

Revenue REVIEW

4th Quarter
FY 2008
(July, August,
September 2008)

A Quarterly Publication of the Alabama Department of Revenue

Russell among Speakers at Coastal Economy Outlook

Congressman Jo Bonner joined State Revenue Commissioner Tim Russell and other ADOR representatives in Mobile on Sept. 30, 2008, and provided an update of events in Washington. Earlier that day, Commissioner Russell was one of five keynote speakers at the Coastal Economy Outlook, sponsored by the University of South Alabama Mitchell College of Business, USA Center for Continuing Education, Mobile Area Chamber of Commerce, and the Baldwin County Economic Development Alliance.



Left to right are Eliska Morgan, Deputy Chief of Staff and District Director for Representative Jo Bonner; Commissioner Russell, Assistant Commissioner Cynthia Underwood, Property Tax Director Bill Bass, Congressman Bonner, Tax Policy Administrator Joe Garrett, Local Government Liaison John Paradise, Deputy Commissioner Mike Mason, and Economic Development Director Bill Morrison.

2008 Tax Practitioner Seminar Schedule

Auburn University's Outreach Program Office, in cooperation with the Internal Revenue Service and the Alabama Department of Revenue, will hold its annual two-day tax practitioner seminars at nine key statewide locations during November and December.

The program provides a continuing education opportunity for the state's tax practitioners, enrolled agents, certified public accountants, public accountants, attorneys, and others interested in current tax laws and financial issues.

ADOR partners with the IRS and Auburn University in offering trained instructors who share their fields of expertise in a host of topics this year, including new legislation, rulings and cases, ethics, busi-

ness and agricultural issues, business entities, loss deduction limits, financial distress, IRS issues, retirement, investment and individual taxpayer issues.

For further information, contact the Auburn University Outreach Program Office

at 334-844-5100, or visit online at www.auburn.edu/taxseminar.

Program Coordinator Claire Twardy can be contacted at 334-844-3127 or at cst0003@auburn.edu.

Dates and locations follow:

Nov. 4-5	Florence	Univ. of North Alabama
Nov. 6-7	Huntsville	UAH-Huntsville, Chan Auditorium
Nov. 13-14	Dothan	Troy Univ. - Dothan Campus
Nov. 17-18	Anniston	Anniston Meeting Center
Nov. 19-20	Bessemer	Bessemer Civic Center
Nov. 24-25	Mobile	Ashbury Hotel - Airport Blvd
Dec. 2-3	Auburn	AU Hotel & Dixon Conf Center
Dec. 4-5	Montgomery	Auburn Univ.-Montgomery
Dec. 16-17	Birmingham	Jeff State - Shelby Campus

Alabama Will Not Follow 2008 Federal Depreciation Rules Fiscal-Year Filers Are Cautioned to Avoid Filing Errors

Legislation passed during the Special Session of the Alabama Legislature, Act 2008-549, provides that Alabama income tax laws will not follow recent changes in federal law addressing bonus depreciation rules.

The federal Economic Stimulus Act of 2008 allows taxpayers to claim 50 percent of an asset's basis as "bonus depreciation" in the year the asset is placed in service. Taxpayers may then claim the regular depreciation on the remaining 50 percent of the asset's basis. The federal provision applies to assets placed in service after Dec. 31, 2007, and before Jan. 1, 2009, for most property, and before Jan. 1, 2010, for certain property with longer production periods.

The ADOR advises that Alabama income tax laws will not follow the 2008 federal law change, but will continue to be tied to the federal depreciation rules without consideration of the changes implemented by the Economic Stimulus Act of 2008.

Depreciation is an income tax deduc-

tion that allows a taxpayer to recover the cost or other basis of certain property over several years. It is an annual allowance for the wear and tear, deterioration or obsolescence of the property.

The ADOR encourages business taxpayers to note differences in the federal and state tax treatment of depreciation for Alabama tax planning and return preparation purposes for the current and future tax years affected by the federal changes.

