

Revenue REVIEW

4th Quarter
FY 2010
(July, August,
September 2010)

A Quarterly Publication of the Alabama Department of Revenue

2010 Tax Practitioner Seminars

Auburn University's Office of Professional and Continuing Education, in cooperation with the Internal Revenue Service and the Alabama Department of Revenue, will hold its annual two-day tax practitioner seminars at nine key locations in Alabama during November and December. Four locations in Florida and Arkansas have been added to this year's program.

The seminar program provides a continuing education opportunity for the state's tax professionals, enrolled agents, certified public accountants, public accountants, and attorneys.

ADOR partners with the IRS and Auburn University in offering trained instructors who share their fields of expertise in a host of topics.

Representing the ADOR this year are Ann Winborne, Tamera Warren and Catherine Naman.

Ms. Winborne serves as Manager of the Administrative Support Unit of the Individual and Corporate Tax Division. She has a B.S. in accounting and a Master of Business Administration degree. She is a Certified Public Accountant and a Certified Public Manager, holding memberships in the American Institute of Certified Public Accountants and the Alabama Society of Certified Public Accountants. With over 26 years of experience as an instructor in tax law and in auditing methods and procedures, she has a wealth of experience in the Alabama income tax field.

Ms. Warren currently serves as Training Coordinator for the Individual and Corporate Tax Division, with past service as Manager of the Business Privilege Tax Section. She holds a bachelor's degree in accounting from Auburn Montgomery and an MBA from Troy University Montgomery. She has been with the ADOR for 18 years.

Ms. Naman serves as Training Coordinator of the Revenue Integrated Tax System (RITS), with several years' experience in the preparation of training programs for department employees. Her role with the department includes RITS presentations to both governmental agencies and private groups. A graduate of the University of South Alabama, she has been with the department for 18 years.

For further information, contact the AU Office of Professional and Continuing Education at 334-844-5100, or visit online at <http://www.auburn.edu/outreach/tax/>.

Program Coordinator Claire Twardy

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Dates and locations follow:

Two-Day Tax Practitioner Seminars:

Oct. 28-29	Little Rock, AR	Univ. of Arkansas-Little Rock
Nov. 2-3	Florence	Univ. of North Alabama
Nov. 4-5	Huntsville	UAH-Huntsville-Univ Ctr
Nov. 9-10	Pensacola	Pensacola Civic Center
Nov. 11-12	Dothan	Dothan Conference Center
Nov. 16-17	Birmingham	Pelham Civic Center
Nov. 18-19	Gadsden	Gadsden St Comm College
Nov. 30-Dec 1	Mobile	The Battle House Hotel
Dec. 2-3	Montgomery	Auburn Univ.-Montgomery
Dec. 7-8	Auburn	Auburn Student Center
Dec. 9-10	Bessemer	Bessemer Civic Center
Dec. 14-15	Jacksonville	University of North Florida
Dec. 16-17	Orlando	Holiday Inn Orlando Airport

ADOR Reps Attend Mobile Business Resource Fair

Ann Winborne, Tamera Warren and Melanie Bodiford, of the ADOR Individual and Corporate Tax Division, attended the 2010 Business Resource Fair in Mobile on Thursday, Aug. 26.

The fair, sponsored by the Alabama Development Office and hosted by the Mobile Area Chamber of Commerce, provided an opportunity for small business owners and managers to meet local, state and federal representatives. According to an ADO press release, these representatives worked with "...organizations specializing in management, financial, procurement, marketing and technical assistance specifically for small businesses."



(Left to right) ADOR's Ann Winborne, Tamera Warren and Melanie Bodiford at the Mobile Business Resource Fair.

ADOR Hosts Business License Workshop

The Severance and License Section of the Sales, Use and Business Tax Division hosted a Business License Workshop in August for county licensing officials from 47 counties around the state.

After greetings from Division Director Joe Cowen and Revenue Manager Loretta Nelson, the officials heard presentations on the topics of privilege licenses, citations, refunds, field audits, assessments and appeals. They were also given an opportunity to discuss issues related to their respective counties.

ADOR speakers included Alisa Johnson, Anita Gregory, Shantel Stroud, Beverly Foster, Severance and License Section; and Chuck Tice, Field Audit Section.



(Left) Beverly Foster, ADOR Severance and License Section, and Donna Haislip, Jackson County Assistant Chief Clerk, compared notes prior to the meeting.



