

# Revenue REVIEW

2nd Quarter  
FY 2012  
(January, February,  
March 2012)

A Quarterly Publication of the Alabama Department of Revenue

## Brenda Russ Named Taxpayer Advocate

**B**renda Russ was named ADOR Taxpayer Advocate, effective Dec. 16, 2011.

The post of Taxpayer Advocate was established by law in 2000.

As Taxpayer Advocate, she serves as an independent channel of assistance for taxpayers who have followed standard procedures, but find their tax matters still unsatisfactorily resolved.



**Brenda Russ**

A career Revenue employee, Brenda brings over 31 years of experience in property, income, and business tax audit and management areas. A Troy University graduate and certified public manager, she began her career in Revenue in 1980 as a tax valuation analyst.

Prior to this new appointment, she served as manager of the Business Tax Section of the Individual and Corporate Tax Division. She filled the position vacated by Joe Walls, who was named Sales and Use Tax Division Director in August 2011.

“Brenda brings a wealth of knowledge from all facets of the

individual and business tax areas of the department,” said Commissioner Magee. “Her commitment to a job well done and her leadership style set high standards within the department. We welcome her to our senior management team.”

## Linda Ellis Named Human Resources Division Director

**L**inda Ellis was named director of the ADOR Human Resources Division, effective Jan. 10, 2012. She had been serving as Interim director since the retirement of former Director Charlie Lassiter on Dec. 1, 2011.

A 24-year state employee, Linda worked eight and a half years with State Personnel before coming to Revenue in 1996. She was named Human Resources Assistant Director in November 2002.



**Linda Ellis**

She holds a bachelor's degree in accounting from AUM and is a certified public manager.

“I am thankful for the opportunity and look forward to continue working with Revenue Department employees in my new role,” said Linda. “I want to thank the HR staff for all of their support, encouragement and hard work during this transition period.”

## Magee Holds Press Conference on Tobacco Tax Evasion Case

State Revenue Commissioner Julie Magee held a press conference Wednesday, Jan. 25, 2012, to announce the indictment of a Pelham, Ala. operator of a wholesale distribution company and the increased audit efforts of the ADOR in pursuing tobacco tax evasion cases.

Shamim Ahmed Khan, 40, was indicted by a Shelby County grand jury as the result of evidence presented by the Office of Attorney General Luther Strange. Khan, the owner and president of Capitol Wholesale and Distribution, was charged with 27 counts of willful evasion of tobacco taxes and 15 counts of second-degree possession of a forged instrument.

If convicted, he faces up to five years in prison and fines of \$100,000 on each of the 27 tax evasion counts, and up to 10 years in prison and fines of \$5,000 on each count of second-degree possession of a forged instrument.

Commissioner Magee emphasized the increased popularity of cigars and their illegal entrance into Alabama from states with either no taxes or taxes lower than those in Alabama, and their being sold at retail with Alabama receiving no tax revenue.

"We are invigorating our audit efforts," said Magee.



**Commissioner Julie Magee briefs reporters on the stepped-up audit efforts of the department in its quest to combat tobacco tax evasion. Standing behind her are (left to right) Randy Winkler, Motor Fuels and Examination Section Manager, Business and License Tax Division; Lee Poe, Steve DeSantis, Field Audit Section, Business and License Tax Division; Jerome Dangerfield, Investigations Division.**

## Certificate of Compliance Function Moves to Individual and Corporate Tax

If a foreign corporation decides to withdraw its registration to conduct business in Alabama, it must first obtain a Certificate of Compliance from the Alabama Department of Revenue. This certificate states that the corporation has paid all applicable taxes and fees due the State of Alabama.

Once this process is completed, the corporation is then cleared to apply for a Certificate of Withdrawal from the Office of the Secretary of State. (To apply, see <http://www.sos.state.al.us/downloads/corpForms.aspx>.)

Act 2009-513, effective Jan. 1, 2011, specified the necessity and requirements for the Certificate of Compliance, which originally fell under the umbrella of the Office of the Commissioner. In February of this year, that function was transferred to the Individual and Corporate Tax Division Business Privilege Tax Section, where employees administer the certificates, a process which includes notifying divisions/sections within the department to determine if the foreign corporation is in compliance with the applicable taxes.

