

Alabama Department of Revenue

News Release

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Baldwin County Cities Capitalize on State's New Business Tax Filing System

Orange Beach recently joined the neighboring cities of Gulf Shores, Daphne, and Robertsdale to partner with the Alabama Department of Revenue and provide electronic tax filing services to their business taxpayers, a filing partnership initiative never before attempted, but one that promised impressive benefits to both the tax collector and the business taxpayer in terms of cost savings and filing convenience.

And, after several months of operation, better-than-expected filing results are in, according to the ADOR.

"E-filed returns comprised approximately a combined average of 20 percent of the various local tax return filings for Gulf Shores, Daphne, and Robertsdale taxpayers," said State Revenue Commissioner Tom Surtees.

Gulf Shores, Daphne, and Robertsdale city officials all signed agreements with the ADOR earlier this year which allow their business taxpayers to file respective city sales, use, rental, and lodgings tax returns free of charge using the state's new business tax electronic filing system. Orange Beach joined its neighbors in October.

A review of the filing period April 2004 through October 2004 puts Robertsdale at the top with the most impressive increase in the number of e-filed returns among the three municipalities. Approximately 4 percent of 600 business tax accounts filed electronically in May, but during October, online filings jumped to almost 23 percent.

The same trend held true for Gulf Shores and Daphne. In the first month, e-filed returns comprised about 5 percent of all filings for both municipalities. During October, participation hit the highest mark for both—21 percent for Gulf Shores and 14 percent for Daphne.

“The business tax electronic filing and payment program has been very well received by business taxpayers, and taxpayers filing Daphne, Gulf Shores, Orange Beach, and Robertsdale returns enjoy the added convenience of filing those localities’ returns at the same time they file their state return using the ADOR’s online filing system,” added Surtees.

“The cities of Daphne, Gulf Shores, Orange Beach, and Robertsdale are commended on their efforts in making this filing partnership a success. Their local tax departments adapted to new electronic tax filing and payment procedures, and all did an outstanding job in making the transition from a paper return processing environment to an electronic one,” said Surtees.

The Internet-based tax-filing system is free to filers and is part of the Alabama Department of Revenue’s (ADOR) new business tax paperless filing and payment program.

The agreements signed by the four cities stipulate that the ADOR will provide only the access to the filing service. The cities retain full control over all local tax administration, collection, auditing, and enforcement matters. The local tax receipts are never handled by the ADOR; they are deposited directly in the municipalities’ bank accounts. The filing service costs the cities 50 cents per filing transaction.

The ADOR mandated electronic filing for state sales, use, lodgings, and rental taxes October 2003. Statewide, one year later, over 1 million business tax returns have been electronically filed and over \$2 billion in business taxes have been paid through electronic means, according to the ADOR.

Local governments seeking more information about ADOR’s paperless business tax filing and payment program can visit ADOR’s Web site at www.ador.state.al.us or contact ADOR’s local tax representatives Angela Till or John Paradise at (334) 242-1175.

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