The 2007 Alabama income tax forms do not account for the recent change in the federal law and the ADOR offers special guidance to fiscal-year filers who may be affected.

Fiscal-year filers using the 2007 Alabama forms must account for the difference between the state and federal depreciation amounts. To do this, the ADOR advises that the difference between the amount claimed on the 2007 federal return and what is allowed to be claimed on the 2007 Alabama return must be added back on a line on the Alabama return which will allow for other

additions to income. Fiscal-year filers should also attach a separate page to the 2007 Alabama return showing computations used to arrive at the difference between the federal and state depreciation amounts.

A fiscal-year taxpayer who has already filed a 2007 Alabama return and claimed the additional 50% bonus depreciation must file an amended 2007 Alabama return to adjust for the difference in the depreciation allowed under Alabama law. Calendar-year business taxpayers who filed 2007 returns are not affected.

"We regret the inconvenience this may cause some of our fiscal-year business filers, and stand ready to assist them however we can," said State Revenue Commissioner Tim Russell.

For more information concerning Alabama business tax returns and filing guidance, visit ADOR's Web site at <http://www.revenue.alabama.gov/incometax/icindex.cfm>, or call (334) 242-1000.

Organizational Changes

Curtis Stewart Named Tax Policy and Research Division Director

Curtis E. Stewart was promoted to Division Director I effective Oct. 1, 2008. Stewart's promotion resulted in his new role as director of the Alabama Department of Revenue's Tax Policy and Research Division.

Stewart, a certified public accountant in multiple states, brings to his new assignment 11 years of combined experience in the pri-



Curtis Stewart (2nd from right), ADOR's newly-appointed Tax Policy and Research Division Director, is joined by (l to r) Deputy Commissioner Mike Mason, Assistant Commissioner Cynthia Underwood, Sales, Use and Business Tax Division Director Joe Cowen, and Commissioner Tim Russell.

vate sector as a sole practitioner in the Atlanta, Ga., area and as a former tax manager with KPMG. Stewart began his career with the ADOR in 1991, and since 2000, served as manager of the Sales, Use, and Business Tax Division's Business and License Tax Section.

Stewart graduated cum laude from Washington and Lee University in Lexington, Va.

"Curtis brings a wealth of knowledge from all facets of the department, as well as from his experience in the private sector," said State Revenue Commissioner Tim Russell. "His commitment to a job well done and his leadership style set high standards within the department. We welcome him to our senior management team."

Holley Tindol Named IT Assistant Director

Holley Tindol, a 15-year veteran of the department, was named Information Technology Assistant Director, effective Sept. 1, 2008.

Her work experience in Revenue began with the task of analyzing and documenting the data acquisition process, resulting in an in-depth knowledge of the mail processing, remittance and data entry systems. Tindol's knowledge and experience led to her service as project manager in 1994, when she was responsible for implementing a replacement remittance and data entry system.

In 1996 she assumed management of IT's Data Acquisition Section, until its transition in 2004 into the Financial Operations Division, and ultimately, to the Processing Division. During that eight-year span, Tindol managed various outsourcing initiatives and other projects. Prior to her new post as assistant director, she managed the Integrated Systems Section of the IT Division, overseeing the ARIS and RITS IT application development staff.



Holley Tindol

Changes in Farmers' Fuel Tax Refunds

Helping to generate electricity can now help some Alabama farmers generate a fuel tax refund, according to the Alabama Department of Revenue.

Recent law changes in Alabama farmers' fuel tax refund procedures, which took effect Aug. 6, 2008, allow Alabama farmers transporting biomass to electricity-generating facilities to receive a fuel tax refund up to \$1,000 and also extend farmers' fuel tax refund provisions to include clear motor

fuel used on the farm in tractors and other farm machinery attached to tractors.