The Certificate of Compliance reads, "An examination of the records of Corporate Income, Business Privilege, Sales, Use & Business, and Withholding Tax accounts for (Taxpayer's name) reveals that this taxpayer has filed all applicable tax returns and paid all tax, penalty and interest reported as of (Date). No representation is made as to the accuracy of the amounts reported, and all periods remaining within the statute of limitations are subject to audit by the Department."

(To apply, click on FORMS at [www.revenue.alabama.gov](http://www.revenue.alabama.gov) or call the ADOR at (334-242-1189).)



**JULIE P. MAGEE**  
Commissioner

# State of Alabama Department of Revenue

(www.revenue.alabama.gov)  
50 North Ripley Street  
Montgomery, Alabama 36132

February 8, 2012

**CYNTHIA UNDERWOOD**  
Assistant Commissioner

**MICHAEL E. MASON**  
Deputy Commissioner

## ANNUAL REPORT OF QUALIFYING PROJECTS FOR CAPITAL CREDIT

*In accordance with Section 40-18-196, Code of Alabama 1975, this report shall serve as the report required to be issued annually to the Alabama Legislature and the public by the Alabama Department of Revenue, before the fifth Legislative day of each regular session, as to the qualifying projects with respect to which capital credits are claimed during the year.*

Since enactment, there have been a total of 418 capital credit projects that have been placed in service with a total of \$15,314,835,837 in actual investment costs and at least 52,271 actual jobs created. Currently, the department is holding several additional notices pending receipt of requested additional information.

To date, approximately \$498,601,363 in capital credits has been claimed against the income tax liability of projects that have been placed in service.

Data Based on Notices of Projects Placed In Service Received in Reporting Year					
Reporting Year	1995-2008	2009	2010	2011	Total For All Years
Notices of Projects Placed In Service	362	30	12	14	418
Actual Jobs Created Based on Notices of Projects Placed In Service	45,334	4,757	1,169	1,011	52,271
Actual Project Costs Based on Notices of Projects Placed In Service	\$11,847,811,777	\$2,219,192,929	\$773,904,241	\$473,926,890	\$15,314,835,837
Data Based on Income Tax Credits Claimed In Reporting Year					
Reporting Year	1995-2008	2009	2010	2011	Total For All Years
Capital Credits Claimed in Reporting Year	\$357,434,428	\$47,599,172	49,685,106	\$43,882,657	\$498,601,363

Submitted by:

Julie P. Magee  
Commissioner of Revenue

C: Lieutenant Governor Kay Ivey  
Mike Hubbard, Speaker of the House  
Members of the Alabama Legislature

# State Revenue Department Identifies over \$3 Million in Potential Fraudulent Tax Refunds

So far this filing season, the Alabama Department of Revenue (ADOR) has identified and prevented the payment of more than \$3 million in questionable Alabama income tax refunds, representing 10,900 Alabama individual income tax returns.

“The ADOR has more advanced, efficient systems in place now to detect tax fraud than in years past and persons considering filing or preparing fraudulent returns should think twice,” said Alabama Revenue Commissioner Julie Magee.

“The returns we have identified and are concerned with include those with intentionally false and fraudulent information, patterns of excessive and unsubstantiated casualty losses, deductions, etc.,” explained Commissioner Magee.

“We now have in place methods that allow us to quickly and efficiently examine returns for such questionable or fraudulent information before the return is processed. If a return is identified as being questionable, it is then audited and the refund can be delayed pending

investigation,” explained Commissioner Magee.

Each year during the tax filing season, Alabamians hear repeated warnings of identity theft or fraudulent return activity. Magee says that while most tax return preparers provide honest service to their clients, there are some who take advantage of unsuspecting taxpayers.

