ALABAMA DEPARTMENT OF REVENUE
ADMINISTRATIVE CODE

CHAPTER 810-3-39
CORPORATION RETURNS

TABLE OF CONTENTS

810-3-39-.01	Corporation Returns
810-3-39-.02	Extension Of Time For Filing A Corporation Return
810-3-39-.03	Consolidated Filing
810-3-39-.04	Incentives Rules For Alabama Affiliated Groups Filing Consolidated Alabama Income Tax Returns (Repealed 1-1-18)
810-3-39-.05	Taxable Years Following An Election Period For An Alabama Affiliated Group
810-3-39-.06	Mechanics Of Consolidated Filing (Repealed 1-1-18)
810-3-39-.07	Participation In The Federal/State Electronic Filing Program - Corporate Income Tax Returns
810-3-39-.08	Terms And Definitions For The Alabama Electronic Corporate Income Tax Return
810-3-39-.09	Requirements For The Corporate Income Tax Declaration For Electronic Filing
810-3-39-.10	Acceptance, Monitoring, And Revocation Of Acceptance Into The Alabama Business Modernize E-File Program For Software Developers - Corporate Income Tax
810-3-39-.11	Acceptance, Monitoring, and Revocation Of Acceptance Into The Alabama Business Modernized E-File Program For Electronic Return Originators And Transmitters - Corporate Income Tax
810-3-39-.12	Alabama Requirements For Mandatory E-File Of Original Corporate Income Tax Returns
810-3-39-.13	Requirements For The Alabama Corporate Income Tax Return

810-3-39-.01 Corporation Returns.

(1)(a) Each corporation, joint stock company, or association, except as provided in (b), subject to Alabama income tax shall file a separate return for each tax year, including organizations subject to taxation on unrelated business taxable income as provided in Section 40-18-32, Code of Ala. 1975. The return (Form 20C for corporations and organizations with unrelated business

taxable income, and Form 20S for an Alabama S corporation) shall be filled out completely and in accordance with the instructions. The return must be signed by one of the following officers: the president, vice-president, treasurer, assistant treasurer, secretary, assistant secretary, chief accounting or financial officer. The individual preparing the return, if a paid preparer, must also sign the return, and his or her address should be shown…

(b) In lieu of filing separate entity returns in Alabama, a group of related corporations may elect to be treated as an Alabama affiliated group filing a consolidated corporate income tax return. Qualifications for an "Alabama affiliated group" are found in Section 40-18-39(b)(1), Code of Ala. 1975. For more information about filing an Alabama consolidated return, see Alabama Rule 810-3-39-.03.

(2) If the property or business of a corporation is operated by a receiver, trustee, or assignee, such person shall make a return for the corporation in the same manner as the corporation would otherwise make the return. Any tax due on the basis of such return shall be collected in the same manner as if collected from the corporation.

(3) Nexus. A corporation having "substantial nexus" with Alabama is subject to Alabama income tax. A corporation has "substantial nexus" with Alabama if certain thresholds are exceeded pursuant to Section 40-18-31.2, Code of Ala. 1975.

Author: Holly H. Coon
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-18-39.
History: Adopted September 30, 1982. **Amended:** June 17, 1988; Filed July 27, 1988. **Amended:** Filed May 3, 2000, effective June 7, 2000. **Repealed and New Rule:** Filed May 4, 2018; effective June 18, 2018.

810-3-39-.02 Extension Of Time For Filing A Corporation Return.

(1) A corporation or an Alabama affiliated group will be granted an automatic extension to file its Alabama corporate income tax return consistent with the extension allowed for the taxpayer's corresponding federal income tax return plus one month. The corresponding federal extension form must be submitted with the return. An extension of time granted pursuant to this section is not an extension of time for payment of the tax. The amount of tax due must be paid on or before the due date of the return without regard to the extension to file the return. Any tax due, not paid on or before the unextended due date, will be subject to interest until paid at the rate provided in Section 40-1-44, Code of Ala. 1975, and all applicable penalties.

(a) Payment of the tax shall be made via the paper Business Income Tax Payment Voucher or by Electronic Funds Transfer (EFT).

(b) However, payment must be made via EFT if the payment exceeds $750. Please refer to Alabama Administrative Rules 810-13-1-.01 and 810-13-1-.03.

(2)(a) An entity that fails to file the required return by the extended due date may not be granted an automatic extension the following (ensuing) year, but may be required to request the extension in writing.

(b) If a written request is required, the request must be made to the Commissioner of Revenue or to his designee, and must explain the reason for the request and the reason for failing to timely file the return in the previous year. The request also must state that the entity has no outstanding debts owed to the Department.

