

Revenue REVIEW

3rd
Quarter
FY 2006

(April, May,
June 2006)

A Quarterly Publication of the Alabama Department of Revenue

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

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.

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.

New Electronic Reporting Requirements for Employers and Withholding Agents

Electronic Payment and Filing Threshold Decreased to \$750

Employers who withhold \$750 or more for any reporting period are required to file and pay the tax electronically after Oct. 1, 2006. All employers or withholding tax agents making a single income tax withholding payment of \$750 or more are required to file applicable withholding tax returns and remit their payments electronically through the department's Web site at www.revenue.alabama.gov/withholding/efiling.html or through the department's telephone-based filing system by calling 1-800-828-1727. Prior to Oct. 1, 2006, the electronic filing and payment requirement for

Alabama income tax withholding was set at \$25,000.

Filing Requirements for Forms W-2, Employee Wage and Tax Statement

Employers and withholding tax agents filing 250 or more Forms W-2 and/or information returns (if Alabama income tax was withheld) with the ADOR must electronically file the forms beginning Jan. 1, 2007. Visit ADOR's Web site at www.revenue.alabama.gov for more information.

Changes in Computing Alabama Withholding Tax

The recent enactment of Act 2006-352

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Alabama Business Community Benefits from New Business Workshops

The state's business community continues to benefit from the New Business Workshop Program offered by the Alabama Department of Revenue. Those individuals opening a new business or assuming ownership of a previously-owned business learn about their tax obligations from the free statewide seminars.

ADOR representatives from the nine taxpayer service centers travel to the workshop locations, explaining tax obligations in their particular area of expertise. Under the umbrella of outreach efforts, the program often extends beyond the traditional workshop location into the business and educational community, as in a recent presentation to an Alabama State University marketing/retailing class.

New Business Workshop Outreach

Laura Elmore, of the ADOR Sales, Use and Business Tax Division, presented a "Starting a New Business" workshop to a marketing/retailing class at Alabama State University July 11. Dr. Tammy Prater, of the ASU College of Business Administration, welcomed Laura's presentation to her Marketing 341-Retailing class of some 15 students, who benefited from details on Alabama's tax collecting and reporting structure.

Small Business Development Center and ADOR Team Up for Florence New Business Workshop

Three representatives from the Muscle Shoals TSC spoke at the July 13 New Business Workshop in Florence, Ala., along with Pat Phillips of the University of North Alabama Small Business Development Center (UNA-SBDC).

ADOR personnel included Tricia McCrary, Individual and Corporate Tax, who explained withholding tax, estimated tax, and business privilege tax; Debbie Walker, who explained sales tax, sellers' use



(Shown left) Dr. Tammy Prater, Alabama State University, visits with Laura Elmore, Alabama Department of Revenue, Sales, Use and Business Tax Division.



Laura Elmore explains some of the state's sales and use tax obligations to a marketing/retailing class at Alabama State University.



Participants in the New Business Workshop held at the Florence-Lauderdale Public Library were (left to right): Debbie Walker, Tricia McCrary, Matt Montgomery, ADOR, Muscle Shoals Taxpayer Service Center; Pat Phillips, University of North Alabama Small Business Development Center.

tax, consumers' use tax, rental tax and lodgings tax; Matt Montgomery, Property Tax, who explained real and personal property tax.

Pat Phillips, who provides the training for the UNA-SBDC service area of nine counties for small business owners or individuals thinking of starting a small business, explains the center's role. "The UNA-SBDC is one of 10 centers located throughout the state of Alabama that are part of the Alabama Small Business Development

Consortium. All of the centers provide workshops for small businesses. When requested, the local ADOR taxpayer service center supports training provided by the SBDC.

"The UNA-SBDC works with the ADOR in providing the current series of workshops. I facilitate the workshop by handling registration and introducing the session. I include a brief description of the services provided by the center and have literature available for the attendees. Evalu-

ation sheets are given to the attendees and these and the attendee lists are available to ADOR. Additionally, the center notifies its client base of the training opportunity.

"The UNA-SBDC website is in the process of being updated and when work is completed, we will continue to post workshops and a link to ADOR. We look forward to working with the Muscle Shoals Taxpayer Service Center in future workshops or in any way possible."

Online Availability Updates

The Alabama Department of Revenue has expanded its electronic services to include several new features.

