

ALABAMA DEPARTMENT OF REVENUE - SALES AND USE TAX RULES
Code of Alabama 1975, Sections 40-23-31 and 40-23-83

810-6-5-.30. Filing and Paying State Sales and Use Taxes and State-Administered County and Municipal Sales and Use Taxes on a Quarterly or Annual Basis.

(1) The term “total state sales tax liability” as used in Section 40-23-7(d), Code of Alabama 1975, and this rule shall mean the amount of state sales tax, including applicable penalty and interest, remitted by, or levied or assessed against, the taxpayer less any discounts allowed and taken by the taxpayer pursuant to Section 40-23-36.

(2) The term “total state use tax liability” as used in Section 40-23-68(f) and this rule shall mean the amount of state use tax, including applicable penalty and interest, remitted by, or levied or assessed against, the taxpayer less any discounts allowed and taken by the taxpayer pursuant to Section 40-23-77.

(3) Beginning with calendar year 1999, a taxpayer may elect to file and pay state and state-administered county and municipal sales and use taxes on a calendar quarter basis as follows:

(a) a taxpayer whose total state sales tax liability averages less than two hundred dollars (\$200) per month during the preceding calendar year may elect to file and pay state sales tax on a calendar quarter basis. (Section 40-23-7(d))

(b) a taxpayer whose total state sales tax liability averages less than two hundred dollars (\$200) per month during the preceding calendar year may elect to file and pay state-administered municipal and county sales taxes on a calendar quarter basis. (Section 11-51-211(a)(1), Code of Alabama 1975)

(c) a taxpayer whose total state use tax liability averages less than two hundred dollars (\$200) per month during the preceding calendar year may elect to file and pay state use tax on a calendar quarter basis. (Section 40-23-68(f))

(d) a taxpayer whose total state sales tax liability averages less than two hundred dollars (\$200) per month during the preceding calendar year and whose total state use tax liability also averages less than two hundred dollars (\$200) per month during the preceding calendar year may elect to file and pay state-administered municipal and county use taxes on a calendar quarter basis. A taxpayer who makes no retail sales and, therefore, files no state sales tax returns may elect to file state-administered municipal and county use taxes on a calendar quarter basis provided the taxpayer’s total state use tax liability averages less than two hundred dollars (\$200) per month during the preceding calendar year. A taxpayer who has no state use tax liability and, therefore, files no state use tax returns may elect to file state-administered municipal and county use taxes on a calendar quarter basis provided the taxpayer’s total state sales tax liability averages less than two hundred dollars (\$200) per month during the preceding calendar year. (Section 11-51-211(a)(2))

(4) A taxpayer’s election to file and pay taxes quarterly shall be in writing and shall be filed with the department no later than February 20 of each year in which the taxpayer wishes to file and pay taxes quarterly. The provisions of Rule 810-1-5-.01 shall govern whether a taxpayer’s written election to file quarterly returns is timely filed.

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810-6-5-.30. (Continued)

(5) Beginning with calendar year 1999, no state sales tax return, state-administered county or municipal sales tax return, or state-administered county or municipal use tax return is due until January 20 of the following year unless the total state sales tax liability during the preceding calendar year exceeds ten dollars (\$10). Beginning with calendar year 1999, no state use tax return is due until January 20 of the following year unless the total state use tax liability during the preceding calendar year exceeds ten dollars (\$10).

(a) If a taxpayer's state sales tax liability for the entire calendar year 1998 was ten dollars (\$10) or less, the taxpayer's state sales tax, state-administered county or municipal sales tax, and state-administered county or municipal use tax returns and payments covering calendar year 1999 shall be due January 20, 2000. If the same taxpayer's state sales tax liability for calendar year 1999, when the tax return is filed and the tax paid in January 2000, is ten dollars (\$10) or less; the taxpayer's state sales tax, state-administered county or municipal sales tax, and state-administered county or municipal use tax returns and payments covering calendar year 2000 shall be due January 20, 2001. However, if the same taxpayer's state sales tax liability for calendar year 1999, when the tax return is filed and the tax paid in January 2000, is in excess of ten dollars (\$10); the taxpayer shall file and pay state sales tax, state-administered county or municipal sales tax, and state-administered county or municipal use tax for calendar year 2000 on a monthly basis unless the taxpayer qualifies and elects in writing to file the returns and pay the taxes on a calendar quarter basis.

(b) If a taxpayer's state use tax liability for the entire calendar year 1998 was ten dollars (\$10) or less, the taxpayer's state use tax return and payment covering calendar year 1999 shall be due January 20, 2000. If the same taxpayer's state use tax liability for calendar year 1999, when the tax return is filed and the tax paid in January 2000, is ten dollars (\$10) or less; the taxpayer's state use tax return and payment covering calendar year 2000 shall be due January 20, 2001. However, if the same taxpayer's state use tax liability for calendar year 1999, when the tax return is filed and the tax paid in January 2000, is in excess of ten dollars (\$10); the taxpayer shall file and pay state use tax for calendar year 2000 on a monthly basis unless the taxpayer qualifies and elects in writing to file the returns and pay the taxes on a calendar quarter basis.

(6) In order to qualify for quarterly or annual filing status, the taxpayer shall have been in business for the entire preceding calendar year and shall have filed the required returns covering the entire preceding calendar year upon which the calculation of the average monthly tax liability or the annual tax liability is to be based. (Adopted through APA effective October 20, 1998)