Act 2008-275 provides for a refund of 11 cents per gallon from gasoline and motor fuel excise taxes, limited up to \$1,000 annually on fuel used to transport biomass from a farm to the electricity-generating facility.

Because 2008 will be a transition year, the ADOR advises that farmers will have two claim forms to file for the 2008 tax

year—one under the old guidelines and one under the new guidelines.

"One refund claim form will apply to taxes on gasoline purchased from Jan. 1, 2008, through Aug. 5, 2008. The refund rate for that period is 15 cents per gallon and will only apply to the amount of gasoline that was used in tractors or any auxiliary engines attached to tractors. It will not include motor fuel.

"The second refund claim will apply to taxes on gasoline and motor fuel purchased from Aug. 6, 2008, through Dec. 31, 2008. The refund rate will be 11 cents per gallon, and in addition to allowable on-farm uses, it will apply to allowable off-farm uses as well," explained State Revenue Commissioner Tim Russell.

Farmers may file their 2008 refund claims beginning Jan. 1, 2009, through March 31, 2009.

Farmers who have previously filed refund claims with the ADOR will be mailed forms later this year. Any individual qualifying for a refund may obtain a claim form by writing to the following address: Alabama Department of Revenue, Sales, Use and Business Tax Division, Motor Fuels Section, Post Office Box 327540, Montgomery, AL 36132-7540, or telephone (334) 242-9608.

After Jan. 1, 2009, forms will also be available at all county extension agent offices and all Alabama Department of Revenue Taxpayer Service Centers.

For more information, farmers may contact the department's Motor Fuels Section at (334) 242-9608, or email Steve.Dubose@revenue.alabama.gov.

ADOR Employees to Chair AAMVA Committees

Mike Gamble and Jay Starling, of the Alabama Department of Revenue's Motor Vehicle Division, have been asked to chair two committees of the American Association of Motor Vehicle Administrators.

Gamble, currently Title Section Supervisor with ADOR's MV Division, will chair the AAMVA Vehicle Registration and Title (VRT) Committee.

Starling, currently Registration Section Supervisor with ADOR's MV Division, will chair the AAMVA Motor Carrier Services (MCS) Committee for Region II.

A nonprofit, tax-exempt organization, AAMVA promotes uniformity and reciprocity among the states and provinces with the implementation of its programs relating to motor vehicle administration, law enforcement and highway safety.

ADOR Motor Vehicle Division Director Brenda Coone congratulated both Gamble and Starling.

"We are certainly proud that the AAMVA community recognizes the expertise of both Mr. Gamble and Mr. Starling in their respective disciplines. Region II consists of 16 states, and it is truly an honor to have Alabama represented on these committees", said Coone.



Mike Gamble



Jay Starling

Act 2008-504 Guidance... Recently updated forms and instructions may be downloaded under the link entitled "FORMS" at www.revenue.alabama.gov. Be sure to check out the new "Complete Package" link providing quick access to forms, definitions, Q&As, and a copy of Act 2008-504.

ADOR Phases Out Paper Certificate of Title Processing October 1

Consumers cautioned to use only electronically-generated title applications

On Oct. 1, 2008, the Alabama Department of Revenue (ADOR) began the conversion of its entire motor vehicle and manufactured home certificate of title processing operation to a Web-based electronic title application processing system called ETAPS and will discontinue processing blue and white paper title applications.

The Alabama Department of Revenue (ADOR) activated ETAPS in March 2007, and since that time has worked with new and used automobile dealership associations, banking associations and county governments to educate Alabama designated agents on using the ETAPS.

Approximately 75 percent of all Alabama title applications are currently processed through the ETAPS.

"Over the last year, we've continued to process both paper and electronic title applications to allow our designated agents—companies who are approved by the ADOR to complete and submit certificate of title applications—a smooth transition in moving from a paper application environment to an electronic one," explained State Revenue Commissioner Tim Russell.

