

Revenue REVIEW

1st Quarter
FY 2016
(October, November,
December 2015)

A Quarterly Publication of the Alabama Department of Revenue

Recent Organizational Changes



Brenda R. Coone

Brenda R. Coone Named Deputy Commissioner, Jay Starling Named Motor Vehicle Division Director, Kathleen Abrams Named Individual and Corporate Tax Director and Derrick Coleman Named Property Tax Director

Brenda R. Coone was named ADOR Deputy Commissioner, effective Nov. 16, 2015. Coone has more than 25 years of combined experience in various roles within the department. In January of 2007, she was named Motor Vehicle Division Director, a tenure marked by her recognition for excellence and leadership both within and outside Revenue. She was instrumental in the division's transition to paperless



Jay Starling

transactions. Chief among her accomplishments was her service as president of the 2015 American Association of Motor Vehicle Administrators (AAMVA) Region II Board of Directors and as host of the 2015 AAMVA Region II Conference.

Jay Starling, former Assistant Director of the Motor Vehicle Division, was named Division Director, effective Nov. 16, 2015. In his 22 years with the department, Starling has established a reputation for excellence. He is currently involved in advancing technology to promote operational efficiency by establishing policies and procedures.

(Continued on Page 2)



Kathleen Abrams

Kathleen Abrams was named Director of the Individual and Corporate Tax Division effective Nov. 1. Abrams has more than 20 years of combined experience in various roles within the Department of Revenue being involved in the advancement of technology to promote operational efficiency, managing the field audit function and establishing policies and procedures. She has a Bachelor of Science in Business Administration – Accounting from the University of South Alabama and went on to receive her Master of Business Administration (Emphasis in Accounting) from Auburn University at Montgomery.



Derrick Coleman

Derrick Coleman was named Director of the Property Tax Division effective Nov. 1. Derrick has worked in the Department of Revenue for more than 21 years in various capacities within the Property Tax Division. Most recently, he managed the Division’s Field Operations Section. Derrick has a Bachelor of Science in Accounting from Alabama State University and a Master of Accountancy from Alabama State University.

ADOR Increases Security Measures for My Alabama Taxes (MAT)

The department began enhancing security features to the online taxpayer portal, My Alabama Taxes (MAT).

“In addition to the login/password, a second authentication mechanism was implemented, requiring users to enter an authentication code. MAT users now have the option of receiving this code via SMS text message or email,” said State Revenue Commissioner Julie Magee.

“This code will be used to verify the user’s identity when

logging into MAT,” she explained. “There is an option to check a ‘Trust This Computer’ box, which will enable MAT to recognize the device and Web browser combination for future logons.”

While MAT is already a secure system, Commissioner Julie Magee felt that boosting security would give users an extra level of comfort that their data is being protected. Should anyone need assistance or have questions regarding this change, please call 334-353-0030.

Commissioner Magee attended IRS Press Conference



Commissioner Magee speaking at the IRS press conference to promote the “Taxes. Security. Together.” campaign.

In a press conference on Nov. 19 Commissioner Magee, along with IRS Commissioner John Koskinen, other state tax administrators and leaders in the tax preparation field announced the beginning

of the “Taxes-Security-Together” campaign.

It will expand and strengthen protections against identity theft and tax refund fraud for the upcoming tax filing

season. The campaign will continue through the April tax deadline. The effort is part of the Security Summit, a collaborative effort started in March between the states, the IRS and the tax industry.

Interest Rates Remained the Same for First Quarter of 2016

Interest rates for the calendar quarter which began Jan. 1, 2016, remained at three (3) percent, according to Internal Revenue Bulletin No. 2015-52, dated Dec. 28, 2015. Under Sect. 40-1-44, *Code of Alabama 1975*, the Department of Revenue will calculate interest on underpayments and overpayments (where applicable) at this same annual rate (3%); however, land sold by the state for taxes, shall be calculated at 12% in accordance with Sect. 40-5-9.

