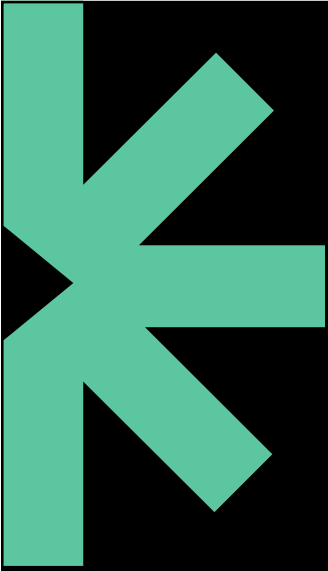




Operating a Business in Alabama: Withholding Tax

Business Essentials for State Taxpayers (B.E.S.T.)

Rev. 12/09/21

1

B.E.S.T. Webinar Series Housekeeping Reminders

-  Everyone's lines were muted when entering the meeting. This is to prevent background noises from interrupting the presentations. Only the host is able to unmute someone.
-  Click on the Layout button to set your preferred viewing option.
-  If you would like to ask a question about the presentation, please use the Q&A box to send a question to **all panelists** (*not to a particular presenter*). We will respond to your question during the Q&A Session near the end of the agenda.
-  At the conclusion of the webinar, a short evaluation survey will open on your screen. Your feedback is important to us, so thank you in advance for responding to the survey.



2

Disclaimer

The information in this presentation is intended to be an overview. It is not a comprehensive explanation of all aspects of the subject matter, does not represent legal advice, and is not legally binding on the Department. Information regarding taxes and tax administration changes frequently and should always be confirmed through a tax professional.

Please refer to the Alabama Department of Revenue website at revenue.alabama.gov for additional information.



3

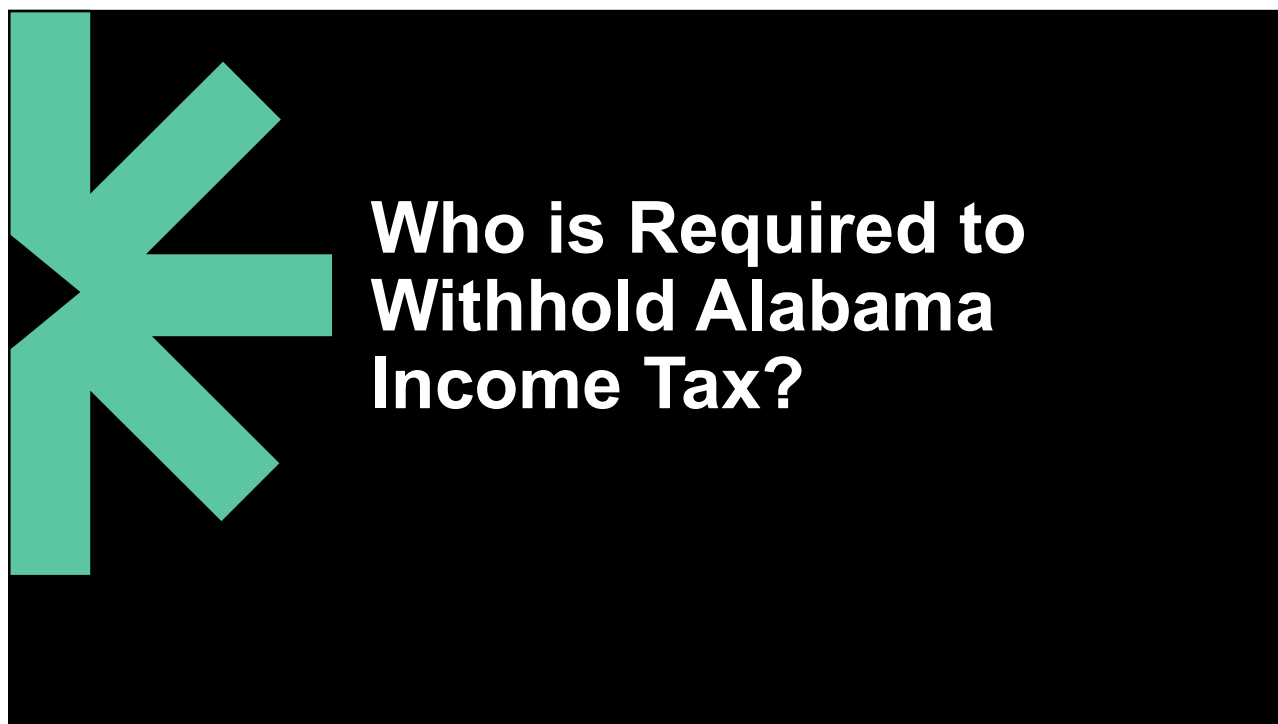
Purpose of this Webinar

To inform Alabama business taxpayers of :

- Who is required to withhold Alabama Income Tax
- How to determine whether a person is an employee or an independent contractor
- Federal and State Withholding Exemption Taxes
- How to report Federal and State Withholding and related forms
- Other Payroll-Related Taxes
- Helpful links on ALDOR's website