"Over the last several years, we have worked diligently to expand our electronic service options to include a variety of tax and administrative areas within the department, aimed at offering greater convenience and access for taxpayers," said ADOR Commissioner Tom Surtees.

"The Certificate of Good Standing online request and the online IRP license plate renewal program allow us to offer our business taxpayers all the advantages and conveniences of electronic services."

Certificates of Good Standing

Business taxpayers can now avail themselves of a new electronic feature from the Alabama Department of Revenue, the online request for Certificates of Good Standing.

Business taxpayers routinely request the certificates to conduct various business transactions, many of which may involve time-sensitive issues. The department's issuance of the certificate indicates that the business is in compliance with all of the provisions of Alabama's business privilege tax reporting and payment requirements.

To access the online request, taxpayers can log on to the department's Web site at www.revenue.alabama.gov, go the menu selection entitled "E-Services," and click on "Certificates of Good Standing." To submit a certificate request, taxpayers will simply follow the user-friendly prompts.

Compared to processing times of mail-in requests which generally average a 12 to 14 business day turnaround time, taxpayers submitting their requests online should receive their certificates for good standing or noncompliance, whichever is the case, electronically, within two to three business days.

Both mail-in and online requests require a \$10 processing fee for payment of record search fees. The \$10 fee must be

paid by credit card if submitting an online request. Online customers will also be charged a \$4 convenience fee that is paid to the department's service provider, Alabama Interactive. The department receives no part of the convenience fee.

Annually, the department processes over 9,000 requests for certificates of good standing.

For more information concerning electronic services available to Alabama taxpayers, visit the department's Web site at www.revenue.alabama.gov.

IRP Renewals

Motor carriers enrolled in the International Registration Plan (IRP) can now register online by logging on to ADOR's Web site at www.revenue.alabama.gov, selecting "Divisions and Services," "Motor Vehicle," "E-Services," and "IRP/IFTA E-file." The carriers will be asked to provide their taxpayer identification number and assigned password and then follow the prompts.

The department's online registration system allows Alabama-based motor carriers to renew their IRP license plates, add vehicles, transfer IRP license plates, and request additional jurisdictions over the Internet— 24 hours a day, seven days a week— and receive their registration credentials much sooner than through mail-in registration. Compared to mail-in IRP license renewal applications, which normally take several weeks to process, online registrations allow registration credentials to be mailed to motor carriers within days of the department's receipt of payment and documents evidencing payment of property and federal heavy vehicle use taxes.

The carrier may calculate a bill or electronically send the IRP renewal to the department at any point in the application process. When a bill is calculated, the carrier will have the option to remit the IRP fees electronically. The department utilizes Official Payments Corporation (OPC) to process electronic payments (credit card or

e-check). A 2.5% convenience fee is charged by OPC for credit card payments. The department receives no part of the convenience fee. Carriers who do not wish to pay electronically may calculate their registration fees, print their bill, and pay by mail or in person.

The IRP is a registration reciprocity agreement among all contiguous states and the provinces of Canada for registering interstate motor carriers traveling in two or more member jurisdictions. Payment of registration and license fees is based on the number of miles traveled by the vehicle in all jurisdictions. Motor carriers register their vehicles in their home or base jurisdiction and the base jurisdiction collects and distributes the fees to other jurisdictions in which the motor carrier requested IRP registration. The unique feature of the IRP is that, even though license fees are paid to the various jurisdictions in which the vehicle operates, only one license plate and one cab card is issued for each vehicle.

Approximately 45,000 vehicles are registered January through October each year under the IRP to 7,200 Alabama-based motor carriers. The online IRP program also allows carriers to print temporary vehicle registrations (TVRs) from any location.

The online IRP registration program tops out as number four in the department's lineup of electronic services offered exclusively to motor carriers. The department launched the International Fuel Tax Agreement (IFTA) quarterly tax E-file program in January 2005, followed by the online IRP/IFTA permitting program in November, and introduced the online IFTA license/decal program to motor carrier customers in December 2005.

For more information concerning Alabama motor carrier E-filing services, contact the department's Motor Carrier Services office at (334) 242-2999 or visit the department's Web site at www.revenue.alabama.gov.

Tyies Fleeting Receives AAMVA Award



Tyies Fleeting (2nd from left) holds her Star Search Award from the American Association of Motor Vehicle Administrators (AAMVA). Joining her are (left to right) Robert McCain, Motor Carrier Services Manager; Jay Starling, Audit Manager; Brenda Coone, Assistant Director, Motor Vehicle Division.