"We've received outstanding support from various organizations and groups including the Automobile Dealers Association of Alabama, Alabama Independent Automobile Dealers Association,

Alabama Bankers Association, Community Bankers Association of Alabama, and the Alabama Manufactured Housing Association," said State Revenue Commissioner Tim Russell.

"As with any electronic application, the processing turnaround time is impressive—approximately 7 to 10 business days—compared to weeks for paper processing. Common processing errors are also avoided because of built-in edits, resulting in fewer rejected applications.

"ETAPS has allowed the department to reach a long-awaited milestone in motor vehicle title customer service and will further enhance the service offered by our designated agents," continued Russell.

Vehicle owners must apply for a certificate of title when they purchase a new motor vehicle, bring a motor vehicle into the state, or at any time the ownership of the motor vehicle changes. Manufactured home owners also must apply for a certificate of title in the same manner as motor vehicle owners.

Annually, the Alabama Department of Revenue

processes over 1.5 million motor vehicle certificates of title and over 50,000 manufactured

home certificates of title.

For more information about ETAPS, visit ADOR's Web site at www.revenue.alabama.gov and follow the prompts under "Electronic Services."

ETAPS
Electronic Title Application
Processing System

**Used By This Office For More Efficient
Title Application Processing**

PLEASE REMEMBER TO VISIT
www.aletaps-status.com
TO TRACK THE STATUS OF YOUR TITLE APPLICATION.

NOTICE

ADOR Encourages Business Privilege Taxpayers to Check Filing Status

The department recently mailed out delinquent filing notices to Alabama Business Privilege taxpayers for failure to file the annual Alabama business privilege tax return.

"The notices were the first notices issued following the department's recent conversion to a new computer system. Should any of the delinquent notices be issued in error, we ask that the business privilege taxpayers advise their tax professional and notify the ADOR by telephone at (334) 242-9800 or by email at businessprivilege-tax.delinquents@revenue.alabama.gov," said State Revenue Commissioner Tim Russell.

Taxpayers or their legal representatives may also notify the ADOR by writing to the

following address:

Alabama Department of Revenue
Individual and Corporate Tax Division
Business Privilege Tax Section
PO Box 327431
Montgomery, AL 36132-7431

The Alabama business privilege tax is owed by all corporations, limited liability entities, and disregarded entities which either are doing business in the State of Alabama, or are registered with the Alabama Secretary of State's Office to do business in Alabama. The Alabama business privilege tax return and payment is due two and one-half months after the end of the taxable year for corporations. The return and payment is due three and one-half months after the end of the taxable year for non-

corporate taxpayers, such as limited liability companies.

Business entities are liable for the Alabama business privilege tax for each taxable year during which the entity is in legal existence, regardless of the level of business activity. The Alabama business privilege tax is based on the net worth of the business entity and is levied on business entities by §40-14A-22, *Code of Alabama 1975*. Generally, the minimum business privilege tax is \$100.

The Alabama business privilege tax law was passed by the Alabama Legislature in 1999 as a replacement revenue source for the Alabama franchise tax which was declared unconstitutional in 1999 by the United States Supreme Court.

For more information concerning the business privilege tax and the delinquency notice, visit the department's Web site at http://www.revenue.alabama.gov/incometax/bpt_index.htm.

FROM THE IRS

IRS e-News for Small Businesses: A Time Saver for Small Businesses and the Self-employed

Keeping up with federal tax requirements is not always easy in today's fast-changing business environment. Even if small businesses and the self-employed use a tax professional's services, they still need to know and understand their tax responsibilities.

That's why the IRS is working to provide business people with timely information to help them understand and meet their tax obligations.