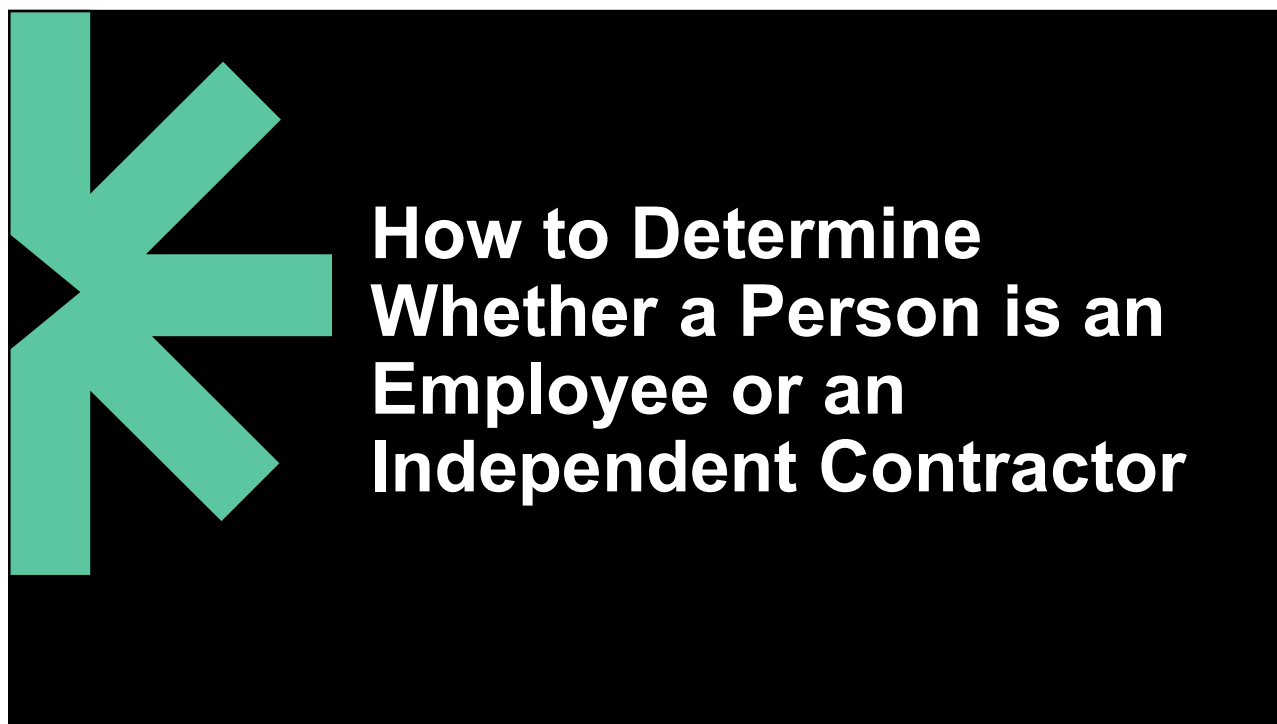
4



5

- Employers with employees working in the State of Alabama who are not independent contractors.
- Alabama employers, with **Alabama residents** working outside the State of Alabama, will need to withhold Alabama income tax on those residents **unless** they are withholding tax for the state in which the employee is working.
- Employers, who are residents of Alabama, are required to withhold taxes from wages of their employees who are not residents of Alabama **only** to the extent that the wages are **earned in Alabama**.
- **Nonresident employers** are required to withhold Alabama income tax on wages **earned in Alabama**.

6



How to Determine Whether a Person is an Employee or an Independent Contractor

7

Employee vs. Independent Contractor

- Alabama uses the Federal classification determination to define the relationship between a business and an employee or an independent contractor. (See *Federal Form SS-8 - Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding*.)
- An employee cannot claim to be an independent contractor for Alabama purposes and therefore exempt from Alabama withholding tax, unless he has met the Federal guidelines for being an independent contractor.
- Refer to IRS Publication 15-A, *Employer's Supplemental Tax Guide* at <https://www.irs.gov/>.



8

Employee vs. Independent Contractor Three Common Law Factors

Employee	Independent Contractor
☐ Behavioral Control	☐ Behavioral Control
✓ Controls when, where, and how the work is done	✓ Plan their own hours
✓ Training	✓ Qualified
☐ Financial Control	☐ Financial Control
✓ No profit motive	✓ Profit motive
✓ Paid wages by the hour, week or month	✓ Paid a predetermined amount
☐ Relationship	☐ Relationship
✓ Employee type benefits	✓ Will have a written contract



9

Employee vs. Independent Contractor

Employee:	Independent Contractor:
• Does not control how, when, or where he/she works	• Controls every aspect of how, when, and where the work will be done
• Day-to-day work is important to the business	• Not important for daily company workflow
• Uses company resources	• Uses own resources to get job completed
• Employee receives a Form W-2 from employer	• An independent contractor receives Form 1099 for services rendered



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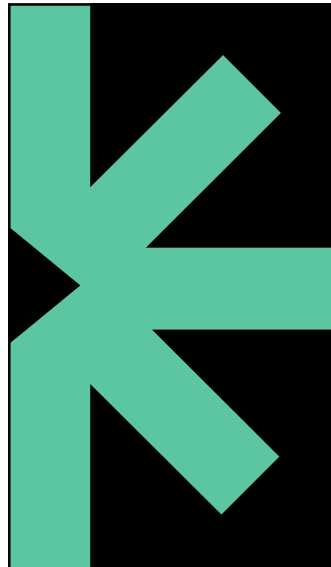
Employee vs. Independent Contractor Examples

Employee	Independent Contractor
Dance instructors working in a health club, where the club sets hours of work, the routines to be taught and pays the instructors from fees collected by the club are examples of employees.	Dance instructors, who select their own dance routines to teach, locate and rent their own facilities, provide their own sound systems, music and clothing, collect fees directly from customers, and are free to hire assistants are examples of independent contractors.
A repairperson working in a shop where the shop owner sets the prices, the hours and days the shop is open, and the repairperson is paid an hourly wage for the work done.	A repairperson who owns or rents a shop, advertises the services to the public, furnishes all of the tools, equipment, and supplies necessary to make repairs.



