

Electronic Return Record Layouts



Alabama Individual Income Tax Returns

Tax Year 2007



Alabama Department of Revenue
Income Tax Electronic Filing Center
Publication AL1346 (Rev. 9-07)

**2007 Electronic Return Record Layouts
Alabama Individual Income Tax Returns**

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INTRODUCTION

The Alabama Department of Revenue (ADOR) participates with the Internal Revenue Service (IRS) in the Federal/State Electronic Filing Program. Under the program Alabama individual income tax returns are filed electronically with Federal individual income tax returns. Alabama individual income tax returns can only be electronically filed by transmitting the state data with the taxpayer's Federal data.

This document, Electronic Return Record Layouts for Alabama Individual Income Tax Returns (Tax Year 2007), is to be used in conjunction with IRS Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns (Tax Year 2007). This document is intended only to convey the requirements for the Alabama data in the generic record and the unformatted records, it is not intended to be an explanation of IRS Publication 1346. Software developer compliance with IRS Publication 1346 is required for Alabama electronic returns.

Any New AL Forms, Schedules, Changes, Updates or Deletions made to the Prior Year Alabama Record Layout are indicated with the symbol "=>" and highlighted with a "yellow background" in bold print. Text highlighted with a "blue background" denotes areas of special attention/interest. Text highlighted with a "red background" denotes Current Draft IRS/AL Form line numbers that are subject to change.

Attached to this document, to assist in your understanding of the 2007 Alabama electronic return, are draft copies of:

=> 2007 Form 40: Alabama Individual Income Tax Return

2007 Alabama Schedule A: Itemized Deductions,

2007 Alabama Schedule B: Interest and Dividend Income,

2007 Alabama Schedule CR: Credit for Taxes Paid to Other States

2007 Alabama Schedule DC: Donations Check-Offs

2007 Alabama Schedule D: Profit from Sale of Real Estate, Stocks, Bonds, etc.

2007 Alabama Schedule E: Supplemental Income and Loss

2007 NOL- 85A: Net Operating Loss Carryback or Carryforward

2007 NOL- 85: Computation of Net Operating Loss

2007 IRS Forms and Schedules applicable to the Alabama electronically filed return.

2007 Alabama ERO Handbook for Electronic Filers

Acceptable Alabama Returns and Excluded Returns

Alabama accepts refund, nonpayment and balance due returns. Alabama basically will except all Federal Forms and Schedules **except** for the following **exclusions**:

2007 SCHEDULE/FORM OCCURRENCES: ALABAMA AND FEDERAL

ALABAMA:

1. **Alabama Schedule B:** Alabama can accommodate for more than 10 interest items and more than 10 dividend items.
2. **Alabama Schedule CR (located at the bottom of the AL Schedule B):** Alabama will allow for one (1) occurrence of the "Credit for Taxes Paid To Other States"
3. **Alabama Schedule D:** Alabama can accommodate for 20 occurrences of the Alabama Schedule D (400 transactions) for each return transmitted/filed. The return cannot be electronically filed if there are more than 20 occurrences of the Alabama Schedule D.
4. **Alabama Schedule E:** Alabama can accommodate for 15 occurrences of the Alabama Schedule E for each return transmitted/filed. The return cannot be electronically filed if there are more than 15 occurrences of the Alabama Schedule E.
5. Alabama will allow for one (1) occurrence of the NOL-85A "Net Operating Loss Carryback or Carryforward" and one (1) occurrence for the NOL-85 "Computation of Net Operating Loss."

NOTE: NON-RESIDENT AND 40X RETURNS CANNOT BE E-FILED, THUS THEY ARE EXCLUDED FROM THE NOL 85/85A (COMPUTATION-APPLICATION). ONLY E40 RETURNS CAN BE ACCOMPANIED BY AN NOL 85/85A.

6. If the 2007 Alabama return cannot be contained within 9 unformatted records, the return cannot be filed electronically.

FEDERAL:

1. **Federal Schedule C, C-EZ:** Alabama can accommodate for 7 occurrences of the Federal Schedule C, C-EZ. (Only (2) C-EZs can be transmitted/filed per return). The return **cannot be electronically** filed if there are **more than 7 occurrences** of the **Federal Schedule C, C-EZ**.
2. **Federal Schedule D:** Alabama can accommodate for 20 occurrences of the Federal Schedule D for each return transmitted/filed. The return cannot be electronically filed if there are more than 20 occurrences of the Federal Schedule D.

Acceptable Alabama Returns and Excluded Returns

(Continued)

3. **Federal Schedule E:** Alabama can accommodate for **15 occurrences of the Federal Schedule E** for each return transmitted/filed. **The return cannot be electronically filed if there are more than 15 occurrences of the Federal Schedule E.**
4. **Federal Form 2106/2106EZ:** Alabama can accommodate one **(1)** each per taxpayer. **Example: A Joint Alabama Return could have one (1) 2106-EZ per taxpayer or each taxpayer could have one (1) 2106 each. A taxpayer cannot have both a 2106 and a 2106-EZ.**
5. **W-2s:** Alabama will support the expansion of W-2, lines 15 through 20 to support **four (4) states**. Alabama will **not allow for more than 20 W-2s** to be transmitted. **Alabama will not allow for more than 20 W-2's** to be transmitted.
6. **1099-Rs:** Alabama will allow for **20 occurrences of the Federal 1099R.**
7. **Alabama will be participating in the Federal/State Acknowledge System. Alabama will follow the Federal IRS 120 Byte Acknowledgement Record Layout. Section 5 outlines the optional fields Alabama will use in the 120 Byte Acknowledgement Record Layout.**

ATTENTION: Alabama requires an entire copy of the Federal return to be attached to the Alabama Unformatted Record.

ALABAMA EXCLUSIONS

1. Alabama returns with more than **10 dependents** are excluded for the 2007 tax year
2. Alabama will not allow for more **than 1 (one) Alimony Recipient** electronically. An AL electronic return requiring more than 1 (one) Alimony Recipient cannot be electronically filed.
3. **Form 40X**, Amended Alabama Individual Income Tax Return.
4. **Prior year returns** - any return not for tax year 2007.
5. **Non-calendar year** filers.
6. **Non-residents - Form 40NR.**
7. **Form 40A.**
8. **Foreign Address Returns.**

ALABAMA EXCLUSIONS

(Continued)

9. **Form 40, Page 1, Line 19 - Credits:** If a taxpayer must claim a credit for the Basic skills Education Credit, the Coal Credit, the Rural Physician Credit, the Capital Credit, or the Alabama Enterprise Zone Act Credit, the taxpayer cannot file the return electronically for 2007.
11. **Alabama Withholdings form K-1's, 1099INT or any return(s) containing AL Withholding** other than W-2's, W-2G's, and 1099R's **are excluded** from the Alabama E- File Program and a **paper return must be filed**.
10. **State-Only 'SO' Amended returns** for Alabama.
11. **Deceased Taxpayers** or any Federal return containing the **Federal Form 1310**.
12. **NOTE: NON-RESIDENT AND 40X RETURNS CANNOT BE E-FILED, THUS THEY ARE EXCLUDED FROM THE NOL 85/85A (COMPUTATION-APPLICATION). ONLY E40 RETURNS CAN BE ACCOMPANIED BY AN NOL 85/85A.**

ERO Form Retention Requirements

The Electronic Return Originator (ERO) is required to retain a copy of all Alabama/Federal Forms and Schedules for a period of three years from the due date of the return or the date the return is filed, which ever is later.

If the need arises, ADOR will request any of the documents, in writing, and the ERO must provide a copy of the document within five working days of the request.

Alabama Acknowledgments

Alabama will be participating in the Federal Acknowledgement System. Alabama will also retain an active account with StAck (DRAKE) to acknowledge receipt of the Alabama data packet from the IRS if the IRS EMS System "shuts down" or is non-operational. Alabama will follow the IRS 120 Byte Record Acknowledgement Layout.

Software Approval Required

An Alabama ELF return will not be rejected if the return is prepared using ADOR-approved software and the return meets the criteria as defined in the 2007 Alabama Error Reject Codes. The Software Developer Code in IRS field no. 300 (Alabama Generic Record) will be used to determine if the return was prepared using ADOR-approved software. All accepted Alabama electronic returns (meaning those received and not rejected), will be processed. **Software Vendors are required to inform their software users of their software limitations. For example: If you do not support Form CR, Schedule Ds, Schedule Es, etc.**

2007 Alabama Error Reject Codes

Each rejected Alabama acknowledgement file will contain a specific Alabama error code. This error code will be located in the 120 Byte IRS State Acknowledgements (ACKR Record) field 0090. Alabama will only identify one (1) error code per rejected return. If a return is transmitted with any of the error codes as defined in Section 3, the return will be rejected by the ADOR. If rejected, the transmitter can correct the error, and retransmit the AL40 using the IRS "SO" (State – Only) option. The AL40 can be retransmitted indefinitely until the return is accepted by Alabama. Please provide a copy of the Error Reject Codes to your clients. Please see Section 3 for a list of the new/updated 2007 Alabama Error Reject Codes.

Signature Documents

The ADOR requires the preparation of Alabama Form AL8453 (Alabama Individual Income Tax Declaration for Electronic Filing), and requires the ERO to retain the completed document with W-2s, W-2Gs, 1099-Rs, and all other IRS/AL Forms and Schedules applicable to the Alabama electronic return. Alabama Form AL8453 is patterned after IRS Form 8453. A copy of Form AL 8453 can be found in the ERO Handbook located in Section 7.

In addition Alabama Form **AL8453OL (Individual Income Tax Declaration for On-Line Filing)** must be completed for Alabama PC On-Line returns, and must be retained by the taxpayer. A copy of Form AL 8453-OL can be found in the ERO Handbook located in Section 7.

Alabama Form 40V Individual Income Tax Payment Voucher/E-Check

The **Alabama Form 40V** will serve as the remittance advice for payments on all Alabama individual income tax returns, including paper and electronic returns. A copy of Form 40V is included in Section 4 of this document, with instructions for completing the form. Credit card payments can no longer be made using the Alabama Form 40V Payment Voucher. You can use your **American Express, Discover, Novus, or Master Card to pay your Alabama income taxes. Credit Card payments may be made by telephone by calling 1-800-2PAY-TAX (1-800-272-9829), or over the internet by visiting www.officialpayments.com**, and clicking on the "Payment Center" link. There is a convenience fee for this service. The fee is paid directly to Official Payments Corporation based on the amount of your tax payment. You must enter a Jurisdiction Code when prompted. **The Jurisdiction Code for Alabama is 1100.**

Please incorporate the Alabama 40V Payment Voucher and the Instructions for making payments by Credit Card into your software. **A copy of the 40V Payment Voucher and the Instructions for "How to Pay Your Taxes by Credit Card" must be provided to the taxpayer.**

Taxpayers can now pay online using E-Check. This service is free to the taxpayer. Please incorporate the official payments link into your software.

Software developers may interface their product to automatically send the payment information to Official Payments using a Simple Transaction Processor API provided by Official Payments Corporation. This API places no restrictions on programming language or platform because of its use of the standards of XML, HTTP, and SSL. To implement this functionality with your software product contact:

Dion J Preston
Implementation Coordinator
Official Payments Corporation
(925) 855-5033

Direct Deposit of Refunds

The record layout for direct deposit can be found in Section1 (Generic), page 2 (Fields 024, 025, 030, 032, 035, 040 and 048). Please follow the guidelines as set forth in IRS Publication 1346 for the check digit validation of the RTN (Routing Transit Number). Alabama requires that all software vendors incorporate the check digit validation method to verify the RTN.

An Electronic Return Originator (ERO) must follow the same rules and guidelines for the Alabama Direct Deposit as specified in the IRS Handbook for Electronic Filing (Publication 1345), under Refund Returns and Direct Deposit of Refunds.

The ADOR will make every attempt to process a direct deposit. **However, if a direct deposit cannot properly be completed, a paper check will be issued.**

NOTABLE CHANGES FOR THE YEAR 2007

➤ Part Year Return can now be Efiled

Part-year residents of Alabama should only report income earned while a resident of Alabama. Itemized deductions must be prorated to reflect only those expenses incurred while a resident of Alabama. Federal Tax Liability must be prorated by applying a percentage of Alabama adjusted gross income to Federal adjusted gross income in order to calculate the amount deductible on line 12 of Form 40. Part-year residents are allowed to deduct the full standard deduction, personal, and dependent exemptions.

➤ IRS Field # 020 Declaration Control Number: Year Digit changed to Value '8'.

➤ AL Error Reject Codes: Alabama will be adding/updating AL Error Reject Codes. See Section 3 for additions/changes.

➤ In an effort to streamline the Electronic Extension process for our tax preparers we have worked with Alabama Interactive to have help them save time

Please contact:
Sloane Wright, Director of Marketing
Alabama Interactive
334-261-1989

He will be able to lead you through the process of implementing this most helpful tool.

Drake Software was able to help us with implementing this new program and it has been very successful.

Please see the link below for instructions.

Link for instructions and data format.

<https://test.alabamainteractive.org/taxextension/GetBulkInstructions.do>

Test Link for the Software Vendors to determine if your coding is successful.

<https://test.alabamainteractive.org/taxextension/>

- Software Vendors should also place a link within their software that will allow taxpayers and tax preparers to access Alabama's Electronic Estimated Payments page. See the following link: <https://www.alabamainteractive.org/taxestimation/>

ALABAMA SALARIES, WAGES, AND TIPS DEFINED

GENERIC FIELD # 350: Total AL Wages: Form 40, Pg. 1, line 5. Total Alabama Wages (Field 350 - AL Generic Record) must equal the total amount of all state wages (including Wages Earned Out of State) as reported in Box 16 of the Federal 1040 W-2 (IRS Fields #'s 0390 and 0460). **ALABAMA WILL ACCEPT AN ELECTRONIC RETURN WITH A STATUTORY EMPLOYEE VIA A W-2 OR FEDERAL SCHEDULE C.** A plus/minus +/- \$3.00 variance allowance has been added to Generic Field 350 to allow for rounding errors.

NOTE: ALABAMA DOES NOT FOLLOW THE FEDERAL 1040 CRITERIA FOR SALARIES, WAGES, TIPS, ETC. (LINE 7, IRS FIELD # 0375).

THE 2007 AL40 INSTRUCTION BOOKLET FOR LINES 5A THROUGH 5D "WAGES, SALARIES, TIPS, ETC." STATES THE FOLLOWING: "INCOME" SHOW THE AMOUNT OF WAGES YOU WERE PAID BEFORE TAXES, INSURANCE, ETC. WERE DEDUCTED. YOU SHOULD USE THE AMOUNT SHOWN IN THE BOX HEADED "STATE WAGES" ON YOUR FORM W-2. THE AMOUNT SHOWN IN THIS BOX MAY OR MAY NOT BE THE SAME AS THE AMOUNT TAXABLE FOR FEDERAL PURPOSES. ALL OTHER TAXABLE ITEMS LISTED ON YOUR W-2 FORM THAT ARE NOT INCLUDED IN THE "STATE WAGES" BOX SHOULD BE ENTERED ON LINE 8, PART 1, PAGE 2."

