

# 2018

## AL4164: ALABAMA BUSINESS MeF SOFTWARE DEVELOPERS AND TRANSMITTERS GUIDELINES AND SCHEMAS



**For software developers and transmitters of Alabama  
Business Tax Returns/Reports electronically filed via the  
Federal/State MeF System for forms:  
20C, 20CC, 20S, 65, PTEC, 41, CPT and PPT**



Alabama Department of Revenue  
Business Tax MeF Program  
Publication AL4164: 11/2018

<b>INTRODUCTION &amp; GENERAL INFORMATION .....</b>	<b>3</b>
Alabama Department of Revenue Mission Statement.....	3
Overview of Modernized e-file Program (MeF): .....	3
General Information: .....	3
Reminders for Tax Year 2018 / Filing Season 2019:.....	7
Contact Information: .....	7
<b>STATE OF ALABAMA MEF PROGRAM RULES AND REGULATIONS .....</b>	<b>11</b>
Software Acceptance, Testing and Approval:.....	11
Developer & Transmitters Responsibilities: .....	11
Monitoring and Suspension of Electronic Submission Policy: .....	13
E-File Waiver Policy: .....	13
Alabama Electronic Filing Regulations:.....	13
<b>INFORMATION APPLICABLE TO ALL FORMS .....</b>	<b>13</b>
Transmitting the Returns: .....	13
Attachments to the Electronic return:.....	14
Electronic Return Signature (AL8453-B/AL8453-C/AL8453-FDT/AL8453-PTE): .....	16
Electronic Payment/Refund Options: .....	24
Acknowledgement Types: .....	25
Error Categories:.....	25
<b>SCHEMAS / TRANSMISSION SPECIFICATIONS .....</b>	<b>26</b>
Schemas .....	26
Annotations .....	27
Special Characters.....	28
Version Control for Schemas and Business Rules .....	30
Expected Values:.....	30
Income Tax Form Specifications .....	31
Filing Due Date Information: .....	31

# Introduction & General Information

## ***Alabama Department of Revenue Mission Statement***

The Alabama Department of Revenue will efficiently and effectively administer the revenue laws in an equitable, courteous and professional manner to fund governmental services for the citizens of Alabama.

## ***Overview of Modernized e-file Program (MeF):***

The Alabama Department of Revenue (ADOR), in conjunction with the Internal Revenue Service (IRS), is accepting the following tax forms for 2018/2019 by using the IRS' Modernized E-File system (MeF):

1. 20C - Alabama Corporate Income Tax
2. 20CC - Alabama Consolidated Corporate Income Tax
3. 20S - S Corporation Information/Tax
4. 65 - Alabama Partnership/LLC
5. PTEC - Non-Resident Composite Return
6. 41 - AL Fiduciary Income Tax Returns
7. CPT - Alabama Business Privilege Tax Return and Annual Report For C-Corporations
8. PPT - Alabama Business Privilege Tax Return and Annual Report For Pass-Thru Entities

The transmission method will be a Web Service using Simple Object Access Protocol (SOAP) with attachments messaging. The return data will be formatted using Extensible Markup Language (XML). Authorized E-File providers, also known as Electronic Return Originators (ERO's) can submit returns to the IRS MeF system for federal and state return processing.

**Software developers must test with the ADOR and receive approval prior to submitting live returns.**

## ***General Information:***

**The Department will accept the following return types:**

- Linked (Forms 20C, 20S, 65 and 41)
  - Unlinked (PTEC, 20CC, CPT and PPT)
1. Linked - The E-File Program works best when the Federal and State returns are filed together in one transmission to the IRS (although this is not always possible). Upon receipt, the Internal Revenue Service will validate and verify the federal return data. The IRS will either accept or reject the federal return. The state return is only available to the Department after the federal return is accepted by IRS. If a Fed/State submission is rejected by IRS, the state will not receive the state return portion. The Fed/State submission must be re-submitted.
  2. Unlinked - IRS provides the ability for an ERO or individual to transmit/retransmit a state return through the fed/state system without simultaneously transmitting a federal return. There is no difference in the transmission sequence. State-Only returns are transmitted to the IRS, validated and made available for states to download in the same fashion as with the traditional fed/state transmission. This provides a means for individuals who file multiple state returns to have each participating state's return electronically filed. However, each state return must be transmitted separately. The taxpayer's federal return must be completed, transmitted and accepted by the IRS before transmitting/re-transmitting a State-Only return.

## **Supported Alabama Forms:**

The Department will support the following forms and schedules for Business Privilege Tax, Corporate Tax, Fiduciary Tax, and Pass-through tax return processing:

### **Business Privilege Tax:**

#### **CPT – Business Privilege Tax Return and Annual Report (C-Corporation and Other Specified Entities)**

- Schedule AL-CAR – Secretary of State Corporation Annual Report
- Worksheet BPT-NW (Balance Sheet – Net Worth Computation for Forms CPT and PPT)
- Schedule G – Financial Institution Group Computation Schedule.
- WksCPTFinancialConsGrpComp – Worksheet CPT financial consolidated group computation is required to be supported when consolidated filing for financial institutions is supported.

#### **PPT – Business Privilege Tax Return and Annual Report (Pass-Through Entities)**

- Schedule AL-CAR (For S-Corps) – Secretary of State Corporation Annual Report
- Worksheet BPT-NW (Balance Sheet - Net Worth Computation for Forms CPT and PPT)
- Worksheet BPT-NWI (Balance Sheet – Net Worth Computation for Disregarded Entities with Individual Single Member Only)
- Schedule BPT-E – Family Limited Liability Entity Election Form

### **Corporate Tax:**

#### **20C – Corporate Income Tax Return**

- Schedule A – Reconciliation Adjustments of Federal Taxable Income to Alabama Taxable Income.
- Schedule B – Alabama Net Operating Loss Carryforward Calculations.
- Schedule C – Allocation of Nonbusiness Income, Loss and Expenses
- Schedule D-1 – Apportionment Factor Schedule
- Schedule D-2 – Percentage of Sales
- Schedule E – Federal Income Tax (FIT) Deduction / Refund
- Other information
- Schedule BC – Business Credits Computation
- Schedule AB – Corporate Add Back Form
- Consolidated return indicator – “This company files as part of a federal consolidated return.”

#### **20CC – Consolidated Corporate Income Tax Return**

- Schedule AS – Affiliation Schedule
- Schedule B – Alabama Consolidated Net Operating Loss Carryforward Calculation
- Schedule AB – Corporate Add Back Form

## **Fiduciary Tax:**

### **41 – Fiduciary Income Tax Return**

- Schedule A – Computation of Alabama Income Distribution Deduction
- Schedule B – Alabama Charitable Deduction
- Schedule C – Computation of Alabama Adjusted Total Income
- Schedule K – Summary of K-1 Information
- K-1 for 41 – Fiduciary Income Tax Beneficiary Information
- NOL-F85 – Computation of Net Operating Loss
- NOL-F85A – Application of Net Operating Loss, Carryback and Carryforward
- Schedule G – Grantor Statement of Income, Deductions, Credits
- Schedule ESBT – Worksheet for Electing Small Business and Qualified Subchapter S Trusts
- Schedule D – Profit or Loss from Sales of Assets (Form 41)
- Schedule E – Supplemental Income and Loss (Form 41)
- Form 4952A – Investment Interest Expense Deduction
- Scheduled FC – Fiduciary Credit Calculation Schedule
- IRS1099R, IRS W-2, IRS W-2G (as utilized in the Form 41 Schema)
- All worksheets in the Form 41 Schema

## **Pass-through Tax:**

### **65 – Partnership/Limited Liability Company Return of Income**

- Schedule A – Nonseparately Stated Reconciliation Adjustments
- Schedule B – Allocation of Nonbusiness Income, Loss and Expenses
- Schedule C – Apportionment Factor Schedule
- Schedule D – Full Ownership (Disregarded Entities)
- Schedule E – Other Information
- Schedule K – Partners' Distributive Share Items
- Schedule P – Ordinary Income or (loss) from Partnerships, S Corporations, Trusts and Estates.
- Schedule K-1 – Owner's Share of Income, Deductions, Credits, etc.
- Schedule PAB – Pass-Through Add Back Form
- Schedule QIP-C – Qualified Investment Partnership Certificate
- Schedule PC – Pass-Through Credit Calculation Schedule
- Schedule NRC – Exempt – Subchapter K Affidavit of Exemption by Nonresident
- All worksheets in the Form 65 Schema

### **20S – S-Corporation Information / Tax Return**

- Schedule A – Nonseparately Stated Reconciliation Adjustments
- Schedule B – Allocation of Nonbusiness Income, Loss and Expenses
- Schedule C – Apportionment Factor Schedule
- Schedule D – Apportionment of Federal Income Tax (FIT)
- Schedule E – Alabama Accumulated Adjustments Account
- Schedule DE – Q-Sub/Disregarded Entity Schedule
- Schedule G – Other Information
- Schedule K – Shareholder's Distributive Share Items
- Schedule K-1 – Shareholder's Share of Income, Deductions, Credits, etc.
- Schedule PAB – Pass-Through Add Back Form
- Schedule NRA – S-Corporation Nonresident Agreement
- Schedule PC – Pass-Through Credit Calculation Schedule
- All worksheets in the Form 20S Schema

## **PTEC – Nonresident Composite Payment Return**

- Required Entity Information for Partnerships and LLCs
- PTE-CK1
- Schedule NRC – Exempt – Subchapter K Affidavit of Exemption by Nonresident

The **complete** federal return and the necessary supporting schedules as filed with the IRS are required to be attached in XML for the Alabama return to be considered complete. Failure to attach the complete federal return with the necessary supporting schedules may result in the imposition of delinquent penalties.

