

# Alabama Department of Revenue

News Release  
April 30, 2009

***CORRECTED***

## Don't Get Caught with a Tax Penalty ***New Failure to Pay Penalty Becomes Law***

*Montgomery*— Tax penalties can be costly, and the Alabama Department of Revenue (ADOR) wants taxpayers to be aware of a new tax penalty that recently became law and take the necessary steps to avoid it.

Act 2009-144, effective March 24, 2009, imposes a failure to timely pay penalty. This new penalty applies to any tax amount that was required to be shown on any tax return, if the tax remains unpaid after 30 calendar days from the date the department notifies the taxpayer of the unpaid amount.

The ADOR advises that the most common situations where this new penalty would be imposed involve tax audits or tax return adjustments. The new late payment penalty would apply to a tax liability determined during an audit or following the adjustment of a taxpayer's return, if the tax remains unpaid for over 30 days after the taxpayer receives notice that the tax is due.

For annual returns with unpaid tax amounts, the new late ~~filling~~ **payment** penalty is calculated at one percent of the amount of tax due per month, or fraction of a month, that the tax remains unpaid. The failure to pay penalty cannot exceed 25 percent of the total amount of tax determined to be due.

In the case of monthly or quarterly returns with unpaid tax amounts, the new law provides that the failure to timely pay penalty will be 10 percent of any tax not paid after 30 days from the date the ADOR notifies the taxpayer of the liability.

For more information regarding Alabama's tax penalties, visit the department's Web site at [www.revenue.alabama.gov](http://www.revenue.alabama.gov).

**The ADOR reminds taxpayers that Operation Clean Slate, Alabama's tax amnesty program, will run through May 15, 2009.** Penalties will be waived for those qualifying taxpayers. To learn more about Operation Clean Slate, call 334.242.1055 or 866.326.6755 or visit ADOR's Web site.

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