(3) Estimated Payments. Those corporations with liabilities in excess of estimated payments or credits should remit the balance due on or before the unextended due date of the return. Members of an Alabama affiliated group which have carryover payments from a prior year's filing of a separate return shall treat such carryover as a payment of estimated taxes on the Alabama consolidated return for the following year. Interest and penalties are due on all taxes not paid on or before the unextended due date. See Alabama Administrative Rule 810-3-42-.01.
Author: Catherine McCary, Melody Moncrief, Ann F. Winborne, CPA, Richard H. Henninger, Holly Coon
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-18-39.
History: Adopted September 30, 1982. **Amended:** June 17, 1988; filed July 27, 1988. **Amended:** Filed May 3, 2000, effective June 7, 2000. **Amended:** Filed November 26, 2008; effective December 31, 2008. **Amended:** Filed November 17, 2017; effective January 1, 2018. **Amended:** Published September 30, 2022; effective November 14, 2022.

810-3-39-.03 Consolidated Filing.

(1) Election to file an Alabama consolidated return. In lieu of filing separate entity returns in Alabama, a group of related corporations may elect to be treated as an Alabama affiliated group filing a consolidated corporate income tax return. Such election may be made by submitting items (a) through (c) below to the Department by the due date or extended due date of the return:

(a) Submit a completed Form 20C-CRE (Election to File Consolidated Corporate Income Tax Return). This form must be

filed by the common parent of the Alabama affiliated group. If the common parent is not a member of the Alabama affiliated group, the members of the Alabama affiliated group must designate the member that will serve in this role.

(b) Submit a Form 20C-C (Alabama Consolidated Return) for the Alabama affiliated group and include all pertinent schedules, including Schedule AS (Affiliation Schedule) and a proforma Form 20C for each member. The Alabama consolidated return must be signed by one of the officers of the common parent listed in Alabama Rule 810-3-.39-.01(1)(a) on behalf of the Alabama affiliated group.

(c) Pay the annual fee for the privilege of filing an Alabama consolidated return. The annual fee is a graduated fee based upon the aggregate amount of total assets and is determined by Section 40-18-39(b)(8), Code of Ala. 1975. "Aggregate amount of total assets" means, for purposes of this rule, the aggregate of all member's total assets as determined on a proforma separate entity basis.

(2) Nexus. Only corporations having substantial nexus with Alabama may be included as part of the Alabama affiliated group. A corporation has substantial nexus with Alabama if certain thresholds are exceeded pursuant to Section 40-18-31.2, Code of Ala. 1975.

(3) Liability. Each corporation included in the Alabama consolidated return will be jointly and severally liable for the Alabama income tax liability of the Alabama affiliated group. If a corporation is a member of the Alabama affiliated group for only part of the tax year, then the corporation will be liable for only the portion of the Alabama consolidated tax liability attributed to that portion of the year that the corporation was a member of the Alabama affiliated group prorated on a daily basis. The tax liability of the Alabama affiliated group will be the Alabama tax rate specified in Section 40-18-31, Code of Ala. 1975 applied to the taxable income of the Alabama affiliated group.

(a) Part-year members. If an eligible corporation becomes a member of an Alabama affiliated group after the beginning of the Alabama consolidated return year or ceases to be a member of the Alabama affiliated group during the consolidated return year, two tax returns will be due for that taxable year. The Alabama consolidated return shall include amounts attributable to such corporation for the part of the year in which it was a member of the Alabama affiliated group. A separate return shall be filed and include (or if a member of a different Alabama affiliated group, such group's Alabama consolidated return shall include) amounts attributable to such corporation for the remainder of the taxable year. The method used to determine the federal taxable income of that member will be used to attribute amounts of taxable income or loss,

modifications, business income or loss, apportionment factors, nonbusiness or partnership income or loss, and credits to the different portions of the taxable year.

(b) Ineligible members. If a part-year member is a taxpayer that is ineligible to be a member of an Alabama affiliated group, it shall file a separate tax return for the respective period(s) using the accounting method used in determining federal taxable income of such member.

(c) Liability of corporation after withdrawal. If a corporation has ceased to be a member of an Alabama affiliated group and if such cessation resulted from a bona fide sale or exchange of its stock for fair value and occurred prior to the date upon which any deficiency is assessed, the Commissioner may, if the Department determines that the assessment or collection of the balance of the deficiency will not be jeopardized, make assessment and collection of such deficiency from such former member in an amount not exceeding the portion of such deficiency which the Commissioner may determine to be allocable to it. If the Commissioner makes assessment and collection of any part of a deficiency from such former member, then for purposes of any credit or refund of the amount collected from such former member, the agency of the common parent will not apply.

(4) Computation of consolidated income. Each member of an Alabama affiliated group must separately calculate its Alabama taxable income or loss (Form 20C) in accordance with Title 40, Code of Ala. 1975. The members will then combine such incomes and losses on a single return (Form 20C-C). Transactions between members of an Alabama affiliated group are not eliminated in determining the member's Alabama taxable income.

(5) Net Operating Losses. A net operating loss ("NOL") earned by one member of an Alabama affiliated group may offset income earned by another member in the year in which it was earned. To the extent the Alabama affiliated group, as a whole, earns a NOL for a tax year, such loss may be carried forward to offset taxable income earned by the Alabama affiliated group in subsequent tax years pursuant to Section 40-18-35.1, Code of Ala. 1975.