There are a few filing types which do not require the federal return to be attached:

1. Form PTEC
2. Form 20C - 20C Proforma Returns (filing status 5). The complete federal return should be transmitted with the parent who should file a Form 20CC.
3. Form CPT – Insurance Companies and Real Estate Investment Trusts do not have to attach the federal return.
4. Form PPT – Disregarded Entities are not required to attach the complete federal return.

### **Exclusions from Business Electronic Filing include:**

- Amended returns
- Returns that cannot be e-filed for federal purposes

Alabama will only accept one return each filing season, any subsequent filings such as additional short year returns and amended returns must be filed by paper.

**Please note:** The Department will generally not approve a request to waive the electronic filing requirement if the software purchased or licensed by a taxpayer or a return preparer does not include all of the features necessary to comply with the Modernized e-File requirements set forth in Department regulations, revenue procedures, publications, and other instructions posted to the <http://www.revenue.alabama.gov> website.

**The Department of Revenue encourages electronic filing; however, we neither support nor recommend any software company. You must address technical and support issues with the company whose product you select.**

**Please see the approved e-file Providers list at the following web address:**

**<https://revenue.alabama.gov/individual-corporate/software-vendor-information/alabama-business-modernized-electronic-filing-mef/authorized-e-file-providers-for-corporate-partnership-and-business-privilege-income-tax/>**

## Reminders for Tax Year 2018 / Filing Season 2019:

1. The max occurrence for form AS is 500.
2. The maximum size per submission is 300MB. This includes the Alabama return, federal xml data and all attachments.
3. The state of Alabama allows a **10 Calendar** day period to re-transmit the corrected return. **The perfection period starts from the date the State of Alabama rejects the original submission.** The original submission id must be transmitted with the perfected return in the element named SubmissionID (located in the manifest). This way the original submission date can be populated in our system to prevent any late filing penalties being assessed.
4. For a company filing a form 20C who files as part of a consolidated federal return and all form 20CC, Consolidated Corporate Income Tax Returns, the following information is required to be attached:
  - a. Federal Form 851, Affiliations Schedule, please identify all corporations subject to tax in Alabama (Federal851.pdf)
  - b. Pages 1-5 of the consolidated form 1120 (Consolidated1120.pdf)
  - c. Consolidated Income Spreadsheet including the column that identifies any eliminations or adjustments that occur as a result of the federal consolidation rules (ConsolidatedIncome.pdf)
  - d. Consolidated Balance Sheets by separate company for the beginning and end of year (ConsolidatedBalance.pdf)
  - e. Copy of federal Schedule K-1 for each tax entity that the corporation holds an interest in at any time during the taxable year (FederalK1.pdf)
  - f. Federal Schedule UTP (FederalUTP.pdf)
  - g. Federal form M-3 for the entire federal consolidated group (FederalM3.pdf)
5. The max occurrence for K-1s, CK-1s and NRA forms is 5000.
6. **Business Privilege Tax returns are filed separately from Business Income Tax return; therefore, Business Privilege Tax returns will have a separate Submission ID as well as a separate acknowledgement.**
7. If the business entity does not have an FEIN (Federal Employer Identification Number) then report all 9's for the FEIN (Form CPT & PPT, Page 1, Line 3b), check the "FEIN NOT REQUIRED" checkbox and report the BPT Account Number (Form CPT & PPT, Page 1, Line 3d).

### Contact Information:

**\*\*\*\*Please always contact your software vendor first for assistance.\*\*\*\***

#### FOR TECHNICAL QUESTIONS REGARDING:

- The web site
- The XML Schema
- The Summary of the XML Schema (spreadsheet)
- Additional detail of schema elements
- The sample return
- The sample xml instance document
- Software testing and approval
- Missing acknowledgements
- Rejected returns

**CONTACT:**

Business MeF Coordinator, Corporate and Business Privilege Tax

**Forms: 20C, 20CC, CPT and PPT**

Individual & Corporate Tax Division

Alabama Department of Revenue

50 N Ripley St, Room 4227

Montgomery AL 36104

**Nicci Adams, Business MeF Coordinator at 334-353-0685**

**EMAIL:**        [CORPORATE.EFILE@REVENUE.ALABAMA.GOV](mailto:CORPORATE.EFILE@REVENUE.ALABAMA.GOV) OR [nicci.adams@revenue.alabama.gov](mailto:nicci.adams@revenue.alabama.gov)

Business MeF Coordinator, Pass Through and Fiduciary Tax

**Forms: 20S, 65, PTEC and Form 41**

Individual & Corporate Tax Division

Alabama Department of Revenue

50 N Ripley St, Room 4227

Montgomery AL 36104

**Missy Gillis, Business MeF Coordinator at 334-353-9178**

**EMAIL:**        [CORPORATE.EFILE@REVENUE.ALABAMA.GOV](mailto:CORPORATE.EFILE@REVENUE.ALABAMA.GOV) OR [melissa.gillis@revenue.alabama.gov](mailto:melissa.gillis@revenue.alabama.gov)

**For Paper Forms Questions regarding:**

- Form/schedule development
- Substitute forms approval

**CONTACT:**

Forms Coordinator, Corporate and Business Privilege Tax

**Forms: 20C, 20CC, CPT and PPT**

Individual & Corporate Tax Division

50 N Ripley St, Room 4227

Montgomery AL 36104

**Tymecca Pearson, Forms Coordinator @ 334-353-2951**

**EMAIL:**        [Tymecca.Pearson@revenue.alabama.gov](mailto:Tymecca.Pearson@revenue.alabama.gov) or [ICForms.Officer@revenue.alabama.gov](mailto:ICForms.Officer@revenue.alabama.gov)

**FAX:**            334-242-0064

**CONTACT:**

Forms Coordinator, Pass Through and Fiduciary Tax

**Forms: 20S, 65, PTEC and Form 41**

Individual & Corporate Tax Division

50 N Ripley St, Room 4227

Montgomery AL 36104

**Andrea Wyatt, Forms Coordinator @ 334-353-9447**

**EMAIL:**        [Andrea.Wyatt@revenue.alabama.gov](mailto:Andrea.Wyatt@revenue.alabama.gov) or [ICForms.Officer@revenue.alabama.gov](mailto:ICForms.Officer@revenue.alabama.gov)

**FAX:**            334-242-0064



**For Business Privilege Tax questions regarding:**

- Business Privilege Tax Laws and Regulations
- Filing requirements
- General correspondence
- Billings
- Refunds
- Name and address changes
- Preliminary and Final Assessments

**CONTACT:**

Business Privilege Tax Section  
Individual & Corporate Tax Division  
Alabama Department of Revenue  
P.O. Box 327900  
Montgomery, AL 36132-7900

**TELEPHONE:** 334-353-7923

**EMAIL:** <https://revenue.alabama.gov/contact/>

Select Individual & Corporate Income Tax/Business Privilege Tax: Questions and Forms CPT, PPT, BPT-IN

**FAX:** 334-242-8915

**For Corporate Income Tax questions regarding:**

- Corporate Income Tax Laws and Regulations
- Filing requirements
- General correspondence
- Billings
- Refunds
- Name and address changes
- Preliminary and Final Assessments

**CONTACT:**

Corporate Income Tax Section  
Individual & Corporate Tax Division  
Alabama Department of Revenue  
P.O. Box 327430  
Montgomery, AL 36132-7430

**TELEPHONE:** 334-242-1200

**EMAIL:** <https://revenue.alabama.gov/contact/>

Select Individual & Corporate Income Tax/Corporate Income Tax Questions

**FAX:** 334-242-2537

**For Pass-Thru Entity Questions (S Corporation, Partnership and Fiduciary Tax) regarding:**

- Income Tax Laws and Regulations
- Filing requirements
- General correspondence
- Billings
- Refunds
- Name and address changes
- Preliminary and Final Assessments

**CONTACT:**

Pass-Thru Entity Unit  
Individual & Corporate Tax Division  
Alabama Department of Revenue  
P.O. Box 327441  
Montgomery, AL 36132-7441

**TELEPHONE:** 334-242-1033

**EMAIL:** <https://revenue.alabama.gov/contact/>  
Select Individual & Corporate Income  
Tax/Fiduciary/Estates/Partner/Scorps/Trusts:Pass Thru Entities: Forms  
20S, 65, PTEC, 41

**FAX:** 334-242-1030

**Other information:**

Alabama's website - [www.alabama.gov](http://www.alabama.gov)

Alabama Department of Revenue website – [www.revenue.alabama.gov](http://www.revenue.alabama.gov)

MAT (My Alabama Taxes) - [https://myalabamataxes.alabama.gov/ /](https://myalabamataxes.alabama.gov/)

Internal Revenue Service (IRS) – [www.irs.gov](http://www.irs.gov)

IRS Modernized e-file (MeF) information website - [https://www.irs.gov/tax-professionals/e-file-providers-partners/modernized-e-file-program-information?\\_ga=1.124978634.1563420703.1401905032](https://www.irs.gov/tax-professionals/e-file-providers-partners/modernized-e-file-program-information?_ga=1.124978634.1563420703.1401905032)

Federation of Tax Administrators (FTA) – [www.taxadmin.org](http://www.taxadmin.org)

# State of Alabama MeF Program Rules and Regulations

## **Software Acceptance, Testing and Approval:**

Testing of software developed for electronic filing is **mandatory**. The Department is committed to providing software developers with quality feedback during the testing process. Alabama will begin testing as soon as possible after the IRS makes the MeF test system available for testing. In order to ensure quality service to the software developers during the busy testing season, **software developers must begin \*examiner review by February 1, 2019.**

*\*Please see Publication AL4162 for more information with regards to testing dates and deadlines.\**

Each Software Vendor will create their own test package to adequately test schedules and return/form types supported by their software. This test package must include all Alabama State provided tests. See Publication AL4162 Alabama Test Package for information.

