

STATE OF ALABAMA
DEPARTMENT OF REVENUE



Alabama
Electronic Funds Transfer
Tax Payment Program



EFT
Program
Guide

ACH Credit Payment Method
Procedures and Guidelines

May 2019

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Alabama

Electronic Funds Transfer (EFT)

Tax Payment Program

ACH Credit Payment Method

Executive Summary

Your company must be approved by the Alabama Department of Revenue (ADOR) to pay Alabama taxes through EFT using the Automated Clearing House (ACH) Credit Payment Method. This document provides the procedures for making those payments.

1. Your financial institution will initiate the ACH file containing the tax payment transactions.
2. To ensure proper identification of tax payments, your company is responsible for ensuring that the financial institution initiating the ACH payment file provides the correct information in the TXP Banking Convention Addenda Record of the payment transactions.
3. The TXP Banking Convention Addenda Record requires the following information:
 - Taxpayer ID
 - Tax Type Code
 - Tax Period End Date
 - Payment Type
 - Payment Amount
 - Confirmation Number (only for tax returns filed through My Alabama Taxes (MAT)).
4. A more detailed explanation of the requirements of the Alabama EFT Tax Payment Program can be found in this document.
5. Tax returns must still be filed. Certain Taxes are required to be filed electronically through MAT. Do not file a paper return for these taxes. For more information please visit the Departments website at: www.revenue.alabama.gov.

To assist taxpayers with filing returns or period ending questions, the taxpayer can call 1-800-322-4106 and select option.

| | |
|----------|---------------------------------|
| Option 1 | Individual Income Tax Division |
| Option 2 | Motor Vehicle |
| Option 3 | Sales & Use Tax Division |
| Option 4 | Collection Services |
| Option 5 | MAT |
| Option 6 | Corporate Tax Division |
| Option 7 | Withholding Tax Division |
| Option 8 | Business Privilege Tax Division |
| Option 9 | Business & License Division |
| Option 0 | All other calls |

To assist taxpayers with credit payment questions the taxpayer can call EFT Unit 1-877-256-2447 or local (334) 353-7659

Introduction

Your company is registered as a participant of the Alabama Electronic Funds Transfer (EFT) Tax Payment Program. Your company must use the Automated Clearing House (ACH) Credit Payment Method. Please note that an ACH Credit payment is not the same as a FedWire transfer, and FedWire is not an authorized payment method under the Alabama EFT Tax Payment Program.

Scope of the Program Guide

Because taxpayers approved for the ACH Credit Payment Method are experienced with the method, this program guide is not intended to be a complete explanation of the rules and regulations of the National Automated Clearing House Association (NACHA); rather it is intended to cover only the specific requirements of the Alabama Department of Revenue concerning certain records and fields of ACH files. A complete set of rules and regulations for the Automated Clearing House Network is available from:

National Automated Clearing House Association
2550 Wasser Terrace, Suite 400
Herndon, VA 20171
(703) 561-1100

Right to Revoke ACH Payment Privilege:

Section 41-1-20, Code of Alabama 1975, makes provisions for the Department to establish remittance requirements, payment procedures and the applicability of Electronic Funds Transfers to the taxes administered by the Department. Revenue Ruling 810-13-1.11 allows the Department to revoke the ACH Credit method privilege of any taxpayer for the following reasons:

- (a) Failure to transmit consistently error-free payments;
- (b) Substantial variation from the requirements and specifications of the rules of the Alabama EFT Tax Payment Program;
- (c) Failure to make timely EFT payments or to provide timely payment information; or,
- (d) Failure to provide the addenda record, required by the Alabama EFT Tax Payment Program, with EFT payment.

Assistance Available from the EFT Unit

Should you still have questions concerning the ACH Credit Payment Method after having read this booklet, please call toll-free the Alabama Department of Revenue EFT Unit at 1-877-256-2447 or local (334) 353-7659.

Electronic Funds Transfer (EFT) Tax Payment Requirements

Act No. 2006-552, specifies that for each occasion a business taxpayer is obligated to make a tax payment of \$750 or more to the Alabama Department of Revenue (ADOR), after October 1, 2006, such payment must be remitted electronically through an electronic funds transfer (EFT) method.

Who is required to participate in the EFT Tax Payment Program?

Taxpayers who make individual tax payments which exceed those threshold amounts as defined in Act No. 2006-552 are required to make their payments in accordance with the rules of the Alabama Electronic Funds Transfer Tax Payment Program.

Tax returns must still be filed when making EFT payments. Certain taxes are required to be filed electronically through MAT. Do not file a paper return for these taxes. For more information please visit the Departments website at: www.revenue.alabama.gov.

Note: Prior to making a Withholding Tax payment under Act No. 2006-552 using the ACH Credit Method, an electronic return must first be submitted through MAT. The confirmation number obtained when the return is submitted should be used in the addenda record of the ACH Credit payment. A paper return will not be accepted.

Taxpayer Responsibility

Timeliness of Payments

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.

The impact of prescribed ACH time frames and nightly cycles as well as the impact of weekends and holidays must be considered. A timely ACH Credit transaction will be initiated and posted as immediately available funds (collected funds) to the State of Alabama's bank account no later than the following business day after the payment due date. To assure the timely receipt of tax payments, a taxpayer must ensure that the financial institution originating the transaction does so in sufficient time for the payment to be deposited as immediately available funds (collected funds) to the State of Alabama's bank account no later than the following business day after the payment due date.

