

2011
ALABAMA BUSINESS
MeF SOFTWARE DEVELOPERS
AND TRANSMITTERS
GUIDELINES AND SCHEMAS



**For software developers and transmitters of Alabama
Corporate and Pass Through Entity Tax Returns/Reports
electronically filed via the Federal/State MeF System**



Alabama Department of Revenue
Corporate/Partnership Income Tax Electronic Filing
Publication AL4164 (11/29/2011)

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Introduction & General Information

Alabama Department of Revenue Mission Statement

The Alabama Department of Revenue will efficiently and effectively administer the revenue laws in an equitable, courteous and professional manner to fund governmental services for the citizens of Alabama.

Overview of Modernized e-file Program (MeF):

The Alabama Department of Revenue (ADOR), in conjunction with the Internal Revenue Service (IRS), is accepting Alabama Corporate Income Tax (20C), Alabama Consolidated Corporate Income Tax (20CC), S Corporation Information/Tax (20S), Alabama Partnership/LLC (65), and Non-Resident Composite (PTE-C) returns and corresponding forms and schedules for tax year 2010 by using the IRS' Modernized E-File system (MeF). The transmission method will be a Web Service using Simple Object Access Protocol (SOAP) with attachments messaging. The return data will be formatted using Extensible Markup Language (XML). Authorized E-File providers, also known as Electronic Return Originators (ERO's) can submit returns to the IRS MeF system for federal and state return processing. **Software developers must test with the ADOR and receive approval prior to submitting live Fed/State or State-Only returns.**

General Information:

The Department will accept the following return types:

- Fed/State Original
 - State Only
1. Fed/State Original - The E-File Program works best when the Federal and State returns are filed together in one transmission to the IRS (although this is not always possible). Upon receipt, the Internal Revenue Service will validate and verify the federal return data. The IRS will either accept or reject the federal return. The state return is only available to the Department after the federal return is accepted by IRS. If a Fed/State submission is rejected by IRS, the state will not receive the state return portion. The Fed/State submission must be re-submitted.
 2. State-Only Electronic Return Transmissions - IRS provides the ability for an ERO or individual to transmit/retransmit a state return through the fed/state system without simultaneously transmitting a federal return. There is no difference in the transmission sequence. State-Only returns are transmitted to the IRS, validated and made available for states to download in the same fashion as with the traditional fed/state transmission. This provides a means for individuals who file multiple state returns to have each participating state's return electronically filed. However, each state return must be transmitted separately. The taxpayer's federal return must be completed, transmitted and accepted by the IRS before transmitting/re-transmitting a State-Only return.

Supported Alabama Forms:

The Department will support the following forms and schedules for Corporate return processing:

- Alabama Form 20C (Schedules A, B, C, D-1, D-2, E, F, Other Information, and AB).
- Alabama Form 20CC (Schedules AS, B)
- Alabama Form 20S(Schedules A, B, C, D, E, F, G, H, K) with Alabama Schedule K-1 and Alabama Schedule NRA (NRA must be included as a Binary Attachment)

- Alabama Form 65 (Schedules A, B, C, D,E, K) with Alabama Schedule K-1 and Alabama Form NMC if applicable (NMC must be included as a Binary Attachment)
- Alabama Form PTEC and Schedule PTE-CK1
- Other schedules as binary attachments

The **complete** federal return and the necessary supporting schedules (such as Schedule D and Form 4797) as filed with the IRS are required to be submitted in XML format along with the Alabama return for the Alabama return to be considered complete. *****New for 2010 the federal form should be submitted in XML format only. The PDF format is no longer needed. *****

Failure to attach the complete federal return with the necessary supporting schedules may result in the imposition of delinquent penalties. Form 20C Filing Status 5 is the **only** return that is not required to submit a copy of the federal return because it will be provided with their parent's Form 20CC return.

Exclusions from Corporate/Partnership Electronic Filing include:

- Returns for a Tax Year prior to 2006 (20C) and prior to 2008 (20S, 65, PTE-C), and prior to 2009 (20CC)
- Amended returns
- 52-53 week filer returns
- Name Change Returns
- Returns that cannot be e-file for federal purposes

Initially, Alabama will only accept one return each filing season, any subsequent filings such as additional short year returns and amended returns must be filed by paper.

Please note: The Department will generally not approve a request to waive the electronic filing requirement if the software purchased or licensed by a taxpayer or a return preparer does not include all of the features necessary to comply with the Modernized e-File requirements set forth in Department regulations, revenue procedures, publications, and other instructions posted to the <http://www.revenue.alabama.gov> website.

The Department of Revenue encourages electronic filing; however, we neither support nor recommend any software company. You must address technical and support issues with the company whose product you select.

Please see the approved e-file Providers list at the following web address:
<http://www.revenue.alabama.gov/incometax/corpefilevendors.htm#2009>

Updates for Tax Year 2011 / Filing Season 2012:

1. **Mandatory e-filing for Corporate/Partnership returns** - Regulations 810-3-39-.12, 810-3-39-.13, 810-3-28-.07, and 810-3-28-.08 were approved by the Alabama Department of Revenue's Research Division and became effective March 4, 2010. On page 11 of this publication is a list of common questions and answer regarding the e-file mandate regulations.
2. The complete federal return and the necessary supporting schedules and documents as filed with the IRS **are required to be submitted in XML format** with each submission. Failure to submit the **complete** federal return with the necessary supporting schedules in XML format may result in the imposition of delinquent penalties and the return filed will be considered incomplete. *Form 20C Filing Status 5 is the only return that is not required to submit a copy of the federal return because it will be provided with the parent consolidated Form 20CC return.*

3. For TY2011/Filing Season 2012 a **Direct Debit** option for payments and **Direct Deposit** option for refunds is **currently under development** and will be available soon for Corporate/Partnership returns. ****UPDATE: Direct Deposit/Direct Debit is now available for tax year 2010/2011 forms. 11/2/2011****
4. All returns must be transmitted through the software vendor. The State of Alabama does not allow independent filing at this time.
5. Taxpayers with foreign addresses are able to e-file. This includes all addresses on the Schedule K-1, PTEC, for any company who is incorporated outside if the US, and for a nonresident located in a foreign country.
6. The max occurrence for K-1s, CK-1s and NRA forms is 5000.
7. The max occurrence for form AS is 500.
8. The maximum size per submission is 300MB. This includes the Alabama return, federal xml data and all attachments.