Developers must include edits and verifications based on the business rules provided for each element. The Department's state spreadsheet will include information on field type, field format, length, if it can be negative, if it is recurring, and the business rule or other edits and verifications for each field. Developers must closely follow the requirements for each field to insure proper data formatting.

You must list all product limitations on the LOI-B submitted before testing begins.

Developers will be given formal confirmation when software has been successfully tested. Only approved software may be released and distributed by the developer. Once approved the software vendor name and website will be posted on the ADOR site listing all supported forms, schedules and approval date.

Approval of software for electronic filing **does not** include approval of any form developed/produced for substitute paper form submission to the Department. The Forms Coordinators must approve all substitute Alabama tax forms. However, to obtain final approval for electric filing, substitute forms must be approved for the corresponding MeF forms.

## **Developer & Transmitters Responsibilities:**

Electronic Return Originators (EROs) and transmitters must be approved with the IRS in order to submit Fed/State or State-Only returns. EROs and transmitters must maintain a high degree of integrity, compliance, and accuracy to continue participation in the Alabama Electronic Filing Program.

### **CONFIDENTIALITY**

Unauthorized access or disclosure of confidential taxpayer information will result in severe Federal and Alabama criminal and civil penalties. In accordance with §40-2A-10 Code of Alabama 1975, disclosure of confidential information in violation of this statute is a class A misdemeanor.

### **COMPLIANCE**

Alabama participates in the federal/state electronic filing program. Therefore, any software developed must meet **all** federal **and** state requirements. The following guidelines compliment the IRS.

- Comply with all federal and state procedures, requirements and specifications as defined in the following publications:
  - IRS Publications 4163 - *Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120S*
  - IRS Publication 4164 - *Modernized e-File Guide for Software Developers and Transmitters*

- Alabama Publication AL4163 – *Alabama Handbook for Electronic Filers of Business Income Tax Electronic Filing Income Tax Returns*
  - Alabama Publication AL4164 - *Software Developers and Transmitters Guidelines and Schemas for Business Income Tax Returns*
  - Alabama Publication AL4162 - *Alabama Business Income Tax Electronic Filing Test Package*
- Successfully complete all testing.
  - Develop tax preparation software in accordance with statutory requirements and Department return preparation instructions.
  - Provide accurate Alabama income tax returns in correct electronic format for transmission.
  - Software must be capable of producing a duplicate printed copy of the complete filing for the Electronic Return Originator (ERO) and/or taxpayer with no errors.
  - Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate or invalid return information.
  - Developed software is not to support electronic filing (transmission) of any form not approved for electronic filing by the Department.
  - Developed software must prevent electronic transmission of returns and/or supporting documents or schedules not approved for electronic filing by the Department. This is inclusive of those not supported for electronic filing as well as those supported but not successfully tested and approved by the Department.
  - All software developers are required to test their software with Alabama test data, and only software which has been tested and approved by the Department may be used for Alabama electronic filing. The Department will reject all electronic returns submitted that are prepared using unapproved software.
  - Must adhere to all items on the LOI-B. Noncompliance with the LOI-B could result in removal from the ADOR Business MeF Program.

**Important: Software providers must be available to correct any software errors which may occur after production begins and work closely with the Department to follow up on any processing issues that may arise during filing season. If the software providers must re-release corrected software it should be done in accordance to the information agreed upon in the LOI-B and proper notification should be made to all customers. Alabama software approval can be revoked if the software produces returns which are not in compliance with these specifications and the software company fails to correct the problem upon receiving notice from the Department. The Department also reserves the right to request a copy of the final version of the Alabama approved software.**

### **Responsibility to Clients:**

EROs are entrusted with the task of filing a client's tax return and must assume the responsibility of ensuring that the return arrives at the Alabama Department of Revenue. In the event that the electronic Alabama return fails to arrive at its destination, EROs must notify their clients.

## **Form Retention Requirements:**

The ERO is required to retain an electronic copy of all returns, forms and schedules submitted for a period of **three years from the due date of the return or the date the return was filed**, whichever is later. If the need arises, the Department may request any of the documents, in writing, and the ERO must provide a copy of the document within five working days of the request.

Should an ERO decide to no longer remain in the business, the Department must be notified in order to determine the proper course of action.

## ***Monitoring and Suspension of Electronic Submission Policy:***

The Department will monitor the quality of electronic transmissions. If the quality is unacceptable, The Department will contact the ERO, software developer or transmitter. The Department will also monitor complaints about electronic filers and issue warning or suspension letters as appropriate. **The Department reserves the right to suspend the electronic filing privilege of any electronic filer, software developer or transmitter who varies from the requirements, specifications and procedures stated in this guide or any corresponding administrative rules, or who does not consistently transmit error-free returns.** When suspended, the electronic filer, software developer, or transmitter will be advised of the requirements for reinstatement into the program. Please see the LOI-B and all MeF ADOR rules for additional information.

## ***E-File Waiver Policy:***

**Software Limitations:** The Department will generally not approve a request to waive the electronic filing requirement if the software purchased or licensed by a taxpayer or a return preparer does not include all of the features necessary to comply with the Modernized e-File requirements set forth in Department regulations, revenue procedures, publications, and other instructions posted to the [www.revenue.alabama.gov](http://www.revenue.alabama.gov) website.

## ***Alabama Electronic Filing Rules (Regulations):***

Please visit the following website for the most current Alabama E-File regulations:  
<https://revenue.alabama.gov/legal/>.

Corporate / S-Corporate Tax Rules: 810-3-39

Business Privilege Tax Rules: 810-2-8

Fiduciary Tax Rules: 810-3-29

Partnership Tax Rules: 810-3-28

Act 2017-363 (HB46) - PTIN Bill

<http://arc-sos.state.al.us/cgi/actdetail.mbr/detail?page=act&year=2017&act=363>

## **Information Applicable to All Forms**

### ***Transmitting the Returns:***

Authorized E-File providers can transmit returns to the IRS MeF system for Federal and State return processing. State submissions can be made as a Federal return with a State Return attached, called a Fed/State return, or just a State return, known as a State Only submission. Each return (Fed/State or State Only) must be in a separate submission. Multiple submissions can be contained in a single message payload.

Packaging of data and transmission payload must be in the proper format.

Returns filed in XML format with SOAP attachments allow for binary attachments to the submission. These attachments may consist of Signature documents, balance sheets, statement records, or other types of documentation. The allowed file type for attachments is file extension .PDF. The file order of attachments and procedures must follow IRS requirements for binary attachments as found in IRS publication 4163. The Department will allow for binary attachments to the state return.

Send data elements only if they contain data values. Do not send empty data elements (i.e., zero financial fields, unused elements, etc.)

#### Other Packaging Guidelines:

- A submission contains either an IRS return or a state return
- Each submission is a separate file.
- Each federal return must be submitted in the agreed upon IRS XML format.
- Each state return must be submitted in the XML format specified and agreed to by IRS, state agencies, transmitters, and software developers.
- Each state return must include a copy of the FEDERAL RETURN as submitted to the IRS and any attachments associated with that federal return in XML. **If the taxpayer is included in the federal return of a consolidated group, a copy of the pro-forma FEDERAL RETURN for the company must be included along with the first four pages of the consolidated federal return.**
- If the IRS rejects a linked submission, the state will NOT receive the state return portion. The linked submission must be resubmitted.
- Each submission must be in Zip Archive format.
- No nesting of Zip archive files or returns will be allowed. (i.e. one submission, one zip.)
- The SOAP message itself must not be compressed or zipped.
- The message contains a header, a body, and an attachment. See Modernized E-File Logical ICD Model for message layout and message technical specifications.
- ERO's and transmitters must be approved with the IRS in order to submit Fed/State or State Only returns.
- The Department will produce an acknowledgement of acceptance or rejection for each state submission. The transmitter may then retrieve the Department's acknowledgement from the IRS.

#### **Transmitting Consolidated Corporate Income Tax Returns:**

The Consolidated Form 20CC will be packaged independently in a submission.

The Form 20C Filing Status 5 subsidiary will be packaged independently in a submission.

Separate submissions may be packaged in the same transmission therefore the Forms 20CC and 20C Filing Status 5 proforma returns may be transmitted together.

#### ***Attachments to the Electronic return:***

The tax return may also include non-XML documents, known as "binary attachments", submitted in PDF format. This allows taxpayers to provide requested documentation that include required signatures and third party documents as required by forms and instructions (signed copy of lease, signed appraisal statement, etc). **The maximum total size for all pdf attachments transmitted with a return is 60MB.**

Approved MeF tax preparation software should provide the necessary instructions for creating, scanning or exporting documents in PDF format and submitting these documents as attachments that are required by Alabama and IRS Publications, Code, and/or Regulations.

**Alabama programming will validate binary attachments by proper location and required title.**  
Also, the number of attachments will be verified. If the total number of binary attachments in the XML does not match the number of pdf attachments the return will be rejected.

