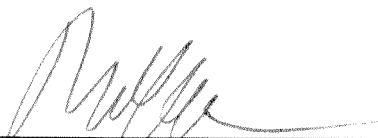
TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **2:00 p.m. on Monday, November 5, 2012, in the Office of the Legal Division, Room 3114, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama.** Copies of the rule(s) can be obtained at www.revenue.alabama.gov/rulehear.html.

All interested parties may present their views in writing to the **Deputy Commissioner of the Alabama Department of Revenue, Room 4112, 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:
Monday, November 5, 2012

CONTACT PERSON AT AGENCY:

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



Michael E. Mason, Deputy Commissioner
Alabama Department of Revenue

0887APC.INT

810-3-27-.09 Alabama Requirements for Mandatory E-File and Application of Two-Dimensional (2-D) Barcode on Original Individual Income Tax Returns.

(1) (a) If an income tax return preparer prepares ~~50~~ 11 or more acceptable, original individual income tax returns using tax preparation software in a calendar year, then for that calendar year and for each subsequent calendar year thereafter, all acceptable individual income tax returns prepared by that income tax preparer must be filed using electronic technology, as defined in the "Electronic Tax Return Filing Act," as codified in Chapter 30 of Title 40, Code of Alabama 1975.

(b) 1. If a paid, income tax return preparer prepares individual income tax returns using tax preparation software and is not required under subparagraph (a) to electronically file the returns, then the paper returns must include the technology commonly referred to as two-dimensional (2-D) barcode technology if such returns using this technology conform to the format prescribed by the Department.

2. If a paid, income tax return preparer prepares individual income tax returns using tax preparation software and is required under subparagraph (a) to electronically file the returns, but does not submit the returns electronically, then the paper returns must include a signed, election form to "opt out" of electronic filing in addition to including the 2-D barcode technology.

(2) For purposes of this rule, the following definitions apply:

(a) "Income tax preparer" means a person that meets both the following:

1. Any person that prepares an Alabama individual income tax return in exchange for compensation.

2. Or any person who employs another person to prepare, in exchange for compensation, any current year Alabama individual income tax return.

(b) "Original individual income tax return" means any return that is required, to be filed with respect to the tax imposed as defined by Section 40-18-2, Code of Alabama 1975. For purposes of paragraph (1)(a) and (1)(b) above, a "timely" original individual tax return means any original individual tax return that is filed, without regard to extensions, during the calendar year for which that tax return is required to be filed.

(c) "Acceptable individual income tax return" means, for the purposes of the mandatory individual income tax filing program, any original individual 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.

(d) "Tax preparation software" means any computer software program intended for accounting, tax return preparation, or tax compliance.

(3) (a) Paragraph (1)(a) of this rule, applies to acceptable individual income tax returns required to be filed for taxable years beginning on and after January 1, 2004 and may not be interpreted to require electronic filing of acceptable individual income tax returns that are required to be filed on or before January 1, 2004.

(b) Paragraph (1)(b) of this rule, applies to acceptable individual income tax returns required to be filed for taxable years beginning on and after January 1, 2009.

Author: Veronica Jennings, ~~Richard Henninger~~, Kathleen Campbell, Ann F. Winborne, CPA, and Michael E. Mason, CPA
Authority: Sections 40-2A-7(a)(5), 40-18-40, and 40-30-1 through 6, Code of Alabama 1975
History: New rule: Filed June 4, 2004, effective July 9, 2004.
Amended: Filed November 7, 2005, effective December 12, 2005.
Amended: Filed November 26, 2008, effective December 31, 2008.