11

Federal and State Withholding Exemption Taxes



12

Federal Form W-4

- Each employee must complete Form W-4 (Employee's Withholding Certificate) for Federal withholding.
- Employers must retain a copy of the W-4s for a minimum of 4 years after the date the last tax return was submitted using the information on the W-4s.
- See IRS Publication 15, *Employer's Tax Guide*, at <https://www.irs.gov/> for instructions.



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Federal Form W-4

Form W-4 (Rev. December 2020) Department of the Treasury Internal Revenue Service		Employee's Withholding Certificate		OMB No. 1545-0074
		▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. ▶ Give Form W-4 to your employer. ▶ Your withholding is subject to review by the IRS.		2021
Step 1: Enter Personal Information		(a) First name and middle initial	Last name	(b) Social security number
		Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.irs.gov.
		City or town, state, and ZIP code		
		(c) ☐ Single or Married filing separately ☐ Married filing jointly or Qualifying widow(er) ☐ Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		
Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the estimator at www.irs.gov/W4App, and privacy.				
Step 2: Multiple Jobs or Spouse Works		Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do only one of the following. (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld. ☐ TIP: To be accurate, submit a 2021 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.		
Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)				
Step 3: Claim Dependents		If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ Multiply the number of other dependents by \$500 ▶ \$ Add the amounts above and enter the total here ▶ 3 \$		
Step 4:		(a) Other income (not from jobs). If you want tax withheld for other income you expect		



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Alabama Form A4

- Each employee must complete Form A4. (Form W-4 for Federal withholding cannot be substituted.)
- Employer must withhold using zero exemptions, when Form A4 is not filed.
- Employers must retain a copy of the A4s for a minimum of 3 years after the date the last tax return was submitted using the information on the A4s.
- If an employee claims 8 or more exemptions, the employer sends a copy of the Form A4 to ALDOR's Withholding Tax Section.



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Form A4 Employee Withholding Tax Exemption Certificate

FORM A4
Employee's Withholding Tax Exemption Certificate

ALABAMA DEPARTMENT OF REVENUE
50 North Ripley Street • Montgomery, AL 36104 • Toll-free (334) 342-1300
www.revenue.alabama.gov

Every employee, on or before the date of commencement of employment, shall furnish his or her employer with a signed Alabama withholding exemption certificate stating the number of withholding exemptions which he or she claims, which is no more than exceeds the number to which the employee is entitled. In the event the employee refuses the number of exemptions allowed by this Chapter on Form A4, the employer shall take a portion of the standard dollar (3000) for each action pursuant to Section 40-2-7(2).

Part I - To be completed by the employee

EMPLOYEE NAME: _____ SOCIAL SECURITY NUMBER: _____
 STREET ADDRESS: _____ CITY: _____ STATE: _____ ZIP CODE: _____

HOW TO CLAIM YOUR WITHHOLDING EXEMPTIONS

1. If you claim no personal exemption for yourself and wish to be withheld at the highest rate, write the figure "0".
2. If you are SINGLE or MARRIED FILING SEPARATELY, a \$1,000 personal exemption is allowed. Write the value "1" if claiming the SINGLE exemption or "2" if claiming the MARRIED FILING SEPARATELY exemption.
3. If you are MARRIED or SINGLE CLAIMING HEAD OF FAMILY, a \$2,000 personal exemption is allowed. Write the value "1" if you are claiming an exemption for both yourself and your spouse or "2" if you are single with qualifying dependents and are claiming the HEAD OF FAMILY exemption.
4. Number of dependents (other than yourself) that you will provide more than one-half of the support for during the year. See dependent qualifications below.
5. Additional amount, if any, you want deducted each pay period.
6. This area to be completed by your employer. Your exemption (page) employee claims "N" on line 3 and "Y" on line 4. Employer should not exceed 10 exemptions in the withholding tables.

Under penalties of perjury, I certify that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

EMPLOYER'S SIGNATURE: _____ DATE: _____

Part II - To be completed by the employer

EMPLOYER NAME: _____ SOCIAL SECURITY NUMBER: _____
 ADDRESS: _____ CITY: _____ STATE: _____ ZIP CODE: _____

Employers are required to keep this certificate on file. If the employee is believed to have claimed more exemption than legally entitled or claims 8 or more dependent exemptions, the employer should contact the Department of the following address or phone number for verification: Alabama Department of Revenue, Withholding Tax Section, P.O. Box 227480, Montgomery, AL 36102-7480; by phone at (334) 342-1300, or by fax at (334) 342-1312. If the employee does not qualify for the exemptions claimed upon verification, the employee is required to withhold at the highest rate until the employee submits a corrected Form A4 reflecting the proper exemption they are entitled to claim.