“Such preparers derive financial gain by skimming a portion of their clients’ refunds, charging inflated fees for return preparation services, or attracting new clients by promising refunds that are too good to be true,” explained Magee. Magee encourages taxpayers to choose carefully when hiring a tax preparer, and reminds taxpayers that even if they do not prepare their own tax returns, they are ultimately

responsible for the information shown on their returns.

Alabama’s tax laws provide penalties and fines for both the unscrupulous tax preparer and the taxpayer who participates in such activity. Anyone who willfully assists or advises in the preparation of a fraudulent return can face felony charges, and if convicted, may be fined up to \$100,000 per charge and face imprisonment up to three years. In addition, fraud, negligence, or frivolous return penalties may be assessed against the taxpayer and range from 50 percent of the underreported amount of tax due to a flat \$250 penalty.

“The bottom line is – filing a fraudulent return is not worth whatever gain that may be promised. Sooner or later, the fraud will be discovered,” said Magee.

## Administrative Rules

### Effective Feb. 10, 2012 Repealed:

810-6-3-.37.02 Exemption from Lodgings Tax for Film Production Companies Approved by the Alabama Film Office

810-6-3-.48.05 Exemption for Certain Purchases by Film Production Companies Approved by the Alabama Film Office

## Statement of Gross Tax Collections

Through End of 2nd Quarter FY 2012  
(Jan., Feb., March 2012)

	FYTD 2011-12	FYTD 2010-11	% Change
Business Privilege Tax	\$ 82,379,624.07	\$ 76,686,066.45	7.42
Gasoline	194,731,552.60	197,603,953.49	(1.45)
Income Tax-Corporate	185,273,579.30	147,962,167.72	25.22
Income Tax-Individual	1,623,184,764.77	1,586,208,338.60	2.33
Income Tax (Total)	1,808,458,344.07	1,734,170,506.32	4.28
Motor Fuels	64,107,350.18	63,324,964.10	1.24
Oil & Gas Privilege (8%)	44,256,312.19	37,879,770.13	16.83
Oil & Gas Production (2%)	14,975,521.69	14,587,934.15	2.66
Sales	985,453,169.00	933,079,719.56	5.61
Use Tax	140,137,017.31	132,882,180.84	5.46
Utility Gross Receipts	192,028,901.20	196,790,210.08	(2.42)
<b>SUBTOTAL</b>	<b>\$3,526,527,792.31</b>	<b>\$3,387,005,305.12</b>	<b>4.12</b>
<b>SUBTOTAL (OTHER TAXES)</b>	<b>883,912,285.03</b>	<b>874,509,458.48</b>	<b>1.08</b>
<b>TOTAL (ALL TAXES)</b>	<b>\$4,410,440,077.34</b>	<b>\$4,261,514,763.60</b>	<b>3.49</b>

# IRS NEWS

**Issue Number: IR-2012-5**  
**Jan. 9, 2012**

## **IRS Offshore Programs Produce \$4.4 Billion to Date for Nation’s Taxpayers; Offshore Voluntary Disclosure Program Reopens**

WASHINGTON — The Internal Revenue Service reopened the offshore voluntary disclosure program to help people hiding offshore accounts get current with their taxes and announced the collection of more than \$4.4 billion so far from the two previous international programs.

The IRS reopened the Offshore Voluntary Disclosure Program (OVDP) following continued strong interest from taxpayers and tax practitioners after the closure of the 2011 and 2009 programs. The third offshore program comes as the IRS continues working on a wide range of international tax issues and follows ongoing efforts with the Justice Department to pursue criminal prosecution of international tax evasion. This program will be open for an indefinite period until otherwise announced.

“Our focus on offshore tax evasion continues to produce strong, substantial results for the nation’s taxpayers,” said IRS Commissioner Doug Shulman. “We have billions of dollars in hand from our previous efforts, and we have more people wanting to come in and get right with the government. This new program makes good sense for taxpayers still hiding assets overseas and for the nation’s tax system.”

The program is similar to the 2011 program in many ways, but with a few key differences. Unlike last year, there is no set deadline for people to apply. However, the terms of the program could change at any time going forward. For example, the IRS may increase penalties in the program for all or some taxpayers or defined classes of taxpayers – or decide to end the program entirely at any point.