The Form AL8453-C must be completed and signed by all required parties. The ERO will retain Form AL8453-C along with a copy of the electronic tax return. Do not submit this form to the Alabama Department of Revenue unless requested to do so. See www.revenue.alabama.gov/incometax/corpefilemain.htm for Corporate/Partnership Income Tax Declaration for Electronic Filing (AL8453-C).

9. The state of Alabama allows a **10 BUSINESS** day period to re-transmit the corrected return. **The perfection period starts from the date the State of Alabama rejects the original submission.** The original submission id must be transmitted with the perfected return. This way the original submission date can be populated in our system to prevent any late filing penalties being assessed.
10. For a company filing a form 20C who files as part of a consolidated federal return and all form 20CC, Consolidated Corporate Income Tax Returns, the following information is required to be attached:
 - a. Federal Form 851, Affiliations Schedule, please identify all corporations subject to tax in Alabama (Federal851.pdf)
 - b. Pages 1-5 of the consolidated form 1120 (Consolidated1120.pdf)
 - c. Consolidated Income Spreadsheet including the column that identifies any eliminations or adjustments that occur as a result of the federal consolidation rules (ConsolidatedIncome.pdf)
 - d. Consolidated Balance Sheets by separate company for the beginning and end of year (ConsolidatedBalance.pdf)
 - e. Copy of federal Schedule K-1 for each tax entity that the corporation holds an interest in at any time during the taxable year (FederalK1.pdf)
 - f. Federal Schedule UTP (FederalUTP.pdf)
 - g. Federal form M-3 for the entire federal consolidated group (FederalM3.pdf)

****To avoid the most common cause of error rejections ensure you are using the most current version of your Vendor's software and any required or conditional binary attachments are physically attached and correctly named.****

Contact Information:

FOR TECHNICAL QUESTIONS REGARDING:

- The web site
- The XML Schema
- The Summary of the XML Schema (spreadsheet)

- Additional detail of schema elements
- The sample return
- The sample xml instance document
- Software testing and approval
- Missing acknowledgements

CONTACT:

Business MeF Coordinator
 Individual & Corporate Tax Division
 Alabama Department of Revenue
 P.O. Box 327450
 Montgomery, AL 36132-7450

Missy Gillis, Business MeF Coordinator at 334-353-9178

EMAIL: CORPORATE.EFILE@REVENUE.ALABAMA.GOV OR melissa.gillis@revenue.alabama.gov
FAX: 334-353-8068

For Forms Questions regarding:

- Form/schedule development
- Substitute forms approval

CONTACT:

Forms Officer
 Individual & Corporate Tax Division
 50 N Ripley St, Room 4212
 Montgomery AL 36104

Andrea Wyatt, Forms Officer @ 334-353-9447

EMAIL: Andrea.Wyatt@revenue.alabama.gov
FAX: 334-242-0064

For Corporate Income Tax questions regarding:

- Corporate Income Tax Laws and Regulations
- Filing requirements
- General correspondence
- Billings
- Refunds
- Name and address changes
- Preliminary and Final Assessments

CONTACT:

Corporate Income Tax Section
 Individual & Corporate Tax Division
 Alabama Department of Revenue
 P.O. Box 327430
 Montgomery, AL 36132-7430

TELEPHONE: 334-242-1200
EMAIL: www.revenue.alabama.gov/mailform.cfm
Select Corporate Income Tax from the dropdown list
FAX: 334-242-2537

For Pass-Thru Entity Questions (S Corporation or Partnership) regarding:

- Income Tax Laws and Regulations
- Filing requirements
- General correspondence
- Billings
- Refunds
- Name and address changes
- Preliminary and Final Assessments

CONTACT:

Pass-Thru Entity Unit
Individual & Corporate Tax Division
Alabama Department of Revenue
P.O. Box 327441
Montgomery, AL 36132-7441

TELEPHONE: 334-242-1033
EMAIL: www.revenue.alabama.gov/mailform.cfm
Select Partnerships/S Corps/Estates, Trusts from the dropdown list
FAX: 334-242-1030

Other information:

Alabama's website - www.alabama.gov

Alabama Department of Revenue website – www.revenue.alabama.gov

Corporate Income Tax Electronic Filing Information –
www.revenue.alabama.gov/incometax/corpefilemain.htm

Internal Revenue Service (IRS) – www.irs.gov

IRS 1120/1120S e-file information website - <http://www.irs.gov/efile/content/0,,id=171945,00.html>

IRS 1065 Modernized e-file website - <http://www.irs.gov/efile/content/0,,id=171945,00.html>

Federation of Tax Administrators (FTA) – www.taxadmin.org

State of Alabama MeF Program Rules and Regulations

Software Acceptance, Testing and Approval:

Testing of software developed for electronic filing is mandatory. The Department is committed to providing software developers with quality feedback during the testing process. Alabama will begin testing as soon as possible after the IRS makes the MeF test system available for 2011 testing. In order to ensure quality service to the software developers during the busy testing season, software developers are encouraged to transmit their first tests as soon as possible after IRS test system is available.

Each Software Vendor will create their own test package to adequately test schedules and return/form types supported by their software. This test package must include the three Alabama State provided tests and two or more tests provided by the software vendor. Test returns must be transmitted to the Department in .PDF format for a visual audit of each test return. This should be sent once the electronic return has been accepted with zero error rejections. See Publication AL4162 Alabama Test Package.

Developers must include edits and verifications based on the business rules provided for each element. The Department's state spreadsheet will include information on field type, field format, length, if it can be negative, if it is recurring, and the business rule or other edits and verifications for each field. Developers must closely follow the requirements for each field to insure proper data formatting.