Interest Rates By Calendar Quarter				
(Established by: 26 USCA 6621; Sect. 40-1-44, Code of Alabama 1975)				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR
2006	7%	7%	8%	8%
2007	8%	8%	8%	8%
2008	7%	6%	5%	6%
2009	5%	4%	4%	4%
2010	4%	4%	4%	4%
2011	3%	4%	4%	3%
2012	3%	3%	3%	3%
2013	3%	3%	3%	3%
2014	3%	3%	3%	3%
2015	3%	3%	3%	3%
2016	3%			

Administrative Rules

Effective December 12, 2015:

Adopted:

- 810-2-8-.16 Alabama Requirements for Mandatory E-File of Business Privilege Tax Returns
- 810-3-29-.08 Alabama Requirements for Mandatory E-File of Fiduciary Income Tax Returns.

Repealed and Adopted:

- 810-3-28-.07 Alabama Requirements for Mandatory E-File of Original Partnership/Limited Liability Company Income Tax Returns
- 810-3-39-.12 Alabama Requirements for Mandatory E-File of Original Corporate Income Tax Returns.

Effective January 4, 2016:

Amended:

- 810-3-61-.02 Credits for Contributions to Scholarship Granting Organizations (SGOs)
- 810-3-61-.03 Application of Scholarship Granting Organizations (SGOs) for Participation in the Scholarship Program
- 810-3-61-.04 Receipt, Maintenance and Disbursement of Scholarship Funds by Scholarship Granting Organizations (SGOs)

- 810-3-61-.05 Annual Report of Scholarship Granting Organizations (SGOs)
- 810-3-61-.06 Notice of Non-public School to the Department of its Intention to Participate in the Scholarship Program
- 810-3-61-.07 Continuing Eligibility of Scholarship Granting Organization (SGO) to Participate in the Tax Credit Scholarship Program
- 810-3-61-.01 Definition of Terms and Phrases used in Connection with the Scholarship Program
- 810-6-1-.119 Photographs, Photostats, Blueprints, etc.
- 810-5-12-.01 Application for New and Used Motor Vehicle Dealer, Motor Vehicle Wholesaler and Motor Vehicle Re-builder Licenses – Application for Off-site Sales Event

Repealed:

- 810-3-61-.08 Percentage of Low Income Eligible Students in a County

Effective January 13, 2016

Amended:

- 810-8-1-.13 Miscellaneous Refund Provisions
- 810-8-5-.17 Surety Bond for Automotive Dismantler and Parts Recyclers

Repealed:

- 810-2-8-.11 Issuance of a Certificate of Good Standing for the Alabama Business Privilege Tax

Exempt Entities Required to Obtain Exemption Certificate

Effective Jan. 1, 2016, groups and organizations which have a statutory exemption from sales, use and lodgings taxes will be required to obtain an annual certificate of exemption from the Alabama Department of Revenue.

Any company or individual who fails to obtain this certificate prior to Jan. 1, 2016, or who fails to renew a certificate prior to its expiration, will no longer be allowed to make tax-exempt purchases or rent tax-exempt accommodations. For further information regarding procedures for filing the annual informational reports and penalties for non-compliance with reporting requirements, contact Traci Sherlock at 334-353-9680.

Tax Calendar

(Continued from Page 5)

- 30** ● Annual TPM certification due.
- Annual NPM certification and bank verification due.
 - Quarterly forest products' severance tax return and payment due.
 - Quarterly NPM payment due into escrow.
 - Quarterly withholding return and payment due from employer.
 - Quarterly IFTA tax return and payment due.
 - Quarterly Construction Employer Fee due.