IRS *e-News for Small Businesses* offers small businesses and the self-employed a real time-saver. *E-News* is a bi-weekly newsletter that alerts them to what's new, hot and important for small business owners to know. It's quick to read, easy to subscribe—and it's free.

e-News for Small Businesses is the

IRS's newsletter for businesses with specialized content consisting of:

- Important upcoming tax dates for small businesses
- What's new for small businesses on IRS.gov
- Reminders and tips to assist small businesses with tax compliance
- IRS news releases and special IRS announcements
- Direct links to a variety of Web sites and resources
- Availability of IRS products, services and training opportunities

Business people may also want to take a look at other IRS e-newsletters:

- *IRS Tax Tips*—tax information via e-mail from the IRS daily during the tax-filing season and periodically the rest of the year

- *Retirement News for Employers*—information about current developments and upcoming events within the retirement plan arena; issued periodically during the year

Subscribe to *e-News for Small Businesses* on IRS.gov at <http://www.irs.gov/businesses/small/article/0,,id=154825,00.html> or other IRS e-newsletters at <http://www.irs.gov/newsroom/content/0,,id=103381,00.html>

click on the newsletter title, click on "Subscribe Now" and enter your e-mail address.

Submitted by John Berger, editor, *e-News*

Arrests and Convictions

Judge Hands Down \$100,000 Fine in State Income Tax Case

Donald Ray Hogg Jr., 52, of 1008 Keith Way, Selma, Ala., pleaded guilty July 25, 2008, in Dallas County Circuit Court to state criminal tax charges for willful failure to file Alabama income tax returns.

Hogg pleaded guilty to two counts of willful failure to file his personal state income tax and two counts of willful failure to file corporate tax returns for tax years 2000 and 2001. According to court records, Hogg owns and operates Hogg Engineering Inc. in Selma, Ala.

Dallas County Circuit Judge Jack Meigs ordered Hogg to pay total fines of \$100,000 for these charges and to make restitution to the state of Alabama for tax, interest, and penalty amounts totaling over \$100,000. Judge Meigs sentenced Hogg to a one-year suspended jail term for each count and also placed him on a one-year probationary period for each count.

"The fine imposed by Judge Meigs is the second time in less than six months that a fine of this amount has ever been imposed under Alabama's tax laws. It certainly sends a clear message to tax cheaters. No one wants to pay more taxes than they have to, but it is not fair to those honest citizens who do pay their fair share to allow others to circumvent our tax laws and avoid taxes they rightly owe. In the long run, the cost of tax offenses far outweighs any chance of personal gain," said Tim Russell, Commissioner of the Alabama Department of Revenue.

Decatur Tax Preparer Sentenced for Tax Fraud

On July 3, 2008, Morgan County Circuit Judge Sherrie Paler sentenced Clinton George Scruggs, age 60, of 266 Forest Home Drive, Trinity, Ala., to a three-year suspended jail sentence, with three years' supervised probation, and ordered restitution to the state totaling \$40,851.85, following his 2007 guilty plea to state tax charges filed by the Alabama Department of Revenue.

Scruggs pleaded guilty Nov. 29, 2007, to charges of filing false state income tax returns with the Alabama Department of Revenue and failing to file personal Alabama income tax returns covering a two-year period.

As a condition of his plea, Scruggs, former owner and operator of Scruggs Accounting and Tax Service in Decatur, has agreed to stop preparing tax returns.

State income tax revenues are earmarked for the state's Education Trust Fund (ETF) and are one of the major funding components for the ETF

Administrative Rules

Effective Sept. 19, 2008

Amended:

810-8-5-.12 Buyers' Identification Cards for Automotive Dismantlers and Parts Recyclers

Correction to Act 2008-377

(In the 3rd quarter Revenue Review, page 5, 2008 Revenue-related Legislation, Act 2008-377 contained an erroneous date. The phrase "subsequent to Dec. 31, 2006" should read "subsequent to Dec. 31, 2007.")

Act 2008-377 (HB 43) Provides income tax deduction for APACTP/ACESP

This provides for an income tax deduction for contribution, subsequent to Dec. 31, 2007, to the Alabama Prepaid Affordable College Tuition Program or the Alabama College Education Savings Program, and provides a recapture provision for nonqualified withdrawals.