“As we’ve said all along, people need to come in and get right with us before we find you,” Shulman said. “We are following more leads and the risk for people who do not come in continues to increase.”

The third offshore effort comes as Shulman also announced the IRS has collected \$3.4 billion so far from people who participated in the 2009 offshore program, reflecting closures of about 95 percent of the cases from the 2009 program. On top of that, the IRS has collected an additional \$1 billion from up front payments required under the 2011 program. That number will grow as the IRS processes the 2011 cases.

In all, the IRS has seen 33,000 voluntary disclosures from the 2009 and 2011 offshore initiatives. Since the 2011 program closed last September, hundreds of taxpayers have come forward to make voluntary disclosures. Those who have

come in since the 2011 program closed last year will be able to be treated under the provisions of the new OVDP program.

The overall penalty structure for the new program is the same for 2011, except for taxpayers in the highest penalty category.

For the new program, the penalty framework requires individuals to pay a penalty of 27.5 percent of the highest aggregate balance in foreign bank accounts/entities or value of foreign assets during the eight full tax years prior to the disclosure. That is up from 25 percent in the 2011 program. Some taxpayers will be eligible for 5 or 12.5 percent penalties; these remain the same in the new program as in 2011.

Participants must file all original and amended tax returns and include payment for back-taxes and interest for up to eight years as well as paying accuracy-related

## Interest Rates Remain the Same for the Second Quarter of 2012

Interest rates for the calendar quarter beginning April 1, 2012, remain at three (3) percent, according to Internal Revenue Bulletin No. 2012-13, dated March 26, 2012.

Under Sect. 40-1-44, *Code of Alabama 1975*, the Department of Revenue will calculate interest on underpayments and overpayments (where applicable) at this same annual rate (3 %); however, land sold by the state for taxes, shall be calculated at 12% in accordance with Sect. 40-5-9. (Historical rates shown below.)

### Interest Rates By Calendar Quarter

(Established by: 26 USCA §6621; §40-1-44, *Code of Alabama 1975*)

	1ST QTR	2ND QTR	3RD QTR	4TH QTR
<b>2001</b>	9%	8%	7%	7%
<b>2002</b>	6%	6%	6%	6%
<b>2003</b>	5%	5%	5%	4%
<b>2004</b>	4%	5%	4%	5%
<b>2005</b>	5%	6%	6%	7%
<b>2006</b>	7%	7%	8%	8%
<b>2007</b>	8%	8%	8%	8%
<b>2008</b>	7%	6%	5%	6%
<b>2009</b>	5%	4%	4%	4%
<b>2010</b>	4%	4%	4%	4%
<b>2011</b>	3%	4%	4%	3%
<b>2012</b>	3%	3%		

and/or delinquency penalties.

Participants face a 27.5 percent penalty, but taxpayers in limited situations can qualify for a 5 percent penalty. Smaller offshore accounts will face a 12.5 percent penalty. People whose offshore accounts or assets did not surpass \$75,000 in any calendar year covered by the new OVDP will qualify for this lower rate. As under the prior programs, taxpayers who feel that the penalty is disproportionate may opt instead to be examined.

The IRS recognizes that its success in offshore enforcement and in the disclosure programs has raised awareness related to tax filing obligations. This includes awareness by dual citizens and others who may be delinquent in filing, but owe no U.S. tax. The IRS is currently developing procedures by which these taxpayers may come into compliance with U.S. tax law. The IRS is also committed to educating all taxpayers so that they understand their U.S. tax responsibilities.

More details will be available within the next month on IRS.gov. In addition, the IRS will be updating key Frequently Asked Questions and providing additional specifics on the offshore program.

## IRS

### NEWS RELEASE

IRS Media Office - Ala. & Tenn.

Media Contacts Only: 615-476-9304

### IR-2012-1

Jan. 31, 2012

## Identity Theft Crackdown Sweeps Across the Nation; More than 200 Actions Taken In Past Week in 23 States

WASHINGTON – The Internal Revenue Service and the Justice Department announced the results of a massive national sweep cracking down on suspected identity theft perpetrators as part of a stepped-up effort against refund fraud and identity theft.

