

**ALABAMA DEPARTMENT OF REVENUE
ADMINISTRATIVE CODE**

**CHAPTER 810-3-77
REFUND TO EMPLOYER**

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810-3-77-.01 Withholding Tax Refunds To Employers

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(1) If an employer withholds from an employee's wages an amount of tax which exceeds the amount required to be withheld pursuant to §40-18-71, Code of Ala. 1975, and remits the amount withheld to the Department, no refund will be made to the employer. The employee should claim credit for the full amount withheld on his of her Alabama income tax return filed for that year. See Rule 810-3-78-.01.

(2) If an employer remits to the Department an amount in excess of that which is due, the employer must make application for refund or claim credit within three years from the date the return was filed, or two years from the date of payment of the tax, whichever is later. Unless a claim is made within this period, no credit or refund may be allowed.

(3) An employer who erroneously withholds Alabama income tax and remits such amount to the Department for an employee whose services are performed in another state and who is not required under §40-18-27 to file an Alabama income tax return, may make application for refund or credit.

(4) When computing the amount of a withholding tax refund or credit, the amount of withholding remitted for a particular period shall include only amounts remitted to the Department. Employers shall not receive refunds or credits for amounts withheld as Job Development Fees.

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Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-10-44.8(a)(2), 41-10-44.8(b), 40-18-57.

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