

810-3-30-.01 Permission to Change Accounting Period.

(1) For tax years beginning after December 31, 1989, the change in accounting period for single entity taxpayers will change whenever there is an approved federal accounting period change.

(a) For corporations, filing Alabama returns on a separate entity basis, which become a member of a federal consolidated group, or cease to be a member of a consolidated group, or change from one federal group to another during the taxable year, no change in accounting period is required or permitted if the taxable year after the change in federal group membership will end at the same time as before the change.

(b) Alabama separate entity basis part-year returns are not permitted to be combined with Alabama affiliated group consolidated return.

1. A part-year return is not required following a change of corporate parent, unless the company affected will have a different tax year after the change. If two or more part-year returns are required for federal purposes, these part-year returns should be combined into a single return for Alabama purposes.

(2) For tax years beginning after December 31, 1998, the change in accounting period for a consolidated group will change whenever there is an approved federal accounting period change.

(3) For tax years beginning before January 1, 1990:

(a) In all cases in which a taxpayer desires to change from a calendar year to a fiscal year, from a fiscal year to a calendar year, or from one fiscal year to another fiscal year ending at a different date, permission must be obtained from the Department. The request for permission to make such change may be made by letter.

(b) Except as provided in (1)(a) above, a taxpayer who is required or permitted by federal law or rules to change the accounting period, will automatically receive approval for the same change in accounting period from this Department. Prior approval is not required if a copy of the approved federal change is attached to the first return filed after the accounting period is changed.

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Authority: §§ 40-2A-7(a)(5), 40-18-57 and 40-18-30, Code of Alabama 1975

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