(Left) Anita Gregory and Alisa Johnson, Severance and License Section, are ready to prepare handouts to workshop attendees.

1 – Alabama Income Tax Refund Checkoffs (Non-Campaign) \$'s Collected

Fiscal Quarters:	2010/1	2010/2	2010/3	2010/4	2010 FYTD
Alabama Aging Fund	\$906.00	\$5,316.00	\$4,982.00	\$198.00	\$11,402.00
Alabama Arts Development Fund	\$301.00	\$4,192.00	\$3,533.00	\$108.00	\$8,134.00
Alabama Nongame Wildlife Fund	\$741.00	\$6,369.00	\$5,780.00	\$100.00	\$12,990.00
Child Abuse Trust Fund	\$1,562.00	\$16,776.00	\$12,211.00	\$508.00	\$31,057.00
Alabama Veterans Program	\$1,160.00	\$13,457.00	\$9,701.00	\$631.00	\$24,949.00
AL Indian Children's Scholarship FD	\$237.00	\$2,162.00	\$2,385.00	\$81.00	\$4,865.00
Penny Trust Fund	\$221.00	\$1,864.00	\$1,837.00	\$32.00	\$3,954.00
Foster Care Trust Fund	\$659.00	\$6,279.00	\$6,164.00	\$114.00	\$13,216.00
Mental Health	\$439.00	\$4,678.00	\$5,816.00	\$93.00	\$11,026.00
Neighbors Helping Neighbors	\$579.00	\$4,019.00	\$2,042.00	\$153.00	\$6,793.00
Breast & Cervical Cancers Fund	\$602.00	\$12,858.00	\$7,729.00	\$328.00	\$21,517.00
4H Clubs	\$288.00	\$2,193.00	\$1,657.00	\$167.00	\$4,305.00
Cancer Institute	\$685.00	\$12,139.00	\$6,890.00	\$471.00	\$20,185.00
Organ Donation	\$363.00	\$2,216.00	\$1,283.00	\$86.00	\$3,948.00
National Guard	\$317.00	\$2,405.00	\$2,213.00	\$101.00	\$5,036.00
Alternative Fuel Research Fund	\$106.00	\$1,814.00	\$1,344.00	\$62.00	\$3,326.00
AL Military Support Foundation	–	\$6,775.00	\$4,840.00	\$–	\$11,615.00
TOTALS:	\$9,166.00	\$105,512.00	\$80,407.00	\$3,233.00	\$198,318.00

2 – Alabama Income Tax Refund Checkoffs (Non-Campaign): No. of Returns Filed

Fiscal Quarters:	2010/1	2010/2	2010/3	2010/4	2010 FYTD
Alabama Aging Fund	39	568	463	18	1,088
Alabama Arts Development Fund	32	421	359	12	824
Alabama Nongame Wildlife Fund	31	532	473	14	1,050
Child Abuse Trust Fund	60	1,237	815	31	2,143
Alabama Veterans Program	47	825	607	26	1,505
AL Indian Children's Scholarship FD	20	259	238	7	524
Penny Trust Fund	22	229	216	5	472
Foster Care Trust Fund	35	538	459	14	1,046
Mental Health	29	482	370	8	889
Neighbors Helping Neighbors	27	364	241	10	642
Breast & Cervical Cancers Fund	40	975	572	21	1,608
4H Clubs	26	271	197	6	500
Cancer Institute	39	963	547	21	1,570
Organ Donation	21	318	200	4	543
National Guard	21	280	210	6	517
new Alternative Fuel Research Fund	17	261	196	8	482
new AL Military Support Foundation		526	387	0	913
TOTALS:	506	9,049	6,550	211	16,316

(Data Source: Income Tax Division)
Ckoff 2010.4thQRT.xls

Administrative Rules

**Effective Oct. 1, 2010:
Adopted:**

810-5-75-.65 Appointment, Revocation, and Denial of Authority to Act as a Manufactured Home Designated Agent of the Department

Amended:

810-5-1-.245 Non-Residents Operating Non-Commercial Vehicles into Alabama and Non-Residents Relocating to Alabama

810-6-5-.09-.01 Leasing and Rental of Tangible Personal Property – Rule 2

810-7-1-.09 Procedure for Reporting and Payment of County Tobacco Taxes on Cigarettes and Submission of Tobacco Reports and Registration Requirements

810-8-1-.11 Stated and Uniform Policy Pertaining to the Exemption of Certain Organizations from State Gasoline and Motor Fuel Excise Taxes

810-8-1-.12 Alabama Scrap Tire Environmental Fee Application and Filing Procedure

Interest Rates Remain the Same for Fourth Calendar Quarter 2010

Interest rates for the calendar quarter beginning Oct. 1, 2010, remain the same (4 % a.p.r.) for underpayments, according to the Internal Revenue Service Ruling 2010-21. This ruling was scheduled to appear in Internal Revenue Bulletin No. 2010-39, dated Sept. 27, 2010.