Motor Vehicle's Tyies Fleeting recently earned a Star Search Award from the American Association of Motor Vehicle Administrators (AAMVA). According to the organization's web site, www.aamva.org, the prestigious award in the administrative/managerial staff category is designated for those supervising individuals "who provide leadership and direction and promote a true quality service-driven culture."

In his nomination of Ms. Fleeting, Jay Starling, Audit Manager, said, "Since beginning her career with the department in June 1993, Tyies has continually demonstrated her commitment to exceed customer expectations. She has always empha-

sized the importance of providing the best possible training to her staff and taking the necessary time to assist and properly instruct customers. She has demonstrated her commitment to developing her skills by earning a business administration degree with an accounting major in December 1998, and she is currently working to achieve the designation of Certified Public Manager."

Tyies currently supervises six clerks in the Returns Processing Unit, and the volume of returns and licenses is substantial. On an annual basis, they process more than 25,000 International Registration Plan (IRP) license applications and more than 20,000 International Fuel Tax Agreement

(IFTA) license applications/quarterly tax returns, and answer more than 40,000 customer inquiries.

Mr. Starling describes the implementation of Tyies' innovations in customer service. "Tyies assisted in the development, testing and implementation of Alabama's Motor Carrier system (AMC), which allows Alabama-based carriers to process IRP license applications and IFTA license applications/quarterly tax returns over the web. To date, Alabama has experienced nearly a 20% usage rate from customers who have utilized the system. She continues to propose system enhancements that will allow license applications to be processed in a more efficient manner."

Surtees Speaks



As state revenue commissioner, Tom Surtees (left) speaks to numerous business organizations on such current topics as property reappraisals, the sales tax holiday and revenue-related legislation passed during this year's regular session.

Here he talks to Greenville Whitney Bank President Pat Riley after delivering an address to the local Kiwanis Club.

ADOR Reps Attend Fuel Tax Conference

Five Revenue employees represented Alabama at the 2006 Federation of Tax Administrators' (FTA) Southern Region Fuel Tax Conference. Attending the June conference in Mobile were: Steve DuBose, Manager, Motor Fuels Section; Janet Stathopoulos, Assistant Director, Sales, Use and Business Tax Division; Randy Winkler, Manager, Field Audit Section; Bonita Calhoun, Revenue Examiner, and Ruby McInvale, Revenue Examiner.

According to Steve DuBose, Regional Governor of the conference, Alabama hosted this year's event, attended also by Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. Representatives from the

petroleum industry and the Internal Revenue Service were also in attendance.

Presentation topics and speakers during the conference included: Bobby Tucker, Energy Management Team Leader for Colonial Pipeline, who spoke on the effects of Hurricanes Katrina and Rita on the energy supply chain; Russell Moore, ADECA, who spoke on Alabama's Petroleum Energy Emergency Program and alternative fuels, E85 and biodiesel; Richard Campo, Alabama Biodiesel Corporation, Moundville,

Ala., who spoke on the manufacturing and distribution of biodiesel; Arleen Alexander, president of Petroleum and Convenience Marketers of Alabama, who spoke on the problems facing retail gasoline stations and the determination of fuel prices at retail stations; Randy Winkler, ADOR, who spoke on gasoline and motor fuel auditing and filing. Some other topics included the electronic return filing, Federal Highway Administration funding, IRS updates, and the National Fuel Diversion Registry.

IRS Interest Rate Increased to 8% for Quarter Beginning July 1, 2006

The interest rate for the calendar quarter beginning July 1, 2006, increased to eight percent (8 % APR) for underpayments, according to the Internal Revenue Service's "News Room" webpage, (News Release: IR-2006-89, citing Rev. Rul. 2006-30).