If the taxpayer elects to use the ACH Credit payment method, the taxpayer is responsible for ensuring that the bank originating the transaction has the information necessary for timely completion of the transaction.

Special Attention for Holidays and Weekends

If a tax payment due date falls on a Saturday, Sunday, Alabama ACH Association holiday, or Alabama legal bank holiday, payment by EFT is required so the payment settles (is credited to the State of Alabama's bank account) on the first business day after the due date of the payment.

If the date on which the taxpayer is required to initiate an ACH Credit transaction falls on a Saturday, Sunday, or a business or banking holiday, the taxpayer must initiate the transaction on the preceding business day.

Compliance with Procedures

It is the intent of the Alabama Revenue Department to examine each taxpayer's compliance with the requirements of the ACH Credit payment method. The Department may, in its discretion, revoke a taxpayer's ACH Credit payment status if the taxpayer repeatedly fails to correctly complete the payment transactions in accordance with the required procedures. The taxpayer will be required to make future payments utilizing the ACH Debit payment method.

Tax Return Filing Requirements

The requirement to make a payment to the Alabama Revenue Department using the EFT Tax Payment Program does not change any current filing requirements for tax returns. TAX RETURNS MUST STILL BE TIMELY FILED.

Electronic Filing of Certain Taxes

Certain business taxes are required to be electronically filed through MAT at <http://www.revenue.alabama.gov/make-a-payment> . The payment for these taxes can be made electronically at the time the return is submitted. See Rule 810-1-6-.12 Taxes Required to be Filed Electronically for a listing of these taxes.

Penalties

If the EFT payment is not timely made or if the required tax return is not filed by the due date, the provisions for late payment penalties, late filing penalties, interest, and loss of applicable discount shall apply under the provisions of the appropriate revenue laws of the Code of Alabama 1975, as amended.

Proof of Payment

When a taxpayer uses the ACH Credit payment method, the taxpayer's bank is the originating bank, and the taxpayer is primarily responsible for the accuracy and proper completion of the transaction. In order to prove timely compliance, the taxpayer must show timely initiation of the transaction, provide the correct information for the NACHA CCD+ entry and the required TXP Banking Convention Addenda Record, show that there were sufficient funds in the account, and show that the financial institution properly completed the transaction in a timely manner. If the taxpayer can make this showing, then no penalties shall apply with respect to the payment if the transaction was not properly completed.

ACH Credit Payment Method – Sequence of Events

After having registered to make tax payments using the ACH Credit Payment Method, the sequence of events in making the payments will be as follows:

1. The taxpayer should submit a \$0.01 test transaction. Should there be any format errors in the transaction, the taxpayer will be notified of the error.
2. The taxpayer will determine the total amount of tax due with respect to the tax for which the payment is being made.
3. The person initiating the credit transaction should ensure the timely filing of the tax return.
4. At a time arranged between the taxpayer and the taxpayer's financial institution, which must be on some day before the due date of the payment, the taxpayer will provide the financial institution with the information necessary to initiate a timely ACH Credit transaction utilizing the National Automated Clearing House Association (NACHA) CCD+ entry and the TXP Banking Convention Addenda Record. In some cases the taxpayer may actually create the ACH file and submit it to a financial institution for submission to the ACH Network. Additional information concerning the TXP Banking Convention Addenda Record required by the State of Alabama can be found in the section entitled Alabama Requirements for the TXP Addenda Record.
5. On the business day following the initialization of the transaction the payment amount authorized by the taxpayer and initiated by the taxpayer's financial institution will be transferred from the taxpayer's bank account to the State of Alabama's bank account.
6. The State of Alabama's bank will provide the information in the ACH file and in the TXP Addenda Record to the Alabama Revenue Department for the payments to be credited to the taxpayer's account.

– IMPORTANT –

Taxpayers who use the ACH Credit payment method will still be required to timely file tax returns. The EFT tax payment requirement has made no changes to the filing due dates of any tax returns.

Certain Taxes are required to be filed electronically through MAT. Do not file a paper return for these taxes. For more information please visit the Departments website at: www.revenue.alabama.gov.

Alabama Requirements for the TXP Addenda Record

The TXP Banking Convention Addenda Record consists of six major components:

- Taxpayer ID
- TXP Code (See Appendix I)
- Tax Period End Date
- Payment Type
- Amount of Payment
- Confirmation Number (only for tax returns filed through MAT).

Record formats are provided on the following pages, and each major component is explained. Failure to provide the proper and correct information in the TXP Addenda Record will prevent the Alabama Revenue Department from properly crediting the taxpayer with the payment. Submission of \$0.01 test transactions is strongly recommended.

Taxpayer ID

The Taxpayer ID is a twelve (12) character alphanumeric field made up of the two (2) character tax code which identifies the tax being paid and the ten (10) character tax account number. Valid tax codes are listed in Appendix I.

The Taxpayer ID field must always be twelve (12) characters. See examples below:

EXAMPLE 1: Account Number – 0000123456
Re: Income Withholding (2) character tax code – IW
Taxpayer ID Field – IW0000123456

EXAMPLE 2: Account Number – R000123456
Re: Business Income (2) character tax code – IC
Taxpayer ID Field – ICR000012345

Also, certain account numbers have spaces as valid characters. The spaces must be properly reflected in the Taxpayer ID Field, as shown below:

EXAMPLE 3: Account Number – 37CU 12345
Re: Consumer Use/Sales (2) character tax code – CU
Taxpayer ID Field – CU37CU 12345

TXP Code

Valid TXP Codes are listed in Appendix I. Should you have any questions identifying an appropriate TXP Code, please call the EFT Unit toll free at 1-877-256-2447 or local (334) 353-7659.

