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UPDATE TO IAT PAYMENT PROCESS EFFECTIVE APRIL 1, 2010

To: All Taxpayers Making Business Tax Payments Electronically Through the Alabama Paperless Filing and Payment System via the Bulk File/Upload Method

Pursuant to a new National Automated Clearing House Association (NACHA) rule, the Paperless Filing/Payment System has been updated in regards to EFT payments. Based on the rule, any ACH Debit or ACH Credit payment funded by a financial institution or agency outside of the territorial jurisdiction of the United States must be treated as an International ACH Transaction (IAT). Beginning April 1, 2010, all taxpayers who are required or select to pay via EFT through the Bulk File or Upload method will be required to state whether the payment transaction being submitted is an IAT.

Based on this change, all uploaded files must contain a newly required field. The 1 byte field will be titled IAT and will require an N (not IAT) or Y (IAT) in order for the file to be processed. If the taxpayer enters N in the IAT field, then the file will process as usual. If the taxpayer enters Y in the IAT field, they will be required to provide additional fields of information. This information is a requirement of the NACHA rule for an IAT. For further file layout details, please visit http://www.revenue.alabama.gov/salestax/online/iatinst.htm.

Please note: It is the requirement of Bulk Filers to ascertain from each taxpayer whether or not the payments submitted for their clients are IAT or not.

An additional link you may find helpful in determining if the payment is an IAT: http://www.nacha.org/c/IATIndustryInformation.cfm.

If you have any questions regarding IATs, please contact us either by telephone at 334-242-1490 or 866-576-6531, or via email at http://www.revenue.alabama.gov/salestax/stmailform.cfm.