See charts below.

```
<BinaryAttachment>  
<Reference>ALNRA</Reference>  
<DocumentType>PDF</DocumentType>  
<Description>ALNRA</Description>  
<AttachmentLocation>ALNRA.PDF</AttachmentLocation>  
</BinaryAttachment>
```

Conditional Binary Attachments for forms 20C, 20CC	Required Binary Attachment Title
If the Multistate Corporation Separate Accounting checkbox (MultiStateCorpSepAcct) is checked. A copy of the Separate Accounting Approval letter signed by the Commissioner of Revenue must be attached.	SeparateAccountingApproval.pdf (Rule AL20C-009a)
If State Proforma checkbox is populated then a copy of the subsidiary's separate 1120 proforma (prepared for AL State purposes) must be attached.	AL1120Proforma.pdf (RuleAL20C-010)
Consolidated 1120 Pages 1-5 (If applicable)	Consolidated1120.pdf (Rule AL20C-011a, AL20CCH-001b)
Federal Form 851 (if applicable)	Federal 851.pdf (Rule AL20C-011a, AL20CCH-001b)
Consolidated Income Statements (if applicable)	ConsolidatedIncome.pdf (Rule AL20C-011a, AL20CCH-001b)
Consolidated Balance Sheets (if applicable)	ConsolidatedBalance.pdf (Rule AL20C-011a, AL20CCH-001b)
Alabama Form 2220AL Underpayment of Estimated Tax for Corporations (if applicable)	Form2220AL.pdf (20C)/AL2220.pdf (20C-C). (Rule AL20C-015b, AL20CC-004)
If StateAndLocalIncomeTaxes and TaxRefunds are populated then a pdf showing a detailed schedule of taxes from the federal form 1120, Line 17.	OtherTaxes.pdf (Rule SA-AL20C-001)
.PDF copy of each Alabama corporate income tax return (page 1 only) where the Net Operating Loss listed on Schedule B that is more than six years old	NOLYYYYAL20CPg1.pdf (Rule SB-AL20C-001b, SB-AL20CC-001b)
If NetFITDeductionRefund (20C, Sch E, Line 12/20C, Line 11) is not equal to zero and the ConsolidatedReturnIndicator (20C Header 14) is populated then a PDF named 1552a1.pdf or Statements.pdf must be attached.	1552a1.pdf or Statements.pdf (Rule SE-AL20C-011)
If "Yes" is selected then Federal Form 4626 Alternative Minimum Tax - Corporations OR Federal Form 8827 Credit for Prior Year Minimum Tax - Corporations is required to be attached. The PDF should be named AltMinTax.pdf.	AltMinTax.pdf (Rule SE-AL20C-010)
Enterprise Zone Capital Credit calculations (if applicable) - This PDF should include Schedule EZ, Certificates and all calculations.	EnterpriseZoneCredit.pdf or CreditStatements.pdf if combined with other credit statements. (Rule SBC-AL20C-001)
Basic Skills Education Credit – The approved certification notice issued by the Alabama Department of Education must be attached.	BasicSkillsCert.pdf or CreditStatements.pdf if combined with other credit statements. (Rule SBC-AL20C-009b)
Income Tax Credit calculations (if applicable) - This PDF should include certificate/document of approval, computation of income generated from project, support for amount paid, and computation of the credit.	IncomeTaxCredit.pdf or CreditStatements.pdf if combined with other credit statements. (Rule SBC-AL20C-010)



Coal Tax Credit calculations (if applicable) - This PDF should include a detailed schedule computing the coal tax credit.	CoalCredit.pdf or CreditStatements.pdf if combined with other credit statements. (Rule SBC-AL20C-015)
Alabama New Markets Development Act – detailed schedule of computations for credit	NoticeofCert.pdf or CreditStatements.pdf. (Rule SBC-AL20C-015)
Alabama Historic Credit - please attach a copy of the tax certificate issued by the commission	HistoricalCredit.pdf. (Rule SBC-AL20C-032)
Dual Enrollment Credit – please attach a copy of the tax certificate issue by the Dept of Postsecondary Education.	DualEnrollment.pdf. (Rule SBC-AL20C-033)
Alabama Jobs Act – please attach a copy of the approved certification from the AL Dept of Commerce.	ALJobsAct.pdf (Rule SBC-AL20C-037)
Port Credit – please attach a copy of the approved certificate from the AL Renewal Commission.	PortCredit.pdf (Rule SBC-AL20C-040)
Growing AL Credit – please attach a copy of the approved certification from the AL Renewal Commission.	GrowingALCrdt.pdf (Rule SBC-AL20C-041)
Capital Tax Credit (if applicable) - This PDF must include Form AR (Annual Report of Project) and Form K-RCC if applicable.	CapitalCredit.pdf or CreditStatements.pdf if combined with other credit statements (Rule SBC-AL20C-045)
If ApprenticeshipTaxCrdtAllowable (Line Q1) is transmitted the Alabama Apprenticeship Tax Credit Certificate must be attached via pdf named ApprenticeshipCrdt.pdf or CreditStatements.pdf.	ApprenticeshipCrdt.pdf or CreditStatements.pdf (SBC-AL20C-133)
If IrrigationReservoirCertNmbr (Sch BC, Sect B, Part I, Line I1) is populated then the approved certificate issued by the AL Department of Agriculture and Industries, named IrrigationReservoir.pdf or CreditStatements.pdf, must be attached.	IrrigationReservoir.pdf or CreditStatements.pdf (SBC-AL20C-151)
If RefundHistoricStructCrdtAllow (Sch BC, Sect B, Part R, Line R1) is populated then attach a pdf copy of the Alabama Historical Commission Tax Credit Certificate named HistoricalCredit.pdf.	HistoricalCredit.pdf (SBC-AL20C-152)
Alabama 20CCRE – Election to File Consolidated Income Tax Return (if applicable)	AL20CCRE.pdf (RuleAL20CC-006)
<b>Conditional Binary Attachments for forms CPT and PPT</b>	<b>Required Binary Attachment Title</b>
If type of taxpayer is Insurance Company then a pdf including the Annual Statements of Liabilities, Surplus, and Other Funds must be attached.	Liability.pdf (ALCPT-003a, ALPPT-026b)
If type of taxpayer is Insurance Company then a pdf including the Schedule T (Premiums and Annuity Considerations) must be attached.	ScheduleT.pdf (ALCPT-003a, ALPPT-026b)
If type of taxpayer is Insurance Company then a pdf including pages 1-8 of the Federal Return (Form 1120PC or 1120L) must be attached.	Federal.pdf (ALCPT-003a, ALPPT-026b)
If type of taxpayer is Real Estate Investment Trust then a pdf including pages 1-5 of the Federal Return must be attached.	Federal.pdf (ALCPT-003b)

Book Value of Investments – This pdf should include a listing for each separate investment, the name of the taxpayer, the taxpayer’s FEIN, the taxpayer’s address and the book value of the investment.	Investment.pdf or ExclDedStmts.pdf (ALCPT-015, ALPPT-031)
Book Value of Investments (Financial Institution exclusion) – This pdf should include a listing for each separate investment, name of entity, entity’s FEIN, entity’s address and book value of the investment.	FinInsInvestment.pdf (ALCPT-016b)
Goodwill – This pdf should include for each direct purchase the goodwill originally acquired, the date the direct purchase occurred, accumulated amortization, the name and location of the business acquired and the name and FEIN of the entity that acquired the business and goodwill.	Goodwill.pdf (ALCPT-017, ALPPT-032)
Unamortized Post-Retirement benefits – This pdf should include a description of benefits, amortization schedule, and the line detail of the post-retirement benefits on the balance sheet.	UnamortizedPostRetirement.pdf or ExclDedStmts.pdf (ALCPT-018, ALPPT-033)
Amount Adjusted Net Worth Exceeds 6% - This pdf should include the computation of the amount claimed.	AdjustedNetWorthFI.pdf (ALCPT-019b)
Apportionment Factor – If TypeOfTaxpayer is Financial Institution Group Member "F" then Form ET-1-showing the apportionment factor calculations should be attached.	ApportionmentFactor.pdf (ALCPT-022c)
Net Investment in Bonds – This pdf should include the net amount invested, issuing agency, issuance date, and how the investment is reported on the taxpayer’s balance sheet.	BondSecurity.pdf or ExclDedStmts.pdf (ALCPT-024, ALPPT-038)
Net Investment in Pollution Control – This pdf should include supporting documentation.	PollutionControl.pdf or ExclDedStmts.pdf (ALCPT-025, ALPPT-039)
Reserves In Alabama – This pdf should include the applicable law or regulation that establishes the taxpayer’s liability, computation of that liability, and identify the location of the plant, facility, mine or site in Alabama.	AlabamaReserves.pdf or ExclDedStmts.pdf (ALCPT-026, ALPPT-040)
Investment in Housing – The pdf should include the name of the project, the FEIN of the project, the site of the project, the net amount invested in the project and it must identify how the investments are reported on the taxpayer’s balance sheet.	HousingProject.pdf or ExclDedStmts.pdf (ALCPT-027, ALPPT-041)
Enterprise Zone Credit – The pdf should include documentation from ADECA (Alabama Dept. of Economic and Community Affairs) reporting the amount of credit the taxpayer is entitled to claim.	ALEnterpriseCrdt.pdf or ExclDedStmts.pdf (ALCPT-032, ALPPT-046)
Consolidated Return Indicator is checked on Schedule G then a pdf worksheet that lists Form CPT information (lines 1-20 of page 2) for each member included in the financial institution group must be attached.	FinInsConsol.pdf (ALCPT-033d)