According to §40-1-44, Code of Alabama 1975, the Alabama Department of Revenue will calculate interest on underpayments and overpayments (where applicable) at this same annual rate (8%), with the exception of land sold by the state for taxes, which shall be calculated at 12% in accordance with Sec. 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
1982	20%	20%	20%	20%
1983	16%	16%	11%	11%
1984	11%	11%	11%	11%
1985	13%	13%	11%	11%
1986	10%	10%	9%	9%
1987	9%	9%	9%	10%
1988	11%	10%	10%	11%
1989	11%	12%	12%	11%
1990	11%	11%	11%	11%
1991	11%	10%	10%	10%
1992	9%	8%	8%	7%
1993	7%	7%	7%	7%
1994	7%	7%	8%	9%
1995	9%	10%	9%	9%
1996	9%	8%	9%	9%
1997	9%	9%	9%	9%
1998	9%	8%	8%	8%
1999	7%	8%	8%	8%
2000	8%	9%	9%	9%
2001	9%	8%	7%	7%
2002	6%	6%	6%	6%
2003	5%	5%	5%	4%
2004	4%	5%	4%	5%
2005	5%	6%	6%	7%
2006	7%	7%	8%	

RITS Update

Rollout One of the state's new Revenue Integrated Tax System (RITS) took place Wednesday, July 5, as scheduled.

After months of preparation and training seminars, RITS began processing the following 10 taxes: 4% Lodgings Tax, Motor Fuel Direct Pay Permit, Consumers Use Tax, Local Sales, Use, Rental and Lodgings Tax, North Alabama Lodgings Tax, Rental Tax, Sales Tax (estimated tax), Sales Tax Direct Pay Permit, Sales Tax Exemptions, Sellers Use.



Revenue Assistant Commissioner Cynthia Underwood (right), sponsor of the RITS project, looks on as Janice Lindsey (ctr) and Chris Ruddock, of the Financial Operations Division, work with RITS.

ADOR Representatives Attend Bill Signing

Significant legislation was passed during the 2006 Regular Legislative Session with Act 2006-589, otherwise known as the Bad Preparer Bill. The bill establishes civil penalties for, and provides injunctive relief against tax return preparers who engage in unethical conduct during their preparation of tax returns.



On hand for the signing of the legislation by Gov. Bob Riley (seated) are (shown left) Assistant Revenue Commissioner Cynthia Underwood, Department Secretary Lewis Easterly, Individual and Corporate Tax Division Director Richard Henninger, Tax Policy and Research Division Director Mike Mason, ADOR; Rep. H. "Mac" Gipson Jr., sponsor of the legislation

2006 Legislation

The following synopses highlight significant revenue-related legislation passed during the 2006 Regular Session of the Alabama Legislature.

Local Legislation

2006-194 (SB374) Elmore County Sales Tax for Jails

Provides for the levy and collection of an additional sales and use tax for the payment of principal and interest on bonds and warrants and costs of acquiring land, planning, constructing, and equipping a new county jail and judicial complex, and to provide further for the use of excess proceeds and interest for renovation and expansion of the jail facility. *Effective April 1, 2006.*

2006-351 (HB721) Macon County Lodgings Tax

Levies a five percent lodging tax. *Effective July 1, 2006.*

2006-359 (HB709) Russell County Motor Vehicle Issuance Tax

Extends the additional issuance fee on motor vehicle registration for an additional two-year period if approved by vote of the county commission. *Effective July 1, 2006.*

2006-377 (HB815) Lauderdale County Lodgings Tax

Provides for an additional one percent lodgings tax and for the distribution of the proceeds to the Florence/Lauderdale Tourism Board and the City of Florence General Fund. *Effective April 14, 2006.*

2006-391 (HB579) Chilton County Lodgings Tax

Increases the lodgings tax to five percent. *Effective July 1, 2006.*

2006-393 (HB645) Wilcox County Ad Valorem Tax

Authorizes the Wilcox County Commission to levy an additional ad valorem

tax of three mills on each dollar of taxable property in the county pending approval by election. *Effective July 1, 2006.*

2006-396 (HB747) Chambers County Sales and Use Tax

Authorizes an additional sales and use tax for certain areas within the county, not to exceed the highest municipal rates collected in the county. The sales and use tax shall be equal to the highest municipal rate collected at the time of enactment of this act. The sales and use rate for automobiles, agricultural machinery and manufacturing shall be two percent. *Effective April 14, 2006.*

2006-397 (HB752) Cullman County Sales and Use Tax

Clarifies the intent of Act 93-705 of the 1993 Regular Session, which authorized the County Commission of Cullman County to levy both a sales and use tax. *Effective April 14, 2006.*

2006-615 (HB680) Christian Service Centers of New Covington Baptist Association; Sales and Use Tax

Exempts the Christian Service Centers of Covington Baptist Association, Incorporated, from the payment of all state, county and municipal sales and use taxes. *Effective July 1, 2006.*

General Legislation

Act 2006-062 (HB 62) Income Tax Exemption for 529 Plans

Provides for exemption from state income taxation for 529 Plans under the Alabama College Education Savings Program. *Effective May 1, 2006.*

Act 2006-114 (HB 31) Subchapter J

Retroactive conforming legislation of Alabama trusts/estates laws to the federal Internal Revenue Code. This legislation is commonly referred to as *Subchapter J*. *Effective for all taxable years beginning*

on or after Jan. 1, 2005.