Software does not have to provide for all forms or schedules, nor for all occurrences of a particular form or schedule. You must advise the Business MeF Coordinator of all limitations to your software package **at the time of first contact, before testing begins.**

Developers will be given formal confirmation when software has been successfully tested. Only approved software may be released and distributed by the developer.

Testing is to include retrieval of state acknowledgements.

Approval of software for electronic filing **does not** include approval of any form developed/produced for hardcopy submission to the Department. The Individual & Corporate Tax Forms Officer must approve all Alabama tax forms.

Developer Responsibilities:

ERO's and transmitters must be approved with the IRS in order to submit linked or unlinked returns.

CONFIDENTIALITY

Unauthorized access or disclosure of confidential taxpayer information will result in severe Federal and Alabama criminal and civil penalties. In accordance with Code of Alabama, 1975 §40-2A-10 disclosure of confidential information in violation of this statute is a class A misdemeanor.

COMPLIANCE

Alabama participates in the federal/state electronic filing program. Therefore, any software developed must meet **all** federal **and** state requirements. The following guidelines compliment IRS. Alabama publications are not intended to alter or amend the IRS requirements.

- Comply with all federal and state procedures, requirements and specifications as defined in the following publications:
 - IRS Publications 4163 - *Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120S*
 - IRS Publication 4164 - *Modernized e-File Guide for Software Developers and Transmitters*

- Alabama Publication AL4163 – *Alabama Handbook for Electronic Filers of Corporate/Partnership Income Tax Electronic Filing Income Tax Returns*
 - Alabama Publication AL4164 - *Software Developers and Transmitters Guidelines and Schemas for Alabama Corporate/Partnership Income Tax Returns*
 - Alabama Publication AL4162 - *Alabama Corporate/Partnership Income Tax Electronic Filing Test Package*
- Successfully complete all testing.
 - Develop tax preparation software in accordance with statutory requirements and Department return preparation instructions.
 - Provide accurate Alabama income tax returns in correct electronic format for transmission.
 - Software must be capable of producing a printed copy of the complete filing for the Electronic Return Originator (ERO) and/or taxpayer.
 - Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate or invalid return information.
 - Developed software is not to support electronic filing (transmission) of any form not approved for electronic filing by the Department.
 - Developed software must prevent electronic transmission of returns and/or supporting documents or schedules not approved for electronic filing by the Department. This is inclusive of those not supported for electronic filing as well as those supported but not successfully tested and approved by the Department.
 - All software developers are required to test their software with Alabama test data, and only software which has been tested and approved by the Department may be used for Alabama electronic filing. The Department will reject all electronic returns submitted that are prepared using unapproved software.

Important: Software providers must be available to correct any software errors which may occur after production begins and work closely with the Department to follow up on any processing issues that may arise during filing season. If the software providers must re-release corrected software it should be done in a timely manner and proper notification should be made to all customers. Alabama software approval can be revoked if the software produces returns which are not in compliance with these specifications and the software company fails to correct the problem upon receiving notice from the Department. The Department also reserves the right to request a copy of the final version of the Alabama approved software.

Timeliness of Filing:

All returns should be filed in a timely manner (See Filing Chart below for due dates). The receipt date of the electronic transmission is based on the IRS received date. **Any return not acknowledged by the Department as “accepted” is considered not filed. PLEASE NOTE: The System will stop accepting 2010 tax returns September 3rd 2012.**

FILING CHARTS:

Return Due Date Chart Forms 20C, 20CC, 20S, and PTEC for 20S Tax Year 2011					
Tax Period Beginning & Ending Dates	Tax Period	*Due Date (Weekends Considered)	6 Month Extension Due Date (Weekends Considered)	Tax Year of Return	
1/1/2011 - 12/31/2011	201112	3/15/2012	9/17/2012	2011	
2/1/2011 - 1/31/2012	201201	4/16/2012	10/16/2012	2011	
3/1/2011 - 2/29/2012	201202	5/15/2012	11/15/2012	2011	
4/1/2011 - 3/31/2012	201203	6/15/2012	12/17/2012	2011	
5/1/2011 - 4/30/2012	201204	7/16/2012	1/16/2013	2011	
6/1/2011 - 5/31/2012	201205	8/15/2012	2/15/2013	2011	
7/1/2011 - 6/30/2012	201206	9/17/2012	3/18/2013	2011	
8/1/2011 - 7/31/2012	201207	10/15/2012	4/15/2013	2011	
9/1/2011 - 8/31/2012	201208	11/15/2012	5/15/2013	2011	
10/1/2011 - 9/30/2012	201209	12/17/2012	6/17/2013	2011	
11/1/2011 - 10/31/2012	201210	1/15/2013	7/15/2013	2011	
12/1/2011 - 11/30/2012	201211	2/15/2013	8/15/2013	2011	
Legal Due Date is the 15 th of each month.					

Return Due Date Chart Form 65 Tax Year 2011					
Tax Period Beginning & Ending Dates	Tax Period	*Due Date (Weekends Considered)	5 Month Extension Due Date (Weekends Considered)	Tax Year of Return	
1/1/2011 - 12/31/2011	201112	4/16/2012	9/17/2012	2011	
2/1/2011 - 1/31/2012	201201	5/15/2012	10/15/2012	2011	
3/1/2011 - 2/29/2012	201202	6/15/2012	11/15/2012	2011	
4/1/2011 - 3/31/2012	201203	7/16/2012	12/17/2012	2011	
5/1/2011 - 4/30/2012	201204	8/15/2012	1/15/2013	2011	
6/1/2011 - 5/31/2012	201205	9/17/2012	2/18/2013	2011	
7/1/2011 - 6/30/2012	201206	10/15/2012	3/15/2013	2011	
8/1/2011 - 7/31/2012	201207	11/15/2012	4/15/2013	2011	
9/1/2011 - 8/31/2012	201208	12/17/2012	5/17/2013	2011	
10/1/2011 - 9/30/2012	201209	1/15/2013	6/17/2013	2011	
11/1/2011 - 10/31/2012	201210	2/15/2013	7/15/2013	2011	
12/1/2011 - 11/30/2012	201211	3/15/2013	8/15/2013	2011	
Legal Due Date is the 15 th of each month.					