(a) Addition of a new member to the Alabama affiliated group. Pursuant to Section 40-18-39(h), Code of Ala. 1975, NOLs earned by a corporation before it was part of the Alabama affiliated group are deductible only to the extent the corporation reports separate company income and such deduction should be shown on the member's proforma Form 20C in the tax year in which the NOL was utilized.

(b) Assignation of NOL to a departing member. When a member departs an Alabama affiliated group, any unutilized NOL earned in a previous tax year must be evaluated to determine if any

portion of such loss should be assigned to the departing member. Such NOLs are assigned to the members of the Alabama affiliated group based on the percentage in which the members contributed to the loss in the tax year in which the net operating loss was earned.

Example: Company A, Company B, and Company C elected to file an Alabama Consolidated return in 2013. The Alabama affiliated group earned a ($40,000,000) NOL in tax year 2015. The members separate Alabama taxable income for tax year 2015 were as follows: Company A: ($20,000,000), Company B: $10,000,000, Company C: ($30,000,000). The Alabama affiliated group utilized $20,000,000 of the 2015 NOL in tax year 2016. On the last day of the 2016 tax year, Company C left the Alabama affiliated group. The unutilized 2015 tax year NOL of ($20,000,000) ($40,000,000 - $20,000,000) must be analyzed to determine if a portion should be assigned to Company C. Only Company A and Company C contributed to the 2015 NOL earning a total negative taxable income of ($50,000,000) (20,000,000 + 30,000,000). Company A is assigned 40% (20,000,000/50,000,000) of the NOL generated in tax year 2015 while Company C is assigned 60% (30,000,000/50,000,000). The Alabama affiliated group may carryforward $8,000,000 of the remaining 2015 NOL while Company C may carryforward $12,000,000.

(6) Income Tax Credits. Members of an affiliated group that have been approved for various income tax credits allowed by Alabama law must calculate those credits on a separate entity basis. Such credits may offset only the income tax liability of the specific member authorized to use the credit. Income tax credits earned by one member may not offset the income tax liability of another member. Credits may not be used to reduce the Alabama affiliated group's consolidated filing fee.

(7) Consolidated Estimated Tax. If an election has been made to file an Alabama consolidated return, estimated tax payments must be submitted for the Alabama affiliated group in the name of the common parent or its designee.

(8) Records. In accordance with Section 40-2A-7 Code of Ala. 1975, taxpayers must maintain records to allow the Department to determine the correct amount of tax including support for deviations from federal to Alabama income, gain computations, elimination entries, etc.

(9) Federal statutes. For interpretation of federal statutes adopted by the Alabama Legislature, see Alabama Rule 810-3-1.1-.01, Operating Rules.

Author: Holly H. Coon

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-18-31.2, 40-18-35.1, 40-18-39.

History: **New Rule:** Filed December 15, 1999; effective January 19, 2000. **Amended:** Filed October 15, 2010; effective November

19, 2010. **Repealed and New Rule:** Filed November 17, 2017; effective January 1, 2018.

810-3-39-.04 Incentives Rules For Alabama Affiliated Groups Filing Consolidated Alabama Income Tax Returns (Repealed 1-1-18).

(REPEALED)
Author: Michael E. Mason, Commissioner's Office; Verlon Frost, Melody Moncrief, Individual and Corporate Tax Division
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-18-39, 40-18-57.
History: New Rule: Filed May 3, 2000, effective June 7, 2000.
Repealed: Filed November 17, 2017; effective January 1, 2018.

810-3-39-.05 Taxable Years Following An Election Period For An Alabama Affiliated Group.

(1) Except as provided in paragraph (2), for any taxable year beginning after the expiration of the election period set forth in Section 40-18-39(c)(6), Code of Ala. 1975, each member of the Alabama affiliated group subject to Alabama income tax shall file a separate return unless the Alabama affiliated group elects to file an Alabama consolidated return and is not otherwise prohibited from doing so.

(2) The former Alabama affiliated group may renew their election to file an Alabama consolidated return by submitting the items required by Alabama Rule 810-3-39-.03(1). Such items must be submitted by the due date or extended due date of the tax return, as applicable pursuant to Alabama Rule 810-3-39-.02. Such election will establish a new election period pursuant to Section 40-18-39(c)(6).
Author: Michael E. Mason, Commissioner's Office; Verlon Frost, Holly Coon, Individual and Corporate Tax Division
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-18-39, 40-18-57.
History: New Rule: Filed May 3, 2000, effective June 7, 2000.
Amended: Filed November 17, 2017; effective January 1, 2018.

810-3-39-.06 Mechanics Of Consolidated Filing (Repealed 1-1-18).