DEPENDENTS: To qualify as your dependent (Line 4 above), a person must receive more than one-half of his or her support from you for the year and must be related to you as follows:
 Your son or daughter (including legally adopted children), grandchild, stepson, stepdaughter, son-in-law, or daughter-in-law;
 Your father, mother, grandparent, stepfather, stepmother, father-in-law, or mother-in-law;
 Your brother, sister, stepbrother, stepsister, half-brother, half-sister, brother-in-law, or sister-in-law;
 Your uncle, aunt, nephew, or niece (but only if related by blood).

THIS FORM MAY BE REPRODUCED



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Public Law 111-97: Military Spouses Residency Relief Act provides that spousal income **is not** subject to Alabama withholding **if** the spouse is in the jurisdiction solely to be with the service member serving in compliance with military orders.

To qualify for the tax exemption, the answer to all 7 conditions on the A4-MS **MUST** be **TRUE**.

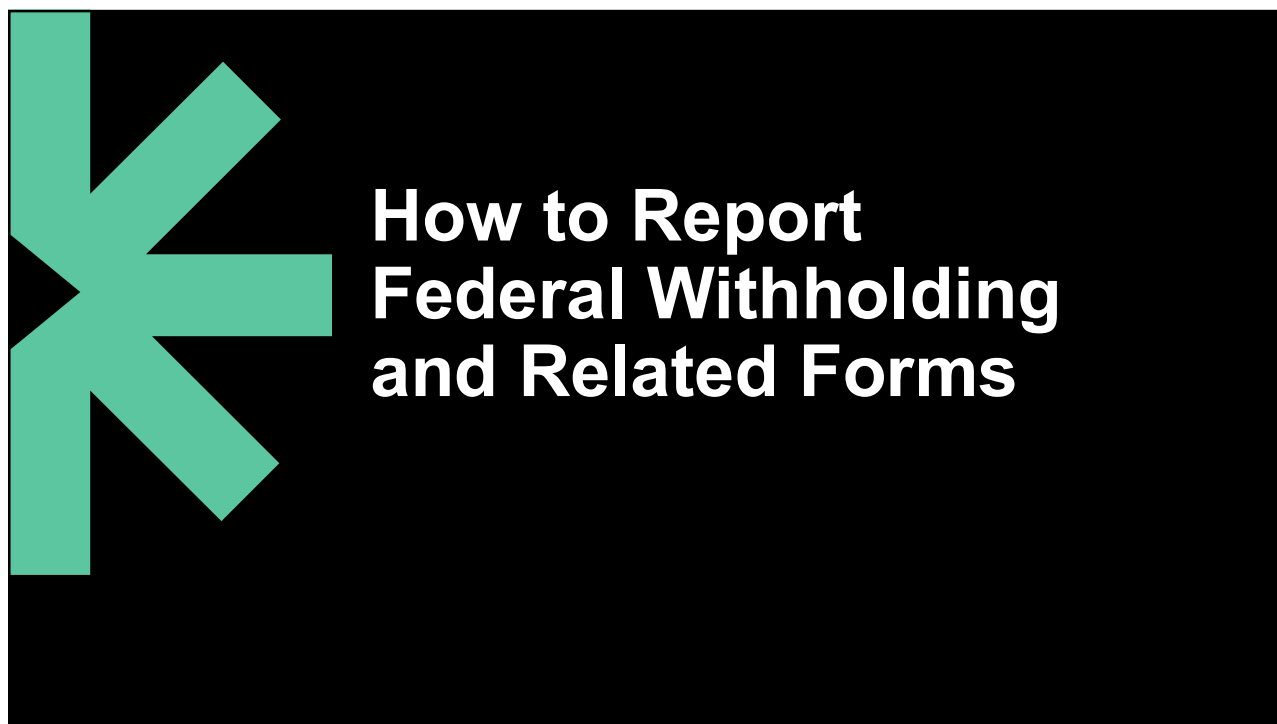


Form A4-MS

FORM A-4-M 2019-2020	ALABAMA DEPARTMENT OF REVENUE 50 North Ripley Street • Montgomery, AL 36104 • Toll-free (334) 242-3300 www.revenue.alabama.gov Nonresident Military Service Withholding Tax Exemption Certificate	
Form A-4-M is to be used only for employees claiming exemption from Alabama's income tax withholding requirements based on conditions set forth under the Military Spouses Residency Relief Act (PL 111-97).		
Part I – To be completed by the employee		
SPOUSE'S SOCIAL SECURITY NUMBER		Spouse's Name (Last, first, middle initial)
SPOUSE'S RESIDENTIAL ADDRESS (Street address and apartment, suite, or room number)	CITY	STATE
ZIP CODE	ZIP CODE	ZIP CODE
In order to qualify for this exemption, the employee must be able to answer "True" to all of the following conditions. If not, they will not qualify to use this form and will need to complete the Form A-4-M instead.		
1. My Spouse is an active duty military servicemember	☐ True	☐ False
2. I am not a resident of Alabama	☐ True	☐ False
3. My Spouse's current address solely together with his location in the state of Alabama	☐ True	☐ False
4. I am present in either Alabama solely because of my location in the state of Alabama	☐ True	☐ False
5. and my military servicemember spouse live at the same address	☐ True	☐ False
6. My domicile is a state other than Alabama	☐ True	☐ False
7. My military servicemember spouse's domicile is the same as mine	☐ True	☐ False
If you answered "True" to all of the above conditions, your wages are exempt from Alabama withholding tax.		
Under penalty of perjury, I certify I am not in and not subject to Alabama withholding tax because I meet the conditions set forth under the Military Spouses Residency Relief Act (PL 111-97) and that I understand that my state of residency may have some income tax in Alabama.		
Employee's Signature		Date
Part II – To be completed by the employer		
EMPLOYEE'S IDENTIFICATION NUMBER (EIN)		DATE
ADDRESS	CITY	STATE
ZIP CODE	ZIP CODE	ZIP CODE
Employees are required to obtain from the employee a clear photograph of their current military service ID. Form DD-2036 reflecting the servicemember's state of legal residence, and a recent Leave and Earnings Statement. Employees must have this information along with the employee's personnel records. If the employer believes the employee has improperly claimed exemption under the MARRA, the employer should contact the IRS at the following address or phone number: Alabama Department of Revenue, Withholding Tax Section, P.O. Box 327480, Montgomery, AL 36132-7480, by fax at (334) 242-3300, or by fax at (334) 242-0412.		



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Federal Withholding

- Withheld from employee's paycheck
- Amount withheld is based on employee's W-4
- Usually paid by making deposits through EFT (EFTPS.gov)
- File Form 941 quarterly
- See IRS Publication 15 at <https://www.irs.gov/> for instructions.



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Form W-2 vs. Form 1099

- Businesses that have employees file the Form W-2
- Businesses that use independent contractors must file Form 1099-NEC
- Business that have both employees and independent contractors must file Form W-2 and Form 1099-NEC



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Form W-2 Wage and Tax Statement