THE FOLLOWING INCOME AMOUNTS AS DEFINED BY LINE 7 OF THE FEDERAL 1040 **MUST NOT** BE INCLUDED IN ALABAMA GENERIC FIELD 350 (WAGES, SALARIES, TIPS), AL40, PG 1, LINE 6. **THE ALABAMA E-FILE PROGRAM WILL GENERATE AN ALABAMA ERROR CODE # 50 AND REJECT THE ELECTRONIC**

RETURN. THESE AMOUNTS SHOULD BE REPORTED ON AL40, PG. 2, PART 1, LINE 8 "OTHER INCOME", ALABAMA UNFORMATTED RECORD, SEQ. # 095. THE DESCRIPTION OF THE ITEM, LINE 8, "STATE NATURE AND SOURCE" SHOULD BE REPORTED IN AL UNFORMATTED RECORD, SEQ. # 090.

ALABAMA SALARIES, WAGES, AND TIPS DEFINED

(CONTINUED)

ITEMS NOT ON FORM W-2 OR FORM 1099R:

1. **Miscellaneous Income, from Federal Form 1099-MISC**
2. **Earned Income from Federal Form 2555 (Foreign Earned Income)**
3. **Excess reimbursement, from Federal Form 2106**
4. **Excess Adoption Benefits**
5. **Forfeited Childcare Benefits from Federal Form 2441**
6. **Excess moving expense reimbursement, from Federal Form 3903**
7. **Wages earned as a household employee – House Hold W-2**
8. **Sick pay or disability payments**
9. **Wages from a Foreign Source**
10. **Ordinary income from ESPP stock sale**
11. **Ordinary income from incentive stock options**
12. **Federal "Guaranteed" Payments to K-1 Partnership**
13. **Taxable Scholarships**
14. **Taxable tips from Federal Form 4137**

FORM W-2:

1. **Social Security Tips**
2. **Bonuses**
3. **Fees**
4. **Commissions**
5. **Allocated Tips OR tips from Federal Form 4137**

6. Advanced EIC payments

7. Dependent Care Benefits

ALABAMA SALARIES, WAGES, AND TIPS DEFINED

(CONTINUED)

FORM 1099R:

- 1. Disability before minimum retirement age**
- 2. Return of contributions**

MISCELLANEOUS ISSUES FOR SOFTWARE VENDORS

If the Federal 1040 Schedule D only has capital gain distributions, then transfer to AL40, Schedule D, seq. # 005, the description “Cap Gain Dist”, and place the amount in seq. # 040. This formatting WILL NOT generate AL Error Code # 200.

If the Federal 1040 Schedule E has 4835 “Farm Rental Income and Expenses”, then transfer the gain or loss from line 32 of Federal Form 4835 to AL40, Pg. 2, Part I, line 8 “Other Income”. Enter in seq. # 090 the description “Farm Rental Income/loss”, and place the amount in seq. # 095.

If the Federal 1040 Schedule C has 8829 “Expenses for Business Use of Your Home”, then AL Error Code # 195 will not be valid.

Alabama will retain the date field format as MMDDCCYY for all AL40 Unformatted Records that contain an Alabama Schedule. We will change the date field format to YYYYMMDD on all Federal Forms and Schedules captured and used by Alabama. IRS date changes will be made to the Federal Form 2106, 2106 EZ, and the W-2G.

ALABAMA CONTACT PERSONNEL

2007

Tavares Mathews: Alabama E-File Coordinator

Telephone (334) 353-9497

Fax Number (334) 353 - 8068

E-mail Address: tavares.mathews@revenue.alabama.gov

Electronic Filing Help Desk (334) 353-9497

E-mail Address: erohelpdesk@revenue.state.al.us

ADOR Internet Website: www.revenue.alabama.gov

Mail correspondence to:

**Tavares Mathews: Alabama E-File Coordinator
Alabama Department of Revenue
Income Tax Electronic Filing Center
P.O. Box 327450
Montgomery, AL 36132**

ALABAMA ELECTRONIC FILING CALENDAR

For The Tax Year January 1, 2007 to December 31, 2007

=> **Begin Federal Software Testing** **November 13, 2007**

=> **Begin ADOR Software Testing** **November 13, 2007**

=> **Final Date for
First ADOR Test** **January 1, 2007**

=> **Federal/State Electronic Filing Operational** **January 11, 2007**

=> **Last Date For Timely Filed Returns
(Last Day for Retransmitting)** **April 15, 2007**
April 20, 2007

Last Date for Extended Filing **October 15, 2007**

=> **NOTE: These dates are subject to change at any time. Also, software
developers are encouraged to transmit their first tests as soon as
possible after November 11, 2007, and no later than January 1, 2007.**

PUBLICATIONS

The following publications specify the applicable policies and procedures for Federal/State Electronic Filing, and for the Alabama Electronic Filing Program:

INTERNAL REVENUE SERVICE PUBLICATIONS

Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns

Publication 1345A, Filing Season Supplement for Electronic Return Originators (Tax Year 2007)

Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns (Tax Year 2007)

Publication 1436, Test Package for Electronic Filing of Individual Income Tax Returns (Tax Year 2007)

ALABAMA DEPARTMENT OF REVENUE PUBLICATIONS

Publication AL1345, Alabama Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 2007)

Publication AL1346, Electronic Return Record Layouts for Alabama Individual Income Tax Returns (Tax Year 2007)

Publication AL1436, Alabama Department of Revenue Test Package for the Electronic Filing of Individual Income Tax Returns (Tax Year 2007)

REJECTION OF ALABAMA RETURNS

The return must be prepared using ADOR-approved software and meet the criteria as defined in the 2007 Alabama Error Reject Codes. The Software Developer Code in IRS field no. 300 in the Alabama Generic Record will be used to determine that the return was prepared using ADOR-approved software. All accepted Alabama electronic returns (meaning those received and not rejected), will be processed. **Please see Section 3 for a list of the 2007 Alabama Error Reject Codes.**

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 ADOR. The ADOR also reserves the right to request a copy of the final version of the Alabama approved software.

DIFFERENCES BETWEEN THE ALABAMA ELECTRONIC RETURN AND THE PAPER FORM 40

The record layout for the Alabama electronic return has been designed to be as similar as possible to the paper Alabama Form 40, with the following **exceptions**:

1. **Alabama Tax Withheld is required on line 5 (col. A) and line 22, Form 40, page 1 of the paper return. Line 5, column A, is not required on the electronic return.**
2. The paper return requires the taxpayer to provide dependent information on line 1a, Part III, Form 40, page 2. Space is allowed on the paper form for up to four dependents. **The Alabama electronic return allows for providing the information for up to 10 Dependents.**
3. The paper Alabama Schedule B - Interest and Dividend Income allows the taxpayer to provide information for up to nine Interest Payers and nine Dividend Payers. **The electronic return will accommodate more than 10 Interest items and more than 10 Dividend items.**

ALABAMA DEPARTURE FROM SOFTWARE STANDARDS

Alabama has adopted the standards established by states participating in the Federal/State Electronic Filing Program; however, Alabama redefines the following IRS alphanumeric fields in order to record the information in the Alabama Automated Revenue Information System (ARIS):

IRS Field # 060: Name Line 1 - Primary Last Name and Primary Suffix:

A required field - Alabama can accommodate up to 30 characters for names. Please truncate the Primary Last Name at 27 characters. See Section 1, Pg. 3.

IRS Field # 065: Name Line 2 - Secondary Last Name and Secondary Suffix:

Alabama can accommodate up to 30 characters for names. Please truncate the Secondary Last Name at 27 characters. See Section 1, Pg. 3.

IRS Field # 070: Name Line 3 – Primary First Name and Initial ‘&’ Secondary First Name:

A required field - Alabama can accommodate 35 characters for this field. The first character of the first name of the primary taxpayer must be in the first position of Generic Record Field # 070. Between the first name and initial of the primary taxpayer and the first name of the secondary taxpayer must be an ampersand (&) preceded by a space and followed by a space. The following are examples of acceptable formats:

Edward F & Cynthia

Hugh & Nancy

G T & Mary

ALABAMA ITEMIZED DEDUCTIONS AND STANDARD DEDUCTION

=> **The Alabama Standard Deduction can be determined by referring to the standard deduction table in the Alabama Form 40 Instructions Booklet on page 9.**

The Alabama Adjusted Gross Income is found at line 10, page 1 of the paper Form 40, and at IRS field number 380 on the Generic Record.

Taxpayers should claim the larger of the itemized deductions or the standard deduction, but not both.

Also, special rules concerning itemized deductions and the standard deduction apply when a taxpayer files with the filing status of Married Filing Separately. Both spouses must itemize the deductions or both must claim the standard deduction. Each spouse must claim only the itemized deductions he or she actually paid.

ALABAMA TAX TABLE

The tax for 2007 Alabama electronic returns (line 18, Form 40, page 1 on the paper return and IRS field number 420 on the Alabama Generic Record) can only be computed using the 2007 Alabama Tax Table. **The 2007 Alabama Tax Table is unchanged from the 2002 table. A copy of the 2007 Tax Table can be found in the Alabama Form 40 Instruction Booklet. Please visit our website: www.revenue.alabama.gov to obtain a copy (WHEN AVAILABLE).**

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS GENERIC RECORD

FORM 40, PAGE 1

Line Number 1 – 4: Filing Status. Determines personal exemption to be used on line 14. See IRS field no. 305 on the Generic Record.

~~Line Number 5: Information concerning the qualifying person for a taxpayer electing the filing status of Head of Family, or information concerning the spouse for taxpayers electing the filing status of Married filing Separate Return. See IRS field no. 305 on the Generic Record.~~

Line Number 5: Wages. Amount must agree with the total amount of State Wages reported on the W-2s. See IRS field no. 350 on the Generic Record. Please note that an Alabama taxpayer can have wages, taxable by the State of Alabama, from more than one state. Also, Alabama wages can often differ from Federal wages. Note: There is a +/- \$3.00 variance allowance for Generic Record Field 350 to allow for rounding errors.

ALABAMA WILL ACCEPT AN ELECTRONIC RETURN WITH A STATUTORY EMPLOYEE VIA A W-2 OR FEDERAL SCHEDULE C.

NOTE: ALABAMA DOES NOT FOLLOW THE FEDERAL 1040 CRITERIA FOR SALARIES, WAGES, TIPS, ETC. (LINE 7, IRS FIELD # 0375).

THE 2007 AL40 INSTRUCTION BOOKLET FOR LINES 5A THROUGH 5D “WAGES, SALARIES, TIPS, ETC.” STATES THE FOLLOWING: “INCOME” SHOW THE AMOUNT OF WAGES YOU WERE PAID BEFORE TAXES, INSURANCE, ETC. WERE DEDUCTED. YOU SHOULD USE THE AMOUNT SHOWN IN THE BOX HEADED “STATE WAGES” ON YOUR FORM W-2. THE AMOUNT SHOWN IN THIS BOX MAY OR MAY NOT BE THE SAME AS THE AMOUNT TAXABLE FOR FEDERAL PURPOSES. ALL OTHER TAXABLE ITEMS LISTED ON YOUR W-2 FORM THAT ARE NOT INCLUDED IN THE “STATE WAGES” BOX SHOULD BE ENTERED ON LINE 8, PART 1, PAGE 2.”

Line Number 6: Interest and Dividend Income. Amount must agree with the Total Interest and Dividend Income reported on Schedule B. See IRS field no. 355 on the Generic Record.

Line Number 7: Other Income. Amount must agree with the Total Other Income reported on Page 2, Part I, line 9. See IRS field no. 365 on the Generic Record.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS GENERIC RECORD

(CONTINUED)

- Line Number 8: Total Income. Amount must equal the total of line 5 (wages), plus the amounts reported on lines 6 and 7. See IRS field no. 370 on the Generic Record.
- Line Number 9: Total Adjustments to Income. Amount must equal the amount on Page 2, Part II, line 8. See IRS field no. 375 on the Generic Record.
- Line Number 10: Adjusted Gross Income. Amount must equal line number 8 less line number 9. See IRS field no. 380 on the Generic Record.
- Line Number 11: Itemized Deductions or Standard Deductions. Amount must equal the amount of the standard deduction, or the amount of itemized deductions reported on line 26 of Schedule A. See IRS field no. 385 on the Generic Record.
- Line Number 12: Federal Tax Liability from your 2007 Federal return. See IRS field no. 390 on the Generic Record. Form 40, Pg. 1, line 12, must equal the amount reported on Federal 1040, line 56 plus line 59. Federal 1040 A, line 38 and Federal 1040 EZ, line 10.
- Line Number 13: Personal Exemptions. Amount must equal the amount of personal exemption for the filing status claimed by the taxpayer. See IRS field no. 400 on the Generic Record.
- Line Number 14: Dependent Exemption. Amount must equal the amount reported on line 2, Part III, Form 40, page 2. See IRS field no. 405 on the Generic Record.
- Line Number 15: Total Deductions. Amount must equal the sum of Line 12, line 13, 14, and line 15. See IRS field no. 410 on the Generic Record.
- Line Number 16: Taxable Income. Amount must equal Line 15 less line 10. See IRS field no. 415 on the Generic Record. **Note: If negative – do not default to zero.**

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS GENERIC RECORD

FORM 40, PAGE 1

Line Number 17: Tax Due. Amount must equal the amount computed from the Alabama Tax Table. Taxpayers CAN NOW use Form NOL- 85A to compute the tax for 2007 Alabama E40 Electronic Returns. See IRS field no's 305 and 420 on the Generic Record. If the Form NOL -85A Box is checked in IRS field 305, then IRS Field 420 must be present.

Line Number 18: Credits. Taxpayers can claim a credit for taxes paid to other states. If so, the Schedule CR flag in IRS field no. 305 of the Generic Record must be populated with "X." If a taxpayer must claim a credit for the Basic Skills Education Credit, the Coal Credit, the Rural Physician Credit, the Capital Credit, or the Alabama Enterprise Zone Act Credit, the taxpayer cannot file the return electronically for 2007. See IRS field no. 425 on the Generic Record.

Line Number 19a: Net Tax Due. Amount must equal line 18 less line 19. See IRS field no. 430 on the Generic Record.

Line Number 19b: Consumer Use Tax. See IRS field no. 435 on Generic Record.

Line Number 20a: Alabama Democratic Party. Amount must equal zero, \$1, or \$2. See IRS field no. 440 on the Generic Record.

