

810-14-1-.09 Entry of Preliminary Assessment; Final Assessment of Uncontested Tax; Execution of Preliminary and Final Assessments

(1) Should the Department determine that the amount of tax reported on a return is incorrect or if no return is filed, the Department is authorized to calculate the correct tax based on the most accurate and complete information reasonably obtainable by the Department. After the Department makes a determination of the correct amount of tax, a preliminary assessment, including applicable penalties and interest, may be entered.

(a) A tax return may be deemed "incorrect" for the following reasons:

1. the taxpayer fails to properly complete a return as required;
  2. the taxpayer fails to attach supporting documentation and/or schedules as required;
  3. the taxpayer fails to sign a return;
  4. the taxpayer fails to calculate the amount(s) due correctly;
  5. the taxpayer fails to properly substantiate credits, deductions, and/or discounts;
  6. the taxpayer provides false or fraudulent information and/or data on a return;
- or
7. the taxpayer fails to meet other statutory requirements regarding the reporting of any items used in calculating a taxable base for state tax purposes.

(2) When the Department has required information necessary to formulate a determination of value, the Department shall issue a preliminary assessment to the respective taxpayer in accordance with the rules and regulations contained herein, while also complying with the procedures required under Sections 40-14-70, 40-21-23, and 40-21-52, Code of Alabama 1975.

(3) In the event any of the following occurs: the amount of tax reported on a return is undisputed by the Department; the taxpayer consents in writing to the amount of any deficiency; or the taxpayer consents to the amount of any preliminary assessment in writing as provided by regulation, the Department may enter a final assessment without first having entered a preliminary assessment. The final assessment shall be for the amount of said tax, plus applicable penalty and interest; provided, however, that the Department may at any time enter a final jeopardy assessment pursuant to the provisions of Sections 40-17A-12, 40-29-90, and 40-29-91, Code of Alabama 1975.

(a) For purposes of this regulation, "deficiency" means the amount by which the tax, penalties, and interest imposed exceed the amount of tax, penalties, and interest already paid by the taxpayer.

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