Every employer engaged in a trade or business, who pays remuneration, including noncash payments of \$600 or more for the year for services performed by an employee, must file a Form W-2 for each employee (even if the employee is related to the employer) from whom:

- Income, Social Security, or Medicare tax was withheld.
- Income tax would have been withheld if the employee had claimed no more than one withholding allowance or had not claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.



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Form W-2

22222		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a	
		13 Statutory employee Retirement plan Third party self-pay		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
				20 Locality name	

Form **W-2** Wage and Tax Statement 2021 Department of the Treasury—Internal Revenue Service
Copy 1—For State, City, or Local Tax Department



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W-3 Transmittal of Wage and Tax Statements

- Anyone required to file Form W-2 must file Form W-3 to transmit Copy A of Forms W-2.
- A copy of Form W-3 along with copy D of Form W-2 must be kept for a minimum of 4 years.
- W-3 along with the W-2s must be filed with Social Security Administration by January 31st.



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Form W-3

33333		a Control number		For Official Use Only OMB No. 1545-0048	
b Kind of Payer (Check one)		c Kind of Employer (Check one)		d Establishment number	
☐ 941 Military ☐ 942 Hosp./estd. ☐ 943 Medicare gov. emp. ☐ 944 Other		☐ None apply ☐ State/local non-govt. ☐ State/local 501c ☐ Federal govt. ☐ Third-party sick pay (Check if applicable)		☐ 1 Wages, tips, other compensation ☐ 2 Federal income tax withheld ☐ 3 Social security wages ☐ 4 Social security tax withheld ☐ 5 Medicare wages and tips ☐ 6 Medicare tax withheld ☐ 7 Social security tips ☐ 8 Allocated tips ☐ 9 ☐ 10 Dependent care benefits ☐ 11 Nonqualified plans ☐ 12a Deferred compensation ☐ 12b For third-party sick pay use only	
e Total number of Forms W-2		f Employer's name		g Employer's address and ZIP code	
h Other EIN used this year		i Employer's state ID number		j State wages, tips, etc.	
k Employer's contact person		l Employer's telephone number		m Employer's email address	
n Employer's tax number		o State income tax		p Local wages, tips, etc.	
q State income tax		r Local income tax		s For Official Use Only	

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature _____ Title _____ Date _____

Form **W-3 Transmittal of Wage and Tax Statements** 2021
 Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA).
 Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA.
 Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

Department of the Treasury
Internal Revenue Service



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Form 1099-NEC

Federal Form 1099-NEC (Non-Employee Compensation) is used to report amounts paid to non-employees such as independent contractors and other businesses to whom payments are made.

Specific instructions for filing Form 1099-NEC (Non-Employee Compensation) for each person to whom you have paid at least \$600 during the previous year for:

- Services performed by someone who is not your employee (including parts and materials).
- Payments to an attorney.

Instructions for filing Form 1099-NEC are available on the IRS website, <https://www.irs.gov/>.



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Form 1099-NEC

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 2021 Form 1099-NEC		Nonemployee Compensation
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$		
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale ☐		Copy 1 For State Tax Department
Street address (including apt. no.)		3		
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld \$		
Account number (see instructions)		5 State tax withheld \$ 6 State/Payer's state no. 7 State income \$		

Form **1099-NEC** www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

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Form 1096 Annual Summary and Transmittal of U.S. Information Returns

- Form 1096 is a summary form used to transmit paper Form 1099s (and other informational returns).
- This form is provided for informational purposes only; it is not a tax form.
- Must mark in Section 6 only one box indicating type of form being filed. Do not mark multiple boxes.
- Form 1096 filed with Form 1099-NEC must be filed by January 31.