After an electronic return is acknowledged as accepted, it cannot be recalled, intercepted or changed in any manner. If either the ERO or taxpayer wishes to change any entries on an accepted electronic return, an amended paper return must be filed.

Responsibility to Clients:

EROs are entrusted with the task of filing a client's tax return and must assume the responsibility of ensuring that the return arrives at the Alabama Department of Revenue. In the event that the electronic Alabama return fails to arrive at its destination, EROs must notify their clients of the requirement to file a paper return.

Form Retention Requirements:

The ERO is required to retain an electronic copy of all returns, forms and schedules submitted for a period of **three years from the due date of the return or the date the return was filed**, whichever is later. If the need arises, the Department may request any of the documents, in writing, and the ERO must provide a copy of the document within five working days of the request. Should an ERO decide to no longer remain in the business, the Department must be notified, in order to, determine the proper resolution of electronic filing program documents and records.

ADOR Monitoring and Suspension of Electronic Submission Policy:

The Department will monitor the quality of electronic transmissions. If the quality is unacceptable, The Department will contact the ERO, software developer or transmitter. The Department will also monitor complaints about electronic filers and issue warning or suspension letters as appropriate. **The Department reserves the right to suspend the electronic filing privilege of any electronic filer, software developer or transmitter who varies from the requirements, specifications and procedures stated in this guide or any corresponding administrative rules, or who does not consistently transmit error-free returns.** When suspended, the electronic filer, software developer, or transmitter will be advised of the requirements for reinstatement into the program.

ADOR E-File Waiver Policy:

Software Limitations: The Department will generally not approve a request to waive the electronic filing requirement if the software purchased or licensed by a taxpayer or a return preparer does not include all of the features necessary to comply with the Modernized e-File requirements set forth in Department regulations, revenue procedures, publications, and other instructions posted to the alabama.revenue.gov website.

Alabama Electronic Filing Regulations:

Please visit the following website for the most current Alabama E-File regulations:

<http://www.revenue.alabama.gov/incometax/celfmandate.html>

Information Applicable to All Forms

Transmitting the Returns:

Authorized E-File providers can transmit returns to the IRS MeF system for Federal and State return processing. State submissions can be made as a Federal return with a State Return attached, called a Fed/State return, or just a State return, known as a State Only submission. Each return (Fed/State or State Only) must be in a separate submission. Multiple submissions can be contained in a single message payload.

Packaging of data and transmission payload must be in the proper format.

Returns filed in XML format with SOAP attachments allow for binary attachments to the submission. These attachments may consist of Signature documents, balance sheets, statement records, or other types of documentation. The allowed file type for attachments is file extension .PDF. The file order of attachments and procedures must follow IRS requirements for binary attachments as found in IRS publication 4163. The Department will allow for binary attachments to the state return. Send data elements only if they contain data values. Do not send empty data elements (i.e., zero financial fields, unused elements, etc..)

Other Packaging Guidelines:

- A submission contains either an IRS return or a state return
- Each submission is a separate file.
- Each federal return must be submitted in the agreed upon IRS XML format.
- Each state return must be submitted in the XML format specified and agreed to by IRS, state agencies, transmitters, and software developers.
- Each state return must include a copy of the FEDERAL RETURN as submitted to the IRS and any attachments associated with that federal return. If the taxpayer is included in the federal return of a consolidated group, a copy of the pro-forma FEDERAL RETURN for the company must be included along with the first four pages of the consolidated federal return.
- If the IRS rejects a Fed/State submission, the state will NOT receive the state return portion. The Fed/State submission must be resubmitted.
- Each submission must be in Zip Archive format.
- No nesting of Zip archive files or returns will be allowed. (i.e. one submission, one zip.)
- The SOAP message itself must not be compressed or zipped.
- The message contains a header, a body, and an attachment. See Modernized E-File Logical ICD Model for message layout and message technical specifications.
- ERO's and transmitters must be approved with the IRS in order to submit Fed/State or State Only returns.

- The Department will produce an acknowledgement of acceptance or rejection for each state submission. The transmitter may then retrieve the Department’s acknowledgement from the IRS.

Transmitting Consolidated Corporate Income Tax Returns:

The Consolidated Form 20CC will be packaged independently in a submission. The Form 20C Filing Status 5 subsidiary will be packaged independently in a submission. Separate submissions may be packaged in the same transmission therefore the Forms 20CC and 20C Filing Status 5 proforma returns may be transmitted together. The Form 20C Filing Status 5 return is the **only** return that is not required to submit the complete federal return and attachments as submitted to the IRS.

Attachments to the Electronic return:

The tax return may also include non-XML documents, known as “binary attachments”, submitted in PDF format. This allows taxpayers to provide requested documentation that include required signatures and third party documents as required by forms and instructions (signed copy of lease, signed appraisal statement, etc). **The maximum total size for all pdf attachments transmitted with a return is 60MB.**

Alabama programming will validate binary attachments by proper location and required title.
See charts below.

```
<BinaryAttachment>
<Reference>ALNRA</Reference>
<DocumentType>PDF</DocumentType>
<Description>ALNRA</Description>
<AttachmentLocation>ALNRA.PDF</AttachmentLocation>
</BinaryAttachment>
```

Conditional Binary Attachments	Required Binary Attachment Title
Consolidated 1120 Pages 1-5 (If applicable)	Consolidated1120.pdf
Federal Form 851 (if applicable)	Federal 851.pdf
Signed Schedule NRAs – Non-resident Agreements (if applicable) (20S)	ALNRA.pdf
Alabama 20CCRE – Election to File Consolidated Income Tax Return (if applicable)	AL20CCRE.pdf
If the Multistate Corporation Separate Accounting checkbox (MultiStateCorpSepAcct) is checked. A copy of the Separate Accounting Approval letter signed by the Commissioner of Revenue must be attached	SeparateAccountingApproval.pdf
If the taxpayer is a member of an affiliated group which files a consolidated federal return the parent company’s current Federal Income Tax Deduction Election (1552) letter must be attached along with the Federal Income Tax Deduction Calculations	1552ElectionCalculations.pdf