Tax Period End Date

The Tax Period End Date field is a six (6) digit numeric field in the order of YYM-MDD. This field must indicate the last day of the period covered by the related tax return. This is not the due date of the tax.

Payment Type

The Payment Type field is a one (1) character alphanumeric field. Presently the letter "T" is used for tax payments.

Payment Amount

The payment amount field is a ten (10) digit numeric field including the cents. If the payment is less than 10 digits, use zeroes to populate the beginning fields: e.g. \$123.45 should be entered as 0000012345.

To ensure proper credit for the EFT payment extreme care must be exercised in providing the correct information in the TXP Addenda Record.

TXP Banking Convention Addenda Record Format

| FIELD NAME (Data Elements & Separators) | FIELD SIZE | POSITION | | CONTENTS |
|--|------------|----------|-----|------------------------------|
| | | Start | End | |
| Record Type Code | 01 | 01 | 01 | 7 |
| Addenda Type Code | 02 | 02 | 03 | 05 |
| Segment Identifier | 03 | 04 | 06 | TXP |
| Separator | 01 | 07 | 07 | * |
| Taxpayer ID: | | | | |
| Tax Code | 02 | 08 | 09 | Tax Code |
| Taxpayer Account Number | 10 | 10 | 19 | Taxpayer Account Number |
| Separator | 01 | 20 | 20 | * |
| Tax Code | 05 | 21 | 25 | TXP Code |
| Separator | 01 | 26 | 26 | * |
| Tax Period End Date | 06 | 27 | 32 | YYMMDD (numeric) |
| Separator | 01 | 33 | 33 | * |
| Amount Type | 01 | 34 | 34 | T for Tax |
| Separator | 01 | 35 | 35 | * |
| Amount | 10 | 36 | 45 | \$\$\$\$\$\$c¢ - See Below |
| Separator | 01 | 46 | 46 | * |
| Filler | 18 | 47 | 64 | Spaces |
| Separator | 01 | 65 | 65 | * |
| Confirmation Number | 11 | 66 | 76 | See Explanation Below |
| Terminator | 01 | 77 | 77 | \ |
| Filler | 06 | 78 | 83 | Spaces |
| Special Addenda Sequence Number | 04 | 84 | 87 | Refer to ACH Rules (numeric) |
| Entry Detail Sequence Number | 07 | 88 | 94 | Refer to ACH Rules (numeric) |

FREE FORM AREA

Amount

If the payment is less than 10 digits use zeros to populate the beginning fields e.g. \$123.45 should be entered as 0000012345.

Confirmation Number

This number is provided to the taxpayer when the online return is submitted, which should appear on the return. If a taxpayer is not required to file the return electronically, populate the Confirmation Number field with the letter M followed by 10 zeros.

EFFECTIVE SEPTEMBER 18, 2009

RE: IAT TAX PAYMENTS

Effective September 18, 2009, new requirements for sending in IAT payments (payments funded from banks outside the territorial jurisdiction of the US) have been established. OFAC now requires any IAT to have additional information in the addenda. The following are the addendum's requirements.

FIRST ADDENDA RECORD FOR IAT RETURN ENTRIES

| FIELD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------------------------|------------------|-------------------|-----------------------|------------------------------|----------------------|---|----------|------------------------------|
| DATA ELEMENT NAME | RECORD TYPE CODE | ADDENDA TYPE CODE | TRANSACTION TYPE CODE | FOREIGN PAYMENT AMOUNT | FOREIGN TRACE NUMBER | RECEIVING COMPANY NAME/ INDIVIDUAL NAME | RESERVED | ENTRY DETAIL SEQUENCE NUMBER |
| Field Inclusion Requirement | M | M | R | R | O | M | N/A | M |
| Contents | '7' | '10' | Alphameric | \$\$\$\$\$\$\$\$\$\$\$\$\$cc | Alphameric | Alphameric | Blank | Numeric ¹ |
| Length | 1 | 2 | 3 | 18 | 22 | 35 | 6 | 7 |
| Position | 01-01 | 02-03 | 04-06 | 07-24 | 25-46 | 47-81 | 82-87 | 88-94 |

NOTE: For IAT Return Entries, each field of the 1st Addenda Record remains unchanged from the original 1st Addenda Record, unless otherwise noted.

¹Changed to reflect the Entry Detail Sequence Number associated with the trace number assigned by the institution preparing the Automated Return Entry.

SECOND ADDENDA RECORD FOR IAT RETURN ENTRIES

| FIELD | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------------------------|------------------|-------------------|-----------------|---------------------------|----------|------------------------------|
| DATA ELEMENT NAME | RECORD TYPE CODE | ADDENDA TYPE CODE | ORIGINATOR NAME | ORIGINATOR STREET ADDRESS | RESERVED | ENTRY DETAIL SEQUENCE NUMBER |
| Field Inclusion Requirement | M | M | M | M | N/A | M |
| Contents | '7' | '11' | Alphameric | Alphameric | Blank | Numeric ¹ |
| Length | 1 | 2 | 35 | 35 | 14 | 7 |
| Position | 01-01 | 02-03 | 04-38 | 39-73 | 74-87 | 88-94 |

NOTE: For IAT Return Entries, each field of the 2nd Addenda Record remains unchanged from the original 2nd Addenda Record, unless otherwise noted.