Zero Apportionment Factor checkbox – The pdf should give an explanation for the zero apportionment factor.	zeroapportstmt.pdf (SD1-ALCPT-074, SC-ALPPT-074b)
If Schedule G, Consolidated Return Indicator is populated then	FinInstCPTPage2.pdf (SG-ALCPT-006b)
If Family LLE indicator is populated then attach working papers that includes the following information to clearly explain the nature and amounts of the calculation for the 80% ownership test and the 90% gross receipts test: 1) Address each item listed on Schedule BPT-E, if applicable. 2) The amounts for the individual assets named in the assets test should be detailed with indication of where included on the balance sheet and the breakdown of the line amount, if necessary. 3) The amounts for the gross receipts test should be detailed with the indication of where included on the Schedule K or other Form/Schedule.	Familylle.pdf (Rule ALPPT-011b, SBPTE-ALPPT-002b, SBPTE-ALPPT-003c, SBPTE-ALPPT-004c)
If Disregarded Entity Parent is not subject and Single Member SSN is populated then attach a pdf document that includes Schedule C, Schedule C-EZ, Schedule E or Schedule F from the individual owner's tax return (or the federal individual income tax return named federal.pdf).	DEIncomeLoss.pdf or Federal.pdf (see rule ALPPT-023b)
<b>CONDITIONAL : Form 65, 20S and PTEC</b>	<b>BINARY ATTACHMENT TITLE</b>
If multistate corporate accounting, filing status 3, is selected a pdf must be attached explaining why the entity is utilizing allocation or separate accounting	SeparateAccounting.pdf (AL20S-007, AL65-009)
If Costs of Good Sold is populated on line 2 a copy of IRS1125A must be attached in the federal return or in a pdf copy.	IRS1125A.pdf (AL20S-011b, AL65-013b)
If Net Gain or Loss is populated on line 4 or on (Schedule K, Line 9 federal amount) a copy of the IRS4797 must be attached in the federal return or in a pdf copy.	IRS4797.pdf (AL20S-013b, SK-AL20S-011)
If Depreciation is claimed on line 14 the IRS4562 must be included with the federal return or attached in a pdf copy.	IRS4562.pdf (AL20S-023b)
If net rental income or loss is reported on Schedule K then IRS8825 must be included with the federal return or attached as a pdf.	IRS8825.pdf (SK-AL20S-001, SK-AL20S-002, SK-AL65-001, SK-AL65-002a)
If the Enterprise Zone Credit is claimed on the PC then a detailed schedule of computations or documentation must be attached.	EnterpriseZoneCredit.pdf or CreditStatements.pdf (SPC-AL20S-001, SPC-AL65-001)
If Basic Skills Education Credit is claimed on the PC, then the attachment must include a copy of the document of approval along with a detailed schedule computing the credit reported.	BasicSkillsEdCrtd.pdf or CreditStatements.pdf (SPC-AL20S-003, SPC-AL65-003)
If AL New Market Development Credit is claimed on the Schedule PC, then attach a detailed schedule of the credit computations.	ALNewMarketDevCredit.pdf or CreditStatements.pdf (SPC-AL20S-007, SPC-AL65-007)

If the Veteran's Employment Act (either employee credit or start-up costs credit) is claimed on the Schedule PC, attach a detailed schedule of computations and copy of veteran form DD214.	VeteransEmploymentCredit.pdf or CreditStatements.pdf (SPC-AL20S-008b, SPC-AL65-008b)
If Irrigation Credit is claimed on the Schedule PC, attach documentation and computations.	IrrigationCredit.pdf or CreditStatements.pdf (SPC-AL20S-015b, SPC-AL65-015b)
If the Historic Structures credit of 2013 is claimed on the Schedule PC, attach a copy of the tax certificate issued by the commission.	HistoricStructureCrdt.pdf or CreditStatements.pdf (SPC-AL20S-016, SPC-AL65-016)
If a credit is claimed for taxes paid to a foreign country, attach a copy of the return.	ForeignTaxReturn.pdf (SPC-AL20S-017c, SPC-AL65-017c)
If claiming the dual enrollment credit attach the approved certification from the Department of Postsecondary Education.	DualEnrollCrdtCertificate.pdf (SPC-AL20S-019b, SPC-AL65-019b)
If claiming the Alabama Jobs Act credit attach the approved certification from the Department of Commerce.	ALJobsAct.pdf (SPC-AL20S-020b, SPC-AL65-020b)
If the Alabama renewal act – port credit is claimed attach a copy of the approved certification from the Department of Commerce.	ALPortCredit.pdf (SPC-AL20S-022, SPC-AL65-022)
When claiming the capital credit attach the Form AR and Form K-RCC.	CapitalCreditARKRCC.pdf (SPC-AL20S-023b, SPC-AL65-023b)
When claiming the Apprenticeship Credit please attach a copy of the apprenticeship tax credit certificate.	ApprenticeshipCrdt.pdf (SPC-AL20S-037, SPC-AL65-037)
When claiming the Historic Structures Credit of 2017 please attach a copy of tax certificate issued by the commission.	HistoricStructuresCrdt17.pdf (SPC-AL20S-042, SPC-AL265-042)
If Net Farm Profit or Loss is populated on line 5 the IRS Schedule F must be included in the federal return or attached via pdf.	IRSScheduleF.pdf (AL65-016b)
On the Schedule E, Form 65, documentation should be attached to support any items reported on lines 5a, 5b, 6a or 6b.	OtherInformation.pdf (SE-AL65-001)
On the Schedule K, Form 65, if 1231 gain or loss is reported then the IRS form 4797 must be included in the federal return or attached via pdf.	IRS4797.pdf (SK-AL65-012)
<b>CONDITIONAL : Form 41</b>	<b>BINARY ATTACHMENT TITLE</b>
Schedule FC, Line 16, If taking a credit for income tax paid to another state.	OtherStateRtn.pdf (AL41-17)
If claiming a composite payment, a copy of the K-1s reporting the payment amounts must be attached.	CompositePmt.pdf (AL41-22a)
Capital Credit on Schedule FC– If claimed then the form KRCC must be attached	KRCC41.pdf (AL41-165)
If claiming taxes paid to another state on the Schedule FC, the other state return must be attached.	OtherStateRtn.pdf (SFC-AL41-002b)
If credit is claimed for taxes paid to a foreign country, then a copy of that tax return must be attached.	ForeignTaxReturn (SFC-AL41-009c)

If an interest deduction is claimed on Schedule C, then an attachment should be sent explaining the amount reported in detail.

SchCInterest.pdf (SC-AL41-007)

**For all other binary attachments, the tax preparation software must provide the taxpayer the ability to enter a meaningful name. The following table provides a few examples of meaningful names.**

<b>CONDITIONAL: Forms 20C, 20CC, 20S, 65 and PTEC</b>	<b>BINARY ATTACHMENT TITLE</b>
If the regulations require you to attach a merger agreement.	1120 Merger Agreement for XYZ Corporation or Statements.pdf if combined with other statements
If required to attach a detailed schedule of Other Income.	OtherIncome.pdf or Statements.pdf if combined with other statements
If required to attach a schedule of Other Property for Schedule D1 (Form 20C).	SchedD1OtherProperty.pdf or Statements.pdf if combined with other statements
If shareholder notes are more than 40 characters (20S/65 – K-1)	ShareholderNotes.pdf or K1Statements.pdf
If state notes are more than 20 characters (20S/65 K-1)	StateAdditionalInformation.pdf or K1Statements.pdf

<b>CONDITIONAL : Forms CPT and PPT</b>	<b>BINARY ATTACHMENT TITLE</b>
If Schedule G, Consolidated Return Indicator is populated then WksCPTFinancialConsGrpComp must be populated for each member OR a pdf proforma.	FinInstCPTPage2.pdf (Rule SG-ALCPT-006b)
If Other Current Assets BOY and/or EOY is populated then attach a pdf document that lists the other current assets.	OtherCurrentAssets.pdf or WksNetWorthStmts.pdf (Rules WksBPTNW-ALCPT-003 and WksBPTNW-ALCPT-004, WBPTNWI-ALPPT-003, WBPTNWI-ALPPT-004, WBPTNW-ALPPT-003, WBPTNW-ALPPT-004)
If Other Investments BOY and/or EOY is populated then attach a pdf document that lists other investments.	OtherInvestments.pdf or WksNetWorthStmts.pdf (Rules WksBPTNW-ALCPT-005, WksBPTNW-ALCPT-005, WBPTNWI-ALPPT-005, WBPTNWI-ALPPT-006, WBPTNW-ALPPT-005, WBPTNW-ALPPT-006)
If Other Assets BOY and/or EOY is populated (Form PPT), then attach a pdf document that lists other fixed assets.	OtherFixedAssets.pdf or WksNetWorthStmts.pdf (Rules WBPTNWI-ALPPT-013 and WBPTNWI-ALPPT-014)
If Other Assets BOY and/or EOY (Form CPT) is populated then attach a pdf document that lists other assets.	OtherAssets.pdf or WksNetWorthStmts.pdf (Rules WksBPTNW-ALCPT-013, WksBPTNW-ALCPT-014, WBPTNW-ALPPT-013, WBPTNW-ALPPT-014)
If Other Current Liabilities BOY and/or EOY is populated then attach a pdf document that lists other current liabilities.	OtherCurrentLiabilites.pdf or WksNetWorthStmts.pdf (Rules WksBPTNW-ALCPT-017, WksBPTNW-ALCPT-018, WBPTNWI-ALPPT-017, WBPTNWI-ALPPT-018, WBPTNW-ALPPT-017, WBPTNW-ALPPT-018)
If Other Liabilities BOY and/or EOY (Form CPT) is populated then attach a pdf document that lists other liabilities.	OtherLiabilities.pdf or WksNetWorthStmts.pdf (Rules WksBPTNW-ALCPT-021, WksBPTNW-ALCPT-022, WBPTNW-ALPPT-025, WBPTNW-ALPPT-026)

