

810-2-8-.11 Issuance of a Certificate of Good Standing for the Alabama Business Privilege Tax.

(1) Scope. This rule provides guidance about the request for and issuance of the certificate of good standing allowed by §40-2A-10, Code of Alabama 1975, concerning the filing and payment compliance of a business entity with the Alabama business privilege tax filing and payment requirements of Chapter 14A, Title 40, Code of Alabama, 1975, The Alabama Business Privilege and Corporate Shares Act of 1999.

(2) Section 40-14A-22, Code of Alabama 1975, levies an annual privilege tax on every corporation, limited liability entity, and disregarded entity doing business in Alabama, or organized, incorporated, qualified, or registered under the laws of Alabama.

(a) When the term, “business entity,” is used in this rule, it has the same meaning as is used for the term “taxpayer,” in Chapter 14A, Title 40, Code of Alabama, 1975.

(b) See Section 40-14A-1, Code of Alabama 1975, for the definitions of “corporation,” “limited liability entity,” “disregarded entity,” and “taxpayer.”

(3) Section 40-14A-43, Code of Alabama 1975, exempts certain nonprofit entities from the Alabama business privilege tax. The section refers to the entities described in 26 U.S.C. §501(a) as being exempt from the tax. Also, the section specifically identifies additional nonprofit entities that are exempt from the tax.

(a) See Alabama Department of Revenue Rule Number 810-2-8-.07, Definition of Homeowners Association for Purposes of Administering the Alabama Business Privilege Tax Law, for a clarification of the exempt nature of homeowners associations.

(4) Section 40-2A-10, Code of Alabama 1975, as a general rule, prohibits the disclosure of tax returns and tax return information, without the written permission or approval of the taxpayer. As one of the exceptions to the general disclosure rule, the section allows the Commissioner of Revenue or his or her delegate to disclose in writing, to any person that makes such a request, the status of compliance of business entities subject to the Alabama business privilege tax.

(a) The Department will issue a certificate of good standing to a requesting person with respect to a business entity if the business entity is subject to the Alabama business privilege tax; has filed all tax returns required under Chapter 14A, Title 40, Code of Alabama 1975; and, has paid all of the taxes, penalties, and interest shown payable on those returns, as those returns may have been adjusted by the Alabama Department of Revenue.

return and the related payment with any employee of the paid preparer, upon determining that the paid preparer employee is authentic.

(g) If, the Department issues a notice that a certificate of good standing cannot be issued, and within five business days of the issuance date of the notice, information, returns, or payments are provided to the Department which will cause the business entity to be in compliance with the business privilege tax filing and payment requirements, then a certificate of good standing may be issued, at no additional fee. Otherwise, a new certificate of good standing request must be submitted with the required payment, if a certificate of good standing is needed for the business entity.

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Authority: Sections 40-2A-7(a)(5) and 40-2A-10, Code of Alabama 1975

History: New rule: Filed May 25, 2011, effective June 29, 2011.