¹Changed to reflect the Entry Detail Sequence Number associated with the trace number assigned by the institution preparing the Automated Return Entry.

THIRD ADDENDA RECORD FOR IAT RETURN ENTRIES

| FIELD | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------------------------|------------------|-------------------|----------------------------------|----------------------------------|----------|------------------------------|
| DATA ELEMENT NAME | RECORD TYPE CODE | ADDENDA TYPE CODE | ORIGINATOR CITY & STATE/PROVINCE | ORIGINATOR COUNTRY & POSTAL CODE | RESERVED | ENTRY DETAIL SEQUENCE NUMBER |
| Field Inclusion Requirement | M | M | M | M | N/A | M |
| Contents | '7' | '12' | Alphameric | Alphameric | Blank | Numeric ¹ |
| Length | 1 | 2 | 35 | 35 | 14 | 7 |
| Position | 01-01 | 02-03 | 04-38 | 39-73 | 74-87 | 88-94 |

NOTE: For IAT Return Entries, each field of the 3rd Addenda Record remains unchanged from the original 3rd Addenda Record, unless otherwise noted.

¹Changed to reflect the Entry Detail Sequence Number associated with the trace number assigned by the institution preparing the Automated Return Entry.

FOURTH ADDENDA RECORD FOR IAT RETURN ENTRIES

| FIELD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------------------------|------------------|-------------------|----------------------|--|--------------------------------|-------------------------------------|----------|------------------------------|
| DATA ELEMENT NAME | RECORD TYPE CODE | ADDENDA TYPE CODE | ORIGINATING DFI NAME | ORIGINATING DFI IDENTIFICATION NO. QUALIFIER | ORIGINATING DFI IDENTIFICATION | ORIGINATING DFI BRANCH COUNTRY CODE | RESERVED | ENTRY DETAIL SEQUENCE NUMBER |
| Field Inclusion Requirement | M | M | M | M | M | M | N/A | M |
| Contents | '7' | '13' | Alphameric | Alphameric | Alphameric | Alphameric | Blank | Numeric ¹ |
| Length | 1 | 2 | 35 | 2 | 34 | 3 | 10 | 7 |
| Position | 01-01 | 02-03 | 04-38 | 39-40 | 41-74 | 75-77 | 78-87 | 88-94 |

NOTE: For IAT Return Entries, each field of the 4th Addenda Record remains unchanged from the original 4th Addenda Record, unless otherwise noted.

¹Changed to reflect the Entry Detail Sequence Number associated with the trace number assigned by the institution preparing the Automated Return Entry.

FIFTH ADDENDA RECORD FOR IAT RETURN ENTRIES

| FIELD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------------------------|------------------|-------------------|--------------------|--|------------------------------|-----------------------------------|----------|------------------------------|
| DATA ELEMENT NAME | RECORD TYPE CODE | ADDENDA TYPE CODE | RECEIVING DFI NAME | RECEIVING DFI IDENTIFICATION NO. QUALIFIER | RECEIVING DFI IDENTIFICATION | RECEIVING DFI BRANCH COUNTRY CODE | RESERVED | ENTRY DETAIL SEQUENCE NUMBER |
| Field Inclusion Requirement | M | M | M | M | M | M | N/A | M |
| Contents | '7' | '14' | Alphameric | Alphameric | Alphameric | Alphameric | Blank | Numeric ¹ |
| Length | 1 | 2 | 35 | 2 | 34 | 3 | 10 | 7 |
| Position | 01-01 | 02-03 | 04-38 | 39-40 | 41-74 | 75-77 | 78-87 | 88-94 |

NOTE: For IAT Return Entries, each field of the 5th Addenda Record remains unchanged from the original 5th Addenda Record, unless otherwise noted.

¹Changed to reflect the Entry Detail Sequence Number associated with the trace number assigned by the institution preparing the Automated Return Entry.

SIXTH ADDENDA RECORD FOR IAT RETURN ENTRIES

| FIELD | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------------------------|------------------|-------------------|--------------------------------|-------------------------|----------|------------------------------|
| DATA ELEMENT NAME | RECORD TYPE CODE | ADDENDA TYPE CODE | RECEIVER IDENTIFICATION NUMBER | RECEIVER STREET ADDRESS | RESERVED | ENTRY DETAIL SEQUENCE NUMBER |
| Field Inclusion Requirement | M | M | O | M | N/A | M |
| Contents | '7' | '15' | Alphameric | Alphameric | Blank | Numeric ¹ |
| Length | 1 | 2 | 15 | 35 | 34 | 7 |
| Position | 01-01 | 02-03 | 04-18 | 19-53 | 54-87 | 88-94 |

NOTE: For IAT Return Entries, each field of the 6th Addenda Record remains unchanged from the original 6th Addenda Record, unless otherwise noted.

¹Changed to reflect the Entry Detail Sequence Number associated with the trace number assigned by the institution preparing the Automated Return Entry.