If Other Long Term Liabilities BOY and/or EOY (Form PPT) is populated then attach a pdf document that lists other long term liabilities.	OtherLongTermLiabilities.pdf or WksNetWorthStmts.pdf (Rules WBPTNWI-ALPPT-019 and WBPTNWI-ALPPT-020)
If Retained Earnings Appropriated BOY and/or EOY is populated then attach a pdf document that lists the appropriated retained earnings.	RetainedEarnings.pdf or WksNetWorthStmts.pdf (Rules WksBPTNW-ALCPT-025, WksBPTNW-ALCPT-026, WBPTNW-ALPPT-035a, WBPTNW-ALPPT-036a)
If Adjustment to Shareholder's Equity BOY and/or EOY is populated then attach a pdf document that lists the adjustments to shareholder's equity.	EquityAdjustment.pdf or WksNetWorthStmts.pdf (Rules WksBPTNW-ALCPT-027, WksBPTNW-ALCPT-028, WBPTNW-ALPPT-038a, WBPTNW-ALPPT-039a)
If this company files as part of a consolidated federal return then attach a pdf copy of Federal Form 851.	Federal851.pdf
If this company files as part of a consolidated federal return then attach a pdf copy of the consolidated 1120.	Consolidated1120.pdf
If file a consolidated corporate tax return.	ConsolidatedIncome.pdf
If file a consolidated corporate tax return.	ConsolidatedBalance.pdf

## ***Electronic Return Signature***

### ***(AL8453-B/AL8453-C/AL8453-FDT/AL8453-PTE):***

As with any corporate/partnership/fiduciary/business privilege income tax return submitted to the Department on paper, an electronic corporate/partnership/fiduciary/business privilege income tax return must be signed by an authorized corporate officer/partner and the paid preparer, if applicable.

Business Privilege Tax: The Corporation/Partnership (taxpayer) must designate an officer/partner responsible for signing the income tax return. **The officer/partner must sign and date the AL8453-B “Business Privilege Tax Declaration for Electronic Filing” to authorize the origination of the electronic submission of the return prior to the transmission of the return.** The Declaration includes the taxpayer's declaration that the return is true, correct and complete, as well as the taxpayer's Consent to Disclosure. The Consent to Disclosure authorizes the Department to disclose information to the taxpayer's Authorized IRS e-file Providers. Intermediate Service Providers, Transmitters and EROs are authorized by taxpayers to receive acknowledgement of receipt or reason for rejection of the electronic return from IRS. **If the electronic return data on a business privilege tax return is changed after the taxpayer has signed the Declaration, the taxpayer must sign a new declaration if the amounts differ.**

Corporate Tax: - The Corporation (taxpayer) must designate an officer/partner responsible for signing the income tax return. **The officer/partner must sign and date the AL8453-C “Corporate Income Tax Declaration for Electronic Filing” to authorize the origination of the electronic submission of the return prior to the transmission of the return.** The Declaration includes the taxpayer's declaration that the return is true, correct and complete, as well as the taxpayer's Consent to Disclosure. The Consent to Disclosure authorizes the Department to disclose information to the taxpayer's Authorized IRS e-file Providers. Intermediate Service Providers, Transmitters and EROs are authorized by taxpayers to receive acknowledgement of receipt or reason for rejection of the electronic return from IRS. **If the electronic return data on a corporate income tax return is changed after**

**the taxpayer has signed the Declaration, the taxpayer must sign a new declaration if the amounts differ.**

**Fiduciary Tax:** The Fiduciary or Officer responsible for the Estate or Trust must sign the income tax return. **The Fiduciary/Officer must sign and date the AL8453-FDT “Fiduciary Income Tax Declaration for Electronic Filing” to authorize the origination of the electronic submission of the return prior to the transmission of the return.** The Declaration includes the taxpayer’s declaration that the return is true, correct and complete, as well as the taxpayer’s Consent to Disclosure. The Consent to Disclosure authorizes the Department to disclose information to the taxpayer’s Authorized IRS e-file Providers. Intermediate Service Providers, Transmitters and EROs are authorized by taxpayers to receive acknowledgement of receipt or reason for rejection of the electronic return from IRS. **If the electronic return data on a fiduciary income tax return is changed after the taxpayer has signed the Declaration, the taxpayer must sign a new declaration if the amounts differ.**

**Pass Through Tax:** - The S-Corporation/Partnership (taxpayer) must designate an officer/partner responsible for signing the income tax return. **The officer/partner must sign and date the AL8453-PTE “S-Corporation/Partnership Income Tax Declaration for Electronic Filing” to authorize the origination of the electronic submission of the return prior to the transmission of the return.** The Declaration includes the taxpayer’s declaration that the return is true, correct and complete, as well as the taxpayer’s Consent to Disclosure. The Consent to Disclosure authorizes the Department to disclose information to the taxpayer’s Authorized IRS e-file Providers. Intermediate Service Providers, Transmitters and EROs are authorized by taxpayers to receive acknowledgement of receipt or reason for rejection of the electronic return from IRS.

**If the electronic return data on an S-Corporate/Partnership income tax return is changed after the taxpayer has signed the Declaration, the taxpayer must sign a new declaration if the amounts differ.**

**The Form AL8453-B/AL8453-C/ AL8453-FDT/AL8453-PTE must be completed and signed by all required parties. Do not submit this form to the Alabama Department of Revenue unless requested to do so.** The ERO is required to retain a copy of this form along with an electronic copy of all returns, forms and schedules submitted for a period of three years from the due date of the return or the date the return was filed, whichever is later. If the need arises, the Department may request any of the documents, in writing, and the ERO must provide a copy of the document within five working days of the request.

### ***Electronic Payment Options:***

Corporate/Partnership taxpayers who file their 20C, 20CC, 20S, 65, 41 and PTEC returns electronically must also pay the tax liability electronically. Forms CPT and PPT can elect to pay via check or electronically at this time.

\*Any liability due should be remitted no later than the original due date of the return. For forms CPT, PPT and 41 payments of \$750 or more must be made electronically. Non-electronic Business Privilege Tax payments must be remitted with Form BPT-V. **DO NOT MAIL FORM BPT-V IF THE PAYMENT IS REMITTED ELECTRONICALLY.**

**ELECTRONIC PAYMENT.** Section 41-1-20 requires electronic payments for all single business tax payments of \$750 or more. Substantial penalties may be assessed for noncompliance.

Please see the below link for payment options:

<https://revenue.alabama.gov/individual-corporate/payment-options/>



## ***Acknowledgement Types:***

The Department will generate an acknowledgement for all returns received. The acknowledgement record/XML schema format is included in this publication.

The Alabama acknowledgement types are:

**1. ACCEPTED:** This acknowledgement indicates the electronic return was received and successfully completed the pre-entry validation process. No further action is required regarding the transmission. **Any return not acknowledged by the Department as “accepted” is considered not filed.**

**PLEASE NOTE: After an electronic return is acknowledged as accepted, it cannot be recalled, intercepted or changed in any manner. If either the ERO or taxpayer wishes to change any entries on an accepted electronic return, an amended paper return must be filed.**

**2. REJECTED:** This acknowledgement indicates the electronic return was received and failed to successfully complete the pre-entry validation process. **The acknowledgement will contain an error rejection code number followed by a message indicating the error causing the rejection, or in the case of a schema validation error only the schema error message will be displayed.** The error conditions must be corrected and the return can then be re-transmitted as a “State-Only” return. If a rejection occurs on the due date of the return it will be considered timely filed if it is corrected and re-transmitted **within the 10 Calendar day perfection period.** Only after all attempts to correct the return and re-transmit have failed may the return be filed as a paper return. In order for the paper return to be considered timely it must be filed by the later of the due date of the return or ten (10) calendar days after the date Alabama gives notification the return is rejected. The paper return should include (1) an explanation of why the return is being filed after the due date, (2) a copy of the reject notification from Alabama to avoid late filing penalties and interest and (3) a signed copy of the AL8453-C in lieu of a signature on the paper return.

**Returns prepared with software that is not approved by the Department will be rejected.** Unless authorized by the taxpayer to discuss the return with the preparer, the Department will communicate directly with the taxpayer if additional information is needed to correct a return. EROs and transmitters will only be given limited information about the tax return, including acknowledgment of receipt by the Department through the IRS and the reason for any processing delay. See AL4165PTE, AL4165F, AL4165C and AL4165B for Alabama Error Reject Codes. Also see the business rules document for field length specifications and other business rules including **Validation Error Codes** and descriptions.