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Form 1096

Do Not Staple 

Form **1096** **Annual Summary and Transmittal of U.S. Information Returns** OMB No. 1545-0108 **2021**

Department of the Treasury
Internal Revenue Service

FILER'S name _____

Street address (including room or suite number) _____

City or town, state or province, country, and ZIP or foreign postal code _____

Name of person to contact _____ Telephone number _____

Email address _____ Fax number _____

For Official Use Only

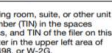

1 Employer identification number _____ 2 Social security number _____ 3 Total number of forms _____ 4 Federal income tax withheld \$ _____ 5 Total amount reported with this Form 1096 \$ _____

6 Enter an "X" in only one box below to indicate the type of form being filed.

1099-INT	1099-DIV	1099-B	1099-C	1099-CAP	1099-DIV	1099-RT	1099-R	1099-LA
☐	☐	☐	☐	☐	☐	☐	☐	☐
1099-NEC	1099-ORD	1099-Q	1099-PAID	1099-RE	1099-SA	1099-SB	1099-SC	1099-SD
☐	☐	☐	☐	☐	☐	☐	☐	☐
1099-TE	1099-TF	1099-TG	1099-TH	1099-TI	1099-TJ	1099-TK	1099-TL	1099-TM
☐	☐	☐	☐	☐	☐	☐	☐	☐
1099-TN	1099-TO	1099-TP	1099-TR	1099-TS	1099-TT	1099-TU	1099-TV	1099-TW
☐	☐	☐	☐	☐	☐	☐	☐	☐
1099-TX	1099-TY	1099-TZ	1099-UB	1099-UC	1099-UD	1099-UE	1099-UF	1099-UG
☐	☐	☐	☐	☐	☐	☐	☐	☐
1099-UH	1099-UI	1099-UJ	1099-UK	1099-UL	1099-UM	1099-UN	1099-UO	1099-UP
☐	☐	☐	☐	☐	☐	☐	☐	☐
1099-UQ	1099-UR	1099-US	1099-UT	1099-UV	1099-UW	1099-UX	1099-UY	1099-UZ
☐	☐	☐	☐	☐	☐	☐	☐	☐

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable. Send this form, with the copies of the form checked in box 6, to the IRS in a flat mailer (not folded).

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature  Title  Date 

Instructions
Future developments. For the latest information about developments related to Form 1096, such as legislation enacted after it was published, go to www.irs.gov/form1096.
Reminder. The only acceptable method of electronically filing

Enter the filer's name, address (including room, suite, or other unit number), and taxpayer identification number (TIN) in the spaces provided on the form. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1097, 1098, 1099, 3921, 3922, 5498, or W-2G.



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How to Report State Withholding and Related Forms

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State Withholding Tax Forms

Form	Filing Frequency	Due Date	Additional Information
A-6	Monthly...if employer withholds more than \$1,000 in the 1 st or 2 nd month of the quarter	On or before the 15 th of the month following the end of the month being filed (e.g., Form A-6 for the month of January is due on or before February 15 th)	- First Return – New employers must apply for withholding tax account on My Alabama Taxes - Final Return – When an employer ceases to withhold Alabama Income Tax, place a "X" on Line 1 of A-6 form.
A-1	Quarterly...if employer withholds less than \$1,000 a month	On or before the last day of the month following the end of the quarter being filed (e.g., <i>Quarter ending March 31st is due on or before April 30th</i>)	
A-3	Annually	Due on or before January 31 st	- W-2s must be filed with A-3 - Filing must include Federal 1099 or 1096 - Must file electronically <i>if</i> returns & payments were filed & paid electronically - Must file electronically if the A-3 includes 25 or more W-2s or 1099s



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Filing State Withholding on MAT

- Register for a withholding account at My Alabama Taxes (MAT) at <https://myalabamataxes.alabama.gov/>.
- Once you have been issued an account number, a sign on ID and an access code, return to MAT to register.
- Once registered, logon to MAT to file state withholding taxes.



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Form A-3 Alabama Annual Reconciliation of Alabama Income Tax Withheld

Employers must submit copies of Form W-2 to the Department using the Alabama Reconciliation Form A-3



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Form A-3

Reset Form

FORM A-3 STATE OF ALABAMA
ANNUAL RECONCILIATION OF ALABAMA
INCOME TAX WITHHELD

YEAR

NUMBER OF EMPLOYEE WAGE STATEMENTS AND/OR
INFORMATION RETURNING TRANSMITTED WITH THIS FORM

ALABAMA WITHHOLDING TAX ACCOUNT NUMBER DATE DUE

NAME AND ADDRESS

SIGNATURE DATE

NOTE: DO NOT send without W-2's. A-3 received without W-2's WILL BE RETURNED.