.PDF copy of each Alabama corporate income tax return (page 1 only) where the Net Operating Loss listed on Schedule B that is more than six years old	NOLYYYYAL20CPg1.pdf
Alabama 20C/20S/65 additional depreciation allowed by Economic Stimulus Act of 2008 (computation for the difference)	Section179AddBack.pdf
Alabama Form 2220AL Underpayment of Estimated Tax for Corporations (if applicable)	Form2220AL.pdf
Enterprise Zone Capital Credit calculations (if applicable) - This PDF should include Schedule EZ, Certificates and all calculations.	EnterpriseZoneCredit.pdf or CreditStatements.pdf if combined with other credit statements
Employer Education Credit calculations (if applicable) - This PDF should include a copy of the document of approval along with a detailed schedule computing the credit.	EmployerEducationCredit.pdf or CreditStatements.pdf if combined with other credit statements
Income Tax Credit calculations (if applicable) - This PDF should include certificate/document of approval, computation of income generated from project, support for amount paid, and computation of the credit.	IncomeTaxCredit.pdf or CreditStatements.pdf if combined with other credit statements
Tax Increment Fund Payment Credit calculations (if applicable) - This PDF should include the document of approval along with proof of payment(s) into the fund relative to corporate income tax and a detailed schedule computing income generated from the project.	TaxIncrementFundPymtCredit.pdf or CreditStatements.pdf if combined with other credit statements
Coal Tax Credit calculations (if applicable) - This PDF should include a detailed schedule computing the coal tax credit.	CoalTaxCrdt.pdf or CreditStatements.pdf if combined with other credit statements
Capital Tax Credit (if applicable) - This PDF must include Form AR (Annual Report of Project) and Form K-RCC if applicable.	CapitalTaxCredit.pdf or CreditStatements.pdf if combined with other credit statements
Other Reconciliation Items (20S if applicable)- This PDF must clearly explain the nature and amounts of the reconciling items.	OtherReconciliationItems.pdf or Statements.pdf if combined with other statements
Other Separately Stated Items (20S if applicable)- This PDF must clearly explain the nature and amounts of the other separately stated items.	OtherSeparatelyStatedItems.pdf or Statements.pdf if combined with other statements
Separate Non-Business Income/Loss (20S/65 if applicable) This PDF must identifying the nature and amounts of the separately stated non-business items.	SeparateNonBusiness.pdf or Statements.pdf if combined with other statements
Other Expense Portfolio Income (20S/65 if applicable)- This PDF must identify the nature and amounts of the other expenses related to portfolio income.	OtherExpenses.pdf or Statements.pdf if combined with other statements
If there is Tax Due on the 20S return - A PDF with a computation schedule must be submitted.	StateIncomeTaxSCorp.pdf or Statements.pdf if combined with other statements

Form NMC must be completed by each qualifying nonresident member of certain affordable rental housing developments	ALNMC.pdf
If QIPIndicator is populated then a .pdf attachment named "ScheduleQIPC.pdf" must be attached (for forms 65 and PTEC)	ScheduleQIPC.pdf
Consolidated Income Spreadsheet including the column that identifies any eliminations or adjustments that occur as a result of the federal consolidation rules.	ConsolidatedIncome.pdf
Consolidated Balance Sheets by separate company for the beginning and end of year.	ConsolidatedBalance.pdf
Copy of federal Schedule K-1 for each tax entity that the corporation holds an interest in at any time during the taxable year.	FederalK1.pdf
Federal Schedule UTP	FederalUTP.pdf
Federal form M-3 for the entire federal consolidated group	FederalM3.pdf
Reemployment Act of 2010, Effective for tax years 2011 and 2012	ReemploymentAct2010.pdf
If Depreciation Adjustment is greater than \$500 on 20S or 65.	DepreciationAdjustment.pdf

For all other binary attachments, the tax preparation software must provide the taxpayer the ability to enter a meaningful name. The following table provides a few examples of meaningful names.

CONDITION	BINARY ATTACHMENT TITLE
If the regulations require you to attach a merger agreement.	1120 Merger Agreement for XYZ Corporation or Statements.pdf if combined with other statements
If required to attach a detailed schedule of Other Income.	OtherIncome.pdf or Statements.pdf if combined with other statements
If required to attach a schedule of Other Property for Schedule C (Forms 20S/65).	SchedCOtherProperty.pdf or Statements.pdf if combined with other statements
If required to attach a schedule of Other Property for Schedule D1 (Form 20C).	SchedD1OtherProperty.pdf or Statements.pdf if combined with other statements
If shareholder notes are more than 40 characters (20S/65 – K-1)	ShareholderNotes.pdf or K1Statements.pdf
If state notes are more than 20 characters (20S/65 K-1)	StateAdditionalInformation.pdf or K1Statements.pdf

Signing An Electronic Return (AL8453-C):

As with any corporate/partnership income tax return submitted to the Department on paper, an electronic corporate/partnership income tax return must be signed by an authorized corporate officer/partner and the paid preparer, if applicable.

Corporation/Partnership - The Corporation/Partnership (taxpayer) must designate an officer/partner responsible for signing the income tax return. **The officer/partner must sign and date the AL8453-C “Corporate/Partnership Income Tax Declaration for Electronic Filing” to authorize the origination of the electronic submission of the return prior to the transmission of the return.** The Declaration includes the taxpayer’s declaration that the return is true, correct and complete, as well as the taxpayer’s Consent to Disclosure. The Consent to Disclosure authorizes the Department to disclose information to the taxpayer’s Authorized IRS e-file Providers. Intermediate Service Providers, Transmitters and EROs are authorized by taxpayers to receive acknowledgement of receipt or reason for rejection of the electronic return from IRS. **If the electronic return data on a corporate income tax return is changed after the taxpayer has signed the Declaration, the taxpayer must sign a new declaration if the amounts differ.**

ERO - The ERO must sign and complete the requested information in the “Declaration of Electronic Return Originator (ERO) and Paid Preparer section after thoroughly reading the declaration. An ERO may authorize members of its firm or designated employees to sign for the ERO, but the ERO is still responsible for all electronically filed returns originated by its firm. EROs do not have to disclose their EIN or SSN on the copies they provide to taxpayers.

