

Revenue REVIEW

4th Quarter
FY 2009
(July, August,
September 2009)

A Quarterly Publication of the Alabama Department of Revenue

Property Tax Division Receives AAAO Awards

The Alabama Department of Revenue Property Tax Division was recognized by the Alabama Association of Assessing Officials at this year's annual conference, held August 13 at Orange Beach.

Acting on behalf of the Property Tax Division, Director Bill Bass accepted two recognition plaques. One plaque, an Honorary Award, read, "Presented to the Alabama Department of Revenue Property Tax Division. In Recognition of and Appreciation for your

Leadership and Support to the Alabama Association of Assessing Officials."

The other plaque, a resolution, read, "Acknowledging Property Tax for their many contributions and stating their (Alabama Association of Assessing Officials) heartfelt appreciation for their tireless dedication regarding their Administrative guidance and participation on the Joint Education Advisory Committee."



ADOR Department Secretary Lewis Easterly (left, rear) joins Property Tax representatives in acknowledging their two recognition plaques from the Alabama Association of Assessing Officials (AAAO). Shown (left to right) front row are Jennifer Byrd, Personal Property Valuation Supervisor; Shelley Tice, Land Sales Supervisor; back row (next to Easterly) Will Martin, Valuation and Standards Supervisor; Bill Bass, Division Director; Hartley McLaney, Assistant Director; Derrick Coleman, Field Operations Supervisor.

2009 Tax Practitioner Seminars

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

The program provides a continuing education opportunity for the state's tax professionals, enrolled agents, certified public accountants, public accountants, and attorneys.

ADOR partners with the IRS and Auburn University in offering trained instructors who share their fields of expertise in a host of topics.

For further information, contact the Auburn University Outreach Program Office at 334-844-5100, or visit online at <http://www.auburn.edu/outreach/tax/>.

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

Dates and locations follow:

Nov. 3-4	Florence	Univ. of North Alabama
Nov. 5-6	Huntsville	UAH-Huntsville – Univ. Center
Nov. 9-10	Dothan	Troy Univ. – Dothan Campus
Nov. 11-12	Pensacola	Pensacola Civic Center
Nov. 16-17	Birmingham	Sheraton Hotel
Nov. 18-19	Gadsden	Gadsden State Community College
Dec. 1-2	Mobile	Marriott Hotel – Airport Blvd.
Dec. 3-4	Montgomery	Auburn Univ. – Montgomery
Dec. 15-16	Auburn	AU Hotel & Dixon Conference Center
Dec. 17-18	Bessemer	Bessemer Civic Center

State Auditor's Office Recognizes ADOR Property Management Section

For its completion of a perfect audit, the Alabama Department of Revenue's Property Management Section received the quarterly "Perfect Audit Award" from the Office of the State Auditor, Samantha Shaw.

The section was featured in the July 2009 issue of *The State Scanner*, the newsletter of the State Auditor's Office. According to the article, this year marks the third consecutive perfect audit for Revenue.

Property Management is comprised of two individuals, Susie White, Property Manager, and Alan Smith, Inventory Control Officer.

To read the interview with Property Manager Susie White, go to this link on the State Auditor's website: http://www.auditor.state.al.us/other_resources/Newsletter/The%20State%20Scanner%20July%202009.pdf.

ADOR Extends Jefferson County Vehicle Registration Renewals and Vehicle Property Tax Payment Deadlines for 2nd Time

According to State Revenue Commissioner Tim Russell, the August, September, and October 2009 motor vehicle registration renewal and vehicle property tax payment deadlines have been extended through December 2009 for Jefferson County residents affected by the August 3, 2009, closings of several Jefferson County offices and the understaffing of the remaining offices.

In an order issued on Sept. 18, 2009, Commissioner Russell amended his original order dated Aug. 4, 2009, to include the October motor vehicle registration renewal and vehicle property tax payment period and to move the original extension date from Nov. 30, 2009, until Dec. 31, 2009, for Jefferson County residents. Jefferson County residents renewing their vehicles' annual August, September, and October registrations during this extended period will not be subject to any penalty and interest charges for late registration or late payment of vehicle property tax until Jan. 4, 2010.

The August, September, and October registration renewal extension is also applicable to Jefferson County residents who have recently purchased or otherwise acquired a vehicle during the period July 12, 2009, through Oct. 11, 2009, and have not been able to register their vehicle within the 20-day registration period because of office closings and staff reductions. The extension order also applies to registration transfers occurring during this period, July 12, 2009, through Oct. 11, 2009.

The ADOR advises that the extension order does not apply to registration fees paid by International Registration Plan (IRP) registrants based in Jefferson County—individuals or companies owning commercial vehicles with a combined gross vehicle weight exceeding 26,000 pounds and used in interstate commerce, as these owners are required to pay all registration fees directly to the ADOR.

