

810-9-1-.11 Acceptance, Monitoring, and Revocation of Acceptance into the Alabama Business Modernized E-File Program for Software Developers – Financial Institution Excise Tax

SCOPE – This rule explains the requirements for software developers to obtain and sustain active approval to provide software that allows Financial Institution Excise Tax returns to be electronically filed through the Alabama Business Modernized E-File program.

(1) Software developers must be approved on an annual basis and maintain good standing with the department. The department has the right to deny any applicant - acceptance into the Alabama Business Modernized E-File Program. To obtain approval software developers must adhere to the following guidelines.

(a) Be accepted by and in good standing with the Internal Revenue Service (IRS) Electronic Filing Program.

(b) Have satisfactorily completed the department's software developer suitability approval process.

(c) Have an approved Letter of Intent, with original officer signature, on file with the department.

(d) Have satisfactorily completed the Business Acceptance Testing System (BATS) with the department.

(2) XML Schemas (record layouts), specifications and business rules for a complete Alabama electronic Financial Institution Excise Tax return are issued annually by the department. In addition, the department annually releases the Alabama Business Modernized E-file Program: Handbook for Software Developers and Transmitters (Publication AL4164) which provides supplemental information pertinent to electronic return development.

(3) Software developer testing will occur in conjunction with IRS testing in accordance with Alabama Business MeF Test Package (Publication AL4162).

(4) Alabama electronic Financial Institution Excise Tax returns received by the department which are prepared by a software developer which has not completed the department's software developer testing and which has not been approved by the department will be rejected by the department. Paper Alabama Financial Institution Excise Tax returns must then be submitted by the taxpayer or the taxpayer may electronically file the tax return using an approved software from another software developer.

(5) The department will conduct random monitoring visits with software developers to verify that the requirements of the Alabama Electronic Filing Program are being met.

(6) The department reserves the right to request a copy of the most current copy of the software product that is utilized in production.

(7) The department reserves the right to revoke the acceptance of a software developer for cause. Failure to comply with the guidelines set forth in the Alabama Business Modernized E-file Program: Handbook for Software Developers and Transmitters (Publication AL4164) is considered cause.

(8) Any of the following can result in the revocation of a software developer's acceptance into the Alabama Business Modernized E-File Program:

(a) Conviction of a criminal offense under the revenue laws of any state or of any offense involving dishonesty or breach of trust.

(b) Failure to file timely and accurate personal tax returns or business tax returns.

(c) Failure to pay personal tax liabilities or business tax liabilities.

(d) Failure or refusal to effect corrective action as required by the department.

(e) Other facts or conduct of a disreputable nature that would reflect adversely on the Alabama Business Modernized E-File Program.

(f) Unethical practices in return preparation.

(g) Suspension by IRS.

(h) Prior year submission error rate of 70% or greater.

(i) Failure to comply with any of the items listed in paragraph 2 of this rule.

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Authority: §§ 40-2A-7(a)(5) and 40-30-5, Code of Ala. 1975.

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