Paid Preparer - If the return was prepared for a fee, the paid preparer must also sign the AL8453-C. If the paid preparer is also the ERO, the preparer may check the “Also the Paid Preparer” box and not complete the “Paid Preparer’s Use Only” section. Paid Preparers do not have to disclose their SSNs or EINs on the copies they provide to taxpayers.

The Form AL8453-C must be completed and signed by all required parties. Do not submit this form to the Alabama Department of Revenue unless requested to do so.

The ERO is required to retain a copy of this form along with an electronic copy of all returns, forms and schedules submitted for a period of three years from the due date of the return or the date the return was filed, whichever is later. If the need arises, the Department may request any of the documents, in writing, and the ERO must provide a copy of the document within five working days of the request. See Section 5 ERO and Transmitters Responsibilities, Form Retention Requirements and Appendix I for the AL8453-C

Electronic Payment Options:

Taxpayers who file their return electronically can elect to pay their balance due by two different electronic funds transfer methods for full payment when filing their return and choose a debit date up to the due date of the return.

1. ACH DEBIT PAYMENT METHOD (<http://www.revenue.alabama.gov/eft/eftdebit.pdf>):

The ACH Debit payment method is the primary method used by taxpayers to make payments for a tax under the Alabama EFT Tax Payment Program. The process is safe, simple, and convenient, and the cost of processing ACH Debit payment transactions is borne by the Department. Each individual EFT payment is only initiated upon the express authorization of the taxpayer. There are three methods of filing an ACH Debit Payment: 1) Operated Assisted, 2) Touchtone Telephone Method, 3) Internet Method.

2. ACH CREDIT PAYMENT METHOD (<http://www.revenue.alabama.gov/eft/eftcredit.pdf>):

The Department will allow taxpayers to use the ACH Credit payment method only if certain qualifying conditions are met. A taxpayer must request permission from the Department to use the ACH Credit method and submit a written request, accompanying the EFT001 form, which demonstrates the existence of a valid business operational reason for using the ACH Credit payment method in lieu of the ACH Debit payment method. Taxpayer requests to use the ACH Credit method will be reviewed on a case-by-case basis. A taxpayer who is already using the ACH Credit method to pay taxes for other states is deemed to have a valid business reason for using the ACH Credit method to make payments for Alabama taxes.

The Department reserves the right to revoke the ACH Credit method payment privilege of any taxpayer for the following reasons:

- a) Failure to transmit consistently error-free payments
- b) Substantial variation from the requirements and specifications of the rules of the Alabama EFT Tax Payment Program;
- c) Failure to make timely EFT payments or to provide timely payment information; or,
- d) Failure to provide the addenda record, required by the Alabama EFT Tax Payment Program, with the EFT payment.

To register for EFT taxpayers must complete the EFT:001 form entitled EFT Authorization Agreement Form, and mail or fax it to the Department's EFT Unit. The mailing address and fax number are given at the top of the form. The EFT:001 form and instructions can be downloaded from the Department's Web site at <http://www.ador.state.al.us/eft/eftindex.html>.

Acknowledgement Types:

The Department will generate an acknowledgement for all returns received. The acknowledgement record/XML schema format is included in this publication.

The Alabama acknowledgement types are:

1. ACCEPTED: This acknowledgement indicates the electronic return was received and successfully completed the pre-entry validation process. No further action is required regarding the transmission. **Any return not acknowledged by the Department as "accepted" is considered not filed.**

2. REJECTED: This acknowledgement indicates the electronic return was received and failed to successfully complete the pre-entry validation process. **The acknowledgement will contain an error rejection code number followed by a message indicating the error causing the rejection, or in the case of a schema validation error only the schema error message will be displayed.** The error conditions must be corrected and the return can then be re-transmitted as a "State-Only" return. If a rejection occurs on the due date of the return it will be considered timely filed if it is corrected and re-transmitted **within the 10 business day perfection period.** Only after all attempts to correct the return and re-transmit have failed may the return be filed as a paper return. In order for the paper return to be considered timely it must be filed by the later of the due date of the return or ten (10) business days after the date Alabama gives notification the return is rejected. The paper return should include (1) an explanation of why the return is being filed after the due date, (2) a copy of the reject

notification from Alabama to avoid late filing penalties and interest and (3) a signed copy of the AL8453-C in lieu of a signature on the paper return. Returns prepared with software that is not approved by the Department will be rejected. Unless authorized by the taxpayer to discuss the return with the preparer, the Department will communicate directly with the taxpayer if additional information is needed to correct a return. EROs and transmitters will only be given limited information about the tax return, including acknowledgment of receipt by the Department through the IRS and the reason for any processing delay. See AL4165 for Alabama Error Reject Codes. Also see the business rules document for field length specifications and other business rules including **Validation Error Codes** and descriptions on the department's web site at www.revenue.alabama.gov/incometax/corpefilemain.htm.

EROs and Transmitters should allow 5 business days to receive the State acknowledgement before contacting the Department.