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. (Historical rates shown below.)

Interest Rates By Calendar Quarter

(Established by: 26 USCA §6621; §40-1-44, *Code of Alabama 1975*)

	1ST QTR	2ND QTR	3RD QTR	4TH QTR
2001	9%	8%	7%	7%
2002	6%	6%	6%	6%
2003	5%	5%	5%	4%
2004	4%	5%	4%	5%
2005	5%	6%	6%	7%
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%

Statement of Gross Tax Collections

Through End of 4th Quarter FY 2010
(July, August, September 2010)

	FYTD 2009-2010	FYTD 2008-2009	% Change
Business Privilege Tax	\$ 107,873,518.37	\$ 108,551,005.74	(0.62)
Gasoline	410,024,750.52	403,192,401.50	1.69
Income Tax-Corporate	463,617,151.43	537,701,743.24	(13.78)
Income Tax-Individual	3,214,256,073.25	3,322,037,761.54	(3.24)
Income Tax (Total)	3,677,873,224.68	3,859,739,504.78	(4.71)
Motor Fuels	125,773,069.74	119,541,443.57	5.21
Oil & Gas Privilege (8%)	65,036,206.42	79,255,753.28	(17.94)
Oil & Gas Production (2%)	20,485,886.29	31,749,195.64	(35.48)
Sales	1,845,802,408.88	1,828,979,892.90	0.92
Use Tax	251,632,071.49	248,991,445.88	1.06
Utility Gross Receipts	438,108,166.09	426,928,670.33	2.62
SUBTOTAL	6,942,609,302.48	7,106,929,313.62	(2.31)
SUBTOTAL (OTHER TAXES)	1,254,479,298.47	1,296,361,404.57	(3.23)
TOTAL (ALL TAXES)	\$8,197,088,600.95	\$8,403,290,718.19	(2.45)

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.

17th • 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 tax return and payment due.
- Motor fuel tax return and payment due.
- Natural minerals severance 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.

- 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

(October, November, December 2010,
January/February 2011)

October

- 1** • Property tax on real and personal property due.
- Automotive dismantlers and parts recyclers' license due.
 - Business privilege license fee due.
 - Quarterly Dry Cleaning Trust Fund Fee return and payment due.
 - Manufactured home registration and fee due.
 - Motor fuel identification markers issued.
 - Motor vehicle dealers, reconditioners, rebuilders and wholesalers' license tax due.
 - Quarterly Solid Waste Disposal Fee return and payment due.

Note: Effective Oct. 1, 2003, dealer license plates and manufacturer license plates will be issued through county license plate issuing officials.

- Store and chain store license tax due.
- Utility license (2.2%) return and first quarterly payment due.

14 • Annual wholesale oil license 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.

30 • Quarterly forest products' severance tax return and payment due.

31 • Quarterly withholding return and payment due from employer.

- Quarterly Payroll Fee and return due.
- Quarterly NPM payment due into escrow.
- Quarterly IFTA tax return and payment due.
- Annual business privilege licenses delinquent after this date.
- Store and chain store licenses delinquent after this date.

November

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.

January

- 1** • Quarterly Dry Cleaning Trust Fund Fee return and payment due.
- Utility license (2.2%) second quarterly payment due.

15 • Fourth installment of estimated personal income tax due.

- 20** • Quarterly sales tax return and payment due.
- Annual sales tax return and payment due.
 - Quarterly use tax return and payment due.
 - Annual use tax return and payment due.
 - Quarterly rental or leasing tax return and payment due.
 - Annual rental or leasing tax return and payment due.
 - Quarterly Solid Waste Disposal Fee return and payment due.

30 • Quarterly forest products' severance tax return and payment due.

- 31** • Quarterly withholding return and payment due from employer.
- Quarterly Payroll Fee and return due.
 - Quarterly IFTA tax return and payment due.
 - Quarterly NPM payment due into escrow.

February

10 • Quarterly NPM certification and bank verification due.

28 • Annual withholding return due.