(REPEALED)
Author: Michael E. Mason, Commissioner's Office; Verlon Frost, Individual and Corporate Tax Division

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-18-57.
History: **New Rule:** Filed December 15, 1999; effective January 19, 2000. **Repealed:** Filed November 17, 2017; effective January 1, 2018.

810-3-39-.07 Participation In The Federal/State Electronic Filing Program - Corporate Income Tax Returns.

(1) The Department will participate with the Internal Revenue Service in the Federal/State Electronic Filing Program for the joint electronic filing of Corporate Income Tax Returns, effective for tax years beginning on or after January 1, 2005.
Author: Kathleen F. Campbell, Melissa Gillis, Michaelyn N. Adams
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-4.
History: **New Rule:** Filed February 13, 2006; effective March 20, 2006. **Amended:** Filed January 27, 2014; effective March 3, 2014. **Amended:** Filed May 4, 2018; effective June 18, 2018.

810-3-39-.08 Terms And Definitions For The Alabama Electronic Corporate Income Tax Return.

(1) SCOPE - This rule defines certain terms used in connection with the Alabama Business Modernized E-File Program.

(2) Definitions

(a) XML Schema - A single file or collection of files that describe the structure of an XML instance document along with rules for data content and semantics such as what fields an element can contain, which sub elements it can contain and how many items can be present. It can also describe the type and values that can be placed into each element or attribute.

(b) XML instance document - The actual return data defined by the XML Schema. This document is validated against the XML schema to ensure the contents and structures are correct.

(c) Business Rules - A document that defines the criteria that needs to be met for an electronic return to be accepted based on the filing instructions and system requirements for a specific tax return.

(d) Corporate Income Tax - The tax levied by Sections 40-18-2, 40-18-31 and 40-18-39, Code of Ala. 1975.

(e) Software Developer - An authorized IRS Provider that develops software for the purposes of

1. formatting the electronic portions of returns according to IRS Publication 4164 or Department specifications and/or

2. transmitting the electronic portion of returns directly to the IRS or the Department. A Software Developer may also sell its software.

(f) Electronic Return Originator (ERO) - A firm, organization or individual who is an authorized IRS e-file provider that originates the electronic submission of returns Because the electronic filing process is a joint program between the IRS and the Department, an ERO must be approved by the Internal Revenue Service to qualify for this program.

(g) AL8453-C - A document used to satisfy signature requirements for electronically filed C-Corporation Income Tax Returns submitted to the State of Alabama by an Electronic Return Originator (ERO).

(h) AL8453-PTE - A document used to satisfy signature requirements for electronically filed S-Corporation/ Partnership/ LLC Income Tax Returns submitted to the State of Alabama by an Electronic Return Originator (ERO).

(i) Accepted return – An electronic Alabama Corporate Income Tax Return that has successfully completed the schema and business rules validation process and the Department has sent an acknowledgement with an Acceptance Status of “Accepted” for MeF (Modernized e-File) returns.

(j) Rejected Return – An electronic Alabama Corporate Income Tax Return that was received but failed to complete the schema and or business rule validation process and the Department has sent an acknowledgement with an Acceptance Status of “Rejected” for MeF returns.

(k) Transmission Perfection Period – A ten (10) calendar day period from the date of the first transmission of a Corporate MeF (Modernized E-file) Income Tax Return that a taxpayer has to correct and resubmit a rejected electronically transmitted Corporate MeF Income Tax Return that was originally timely filed.

(l) Electronic Postmark– A record of the date and time (in a particular time zone) that an authorized electronic return transmitter receives the transmission of a taxpayer’s electronically filed document on its host system. However, if the taxpayer and the electronic return transmitter are located in different time zones, it is the taxpayer’s time zone that controls the timeliness of the electronically filed document.

(m) Timely Filed return – An electronic return that is received and accepted by the due date or within an extension of time for filing the Corporate/Partnership Income Tax Return according to the same manner as allowed by federal law. It also includes a timely filed rejected return that is resubmitted and accepted during the transmission perfection period.

(n) Electronic Return Transmitter – An authorized IRS e-file Provider that transmits the electronic portion of a return directly to the IRS or the Department. An entity that provides a "bump up" service is also a Transmitter. A bump up service provider increases the transmission rate or line speed of formatted or reformatted information that it is sending to the IRS.

(o) Standard Letter of Intent (LOI) – A form which must be completed to request approval from the Department to provide tax preparation software for electronic forms submissions. By completing this form, the software developer agrees to comply with all national security summit standards and requirements in addition to the specific Alabama requirements included in the LOI.

(p) Submission Error Rate – A Software Developer's percentage of business rule rejections compared to the total amount of returns submitted. This will be calculated by taking the total amount of business rule rejections per form type for a particular form year divided by the total amount of returns transmitted for that same form type with regards to the form year in question.

(q) Original Corporate/Partnership Income Tax Return – Any return that is required to be filed with respect to the tax imposed as defined by Section 40-18-2, Code of Ala, 1975.