The order does, however, apply to the payment of property taxes due by Jefferson County-based IRP registrants during the period August 1 through December 31. The ADOR will issue temporary IRP vehicle registrations to Jefferson County-based IRP registrants upon payment of IRP registration fees that will allow carriers to continue to operate for a limited time. Apportioned license plates will be issued upon presentation of evidence of payment of property taxes to Jefferson County.

For more information, visit the department's Web site at www.revenue.alabama.gov.

IRS News

Submitted by John Berger,
editor, eNews

Five Facts about the Home Office Deduction

With technology making it easier than ever for people to operate a business out of their house, many taxpayers, entrepreneurs and small business people may be able to take a home office deduction when filing their 2009 federal tax return next year.

Here are five important things the IRS wants you to know about claiming the home office deduction.

1. Generally, in order to claim a business deduction for your home, you must

use part of your home exclusively and regularly:

- As your principal place of business, or
- As a place to meet or deal with patients, clients or customers in the normal course of your business, or
- In the case of a separate structure which is not attached to your home, it must be used in connection with your trade or business

For certain storage use, rental use or daycare-facility use, you are required to use the property regularly but not exclusively.

2. Generally, the amount you can deduct depends on the percentage of your home that you used for business. Your deduction for certain expenses will be limited if your gross income from your business is less than your total business expenses.

3. There are special rules for qualified daycare providers and for persons storing business inventory or product samples.

4. If you are self-employed, use Form 8829, Expenses for Business Use of Your Home, to figure your home office deduction. Report the deduction on line 30 of Schedule C, Form 1040.

5. Different rules apply to claiming the home office deduction if you are an employee. For example, the regular and exclusive business use must be for the convenience of your employer.

For more information see IRS Publication 587, Business Use of Your Home, available on IRS.gov or by calling 800-TAX-FORM (800-829-3676).

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From the Office of Governor Bob Riley

*Alabama's Operation Clean Slate a Success,
Delivers \$8.1 Million in Unpaid Taxes to State*

Operation Clean Slate, Alabama's effort to encourage delinquent tax filers to pay what they owe, brought in more than \$8.1 million in unpaid taxes.

Operation Clean Slate ran from February 1 – May 15, 2009. During that time, individuals and businesses that voluntarily came forward and filed past-due returns or amended their returns to properly report their tax liabilities were granted leniency, with the state foregoing penalties and criminal prosecutions.

It was only the second time Alabama has done this. In 1984, the state waived penalties for those who voluntarily paid their tax liabilities. That effort brought in \$3 million.

"Operation Clean Slate was a great success. So many Alabamians used this chance to come forward, pay what they owe and get a fresh start. This \$8.1 million was owed to the state and can now be used to fund necessary state services," said Governor Riley.

"Operation Clean Slate helped many citizens who had delinquent tax obligations to meet their obligations, clear their conscience, and move forward. We appreciate their commitment to do this and to take advantage of this opportunity," said State Revenue Commissioner Tim Russell.

During Operation Clean Slate, 3,161 Alabamians came forward to file past-due tax returns.

IRP/ADOR News

Two employees of the Alabama Department of Revenue have achieved recognition by the IRP (International Registration Plan).

Jay Starling, currently Registration Section Supervisor in the ADOR Motor Vehicle Division, was recently elected to serve as Vice-chair of the IRP Board of Directors for FY 2010.

Renee Kyser was named 2009 IRP Volunteer of the Year at the organization's annual meeting.

Informational materials provided by the IRP define the organization as "a registration reciprocity agreement among states of the United States and provinces of Canada providing for payment of apportionable fees on the basis of total distance operated in all jurisdictions."

Its mission is defined as "to serve as the repository of the International Registration Plan and improve Plan compliance by providing quality member services, education and information. IRP, Inc. will also serve as a catalyst for positive, effective change with respect to commercial motor vehicle issues."

For more information about the IRP, Inc., see the organization's website at www.irpinc.org.

