

810-3-29-.05 Acceptance, Monitoring, and Revocation of
Acceptance into the Alabama Business Modernized E-File Program for
Software Developers – Fiduciary Income Tax. (NEW RULE)

(1) SCOPE – This rule explains the requirements for software developers to obtain and sustain active approval to provide software that allows fiduciary income tax returns to be electronically filed through the Alabama Business Modernized E-File program.

(2) Software developers must be approved on an annual basis and maintain good standing with the Alabama Department of Revenue. The Department has the right to deny any applicant acceptance into the Alabama Business Modernized E-File Program. To obtain approval software developers must adhere to the following guidelines:

(a) Be accepted by and in good standing with the Internal Revenue Service (IRS) Electronic Filing Program.

(b) Satisfactorily complete the Department's software developer suitability approval process.

(c) Submit a Letter of Intent approved by the Department, with original officer signature.

(d) Satisfactorily complete the Business Acceptance Testing System (BATS) with the Department.

(3) XML Schemas (record layouts), specifications, and business rules for a complete Alabama electronic fiduciary income tax return are issued annually by the Department. In addition, the Department annually releases the Alabama Business Modernized E-file Program: Software Developers and Transmitters Guidelines (Publication AL4164) which provides supplemental information pertinent to electronic return development.

(4) Software developer testing will occur in conjunction with IRS testing in accordance with Publication AL4162, Alabama Business MeF Test Package.

(5) Alabama electronic fiduciary income tax returns received by the Department that are prepared by a software developer who has not completed the Department's software developer testing and has not been approved by the Department will be rejected by the Department. Paper Alabama fiduciary income tax returns must then be submitted by the taxpayers; however, the taxpayer may electronically file their tax return using an approved software from another software developer.

(6) The Alabama Department of Revenue will conduct random monitoring visits with software developers to verify that the requirements of the Alabama Electronic Filing Program are being met.

(7) The Alabama Department of Revenue reserves the right to request the most current copy of the software product that is utilized in production.

(8) The Alabama Department of Revenue reserves the right to revoke the acceptance of a software developer for cause. Failure to comply with the guidelines set forth in the Alabama Business Modernized E-file Program: Software Developers and Transmitters Guidelines and Schemas (Publication AL4164) is considered cause.

(9) Any of the following can result in the revocation of a software developer's acceptance into the Alabama Business Modernized E-File Program:

(a) Conviction of a criminal offense under the revenue laws of any state or of any offense involving dishonesty or breach of trust.

(b) Failure to file timely and accurate tax returns, both personal and business.

(c) Failure to pay personal tax liabilities or business tax liabilities.

(d) Failure or refusal to effect corrective action as required by the Alabama Department of Revenue.

(e) Other facts or conduct of a disreputable nature that would reflect adversely on the Alabama Business Modernized E-File Program.

(f) Unethical practices in return preparation.

(g) Suspension by IRS.

(h) Prior year submission error rate of 70% or greater.

(i) Failure to comply with any of the items listed in section 2 of this rule.

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Authority: Sections 40-2A-7(a)(5) and 40-30-6, Code of Alabama 1975

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