(r) Acceptable Corporate/Partnership Income Tax Return –Any original Corporate/Partnership Tax return that is authorized by the Department to be filed solely using electronic technology as defined in Section 40-30-3(2), Code of Ala, 1975.

(s) Tax Preparation Software – Any computer software program intended for accounting, tax preparation and or tax compliance.

(t) Electronic Signature Pad – An electronic device with a touch sensitive LCD screen which allows users to acquire and register a signature or any other physical signature capture device that captures and converts a signature into an electronic format.

(u) Suitability – A check conducted on all software developers including rebranded and white labeled products, when an application is initially processed and on a regular basis thereafter. The suitability check may include background and personal tax compliance checks conducted by the Department to ensure the software developers are eligible for participation in the Department's e-file program.

(v) Business Acceptance or Assurance Testing (BATS) – Required testing for software developers that participate in the Department's Business e-file program. This testing is used to assess their software and transmission capability with the Department prior to live processing.

Author: Kathleen F. Campbell, Melissa A. Gillis, Michaelyn N. Adams
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-5.
History: New Rule: Filed February 13, 2006; effective March 20, 2006. **Repealed and New Rule:** Filed January 27, 2015; effective March 3, 2015. **Amended:** Filed April 27, 2018; effective June 11, 2018.

810-3-39-.09 Requirements For The Corporate Income Tax Declaration For Electronic Filing.

(1) SCOPE – This rule defines the information required for the Corporate Income Tax declaration for electronic filing through the Alabama Business Modernized E-File Program (MeF).

(2) The Corporate Income Tax Declaration for Electronic Filing requires the following information and authorization for both Corporation and S-Corporation filers:

(a) The corporation's name.

(b) The corporation's Federal Employer Identification Number.

(c) The corporation's address.

(d) The corporation's phone number.

(e) The Alabama taxable income reported by the electronic return.

(f) The total tax liability reported by the electronic return.

(g) The total tax payments and credits reported by the electronic return.

(h) The total reductions reported on the electronic return.

(i) The amount of the refund reported by the electronic return.

(j) The amount of the payment transmitted electronically.

(k) If applicable, authorization for the Department and its designated financial agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's Alabama taxes owed on this return, and the financial institution to debit the entry to this account.

(l) Authorization for the Department to discuss the return and attachments with the preparer.

(m) Consent to the disclosure of all information pertaining to the user of the computer system and software used to create the business return and to the electronic transmission of the business tax return to the Department.

(n) The signature of an officer of the corporation, their title and date of the signature. The Department will accept a signature made on a signature pad (defined in 810-3-39-.08

(o) The signature of the electronic return originator and date of the signature.

(p) An indication whether the electronic return originator is self-- employed.

(q) The firm name of the electronic return originator.

(r) The address, including the zip code, of the electronic return originator.

(s) The Federal Employer Identification Number of the electronic return originator.

(t) If the paid preparer is different from the electronic return originator, the following information is required:

1. The signature of the paid preparer and date of the signature.

2. An indication whether the paid preparer is self-employed.

3. The firm name of the paid preparer.

4. The address, including the zip code, of the paid preparer.

(3) The signatures of the corporate officer, the electronic return originator, and the paid preparer (if the paid preparer is different from the electronic return originator) must be affixed to the Alabama Form AL8453-C - Corporate Income Tax Declaration for Electronic Filing (C-Corporations) or AL8453-PTE - S-Corporation/Partnership Income Tax Declaration for Electronic Filing (S-Corporations) before the return is electronically transmitted.

(a) Members of the firm or designated employees may sign for the electronic return originator.

(b) If the taxpayer is unable to obtain the paid /preparer's signature on the Alabama Form AL8453-C AL8453-PTE, in lieu of the paid preparer's signature the electronic return originator may attach to the Alabama Form AL8453-C/AL8453-PTE a copy of the appropriate pages of the paper return with the paid preparer's signature.

(c) Electronic return originators and electronic return preparers are prohibited from allowing taxpayers to sign /a blank Alabama Form AL8453-C AL8453-PTE.

(4) The completed and signed Alabama Form AL8453-C/ AL8453-PTE will serve as the filing declaration for the electronic Alabama Corporate Income Tax Return.

(5) The completed and signed Alabama Form AL8453-C/AL8453-PTE must be retained by the electronic return originator for a period of three years from the due date of the return or three years from the date the return was filed, whichever is later. The electronic return originator will provide the Department with the original Alabama Form /AL8453-C AL8453-PTE within five business days of receiving a written request for the documents from the Department.



FORM **AL8453-C**

ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL & CORPORATE TAX DIVISION

2005

Corporate Income Tax Declaration for Electronic Filing

To be filed electronically with the corporation's tax return. Do not send paper copies.

