

Alabama Department of Revenue

Information Release
Aug. 26, 2005

Reminder: Estimated Income Tax Reporting Date Sept. 15

Montgomery, Aug. 26, 2005—The Alabama Department of Revenue reminds taxpayers who file and pay estimated income taxes of the upcoming Sept. 15, 2005, reporting date.

Estimated tax is the method used to pay tax on income that is not subject to withholding. Estimated tax applies to income received from self-employment, interest, dividends, alimony, rent, gains from the sale of assets, prizes, and awards. The tax is paid on a quarterly basis.

Estimated tax provisions generally apply if a single person or a married person filing a separate return expects to receive at least \$1,875 in net income from sources other than wages or salaries. In the case of married individuals who file joint annual returns, estimated tax filing requirements apply if the individuals expect to receive at least \$3,750 in net income from sources other than wages or salaries.

Penalties for failure to report and pay estimated tax include a delinquent penalty of 10% of any additional taxes required to be paid or \$50, whichever is greater, or a 6% underestimation penalty.

Taxpayers who paid additional tax in 2005 when they filed their 2004 annual return are encouraged to review their 2005 tax-year obligations to determine if estimated tax-filing requirements have been met this year.

Estimated tax-filing and payment dates for individual taxpayers are April 15, 2005; June 15, 2005; Sept. 15, 2005; and Jan. 17, 2006.

—MORE—

Reminder: Next Estimated Income Tax Reporting Date Sept. 15
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Alabama estimated tax forms (40ES) are available from the department's Web site at www.revenue.alabama.gov and may be downloaded and printed using the "SEARCH" feature on the department's Web site to locate the form.

For more information concerning an individual's estimated income tax filing requirements, contact the Alabama Department of Revenue, Individual and Corporate Tax Division at (334) 242-1000.

For information concerning federal reporting requirements, contact the Internal Revenue Service (IRS) at www.irs.gov.

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Contact for more information:

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