Act 2006-213 (HB 152) "Flood Vehicle" Designation

Creates the designation "Flood Vehicle" and requires disclosure on a motor vehicle's title and by separate written disclosure to a prospective purchaser that the vehicle has been submerged in water. *Effective March 9, 2006.*

Act 2006-221 (HB 365) Reinstatement of Motor Vehicle Registration

Relating to the fees for reinstatement of a motor vehicle registration that has been suspended, provides further for the payment of the fees to either the Department of Revenue or the county in which the license plate was issued. *Effective July 1, 2006.*

Act 2006-229 (SB 41) Alabama Professional Employer Organization Act

To be referred to as the *Alabama Professional Employer Organization Act*, this new law establishes licensure, regulation, fees, and duties of the Alabama Industrial Relations Department. Requirements for the handling of state taxes (e.g., withholding of income for tax purposes) is covered by this act along with, inter alia, requirements for certain parties qualifying for the state incentive tax credit. *Effective June 1, 2006.*

Act 2006-276 (HB 154) Permanent Trailer Tag

Permanent Trailer Tag to be filed on Personal Property Return. *Effective Oct. 1, 2006.*

Act 2006-352 (HB 292) Alabama Income Tax Fairness Act

Alabama Income Tax Fairness Act; raises the individual income tax filing threshold to \$12,500 via increased standard deductions and dependent exemption. *Effective for all tax years after Dec. 31, 2006.*

Act 2006-503 (HB 510) Income Tax Refund Check-Offs

Provides for uniformity of administration/control by the Department of Revenue for the state's various refund check-offs which are currently located on the face of the income tax return. Effective — *For all tax years beginning after Dec. 31, 2005.*

Act 2006-552 (HB 249) Lower EFT Threshold

Lowers the electronic funds transfer threshold for making payments of state/local taxes, fees, and other obligations administered and collected by the Department of Revenue. *Effective Oct. 2, 2006.*

Act 2006-557 (HB 321) Vendors Required to Collect/Remit Sales Tax

Requires vendors contracting with the state to collect and remit sales taxes. Passage contingent on simultaneous enactment of HB 228 (state sales tax holiday for school-related purchases). *Effective July 1, 2006.*

Act 2006-571 (HB 5) "God Bless America" Tag

Provides for the issuance of a state license tag containing the words "God Bless America." *Effective Oct. 1, 2006.*

Act 2006-574 (HB 228) Sales Tax Holiday

Provides for annually recurring three-day sales tax holiday in August from state sales and use taxation covering certain school/educational supplies, including computers. Local governments may also participate. Enactment contingent on simultaneous enactment of HB 321 which requires vendors contracting with the state to collect and remit sales and use taxes. *Effective July 1, 2006, for the tax exemption period between 12:01 a.m. on the first Friday in August of each year and ending at twelve midnight the following Sunday.*

Act 2006-578 (HB 185) Tax Abatements for Private Use Industrial Property

Provides that tax abatements for private use industrial property shall not be

valid for 13 days following mailing of appropriate notification to the county commission of the county in which the property is located and to clarify the effective date of the abatements. *Effective April 25, 2006.*

Act 2006-583 (HB 397) Inventory Reduction for Charitable Purposes Relief Act

Creates the *Inventory Reduction for Charitable Purposes Relief Act of 2006*. It provides that a gift by a retailer of a product or products where the aggregate retail value of any single gift is equal to or less than ten thousand dollars (\$10,000), withdrawn from the retailer's inventory, to a qualified charitable entity, is not a sale and is not subject to the state sales tax. *Effective July 1, 2006.*

Act 2006-586 (HB 754) Uniform Municipal Business Licenses System

Establishes uniform municipal business licenses and forms, rights and responsibilities for municipal taxpayers, audit, refund, and appeals processes; provides for the exchange of licensing information among municipalities; requires the Department of Revenue to compile and distribute a list of all State business and occupation licensing and regulating boards and commissions; and provides for an increase in the municipal business license issuance fee every five years if justified by changes to Producer Price Index (PPI). *Effective for all license years beginning after Dec. 31, 2007, with provisions.*