Line Number 20b: Alabama Republican Party. Amount must equal zero, \$1, or \$2. See IRS field no. 445 on the Generic Record.

Line Number 21: Total (tax liability and voluntary contribution). Amount must equal the sum of lines 19a, 19b, 20a, and 20b. See IRS field no. 455 on the Generic Record.

Line Number 22: Alabama income tax withheld, as reported on W-2s, W-2Gs, and Form 1099R's. See IRS field no. 460 on the Generic Record. Only Alabama income tax withheld must be reported in this field. Note: There is a +/- \$1.00 variance allowance for Generic Record Field # 460. Please include AL Withholdings from Statutory Employee W-2s in Field # 460. Alabama Withholdings from K- 1's, 1099INT or any return(s) containing AL Withholding other than W-2's, W-2G's, and 1099R's are excluded from the Alabama E-File Program and a paper return must be filed.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS GENERIC RECORD

FORM 40, PAGE 1

Line Number 25: Total Payments. Amount must equal the sum of lines 22, 23, and 24. See IRS field no. 475 on the Generic Record.

Line Number 26: Amount You Owe. Amount must equal the amount on line 25, Total Payments, which exceeds line 21, Total Tax Liability and Voluntary Contributions. See IRS field no. 480 on the Generic Record. Include line 27 (IRS field no. 485) on line 27 (IRS field no. 480), if applicable.

Line Number 27: Estimate Penalty. Include line 27 (IRS field no. 485) on line 26 (IRSfield No. 480), if applicable.

Line Number 29: Amount Overpaid. Amount must equal line 25 less line 21. See IRS field no. 490 on the Generic Record.

Line Number 32: Total (donations and application to 2007 estimated tax). Amount must equal the sum of lines 30 and 31 See IRS field no. 550 on the Generic Record.

Line Number 33: Refunded to You. Amount must equal line 28 less line 31. See IRS field no. 555 on the Generic Record.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

FORM 40, PAGE 2, PART I - OTHER INCOME

Line Number 2: Business Income or (Loss). Must equal the amount reported as Net Profit or (Loss) on line 31 of the Federal Schedule C or line 3 of the Federal Schedule C - EZ. See seq. no. 035 Form 40, page 2, Unformatted Record.

Line Number 3: Gain or (Loss) from Sale of Real Estate, Stocks, Bonds, etc. Must equal the amount reported as Total Net Profit or (Loss) on the Alabama Schedule D. See seq. no. 045 Form 40, page 2, Unformatted Record.

Line Number 6: Rents, Royalties, etc. Must equal the amount reported as Total Income or (Loss) on line 25 of the Alabama Schedule E. See seq. no. 080 Form 40, page 2, Unformatted Record.

Line Number 7: Farm Income (Loss). Must equal the amount reported as Net Farm Profit or (Loss) on line 36 of the Federal Schedule F. See seq. no. 085 Form 40, page 2, Unformatted Record.

Line Number 8: Other Income. "State Nature and Source of Other Income". See seq. no. 090 Form 40, page 2, Unformatted Record. Other Income Amount must be reported in seq. no. 095.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

FORM 40, PAGE 2, PART I - OTHER INCOME

(CONTINUED)

Line Number 9: Total Other Income. Amount must equal the sum of lines 1 through 8. See seq. no. 100 Form 40, page 2, Unformatted Record.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

FORM 40, PAGE 2, PART II - ADJUSTMENTS TO INCOME

Line Number 4: Alimony Paid. Please provide the requested information concerning the alimony recipient; also please provide the amount of alimony paid. See seq. no. 125 through 155 Form 40, page 2, Unformatted Record.

Line Number 6: Moving Expenses. Please provide the requested information concerning the moving expenses. The amount claimed as moving expenses must equal the amount reported on line 5 of the Federal Form 3903, Moving Expenses. See seq. no. 165 through 180 Form 40, page 2, Unformatted Record.

Line Number 8: Total Adjustments. Amount must equal the sum of lines 1 through 7. See seq. no. 190 Form 40, page 2, Unformatted Record.

FORM 40, PAGE 2, PART III – DEPENDENTS

Line Number 1a: **Dependent (information). Please provide the information requested for each of the dependents claimed. See seq. nos. 195 through 440 Form 40, page 2, Unformatted Record.**

Line Number 1b: **Total Number of Dependents Claimed. Must equal 10 or less, and the information requested for each of the dependents claimed must be provided. See seq. no. 445 Form 40, page 2, Unformatted Record.**

Line Number 2: **Amount Allowed (For Dependent Exemption), Form 40, Pg. 2, Part III, line 2 (AL Seq. no. 450 - AL Unformatted Record) must equal amount on Form 40, Pg. 1, line 14 (Field 405 - Alabama Generic Record). If Amount on Form 40, Pg. 1, Line 10 (Field 375 – Generic Record equal 0 – 20,000 then Dependent Exemption must be \$1,000 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b.); if Amount on Form 40, Pg.**

1, Line 10 (Field 375 – Generic Record equal 20,001 – 100,000) then Dependent Exemption must be \$500 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b. ; if Amount on Form 40, Pg. 1, Line 10 (Field 375 – Generic Record is over 100,000 then must be \$300 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b.) (see instructions page 10)

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

ALABAMA SCHEDULE A - ITEMIZED DEDUCTIONS

Part-year residents of Alabama should only report income earned while a resident of Alabama. Itemized deductions must be prorated to reflect only those expenses incurred while a resident of Alabama. Federal Tax Liability must be prorated by applying a percentage of Alabama adjusted gross income to Federal adjusted gross income in order to calculate the amount deductible on line 12 of Form 40. Part-year residents are allowed to deduct the full standard deduction, personal, and dependent exemptions.

- Line Number 2: Enter amount from Form 40, line 11. Amount must equal the amount from Form 40, line 11, Adjusted Gross Income. See seq. no. 035, Alabama Schedule A, Itemized Deductions Unformatted Record.
- Line Number 3: Multiply amount. Amount must equal line 2 (seq. no. 035) times 4% (0.04). See seq. no. 040, Alabama Schedule A, Itemized Deductions Unformatted Record.
- Line Number 4: Subtract line 3 from line 1. Amount must equal line 1 (seq. no. 030) less line 3 (seq. no. 040). If zero or less enter zero. See seq. no. 045, Alabama Schedule A, Itemized Deductions Unformatted Record.
- Line Number 8: Other taxes. Provide a description of Other Taxes. See seq. no. 065 and 070, Alabama Schedule A, Itemized Deductions Unformatted Record.
- Line Number 9: Add the amounts on line 5 through 8. Amount must equal the sum of lines 5 through 8. See seq. no. 075, Alabama Schedule A, Itemized Deductions Unformatted Record.
- Line Number 10b: Home mortgage interest not reported.... Provide name and address of person to whom home mortgage interest was paid, when the home mortgage interest was not reported on form 1098. See seq. nos. 085 and 090, Alabama Schedule A, Itemized Deductions Unformatted Record.
- Line Number 12: Investment Interest. Must equal the amount reported as Investment Interest Expense Deduction on line 6 of the Alabama Form 4952A. See seq. no. 100, Alabama Schedule A, Itemized Deductions Unformatted Record.

Line Number 13: Add the amounts.... Amount must equal the sum of lines 10 through 12 See seq. no. 105, Alabama Schedule A, Itemized Deductions Unformatted Record.

Line Number 17: Total (Gifts to Charity). Amount must equal the sum of lines 14 through 16. See seq. no. 125, Alabama Schedule A, Itemized Deductions Unformatted Record.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

ALABAMA SCHEDULE A - ITEMIZED DEDUCTIONS

Line Number 18a: Enter amount from Federal Form 4684. Must equal the amount reported on line 16 of the Federal Form 4684. See seq. no. 130, Alabama Schedule A, Itemized Deductions Unformatted Record.

Line Number 18b: Enter 10% of adjusted gross income. Amount must equal 10% of Adjusted Gross Income - line 11, page 1 of the Form 40. See seq. no. 135, Alabama Schedule A, Itemized Deduction Unformatted Record.

Line Number 18c: Subtract line 18b from line 18a. If zero or less, enter -0. See seq. no. 140, Alabama Schedule A, Itemized Deductions Unformatted Record.

Line Number 19: Unreimbursed employee expenses. Provide a description of unreimbursed employee expenses, or submit a Federal Form 2106. If a Federal Form 2106 is transmitted with the Alabama return enter "Form 2106" in seq. no.150 and amount in seq. no.145, Schedule A, Itemized Deductions Unformatted Record.

Line Number 20: Other expenses. Provide a description of other expenses and the amount of the other expenses. See seq. no. 155 and 160, Alabama Schedule A, Itemized Deductions Unformatted Record.

Line Number 21: Add the amounts on line 19 and 20. Amount must equal the sum of line 19 and line 20. See seq. no. 165, Alabama Schedule A, Itemized Deductions Unformatted Record.

Line Number 22: Multiply the amount.... Amount must equal 2% of Adjusted Gross Income - line 11, page 1 of the Form 40. See seq. no. 170, Alabama Schedule A, Itemized Deductions Unformatted Record.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

ALABAMA SCHEDULE A - ITEMIZED DEDUCTIONS

(Continued)

Line Number 23: Subtract line 22... Amount must equal line 21 less line 22, but must not equal less than zero. See seq. no. 175, Alabama Schedule A, Itemized Deductions Unformatted Record.

Line Number 24: Other. Provide a description of Other Miscellaneous Deductions and amount for Other Miscellaneous Deductions. See seq. no. 180 and 185, Alabama Schedule A, Itemized Deductions Unformatted Record.

Line Number 26: Total Itemized Deductions. Amount must equal the sum of lines 4, 9, 13, 17, 18c, 23, 24 and 25. See seq. no. 190, Alabama Schedule A, Itemized Deductions Unformatted Record.

ALABAMA SCHEDULE B - INTEREST AND DIVIDEND INCOME

Line Number 1: Alabama can accommodate more than 10 interest items.
See Section 2 B, Pg. 3.

Line Number 2: Alabama can accommodate more than 10 dividend items. See Section 2 B, Pg. 4.

Line Number 3: Amount must equal the sum of taxable interest fields and the sum of dividends received fields. See seq. no. 280, Alabama Schedule B, Interest and Dividend Income Unformatted Record. See Section 2 B, Pg. 4.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

ALABAMA SCHEDULE CR – CREDIT FOR TAXES PAID TO OTHER STATES

Note: There is only one occurrence for the AL Sch CR. Aggregate all Credits For Taxes Paid to Other States (if more than one) to the AL Sch CR – lines 1, 2, 3 and 4 (one occurrence). AL Sch CR Seq #s 50, 100, 200, 300 and 400. The Description in line 1 (AL Seq # 50) must read “All States”. The aggregate total of all Out-of-State Credits must be reported on line 5 (AL Seq # 500) and the amount brought forward to Field 425 (AL Generic Record).

Line Number 1: Enter the amount of taxable income as shown on the “OTHER STATES” return(s).

Line Number 2: Enter the amount of Tax Due from the Other State(s) return using Alabama tax rates.

Line Number 3: Enter the amount of Tax Due from the Other State(s) return or Form W-2G.

Line Number 4: Enter the amount of Tax Due on the Alabama return as shown on the AL40, Page 1, line 18.

Line Number 5: CREDIT ALLOWABLE: Enter the amount from line 2, 3, 4, which ever is the smallest.

NOTE: If AL Sch CR line 5 is present (AL Seq # 500) then AL Sch B, Seq # 280 must be equal to or greater than zero.

ALABAMA SCHEDULE D - PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC:

For each item of property sold, up to twenty items, please provide the following information:

- a. Kind of property:
- b. Date acquired: Follow Federal 1346 "Field Description" for this field.
- c. Date sold: Follow Federal 1346 "Field Description" for this field.
- d. Amount received
- e. Depreciation allowable since acquisition
- f. Cost or other basis
- g. Subsequent improvements
- h. Net profit or (loss) computed as follows:

[Amount received plus depreciation allowable]

Less:

[Cost or other basis plus subsequent improvements]

Line 1: Total Net Profit or (Loss). Must equal the sum of the net profit or loss for each item of property sold. See seq. no. 990, Alabama Schedule D, Profit from Sale of Real Estate, Stocks, Bonds, etc. Unformatted Record.

If the Federal 1040 Schedule D only has capital gain distributions, then transfer to AL40, Schedule D, seq. # 005, the description "Cap Gain Dist", and place the amount in seq. # 040. This formatting WILL NOT generate AL Error Code # 200.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

ALABAMA SCHEDULE E - SUPPLEMENTAL INCOME AND LOSS

The rental real estate and royalties section of the Alabama Schedule E is designed to be similar to the Federal Schedule E. Please note that the Alabama Schedule E does not provide for statement records.

If the Federal 1040 Schedule E has 4835 "Farm Rental Income and Expenses", then transfer the gain or loss from line 32 of Federal Form 4835 to AL40, Pg. 2, Part I, line 8 "Other Income". Enter in seq. # 090 the description "Farm Rental Income/loss", and place the amount in seq. # 095.

Line 3: Total Rents Received. Provide the total of the rents received for properties A, B, and C. See seq. no. 0125 of the Alabama Schedule E.

Line 4: Total Royalties Received. Provide the total of the royalties received for properties A, B, and C. See seq. no. 0155 of the Alabama Schedule E.

Line 12: Total Mortgage Interest Received. Provide the total of the mortgage interest for properties A, B, and C. See seq. no. 0380 of the Alabama Schedule E.

Line 19: Total Expenses (not including depreciation) - Property A. Provide the total of the expenses for property A, lines 5 through 18. See seq. no. 0970 of the Alabama Schedule E.

Line 19: Total Expenses (not including depreciation) - Property B. Provide the total of the expenses for property B, lines 5 through 18. See seq. no. 0980 of the Alabama Schedule E.

Line 19: Total Expenses (not including depreciation) - Property C. Provide the total of the expenses for property C, lines 5 through 18. See seq. no. 0990 of the Alabama Schedule E.

Line 19: Total Expenses (not including depreciation) - All properties. Provide the total of the expenses for properties A, B, and C. See seq. no. 1000 of the Alabama Schedule E.

Line 20: Total Depreciation. Provide the total of the depreciation for properties A, B, and C. See seq. no. 1040 of the Alabama Schedule E.