Working with the Justice Department's Tax Division and local U.S. Attorneys' offices, the nationwide effort targeted 105 people in 23 states. The coast-to-coast effort took place over the last week and

included indictments, arrests and the execution of search warrants involving the potential theft of thousands of identities and taxpayer refunds. In all, 939 criminal charges are included in the 69 indictments and informations related to identity theft.

In addition, IRS auditors and investigators conducted extensive compliance visits to money service businesses in nine locations across the country in the past week. The approximately 150 visits occurred to help ensure these check-cashing facilities aren't facilitating refund fraud and identity theft.

"This unprecedented effort against identity theft sends a strong, unmistakable message to anyone considering participating in a refund fraud scheme this tax season," said IRS Commissioner Doug Shulman. "We are aggressively pursuing cases across the nation with the Justice Department, and people will be going to jail. This is part of a much wider effort underway at the IRS to help protect taxpayers."

"The Justice Department is working closely with the IRS to investigate, prosecute, and punish tax refund crimes committed through the theft of identities," said Principal Deputy Assistant Attorney General John A. DiCicco of the Tax Division. "Now, more than ever, we must remain vigilant against the unauthorized use of identification information to defraud the U.S. government."

The national effort is part of a comprehensive identity theft strategy the IRS has embarked on that is focused on preventing, detecting and resolving identity theft cases as soon as possible. In addition to the law-enforcement crackdown, the IRS has stepped up its internal reviews to spot false tax returns before tax refunds are issued as well as working to help victims of the identity theft refund schemes.

The law-enforcement sweep started last week across the country, reflecting investigative efforts stretching back months and even years.

The nationwide effort by the Justice Department and the IRS led to actions taking place in 23 locations across the country with 105 individuals. The actions

included 80 complaints/indictments and informations, 58 arrests, 19 search warrants, 10 guilty pleas and four sentencings. A map of the locations and additional details on the actions are available on IRS.gov, the [IRS Civil and Criminal Actions](#) page and at the Department of Justice Tax Division page <http://www.justice.gov/tax/taxpress2012.htm> has the most recent information.

Beyond the criminal actions, the IRS enforcement personnel conducted a special sweep last week and on Monday to visit 150 money services businesses to help make sure these businesses are not knowingly or unknowingly facilitating identity theft or refund fraud. The visits occurred in nine high-risk places identified by the IRS covering areas in and surrounding Atlanta, Birmingham, Ala., Chicago, Los Angeles, Miami, New York, Phoenix, Tampa and Washington, D.C.

In addition, the IRS has more than 250 check-cashing operations under audit across the country and will be looking for indicators of identity theft as part of the exam effort.

The information from these audits and compliance visits will be used to assist continuing IRS investigations into refund fraud and identity theft. The IRS also is taking a number of additional steps this tax season to prevent identity theft and detect refund fraud before it occurs. These efforts includes designing new identity theft screening filters that will improve the IRS's ability to spot false returns before they are processed and before a refund is issued, as well as expanded efforts to place identity theft indicators on taxpayer accounts to track and manage identity theft incidents.

To help taxpayers, the IRS earlier this month created a new, special section on IRS.gov dedicated to identity theft matters, including YouTube videos, tips for taxpayers and a special guide to assistance. The information includes how to contact the IRS Identity Protection Specialized Unit and tips to protect against "phishing" schemes that can lead to identity theft.

Identity theft occurs when someone uses another's personal information without their permission to commit fraud

or other crimes using the victim's name, Social Security number or other identifying information. When it comes to federal taxes, taxpayers may not be aware they have become victims of identity theft until they receive a letter from the IRS stating more than one tax return was filed with their information or that IRS records show wages from an employer the taxpayer has not worked for in the past.

