



State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

January 17, 2014

To: All ADOR ACH Credit Filers

Taxpayers granted the authority to use the ACH Credit payment method are responsible for coordinating with their financial institutions to ensure that ACH Credit payments are timely and properly initiated.

Timely Paid:

To be considered timely paid pursuant to Section 41-1-20, Code of Alabama 1975, effective October 1, 2006, the payment must be immediately available to the State on or before the first banking day following the due date of payment.

Properly Initiated Payment:

To be properly made, the ACH Credit must include the tax payment (TXP) banking convention within the addendum record of a NACHA CCD+ transaction. The addendum record **requires** the following six major components:

- Taxpayer ID – twelve (12) character alphanumeric field
- Tax Type Code – five (5) digit numeric field
- Tax Period End Date – six (6) digit numeric field in the order of YYMMDD; last day of period, not due date
- Payment Type – one (1) character alphanumeric field
- Payment Amount – ten (10) digit numeric field including the cents
- Confirmation Number (for tax returns filed via the online MATs system)

A separate payment is required for each tax type code. Further details regarding the required fields are provided in the following link: [ACH Credit Method TXP Banking Convention Addenda Record Format](#). The TXP conventions must be followed exactly for proper posting of payment. Other addenda banking conventions should not be used.

[EFT Program Guide Booklet of ACH Credit Payment Method Procedures & Guidelines](#)

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ACH Credit and ONE SPOT:

My Alabama Taxes (MAT) is the ‘ONE SPOT’ to file all local (city/county) sales, use, and rental tax returns. As an ACH Credit Method payer, you are still required to make the payment to the correct payee through your financial institution. For state-administered local taxes, the payment will be made to ADOR. For non-state administered local taxes you should contact the locality or its tax administrator to obtain the banking information of where to send the payment to match to the ONE SPOT return received by that locality. Late penalties and interest may occur if payments are misdirected or insufficient information is provided in the addenda record to identify the payment timely.

To assist you, there is an “Addenda Record” that you can print at the completion of the filing of your local tax return that will provide the correct information for the addenda record of each payment required. It is recommended that you use this information to insure that your payment is correctly and timely associated with the ONE SPOT filed return.

Please note that ACH Credit status may be revoked by the administrator of the tax if the ACH Credit guidelines are not properly followed.

Should you have questions regarding the submission of ACH Credit payments or to change to ACH Debit payment method, contact the Electronic Funds Transfer Section at 1-800-322-4106 (Option 7) or 334-242-0192 (Option 7).