ALABAMA SOFTWARE EDITS AND CROSS-CHECKS UNFORMATTED RECORDS

ALABAMA SCHEDULE E - SUPPLEMENTAL INCOME AND LOSS

- Line 21: Total Expenses (including depreciation) - Property A. Provide the total of the expenses for property A. See seq. no. 1050 of the Alabama Schedule E.
- Line 21: Total Expenses (including depreciation) - Property B. Provide the total of the expenses for property B. See seq. no. 1060 of the Alabama Schedule E.
- Line 21: Total Expenses (including depreciation) - Property C. Provide the total of the expenses for property C. See seq. no. 1070 of the Alabama Schedule E.
- Line 22: Income or (loss) - Property A. Provide the net amount of rental/royalty income for property A. See seq. no. 1080 of the Alabama Schedule E.
- Line 22: Income or (loss) - Property B. Provide the net amount of rental/royalty income for property B. See seq. no. 1090 of the Alabama Schedule E.
- Line 22: Income or (loss) - Property C. Provide the net amount of rental/royalty income for property C. See seq. no. 1100 of the Alabama Schedule E.
- Line 23: Total Real Estate and Royalty Income or (Loss). Provide the total of the amounts on line 22 for properties A, B, and C. See seq. no. 1150 of the Alabama Schedule E.
- Line 24: Total Income from Partnerships, S Corporations, Estates and Trusts. Provide the totals of the amounts listed on column j, Part II of the Alabama Schedule E. See seq. no. 1945 of the Alabama Schedule E.
- Line 25: Total Income or (Loss). Provide the totals of line 23 and line 24. See seq. no. 2000 of the Alabama Schedule E.

IRS/ALABAMA ACKNOWLEDGMENT SYSTEM

Alabama will be participating in the Federal Acknowledgement system

The Internal Revenue Service (IRS) shall provide State Acknowledgement service on its Front End Processing System, known as EMS (Electronic Management System). Alabama will send their State Acknowledgements to EMS for trading partners to pick up the Alabama ACK file.

The Alabama Acknowledgment System is designed to inform transmitters that the Alabama return data packet has been retrieved from the IRS, and whether the filing is accepted or rejected (**See AL Error Reject Codes – Section 3**). The Alabama acknowledgment record does not indicate acceptance of the return as filed, nor does it guarantee that a refund for the requested amount will be issued.

Under normal processing conditions, Alabama acknowledgments are posted on a daily basis upon return retrieval from the IRS. Transmitters who transmit for electronic return originators and preparers must notify them of the State acknowledgment at the time of receipt.

Transmitters should compare the Alabama acknowledgment records to the returns transmitted to determine that all returns were successfully received by the ADOR. **The timely posting of Alabama acknowledgments by software developers to their clients is strongly encouraged.** In the event a transmitter does not successfully transmit a state record electronically, immediate confirmation allows the transmitter to promptly file the return through the normal paper process.

“Direct Filers” should contact their software vendor to inquire if the IRS/AL ACK service is provided in the “Direct Filers” software. If it not provided, software vendors should inform those clients who transmit “DIRECTLY” to the IRS must establish a separate account (via the IRS 8633) with IRS.

Developers should design their systems to accommodate duplicate acknowledgment records, in the event that a retransmission of acknowledgment records is necessary. The Alabama test procedures will include accessing the state acknowledgment system.

After each retrieval from the IRS, the ADOR will create the appropriate acknowledgment records and post them to the IRS EMS. Contact Tavares Mathews at (334) 353-9497 if acknowledgments are not received within five days.

Transmitters must contact the State regarding rejections, taxpayer problems or any other questions that may arise about the state acknowledgement.

PLEASE REFER TO SECTION 6 FOR FULL DETAILS ON THE 120 BYTE IRS/AL ACKNOWLEDGEMENT RECORD LAYOUT SPECIFICATIONS.

ALABAMA TESTING PROCESS

All software developers are required to test their software with Alabama test data, and only software which has been tested and approved by the ADOR may be used for Alabama electronic filing. The ADOR will reject all electronic returns submitted that are prepared using unapproved software (as indicated by the Software Developer Code in IRS field no. 300 of the Alabama Generic Record).

Upon request, software developers will be provided Alabama record layouts and test scenarios with instructions. The test scenarios will be based on Alabama return data. Alabama testing will begin as soon as the software developer has passed 15 Federal returns at the primary service center. **Software developers and ADOR must agree on the Software Developer Code in IRS field no. 300 of the Alabama Generic Record prior to testing.**

- =>** The ADOR will retrieve the state test data through the IRS Austin Submission Processing Center, process it, evaluate it, and notify the software developers of the results within 24 hours of receipt. The IRS anticipates to begin testing **November 13, 2007**. The ADOR anticipates that qualified software developers can begin testing on the same date.
- =>** The ADOR is committed to providing software developers with quality feedback during the testing process. In order to ensure quality service to the software developers during the busy testing season, software developers are encouraged to transmit their first tests as soon as possible after **November 13, 2007**, and **no later than January 1, 2007**. A file of software developers accepted by Alabama will be maintained by the ADOR, will be posted on our web site and will be provided to EROs upon request.

Software testing for the 2007 tax year will also encompass the Alabama Form AL8453 and the Alabama Form AL8453OL (if applicable).

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 ADOR. The ADOR also reserves the right to request a copy of the final version of the Alabama approved software. **(If requested)**: Please send the software and manual to the following address:

**Tavares Mathews: Alabama E-File Coordinator
Alabama Department of Revenue
Income Tax Electronic Filing Center
P.O. Box 327450
Montgomery, AL 36132**

ALABAMA RECORDS

In compliance with IRS Publication 1346, a "state packet" consists of one Generic Record followed by up to nine Unformatted Records for a taxpayer.

Only whole dollar amounts can be entered on Alabama forms.

Special Characters:

The only special characters allowed for name fields are the ampersand (&) and the hyphen (-).

Alphanumeric special characters allowed are the same as specified in IRS Publication 1346, Part I, Section 5.03.

THE ALABAMA GENERIC RECORD

The Alabama Generic Record will consist of page 1 of the Form 40, Alabama Individual Income Tax Return. The record layout for the Alabama Generic Record is included in Section 1.

Each transmitted record must contain a valid Software Developer Code in IRS field no. 300 of the Alabama Generic Record. The developer must provide the Software Developer Code to ADOR prior to testing with the Department.

ALABAMA UNFORMATTED RECORDS

The Alabama Unformatted Records Will Contain

Form 40, Page 2 - Alabama Individual Income Tax Return

Alabama Schedule A - Itemized Deductions

Alabama Schedule B - Interest and Dividend Income

Alabama Schedule CR – Credit for Taxes Paid To Other States

Alabama Schedule DC – Donation Check-Offs

Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Alabama Schedule E - Supplemental Income and Loss,

Alabama NOL 85/85A – Net Operating Loss Computation and Application

NOTE: 40NR AND 40X RETURNS ARE EXCLUDED FROM THE NOL (COMPUTATION/APPLICATION) AND CAN NOT BE TRANSMITTED TO AL. THE NOL 85/85A ONLY APPLIES TO THE E40 ELECTRONICALLY FILED ALABAMA RETURN.

The Alabama return must include a copy of the entire Federal return in the AL Unformatted Record. The Federal Return should be located at the end of the AL Unformatted Record.

Federal Schedule C	Profit or Loss from Business, (Short Form)
Federal Schedule C-EZ	Profit or Loss from Business,
Federal Schedule F	Profit or Loss from Farming,
Federal Form 2106	Employee Business Expenses,
Federal Form 2106-EZ	Employee Business Expenses, (Short Form)
Federal Form 3903	Moving Expenses,
Federal Form 4562	Depreciation and Amortization,
Federal Form 4684	Casualties and Thefts,
Federal Form 6252	Installment Sale Income,
Federal Form 8283	Noncash Charitable Contributions, and
Federal Form 8829	Expenses for Business Use of Your Home.

NOTE: THE ABOVE LIST IS NOT ALL INCLUSIVE.

In addition, the Alabama Unformatted Records will be used to transmit a copy of any W-2s, W-2Gs, and Form 1099-Rs and transmitted with the Federal return. IRS Publication 1346 allows for up to 9 unformatted records. If the 2007 Alabama return cannot be contained within 9 unformatted records, the return cannot be filed electronically.

More than one form or schedule can be recorded in one unformatted record. Forms and schedules must not be split between two unformatted records, and Alabama information

should be recorded in unformatted records. The Federal Return should be located at the end of the AL Unformatted Record.

ALABAMA UNFORMATTED RECORDS

(Continued)

Data must be presented in the Alabama Unformatted Records in the Following Order:

Alabama Form 40, page 2

Alabama Schedule A

Alabama Schedule B

Alabama Schedule CR – Credit for Taxes Paid To Other States

Alabama Schedule DC – Donations Check-Offs

Alabama Schedule D

Alabama Schedule E

Alabama NOL 85/85A – Net Operating Loss Computation and Application

NOTE: 40NR AND 40X RETURNS ARE EXCLUDED FROM THE NOL (COMPUTATION/APPLICATION) AND MUST NOT BE TRANSMITTED TO AL. THE NOL 85/85A ONLY APPLIES TO THE E40 ELECTRONICALLY FILED ALABAMA RETURN.

Wage and Tax Statement Form Records (W-2s, W-2Gs, Form 1099Rs, and all other Federal Forms and Schedules)

Note: The ADOR has no preference for the order in which the Wage and Tax Statement Form Records are submitted. They can be transmitted either before or after the federal forms and schedules.

Each of the above forms and schedules must be variable-length records as specified in the record layouts located in the Sections of this document. Do not place the IRS Summary Record in the unformatted state record.

Federal Data

Required Federal data must be placed in the unformatted state records, and must be placed in unformatted records separate from state forms and schedules. The Federal data must be formatted using the IRS's formatting requirements for variable length records.

The Federal data must be identical to the IRS data with the exception of four characters. For these characters, a state character should be substituted for the corresponding IRS value. See Part I, Section 12 of IRS Publication 1346.

ALABAMA UNFORMATTED RECORDS

More on W-2s

Alabama will support the expansion of W-2, lines 15 through 20 to support four states.

The change will allow up to 4 states and localities to be entered on what is now lines 15 - 20.

The Alabama Withholding Account Number, which must be recorded in IRS field no. #'s 380, 450, **500 and 550** of the W-2, is composed of up to **six alpha/numeric field positions**. Alabama validates the Alabama Account Number in IRS field no. 380/450/**500/550** of the W-2. **If the account number in the field is not a valid Alabama Withholding Account Number, the issuance of the refund is halted until the matter is resolved.**

Software developers must incorporate edits and validity checks to detect errors in the keying of W-2 information and to prevent the delay in the issuance of Alabama refunds.

Please validate the entry of the Alabama Account Number in IRS field no. 380/450/**500/550** of the W-2 to ensure that the field contains an **alpha/numeric entry**. If the account number has not yet been assigned, the ERO may enter all zeroes.

Please compare the amount entered as Alabama Withholding to the State Wages entered on the W-2. Generally, Alabama Withholding will not exceed 10% of the Alabama Wages. If the amount keyed as Alabama Withholding exceeds 10% of the Alabama Wages, please instruct the ERO to reenter the information.

State wages from all states are taxable to Alabama taxpayers, but only Alabama income tax withheld must be reported as withholding. Also, Alabama wages can differ from Federal wages for various reasons. Please inform your software customers to ensure that the proper Alabama wages are keyed from the W-2.

Part-year residents of Alabama should only report income earned while a resident of Alabama. Itemized deductions must be prorated to reflect only those expenses incurred while a resident of Alabama. Federal Tax Liability must be prorated by applying a percentage of Alabama adjusted gross income to Federal adjusted gross income in order to calculate the amount deductible on line 12 of Form 40. Part-year residents are allowed to deduct the full standard deduction, personal, and dependent exemptions. Part-year residents of Alabama may claim only the itemized deductions actually paid during the period of Alabama residency.

NOTE: The total Alabama income tax withheld on all W-2's, W-2Gs, and Form 1099Rs must match the entry in IRS field no. 460 of the Alabama Generic Record. Note: There is a +/- \$1.00 variance allowance for Generic Record Field # 460 (to allow for rounding). Please include AL Withholdings from Statutory Employee W-2s in Field # 460. Alabama Withholdings form K- 1's,

1099INT or any return(s) containing AL Withholding other than W-2's, W-2G's, and 1099R's are excluded from the Alabama E- File Program and a paper return must be filed.

W-2s: Alabama will not allow more than 20 W-2s to be transmitted. If there are more than 20 W-2s the Alabama return cannot be electronically filed. (We are departing from the Federal Standards of 50 occurrences).

ALABAMA “SO” STATE - ONLY REQUIREMENTS

Alabama will participate with the IRS in the “SO” State – Only option. The following criteria is expected by Alabama when transmitting an “SO” return:

“SO” State – Only Returns must include a copy of the entire Federal 1040 return in the Alabama Unformatted Record.

All software vendors who support the IRS, “SO” (State-Only) option, will be required to submit AL PATS TEST # 4 as a State-Only return. Transmission of AL PATS TEST # 4 should be done as soon as possible after your Professional (Piggy-Back) Software has been approved by the State of Alabama. A separate approval must be granted for “SO” returns.

An Electronic Amended Return cannot be filed using the “SO” option. A paper AL 40X Amended Return must be filed. If the transmission of an amended “SO” is attempted the return will be rejected by AL as a duplicate.

If an “SO” return has been accepted by AL, the following condition will exist if a retransmission (rehang) is requested.

- The retransmitted Ack Record for the “SO” return will contain AL Error Code # 900 with the following message:

“Duplicate Return on File For SSN/TAXYR. An electronic return is already on file for this taxpayer. The return has been accepted and is being processed by the ADOR. No further action is required.”

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page1

IRS #	Identification	Length/Type	Reference Information / Explanation
***** Header Section *****			
=>	Byte Count	4 N	'2754' for fixed; 'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '*****'
000	Record ID Type	6 AN	'STbbbb'
001	Form Number	6 AN	value '0001bb'
002	Page Number	5 AN	value 'PG01b'
003	Taxpayer Identification Number	9 N	Primary SSN
004	Filler	1	Blank
005	Form/Schedule Number	7 N	Value '0000001'
*****Header ends			
010	State Code	2 AN	value 'AL'
011	City Code	2 AN	blank
015	Imperfect Return Indicator (IRS Use Only)	1 A	Value "E" = Exception Processing or blank
=>	016 ITIN/SSN Mismatch Indicator (IRS USE ONLY)	1 A	Value "M" = Mismatch ITIN/SSN or blank
019	State – Only – Indicator	2 A	State Only return data - See Pg. 36, Overview Section for Specific Instructions.
020	Declaration Control Number	14 N	Assigned by filer
	First two positions	2 N	value always 00
	EFIN of Originator	6 N	
	Batch Number	3 N	(000-999)
	Serial Number	2 N	(00-99)
=>	Year Digit	1 N	Value '8'

	023 Return Sequence Number	16 N	Required Entry
	ETIN of Transmitter	5 N	
	Trans Use Field	2 N	
	Julian Day of Trans	3 N	
	Trans Seq Number	2 N	(01-99)
	Seq Number of Ret	4 N	(0001-9999)

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS #	Identification	Length/Type	Reference Information/Explanation
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***** State Direct Deposit Section *****

=> 024	State Return-Indicator	1 AN	blank or value '1' = Direct Deposit or '2' = Direct Debit
025	Reserved- RTN- Flag	1 N	Blank : Reserved For Future Use
=> 027	Direct Debit Date	8 N	Direct Debit Date
=> 028	Direct Debit Amount	12 N	Direct Debit Amount
030	State-Routing-Transit	9 N	blank or 9 numeric
032	State – RTN - Indicator	1 N	0 = No State RTN present 1 = State RTN found on FOMF 2 = State RTN not found on FOMF
035	State-Deposit Acct No	17 AN	blank or (numeric, alphas, hyphens), left justified
040	State Checking Acct	1 AN	'X', or blank
048	State Savings Acct	1 AN	'X', or blank

***** Indicators *****

049	On Line State Return	1 A	blank unless a PC online return, then populate with an "O".
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***** Participant Section *****

"IF "NON-PAID PREPARER", THEN THESE FIELDS SHOULD BE "BLANK" AND ARE NOT REQUIRED.

