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October 18, 2011

Subject: Estimated Mobile Telecommunications Tax Payments

This notice is for all persons, firms, and corporations currently required to make estimated payments on the Mobile Telecommunications Tax return (Form CST-2).

Based on a recent change to Sales and Use Tax Rule 810-6-5-.26.01, the amount required as the basis for the estimate on Line 1 has been changed. Currently, the Total Amount Remitted (Line 11) is used as the basis for the estimate on Line 1.

Effective October 1, 2011, the basis of the estimate on Line 1 will be the Tax Due (Line 4) less the Collection Allowance (Line 5) of the return for the same calendar month of the previous year. Accordingly, the first tax return on which the changes will be applicable is your October 2011 return, which is due November 20, 2011. Returns are required to be filed and paid electronically using the Alabama Paperless Filing and Payment System. The Total Mobile Telecommunications Tax Due (Line 5b) is a new line that will appear on the October 2011 return. This line will be the basis of the estimate on Line 1 beginning with the September 2012 return, due October 20, 2012.

This rule change should reduce some of the fluctuations many account holders have been experiencing when making their monthly estimate.

If there are any questions concerning this notice, please contact Laura Phillips in the Sales and Use Tax Division at 334-353-9475 or laura.phillips@revenue.alabama.gov.