

# Alabama Department of Revenue

Information Release

March 28, 2005

## State Discontinues Mailing Estimated Tax Return Booklets

*Montgomery*—The ADOR announced today that tax year 2005 Alabama Estimated Income Tax Coupon Booklets will not be printed and mailed to taxpayers. The reason: Estimated tax filers are choosing computer-generated returns over the state-provided returns.

“Based on conversations with members of the practitioner community and with taxpayers, we’ve concluded the forms are simply not being used. A review of the estimated tax forms filed during 2004, concluded the same,” said ADOR Commissioner Tom Surtees.

The ADOR mails annually approximately 80,000 Estimated Income Tax Coupon Booklets to taxpayers who pay quarterly individual income tax. Over the last few years, department officials have noticed that more and more filers of estimated tax are choosing computer-generated returns over the state’s forms.

“Taxpayers simply are not using the state-produced forms, but instead are using forms prepared by their tax practitioners or choosing to download forms from ADOR’s Web site,” said Surtees.

The department estimates that approximately \$26,000 will be saved in production costs associated with the estimated tax coupon booklets.

Estimated tax is the method of paying taxes on income that is not subject to withholding such as self-employment income, alimony, interest income, dividend income, rental income, and capital gains.

Individuals receiving such income and meeting filing thresholds report and pay estimated tax on a quarterly basis, based on the current maximum individual rate of five percent. For individuals filing single, the filing threshold is set at \$1,875 annually; for married filing jointly or head of family filing status, the threshold is set at \$3,750 annually.

The first estimated tax return and payment for 2005 is due April 15, 2005. The remaining quarterly returns and payments are due June 15, 2005; September 15, 2005; and January 17, 2006.

Last fiscal year, estimated individual income tax payments comprised \$181 million of the total \$1.2 billion collected in individual income taxes.

**Media contact for more information:** ADOR Media Affairs Office: Carla A. Snellgrove or Carolyn Blackstock: (334) 242-1390; FAX: (334) 242-0550