050	State Numeric Area	27	
	Preparer SSN or PTIN	9 AN	*Required Entry
	Preparer EIN	9 N	*Required Entry
	Preparer Zip	5 N	*Required Entry
	Preparer Zip+4	4 N	*Required Entry
052	State Alphanumeric Area	93	
	Tranmitter's ETIN	5 N	Required Entry
	Preparer Firm Name	35 AN	*Required Entry
	Preparer Address	30 AN	*Required Entry
	Preparer City	20 AN	*Required Entry

Preparer State

2 AN

*Required Entry

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS #	Identification	Length/Type	Reference Information/Explanation
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***** Participant Section (continued) *****

Preparer Self-Empl Ind	1 AN	*X for yes, or blank for no
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***** Entity Section *****

055	Spouse SSN	9 N	
060	Name Line 1	35 AN	Required Entry
	Primary Last Name	27 AN	See "Alabama Departure from the Software Standards", Pg.16, Overview Section.
	Primary Suffix	3 AN	
	filler	5 AN	
062	Date of Death Primary	8 N	Blank: Field Not Used
065	Name Line 2	35 AN	
	Secondary Last Name	27 AN	See "Alabama Departure from the Software Standards", Pg.16, Overview Section.
	Secondary Suffix	3 AN	
	filler	5 AN	
068	Date of Death Secondary	8 N	Blank: Field Not Used
070	Name Line 3	35 AN	
	Primary First and Init '& Second First and Init	35 AN	Required Entry: See Pg. 16, Overview Section.
074	In C/O Addressee	35 AN	Blank: Field Not Used

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS #	Identification	Length/Type	Reference/Explanation
***** Entity Section (continued) *****			
075	Address Line 1	35 AN	Required Entry
077	Foreign Street Address	35 AN	Blank: Field Not Used - Excluded From AL ELF Program. See Pg. 5, Overview Section.
080	Address Line 2	35 AN	
085	City	22 AN	Required Entry
087	Foreign City, State or Province	35 AN	Blank: Field Not Used - Excluded From AL ELF Program. See Pg. 5, Overview Section.
090	City Code	5 N	No Entry
095	State Abbreviation	2 A	Required Entry
098	Foreign Country	22 A	Blank: Field Not Used - Excluded From AL ELF Program.
100	Zip Code	12 N	Required Entry
105	County	20 A	No Entry
110	County Code	5 N	No Entry
115	Telephone Number	12 AN	No Entry
120	Primary TP Signature	5 N	Blank: Field Not Used
125	Spouse Signature	5 N	Blank: Field Not Used
126	ERO EFIN / PIN	11 N	Blank: Field Not Used

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS # Identification	Length/Type	Reference Information/Explanation
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***** Consistency Section *****

150	Federal Filing Status	1 N	No Entry
155	Total Federal Exemptions	2 N	No Entry
160	Wages, Salaries, Tips	12 N	No Entry
165	Taxable Interest	12 N	No Entry
170	Tax Exempt Interest	12 N	No Entry
175	Dividends	12 N	No Entry
180	State Refund	12 N	No Entry
185	Taxable Social Sec Benefits	12 N	No Entry
190	Keogh Plan and SEP Deductions	12 N	No Entry
195	Adjusted Gross Income	12 N	No Entry
200	Std/Itemized Deductions	12 N	No Entry
205	Earned Income Credit	12 N	No Entry

***** Alphanumeric Section *****

300	Alphanumeric Field 1	80	
	Software Developer Code	10 AN	Required field: This code is agreed upon by the software developer and the Alabama Department of Revenue prior to software testing.
	Paid Preparer Name	31 AN	Required field
	Preparer Phone Number	10 AN	Required field
	Non-paid preparer	13 AN	Required field: VITA, IRS- PREPARED, IRS-REVIEWED, MILITARY, or SELF PREPARED.
	Preparer State EIN	16 AN	blank

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS #	Identification	Length/Type	Reference Information / Explanation
***** Alphanumeric Section (continued) *****			
305	Alphanumeric Field 2	80	
	Form type	1 AN	1 = form 40
	Reserved for Future Use	8 AN	blank
	Reserved for Future Use	8 AN	blank
	Filing status	1 AN	Form 40, Pg. 1, lines 1- 4. 1 = Single; 2 = Married Filing Jointly; 3 = Married Filing Separately; and, 4 = Head of Family
=>	Reserved for Future Use	18 AN	Has been removed
=>	Reserved for Future Use	14 AN	Has been removed
=>	Married Filing separate/Spouse SSN	9 AN	Spouse SSN
=>	Reserved for Future Use	15 AN	Has been removed
	Deduction flag	1 AN	I = Itemized Deductions; S = Standard Deduction.

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS #	Identification	Length/Type	Reference Information / Explanation
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***** Alphanumeric Section (continued) *****

305 (continued)

=>	NOL- 85A "Check Box"	1 AN	Form AL40, Pg 1, line 17. The Tax Table "Check Box" has been deleted from AL GENERIC Field 305. If applicable, the taxpayer CAN NOW use the NOL- 85A Check Box to compute the tax for the 2007 E40 AL return.
	Schedule CR credit flag	1 AN	Populate with an 'X' if the taxpayer is claiming a credit for taxes paid to other states using Alabama Schedule CR.
	Schedule OC credit flag	1 AN	Must be blank
	Reserved For Future Use	1 AN	reserved
	filler	1 AN	
310	Alphanumeric Field 3	80	reserved
315	Alphanumeric Field 4	80	reserved
320	Alphanumeric Field 5	80	reserved
325	Alphanumeric Field 6	80 AN	reserved
330	Alphanumeric Field 7	80 AN	reserved

Section 1

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IRS #	Identification	Length/Type	Reference Information / Explanation
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***** Signed Numeric Section *****

=>	350	Total Alabama Wages	12 N	Form 40, Pg. 1, line 5. Must equal the total amount of state wages reported on the W-2s. See Pg. 10, 11, & 12, Overview Section.
=>	355	Interest and Dividend Income	12 N	Form 40, Pg. 1, line 6. Must equal the total taxable interest and dividend income reported on Alabama Schedule B, seq. no. 280.
	360	Reserved for Future Use	12 N	Reserved For Future Use
=>	365	Other Income	12 N	Form 40, Pg. 1, line 7. Must equal the Total Other Income reported on Form 40, Pg. 2, seq. no. 100.
=>	370	Total Income	12 N	Form 40, Pg. 1, line 8. Must equal the sum of seq. nos. 350, 355, and 365.
=>	375	Total Adjustments to Income	12 N	Form 40, Pg. 1, line 9. Must equal the amount from Form 40, Pg. 2, seq. no. 190.
=>	380	Adjusted Gross Income	12 N	Form 40, Pg. 1, line 10. Must equal seq. no. 370 less seq. no. 375.
=>	385	Itemized Deductions/ Standard Deduction	12 N	Form 40, Pg. 1, line 11. See "Itemized Deductions and Standard Deduction", Pg.17, Overview Section. If the deductions on the return are itemized, this field must equal seq. no.190 on AL Schedule A.

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS #	Identification	Length/Type	Reference Information / Explanation
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***** Signed Numeric Section (continued) *****

=>	390	Federal Tax Liability Deduction	12 N	Form 40, Pg. 1, line 12. See Pg. 8 & 18, Overview Section.
	395	Reserved for Future Use	12N	Reserved For Future Use
=>	400	Personal Exemption	12 N	Form 40, Pg. 1, line 13. The personal exemption is based on the filing status reported in seq. no 305: \$1500 for single; \$3000 for married jointly; \$1500 for married separately; and, \$3000 for Head of family.
=>	405	Dependent Exemption	12 N	Form 40, Pg. 1, line 14. Must equal the amount reported on Form 40, Pg. 2, seq. no. 450.
=>	410	Total Deductions	12 N	Form 40, Pg. 1, line 15. Must equal the sum of seq. no. 385, 390, 400, and 405.
=>	415	Taxable Income	12 N	Form 40, Pg. 1, line 16. Must equal seq. no. 380 less seq. no. 410. <u>Note:</u> If negative – do not default to zero. See Pg. 19, Overview Section.

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IRS # Identification Length/Type Reference Information / Explanation

***** Signed Numeric Section (continued) *****

=>	420	Tax Due	12 N	Form 40, Pg.1, line 17. Must equal the amount of tax computed for the taxable income reported in seq. no. 415 using the 2007 Alabama Tax Table.
=>	425	Less Credits	12 N	Form 40, Pg. 1, line 18. Must equal the amount reported as line 5, Credit Allowable, from Schedule CR - Credit for Taxes Paid to Other States (located on the bottom of the paper Alabama Schedule B). The Schedule CR CAN NOW be electronically filed. If any other credits are claimed, the return cannot be filed electronically.
=>	430	Net Tax Due Alabama	12 N	Form 40, Pg. 1, line 19a. Must equal seq. no. 420 less seq. no. 425.

Section 1

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS # Identification	Length/Type	Reference Information /Explanation
***** Signed Numeric Section (continued) *****		
=> 435	Consumer Use Tax	12 N Form 40, Pg. 1, line 19b.
=> 440	Alabama Election Campaign Fund - Democratic Party	12 N Form 40, Pg. 1, line 20a. Must equal zero, \$1, or \$2.
=> 445	Alabama Election Campaign Fund - Republican Party	12 N Form 40, Pg. 1, line 20b. Must equal zero, \$1, or \$2.
=> 455	Total tax liability & voluntary contributions	12 N Form 40, Pg. 1, line 21. Must equal seq. no. 430 plus seq. no. 435, seq. no. 440, and 445,
=> 460	Alabama Income Tax Withheld	12 N Form 40, Pg. 1, line 22. Must equal the total Alabama income tax withheld, as reported by the W-2s, W-2Gs, and Form 1099Rs. Please see Pg. 20, Overview Section for further details.
=> 465	Amount Paid with Extension	12 N Form 40, Pg. 1, line 23.
=> 470	2007 Estimated Tax Payments	12 N Form 40, Pg. 1, line 24.
=> 475	Total Payments	12 N Form 40, Pg. 1, line 25. Must equal the sum of seq. nos. 460, 465, and 470.

Section I

2007 Alabama Generic Record - Form 40 Alabama Individual Income Tax Return, Page 1

IRS #	Identification	Length/Type	Reference Information / Explanation
***** Signed Numeric Section (continued) *****			
=>	480 Amount You Owe	12 N	Form 40, Pg. 1, line 26. Must equal the amount seq. no. 455 exceeds seq. no. 475.
=>	485 Estimate Penalty	12N	Form 40, Pg. 1, line 27. Must be included in seq. no.480, if applicable.
=>	490 Amount Overpaid	12 N	Form 40, Pg. 1, line 28. Must equal seq. no. 475 less seq. no. 455.
=>	495 Amount Applied to Your 2008 Estimated Tax	12 N	Form 40, Pg. 1, line 29
=>	500 Total Donation Check-offs	12 N	Form 40, Pg. 1, line 30, From Schedule DC, line 2 Total Donations
=>	550 Total (Donations and Application to 2008 Estimated Tax)	12 N	Form 40, Pg. 1, line 31. Must equal the sum of seq. nos. 495 and 500
=>	555 Refunded to You	12 N	Form 40, Pg. 1, line 32. Must equal seq. no. 490 less seq. no. 550.
	560 Reserved for Future Use	12 N	Reserved for Future Use
	Record Terminus	1 AN	value '#'

Section 2

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Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value '0040bb'
	Page Number	5 AN	value 'PG02b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7 N	'0000001'

030	Alimony Received	12 N	Form 40, Pg. 2, Part I, line 1.
035	Business Income or (Loss)	12 N	Form 40, Pg. 2, Part I, line 2. Must equal the amount of net profit or (loss) shown on line number 31 of the 2007 Federal Schedule C or line number 3 of the 2007 Federal Schedule C- EZ.
040	Reserved for Future Use	1 N	Reserved for future use.
045	Gain or (Loss) from Sale of Real Estate, Stocks, etc.	12 N	Form 40, Pg. 2, Part I, line 3. Must equal the aggregate amount reported as Total Net Profit or Loss on line 1 (seq. no. 990) of all AI Schedule Ds.
050	Reserved for Future Use	1 N	Reserved for future use.

Section 2

2007 Form 40, Alabama Individual Income Tax Return, Page 2

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
055	Reserved for Future Use	12 N	Reserved for future use.
060	Total IRA Distributions	12 N	Form 40, Pg. 2, Part I, line 4a.
065	Taxable Amount (IRA Distributions)	12 N	Form 40, Pg. 2, Part I, line 4b.
070	Total Pensions and Annuities	12 N	Form 40, Pg. 2, Part I, line 5a.
075	Taxable Amount (Pensions and Annuities)	12 N	Form 40, Pg. 2, Part I, line 5b.
080	Rents, Royalties, Partnerships, Estates, Trusts. etc.	12 N	Form 40, Pg. 2, Part I, line 6. Must equal the aggregate amount reported as Total Income or (loss) on line 25 (seq. no. 2000) of all Alabama Schedule Es.
085	Farm Income or (Loss)	12 N	Form 40, Pg. 2, Part I, line 7. Must equal the amount reported as Net Farm Profit or (Loss) on line 36 of the Federal Schedule F.
090	Other Income (Nature and Source)	80 AN	Form 40, Pg. 2, Part I, line 8. Required field if 095 (Other Income – Amount) is present.
095	Other Income (Amount)	12 N	Form 40, Pg. 2, Part I, line 8. Required field if 090 (Other Income – Nature and Source) is present.
100	Total Other Income	12 N	Form 40, Pg. 2, Part I, line 9. Must equal the sum of seq. nos. 030, 035, 045, 065, 075, 080, 085, and 095. This amount must be brought forward to seq. no. 365 on the Generic Record.