ERROR CATEGORIES:

All MeF business rules are divided into 12 error categories. The first eight categories validate the XML data:

1. Missing Document – a tax return document is required but was not included in the tax return.
2. Data Mismatch – the data in two fields should be the same but is not. For example, if MultiSateCorpPercentage is checked on AL Form 20C, Lines 1-14 should be blank; Line 15 (StateIncomeTax) shall equal Schedule D-2 Line 4 (TaxDueOnGrossReceipts). If MultiSateCorpPercentage is checked and StateIncomeTax is not equal to TaxDueOnGrossReceipts then you will receive error message: MultiSateCorpPercentage was checked, Lines 1-14 should be blank and Line 15 (StateIncomeTax) shall equal Schedule D-2 Line 4 (TaxDueOnGrossReceipts).
3. Duplicate Condition – the tax return or the transmission file was previously received and accepted by the Department.
4. Math Error – results when a computation is incorrect.
5. Incorrect Data – data violates a business rule even though it is syntactically correct. That is, the data values for elements must conform to the format specified and the data type. Also, the data values for elements must contain only values allowed for them in the schema.
6. Missing Data – data is not provided for a required field.
7. Database Validation Error – data provided does not match the IRS database or the data provided should be present in the IRS database but is not. (e.g. the SoftwareID in the Return Header must be listed in the MeF database and in accepted status.)
8. XML Error – the data violates Schema specification. The return and transmission documents must conform to the version of the XML schema they specify.
9. System Error – a return encounters a problem with the IRS systems that prevents the return from being processed electronically.
10. Unsupported – a submitted item(s) is sent to a location that does not accept it or an unusual condition is encountered in the data.

Schemas / Transmission Specifications

SCHEMAS

The Department will use the TIGERS overall schema structures for the return and the schemas for common components such as headers and binary attachments developed by various states in partnership with the IRS and Software Developers. Each state develops data content schemas based on the state's own forms, schedules, and worksheets. Alabama's forms based schemas can be found at www.revenue.alabama.gov/incometax/corpefilemain.htm.

There are schemas for each return type that can be transmitted to the Department. There are also business rules documents for each return:

AL20C	AL_20C_BusinessReturnDataState.xsd (with forms schemas) AL_20C_BusinessRules 2011v1.0.xls
AL20CC	AL_20CC_BusinessReturnDataState.xsd (with forms schemas) AL_20CC_BusinessRules 2011v1.0.xls
AL20S	AL_20S_BusinessReturnDataState.xsd (with forms schemas) AL_20S_BusinessRules 2011v1.0.xls
AL65	AL_65_BusinessReturnDataState.xsd (with forms schemas) AL_65_BusinessRules 2011v1.0.xls
ALPTEC	AL_PTEC_BusinessReturnDataState.xsd (with forms schemas) AL_PTEC_BusinessRules 2011v1.0.xls

THE SCHEMAS FOR ALL ALABAMA RETURNS WILL BE INCLUDED IN ONE ZIP FILE. THE ZIP FILE WILL CONTAIN THE FOLLOWING:

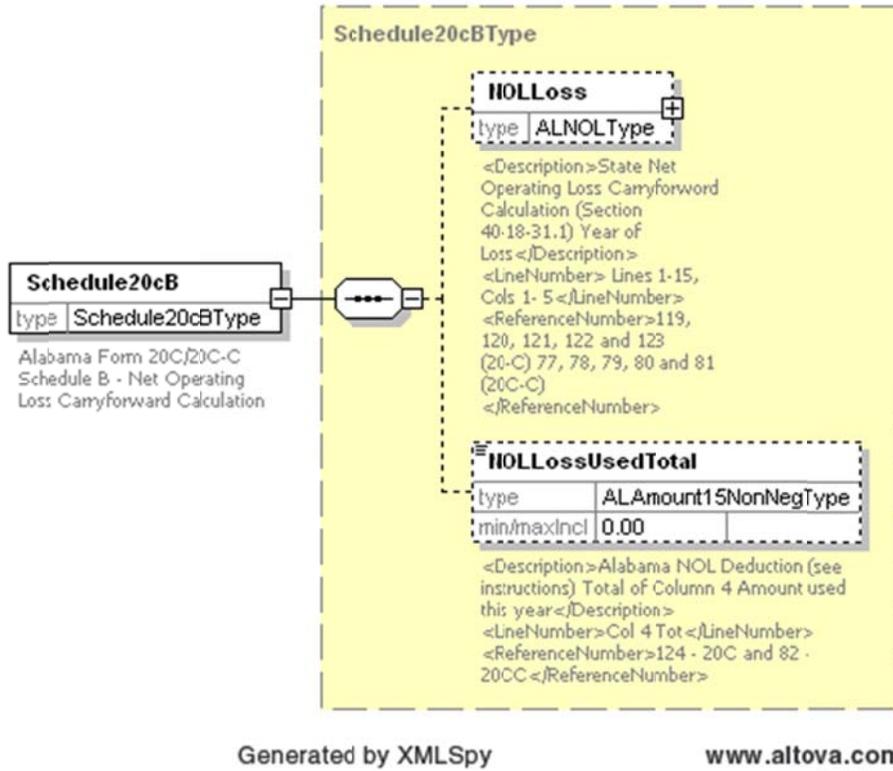
DIRECTORY STRUCTURE AND CONTENTS:

\\ALBusiness2011V1.0\Common	Contain the xsd files that make up the Common Schema set as issued by FTA/TIGERS.
\\ALBusiness2011V1.0\StateBusiness	Contain the return structure for each type of Business filing as issued by FTA/TIGERS.
\\ALBusiness2011V1.0\ALCommon	Contain the xsd files common to the Alabama returns.
\\ALBusiness2011V1.0\ALBusiness	Contain the xsd files specific to the Alabama Forms 20C, 20CC, 20S, 65, and PTE-C.

ANNOTATIONS

Each Alabama return schema includes annotations for each element indicating the description of the element, Schedule and Line numbers on the return, and reference numbers to the Business Rules Spreadsheet.

Example from BusinessReturnAL20C.xsd/ Schedule20cB.xsd:



Software developers should apply data from the spreadsheet or tax forms to the appropriate data element from the XML schema.

All XML data must be well formed.

SPECIAL CHARACTERS

DECIMAL PLACES FOR RATIOS AND PERCENTAGES:

Ratios and percentages will use one position in front of the decimal and up to 6 decimal places.

Examples: 100% = 1.000000
37.3% = 0.37300

All dollar amounts should be reported in whole dollars. Please see the below regulation for specific rules.

