

# Alabama Department of Revenue

News Release  
Sept. 25, 2006

## Business Tax Payments of \$750 or More Must Be Paid Electronically after Oct. 1

*Montgomery*— Many Alabama business taxpayers will change the way they pay their state taxes after Oct. 1.

As a result of a recent law change, business taxpayers making single tax payments totaling \$750 or more to the Alabama Department of Revenue (ADOR) will be required to pay their tax bills electronically after Oct. 1, 2006, rather than mailing checks to the department.

Current law requires business taxpayers making single tax payments of \$25,000 or more to make those payments electronically. Act 2006-552 lowers the current electronic payment threshold from \$25,000 to \$750 after Oct. 1, 2006.

The transfer of electronic funds is available through a variety of safe, secure electronic payment methods. Payments may be submitted through the Automated Clearing House (ACH) Debit using the department's online Electronic Funds Transfer Program or Paperless Filing and Payment Program, through the department's telephone-based debit program, through ACH Credit payments with the taxpayer initiating payment through his/her financial institution, or through other approved electronic payment alternatives.

During July and August, the department notified all Alabama business taxpayers registered with ADOR of the recent law change requiring electronic payments for certain business tax payments totaling \$750 or more.

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Business taxpayers should note that in addition to all state taxes and fees administered by the department, all corresponding city or county taxes and fees administered by the Alabama Department of Revenue must be paid electronically if the state tax payment amount meets the \$750 threshold electronic payment requirement or the tax return and payment amount are otherwise required to be electronically reported and paid.

The law also provides that any local taxes not administered by the department can also be subject to the new \$750 electronic funds payment threshold if the governing city or county body elects to receive the payments electronically through the local government's respective city or county treasuries.

The \$750 electronic payment requirement does not affect individual taxpayers filing estimated income tax or taxpayers making additional individual income tax payments when filing their annual individual income tax returns.

"Although the recent law change affects only those business taxpayers making a single tax payment of \$750 or more to the department, we encourage all taxpayers to consider the many benefits that electronic payment programs can offer in convenience, security, and ultimate taxpayer savings associated with processing costs," said State Revenue Commissioner Tom Surtees.

For more information concerning the new electronic payment requirements, business taxpayers may visit the department's Web site at [www.revenue.alabama.gov](http://www.revenue.alabama.gov).

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