**EROs and Transmitters should allow 5 business days to receive the State acknowledgement before contacting the Department.**

## ***Error Categories:***

All MeF business rules are divided into 12 error categories. The first eight categories validate the XML data:

1. Missing Document – a tax return document is required but was not included in the tax return.
2. Data Mismatch – the data in two fields should be the same but is not. For example, if MultiSateCorpPercentage is checked on AL Form 20C, Lines 1-14 should be blank; Line 15 (StateIncomeTax) shall equal Schedule D-2 Line 4 (TaxDueOnGrossReceipts). If MultiSateCorpPercentage is checked and StateIncomeTax is not equal to TaxDueOnGrossReceipts then you will receive error message: MultiSateCorpPercentage was checked, Lines 1-14 should be blank and Line 15 (StateIncomeTax) shall equal Schedule D-2 Line 4 (TaxDueOnGrossReceipts).

3. Duplicate Condition – the tax return or the transmission file was previously received and accepted by the Department.
4. Math Error –results when a computation is incorrect.
5. Incorrect Data – data violates a business rule even though it is syntactically correct. That is, the data values for elements must conform to the format specified and the data type. Also, the data values for elements must contain only values allowed for them in the schema.
6. Missing Data – data is not provided for a required field.
7. Database Validation Error – data provided does not match the IRS database or the data provided should be present in the IRS database but is not. (e.g. the SoftwareID in the Return Header must be listed in the MeF database and in accepted status.)
8. XML Error – the data violates Schema specification. The return and transmission documents must conform to the version of the XML schema they specify.
9. System Error – a return encounters a problem with the IRS systems that prevents the return from being processed electronically.
10. Unsupported – a submitted item(s) is sent to a location that does not accept it or an unusual condition is encountered in the data.

## **Schemas / Transmission Specifications**

### ***Schemas***

The Department will use the E-Standards schema structures for the return and the schemas for common components such as headers and binary attachments developed by various states in partnership with the IRS and Software Developers. Each state develops data content schemas based on the state's own forms, schedules, and worksheets. Alabama's forms based schemas are only available on SES (State Exchange System).

There are schemas for each return type that can be transmitted to the Department. There are also business rules documents for each return:

ALCPT	AL_CPT_BusinessReturnDataState.xsd (with forms schemas) AL_CPT_BusinessRules 2018v1.0.xls
ALPPT	AL_PPT_BusinessReturnDataState.xsd (with forms schemas) AL_PPT_BusinessRules 2018v1.0.xls
AL20C	AL_20C_BusinessReturnDataState.xsd (with forms schemas) AL_20C_BusinessRules 2018v1.0.xls
AL20CC	AL_20CC_BusinessReturnDataState.xsd (with forms schemas) AL_20CC_BusinessRules 2018v1.0.xls
AL20S	AL_20S_BusinessReturnDataState.xsd (with forms schemas) AL_20S_BusinessRules 2018v1.0.xls
AL65	AL_65_BusinessReturnDataState.xsd (with forms schemas) AL_65_BusinessRules 2018v1.0.xls

ALPTEC	AL_PTEC_BusinessReturnDataState.xsd (with forms schemas) AL_PTEC_BusinessRules 2018v1.0.xls
AL41	AL_41_EstateTrustDataState.xsd (with forms schemas) AL_41_BusinessRules 2018v1.0.xls

**THE SCHEMAS FOR ALL ALABAMA RETURNS WILL BE INCLUDED IN ONE ZIP FILE. THE ZIP FILE WILL CONTAIN THE FOLLOWING:**

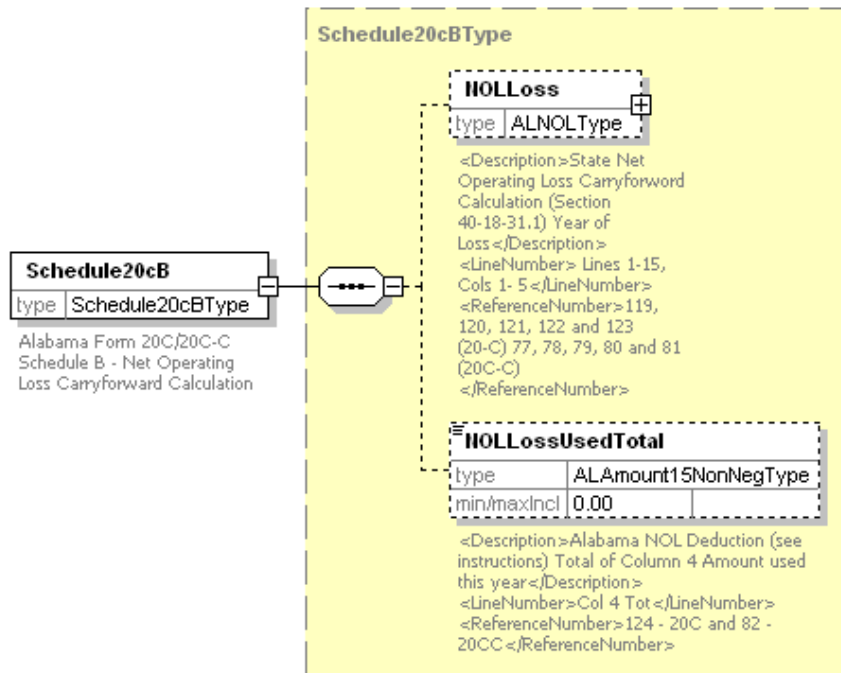
**DIRECTORY STRUCTURE AND CONTENTS:**

VALBusiness2018V1.0\Common	Contain the xsd files that make up the Common Schema set as issued by FTA/TIGERS.
VALBusiness2018V1.0\StateBusiness	Contain the return structure for each type of Business filing as issued by FTA/TIGERS.
VALBusiness2018V1.0\ALCommon	Contain the xsd files common to the Alabama returns.
VALBusiness2018V1.0\ALBusiness	Contain the xsd files specific to the Alabama Forms 20C, 20CC, CPT, PPT, 20S, 65, and PTE-C
VALBusiness2018V1.0\ALBusiness\ALForms	Contain the xsd files for the forms and schedules related to the Alabama Forms 20C, 20CC, CPT, PPT, 20S, 65, and PTE-C.
VALEstateTrust2018V1.0\Common	Contain the xsd files that make up the Common Schema set as issued by FTA/TIGERS.
VALEstateTrust2018V1.0\StateEstateTrust	Contain the return structure for each type of Fiduciary filing as issued by FTA/TIGERS.
VALEstateTrust2018V1.0\ALCommon	Contain the xsd files common to the Alabama Fiduciary Returns.
VALEstateTrust2018V1.0\VALEstateTrust	Contain the xsd files specific to the Alabama Form 41.
VALEstateTrust2018V1.0\VALEstateTrust\ALForms	Contain the xsd files for the forms and schedules related to the Alabama Form 41.

***Annotations***

Each Alabama return schema includes annotations for each element indicating the description of the element, Schedule and Line numbers on the return, and reference numbers to the Business Rules Spreadsheet.

Example from BusinessReturnAL20C.xsd/ Schedule20cB.xsd:



Generated by XMLSpy

www.altova.com

Software developers should apply data from the spreadsheet or tax forms to the appropriate data element from the XML schema.

All XML data must be well formed.

## Special Characters

### DECIMAL PLACES FOR RATIOS AND PERCENTAGES:

Ratios and percentages will use one position in front of the decimal and up to 6 decimal places.

Examples: 100% = 1.000000  
 37.3% = 0.37300

**All dollar amounts should be reported in whole dollars. Please see the below regulation for specific rules.**

### 810-3-40-.02 Whole Dollar Reporting.

(1) Whole Dollar Reporting Mandatory. Effective December 31, 1998, all tax forms, declarations, statements or other documents submitted to the Individual and Corporate Tax Division shall be completed using whole dollar amounts only.

(2) Rounding to Nearest Whole Dollar Amount. Amounts of 49 cents or less shall be rounded down to the nearest whole dollar amount. Amounts of 50 to 99 cents shall be rounded up to the nearest whole dollar amount.

Author: Judy A. Robbins

Authority: §§40-2A-7(a)(5) and 40-18-40, Code of Alabama 1975

History: New rule: Filed May 3, 2000, effective June 7, 2000.

### SPECIAL CHARACTERS:

Many business names include special characters such as the ampersand “&”. The ampersand is strictly illegal inside an XML element and will generate an error. Illegal XML Characters must be replaced by entity references.

There are 5 predefined entity references in XML:

&lt;	<	less than
&gt;	>	greater than
&amp;	&	ampersand
&apos;	'	Apostrophe
&quot;	"	quotation mark

Note: Only the characters "<" and "&" are strictly illegal in XML. Apostrophes, quotation marks and greater than signs are legal, but it is a good habit to replace them.

For example: The following example for “Pack & Move Incorporated” would create an XML error:

```
<HdrName>
  <CorporationName>
    <BusinessNameLine1>PACK & MOVE INCORPORATED</BusinessNameLine1>
  </CorporationName>
</HdrName>
```

The following is a valid XML statement for “Pack & Move Incorporated”:

```
<HdrName>
  <CorporationName>
    <BusinessNameLine1>PACK &amp; MOVE INCORPORATED</BusinessNameLine1>
  </CorporationName>
</HdrName>
```

### ***Version Control for Schemas and Business Rules***

Each tax return transmission file, and acknowledgement file has a corresponding XML schema and a respective set of business rules that are used to validate the filed tax return. Each XML transmission file schema, XML schema, and business rule document has a separate version number. It is important to note the following principles regarding version numbers:

The transmission file’s schema version (number) and the tax return(s) schema version number may be different. The tax return’s schema version number and its associated business rule number will be the same. This ensures that a set of rules enforce the appropriate schema version.

Each business rule document’s version number identifies the version of the business rule. The version number on the set of rules dictates the schemas for which the rules are enforced and the version number on the schemas dictates which rules should be invoked for that schema version.