Alabama Income Tax Refund Checkoffs (Non-Campaign): \$'s Collected

Fiscal Quarters:	2009/1	2009/2	2009/3	2009/4	2009 FYTD
Alabama Aging Fund	\$1,044.00	\$5,758.00	\$4,728.00	\$338.00	\$11,868.00
Alabama Arts Development Fund	\$390.00	\$4,445.00	\$4,252.00	\$54.00	\$9,141.00
Alabama Nongame Wildlife Fund	\$476.00	\$5,635.00	\$6,109.00	\$232.00	\$12,452.00
Child Abuse Trust Fund	\$2,094.00	\$15,729.00	\$11,353.00	\$507.00	\$29,683.00
Alabama Veterans Program	\$1,991.00	\$10,644.00	\$8,957.00	\$450.00	\$22,042.00
AL Indian Children's Scholarship FD	\$358.00	\$2,251.00	\$2,466.00	\$19.00	\$5,094.00
Penny Trust Fund	\$319.00	\$2,126.00	\$1,902.00	\$87.00	\$4,434.00
Foster Care Trust Fund	\$1,575.00	\$5,274.00	\$4,471.00	\$109.00	\$11,429.00
Mental Health	\$396.00	\$3,827.00	\$3,807.00	\$108.00	\$8,138.00
Neighbors Helping Neighbors	\$1,539.00	\$2,835.00	\$2,505.00	\$189.00	\$7,068.00
Breast & Cervical Cancers Fund	\$765.00	\$9,251.00	\$7,164.00	\$515.00	\$17,695.00
4H Clubs	\$279.00	\$2,378.00	\$1,608.00	\$14.00	\$4,279.00
Cancer Institute	\$448.00	\$9,053.00	\$5,275.00	\$195.00	\$14,971.00
Organ Donation	\$378.00	\$2,125.00	\$1,197.00	\$39.00	\$3,739.00
National Guard	\$199.00	\$3,331.00	\$2,846.00	\$101.00	\$6,477.00
Alternative Fuel Research Fund	\$187.00	\$2,300.00	\$1,635.00	\$36.00	\$4,158.00
TOTALS:	\$12,438.00	\$86,962.00	\$70,275.00	\$2,993.00	\$172,668.00

Alabama Income Tax Refund Checkoffs (Non-Campaign): Number of Returns

Fiscal Quarters:	2009/1	2009/2	2009/3	2009/4	2009 FYTD
Alabama Aging Fund	43	525	440	22	1,030
Alabama Arts Development Fund	38	414	369	12	833
Alabama Nongame Wildlife Fund	39	517	462	19	1,037
Child Abuse Trust Fund	58	1,127	773	33	1,991
Alabama Veterans Program	51	671	536	28	1,286
AL Indian Children's Scholarship FD	27	256	231	5	519
Penny Trust Fund	25	224	211	8	468
Foster Care Trust Fund	26	535	359	19	939
Mental Health	32	450	342	14	838
Neighbors Helping Neighbors	31	335	258	11	635
Breast & Cervical Cancers Fund	47	793	490	25	1,355
4H Clubs	23	274	190	4	491
Cancer Institute	33	785	464	19	1,301
Organ Donation	24	275	190	6	495
National Guard	25	298	232	7	562
Alternative Fuel Research Fund	18	329	225	7	579
TOTALS:	540	7,808	5,772	239	14,359

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
2007	7,357	\$319,593

*First available on the 2000 tax year returns.

Political Party Contribution Report

Fiscal Year 2009

Party	Contributions	Amount
Republican Party	10,890	\$7,844.00
Democrat Party	12,495	\$7,819.00

Administrative Rules

Effective Aug. 4, 2009
Emergency Rule, Expires Dec. 1, 2009

Amended:
 810-5-1-.235.01ER Title Procedures—Defining “Junk” Vehicle

Effective Sept. 8, 2009
Amended:
 810-4-1-.09 Valuation of Aircraft

Effective Sept. 24, 2009:
Adopted:
 810-2-8-.07 Definition of Homeowners Association for Purpose of Administering the Alabama Business Privilege Tax Law

Amended:
 810-3-1.1-.01 Operating Rules

Statement of Gross Tax Collections

Through End of 4th Quarter FY 2009
 (July, August, September 2009)

	FYTD 2008-2009	FYTD 2007-2008	% Change
Business Privilege Tax	\$ 108,551,005.74	\$ 102,233,960.55	6.18
Gasoline	403,192,401.50	404,264,194.63	(0.27)
Income Tax-Corporate	537,701,743.24	554,498,321.66	(3.03)
Income Tax-Individual	3,322,037,761.54	3,608,462,544.93	(7.94)
Income Tax (Total)	3,859,739,504.78	4,162,960,866.59	(7.28)
Motor Fuels	119,541,443.57	135,802,012.50	(11.97)
Oil & Gas Privilege (8%)	79,255,753.28	137,497,807.97	(42.36)
Oil & Gas Production (2%)	31,749,195.64	55,254,479.98	(42.54)
Sales	1,828,979,892.90	2,028,954,212.17	(9.86)
Use Tax	248,991,445.88	275,377,544.80	(9.58)
Utility Gross Receipts	426,928,670.33	434,549,560.72	(1.75)
SUBTOTAL	7,106,929,313.62	7,736,894,639.91	(8.14)
SUBTOTAL (OTHER TAXES)	1,296,361,404.57	1,225,451,445.97	5.79
TOTAL (ALL TAXES)	\$8,403,290,718.19	\$8,962,346,085.88	(6.24)

Interest Rates Remain the Same for Fourth Quarter

Interest rates for the calendar quarter beginning Oct. 1, 2009, remain the same (4 % a.p.r.) for underpayments, according to the Internal Revenue Service’s Bulletin No. 2009-36.

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 (4 %); however, land sold by the state for taxes, shall be calculated at 12% in accordance with Sect. 40-5-9. (Historical rates shown right.)

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%

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 2009)

November

30 • Last day to register and pay fee for manufactured homes without penalty.

December

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.