SEVENTH ADDENDA RECORD FOR IAT RETURN ENTRIES

| FIELD | 1 | 2 | 3 | 4 | 5 | 6 |
|------------------------------------|------------------|-------------------|--------------------------------|--------------------------------|----------|------------------------------|
| DATA ELEMENT NAME | RECORD TYPE CODE | ADDENDA TYPE CODE | RECEIVER CITY & STATE/PROVINCE | RECEIVER COUNTRY & POSTAL CODE | RESERVED | ENTRY DETAIL SEQUENCE NUMBER |
| <i>Field Inclusion Requirement</i> | M | M | M | M | N/A | M |
| <i>Contents</i> | '7' | '16' | Alphameric | Alphameric | Blank | Numeric ¹ |
| <i>Length</i> | 1 | 2 | 35 | 35 | 14 | 7 |
| <i>Position</i> | 01-01 | 02-03 | 04-38 | 39-73 | 74-87 | 88-94 |

NOTE: For IAT Return Entries, each field of the 7th Addenda Record remains unchanged from the original 7th Addenda Record, unless otherwise noted.

¹Changed to reflect the Entry Detail Sequence Number associated with the trace number assigned by the institution preparing the Automated Return Entry.

Alabama Recommendations for the Company Batch Header Record

Periodically, due to error or software problems, the entire TXP Addenda Record may not be received by the Alabama Department of Revenue. If that occurs, it may not be possible to identify the taxpayer making the payment. To assist in resolving these error conditions, please provide the following information in the Company Batch Header Record.

| Field Name | Recommended Contents |
|---------------------------|--|
| Company Name | Please enter the first sixteen (16) characters of the taxpayer name. |
| Company Identification | Please enter the number "1" plus the Federal Employer Identification Number of the taxpayer. |
| Company Entry Description | Please enter "TAXPAYMENT". |

See NACHA's annual [ACH Rules: A Complete Guide to Rules & Regulations Governing the ACH Network](#) for a more complete description of the Company Batch Header Record.

Alabama Recommendations for the Entry Detail Record

Periodically, due to error or software problems, the entire TXP Addenda Record may not be received by the Alabama Department of Revenue. If that occurs it may not be possible to identify the taxpayer making the payment. To assist in resolving these error conditions, please provide the following information in the Entry Detail Record.

| Field Name | Recommended Contents |
|-----------------------------------|---|
| Individual Identification Number: | Please enter the same Taxpayer Identification Number provided in the TXP Addenda Record right justified, zero filled. See Alabama Requirements for the TXP Addenda Record for an explanation of the Taxpayer Identification Number. |
| Individual Name: | Please enter the first twenty-two (22) characters of the taxpayer name. |

See NACHA's annual [ACH Rules: A Complete Guide to Rules & Regulations Governing the ACH Network](#) for a more complete description of the Entry Detail Record.

Requirement for Filing Returns

The requirement to use EFT to make tax payments does not change any current filing requirements for tax returns. If the EFT payment is not timely made or the required tax return is not filed by the due date, the provisions for late payment penalties, late filing penalties, interest, and loss of applicable discount shall apply under the provisions of the appropriate revenue laws of the **Code of Alabama 1975**, as amended, unless otherwise provided in the rules for the Alabama EFT Tax Payment Program.

Certain Taxes are required to be filed electronically through MAT. Do not file a paper return for these taxes. For more information please visit the Departments website at: www.revenue.alabama.gov.

Penalties for Noncompliance

The provisions of **Code of Alabama 1975**, as amended, shall govern the administration of any tax, interest, or penalty assessed due to late EFT payments except as provided in the rules for the Alabama EFT Tax Payment Program.

No specific additional penalty provisions are provided concerning compliance with the EFT tax payment requirement. Rather, the general provisions for all taxpayers apply. To avoid the imposition of penalties, timely filing of the tax return along with timely payment in accordance with the provisions of **Code of Alabama 1975**, as amended, and the provisions of the rules for the Alabama EFT Tax Payment Program is required.

Failure of a taxpayer to respond to the notification from the department concerning the required use of EFT to make payments for a tax, or failure to make EFT payments in accordance with the rules established for the Alabama EFT Tax Payment Program in a timely or proper manner shall subject the taxpayer to applicable penalty, interest, and loss of discount as provided by the **Code of Alabama 1975**, as amended, for delinquent or deficient tax payments.

If payment is made for a tax for which a taxpayer was selected to make payments using EFT and the payment is made in a method not in accordance with the stated procedures for the Alabama EFT Tax Payment Program, a delinquent payment penalty for that tax as specified in the **Code of Alabama 1975**, as amended, may be assessed. In addition to any penalty which may be imposed, interest shall be added to the amount of tax due from the due date of the tax payment to the date that the funds become available to the State Treasury.

Penalties may be waived when the circumstances causing delinquency are beyond the control of the taxpayer. Errors made by the Data Collection Center, the State Treasury, the Alabama Department of Revenue or system failures beyond the taxpayer's control within the Automated Clearing House System shall not be subject to penalty or interest for late payment or loss of applicable discount.

Failure to timely file an electronic return when a Withholding Tax payment is made using the ACH Credit Method will result in a failure to timely file penalty. Paper returns will not be accepted as a substitute.

Voluntary Participation in the EFT Tax Payment Program

Taxpayers making a voluntary election to make EFT payments for a tax are subject to the same rules of the Alabama EFT Tax Payment Program as taxpayers required to make EFT payments.