Effective date: Aug. 1, 2008 (contingent upon HB 357 being enacted)

Consumer Use Tax Line Item

Tax Year	No. Returns	\$ Amount Reported
2000*	6,320	\$203,344
2001	6,540	\$219,276
2002	6,157	\$242,783
2003	6,447	\$271,348
2004	6,349	\$295,083
2005	6,132	\$282,142
2006	7,102	\$312,771

*First available on the 2000 tax year returns.

Political Contribution Report Fiscal Year 2008

Party	Contributions	Amount
Republican Party	5,741	\$8,681.00
Democratic Party	6,247	\$8,250.00

1 - ALABAMA INCOME TAX REFUND CHECKOFFS (NON-CAMPAIGN) \$'s COLLECTED

Fiscal Quarters:	2008/1	2008/2	2008/3	2008/4	2008 FYTD
Alabama Aging Fund	\$566.00	\$6,723.00	\$8,325.00	\$110.00	\$15,724.00
Alabama Arts Development Fund	\$311.00	\$4,367.00	\$7,343.00	\$186.00	\$12,207.00
Alabama Nongame Wildlife Fund	\$885.00	\$6,843.00	\$9,112.00	\$119.00	\$16,959.00
Child Abuse Trust Fund	\$2,275.00	\$24,946.00	\$24,851.00	\$654.00	\$52,726.00
Alabama Veterans Program	\$1,372.00	\$16,567.00	\$16,084.00	\$298.00	\$34,321.00
AL Indian Children's Scholarship FD	\$635.00	\$4,280.00	\$5,641.00	\$43.00	\$10,599.00
Penny Trust Fund	\$389.00	\$2,290.00	\$3,513.00	\$293.00	\$6,485.00
Foster Care Trust Fund	\$1,131.00	\$7,150.00	\$7,941.00	\$131.00	\$16,353.00
Mental Health	\$1,365.00	\$6,187.00	\$7,467.00	\$211.00	\$15,230.00
Neighbors Helping Neighbors	\$974.00	\$5,294.00	\$4,217.00	\$134.00	\$10,619.00
Breast & Cervical Cancers Fund	\$1,117.00	\$20,273.00	\$14,048.00	\$171.00	\$35,609.00
4H Clubs	\$157.00	\$2,510.00	\$3,269.00	\$20.00	\$5,956.00
Cancer Institute	\$423.00	\$10,380.00	\$8,952.00	\$220.00	\$19,975.00
Organ Donation	\$369.00	\$4,531.00	\$2,373.00	\$15.00	\$7,288.00
National Guard	\$333.00	\$2,627.00	\$4,441.00	\$70.00	\$7,471.00
new Alternative Fuel Research Fund	\$-	\$1,174.00	\$288.00	\$-	\$1,462.00
TOTALS:	\$12,302.00	\$126,142.00	\$127,865.00	\$2,675.00	\$268,984.00

2 - ALABAMA INCOME TAX REFUND CHECKOFFS (NON-CAMPAIGN): No. OF RETURNS

Fiscal Quarters:	2008/1	2008/2	2008/3	2008/4	2008 FYTD
Alabama Aging Fund	54	678	690	12	1,434
Alabama Arts Development Fund	43	519	628	14	1,204
Alabama Nongame Wildlife Fund	51	676	731	13	1,471
Child Abuse Trust Fund	92	1,591	1,415	32	3,130
Alabama Veterans Program	53	984	951	18	2,006
AL Indian Children's Scholarship FD	40	468	470	6	984
Penny Trust Fund	42	330	339	9	720
Foster Care Trust Fund	56	680	632	16	1,384
Mental Health	44	612	577	15	1,248
Neighbors Helping Neighbors	39	439	424	11	913
Breast & Cervical Cancers Fund	57	1,256	978	20	2,311
4H Clubs	22	292	318	5	637
Cancer Institute	38	865	695	14	1,612
Organ Donation	32	322	289	2	645
National Guard	25	317	339	6	687
new Alternative Fuel Research Fund	0	19	17	0	36
TOTALS:	688	10,048	9,493	193	20,422