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2007 Form 40, Alabama Individual Income Tax Return, Page 2

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
105	Your IRA Deduction	12 N	Form 40, Pg. 2, Part II, line 1a.
110	Spouse's IRA Deduction	12 N	Form 40, Pg. 2, Part II, line 1b.
115	Payments to a Keogh Plan - SEP Deduction	12 N	Form 40, Pg. 2, Part II, line 2.
120	Penalty on Early Withdrawal of Savings	12 N	Form 40, Pg. 2, Part II, line 3.
125	Alimony Recipient Last Name	18 AN	Form 40, Pg. 2, Part II, line 4.
130	Alimony Recipient SSN	9 N	Form 40, Pg. 2, Part II, line 4.
135	Alimony Recipient Address	30 AN	Form 40, Pg. 2, Part II, line 4.
140	Alimony Recipient City	15 AN	Form 40, Pg. 2, Part II, line 4.
145	Alimony Recipient State	2 A	Form 40, Pg. 2, Part II, line 4.
150	Alimony Recipient Zip	9 N	Form 40, Pg. 2, Part II, line 4.
155	Alimony (Amount Paid)	12 N	Form 40, Pg. 2, Part II, line 4.
160	Adoption Expenses	12 N	Form 40, Pg. 2, Part II, line 5.
165	Moving Expenses to City	15 AN	Form 40, Pg. 2, Part II, line 6.
170	Moving Expenses to State	2 AN	Form 40, Pg. 2, Part II, line 6.
175	Moving Expenses to Zip	9 AN	Form 40, Pg. 2, Part II, line 6.
180	Moving Expenses Amount	12 N	Form 40, Pg. 2, Part II, line 6. Must equal the amount reported on line 5 of Form 3903.

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2007 Form 40, Alabama Individual Income Tax Return, Page 2

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Seq No.	Identification	Length/Type	Reference Information / Explanation
185	Self-employed Health Insurance Deduction	12 N	Form 40, Pg. 2, Part II, line 7.
190	Total Adjustments	12 N	Form 40, Pg. 2, Part II, line 8. Must equal seq. nos. 105, 110, 115, 120, 155, 160, 180, and 185. This amount must be brought forward to seq. no. 375 on the Generic Record.
195	Dependent First Name #1	14 AN	Form 40, Pg. 2, Part III, line 1a.
200	Dependent Last Name #1	18 AN	Form 40, Pg. 2, Part III, line 1a.
205	Dependent SSN #1	9 N	Form 40, Pg. 2, Part III, line 1a.
210	Dependent Relationship #1	15 AN	Form 40, Pg. 2, Part III, line 1a.
215	More than Half Support? Flag #1	1AN	X for yes or blank for no.
220	Dependent First Name #2	14 AN	See Dependent 1
225	Dependent Last Name #2	18 AN	See Dependent 1
230	Dependent SSN #2	9 N	See Dependent 1
235	Dependent Relationship #2	15 AN	See Dependent 1
240	More than Half Support? Flag #2	1 AN	X for yes or blank for no.
245	Dependent First Name #3	14 AN	See Dependent 1
250	Dependent Last Name #3	18 AN	See Dependent 1
255	Dependent SSN #3	9 N	See Dependent 1
260	Dependent Relationship #3	15 AN	See Dependent 1

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Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
265	More than Half Support? Flag #3	1 AN	X for yes or blank for no.
270	Dependent First Name #4	14 AN	See Dependent 1
275	Dependent Last Name #4	18 AN	See Dependent 1
280	Dependent SSN #4	9 N	See Dependent 1
285	Dependent Relationship #4	15 AN	See Dependent 1
290	More than Half Support? Flag #4	1 AN	X for yes or blank for no.
295	Dependent First Name #5	14 AN	See Dependent 1
300	Dependent Last Name #5	18 AN	See Dependent 1
305	Dependent SSN #5	9 N	See Dependent 1
310	Dependent Relationship #5	15 AN	See Dependent 1
315	More than Half Support? Flag #5	1 AN	X for yes or blank for no.
320	Dependent First Name #6	14 AN	See Dependent 1
325	Dependent Last Name #6	18 AN	See Dependent 1
330	Dependent SSN #6	9 N	See Dependent 1
335	Dependent Relationship #6	15 AN	See Dependent 1
340	More than Half Support? Flag #6	1 AN	X for yes or blank for no.
345	Dependent First Name #7	14 AN	See Dependent 1

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Seq No.	Identification	Length/Type	Reference Information / Explanation
350	Dependent Last Name #7	18 AN	See Dependent 1
355	Dependent SSN #7	9 N	See Dependent 1
360	Dependent Relationship #7	15 AN	See Dependent 1
365	More than Half Support? Flag # 7	1 AN	X for yes or blank for no.
370	Dependent First Name #8	14 AN	See Dependent 1
375	Dependent Last Name #8	18 AN	See Dependent 1
380	Dependent SSN #8	9 N	See Dependent 1
385	Dependent Relationship #8	15 AN	See Dependent 1
390	More than Half Support? Flag #8	1 AN	X for yes or blank for no.
395	Dependent First Name #9	14 AN	See Dependent 1
400	Dependent Last Name #9	18 AN	See Dependent 1
405	Dependent SSN #9	9 N	See Dependent 1
410	Dependent Relationship #9	15 AN	See Dependent 1
415	More than Half Support Flag #9	1 AN	X for yes or blank for no.
420	Dependent First Name #10	14 AN	See Dependent 1
425	Dependent Last Name #10	18 AN	See Dependent 1
430	Dependent SSN #10	9 N	See Dependent 1

Section 2

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Seq No.	Identification	Length/Type	Reference Information/Explanation
435	Dependent Relationship #10	15 AN	See Dependent 1
440	More than Half Support? Flag #10	1 AN	X for yes or blank for no.
445	Total Number of Dependents Claimed	2 N	Form 40, Pg. 2, Part III, line 1b. Must equal 10 or less, and the information requested must be provided for each dependent.
=>	450 Amount Allowed (for Dependent Exemption)	12 N	Form 40, Pg. 2, Part III, line 2. (See chart on page 10 of Form 40 Instruction Booklet) and must be brought forward to seq. no. 405 of the Generic Record.
=>	455 Residency Flag	1 AN	Form 40, Pg. 2, Part IV, line 1. Must equal " F " (Full Year) or "P" (Part Year)
=>	460 Starting Date of Part Year	8 AN	Starting date of part year residency
=>	465 Ending Date of Part Year	8 AN	Ending date of part year residency
=>	470 Number of months Part Year	2 AN	Number of months as part year resident

Section 2

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Seq No.	Identification	Length/Type	Reference Information / Explanation
475	File Last Year Flag	1 AN	Form 40, Pg. 2, Part IV, line 2. "X" for yes or blank for no.
480	Reason For Not Filing Last Year	55 AN	Form 40, Pg. 2, Part IV, line 3.
485	Present Employer Name	30 AN	Form 40, Pg. 2, Part IV, line 4.
490	Present Employer Address	30 AN	Form 40, Pg. 2, Part IV, line 4.
495	Present Employer City	15 AN	Form 40, Pg. 2, Part IV, line 4.
500	Present Employer State	2 A	Form 40, Pg. 2, Part IV, line 4.
505	Present Employer Zip	9 N	Form 40, Pg. 2, Part IV, line 4.
510	Spouse Pres. Employer Name	30 AN	Form 40, Pg. 2, Part IV, line 4.
515	Spouse Pres. Employer Addr	30 AN	Form 40, Pg. 2, Part IV, line 4.
520	Spouse Pres. Employer City	15 AN	Form 40, Pg. 2, Part IV, line 4.
525	Spouse Pres. Employer State	2 A	Form 40, Pg. 2, Part IV, line 4.
530	Spouse Pres. Employer Zip	9 N	Form 40, Pg. 2, Part IV, line 4.
535	Federal Adjusted Gross Income	12 N	Required Field. Form 40, Pg. 2, Part IV, line 5. Please enter the Income amount from line 36 of the Fed 1040, line 21 of the 1040A and line 4 of the 1040 EZ.

Section 2

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Seq No.	Identification	Length/Type	Reference Information / Explanation
536	Federal Taxable Income	12 N	Required field, Form 40, Pg. 2, Part IV, line 5. Please enter the amount from 1040, line 42, 1040A, line 27 and 1040 EZ line 6.
540	Other Federal Income Flag	1 AN	Form 40, Pg. 2, Part IV, line 6. "X" for yes or blank for no.
545	Other Fed. Income Source 1	50 AN	Form 40, Pg. 2, Part IV, line 6.
550	Other Fed. Income Amount 1	12 N	Form 40, Pg. 2, Part IV, line 6.
555	Other Fed. Income Source 2	50 AN	Form 40, Pg. 2, Part IV, line 6.
560	Other Fed. Income Amount 2	12 N	Form 40, Pg. 2, Part IV, line 6.
563	Grantor Trust Income	1 AN	Form 40, Pg. 2, Part IV, line 7 "X" for yes or blank for no.
565	Primary Daytime Telephone	12 AN	Form 40, Pg. 2, Signature Area.
570	Spouse Daytime Telephone	12 AN	Form 40, Pg. 2, Signature Area.
573	I Authorize a Representative of the Department of Revenue to Discuss my Return and Attachments with my preparer	1 AN	Required field. Form 40, Pg. 2, Signature Area. Populate with a "Y" = YES; "N" = NO
575	Primary Taxpayer Occupation	25 AN	Required field. Form 40, Pg. 2, Signature Area
580	Spouse Occupation	25 AN	Required field, if applicable. Form 40, pg. 2, Signature Area

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Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
585	Reserved for future use	12 N	Reserved for future use.
590	Reserved for future use	12 N	Reserved for future use.
595	Reserved for future use	12 N	Reserved for future use.
	Form Terminus	1 AN	value '\$'

Section 2 A

2007 Alabama Schedule A - Itemized Deductions

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value 'Abbbbb'
	Page Number	5 AN	value 'PG01b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7 N	'0000001'

030	Medical and Dental Expenses	12 N	Alabama Schedule A, line 1.
035	Alabama AGI	12 N	Alabama Schedule A, line 2. Must equal the amount in seq. no. 380 on the Generic Record.
040	4%(0.04) of Alabama AGI	12 N	Alabama Schedule A, line 3. Must equal 4% (0.04) of seq. no. 035.
045	Deductible Medical and Dental Expenses	12 N	Alabama Schedule A, line 4. Must equal seq. no. 030 less seq. no. 040, but not less than zero.
050	Real Estate Taxes	12 N	Alabama Schedule A, line 5.
055	FICA Tax and Federal Self-employment Tax	12 N	Alabama Schedule A, line 6.
060	Railroad Retirement	12 N	Alabama Schedule A, line 7.
065	Other Taxes Description	65 AN	Alabama Schedule A, line 8.

Section 2 A

2007 Alabama Schedule A - Itemized Deductions

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
070	Other Taxes Amount	12 N	Alabama Schedule A, line 8.
075	Total Taxes Paid	12 N	Alabama Schedule A, line 9. Must equal the sum of seq. nos. 050, 055, 060, and 070.
080	Home Mortgage Interest and Points Reported on Federal Form 1098	12 N	Alabama Schedule A, line 10a.
085	Home Mortgage Interest Not Reported on Federal Form 1098	12 N	Alabama Schedule A, line 10b.
090	Home Mortgage Interest Paid Not Reported on Form 1098 - Name and Address of Individual Paid	80 AN	Alabama Schedule A, line 10b.
095	Points Not Reported on Form 1098	12 N	Alabama Schedule A, line 11.
100	Investment Interest	12 N	Alabama Schedule A, line 12. Must equal the amount reported as Investment Interest Expense Deduction on line 6 of the Alabama Form 4952A. The Alabama Form 4952A is not electronically transmitted, but will be retained by the ERO.
105	Total Interest Paid	12 N	Alabama Schedule A, line 13. Must equal the sum of seq. nos. 080, 085, 095, and 100.
110	Contributions by Cash or Check	12 N	Alabama Schedule A, line 14.

Section 2 A

2007 Alabama Schedule A - Itemized Deductions

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
115	Contributions - Other than Cash or Check	12 N	Alabama Schedule A, line 15.
120	Carryover from Prior Year	12 N	Alabama Schedule A, line 16.
125	Total (Gifts to Charity)	12 N	Alabama Schedule A, line 17. Must equal the sum of seq. nos. 110, 115, and 120.
130	Casualty and Theft Loss from Federal Form 4684	12 N	Alabama Schedule A, line 18a. Must equal the amount reported on line 16 of the Federal Form 4684.
135	10% (0.10) of AGI	12 N	Alabama Schedule A, line 18b. Must equal 10% (0.10) of Alabama AGI, seq. no. 380 on the Generic Record.
140	Deductible Casualty and Theft Loss	12 N	Alabama Schedule A, line 18c. Must equal seq. no. 130 less seq. no. 135, but must not be less than zero.
145	Unreimbursed Employee Expenses Amount	12 N	Alabama Schedule A, line 19.
150	Unreimbursed Employee Expenses Description	75 AN	Alabama Schedule A, line 19.
155	Other Expenses Amount	12 N	Alabama Schedule A, line 20.
160	Other Expenses Description	75 AN	Alabama Schedule A, line 20.
165	Total Job Expenses and Most Other Miscellaneous Deductions	12 N	Alabama Schedule A, line 21. Must equal the sum of seq. nos. 145 and 155.

Section 2 A

2007 Alabama Schedule A - Itemized Deductions

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
170	2% (0.02) of Alabama AGI	12 N	Alabama Schedule A, line 22. Must equal 2% (0.02) of Alabama AGI, seq. no. 380 on the Generic Record.
175	Deductible Job Expenses and Most Other Miscellaneous Deductions	12 N	Alabama Schedule A, line 23. Must equal seq. no. 165 less seq. no. 170, but must not be less than zero.
180	Other Miscellaneous Deductions Amount	12 N	Alabama Schedule A, line 24.
185	Other Miscellaneous Deductions Description	200 AN	Alabama Schedule A, line 24.
187	Qualified Long-term Care Coverage Insurance Premiums	12 N	Alabama Schedule A, line 25.
190	Total Itemized Deductions	12 N	Alabama Schedule A, line 26. Must equal the sum of seq. nos. 45, 75, 105, 125, 140,175, 180 and 187. The amount must be brought forward to seq. no. 385 on the Generic Record.
	Form Terminus	1 AN	value '\$'

Section 2 B

2007 Alabama Schedule B - Interest and Dividend Income

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value 'Bbbbb'
	Page Number	5 AN	value 'PG01b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7N	'0000001'

030	Interest Payer #1	40 AN	Alabama Schedule B line 1.
035	Exempt Interest #1	12 N	Alabama Schedule B line 1A .
040	Taxable Interest #1	12 N	Alabama Schedule B line 1B.
045	Interest Payer #2	40 AN	Alabama Schedule B line 1.
050	Exempt Interest #2	12 N	Alabama Schedule B line 1A.
055	Taxable Interest #2	12 N	Alabama Schedule B line 1B.
060	Interest Payer #3	40 AN	Alabama Schedule B line 1.
065	Exempt Interest #3	12 N	Alabama Schedule B line 1A.
070	Taxable Interest #3	12 N	Alabama Schedule B line 1B.
075	Interest Payer #4	40 AN	Alabama Schedule B line 1.
080	Exempt Interest #4	12 N	Alabama Schedule B line 1A .

