

# Revenue REVIEW

4th Quarter  
FY 2016  
(July, August,  
September 2016)

A Quarterly Publication of the Alabama Department of Revenue

## Gamble Promoted to Deputy Commissioner

**M**ike Gamble was appointed as Deputy Commissioner of Revenue, effective Aug. 1, 2016.

Gamble has more than 24 years of combined experience in various roles within the Alabama Department of Revenue, and he serves as the Department Secretary. Prior to being named Deputy Commissioner, Gamble served as Director of the Tax Policy and Research Division.

As Deputy Commissioner, Gamble is

responsible for overseeing the Tax Policy and Research Division, Taxpayer Advocacy, the Motor Vehicle Division, the Discovery Unit and Human Resources.

Gamble began his career with ADOR in 1992. He held several managerial positions before serving as Assistant Director of the Motor Vehicle Division, where he was the project manager for implementation of the department's Electronic Title Application Processing System (ETAPS).



**Mike Gamble**

"I am confident that, considering Mike's experience, he will help the Department move into the future, to raise our level of customer service, and to implement new approaches to tax administration," said Commissioner Magee.

Gamble is a certified public manager with a Bachelor of Science in accounting from Auburn University and a Master of Business Administration from Troy University.

## Commissioner Magee Selected for IRS Advisory Committee

**C**ommissioner Julie Magee has been selected to serve on the Electronic Tax Administration Advisory Committee (ETAAC) for the Internal Revenue Service.

"Commissioner Magee has been an outstanding administrator of the Alabama Department of Revenue," Governor Robert Bentley said. "She is a great choice to serve on this advisory committee. Her work shows her dedication to the people of Alabama and the security of their private information. I know her work on this committee will be beneficial to our state and the country as a whole."

"As the Commissioner of Revenue, it is my responsibility to help ensure taxpayers can easily file income tax returns while protecting the process from criminals seeking to steal taxpayers' identities and

treasury dollars," Commissioner Magee said. "I am honored to be a part of the ongoing efforts started by Commissioner Koskinen, and I believe we will be more successful in the future because of the work done by ETAAC."

The ETAAC was established in 1998 to provide an organized public forum for discussion of electronic tax administration issues, including preventing identity theft and refund fraud. The committee supports the overriding goal that paperless filing should be the preferred and most convenient method of filing returns. ETAAC members will work closely with the Security Summit, a joint effort of the IRS, state tax administrators and tax software industry to fight electronic fraud.

Commissioner Magee currently participates in the IRS Security Summit.

## Changes to the Unclaimed/ Abandoned Vehicle Law

Effective July 1, 2016, a person or entity, including towing companies, in possession of an unclaimed motor vehicle must comply with the following requirements before a motor vehicle can be sold as an abandoned motor vehicle. ADOR will provide an unclaimed/abandoned motor vehicle online portal for this purpose. The portal was launched on the Motor Vehicle Division Web page (<http://revenue.alabama.gov/motorvehicle/>) on July 1.

Unclaimed motor vehicles include the following:

- A motor vehicle left unattended on a public road or highway for more than 48 hours.
- A motor vehicle not left on private property for repairs that has remained on private or other public property for a period of more than 48 hours without the consent of the owner or lessee of the property.
- A motor vehicle left on private property for repairs that has not been reclaimed within 48 hours from the latter of either the date the repairs were completed or the agreed upon redemption date.
- A motor vehicle left unattended because the driver has been arrested or is impaired by an accident or for any other reason which causes the need for the vehicle to be immediately removed as determined necessary by law enforcement.
- A motor vehicle that is subject to an impoundment order for outstanding traffic or parking violations.

Within five calendar days from the date the vehicle was first considered unclaimed, the person or entity in possession of the vehicle must report the unclaimed vehicle to ADOR. A 45-day hold will be placed on the vehicle title record. NOTE: Storage fees may not be assessed unless the unclaimed vehicle is reported to ADOR within five calendar days of the date the vehicle becomes unclaimed.

