

Revenue REVIEW

2nd Quarter
FY 2015
(January, February,
March 2015)

A Quarterly Publication of the Alabama Department of Revenue

Magee Named Secretary of FTA Board of Trustees

Alabama State Revenue Commissioner Julie P. Magee was named secretary of the Federation of Tax Administrators' (FTA) Board of Trustees on Jan. 16 during the FTA's Midwinter and New Commissioners Seminar in San Antonio, Texas.

"It has been such an honor to serve on the FTA board, and I appreciate the board's confidence in my abilities to carry out the duties of this position of leadership," said Magee. "We will continue our mission to improve standards and methods of tax administration, which ultimately will result in better service to taxpayers."

The Federation of Tax Administrators, organized in 1937, serves the principal tax collection agencies of the 50 states, the District of Columbia, and the city of New York. The work of the FTA is directed and governed by an 18-member board of trustees, composed of tax administrators representing all regions of the country.

Commissioner Magee was first appointed to the FTA Board of Trustees in 2012. Her current term runs through June 2016.

Commissioner Magee was appointed to the post of Alabama Commissioner of Revenue by Gov. Robert Bentley in January 2011, and since that time has been named to various state and national commissions and task forces.

ADOR Implements Additional Security Measures

Due to an increase in the filings of fraudulent state and federal income tax returns using online software services, the Alabama Department of Revenue has implemented additional security measures to further protect citizens from criminals who may try to file an income tax return using stolen information.

few simple steps. More information about the ID quiz and steps you can take to protect yourself can be found at www.revenue.alabama.gov/idtheft.

Another step the department has taken to fight tax fraud is converting refunds claimed by all first-time filers



The Identity Confirmation Quiz must be taken by taxpayers who have received a letter from the department asking them to confirm their identity. Receipt of the letter does not mean that the individual is suspected of identity theft or that his/her identity has been compromised. The purpose is to ensure that the taxpayer receives an additional level of protection.

The quickest, easiest and most convenient way to take the quiz is to complete it online at <http://revenue.alabama.gov/idquiz/>. Go on from there to complete the quiz in just a

to paper checks instead of direct-depositing the refunds.

Any taxpayer that has not filed an Alabama Income Tax return - but receives an income tax refund check from the state - may be a victim of identity theft and is asked to contact the department.

The department encourages anyone using online commercial software for tax preparation to change their password immediately and frequently. Anyone that discovers their identity has been used to file a fraudulent income tax return is asked to contact the department at 334-242-1170.

Recent Organizational Changes

Rouen Reynolds Named Sales and Use Tax Director; Ron Rein Named Assistant Sales and Use Tax Director

Rouen Reynolds was recently named Sales and Use Tax Division Director. Reynolds, whose career with Revenue spans some 22 and a half years, began her career as a Revenue Examiner I at the Montgomery Taxpayer Service Center. She has served as manager of the Dothan Taxpayer Service Center, manager of the Auburn/Opelika Taxpayer Service Center, and assistant director of the Sales and Use Tax Division. Her years of experience with the division, extensive work with taxpayer audits, and assistance in the establishment of policies and procedures make her an excellent fit for this position.

Ron Rein was recently named Sales and Use Tax Assistant Division Director. He began his career in 1982 as a Revenue Examiner I at the Montgomery Taxpayer Service Center. He has served as assistant hearings officer in the Use Tax Section and as manager of the Montgomery Taxpayer Service Center and the Foreign Audit Section. Rein has years of valuable experience performing field audits, supervising audit activities, and assuming the role of manager of the in-state Audit and Field Administration Section, along with overseeing audit activities in the service centers.



Rouen Reynolds



Ron Rein



Commissioner Julie Magee represented Alabama at the IRS Commissioner’s meeting on refund fraud in early April.

Administrative Rules

Effective Feb. 27, 2015

Adopted:

810-4-1-.25 Implementation of Optional Two-Year Motor Vehicle Registration Renewal

Amended:

810-5-1-.211 Motor Vehicle Registration Delinquency Penalty and Interest Charges

810-5-1-.468 Refunds of Motor Vehicle Registration Fees

810-5-8-.08 Refunds of Mandatory Liability Insurance

810-5-9-.10 IFTA Quarterly Fuel Use Tax Returns

810-5-9-.13 Cancellation, Suspension or Revocation of an IFTA License

810-5-75-.31 Transfer of Title of Vehicle under the Abandoned Motor Vehicle Act

810-5-75-.40 Requirements for Names and Signatures on Title Applications, Title Assignments and Motor Vehicle Registrations