If a taxpayer receives a notice from the IRS indicating identity theft, they should follow the instructions in that notice. A taxpayer who believes they are at risk of identity theft due to lost or stolen personal information should contact the IRS immediately so the agency can take action to secure their tax account. The taxpayer should contact the IRS Identity Protection Specialized Unit at 800-908-4490. The taxpayer will be asked to complete the IRS Identity Theft Affidavit, [Form 14039](#), and follow the instructions on the back of the form based on their situation.

Taxpayers looking for additional information can consult the [Taxpayer Guide to Identity Theft](#) or the [IRS Identity Theft Protection page](#) on the IRS website.

## NEWS RELEASE

IRS Media Office - Ala. & Tenn.

Media Contacts Only: 615-250-5951

SCAM ALERT: E-mails appearing to be from IRS

Twitter: [taxdan](#); Facebook: [Dan Boone](#)

Watch: [IRSvideos](#) on YouTube

**Feb. 23, 2012**

### IRS Has \$15.7 Million for Alabamians Who Have Not Filed a 2008 Income Tax Return

BIRMINGHAM — Refunds totaling \$15,738,000 may be waiting for about 18,400 Alabamians who did not file a federal income tax return for 2008, announced the Internal Revenue Service.

Nationwide, the IRS has over \$1 billion for about 1 million people who haven't filed for 2008 yet.

To collect the money, a return for 2008 must be filed with the IRS no later than Tuesday, April 17, 2012. There is no penalty for filing a late return qualifying for a

refund.

"Some who haven't filed yet for 2008 could be eligible for an even bigger refund than our records indicate," said IRS spokesman Dan Boone. "IRS won't know until they file if they qualify for the Earned Income Tax Credit or the [Recovery Rebate Credit](#) or both."

The law provides most taxpayers with a three-year window of opportunity for claiming a refund. If no return is filed to claim a refund within three years, the money becomes property of the U.S. Treasury. For 2008 returns, the window closes on April 17, 2012.

The IRS reminds taxpayers seeking a 2008 refund that their checks may be held if they have not filed tax returns for 2009 and 2010.

Current and [prior year](#) tax forms and instructions are available on the Forms and Publications page of [IRS.gov](#) or by calling toll-free 800-TAX-FORM (800-829-3676). Taxpayers who are missing Forms W-2, 1098, 1099 or 5498 for 2008, 2009 or 2010 should request copies from their employer, bank or other payer. If these efforts are unsuccessful, taxpayers can get a free transcript showing information from these year-end documents by ordering it on [IRS.gov](#), filing [Form 4506-T](#), or by calling 800-908-9946.

**Issue Number: IR-2012-27**  
**Feb. 23, 2012**

### Payroll Tax Cut Extended to the End of 2012; Revised Payroll Tax Form Now Available to Employers

WASHINGTON — The Internal Revenue Service released revised [Form 941](#) enabling employers to properly report the newly-extended payroll tax cut benefiting nearly 160 million workers. Under the Middle Class Tax Relief and Job Creation Act of 2012, enacted yesterday, workers will continue to receive larger paychecks for the rest of this year based on a lower social security tax withholding rate of 4.2 percent, which is two percentage points less than the 6.2 percent rate in effect prior to 2011. This reduced rate, originally in effect for all of 2011, was extended through the end of

February by the Temporary Payroll Tax Cut Continuation Act of 2011, enacted Dec. 23.

No action is required by workers to continue receiving the payroll tax cut. As before, the lower rate will have no effect on workers' future Social Security benefits. The reduction in revenues to the Social Security Trust Fund will be made up by transfers from the General Fund.

Self-employed individuals will also benefit from a comparable rate reduction in the social security portion of the self-employment tax from 12.4 percent to 10.4 percent. For 2012, the social security tax applies to the first \$110,100 of wages and net self-employment income received by an individual.

The new law also repeals the two-percent recapture tax included in the December legislation that effectively capped at \$18,350 the amount of wages eligible for the payroll tax cut. As a result, the now repealed recapture tax does not apply.

The IRS will issue additional guidance, as needed, to implement the newly-extended payroll tax cut, and any further updates will be posted on [IRS.gov](#).