Correcting Erroneous EFT Payments

Errors in the EFT payment process will result in either an underpayment or an overpayment of the tax. In either case, the taxpayer must promptly contact the applicable division to arrange for appropriate action. If the taxpayer error involves an overpayment of tax, the taxpayer may either elect to have the overpayment applied against the liability for the next reporting period or may petition for a refund under the provisions of the applicable tax statute. The Department will make every effort to expedite a refund requested by the taxpayer to correct an EFT payment error.

Underpayments must be corrected by the taxpayer immediately to mitigate any penalties. If the taxpayer error involves an underpayment of tax, the taxpayer must contact the applicable division to make appropriate arrangements to initiate payment for the amount of the underpayment.

Except as provided for in the rules for the Alabama EFT Tax Payment Program, failure of a taxpayer to make a timely EFT payment because of circumstances under the taxpayer's control including, but not limited to, insufficiency of funds in the taxpayer's account or a direct payment to the Alabama Revenue Department using an unauthorized payment method may result in penalty, interest, and loss of applicable discount.

Holidays and Weekends

If a payment due date falls on a legal holiday or weekend, the tax payment must be made so the funds are immediately available on the first business day after the tax payment due date. Timely payments are based on the settlement date (the date on which the State of Alabama's bank account is credited).

If your financial institution is closed on a day that you wish to initiate your transfer, you must contact them one day prior to the observed holiday. (Financial institution holidays in your area may vary from the attached holiday schedules.)

Please consider the following holiday schedules to determine when you must initiate an ACH transaction for timely settlement on a tax due date.

Legal Holidays

Legal Holidays – Alabama ACH Association.

| | |
|-------------------------------|--------------------------|
| New Year's Day | January 1 |
| Martin Luther King's Birthday | 3rd Monday in January |
| President's Day | 3rd Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | 1st Monday in September |
| Columbus Day | 2nd Monday in October |
| Veterans' Day | November 11 |
| Thanksgiving Day | 4th Thursday in November |
| Christmas | December 25 |

Legal Holidays – Alabama Banks.

| | |
|-------------------------------|--------------------------|
| New Year's Day | January 1 |
| Martin Luther King's Birthday | 3rd Monday in January |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | 1st Monday in September |
| Thanksgiving Day | 4th Thursday in November |
| Christmas | December 25 |

Legal Holidays – Alabama State Offices.

The Alabama Department of Revenue is closed for the following holidays, and assistance will not be available from the EFT Unit.

| | |
|-------------------------------|--------------------------|
| New Year's Day | January 1 |
| Martin Luther King's Birthday | 3rd Monday in January |
| President's Day | 3rd Monday in February |
| Confederate Memorial Day | 4th Monday in April |
| National Memorial Day | Last Monday in May |
| Jefferson Davis' Birthday | 1st Monday in June |
| Independence Day | July 4 |
| Labor Day | 1st Monday in September |
| Columbus Day | 2nd Monday in October |
| Veterans' Day | November 11 |
| Thanksgiving Day | 4th Thursday in November |
| Christmas | December 25 |

When holidays fall on a Saturday, the preceding day may be observed.

When holidays fall on a Sunday, the following Monday may be observed. Often times the day after Thanksgiving is declared a holiday.

Taxes Covered by the Alabama EFT Tax Payment Program

Payments for the following taxes will be subject to the Alabama EFT Tax Payment Program:

- Alabama Nursing Facility Privilege Tax
- Alabama Pharmaceutical Services Tax
- Business Privilege Tax
- Cellular Telecommunication Services Tax
- Coal Severance Tax (State and Local)
- Contractor's Gross Receipts Tax
- Corporate Income Tax
- Financial Institutions Excise Tax
- Forest Products Severance Tax (State and Local)
- Freight Line Equipment Companies' Tax
- Gasoline Tax (State and Local)
- Gasoline Tax (Aviation)
- Hazardous Waste Fee
- Hydro-Electric KWH Tax
- Income Tax Withholding Payments
- Individual Income Tax
- International Fuel Tax Agreement
- Local Solid Mineral
- Lodgings Tax (State and Local)
- Lubricating Oils Tax
- Motor Carrier Mileage Tax
- Motor Fuels (Diesel) Tax (State and Local)
- Oil and Gas Privilege Tax
- Oil and Gas Severance Taxes (Local)
- Pari-Mutuel Pool Tax
- Pass-Thru Entities Composite Return
- Playing Cards Tax
- Registration of Securities
- Rental or Leasing of Personal Property Tax (State and Local)
- Sales Tax (State and Local)
- Solid Waste Disposal Fee
- Telephone Tax/ Telephone Gross Receipts Tax
- Tobacco Tax (State and Local)
- T.V.A. Electric Payments
- Under/Above Ground Storage
- Use Tax (State and Local)
- Utility Excise Tax
- Utility Gross Receipts Tax
- Utility License Tax (2.2%)
- Wholesale Oil License Payments

Proof of Payment

The Department will credit the taxpayer with the amount paid as of the date the payment is received by the State of Alabama's bank account.

Since an ACH Credit transaction is initiated by the taxpayer, the taxpayer has responsibility for the proper and timely completion of the transaction. The taxpayer generally will be given an ACH trace number by the bank originating the transaction. This trace number, along with proof of the NACHA CCD+ entry which includes the State of Alabama's bank routing and transit number and bank account number, plus any additional evidence such as bank statements substantiating that the transaction has been settled will constitute proof of payment.