Section 2 B

2007 Alabama Schedule B - Interest and Dividend Income

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
085	Taxable Interest #4	12 N	Alabama Schedule B line 1B.
090	Interest Payer #5	40 AN	Alabama Schedule B line 1.
095	Exempt Interest #5	12 N	Alabama Schedule B line 1A.
100	Taxable Interest #5	12 N	Alabama Schedule B line 1B.
105	Interest Payer #6	40 AN	Alabama Schedule B line 1.
110	Exempt Interest #6	12 N	Alabama Schedule B line 1A.
115	Taxable Interest #6	12 N	Alabama Schedule B line 1B.
120	Interest Payer #7	40 AN	Alabama Schedule B line 1.
125	Exempt Interest #7	12 N	Alabama Schedule B line 1A.
130	Taxable Interest #7	12 N	Alabama Schedule B line 1B.
135	Interest Payer #8	40 AN	Alabama Schedule B line 1.
140	Exempt Interest #8	12 N	Alabama Schedule B line 1A.
145	Taxable Interest #8	12 N	Alabama Schedule B line 1B.
150	Interest Payer #9	40 AN	Alabama Schedule B line 1.
155	Exempt Interest #9	12 N	Alabama Schedule B line 1A.
160	Taxable Interest #9	12 N	Alabama Schedule B line 1B.
165	Interest Payer #10	40 AN	Alabama Schedule B line 1 (or) "All Other Payers of Interest".
170	Exempt Interest #10	12 N	Alabama Schedule B line 1A (or) If more than 10 exempt interest items, aggregate of all other remaining exempt interest amounts.

Section 2 B

2007 Alabama Schedule B - Interest and Dividend Income

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
175	Taxable Interest #10	12 N	Alabama Schedule B line 1B (or) If more than 10 taxable interest items, value must equal the aggregate of all other remaining taxable interest amounts.
180	Dividend Payer #1	40 AN	Alabama Schedule B line 2.
185	Dividend #1	12 N	Alabama Schedule B line 2B.
190	Dividend Payer #2	40 AN	Alabama Schedule B line 2.
195	Dividend #2	12 N	Alabama Schedule B line 2B.
200	Dividend Payer #3	40 AN	Alabama Schedule B line 2.
205	Dividend #3	12 N	Alabama Schedule B line 2B.
210	Dividend Payer #4	40 AN	Alabama Schedule B line 2.
215	Dividend #4	12 N	Alabama Schedule B line 2B.
220	Dividend Payer #5	40 AN	Alabama Schedule B line 2.
225	Dividend #5	12 N	Alabama Schedule B line 2B.
230	Dividend Payer #6	40 AN	Alabama Schedule B line 2.
235	Dividend #6	12 N	Alabama Schedule B line 2B.
240	Dividend Payer #7	40 AN	Alabama Schedule B line 2.
245	Dividend #7	12 N	Alabama Schedule B line 2B .
250	Dividend Payer #8	40 AN	Alabama Schedule B line 2.
255	Dividend #8	12 N	Alabama Schedule B line 2B.
260	Dividend Payer #9	40 AN	Alabama Schedule B line 2.
265	Dividend #9	12 N	Alabama Schedule B line 2B.

Section 2 B

2007 Alabama Schedule B - Interest and Dividend Income

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
270	Dividend Payer #10	40 AN	Alabama Schedule B line 2 (or) "All Other Payers of Dividends".
275	Dividend #10	12 N	Alabama Schedule B line 2B (or) If more than 10 taxable dividend items, value must equal the aggregate of all other remaining taxable dividend amounts.
280	Total Taxable Interest and Dividends	12 N	Alabama Schedule B line 3. Must equal the sum of seq. nos. 040, 055, 070, 085, 100, 115, 130, 145, 160, 175, 185, 195, 205, 215, 225, 235, 245, 255, 265, and 275. The amount must be brought forward to seq. no. 355 on the Generic Record.
	Form Terminus	1 AN	value '\$'

Section 2 CR

2007 Alabama Schedule CR – Credit for Taxes Paid to Other States

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value 'CRbbbb'
	Page Number	5 AN	value 'PG01b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7N	' 0000001'

Note: There is only one occurrence for the AL Sch CR. Aggregate all Credits For Taxes Paid to Other States (if more than one) to the AL Sch CR – lines 1, 2, 3 and 4 (one occurrence). AL Sch CR Seq #'s 50,100, 200, 300 and 400. The Description Field on line 1 (AL Seq # 50) must read “All States”. The aggregate total of all Out-of-State Credits must be reported on line 5 (AL Seq # 500) and the amount brought forward to Field 425 – AL Generic Record. Calculate the Credits for Taxes Paid to Other States (if applicable) on separate AL SCH CR’s, then aggregate the totals from the multiple CR’s to the one AL SCH CR occurrence.

050	Enter the Other State(s) Name	10 AN	Description Field: Enter the name of the Other State(s). Enter “All States” if more than one credit is taken.
100	Taxable Income (Other State(s) Return)	12 N	Line Number 1: Enter the amount of taxable income as shown on the Other State(s) return(s).
200	Enter the Amount of Tax Due	12 N	Line Number 2: Enter the amount of Tax Due from the Other State(s) return(s) using Alabama tax rates.
300	Tax Due Other State(s) via AL Tax Table	12 N	Line Number 3: Enter the amount of Tax Due from the Other State(s) return(s) or Form W-2G.
400	Tax Due on Other State(s) Return	12 N	Line Number 4: Enter the amount of Tax Due on the Alabama return as shown on the AL40, Page 1, line 17.
500	Credit(s) Allowable	12 N	Line Number 5: CREDIT ALLOWABLE: Enter the amount from line 2, 3, 4, which ever is the smallest.
	Form Terminus	1 AN	value '\$'

2 DC

2007 Alabama Schedule DC – Donation Check-Offs

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information / Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value 'DCbbbb'
	Page Number	5 AN	value 'PG01b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7N	' 0000001'

010	Senior Services Trust Fund	12 N	<u>Line Number 1a:</u> Alabama Arts Development Fund
020	Alabama Arts Development Fund	12 N	<u>Line Number 1b:</u> Alabama Arts Development Fund
030	Alabama Nongame Wildlife Fund	12 N	<u>Line Number 1c:</u> Alabama Nongame Wildlife Fund
040	Child Abuse Trust Fund	12 N	<u>Line Number 1d:</u> Child Abuse Trust Fund
050	Alabama Veterans Program	12 N	<u>Line Number 1e:</u> Alabama Veterans Program
060	Alabama Indian Children's Scholarship	12 N	<u>Line Number 1f:</u> Alabama Indian Children's Scholarship
070	Penny Trust Fund	12 N	<u>Line Number 1g:</u> Penny Trust Fund
080	Foster Care Trust Fund	12 N	<u>Line Number 1h:</u> Foster Care Trust Fund
090	Mental Health	12 N	<u>Line Number 1i:</u> Mental Health
100	Neighbors Helping Neighbors	12 N	<u>Line Number 1j:</u> Neighbors Helping Neighbors
110	Alabama Breast & Cervical Cancer Program	12 N	<u>Line Number 1k:</u> Alabama Breast & Cervical Cancer Program

120 Alabama 4-H Club	12 N	<u>Line Number 1l:</u> Alabama 4-H Club
130 Alabama Organ Center Donor Awareness	12 N	<u>Line Number 1m:</u> Alabama Organ Center Donor Awareness
140 Alabama National Guard Foundation Incorp	12 N	<u>Line Number 1n:</u> Alabama National Guard Foundation Incorp
150 Cancer Research Institute	12 N	<u>Line Number 1o:</u> Cancer Research Institute
=> 155 Alabama Alternative Fuels Fund	12 N	<u>Line Number 1p:</u> Alabama Alternative Fuels Fund
160 Total Donations	12 N	<u>Line Number 2:</u> Total Donations
Form Terminus	1 AN	value '\$'

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Reference/Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value 'Dbbbbb'
	Page Number	5 AN	value 'PG01b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7 N	' 0000001' to ' 0000020'

Seq No.	Identification	Length/Type	Reference/Explanation
005	Kind of Property # 1	25 AN	Ala. Sch. D, Property #1 col. (a).
010	Date Acquired #1	8 AN	Ala. Sch. D, Property #1 col. (b) (Format as MMDDCCYY) (or) federal field description.
015	Date Sold #1	8 AN	Ala. Sch. D, Property #1 col. (c). (Format as MMDDCCYY) (or) federal field description.
020	Amount Received #1	12 N	Ala. Sch. D, Property #1 col. (d).
025	Depreciation Allowable Since Acquisition #1	12 N	Ala. Sch. D, Property #1 col. (e).
030	Cost or Other Basis #1	12 N	Ala. Sch. D, Property #1 col. (f).
035	Subsequent Improvements #1	12 N	Ala. Sch. D, Property #1 col.(g).

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Reference Information Explanation
040	Net Profit or (Loss #1	12 N	Ala. Sch. D, Property #1 col. (h). Must equal sequence numbers 020 and 025 less sequence numbers 030 and 035.
045	Kind of Property # 2	25 AN	Ala. Sch. D, Property #2 col.(a).
050	Date Acquired #2	8 AN	Ala. Sch. D, Property #2 col. (b) (Format as MMDDCCYY) (or) federal field description.
055	Date Sold #2	8 AN	Ala. Sch. D, Property #2 col. (c). (Format as MMDDCCYY) (or) federal field description.
060	Amount Received #2	12 N	Ala. Sch. D, Property #2 col. (d).
065	Depreciation Allowable Since Acquisition #2	12 N	Ala. Sch. D, Property #2 col (e).
070	Cost or Other Basis #2	12 N	Ala. Sch. D, Property #2 col. (f).
075	Subsequent Improvements #2	12 N	Ala. Sch. D, Property #2 col.(g).
080	Net Profit or (Loss) #2	12 N	Ala. Sch. D, Property #2 col. (h). Must equal seq. numbers 060 and 065 less seq. numbers 070 and 075.
085	Kind of Property #3	25 AN	Ala. Sch. D, Property #3 col.(a).
090	Date Acquired #3	8 AN	Ala. Sch. D, Property #3 col. (b). (Format as MMDDCCYY) (or) federal field description.
095	Date Sold #3	8 AN	Ala. Sch. D, Property #3 col. (c). (Format as MMDDCCYY) (or) federal field description.

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information/Explanation
100	Amount Received #3	12 N	Ala. Sch. D, Property #3 col.(d).
105	Depreciation Allowable Since Acquisition #3	12 N	Ala. Sch. D, Property #3 col.(e).
110	Cost or Other Basis #3	12 N	Ala. Sch. D, Property #3 col. (f).
115	Subsequent Improvements #3	12 N	Ala. Sch. D, Property #3 col.(g).
120	Net Profit or (Loss) #3	12 N	Ala. Sch. D, Property #3 col. (h). Must equal sequence numbers 100 and 105 less sequence numbers 110 and 115.
125	Kind of Property #4	25 AN	Ala. Sch. D, Property #4 col.(a).
130	Date Acquired #4	8 AN	Ala. Sch. D, Property #4 col. (b). (Format as MMDDCCYY) (or) federal field description.
135	Date Sold #4	8 AN	Ala. Sch. D, Property #4 col. (c). (Format as MMDDCCYY) (or) federal field description.
140	Amount Received #4	12 N	Ala. Sch. D, Property #4 col.(d).
145	Depreciation Allowable Since Acquisition #4	12 N	Ala. Sch. D, Property #4 col.(e).
150	Cost or Other Basis #4	12 N	Ala. Sch. D, Property #4 col. (f).
155	Subsequent Improvements #4	12 N	Ala. Sch. D, Property #4 col.(g).
160	Net Profit or (Loss) #4	12 N	Ala. Sch. D, Property #4 col. (h). Must equal sequence numbers 140 and 145 less sequence numbers 150 and 155.

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information / Explanation
165	Kind of Property #5	25 AN	Ala. Sch. D, Property #5 col.(a).
170	Date Acquired #5	8 AN	Ala. Sch. D, Property #5 col. (b). (Format as MMDDCCYY) (or) federal field description.
175	Date Sold #5	8 AN	Ala. Sch. D, Property #5 col. (c). (Format as MMDDCCYY) (or) federal field description.
180	Amount Received #5	12 N	Ala. Sch. D, Property #5 col.(d).
185	Depreciation Allowable Since Acquisition #5	12 N	Ala. Sch. D, Property #5 col.(e).
190	Cost or Other Basis #5	12 N	Ala. Sch. D, Property #5 col. (f).
195	Subsequent Improvements #5	12 N	Ala. Sch. D, Property #5 col. (g)
200	Net Profit or (Loss) #5	12 N	Ala. Sch. D, Property #5 col. (h). Must equal sequence numbers 180 and 185 less sequence numbers 190 and 195.
205	Kind of Property #6	25 AN	Ala. Sch. D, Property #6 col.(a).
210	Date Acquired #6	8 AN	Ala. Sch. D, Property #6 col. (b). (Format as MMDDCCYY) (or) federal field description.
215	Date Sold #6	8 AN	Ala. Sch. D, Property #6 col. (c). (Format as MMDDCCYY) (or) federal field description.
220	Amount Received #6	12 N	Ala. Sch. D, Property #6 col.(d).

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information / Explanation
225	Depreciation Allowable Since Acquisition #6	12 N	Ala. Sch. D, Property #6 col.(e).
230	Cost or Other Basis #6	12 N	Ala. Sch. D, Property #6 col. (f).
235	Subsequent Improvements #6	12 N	Ala. Sch. D, Property #6 col.(g).
240	Net Profit or (Loss) #6	12 N	Ala. Sch. D, Property #6 col. (h). Must equal sequence numbers 220 and 225 less sequence numbers 230 and 235.
245	Kind of Property # 7	25 AN	Ala. Sch. D, Property #7 col. (a).
250	Date Acquired #7	8 AN	Ala. Sch. D, Property #7 col. (b). (Format as MMDDCCYY) (or) federal field description.
255	Date Sold #7	8 AN	Ala. Sch. D, Property #7 col. (c). (Format as MMDDCCYY) (or) federal field description.
260	Amount Received #7	12 N	Ala. Sch. D, Property #7 col. (d).
265	Depreciation Allowable Since Acquisition #7	12 N	Ala. Sch. D, Property #7 col. (e).
270	Cost or Other Basis #7	12 N	Ala. Sch. D, Property #7 col. (f).
275	Subsequent Improvements #7	12 N	Ala. Sch. D, Property #7 col. (g).
280	Net Profit or (Loss) #7	12 N	Ala. Sch. D, Property #7 col.(h). Must equal sequence numbers 260 and 265 less sequence numbers 270 and 275.