810-3-40-.02 Whole Dollar Reporting.

(1) Whole Dollar Reporting Mandatory. Effective December 31, 1998, all tax forms, declarations, statements or other documents submitted to the Individual and Corporate Tax Division shall be completed using whole dollar amounts only.

(2) Rounding to Nearest Whole Dollar Amount. Amounts of 49 cents or less shall be rounded down to the nearest whole dollar amount. Amounts of 50 to 99 cents shall be rounded up to the nearest whole dollar amount.

Author: Judy A. Robbins

Authority: §§40-2A-7(a)(5) and 40-18-40, Code of Alabama 1975

History: New rule: Filed May 3, 2000, effective June 7, 2000.

SPECIAL CHARACTERS:

Many business names include special characters such as the ampersand “&”. The ampersand is strictly illegal inside an XML element and will generate an error. Illegal XML Characters must be replaced by entity references.

There are 5 predefined entity references in XML:

<	<	less than
>	>	greater than
&	&	ampersand
'	'	Apostrophe
"	"	quotation mark

Note: Only the characters "<" and "&" are strictly illegal in XML. Apostrophes, quotation marks and greater than signs are legal, but it is a good habit to replace them.

For example: The following example for “Pack & Move Incorporated” would create an XML error:

```
<HdrName>
  <CorporationName>
    <BusinessNameLine1>PACK & MOVE INCORPORATED</BusinessNameLine1>
  </CorporationName>
</HdrName>
```

The following is a valid XML statement for “Pack & Move Incorporated”:

```
<HdrName>
  <CorporationName>
    <BusinessNameLine1>PACK &amp; MOVE INCORPORATED</BusinessNameLine1>
  </CorporationName>
</HdrName>
```

VERSION CONTROL FOR SCHEMAS AND BUSINESS RULES

Each tax return transmission file, and acknowledgement file has a corresponding XML schema and a respective set of business rules that are used to validate the filed tax return. Each XML transmission file schema, XML schema, and business rule document has a separate version number. It is important to note the following principles regarding version numbers:

The transmission file's schema version (number) and the tax return(s) schema version number may be different. The tax return's schema version number and its associated business rule number will be the same. This ensures that a set of rules enforce the appropriate schema version.

Each business rule document's version number identifies the version of the business rule. The version number on the set of rules dictates the schemas for which the rules are enforced and the version number on the schemas dictates which rules should be invoked for that schema version.

The "Active Validating Schema Version" specifies the business rule and schema version that will be used to validate a tax return that has been received by the IRS during a timeframe. This provides a mechanism for different versions to be accepted at the same time. It also enables an older version to be validated against a newer version's set of schemas and business rules. The IRS will publish all valid schema/business rule versions and the versions that will be used to valid it.

VERSION NUMBERING SCHEME:

The version number includes the tax year for which the schema and business rule document applies (YYYY), the version initial (v), and the four-digit version number (NN.NN). Note: The version initial is case sensitive. The version number of MeF business rules that are invoked for the MeF XML schemas will always have the same version number as the schema version, thereby, providing a mechanism that aligns the various versions of schemas with their applicable business rules. The structure of the version number and a few examples are given below:

AL 2010v1.0
AL 2010v1.1
AL 2011v1.0
AL 2011v1.1

The version number will change with each new tax year and each tax year's subsequent changes. New versions are generated with changes to the tax return's XML schema structure, content, and business rules. These changes will increase the version number when the new version is published. Major changes will increase the left digit and minor changes increase the right digit. This includes the following:

- A new tax year. The tax year part of the version number will change with each subsequent tax year and the version number is reset to 1.0.
- Additions, deletions, and updates to a schema's data elements. This includes any schema modification to a form and/or attachment. Even if the tax return's business rules were not affected by the additions, deletions, and updates to the tax return's schemas, the business rule's version number will be changed to maintain the alignment between the MeF schemas and the applicable business rules.
- Additions and deletions to the business rules. Even if the business rule change(s) did not affect the tax return's schema, the tax return's schema version will be changed to maintain the alignment between the tax return's schema and the applicable business rules. The valid

versions for all MeF tax return schemas and business rules may differ since each tax return represents a separate schema-business rules combination. A schema and/or business rule change to a tax return may not affect another tax return. In this case, the other tax return types may not need to be changed.

How does MeF use Versions?

The return data shall contain the return version used to compose it. The IRS shall publish the schema version that will be used to validate the return, called 'active validating schema version', at any point in time during the processing year. The returns can be filed using any published schema version. They will be validated against the 'active validating schema version' at the time the return is processed. If the return data conforms to the rules enforced by the 'active validating schema version', it will be accepted.

EXPECTED VALUES FOR SUBMISSION TYPES IN STATE MANIFEST:

Form 20C Returns:	20C
Form 20S Returns:	20S
Form 65 Returns:	65
Form PTE-C Returns:	PTEC
Form 20CC Returns:	20CC

EXPECTED VALUES FOR SUBMISSION CATEGORY IN STATE MANIFEST:

Form 20C Returns:	CORP
Form 20S Returns:	CORP
Form 65 Returns:	PART
Form PTE-C Returns:	CORP/PART- based on if the Entity Type is SubChapterK-PART, 20S-CORP
Form 20CC Returns:	CORP

INCOME TAX FORM SPECIFICATIONS

For return data to be transmitted for Forms and Schedules for the 20C, 20CC, 20S, 65, and PTEC filings please refer to the Business Rules documents and schemas for complete details, validations and error codes. The business rules documents are located on our website at www.revenue.alabama.gov/incometax/corpefilemain.htm

Also listed is Publication AL 4165 Alabama Corporate/Partnership Error Reject Codes for each form.

AL20C	AL_20C_BusinessRules 2011v1.0.xls
AL20CC	AL_20CC_BusinessRules 2011v1.0.xls
AL20S	AL_20S_BusinessRules 2011v1.0.xls
AL65	AL_65_BusinessRules 2011v1.0.xls
ALPTEC	AL_PTEC_BusinessRules 2011v1.0.xls