Web Site

<https://www.revenue.alabama.gov/make-a-payment/eft-faq/>

<https://www.revenue.alabama.gov/make-a-payment/eft-instructions/>

<https://www.revenue.alabama.gov/make-a-payment/general-eft-information/>

<https://www.revenue.alabama.gov/make-a-payment/>

Appendix I

Alabama EFT Tax Payment Program Tax Codes and TXP Codes

| Fed/State Code | Tax Description | Form Type | Tax Code | TXP Code |
|-----------------------|---|------------------|-----------------|-----------------|
| 0100 | Cellular Telecommunications | 2240 | CL | 04620 |
| 0101 | Coal Severance Tax-State | CST1 | NC | 08510 |
| 0102 | Contractors' Gross Receipts Tax | 2510 | CR | 04630 |
| 0103 | Telephone Gross Receipt Tax | FT58 | TP | 04693 |
| 0104 | Business Privilege Tax Return | PSA | PS | 07770 |
| | Business Privilege Tax Extension | PSE | PS | 07771 |
| | Business Privilege Tax Return | CPT | PS | 07775 |
| | Business Privilege Pass Thru Entity | PPT | PS | 07777 |
| 0105 | Est. Cellular Tax | CTS1 | EC | 04621 |
| | Pre-Paid Wireless | PPW | PW | 04622 |
| 0106 | Fin. Inst. Excise Tax | ET-1 | ET | 03200 |
| | Fin. Inst. Excise Tax Extension | ET-8 | ET | 03210 |
| | Fin. Excise Tax- Consolidated Filing Fee | ET-C | ET | 03220 |
| 0107 | Forest Products Severance Tax | FPS1 | NF | 08010 |
| | Forest Products Severance Tax | FPS3 | NF | 08011 |
| | Forest Products Severance Tax | FPS4 | NF | 08012 |
| 0108 | Freight Line R.R. Tax | FL | FL | 11000 |
| 0109 | Gasoline Tax (Inventory Basis) | GA-1 | NG | 05110 |
| | Gasoline Tax (Receipts Basis) | GA-1R | NG | 05111 |
| | Gasoline License Fee | GLF | TX | 05120 |
| 0110 | Gasoline (Aviation & Jet Fuel) | AVFL | NA | 05410 |
| 0111 | Gas & Fuel Tax (County) | MFCO | CG | 05700 |
| | Cullman County Gasoline | CUL | CG | 05710 |
| 0112 | Hazardous Waste Fee | HWS1 | HW | 09000 |
| 0113 | Horse Wagering Fee | HWF | NH | 20040 |
| 0114 | Hydro Electric KWH Tax | FT24 | HE | 04690 |
| 0115 | Income Tax - Corporate Estimate | 20CD | IC | 02120 |
| | Income Tax - Corporate Extension | 20E | IC | 02320 |
| | Income Tax - Corporate Sub S Prior to filing period 12/31/13 | 20S | IC | 02222 |
| | Income Tax - Corporate | 20-C | IC | 02226 |
| 0116 | Income Tax - Withholding Annual Return | A-3 | IW | 01103 |
| | Income Tax - Withholding Quarterly Return | A-1 | IW | 01101 |
| | Income Tax - Withholding Monthly Return | A-6 | IW | 01106 |

| Fed/State Code | Tax Description | Form Type | Tax Code | TXP Code |
|----------------|---|-----------|----------|----------|
| | Individual Income Tax Amended | 40V | II | 01005 |
| | Individual Income Tax Return | 40V | II | 01006 |
| | Individual Income Tax Extension | 40V | II | 01007 |
| | Individual Income Tax Estimate | 40V | II | 01008 |
| 0117 | International Fuel Tax Agreement | IFTA | NT | 05800 |
| 0118 | International Reg. Plan - In State | IRPA | MV | 10010 |
| | International Reg. Plan - Out State | IRPA | MV | 10020 |
| | International Reg. Plan - Out State | IRPO | MV | 10050 |
| 0119 | Local Sales Tax | 950S | SC | 04800 |
| | Local Sales Tax | 950C | SC | 04810 |
| | Local Sales, Use, Lodgings and /or Rental Tax | 9501 | SC | 04801 |
| 0120 | Local Solid Mineral Tax | NRLT | CM | 08020 |
| 0121 | Lodgings Tax - 5% | 2310 | LN | 07400 |
| 0122 | Lodgings Tax - 4% | 2320 | LO | 07410 |
| 0123 | IMC Fuel Tax | 7570 | NI | 05200 |
| | IMC Gasoline Tax | 7570 | NI | 05205 |
| | IMC Motor Carrier Mileage | MCM | NI | 05210 |
| 0124 | Motor Fuels Tax (Diesel) | MFI | NM | 05220 |
| 0125 | Motor Fuels Dual Users | MFDU | NU | 05221 |
| 0126 | Nursing Facility Privilege Tax | 2810 | MN | 04611 |
| 0127 | Oil and Gas Severance Tax | | | |
| | Oil & Gas Priv /Prod | OG-1 | OG | 08410 |
| | Oil & Gas | OG-2 | OG | 08420 |
| | Oil & Gas | OG-3 | OG | 08430 |
| | Oil & Gas | OG-4 | OG | 08440 |
| | Baldwin County Oil and Gas | OG-5 | OG | 08450 |
| 0128 | Oil Lubricating Tax | LO-1 | NL | 05010 |
| 0129 | Oil Wholesale License | SGS | NS | 05020 |
| | Terminal Operator Report | TOM | TX | 05030 |
| | Terminal Operator Report | TOA | TX | 05040 |
| | Supplier, Importer, Exporter, Blender | TXT | TX | 05050 |
| | Motor Fuel Transporter Report | TRPR | TX | 05060 |
| | Motor Fuel Back Up Tax Report | BTR | TX | 05070 |
| | Motor Fuel Floor-Stocks Tax Return | FSR | TX | 05080 |
| | Motor Fuel Importer Three Day Payment Voucher | 3DV | TX | 05090 |
| | State Inspection Fee | IFR | FI | 05091 |
| | CNG/LNG License Application Fee | CLGAP | CG | 05092 |
| | CNG/LNG Excise Tax | CLG | CG | 05093 |
| | CNG Personal Producer | CLG-PER | CG | 05094 |