Tax Relief Efforts

Alabama Tax Relief Offered to Hurricane Gustav Victims

The Alabama Department of Revenue (ADOR) will follow federal filing extensions granted for those Louisiana residents affected by Hurricane Gustav who cannot meet their Alabama tax filing obligations.

The Louisiana disaster areas designated for Alabama's tax relief include the same geographical areas as those designated for federal tax relief.

The Alabama tax relief offered allows affected taxpayers until Jan. 5, 2009, to file Alabama tax returns that have an original or extended due date falling between Sept. 1, 2008, and Jan. 5, 2009.

This relief includes:

- Corporate estimated tax returns due Sept. 15, 2008.
- Individual estimated tax returns due Sept. 15, 2008.
- Corporate extended income tax returns due Sept. 15, 2008.
- Individual extended income tax returns due Oct. 15, 2008.

Late filing penalties will be waived for those affected taxpayers seeking this relief. **Alabama's tax laws have no provision for the waiver of interest.**

Relief measures for other taxes administered by the ADOR will be handled on a case-by-case basis. Taxpayers who are unable to meet future filing requirements as the result of damage caused by Hurricane Gustav are urged to contact the ADOR at www.revenue.alabama.gov or at the telephone numbers provided below.

Individual Income Tax	(334) 242-1099
Income Tax Withholding	(334) 242-1300
Corporate Income Tax	(334) 242-1200
Business Privilege Tax	(334) 242-9800
Sales, Use & Business Tax	(334) 242-1490

Taxpayers who are eligible for the relief should add the following designation in red ink at the top of any Alabama "paper" returns they file: "**GUSTAV**."

Alabama Tax Relief Offered to Tropical Storm Fay Victims

The Alabama Department of Revenue (ADOR) will offer Alabama filing relief for Florida residents affected by Tropical Storm Fay who cannot meet their Alabama tax filing obligations.

The Florida disaster areas designated for Alabama's tax relief include the same geographical areas as those designated for federal tax relief. (Reference FL 2008-23, Aug. 27, 2008, at www.irs.gov.)

The Alabama tax relief offered allows affected taxpayers until Nov. 17, 2008, to file certain Alabama tax returns that have an original or extended due dates falling between Aug. 18, 2008, and Nov. 17, 2008. This relief includes:

- Corporate estimated tax returns due Sept. 15, 2008.
- Individual estimated tax returns due Sept. 15, 2008.
- Corporate extended income tax returns due Sept. 15, 2008.
- Individual extended income tax returns due Oct. 15, 2008.

Late filing penalties will be waived for those affected taxpayers seeking this relief. **Alabama's tax laws have no provision for the waiver of interest.**

Taxpayers who are eligible for the relief should add the following designation in red ink at the top of any Alabama "paper" returns they file: "**FAY**."

For more information, visit ADOR's Web site at www.revenue.alabama.gov or call 334.242.1000.

Alabama Tax Relief Offered to Hurricane Ike Victims

The Alabama Department of Revenue (ADOR) will follow federal filing extensions granted for those Texas and Louisiana residents affected by Hurricane Ike who cannot meet their Alabama tax filing obligations.

The Texas and Louisiana disaster areas designated for Alabama's tax relief include the same geographical areas as those designated for federal tax relief. (Reference IR-2008-107, IR-2008-108, issued Sept. 18, 2008, at www.irs.gov.)

