

810-3-25-.04 Estates and Trusts Tax Computation, for Taxable Years Beginning Prior to January 1, 2005.

(1) Estates and trusts are taxed at the same rate as a single individual - see § 40-18-5(1), Code of Alabama 1975. Those rates are two percent of the first \$500.00 of taxable income, four percent of the taxable income in excess of \$500.00 and not in excess of \$3,000.00, and five percent of taxable income in excess of \$3,000.00.

(2) A resident estate or trust that has gross income taxable in Alabama and another state will be allowed a credit for net income taxes paid the other state on such income as provided in §40-18-21. See Rule 810-3-21-.01.

(3) The Subchapter J and Business Trust Conformity Act, Act 2006-114, was passed by the Alabama Legislature effective for taxable years beginning after December 31, 2004 - please refer to the regulations promulgated to implement the new act.

Authors: Ron Bedsole and Ed Cutter, CPA  
Authority: §§ 40-2A-7(a)(5) and 40-18-25, Code of Alabama 1975  
History: Adopted September 30, 1982.  
Amended: Filed June 17, 1988, effective July 27, 1988.  
Amended: Filed March 31, 2000, effective May 5, 2000.  
Amended: Filed December 27, 2006, effective January 31, 2007.