Repealed:

810-5-9-.14 Petition for Refund for Fees Erroneously Paid for IFTA Decals

Effective March 3, 2015

Adopted:

810-3-29-.03 Requirements for Alabama Electronic Fiduciary Income Tax Return

810-8-1-.05 Flash Sales at the Terminal Allowed Under Special Conditions

Repealed and Adopted:

810-3-39.08 Requirements for the Electronic Corporate Income Tax Return

Amended:

810-3-75-.03 Annual Returns of Withholding Tax Information

810-3-28-.04 Requirements for the Partnership/LLC Return of Income Declaration for Electronic Filing

810-3-39-.09 Requirements for the Corporate Income Tax Declaration for Electronic Filing

Effective March 5, 2015

Amended:

810-6-1-.69 Containers, Components of Containers, Labels, Pallets, and Shipping Supplies

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Administrative Rules

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Effective March 27, 2015

Adopted:

- 810-4-1-.24 Excess Fund Procedures
- 810-6-5-.36.01 Sales of Prepaid Wireless Service

Effective April 20, 2015

Adopted:

- 810-7-1-.30 Suspension of the Playing Cards Tax

Effective April 29, 2015

Adopted:

- 810-3-136-.01 Historic Rehabilitation Tax Credit
- 810-3-136-.02 Availability, Claiming and Transferability of the Historic Rehabilitation Tax Credit
- 810-3-136-.03 Improperly Obtained Historic Rehabilitation Tax Credits and Recapture of Historic Rehabilitation Tax
- 810-7-1-.29 Procedures for Retail Dealers and Semijobbers Providing Electronic Duplicate Invoices for Tobacco Products Purchased from Without the State

Interest Rates Remain the Same for Second Quarter of 2015

Interest rates for the calendar quarter which began Jan. 1, 2015, remained at 3 percent, according to Internal Revenue Bulletin No. 2015-49, dated March 13, 2015.

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 (3 percent); however, land sold by the state for taxes shall be calculated at 12 percent in accordance with Sect. 40-5-9. (Historical rates shown to the right.)

Statement of Gross Tax Collections

Through End of 2nd Quarter FY 2015
(January, February, March 2015)

	FYTD 2014-15	FYTD 2013-14	% Change
Business Privilege Tax	\$ 91,814,824.56	\$ 83,224,030.84	10.32
Gasoline	201,222,883.88	194,798,864.34	3.30
Income Tax-Corporate	272,644,652.10	185,232,085.41	47.19
Income Tax-Individual	1,822,830,903.73	1,745,653,668.64	4.42
Income Tax (Total)	2,095,475,555.83	1,930,885,754.05	8.52
Motor Fuels	69,666,184.32	68,040,536.95	2.39
Oil & Gas Privilege (8%)	32,020,811.75	42,544,626.74	(24.74)
Oil & Gas Production (2%)	10,917,110.99	13,640,883.75	(19.97)
Sales	1,047,381,802.60	1,008,379,002.54	3.87
Use Tax	157,917,948.18	157,697,283.98	0.14
Utility Gross Receipts	207,861,448.70	210,637,642.81	(1.32)
SUBTOTAL	\$3,914,278,570.81	\$3,709,848,626.00	5.51
SUBTOTAL (OTHER TAXES)	\$ 944,880,325.40	\$ 921,884,836.25	2.49
TOTAL (ALL TAXES)	\$4,859,158,896.21	\$4,631,733,462.25	4.91

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%
2009	5%	4%	4%	4%
2010	4%	4%	4%	4%
2011	3%	4%	4%	3%
2012	3%	3%	3%	3%
2013	3%	3%	3%	3%
2014	3%	3%	3%	3%
2015	3%	3%		

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 service tax return and payment due.
- Motor fuel 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.
- Uniform Natural Minerals tax return and payment 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

(May, June and July 2015)

May

10 • Quarterly NPM certification and bank verification due.

June

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

July

1 • Quarterly Dry Cleaning Trust Fund Fee return and payment due.
• Utility License (2.2 percent) fourth quarterly payment due.

10 • Quarterly Hospital Assessment for Medicaid Tax 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.
• Quarterly Solid Waste Disposal Fee return and payment due.

30 • Quarterly forest products' severance tax return and payment due.

31 • Quarterly NPM payment due into escrow.
• Quarterly withholding return and payment due from employer.
• Quarterly IFTA tax return and payment due.
• Quarterly Construction Employer Fee due.