The Alabama tax relief offered allows affected taxpayers until Jan. 5, 2009, to file certain Alabama tax returns that have a due date falling between Sept. 7, 2008, and Jan. 5, 2009. This relief includes:

- Corporate estimated income tax returns due Sept. 15, 2008.
- Individual estimated income tax returns due Sept. 15, 2008.
- Corporate extended income tax returns due Sept. 15, 2008.
- Individual extended income tax returns due Oct. 15, 2008.

Late filing penalties will be waived for those affected taxpayers seeking this relief. **Alabama's tax laws have no provision for the waiver of interest.**

Relief measures for other taxes administered by the ADOR will be handled on a case-by-case basis. Taxpayers who are unable to meet future filing requirements as the result of damage caused by Hurricane Ike are urged to contact the ADOR at www.revenue.alabama.gov or at the telephone numbers provided below.

Individual Income Tax	(334) 242-1099
Income Tax Withholding	(334) 242-1300
Corporate Income Tax	(334) 242-1200
Business Privilege Tax	(334) 242-9800
Sales, Use & Business Tax	(334) 242-1490

Taxpayers who are eligible for the relief should add the following designation in red ink at the top of any Alabama "paper" returns they file: "**IKE**."

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.

17th • 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

(November-December 2008,
January, February, March 2009)

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).

31 • Property tax on real and personal property delinquent after this date.

- Last day to claim exemptions/abatements on property tax assessments.
- Expiration of the previous calendar year's motor fuel identification markers.

2009

January

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

- Utility license (2.2%) second quarterly payment due.

15 • Fourth installment of estimated personal income tax due.

20 • Quarterly sales tax return and payment due.

(Continued on Page 12)

- Annual sales tax return and payment due.
- Quarterly use tax return and payment due.
- Annual use tax return and payment due.
- Quarterly rental or leasing tax return and payment due.
- Annual 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 withholding return and payment due from employer.

- Quarterly IFTA tax return and payment due.
- Quarterly NPM payment due into escrow.

February

10 • Quarterly NPM certification and bank verification due.

28 • Annual withholding return due.

March

- 1** • Freight line equipment return due.
- Public utility property tax return delinquent after this date.

15 • Corporate income tax return and information return due (for calendar-year taxpayers).

- Business Privilege Tax return (Form PSA) due for corporations.

Statement of Gross Tax Collections

Through End of 4th Quarter FY 2008
(July, August, September 2008)

	FYTD '2007-2008	FYTD '2006-2007	% Change
Business Privilege Tax	102,233,960.55	97,868,854.95	4.46
Gasoline	404,264,194.63	412,509,182.22	(2.00)
Income Tax-Corporate	554,498,321.66	509,862,079.64	8.75
Income Tax-Individual	3,608,462,544.93	3,511,759,431.08	2.75
Income Tax (Total)	4,162,960,866.59	4,021,621,510.72	3.51
Motor Fuels	135,802,012.50	155,521,723.50	(12.68)
Oil & Gas Privilege (8%)	137,497,807.97	99,084,478.04	38.77
Oil & Gas Production (2%)	55,254,479.98	40,295,504.93	37.12
Sales	2,028,954,212.17	2,017,663,521.13	0.56
Use Tax	275,377,544.80	273,347,656.29	0.74
Utility Gross Receipts	434,549,560.72	409,774,591.75	6.05
SUBTOTAL	7,736,894,639.91	7,527,687,023.53	2.78
SUBTOTAL (OTHER TAXES)	1,225,451,445.97	1,197,271,244.60	2.35
TOTAL (ALL TAXES)	8,962,346,085.88	8,724,958,268.13	2.72

Interest Rates Rise to 6% for Quarter Beginning Oct. 1, 2008

The interest rate for the calendar quarter beginning Oct. 1, 2008, rose to six percent (6 % a.p.r.) for underpayments, according to the Internal Revenue Service's Revenue Bulletin 2008-39.

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 (6 %); 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
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%	8%
2007	8%	8%	8%	8%
2008	7%	6%	5%	6%