

810-3-39-.08 Terms and Definitions for the Alabama Electronic Corporate Income Tax Return.

(1) SCOPE – This rule defines certain terms used in connection with the Alabama Business Modernized E-File Program.

(2) Definitions

(a) XML Schema – A single file or collection of files that describe the structure of an XML instance document along with rules for data content and semantics such as what fields an element can contain, which sub elements it can contain and how many items can be present. It can also describe the type and values that can be placed into each element or attribute.

(b) XML instance document – The actual return data defined by the XML Schema. This document is validated against the XML schema to ensure the contents and structures are correct.

(c) Business Rules – A document that defines the criteria that needs to be met for an electronic return to be accepted based on the filing instructions and system requirements for a specific tax return.

(d) Corporate Income Tax – The tax levied by Sections 40-18-2, 40-18-31 and 40-18-39, Code of Alabama 1975.

(e) Software Developer - An authorized IRS Provider that develops software for the purposes of

1. formatting the electronic portions of returns according to IRS Publication 4164 or Department specifications and/or

2. transmitting the electronic portion of returns directly to the IRS or the Department. A Software Developer may also sell its software.

(f) Electronic Return Originator (ERO) - A firm, organization or individual who is an authorized IRS e-file provider that originates the electronic submission of returns. Because the electronic filing process is a joint program between the IRS and the Department, an ERO must be approved by the Internal Revenue Service to qualify for this program.

(g) AL8453-C - A document used to satisfy signature requirements for electronically filed C-Corporation Income Tax Returns submitted to the State of Alabama by an Electronic Return Originator (ERO).

(h) AL8453-PTE - A document used to satisfy signature requirements for electronically filed S-Corporation/Partnership/LLC Income Tax Returns submitted to the State of Alabama by an Electronic Return Originator (ERO).

(i) Accepted return – An electronic Alabama Corporate Income Tax Return that has successfully completed the schema and business rules validation process and the Department has sent an acknowledgement with an Acceptance Status of “Accepted” for MeF (Modernized e-File) returns.

(j) Rejected Return – An electronic Alabama Corporate Income Tax Return that was received but failed to complete the schema and or business rule validation process and the Department has sent an acknowledgement with an Acceptance Status of “Rejected” for MeF returns.

(k) Transmission Perfection Period – A ten (10) calendar day period from the date of the first transmission of a Corporate MeF (Modernized E-file) Income Tax Return that a taxpayer has to correct and resubmit a rejected electronically transmitted Corporate MeF Income Tax Return that was originally timely filed.

(l) Electronic Postmark– A record of the date and time (in a particular time zone) that an authorized electronic return transmitter receives the transmission of a taxpayer’s electronically filed document on its host system. However, if the taxpayer and the electronic return transmitter are located in different time zones, it is the taxpayer’s time zone that controls the timeliness of the electronically filed document.

(m) Timely Filed return – An electronic return that is received and accepted by the due date or within an extension of time for filing the Corporate/Partnership Income Tax Return according to the same manner as allowed by federal law. It also includes a timely filed rejected return that is resubmitted and accepted during the transmission perfection period.

(n) Electronic Return Transmitter – An authorized IRS e-file Provider that transmits the electronic portion of a return directly to the IRS or the Department. An entity that provides a “bump up” service is also a Transmitter. A bump up service provider increases the transmission rate or line speed of formatted or reformatted information that it is sending to the IRS.

(o) Standard Letter of Intent (LOI) – A form which must be completed to request approval from the Department to provide tax preparation software for electronic forms submissions. By completing this form, the software developer agrees to comply with all national security summit standards and requirements in addition to the specific Alabama requirements included in the LOI.

(p) Submission Error Rate – A Software Developer’s percentage of business rule rejections compared to the total amount of returns submitted. This will be calculated by taking the total amount of business rule rejections per form type for a particular form year divided by the total amount of returns transmitted for that same form type with regards to the form year in question.

(q) Original Corporate/Partnership Income Tax Return – 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.

(r) Acceptable Corporate/Partnership Income Tax Return –Any original Corporate/Partnership 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.

(s) Tax Preparation Software – Any computer software program intended for accounting, tax preparation and or tax compliance.

(t) Electronic Signature Pad – An electronic device with a touch sensitive LCD screen which allows users to acquire and register a signature or any other physical signature capture device that captures and converts a signature into an electronic format.

(u) Suitability – A check conducted on all software developers including rebranded and white labeled products, when an application is initially processed and on a regular basis thereafter. The suitability check may include background and personal tax compliance checks conducted by the Department to ensure the software developers are eligible for participation in the Department’s e-file program.

(v) Business Acceptance or Assurance Testing (BATS) – Required testing for software developers that participate in the Department’s Business e-file program. This testing is used to assess their software and transmission capability with the Department prior to live processing.

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

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