	COL 1 - TAX WITHHELD	COL 2 - TAX REMITTED
JANUARY	\$	\$
FEBRUARY	\$	\$
MARCH (1st QTR)	\$	\$
APRIL	\$	\$
MAY	\$	\$
JUNE (2nd QTR)	\$	\$
JULY	\$	\$
AUGUST	\$	\$
SEPTEMBER (3rd QTR)	\$	\$
OCTOBER	\$	\$
NOVEMBER	\$	\$
DECEMBER (4th QTR)	\$	\$
1 TOTAL TAX REMITTED (COL 2)		\$
2 TOTAL ALABAMA INCOME TAX WITHHELD AS SHOWN ON FORMS W-2 (INDICATOR 1099)		\$
3 ADDITIONAL TAX DUE ENCLOSED REMITTANCE		\$
4 OVERPAYMENT REFUND ☐ CREDIT ☐		\$
OVERPAYMENTS LESS THAN \$100.00 WILL BE ISSUED A CREDIT		

- Due on or before the last day of January following the end of year being filed.
- Requires employers submitting 25 or more W-2's or who have filed and paid electronically during the year, to electronically submit both Form A-3 and W-2's online.
- A-3 received without W-2's will be returned.



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How to File State 1099s

- 1099s with no Alabama income tax withheld are filed using copies the Federal 1099s along with a copy of the Federal 1096 Annual Summary and Transmittal of U.S. Information Return. They are due by March 15th and should be mailed to:

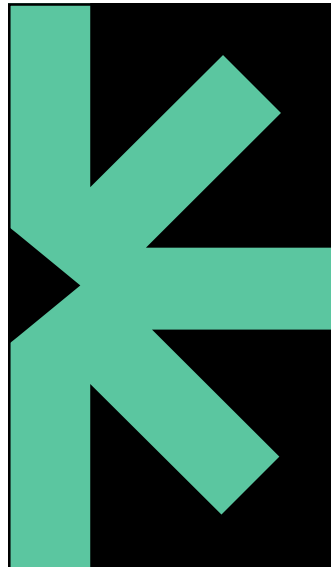
Alabama Department of Revenue
P.O. Box 327489
Montgomery, AL 36132-7489

- 1099s with Alabama income tax withheld are reported on Form A-3 along with any W-2s.



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Other Payroll-Related Taxes



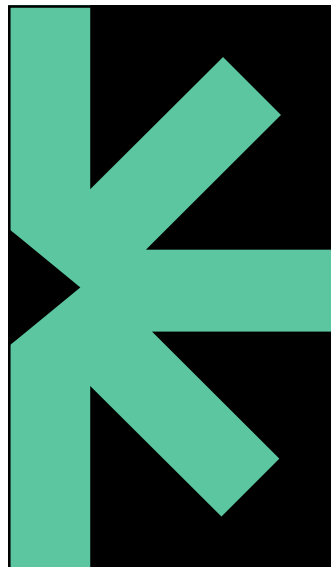
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Other Payroll-Related Taxes Not Administered by ALDOR

<u>FEDERAL</u> <i>See IRS Publication 15 at www.irs.gov</i>	<u>STATE</u> <i>See labor.alabama.gov</i>	<u>MUNICIPALITY / COUNTY</u> <i>See www.AtlasAlabama.gov for local government websites</i>
Form W-9 (<i>Request for Taxpayer Identification Number and Certification</i>) I-9 (<i>Employment Eligibility Verification</i>)	Unemployment Tax	Occupational Taxes
Federal Unemployment Taxes (FUTA)	State Unemployment Insurance	
Social Security and Medicare Taxes	Unemployment Compensation Reports	



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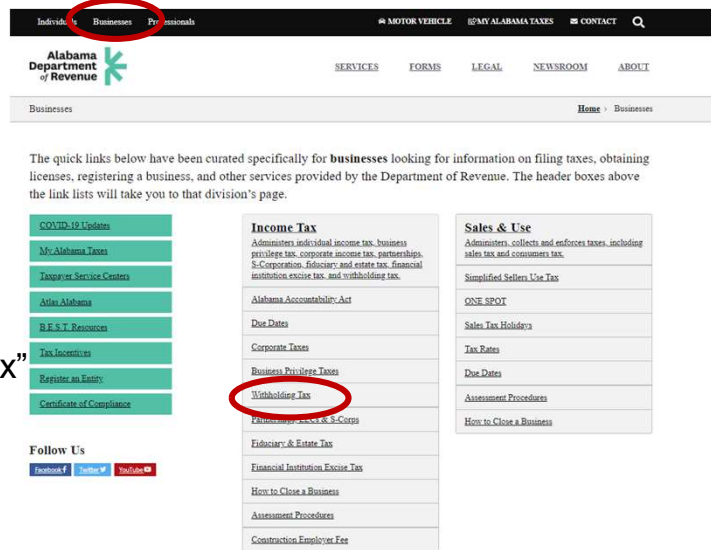
**Helpful Links on
ALDOR's Website
and Other Resources**