| Fed/State Code | Tax Description | Form Type | Tax Code | TXP Code |
|----------------|--|-----------|----------|----------|
| 0130 | Pari-Mutuel Pool Tax | PPP1 | PM | 04692 |
| 0131 | Pharmacy Privilege Tax | 2800 | MP | 04612 |
| 0132 | Playing Card Tax | PC-1 | NP | 20030 |
| 0133 | Registration of Securities | FT41 | RG | 20010 |
| 0134 | Rental or Leasing Tax | 2410 | SR | 04640 |
| 0135 | Sales Tax (State) | 2100 | SS | 04110 |
| 0136 | Sales Tax (State) - Casual Co. Tax | TC5 | CB | 04199 |
| 0137 | Sales Tax (State) - Casual Co. Tax | TC2 | CC | 04190 |
| 0138 | Sales Tax (State) - Reg. A Estimated | 2125 | EA | 04125 |
| 0139 | Sales Tax (State) - Reg. M. Estimated | 2115 | EM | 04135 |
| 0140 | Sales Tax (State) - Regulation A | 2120 | RA | 04120 |
| 0141 | Sales Tax (State) - Regulation M | 2110 | RM | 04130 |
| 0142 | Sales Tax (State) - Estimated | 2105 | SE | 04115 |
| 0143 | Tennessee Valley Authority | TVA | TV | 11200 |
| 0144 | Tobacco Tax - Resident State | OTP | TB | 07200 |
| | Tobacco Tax - Local | TCOA | TB | 07220 |
| | Tobacco Tax - Consignment | CNSG | TB | 07230 |
| | Tobacco Tax - Cash | TSO1 | TB | 07240 |
| | Tobacco Tax - County Stamps | COSO | TB | 07250 |
| | Tobacco Tax - Monthly Report by Resident | T-WHLSE | TB | 07270 |
| | Tobacco Tax - Monthly Report by Nonresident | WHLSE-NR | TB | 07271 |
| | Tobacco Tax - Wholesaler's Monthly of State-Administered County | TWHSLE-CO | TB | 07272 |
| | Tobacco Tax - Schedule D – Manufacturers not Participating in tobacco Master Settlement | SCH D | TB | 07273 |
| | Tobacco Tax - Tobacco Tax Application Fee for Permit to Transport and Distribute Taxable Tobacco | REP-A | TB | 07274 |
| | Solid Waste | SWST | SW | 12001 |
| 0145 | Under/ Above Ground Storage Tank | U32 | ST | 07500 |
| 0146 | Use Tax - Consumer | 2610 | CU | 04500 |
| 0147 | Use Tax - Seller | 2620 | SU | 04400 |
| | Simplified Seller's Use | | SU | 04401 |
| 0148 | Utility Priv Lic Tax - Direct Pay | UPL5 | D8 | 04670 |
| 0149 | Utility Priv Lic Tax | UPL4 | P8 | 04671 |
| 0150 | Utility Priv Lic Tax - Direct | UPL5 | UD | 04673 |
| 0151 | Utility Excise Tax | UPL6 | UE | 04674 |
| 0152 | Utility Priv Lic Tax | UPL4 | UP | 04675 |
| 0154 | Utility License Tax (2.2%) - Other | F57 | F2 | 11010 |
| | Utility License Tax (2.2%) - Electricity | F57 | F2 | 11011 |

| Fed/State | Utility License Tax (2.2%) - Ala Ele Mun Assn | F57 | F2 | 11012 |
|------------------|--|-------------|-------------|--------------|
| Code | Tax Description | Form | Tax | TXP |
| Code | Tax Description | Type | Code | Code |
| | 2.2 Utility | F57A | F2 | 11015 |
| | 2.2 Utility | F57A | F2 | 11020 |
| | 2.2 Utility | F57A | F2 | 11025 |
| 0193 | Scrap Tire Coupon | TEF | NE | 05300 |
| | Scrap Tire Application | TEFA | NE | 05301 |
| 0194 | Uniform Severance | | UT | 01200 |
| | Nonresident Composite | PTEC | IP | 02228 |
| | Corporate Sub S (effective filing period 12/31/13) | PTE | IP | 02229 |
| | Sales Tax - Casual County Boat Tax | TC4 | BT | 04195 |
| | Telegraph Gross Receipts Tax | FT58 | TG | 04691 |
| | Hospital Assessment | | HM | 20001 |
| | Garnishments - This TXP Code is for third party payroll service companies' garnishment payments only | | | 20003 |

Certain Taxes are required to be filed electronically through MAT. Do not file a paper return for these taxes. For more information please visit the Departments website at: www.revenue.alabama.gov.