For calendar year 2005, or tax year beginning _____, 2005, ending _____, 20__

NAME OF CORPORATION | FEDERAL EMPLOYER IDENTIFICATION NUMBER

ADDRESS OF CORPORATION | TELEPHONE NUMBER

PART I Tax Return Information *(Whole Dollars Only)*

1 Alabama taxable income (Form 20C, line 14)	1	
2 Total tax liability (Form 20C, line 15c)	2	
3 Total payments and credits (Form 20C, line 16h)	3	
4 Refund (negative number reported on Form 20C, line 18)	4	
5 Amount you owe (positive number reported on Form 20C, line 18)	5	
6 Amount of payment remitted electronically (Form 20C, line 19)	6	

PART II Declaration of Officer *(Sign only after Part I is completed.)*

Under penalties of perjury, I declare that I am an officer of the above corporation and that the information I have given my electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) and the amounts in Part I above agree with the amounts on the corresponding lines of the corporation's 2005 Alabama corporate income tax return. To the best of my knowledge and belief, the corporation's return is true, correct, and complete. I consent to my ERO, transmitter, and/or ISP sending the corporation's return, this declaration, and accompanying schedules and statements to the Alabama Department of Revenue. I also consent to the Alabama Department of Revenue sending my ERO, transmitter, and/or ISP an acknowledgment of receipt of transmission and an indication of whether or not the corporation's return is accepted, and, if rejected, the reason(s) for the rejection.

☐ I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.

Sign Here ▶ Signature of Officer | Date ▶

PART III Declaration of Electronic Return Originator (ERO) and Paid Preparer *(See Instructions)*

I declare that I have reviewed the above corporation's return and that the entries on Form AL8453-C are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The corporate officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the Alabama Department of Revenue, and have followed all other requirements in Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120S and Pub. AL4164 Software Developers and Transmitters Guidelines and Schemas for Alabama Corporate Income Tax Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only

ERO's signature ▶ | Date | Check if also paid preparer ☐ | Check if self-employed ☐ | ERO's SSN or PTIN

Firm's name (or yours if self-employed), address and ZIP code ▶ | ( )

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ☐ | Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address and ZIP code ▶ | EIN | Phone No. ( )

Author: Neal Hearn, Kathleen C. Abrams, Veronica Jennings, Melissa A. Gillis, Michaelyn N, Adams
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-5.
History: New Rule: Filed February 13, 2006; effective March 20, 2006. **Amended:** Filed January 28, 2010, effective March 4, 2010. **Amended:** Filed January 27, 2014; effective March 3, 2014. **Amended:** Filed January 27, 2015; effective March 3, 2015. **Amended:** Filed May 4, 2018; effective June 18, 2018.

810-3-39-.10 Acceptance, Monitoring, And Revocation Of Acceptance Into The Alabama Business Modernize E-File Program For Software Developers – Corporate Income Tax.

(1) SCOPE – This rule explains the requirements for software developers to obtain and sustain active approval to provide software that allows Corporate Income Tax returns to be electronically filed through the Alabama Business Modernized E-File program.

(2) Software developers must be approved on an annual basis and maintain good standing with the Department. The Department has the right to deny any applicant's acceptance into the Alabama Business Modernized E-File Program. To obtain approval software developers must adhere to the following guidelines.

(a) Be accepted by and in good standing with the Internal Revenue Service (IRS) Electronic Filing Program.

(b) Have satisfactorily completed the Department's software developer suitability approval process.

(c) Have an approved Letter of Intent, with original officer signature, on file with the Department.

(d) Have satisfactorily completed the Business Acceptance Testing System (BATS) with the Department.

(3) XML Schemas (record layouts), specifications and business rules for a complete Alabama electronic Corporate Income Tax return are issued annually by the Department. In addition, the ADOR annually releases the Alabama Business Modernized E-file Program: Handbook for Software Developers and Transmitters (Publication AL4164) which provides supplemental information pertinent to electronic return development.

(4) Software developer testing will occur in conjunction with IRS testing in accordance with Alabama Business MeF Test Package (Publication AL4162).

(5) Alabama electronic Corporate Income Tax returns received by the Department which are prepared by a software developer which has not completed the Department's software developer testing and which has not been approved by the Department will be rejected by the Department. Paper Alabama Corporate Income Tax returns must then be submitted by the taxpayer or the taxpayer may electronically file the tax return using an approved software from another software developer.

(6) The Department will conduct random monitoring visits with software developers to verify that the requirements of the Alabama Electronic Filing Program are being met.

(7) The Department reserves the right to request a copy of the most current copy of the software product that is utilized in production.

(8) The Department reserves the right to revoke the acceptance of a software developer for cause. Failure to comply with the guidelines set forth in the Alabama Business Modernized E-file Program: Handbook for Software Developers and Transmitters (Publication AL4164) is considered cause.

(9) Any of the following can result in the revocation of a software developer's acceptance into the Alabama Business Modernized E-File Program:

(a) Conviction of a criminal offense under the revenue laws of any state or of any offense involving dishonesty or breach of trust.

(b) Failure to file timely and accurate personal tax returns or business tax returns.

