

Alabama Department of Revenue

Information Release
March 2, 2010

Alabama Business Tax Reminders ***Small Business Expensing*** ***Electronic Filing and Payment Requirements***

Montgomery—As the tax filing season is getting underway for corporate calendar-year filers, the Alabama Department of Revenue (ADOR) offers some helpful filing reminders to business filers.

Small Business Expensing

Alabama income tax law was decoupled from the provisions of the federal Economic Stimulus Act of 2008; therefore, for the 2008 tax year, Alabama did not follow the changes which provided for bonus depreciation and enhancements to Section 179 expenses. Note, however, for the 2009 tax year, Alabama income tax law was not decoupled from the federal provisions, and Alabama will follow changes implemented by the American Recovery and Reinvestment Act of 2009 (ARRA).

Electronic Filing and Electronic Payment Requirements

Alabama's Corporate/Partnership Income Tax Mandatory E-File will become effective March 4, 2010. Tax preparers and accountants who prepared 125 or more acceptable, original corporate/partnership income tax returns using tax preparation software during calendar year 2009, and 50 or more acceptable, original corporate/partnership income tax returns using tax preparation software during calendar year 2010 are now required to electronically file the returns/forms. Corporations with assets of \$10 million or more for tax year 2008, or partnerships with 100 or more partners, mandated to e-file with the IRS, are mandated to e-file tax year 2009 Alabama corporate/partnership income tax returns, and all subsequent tax years. Corporations with assets of \$5 million or

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more for tax year 2009, or partnerships with 50 or more partners, are mandated to e-file tax year 2010 Alabama corporate/partnership income tax returns, and all subsequent tax years.

ADOR tax regulations require parallel electronic filing of returns and electronic payment of taxes due for business taxpayers. Business taxpayers electronically filing business/partnership returns must electronically pay any tax liability due with the returns, regardless of the amount due.

Taxpayers who file their returns electronically can pay their balances due by electronic funds transfer (EFT). They may choose either ACH Debit Payment method or ACH Credit Payment method. Direct Debit, an electronic funds withdrawal option, will be available later this filing season.

Tax preparers who have questions or need help with e-filing the business tax returns should contact ADOR for assistance at (334) 353-0685. ADOR will work with tax preparers who have difficulty implementing the mandate on a case-by-case basis.

Business Modernized E-File Program

Alabama's Business Modernized E-File Program includes Forms 20S, 65, PTE-C, 20C and 20C-C and most major supporting tax schedules. In 2007, Alabama became the eighth state to partner with the Internal Revenue Service (IRS) and approved IRS software vendors to provide a single-point electronic filing method that allows federal and state corporate tax returns to be filed simultaneously.

For more information concerning Alabama's corporate income tax filing program, visit the ADOR's Web site at

<http://www.revenue.alabama.gov/incometax/corpefilemain.htm>.

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