

810-3-31-.01 Tax on Corporations.

(1) Code § 40-18-31 provides that a corporation which is taxable under § 40-18-2 shall pay a tax equal to five percent (5%) of its taxable income, as defined in §§40-18-33 and 40-27-1. An Alabama affiliated group of corporations filing an Alabama consolidated income tax return pursuant to the provisions of § 40-18-39 shall pay a tax equal to five percent (5%) of the consolidated affiliated group taxable income. Any organization listed under subdivisions (1), (2), (3), (4), (5), (6), (7), (11) and (12) of § 40-18-32(a) as otherwise exempt from taxation under this chapter, is not exempt from taxation on any income which constitutes "unrelated business taxable income." Alabama S corporations are not subject to the tax imposed by § 40-18-31; however, Alabama S corporations may file composite returns and make composite income tax payments on behalf of its nonresident shareholders pursuant to the provisions of § 40-18-176.

Authors: Fred H. Pritchard and Chris Sherlock, Individual and Corporate Tax Division

Authority: §§ 40-2A-7(a)(5), 40-18-31 and 40-18-57, Code of Alabama 1975

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