(c) Failure to pay personal tax liabilities or business tax liabilities.

(d) Failure or refusal to effect corrective action as required by the Department.

(e) Other facts or conduct of a disreputable nature that would reflect adversely on the Alabama Business Modernized E-File Program.

(f) Unethical practices in return preparation.

(g) Suspension by IRS.

(h) Prior year submission error rate of 70% or greater.

(i) Failure to comply with any of the items listed in section 2 of this rule.

Author: Kathleen F. Campbell, Melissa Gillis, Michaelyn N. Adams
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-5.
History: New Rule: Filed February 13, 2006; effective March 20, 2006. **Amended:** Filed January 17, 2013; effective February 21, 2013. **Amended:** Filed April 4, 2014; effective May 9, 2014. **Repealed and New Rule:** Filed April 27, 2018; effective June 11, 2018.

810-3-39-.11 Acceptance, Monitoring, and Revocation Of Acceptance Into The Alabama Business Modernized E-File Program For Electronic Return Originators And Transmitters - Corporate Income Tax.

(1) SCOPE - This rule explains the requirements for electronic return originators and transmitters (not to include software developers - See Rule 810-3-39-.10) to obtain and sustain active approval to serve as the Department electronic filing agent in order to transmit returns through the Alabama Business Modernized E-File Program.

(2) Electronic return originators and transmitters accepted by and in good standing with the Internal Revenue Service (IRS) Electronic Filing Program are automatically accepted into the Alabama Electronic Filing Program. This does not include software developers who must complete the approval process with the Department (See Rule 810-3-39-.10).

(3) Electronic return originators and transmitters accepted into the Alabama Electronic Filing Program serve as agents of the Department, and must comply with the requirements of the program as stated in the Alabama Business Modernized E-file Program: Handbook for Software Developers and Transmitters (Publication AL4164).

(4) The Department will conduct random monitoring visits with Electronic Return Originators and Transmitters to verify that the requirements of the Alabama Electronic Filing Program are being met.

(5) The Department reserves the right to revoke the acceptance of an electronic return originator or transmitter for cause. Failure to comply with the guidelines set forth in the Alabama Business Modernized E-file Program: Handbook for Software Developers and Transmitters (Publication AL4164) is considered cause.

(6) Any of the following can result in the revocation of an electronic return originator's or transmitter's acceptance into the program:

(a) Conviction of a criminal offense under the revenue laws of any state or of any offense involving dishonesty, or breach of trust.

(b) Failure to file timely and accurate tax returns, both personal and business.

(c) Failure to pay personal tax liabilities or business tax liabilities.

(d) Failure or refusal to effect corrective action as required by the Department.

(e) Other facts or conduct of a disreputable nature that would reflect adversely on the Alabama Electronic Filing Program.

(f) Unethical practices in return preparation.

(g) Suspension by IRS.

Author: Kathleen F. Campbell, Melissa Gillis, Michaelyn N. Adams **Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-6. **History: New Rule:** Filed February 13, 2006; effective March 20, 2006. **Amended:** Filed January 17, 2013; effective February 21, 2013. **Amended:** Filed May 4, 2018; effective June 18, 2018.

810-3-39-.12 Alabama Requirements For Mandatory E-File Of Original Corporate Income Tax Returns.

(1) **Scope** – This rule explains the electronic filing mandate requirements and exclusions for both an Income Tax Return preparer and the C-Corporation or S-Corporation.

(2) **Definitions.**

(a) Income Tax Preparer - a person, firm or company who meet one of the following:

1. Any person who prepares an Alabama Corporate/ Partnership Income Tax Return in exchange for compensation.

2. Any person who employs another person to prepare, in exchange for compensation, any current year Alabama Corporate/ Partnership Income Tax Return.

3. Any accounting firm or company who employs a person or group of people who prepare, in exchange for compensation, any current year Alabama Corporate/ Partnership Income Tax Return.

(3) **Income Tax Return Preparer Mandate.**

(a) If an Income Tax Return preparer prepares 10 or more acceptable, original Corporate/Partnership Income Tax Return using tax preparation software in a calendar year, then for that calendar year and for each subsequent calendar year thereafter, all acceptable Corporate/Partnership Income Tax Return prepared by that Income Tax Return preparer must be filed using electronic technology, as defined in the "Electronic Tax Return Filing Act," as codified in Chapter 30 of Title 40, Code of Ala. 1975.

(b) Paragraph (3a) of this rule, applies to acceptable Corporate/Partnership Income Tax Returns required to be filed for taxable years beginning on and after January 1, 2009. Paragraph (3a) shall cease to apply to an Income Tax Return preparer if, during that calendar year and all subsequent years, the Income Tax Return preparer prepared no more than 5 original Corporate/Partnership Income Tax Returns.

(c) Paragraph (3a) of this rule, may not be interpreted to require electronic filing of acceptable Corporate/Partnership Income Tax Returns that are required to be filed on or before January 1, 2009.

