## TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control 810 Department or Agency <b>HEVEN</b>	JE	
Rule Nos. 810-3-2709		
Rule Title: Alabama Requirements for Mandatory E-F	File and Application of Ty	vo-Dimensional (2-D)
Barcode on Original Individual Income Tax Returns		
New;XX _Amend;Repeal;Adopt by	y 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?	Yes	
If the proposed rule has an economic impact, the proposed note prepared in accordance with subsection (f) of Section (f) of Se	sed rule is required to be a on 41-22-23, Code of Alab	accompanied by a fisca ama 1975.
*******************	********	********
Certification of Authorized Official		
I certify that the attached proposed rule has been proposed chapter 22, Title 41, Code of Alabama 1975 and that the Administrative Procedure Division of the Legislative	it conforms to all applicable	rith the requirements of le filing requirements of
Signature of certifying officer		
Date $\frac{9/30/12}{}$		-

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

Control No	810	_ De <sub>l</sub>	partment or Ag	ency <u><b>REVENUE</b></u>	-		
Rule No:	810-3-27	709					
Rule Title: Barcode on C			uirements for Mar Income Tax Retu		olication of Two -Dimensional (2-D)		
***************************************	New	Х	Amend	Repeal	Adopt by Reference		
○ NO ● YES		This rule has no economic impact. This rule has an economic impact, as explained below:					
1.	NEED N/A	NEED/EXPECTED BENEFIT OF RULE: N/A					
2.	EFFIC AND / The ru the nu	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.	EFFE N/A	CT OF	THIS RULE C	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: N/A						
5.	EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED: N/A						
6.	SOUF ENFO N/A	SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE: N/A					
7.	THE S	SHORT CTED	Γ-TERM/LONG PERSONS. IN	i-TERM ECONOMI CLUDING ANALYS	C IMPACT OF THIS RULE ON SIS 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

## 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

<u>SUBSTANCE OF PROPOSED ACTION:</u> 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

<u>SUBSTANCE OF PROPOSED ACTION:</u> 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

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# 810-3-27-.09 <u>Alabama Requirements for Mandatory E-File and Application of Two-Dimensional (2-D)</u> 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, <u>Code of Alabama 1975</u>.
- (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.