Statement of Gross Tax Collections			
Through End of 1st Quarter FY 2016 (Oct., Nov. and Dec. 2015)			
	FYTD 2015-16	FYTD 2014-15	% Change
Business Privilege Tax	\$ 10,967,373.08	\$ 16,201,194.15	(32.31)
Gasoline	104,535,743.51	101,874,640.20	2.61
Income Tax-Corporate	108,531,677.25	176,185,372.09	(38.40)
Income Tax-Individual	897,482,796.46	847,663,818.64	5.88
Income Tax (Total)	1,006,014,473.71	1,023,849,190.73	(1.74)
Motor Fuels	36,550,170.08	36,252,730.88	0.82
Oil & Gas Privilege (8%)	8,750,108.38	18,770,933.47	(53.38)
Oil & Gas Production (2%)	2,998,935.34	5,745,286.55	(47.80)
Sales	554,516,239.43	530,273,383.02	4.57
Use Tax	88,256,700.91	81,614,615.21	8.14
Utility Gross Receipts	91,274,533.63	97,261,730.08	(6.16)
SUBTOTAL	1,903,864,278.07	1,911,843,704.29	(0.42)
SUBTOTAL (OTHER TAXES)	479,869,363.19	453,238,886.39	5.88
TOTAL (ALL TAXES)	\$2,383,733,641.26	\$2,365,082,590.68	0.79

Tax Calendar

Required Monthly Returns Tax Activity

10th • Medicaid-related tax return and payment due for nursing facilities.

- Tobacco use tax return and payment due.

15th • Gasoline information return due from carriers, transporters, and warehouses.

- Lubricating oils information return due from carriers, transporters, and warehouses.
- Motor carrier mileage tax return and payment due.
- Oil and gas production tax and privilege tax return and payment due two months following month of production.
- Withholding return and payment due from those employers required to remit on a monthly basis

20th • Aviation fuel tax return and payment due.

- Coal severance tax return and payment due.
- Coal transporters' and purchasers' returns due.
- Contractors' gross receipts tax return and payment due.
- Gasoline tax return and payment due.
- Iron ore severance tax return and payment due.
- Local solid minerals tax returns and payments due.
- Lodgings tax return and payment due.
- Lubricating oils tax return and payment due.
- Medicaid tax return and payment due from pharmaceutical service providers.
- Mobile telecommunications service tax return and payment due.
- Motor fuel tax return and payment due.
- Pari-mutuel pool tax return and payment due.
- Rental or leasing tax return and payment due.
- Sales tax (state and local) return and payment due.
- Scrap Tire Environmental Fee due.
- Tobacco tax (state and county) return and payment due.
- Underground and aboveground storage tank trust fund charge due.
- Uniform Natural Minerals tax return and payment due.
- Use tax return and payment due.
- Utility gross receipts tax return and payment due.

30th • Hazardous waste fee return and payment due.

Last day

- of month • State horse wagering fee return and payment due.

Quarterly/Annual Tax Activity

(February, March, April, 2016)

Feb.

10 • Quarterly NPM certification and bank verification due.

March

1 • Freight line equipment return due.

- Public utility property tax return delinquent after this date.

15 • Corporate income tax return and information return due (for calendar-year taxpayers).

- Business Privilege Tax return.

April

1 • Annual Dry Cleaning Trust Fund Fee return and payment due by wholesalers of dry cleaning agents.

- Quarterly Dry Cleaning Trust Fund Fee return and payment due.
- Utility license (2.2%) third quarterly payment due.

10 • Quarterly Hospital Assessment for Medicaid Tax due.

15 • Annual NPM payment due into escrow.

- Estimated personal income tax and first installment due.
- Financial institutions' excise tax return and payment due.
- Business Privilege tax return due for limited liability entities.
- First installment of estimated corporate income tax due (for calendar-year taxpayers).

Note: Other fiscal-period taxpayers pay their corporate estimated tax on the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year and file their return on the 15th day of the third month following the close of their tax year.

- Partnership income tax return due.
- Personal income tax return and payment due.

20 • Quarterly sales tax return and payment due.

- Quarterly use tax return and payment due.
- Quarterly rental or leasing tax return and payment due.
- Quarterly Solid Waste Disposal Fee return and payment due.

(Continued On Page 4)