(4) **C-Corporation/S-Corporation Mandate.**

(a) Corporations with assets of $5 million or more, or partnerships with 50 or more partners at the end of the corporation/partnership's taxable year are mandated to e-file Alabama Corporate/Partnership Income Tax Returns, for that calendar year and all subsequent tax years.

(5) **Exclusions from the E-file Mandate.**

(a) If an entity is exempt from filing the federal 1120 or 1120S as stated in the IRS publication 4164 for the tax year of the Alabama return being filed, then they are exempt from the Alabama e-file mandate.

(b) Opting to paper file the federal 1120 or 1120S does not exclude an Income Tax Return preparer or corporation from the Alabama e-file mandate. To be in compliance with the Alabama e-file mandate, an accepted current tax year federal return must be transmitted electronically with the mandated electronic Alabama return.

(6) Preparer Compliance with the E-File Mandate.

(a) An income tax return preparer may be subject to a random monitoring visit for not electronically filing returns.

(b) If it is shown that failure to electronically file Corporate/Partnership Income Tax Returns is due to willful neglect and no prior approval from the Department has been obtained to paper file, then that tax preparer's acceptance in the Alabama Business MeF Program shall be revoked. The tax preparer will be unable to electronically transmit Corporate/ Partnership Income Tax Returns to the Department.

Author: Melissa Gillis, Veronica Jennings, Michaelyn N. Adams
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-18-40, 40-30-1 through 6,
History: New Rule: Filed January 28, 2010, effective March 4, 2010. **Amended:** Filed January 17, 2013; effective February 21, 2013. **Repealed and New Rule:** Filed November 10, 2015, effective

December 15, 2015. **Amended:** Filed April 27, 2018; effective June 11, 2018. **Amended:** Published November 26, 2025; effective January 10, 2026.

810-3-39-.13 Requirements For The Alabama Corporate Income Tax Return.

(1) SCOPE – To define the filing and payment requirements for an Alabama electronic Corporate Income Tax return filed through the Alabama Business Modernized E-File program. Terms are defined to clarify when an electronic return is considered to be timely filed for accepted and rejected returns.

(2) Return Filing and Payment Requirements

(a) A complete Alabama electronic Corporate Income Tax return will consist of XML data transmitted electronically and supporting binary documents (such as .pdf documents) as required by the Alabama Corporate Modernized Electronic Filing (MeF) schemas, business rules, and Alabama Business MeF Software Developers and Transmitters Guidelines (Publication 4164). A complete Alabama electronic Corporate Income Tax return must contain the same information as a comparable Alabama Corporate Income Tax return as if filed entirely on paper.

(b) Corporations that electronically file their Alabama Corporate Income Tax return must also pay their tax liability electronically.

(c) S-Corporations that electronically file their Alabama S-Corporation Income Tax return must also pay their tax liability electronically on the Form PTEC (Nonresident Composite Payment Return) if applicable.

(3) Timely Filed Information for Accepted and Rejected Returns

(a) The electronic postmark or IRS received date of an accepted Alabama electronic Corporate Income Tax return will be used to determine timely filing of an electronic return in the same manner that the postmarked date is used to determine timely filing of a paper Alabama Corporate Income Tax return.

(b) The electronic postmark (based on the taxpayer’s time zone) will be used as the received date of the electronic transmission if the electronic postmark is within three (3) days of the IRS received date. However, if there is no electronic postmark date or if the electronic postmark date is greater than three (3) days of the IRS received date, then the IRS received date will be used.

(c) If a timely filed electronic return is rejected, the filer has the later of 10 calendar days from the date of the first transmission or the due date of the return (with extensions) to correct the errors and resubmit the return. In order for the Department to acknowledge the transmission date of the original return, the submission ID of the original return must be transmitted in each subsequent filing. If the return is resubmitted and accepted after the due date (with extensions) or the transmission perfection period, the received date will be the transmission date of the accepted resubmitted (perfected) return and not the date that the original rejected return was submitted.

(d) Perfection of a return for electronic re-transmission is generally required when the original timely filed electronic return had errors in the XML format, or errors that caused the return to fail Alabama Corporate MeF schema validation and or business rules. Therefore, the transmission perfection period is not an extension of time to file; it is a period of time to correct errors in the electronic file.

(e) If a filer is unable to correct a rejected electronic Alabama Corporate Income Tax Return to an accepted status, the filer must submit their paper return with a copy of the last rejection notification from the Department. To be considered timely filed, this paper return must be postmarked by the later of the due date of the return (including extensions) or 10 calendar days after the date that Alabama last gives notification that the return was rejected. If the paper return is received after the due date or the transmission perfection period, the received date will be the postmark date of the paper return.

Author: Michaelyn N. Adams, Melissa A. Gillis
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-30-5.
History: **New Rule:** Filed January 28, 2010, effective March 4, 2010. **Repealed and New Rule:** Filed April 27, 2018; effective June 11, 2018.