Within five calendar days from the date the motor vehicle was reported as unclaimed

to ADOR, the person or entity in possession of the motor vehicle shall use the National Motor Vehicle Title Information System (NMVTIS) to determine the state in which the vehicle is titled and/or registered. A list of NMVTIS service providers may be found at [http://www.vehiclehistory.gov/nmvtis\\_vehiclehistory.html](http://www.vehiclehistory.gov/nmvtis_vehiclehistory.html).

Within five calendar days of receiving the NMVTIS record, the person or entity in possession of the motor vehicle must obtain the official record from the state of record and send a Notice of Possession to the owner and lienholder of record. This notice must be sent via certified mail. If the vehicle is not redeemed within this period of time, the vehicle will be considered abandoned and may be sold at a public auction. If the auction is to be held in the county in which the vehicle is registered, the auction must be publicized once a week for two consecutive weeks in a local publication. A list of all unclaimed/abandoned motor vehicles will be available to the public on ADOR's website (<http://www.revenue.alabama.gov/>).

Within five calendar days of the receipt of the Notice of Public Auction, ADOR shall send a Notice of Termination to the current owner and lienholder of record. After 35 calendar days from the Notice of Public Auction, the vehicle may be sold. The abandoned vehicle bill of sale will be generated from the unclaimed/abandoned portal and will be used to apply for the Alabama certificate of title.

Prior to the sale of an abandoned vehicle, the sale may be contested by filing an appeal with the Alabama Tax Tribunal. After the sale of an abandoned vehicle, the sale may be contested in circuit court.

*NOTE: If the notice of the sale was posted prior to July 1, 2016, the vehicle may be sold under the abandoned motor vehicle law that was in effect prior to July 1, 2016. However, the vehicle must be titled prior to the end of the calendar year 2016, or the purchaser would be required to post a title surety bond in order to title the vehicle.*

## Providing Relief to Taxpayers across Several Disaster Areas

The Alabama Department of Revenue is providing tax relief to Alabama taxpayers who were affected in several federally declared disaster areas. The tax relief measures mirror IRS measures in the same areas.

ADOR is granting extensions to taxpayers affected in federally declared disaster areas for the filing periods and payment deadlines of state income taxes. The extensions for such returns and payments shall mirror the due dates that federal income tax returns are required to be filed in the affected designated disaster areas listed below.

- Tax Relief for Victims of Severe Storms, Tornadoes, Straight-line Winds and Flooding in Arkansas
- Tax Relief for Victims of Severe Storms and Flooding in Louisiana
- Tax Relief for Victims of Severe Storms, Tornadoes, and Flooding in Texas
- Tax Relief for Victims of Severe Storms and Flooding in Mississippi
- Tax Relief for Victims of Severe Storms and Flooding in Texas-Houston Area
- Tax Relief for Victims of Severe Storms and Flooding in Texas
- Tax Relief for Victims of Severe Storms, Flooding, Landslides and Mudslides in West Virginia
- Tax Relief for Victims of Severe Storms, Flooding in Louisiana
- Tax Relief to Mississippi 2015 Storm Victims; Tax Deadline Extended to May 16
- Tax Relief for Victims of Dec. 2015 Severe Storms, Tornadoes, Straight-line Winds and Flooding in Missouri; Tax deadline extended to May 2016

Taxpayers seeking this Alabama tax relief should notate the IRS announcement number upon which they are relying on any returns and/or other correspondence being sent to the Department. Taxpayers who file electronically should contact ADOR at 334-242-1170 for filing guidance.

## On Sept. 15 ADOR hosted a Career Fair in Mobile



Representatives from the Collections Division attending Career Fair.



Representatives from the Investigation Division attending Career Fair.



There was a packed house at the Mobile Career Fair.



Commissioner Magee assists attendees filling out their state applications.

# MVD Increases Efficiency With New Portal Feature

**A**DOR's Motor Vehicle Division is always on the lookout for new ways to improve customer service through more efficient processes. A new feature in MVD's Dealer License Portal makes it possible to issue dealer licenses more quickly because supporting documentation will not have to be mailed by the dealer, and the physical documents will not have to be processed by ADOR.

As of Aug. 1, motor vehicle dealers may

upload supporting documentation that is required to be submitted with the license application to the Motor Vehicle Division Dealer License Portal. When the supporting documentation is uploaded, dealers will receive confirmation from the dealer license portal that the license application is ready to be reviewed by ADOR. When the application and supporting documentation is reviewed and approved by the MVD, the dealer will receive electronic notification

that their license has been issued.

