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UPDATE TO IAT PAYMENT PROCESS EFFECTIVE APRIL 1, 2010

To: All Taxpayers Making Business Tax Payments Electronically Through the Alabama Paperless Filing and Payment System via the Telephone Method

Pursuant to a new National Automated Clearing House Association (NACHA) rule, the Paperless Filing/Payment System has been updated in regards to EFT payments. Based on the rule, any ACH Debit or ACH Credit payment funded by a financial institution or agency outside of the territorial jurisdiction of the United States must be treated as an International ACH Transaction (IAT). Beginning April 1, 2010, all taxpayers who are required or select to pay via EFT through the Telephone method will be required to state whether the payment transaction being submitted is an IAT.

Upon selection by a taxpayer to pay via EFT for a return submission and for the Payment Only option, the taxpayer will be asked the payment status of the transaction via the following question: **Will this payment be funded by money received from a financial institution located outside of the territorial jurisdiction of the United States?**

If Taxpayer Selects No

The taxpayer will continue as usual.

If Taxpayer Selects Yes

For a Return Filing with Payment: The taxpayer will be sent directly to the confirmation and be instructed to make the associated payment via the ACH Credit method. If after receiving a filing confirmation the taxpayer realizes they selected yes in error, then the taxpayer may return to the Main Menu and submit the associated payment via the Payment Only option.

For a Payment Only: The taxpayer will be instructed to make the payment transaction via the ACH Credit method. The taxpayer will not receive a confirmation. If the taxpayer selects yes in error, then the taxpayer may return to the Main Menu and select the Payment Only option again.

EFT ACH CREDIT METHOD

The ACH Credit method requires pre-registration and Department approval. To request Department approval to pay using the ACH Credit method, please contact our EFT Unit by dialing 1-800-322-4106, then press 7.

An additional link you may find helpful in determining if the payment is an IAT:

<http://www.revenue.alabama.gov/salestax/online/iatinst.htm>

If you have any questions regarding IATs, please contact us either by telephone at 334-242-1490 or 866-576-6531, or via email at <http://www.revenue.alabama.gov/salestax/stmailform.cfm>.