Act 2006-589 (SB 153) Bad Tax Preparers

Adds Section 40-2A-11A to the *Code of Alabama 1975*, to establish civil penalties for, and provide injunctive relief against tax return preparers who engage in unethical tax preparation conduct. *Effective April 26, 2006.*

Act 2006-602 (HB 564) Sales Tax Exemption for Athletic Events

Sales tax exemption for the athletic events at non public schools. If these events are under the auspices of the Alabama High School Athletic Association, the public and non public schools can collect

the sales taxes and retain them for educational purposes. *Effective July 1, 2006.*

Act 2006-612 (HB 463) Antique/Historical Vehicles Registration

Authorizes owners of antique or historical vehicles to secure an optional registration of their vehicle if they furnish an original Alabama license plate issued in the model year of the vehicle and the license plate is legible and otherwise qualifies. *Effective Oct. 1, 2006.*

Act 2006-619 (HB 781) Delivery Sales of Cigarettes/Retail Cigarette Sales

Establishes the new category of delivery sales of cigarettes or retail cigarette sales for which the purchase order is placed by phone, fax, or internet and the cigarettes are delivered to the consumer by a delivery service. *Effective April 26, 2006.*

Act 2006-632 (HB 566) Motor Bus Carriers Exempt from Ad Valorem Taxes

Exempts motor bus carriers from all ad valorem taxation in the state, and establishes a special motor bus passenger carrier business operating license. *Effective Oct. 1, 2006.*

Act 2006-633 (HB 731) Tax Abatement of Underground Natural Gas Storage Facilities

This bill amends Section 40-9B-3 (*Tax Incentives and Reform Act of 1992*), to allow for purposes of abatement of taxes any underground natural gas storage facility which is located in the "Gulf Opportunity Zone." *Effective April 27, 2006.*

Act 2006-655 (HB 231) Redistribution of T.V.A. In-Lieu-of-Taxes

Amends the T.V.A. In-Lieu-of Taxes payment to Alabama, to redistribute to the T.V.A.-Served counties 3% (three percent) of the payment share presently going to the State General Fund. *Effective July 1, 2006.*

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 tax return and payment due.
- Motor fuel tax return and payment due.
- Natural minerals severance 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.
- 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

(September-December 2006)

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.

Oct.

1 • Property tax on real and personal property due.

- Automotive dismantlers and parts recyclers' license due.
- Business privilege license fee due.
- Quarterly Dry Cleaning Trust Fund Fee return and payment due.
- Manufactured home registration and fee due.
- Motor fuel identification markers issued.
- Motor vehicle dealers, reconditioners, rebuilders and wholesalers license tax due.
- Store and chain store license tax due.

- Utility license (2.2%) return and first quarterly payment due.

14 • Annual wholesale oil license return and payment 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.

30 • Forest products severance tax return and payment due.

31 • Quarterly withholding return and payment due from employer.

- Quarterly IFTA tax return and payment due.
- Annual business privilege licenses delinquent after this date.
- Store and chain store licenses delinquent after this date.

Nov.

30 • Last day to register and pay fee for manufactured homes without penalty.

Dec.

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

- Expiration of the previous calendar year's motor fuel identification markers.

31 • Property tax assessments delinquent after this date.

- Last day to claim exemptions/abatements on ad valorem tax assessments.

New Electronic Reporting Requirements for Employers and Withholding Agents

(Continued from Page 1)

requires changes in Alabama's income withholding tax tables. New withholding tax tables and instructions will be mailed in December to all employers and withholding tax agents of record. New Forms A-4 (Employee Exemption Certificate) will be included in the 2007 *Withholding Tax Tables and Instructions* booklet mailed to employers/agents. New withholding tax tables and Forms A-4 will also be available through the department's Web site at www.revenue.alabama.gov.

Revenue Review is published quarterly by the Alabama Department of Revenue Media Affairs Section. Comments or suggestions should be sent to: carolyn.blackstock@revenue.alabama.gov, telephone (334) 242-1390 or (334) 242-1175. Tom Surtees, Commissioner; Cynthia Underwood, Assistant Commissioner; Lewis A. Easterly, Department Secretary; Carla A. Snellgrove, Public Information Manager; Carolyn Blackstock, Editor; and Mickey Godwin, Layout and Design.