**Issue Number: IR-2012-30**  
**March 2, 2012**

### Winter 2012 Statistics of Income Bulletin Now Available

WASHINGTON — The Internal Revenue Service announced availability of the [winter 2012 issue](#) of the Statistics of Income Bulletin, which features preliminary data for 143 million individual income tax returns filed for tax year 2010.

The Statistics of Income (SOI) Division produces the SOI Bulletin on a quarterly basis. Articles included in the publication provide the most recent data available from various tax and information returns filed by U.S. taxpayers. This issue of the SOI Bulletin also includes articles on the following:

*Individual income tax rates and shares.* Taxpayers filed 140.5 million returns for tax year 2009. Of those, nearly 82 million (or 58 percent) were taxable, which means that, at the return level, the taxpayer reported total income tax greater than zero.

Adjusted gross income (AGI) reported on taxable returns was almost \$6.8 trillion, while total income tax was \$866 billion.

**Split-interest trusts.** Charitable remainder trusts, charitable lead trusts and pooled income funds reported \$8 billion in gross income and \$121.2 billion in end-of-year assets for filing year 2010.

**Domestic private foundations.** For tax year 2008, domestic private foundations reported \$526.5 billion in total assets and \$49.7 billion in total revenue. These foundations distributed \$42.8 billion in contributions, gifts and grants to the charitable sector.

**Unrelated business income tax returns.** For tax year 2008, tax-exempt organizations filed more than 42,000 unrelated business income tax returns and reported \$10.3 billion in gross unrelated business income.

**Personal wealth.** In 2007, an estimated 2.3 million U.S. adults had gross assets of \$2 million or more, holding more than \$12 trillion in combined net worth. The study used information reported on federal estate tax returns.

**Projections of federal tax return filings.** The IRS expects that over 239 million tax returns will be filed during calendar year 2012, of which more than 145 million will be from individuals.

The Statistics of Income Bulletin is available for download at [IRS.gov/taxstats](http://IRS.gov/taxstats). Printed copies of the Statistics of Income Bulletin are available from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. The annual subscription rate is \$53 (\$74.20 foreign), single issues cost \$39 (\$48.75 foreign).

For more information about these data, write to the Director, Statistics of Income (SOI) Division, RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

---

**Issue Number: IR-2012-34**  
**March 14, 2012**

---

## IRS Creates Online Search Tool for Easier Check On Information About Exempt Organizations

WASHINGTON — The Internal Revenue Service has launched a new online search tool, Exempt Organizations Select Check, to help users more easily find key information about tax-exempt organizations, such as federal tax status and filings.

Users can now go to one location on [IRS.gov](http://IRS.gov), select a tax-exempt organization, and check if the organization:

- Is eligible to receive tax-deductible charitable contributions (Publication 78 data, which is incorporated here). Users may rely on this list in determining deductibility of contributions (just as they did when Publication 78 was a separate electronic publication rather than part of Select Check).

- Has had its federal tax exemption automatically revoked under the law for not filing a Form 990-series return or notice for three consecutive years (known as the Auto-Revocation List).

- Has filed a Form 990-N (e-Postcard) annual electronic notice. (Most small organizations whose annual gross receipts are normally \$50,000 or less are required to electronically submit Form 990-N, unless they choose instead to file a completed Form 990 or Form 990-EZ.)

*EO Select Check* also offers improved search functions. For example, users can now look for organizations eligible to receive deductible contributions by Employer Identification Number (EIN), which was previously not a searchable or sortable field in the electronic Publication 78. And data about organizations eligible to receive deductible contributions are now updated monthly, rather than quarterly.

In addition, organizations that have automatically lost their tax exemptions may now be searched by EIN, name, city, state, ZIP Code, country, exemption type, and revocation posting date, rather than only by state. *EO Select Check* also provides new pop-up help text to assist users in understanding the significance of auto-revocation search results, including the meaning of, and distinctions between, revocation dates and revocation posting dates.

*EO Select Check* offers search tips that

provide suggestions on how to use the search application.