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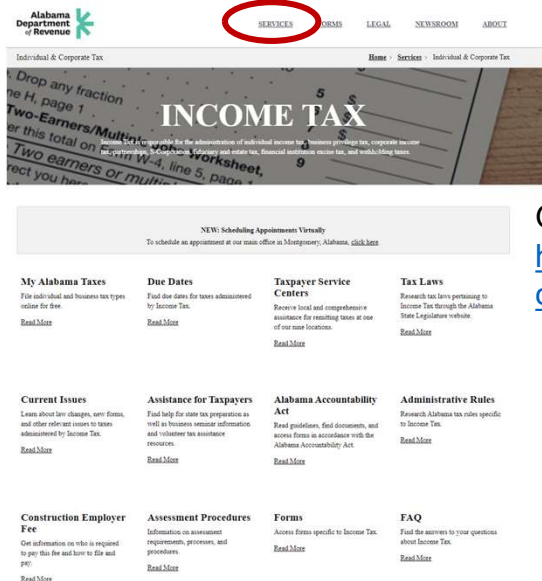
Go to:
Revenue.alabama.gov

Click on “Businesses”

Click on “Withholding Tax”



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Go to:
<https://revenue.alabama.gov/individual-corporate/>

- Due Dates
- Tax Laws
- Forms
- Administrative Rules
- FAQ



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Go to:
<https://revenue.alabama.gov/>

Click on "FORMS".

Type the form name in
the Search bar.

Access forms, form instructions, and worksheets for each tax division below. The list is currently sorted first by division and then by category. You may **search** for a specific form by typing in the search bar, or **sort** the list by clicking on any of the column headers. You may **filter** by division, category, and year using the dropdown menus at the bottom of the forms table.

All forms will download as a PDF. Please [refer to the list of mailing addresses](#) for the appropriate forms. For income tax form orders, please [use this contact form](#).

Show 10 entries

Number	Title	Division	Category	Year
A4-MS	Nonresident Military Spouse Withholding Exemption Certificate	Income Tax	Withholding	2019
Form A4	Certificado para todo Empleado de Exención de Retención de Ingresos para Pago de Impuestos	Income Tax	Withholding	2016
A4	Employee's Withholding Exemption Certificate (English)	Income Tax	Withholding	2014
Form IT.FA4	Petition for Review of Preliminary Assessment	Income Tax	General	2005

Showing 1 to 4 of 4 entries (filtered from 1,463 total entries)

Previous 1 Next



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Alabama Department of Revenue Taxpayer Service Centers

The Alabama Department of Revenue has nine Taxpayer Service Centers located throughout the State to assist you. Contact information for the service centers can be found at:

<https://revenue.alabama.gov/taxpayer-service-centers/>



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Alabama Department of Revenue Contact Numbers

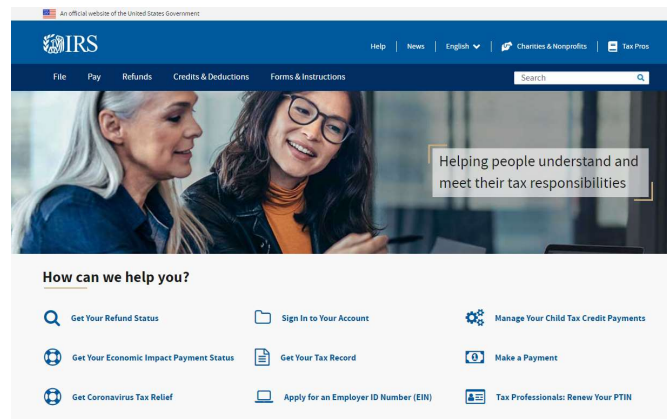
- 334-242-1170, Option #1 – Individual Income Tax
- 334-242-1170, Option #7 – Withholding Tax
- 334-242-1170, Option #6 – Corporate Tax
- 334-242-1170, Option #8 – Business Privilege Tax
- 334-242-1170, Option #6 – Pass-Through Entity
- 334-242-1189 – Certificate of Compliance
- 334-242-1584 – Business Registration
- 334-242-1490 – Sales and Use Tax



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Internal Revenue Service

- www.irs.gov/
- IRS Forms: 1-800-829-3676
- IRS Assistance: 1-800-829-1040
- FEIN: Submit Federal Form SS4 by mail or fax; or go to www.irs.gov/ and search for EIN online



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Internal Revenue Service - Resources

The IRS has a series of [Small Business Tax Workshops](#) available online that are free and contain useful federal tax information for new business owners and employers. The topics include:

- [Federal Taxes and Your New Business](#)
- [Schedule C and Other Small Business Taxes](#)
- [Business Use of Your Home](#)
- [Federal Taxes When Hiring Employees or Independent Contractors](#)
- [Managing Payroll to Withhold the Correct Amount of Tax](#)



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Internal Revenue Service - Resources

- [IRS Small Business & Self-Employed Tax Center](#) – The links on this webpage provide important information for all small businesses and self-employed individuals.
- [Publication 5557 - A Guide to Starting a Small Business](#)
- [Publication 4591 - Small Business Federal Tax Responsibilities](#)
- [Publication 583 - Starting a Business and Keeping Records](#)
- [Publication 334 - Tax Guide for Small Businesses](#)



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Thank you for being ALDOR's B.E.S.T.!

B.E.S.T. Webinar presentations can be found at
<https://revenue.alabama.gov/taxpayer-advocacy/b-e-s-t-seminars/b-e-s-t-webinar-schedule/>

Also available are B.E.S.T. Learning Modules at
<https://revenue.alabama.gov/taxpayer-advocacy/b-e-s-t-seminars/watch-modules-online/>



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Questions?

Please use the Q&A feature in Webex to ask
the presenter questions.



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