

810-3-40-.01 Tax to be Reported on Prescribed Forms.

(1) All tax shall be reported on forms prescribed by the Department. Each taxpayer shall file a return or returns with the Department for each tax year on forms prescribed for taxpayers of the class within which the taxpayer falls. Should the Department not furnish copies of the appropriate form to the taxpayer, the taxpayer may obtain them upon request.

(2) The amount shown to be due on the return or returns filed by the taxpayer with the Department shall constitute the prima facie liability of the taxpayer. If the Department finds no error in a return, it shall be entered on the tax rolls. The taxpayer will receive no notification of this action unless the tax as shown to be due by the return has not been paid.

(3) The Department may assess additional tax, penalty, and/or interest pursuant to Chapter 2A, Title 40, Code of Alabama 1975, and the rules promulgated thereunder.

(4) For the purposes of reporting, paying, and notifying the Department of changes made by the Internal Revenue Service, changes due to a federal amended return, or other changes to the federal return which result in an increase or decrease of income or estate tax due the state or the taxpayer, the following rules shall be followed:

(a) The taxpayer shall file a completed amended return for each year indicating the additional tax owed the state or refund requested.

(b) If the amended return is filed as a result of changes made by the Internal Revenue Service a copy of the federal revenue agent's report or any other itemized explanation of the federal changes furnished to the taxpayer shall be attached to each amended return filed.

(c) Forms authorized by the department must be used to report such changes.

1. Individuals shall file a Form 40X.

2. Partnership's, fiduciary's, "C" corporations and "S" corporations shall check the "Amended Return" box.

(d) Example: A taxpayer has a 1988 tax year audit finalized with the Internal Revenue Service which has resulted in additional tax due this state. The taxpayer intends to notify the state of such changes but does not have available a 1988 Alabama corporation income tax form. The taxpayer shall contact the Department and request a 1988 form or the taxpayer may use a similar version of the 1988 form. In this case the taxpayer has a 1993 Form 20C. The taxpayer

strikes through "1993" and writes "1988." The taxpayer checks the "amended return" box and completes the form. The taxpayer mails or delivers to the department the amended return, a check for the additional tax and applicable interest, and a copy of the Internal Revenue Service changes.

(5) A taxpayer failing to substantially comply with the rules and example outlined in subsection (4) above shall be subject to the five percent negligence penalty pursuant to §40-2A-11(c), Code of Alabama, 1975. See *Nellie F. Crumb v. State, Inc.* 96-497 (Admin. Law Div. 4/10/1997).

Authors: Anne Simms, Carmen Mills and Verlon R. Frost  
Authority: §§40-2A-7(a)(5) & 40-18-57, Code of Alabama 1975  
History: New rule: Filed May 3, 2000, effective June 7, 2000.