---

**Issue Number: IR-2012-36**  
**March 22, 2012**

---

## IRS Releases FY 2011 Data Book

WASHINGTON — The Internal Revenue Service released the 2011 IRS Data Book, a snapshot of agency activities for fiscal year 2011 — Oct. 1, 2010, to Sept. 30, 2011. During the year, the IRS collected \$2.4 trillion and processed more than 234 million tax returns.

In addition to information on taxes collected and returns processed, the report also includes information about enforcement, taxpayer assistance, and the IRS budget and workforce, among others.

### e-File

Taxpayers e-filed more than 133 million business and individual income tax returns, including 77 percent of all individual income tax returns.

### Refunds Issued

More than 119 million individual income tax returns, about 83 percent of all individual returns, resulted in refunds, totaling almost \$338 billion.

### Enforcement

The IRS examined 1.1 percent of all individual income tax returns and 1.5 percent of corporation income tax returns (excluding S corporation returns).

### Taxpayer Assistance

The IRS provided taxpayer assistance through 319 million visits to [IRS.gov](http://IRS.gov) and assisted nearly 83 million taxpayers through its toll-free telephone helpline or at walk-in sites.

An electronic version of the 2011 IRS Data Book can be found on the Tax Stats page of [IRS.gov](http://IRS.gov).

Printed copies of the IRS Data Book, Publication 55B, will be available by mid-April 2012 from the U.S. Government Printing Office. To obtain a copy, write to the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954, or call (202) 512-1800 for voicemail, or fax a request to (202) 512-2250.

# Tax Calendar

## Required Monthly Returns Tax Activity

**10th** • Medicaid-related tax return and payment due for nursing facilities.

- Tobacco use tax return and payment due.

**15th** • Gasoline information return due from carriers, transporters, and warehouses.

- Lubricating oils information return due from carriers, transporters, and warehouses.
- Motor carrier mileage tax return and payment due.
- Oil and gas production tax and privilege tax return and payment due two months following month of production.
- Withholding return and payment due from those employers required to remit on a monthly basis.

**20th** • Aviation fuel tax return and payment due.

- Coal severance tax return and payment due.
- Coal transporters' and purchasers' returns due.
- Contractors' gross receipts tax return and payment due.
- Gasoline tax return and payment due.
- Iron ore severance tax return and payment due.
- Local solid minerals tax returns and payments due.
- Lodgings tax return and payment due.
- Lubricating oils tax return and payment due.
- Medicaid tax return and payment due from pharmaceutical service providers.
- Mobile telecommunications service tax return and payment due.
- Motor fuel tax return and payment due.
- Pari-mutuel pool tax return and payment due.
- Rental or leasing tax return and payment due.
- Sales tax (state and local) return and payment due.
- Scrap Tire Environmental Fee due.
- Tobacco tax (state and county) return and payment due.
- Underground and aboveground storage tank trust fund charge due.
- Uniform Natural Minerals tax return and payment due.
- Use tax return and payment due.
- Utility gross receipts tax return and payment due.

**30th** • Hazardous waste fee return and payment due.

Last day of month • State horse wagering fee return and payment due.

## Quarterly/Annual Tax Activity

(July, August, September 2012)

### July

**1** • Quarterly Dry Cleaning Trust Fund Fee return and payment due.

- Utility license (2.2%) fourth quarterly payment due.
- Quarterly Hospital Assessment for Medicaid Tax due.

**20** • Quarterly sales tax return and payment due.

- Quarterly use tax return and payment due.
- Quarterly rental or leasing tax return and payment due.
- Quarterly Solid Waste Disposal Fee return and payment due.

**30** • Quarterly forest products' severance tax return and payment due.

**31** • Quarterly NPM payment due into escrow.

- Quarterly Construction Employer Fee due.
- Quarterly withholding return and payment due from employer.
- Quarterly IFTA tax return and payment due.

### Aug.

**10** • Quarterly NPM certification and bank verification due.

### Sept.

**15** • Third installment of estimated corporate income tax due (for calendar-year taxpayers.)

- Third installment of estimated personal income tax due.

**25** • Hydroelectric gross receipts return and payment due tax due