Last year, a new feature was added to the dealer license portal which allows insurers to electronically certify the insurance coverage that is required in order to obtain a dealer regulatory license. If there are no changes to the existing dealer license (name, address, owners, etc.), in most cases, the dealer may renew their dealer license application without the submission of any physical documents. These electronic advancements have increased efficiency and enabled MVD to better serve taxpayers.

## Administrative Rules

### **Effective July 30, 2016:**

#### **Amended:**

810-8-1-.02 Application of Excise Tax on Blendstocks

#### **Adopted:**

810-8-1-.66 Inspection Fee Bond Calculation  
810-8-1-.67 Inspection Fee Floor-Stocks Return  
810-8-1-.68 Electronic Filing of Inspection Fee Returns  
810-8-1-.69 Inspection Fee Back Up Tax Report

### **Effective August 11, 2016:**

#### **Amended:**

810-5-1-.212 Bill of Sale, Invoice Or Other Sales Document - Minimum Requirements  
810-5-1-.246 Undercover License Plates  
810-6-5-.02.01 State Sales and Use Tax Certificate of Exemption For Entities Having a Statutory Exemption from the Payment of Sales, Use, and Lodgings Taxes

### **Effective August 29, 2016:**

#### **Amended:**

810-5-1-.438 International Registration Plan

810-5-1-.440 Department of Revenue to Issue Apportioned License Plates  
810-5-1-.441 Application for Apportioned Registration  
810-5-1-.454 Temporary Evidence of Apportioned Registration (TEAR)  
810-5-1-.469 Suspension, Cancellation and/or Revocation of Apportioned License Plates and Cab Cards  
810-5-1-.471 Alabama Registration Reciprocity Agreements  
810-5-9-.01 International Fuel Tax Agreement  
810-5-9-.03 IFTA License Application  
810-9-1-.01 Definitions  
810-5-9-.09 IFTA Decals

#### **Repealed:**

810-3-34-.01 Gross Income of Corporations  
810-5-1-.460 Situations Where Registrants are to Return Apportioned Registration License Plates and/or Cab Cards  
810-5-9-.05 Credentials in Lieu of IFTA Decals  
810-5-9-.06 Request for Additional IFTA Decals  
810-5-9-.12 IFTA Replacement Decals

#### **Repealed and New:**

810-3-35-.01 Federal Income Tax Deduction



**OIVS won the Best Practice Award at the 43rd International Forum on Traffic Records and Highway Information Systems. Deputy Director Matthew Hudnall with CAPS accepted the award.**

## Scammers Making Phone Calls to Collect Tax Debt, Claim to be ADOR Staff

The Alabama Department of Revenue has received several complaints regarding a phone scam targeting taxpayers. The callers claim to be ADOR employees who are attempting to collect debts. These callers are NOT employees of the Department of Revenue.

Victims who answer these calls may be told they owe money to ADOR or to the state, and it must be paid promptly, perhaps through a pre-loaded debit card or wire transfer. The criminals who make these calls can sound convincing and may use fake names and other bogus ADOR identification methods. They may know a lot about their targets, and they may alter the caller ID to make it look like ADOR is calling.

Victims who refuse to cooperate may be threatened with arrest, deportation, or suspension of a business or driver's license. Or, victims may be told they have a refund due to try to trick them into sharing private information. NEVER share your Social Security number or other private information to someone who has called you in this manner. These callers may become hostile or insulting to victims who do not cooperate. Ignore these messages and DO NOT call the number they leave.

## Interest Rates remain the same for Fourth Quarter

Interest rates for the calendar quarter which began October 1, 2016, remained at four (4) percent, according to Internal Revenue Bulletin No. 2016-39, dated September 26, 2016. 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 (4%); however, land sold by the state for taxes, shall be calculated at 12% in accordance with Sect. 40-5-9.