The “Active Validating Schema Version” specifies the business rule and schema version that will be used to validate a tax return that has been received by the IRS during a timeframe. This provides a mechanism for different versions to be accepted at the same time. It also enables an older version to be validated against a newer version’s set of schemas and business rules. The IRS will publish all valid schema/business rule versions and the versions that will be used to valid it.

**VERSION NUMBERING SCHEME:**

The version number includes the tax year for which the schema and business rule document applies (YYYY), the version initial (v), and the four-digit version number (NN.NN). Note: The version initial is case sensitive. The version number of MeF business rules that are invoked for the MeF XML schemas will always have the same version number as the schema version, thereby, providing a mechanism that aligns the various versions of schemas with their applicable business rules. The structure of the version number and a few examples are given below:

AL2018V0.1  
 AL 2018V1.0  
 AL 2018V1.1  
 AL2018V2.0

The version number will change with each new tax year and each tax year's subsequent changes. New versions are generated with changes to the tax return's XML schema structure, content, and business rules. These changes will increase the version number when the new version is published. Major changes will increase the left digit and minor changes increase the right digit. This includes the following:

- A new tax year. The tax year part of the version number will change with each subsequent tax year and the version number is reset to 1.0. The testing version of the schema is represented by V0.1.
- Additions, deletions, and updates to a schema's data elements: This includes any schema modification to a form and/or attachment. Even if the tax return's business rules were not affected by the additions, deletions, and updates to the tax return's schemas, the business rule's version number will be changed to maintain the alignment between the MeF schemas and the applicable business rules.
- Additions and deletions to the business rules: If the change only impacts the business rules a notice will be sent to the software vendors and the new version will be posted to SES. We will not change the version number on the business rules. The business rule version number will always match the schema version number.

**How does MeF use Versions?**

The return data shall contain the return version used to compose it. The IRS shall publish the schema version that will be used to validate the return, called "active validating schema version", at any point in time during the processing year. The returns can be filed using any published schema version. They will be validated against the "active validating schema version" at the time the return is processed. If the return data conforms to the rules enforced by the "active validating schema version", it will be accepted.

***Expected Values:*****EXPECTED VALUES FOR SUBMISSION TYPES IN STATE MANIFEST:**

Form CPT Returns:	<b>CPT</b>
Form PPT Returns:	<b>PPT</b>
Form 20CC Returns:	<b>20CC</b>
Form 20C Returns:	<b>20C</b>
Form 20S Returns:	<b>20S</b>
Form 65 Returns:	<b>65</b>
Form PTE-C Returns:	<b>PTEC</b>
Form 41 Returns:	<b>41</b>

**EXPECTED VALUES FOR SUBMISSION CATEGORY IN STATE MANIFEST:**

Form CPT Returns:           **CORP**  
Form PPT Returns:           **PART**  
Form 20C Returns:           **CORP**  
Form 20CC Returns:         **CORP**  
Form 20S Returns:           **CORP**  
Form 65 Returns:            **PART**  
Form PTE-C Returns:        **CORP/PART- based on if the Entity Type is SubChapterK-PART,  
20S-CORP**  
Form 41 Returns:            **ESTRST**

***Income Tax Form Specifications***

For complete form specifications for all tax types please refer to the Business Rules documents and schemas for complete details, validations and error codes. The business rules documents are located on SES (State Exchange System). Only authorized users can access SES. Please contact a Business MeF Coordinator for more information.

Business Rule Documents by form type:

ALCPT	AL_CPT_BusinessRules 2018v1.0.xls
ALPPT	AL_PPT_BusinessRules 2018v1.0.xls
AL20C	AL_20C_BusinessRules 2018v1.0.xls
AL20CC	AL_20CC_BusinessRules 2018v1.0.xls
AL20S	AL_20S_BusinessRules 2018v1.0.xls
AL65	AL_65_BusinessRules 2018v1.0.xls
ALPTEC	AL_PTEC_BusinessRules 2018v1.0.xls
AL41	AL_41_BusinessRules 2018v1.0.xls

***Filing Due Date Information:***

*All returns should be filed in a timely manner.*

**The receipt date of the electronic transmission is based on the electronic postmark date as long as the electronic postmark date is within (3) days of the IRS Received Date. If no electronic postmark date is transmitted or if the Electronic Postmark date is greater than 3 days of the IRS Received Date, the IRS received date will be used. The electronic postmark must be adjusted to the time zone where the taxpayer resides to determine the postmark’s actual time.**

**Any return not acknowledged by the Department as “accepted” is considered not filed.**

**\*\*Tax Year 2018 Forms 20C, 20CC, 20S, 65 and PTEC should be filed by the same date as corresponding federal income returns are required to be filed as provided under federal law. If the due date falls on a Saturday, Sunday or state holiday, the return will be due the following business day.**

**\*\*For Taxable Year/Form Year 2018 or after and determination periods ending on December 31, 2017 and after, corporations (with the exception of financial institutions) can file their business privilege tax returns by the same date as the corresponding federal income tax returns that are required to be filed as provided under federal law. The corporation’s tax liability is due at the same time as the due date of an original return. However, financial institution groups will file their business privilege tax return no later than the corresponding Alabama Excise Tax return.**

**Act 2016-412, SB263 amends Sections 40-18-27, 40-18-39 and 40-18-42 Code of Alabama 1975.  
Effective Date: For taxable years beginning on or after January 1, 2016.**

**Section 40-18-39(a)**

**Corporate returns.**

(a) Except as provided in subsection (c), every corporation, joint stock company, or association subject to income tax under this chapter shall file a return with the Department of Revenue for each taxable year, stating specifically the items of its gross income and the deductions and credits allowed by this chapter. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall file returns for such corporations in the same manner and form as corporations are required to file returns. Any tax due on the basis of such returns filed by receivers, trustees, or assignees shall be collected in the same manner as if collected from the corporations of whose business or property they have custody and control. **Returns shall be filed by the same date as the corresponding federal income tax returns are required to be filed as provided under federal law.** The Department of Revenue may grant a reasonable extension of time for filing returns under such rules and regulations as it shall prescribe. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months.

**Section 40-18-42**

**Time and methods of payment of tax.**

(a) Time of payment for individuals. In the case of individuals, the total balance of the tax owed after credits for taxes paid through withholding as provided in Section 40-18-78, or through estimated payments as provided in Sections 40-18-82 and 40-18-83, shall be due and payable at the same time as the due date of an original return.

(b) Time of payment for fiduciaries. In the case of fiduciaries, the total amount of the tax imposed by this chapter shall be paid on April 15 following the close of the calendar year or, if the return should be made on the basis of a fiscal year, then on the fifteenth day of the fourth month following the close of the fiscal year.

(c) Time of payment for corporations. In the case of corporations, the balance of the tax owed after credits for taxes paid through estimated payments as provided in Section 40-18-80.1 shall be due and paid at the same time as the due date of an original return.

(d) Voluntary advance payment. The tax imposed by this chapter or any estimated tax payment thereof may be paid, at the election of the taxpayer, prior to the date prescribed for its payment.

**Section 40-18-29(b)**

**Fiduciary returns.**

(b) Returns made on the basis of a calendar year shall be filed on or before April 15 following the close of such calendar year. Returns made on the basis of a fiscal year shall be filed on or before the fifteenth day of the fourth month following the close of such fiscal year. The Commissioner of Revenue or such person as may be in charge of the Department of Revenue may grant any reasonable extension of time for filing returns.



**Act 2017-363, HB46 amends Sections 40-14A-22 and 40-14A-25 Code of Alabama 1975  
Effective Date: For Tax returns due on or after January 1, 2018.**

**(4) The tax return for all members of a financial institution group shall be due no later than the corresponding Alabama financial institution excise tax return due date.**

**Section 40-14A-25(a)**

Business Privilege Tax Returns – Filing of Returns

Current code:

Except as provided in Section 40-14A-22(f) (4), the return is due not later than March 15 of the taxable year for all taxpayers except limited liability entities for which the due date of the return shall be April 15 of the taxable year, or, in the case of a taxpayer's initial return, 30 days after the taxpayer comes into existence, qualifies or registers to do business, or commences doing business in Alabama as the case may be.

Revised Code per Act 2017-363, HB46:

Except as provided in Section 40-14A-22(f) (4), return required by this section is due no later than the corresponding federal income tax return as required to be filed as provided under federal law.

**\*\*Please note this does not apply to the form BPT-IN which is not supported by BMF.\*\***

Returns for partnerships are required to be filed on or before the date the taxpayer's corresponding federal tax return is due (810-3-28-.01).

**810-3-28-.01 Partnership Returns.**

(1) (a) All partnerships having "substantial nexus" from property owned or business conducted in this state shall file the Alabama Form 65 on or before the due date, including extension. All single member limited liability entities having "substantial nexus" from property owned or business conducted in this state shall file the appropriate Alabama income tax return. The appropriate income tax return will be determined based on the entity's classification for federal purposes, found in IRC Section 7701. Returns for both partnerships and single member limited liability entities, whether filing as a separate entity or as a disregarded entity, as a division of its owner, are required to be filed on or before the date the taxpayer's corresponding federal tax return is due. If no federal tax return is required, the due date is the date in which the taxpayer would be required to file if the federal return was required.

**After an electronic return is acknowledged as accepted, it cannot be recalled, intercepted or changed in any manner. If either the ERO or taxpayer wishes to change any entries on an accepted electronic return, an amended paper return must be filed.**