### Statement of Gross Tax Collections

Through End of 4th Quarter FY 2016  
(July, August, September 2016)

	FYTD 2015-16	FYTD 2014-15	% Change
Business Privilege Tax	\$ 141,563,457.63	\$ 143,462,842.72	(1.32)
Gasoline	395,840,727.04	420,986,781.34	(5.97)
Income Tax-Corporate	416,975,400.79	567,440,761.21	(26.52)
Income Tax-Individual	4,072,002,891.38	3,929,550,712.62	3.63
Income Tax (Total)	4,488,978,292.17	4,496,991,473.83	(0.18)
Motor Fuels	137,024,966.59	142,718,001.85	(3.99)
Oil & Gas Privilege (8%)	28,768,244.64	52,426,080.67	(45.13)
Oil & Gas Production (2%)	9,332,861.16	17,818,046.52	(47.62)
Sales	2,235,671,769.15	2,152,518,608.86	3.86
Use Tax	365,977,758.47	323,166,593.94	13.25
Utility Gross Receipts	392,320,388.69	417,559,462.64	(6.04)
<b>SUBTOTAL</b>	<b>\$8,195,478,465.54</b>	<b>\$8,167,647,892.37</b>	<b>0.34</b>
<b>SUBTOTAL (OTHER TAXES)</b>	<b>\$1,701,832,159.67</b>	<b>\$1,610,896,623.22</b>	<b>5.65</b>
<b>TOTAL (ALL TAXES)</b>	<b>\$9,897,310,625.21</b>	<b>\$9,778,544,515.59</b>	<b>1.21</b>

For comparison purposes, due to timing of closing FY16, the Abstract report will have two deposit days less than FY15.

### 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
<b>2006</b>	7%	7%	8%	8%
<b>2007</b>	8%	8%	8%	8%
<b>2008</b>	7%	6%	5%	6%
<b>2009</b>	5%	4%	4%	4%
<b>2010</b>	4%	4%	4%	4%
<b>2011</b>	3%	4%	4%	3%
<b>2012</b>	3%	3%	3%	3%
<b>2013</b>	3%	3%	3%	3%
<b>2014</b>	3%	3%	3%	3%
<b>2015</b>	3%	3%	3%	3%
<b>2016</b>	3%	4%	4%	4%

# Tax Calendar

## Required Monthly Returns Tax Activity

- 10** ● Tobacco use tax return and payment due.  
● Monthly Jenkins Act Report
- 15** ● Motor carrier mileage tax return and payment due.  
● Oil and gas production tax and privilege tax return and payment due the second month following the month of production.  
● Withholding return and payment due from those employers required to remit on a monthly basis.
- 20** ● Alabama Uniform Natural Minerals 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.  
● Local solid minerals tax returns and payments due.  
● Lodgings tax (state and local) return and payment due.  
● Lubricating oils tax return and payment due.  
● Medicaid-related tax return and payment due for nursing facilities.  
● Medicaid tax return and payment due from pharmaceutical service providers.  
● Mobile telecommunication services tax return and payment due.  
● Pari-mutuel pool tax return and payment due.  
● Prepaid Wireless 9-1-1 Charge return and payment due.  
● Rental or leasing tax (state and local) return and payment due.  
● Sales tax (state and local) return and payment due.  
● Schedule D (NPM Cigarette Activity) report due.  
● Scrap Tire Environmental Fee return and payment due.  
● Tobacco tax (state and county) return, reports and payment due.  
● Underground and aboveground storage tank trust fund charge due.  
● Use tax (state and local) return and payment due.  
● Utility gross receipts tax return and payment due.
- 22** ● Permissive Supplier return and payment due.
- 30** ● Hazardous waste fee return and payment due.

Last day

- of month ● State horse wagering fee return and payment due.  
● Terminal Operator return due.  
● Transporter return due.

## Quarterly/Annual Tax Activity

(November, December 2016)

### November

- 10** ● Quarterly NPM certification and bank verification due.
- 30** ● Last day to register and pay fee for manufactured homes without penalty.

### December

- 15** ● Fourth installment of estimated corporate income tax due (for calendar-year taxpayers).
- 31** ● Property tax on real and personal property delinquent after this date.  
● Expiration of the previous calendar year's motor fuel identification markers.  
● Property Tax Assessments Delinquent after this date.  
● Last day to claim Exemptions/Abatements on Ad Valorem tax assessments.