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information/Explanation
285	Kind of Property #8	25 AN	Ala. Sch. D, Property #8 col. (a).
290	Date Acquired #8	8 AN	Ala. Sch. D, Property #8 col. (b). (Format as MMDDCCYY) (or) federal field description.
295	Date Sold #8	8 AN	Ala. Sch. D, Property #8 col. (c). (Format as MMDDCCYY) (or) federal field description.
300	Amount Received #8	12 N	Ala. Sch. D, Property #8 col. (d).
305	Depreciation Allowable Since Acquisition #8	12 N	Ala. Sch. D, Property #8 col. (e).
310	Cost or Other Basis #8	12 N	Ala. Sch. D, Property #8 col. (f).
315	Subsequent Improvements #8	12 N	Ala. Sch. D, Property #8 col. (g).
320	Net Profit or (Loss) #8	12 N	Ala. Sch. D, Property #8 col.(h). Must equal sequence numbers 300 and 305 less sequence numbers 310 and 315.
325	Kind of Property #9	25 AN	Ala. Sch. D, Property #9 col.(a).
330	Date Acquired #9	8 AN	Ala. Sch. D, Property #9 col. (b). (Format as MMDDCCYY) (or) federal field description.
335	Date Sold #9	8 AN	Ala. Sch. D, Property #9 col. (c). (Format as MMDDCCYY) (or) federal field description.
340	Amount Received #9	12 N	Ala. Sch. D, Property #9 col.(d).

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information / Explanation
345	Depreciation Allowable Since Acquisition #9	12 N	Ala. Sch. D, Property #9 col.(e).
350	Cost or Other Basis #9	12 N	Ala. Sch. D, Property #9 col. (f).
355	Subsequent Improvements #9	12 N	Ala. Sch. D, Property #9 col.(g).
360	Net Profit or (Loss) #9	12 N	Ala. Sch. D, Property #9 col. (h). Must equal sequence numbers 340 and 345 less sequence numbers 350 and 355.
365	Kind of Property #10	25 AN	Ala. Sch. D, Property #10 col. (a).
370	Date Acquired #10	8 AN	Ala. Sch. D, Property #10 col. (b). (Format as MMDDCCYY) (or) federal field description.
375	Date Sold #10	8 AN	Ala. Sch. D, Property #10 col. (c). (Format as MMDDCCYY) (or) federal field description.
380	Amount Received #10	12 N	Ala. Sch. D, Property #10 col. (d).
385	Depreciation Allowable Since Acquisition #10	12 N	Ala. Sch. D, Property #10 col. (e).
390	Cost or Other Basis #10	12 N	Ala. Sch. D, Property #10 col. (f).
395	Subsequent Improvements #10	12 N	Ala. Sch. D, Property #10 col. (g).

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information / Explanation
400	Net Profit or (Loss) #10	12 N	Ala. Sch. D, Property #10 col. (h). Must equal sequence numbers 380 and 385 less sequence numbers 390 and 395.
405	Kind of Property #11	25 AN	Ala. Sch. D, Property #11 col. (a).
410	Date Acquired #11	8 AN	Ala. Sch. D, Property #11 col. (b). (Format as MMDDCCYY) (or) federal field description.
415	Date Sold #11	8 AN	Ala. Sch. D, Property #11 col. (c). (Format as MMDDCCYY) (or) federal field description.
420	Amount Received #11	12 N	Ala. Sch. D, Property #1 col.(d).
425	Depreciation Allowable Since Acquisition #11	12 N	Ala. Sch. D, Property #11 col. (e).
430	Cost or Other Basis #11	12 N	Ala. Sch. D, Property #11 col. (f).
435	Subsequent Improvements #11	12 N	Ala. Sch. D, Property #11 col. (g).
440	Net Profit or (Loss) #11	12 N	Ala. Sch. D, Property #11 col. (h). Must equal sequence numbers 420 and 425 less sequence numbers 430 and 435.
445	Kind of Property # 12	25 AN	Ala. Sch. D, Property #12 col. (a).
450	Date Acquired #12	8 AN	Ala. Sch. D, Property #12 col. (b). (Format as MMDDCCYY) (or) federal field description.

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information / Explanation
455	Date Sold #12	8 AN	Ala. Sch. D, Property #12 col. (c). (Format as MMDDCCYY) (or) federal field description.
460	Amount Received #12	12 N	Ala. Sch. D, Property #12 col. (d).
465	Depreciation Allowable Since Acquisition #12	12 N	Ala. Sch. D, Property #12 col. (e).
470	Cost or Other Basis #12	12 N	Ala. Sch. D, Property #12 col. (f).
475	Subsequent Improvements #12	12 N	Ala. Sch. D, Property #12 col. (g).
480	Net Profit or (Loss) #12	12 N	Ala. Sch. D, Property #12 col. (h). Must equal sequence numbers 460 and 465 less sequence numbers 470 and 475.
485	Kind of Property #13	25 AN	Ala. Sch. D, Property #13 col. (a).
490	Date Acquired #13	8 AN	Ala. Sch. D, Property #13 col. (b). (Format as MMDDCCYY) (or) federal field description.
495	Date Sold #13	8 AN	Ala. Sch. D, Property #13 col. (c). (Format as MMDDCCYY) (or) federal field description.
500	Amount Received #13	12 N	Ala. Sch. D, Property #13 col. (d).
505	Depreciation Allowable Since Acquisition #13	12 N	Ala. Sch. D, Property #13 col. (e).
510	Cost or Other Basis #13	12 N	Ala. Sch. D, Property #13 col. (f).

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information / Explanation
515	Subsequent Improvements #13	12 N	Ala. Sch. D, Property #13 col. (g).
520	Net Profit or (Loss) #13	12 N	Ala. Sch. D, Property #13 col. (h). Must equal sequence numbers 500 and 505 less sequence numbers 510 and 515.
525	Kind of Property # 14	25 AN	Ala. Sch. D, Property #14 col. (a).
530	Date Acquired #14	8 AN	Ala. Sch. D, Property #14 col. (b). (Format as MMDDCCYY) (or) federal field description.
535	Date Sold #14	8 AN	Ala. Sch. D, Property #14 col. (c). (Format as MMDDCCYY) (or) federal field description.
540	Amount Received #14	12 N	Ala. Sch. D, Property #14 col. (d).
545	Depreciation Allowable Since Acquisition #14	12 N	Ala. Sch. D, Property #14 col. (e).
550	Cost or Other Basis #14	12 N	Ala. Sch. D, Property #14 col. (f).
555	Subsequent Improvements #14	12 N	Ala. Sch. D, Property #14 col. (g).
560	Net Profit or (Loss) #14	12 N	Ala. Sch. D, Property #14 col. (h). Must equal sequence numbers 540 and 545 less sequence numbers 550 and 555.
565	Kind of Property # 15	25 AN	Ala. Sch. D, Property #15 col. (a).
570	Date Acquired #15	8 AN	Ala. Sch. D, Property #15 col. (b). (Format as MMDDCCYY) (or) federal field description.

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
575	Date Sold #15	8 AN	Ala. Sch. D, Property #15 col. (c). (Format as MMDDCCYY) (or) federal field description.
580	Amount Received #15	12 N	Ala. Sch. D, Property #15 col. (d).
585	Depreciation Allowable Since Acquisition #15	12 N	Ala. Sch. D, Property #15 col. (e).
590	Cost or Other Basis #15	12 N	Ala. Sch. D, Property #15 col. (f).
595	Subsequent Improvements #15	12 N	Ala. Sch. D, Property #15 col. (g).
600	Net Profit or (Loss) #15	12 N	Ala. Sch. D, Property #15 col. (h). Must equal sequence numbers 580 and 585 less sequence numbers 590 and 595.
605	Kind of Property # 16	25 AN	Ala. Sch. D, Property #16 col. (a).
610	Date Acquired #16	8 AN	Ala. Sch. D, Property #16 col. (b). (Format as MMDDCCYY) (or) federal field description.
615	Date Sold #16	8 AN	Ala. Sch. D, Property #16 col. (c). (Format as MMDDCCYY) (or) federal field description.
620	Amount Received #16	12 N	Ala. Sch. D, Property #16 col. (d).
625	Depreciation Allowable Since Acquisition #16	12 N	Ala. Sch. D, Property #16 col. (e).
630	Cost or Other Basis #16	12 N	Ala. Sch. D, Property #16 col. (f).

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
635	Subsequent Improvements #16	12 N	Ala. Sch. D, Property #16 col. (g).
640	Net Profit or (Loss) #16	12 N	Ala. Sch. D, Property #16 col. (h). Must equal sequence numbers 620 and 625 less sequence numbers 630 and 635.
645	Kind of Property # 17	25 AN	Ala. Sch. D, Property #17 col. (a).
650	Date Acquired #17	8 AN	Ala. Sch. D, Property #17 col. (b). (Format as MMDDCCYY) (or) federal field description.
655	Date Sold #17	8 AN	Ala. Sch. D, Property #1 col. (c). (Format as MMDDCCYY) (or) federal field description.
660	Amount Received #17	12 N	Ala. Sch. D, Property #17 col. (d).
665	Depreciation Allowable Since Acquisition #17	12 N	Ala. Sch. D, Property #17 col. (e).
670	Cost or Other Basis #17	2 N	Ala. Sch. D, Property #17 col. (f).
675	Subsequent Improvements #17	12 N	Ala. Sch. D, Property #17 col. (g).
680	Net Profit or (Loss) #17	12 N	Ala. Sch. D, Property #17 col. (h). Must equal sequence numbers 660 and 665 less sequence numbers 670 and 675.
685	Kind of Property #18	25 AN	Ala. Sch. D, Property #18 col. (a).

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
690	Date Acquired #18	8 AN	Ala. Sch. D, Property #18 col. (b). (Format as MMDDCCYY) (or) federal field description.
695	Date Sold #18	8 AN	Ala. Sch. D, Property #18 col. (c). (Format as MMDDCCYY) (or) federal field description.
700	Amount Received #18	12 N	Ala. Sch. D, Property #18 col. (d).
705	Depreciation Allowable Since Acquisition #18	12 N	Ala. Sch. D, Property #18 col. (e).
710	Cost or Other Basis #18	12 N	Ala. Sch. D, Property #18 col. (f).
715	Subsequent Improvements #18	12 N	Ala. Sch. D, Property #18 col. (g).
720	Net Profit or (Loss) #18	12 N	Ala. Sch. D, Property #18 col. (h). Must equal sequence numbers 700 and 705 less sequence numbers 710 and 715.
725	Kind of Property #19	25 AN	Ala. Sch. D, Property #19 col. (a).
730	Date Acquired #19	8 AN	Ala. Sch. D, Property #19 col. (b). (Format as MMDDCCYY) (or) federal field description.
735	Date Sold #19	8 AN	Ala. Sch. D, Property #19 col. (c). (Format as MMDDCCYY) (or) federal field description.
740	Amount Received #19	12 N	Ala. Sch. D, Property #19 col. (d).
745	Depreciation Allowable Since Acquisition #19	12 N	Ala. Sch. D, Property #19 col. (e).

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
750	Cost or Other Basis #19	12 N	Ala. Sch. D, Property #19 col. (f).
755	Subsequent Improvements #19	12 N	Ala. Sch. D, Property #19 col. (g).
760	Net Profit or (Loss) #19	12 N	Ala. Sch. D, Property #19 col. (h). Must equal sequence numbers 740 and 745 less sequence numbers 750 and 755.
765	Kind of Property #20	25 AN	Ala. Sch. D, Property #20 col. (a).
770	Date Acquired #20	8 AN	Ala. Sch. D, Property #20 col. (b). (Format as MMDDCCYY) (or) federal field description.
775	Date Sold #20	8 AN	Ala. Sch. D, Property #20 col. (c). (Format as MMDDCCYY) (or) federal field description.
780	Amount Received #20	12 N	Ala. Sch. D, Property #20 col. (d).
785	Depreciation Allowable Since Acquisition #20	12 N	Ala. Sch. D, Property #20 col. (e).
790	Cost or Other Basis #20	12 N	Ala. Sch. D, Property #20 col. (f).
795	Subsequent Improvements #20	12 N	Ala. Sch. D, Property #20 col. (g).
800	Net Profit or (Loss) #20	12 N	Ala. Sch. D, Property #20 col. (h). Must equal sequence numbers 780 and 785 less sequence numbers 790 and 795.

Section 2 D

2007 Alabama Schedule D - Profit from Sale of Real Estate, Stocks, Bonds, etc.

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
990	Total Net Profit or (Loss)	12 N	Total of column (h). Must equal the sum of sequence numbers 040, 080, 120, 160, 200, 240, 280, 320, 360, 400, 440, 480, 520, 560, 600, 640, 680, 720, 760, and 800. This amount must be brought forward to sequence number 045 on the Alabama Form 40, page 2.
	Form Terminus	1 AN	value '\$'

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information/Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value 'Ebbbb'
	Page Number	5 AN	value 'PG01b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7 N	'0000001' to '0000015'

0010	Kind Property A	20 AN	Ala. Sch. E, line 1A.
0020	Location Property A	37 AN	Ala. Sch. E, line 1A.
0025	Kind Property B	20 AN	Ala. Sch. E, line 1B.
0030	Location Property B	37 AN	Ala. Sch. E, line 1B.
0035	Kind Property C	20 AN	Ala. Sch. E, line 1C.
0040	Location Property C	37 AN	Ala. Sch. E, line 1C.
0045	Personal Use Indicator A - Yes	1 AN	Ala. Sch. E, line 2A. "X" or blank.
0050	Personal Use Indicator A - No	1 AN	Ala. Sch. E, line 2A. "X" or blank.
0055	Personal Use Indicator B - Yes	1 AN	Ala. Sch. E, line 2B. "X" or blank.
0060	Personal Use Indicator B - No	1 AN	Ala. Sch. E, line 2B. "X" or blank.
0065	Personal Use Indicator C - Yes	1 AN	Ala. Sch. E, line 2C. "X" or blank.
0070	Personal Use Indicator C - No	1 AN	Ala. Sch. E, line 2C. "X" or blank.

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information/Explanation
0100	Rents Received - Property A	12 N	Ala. Sch. E, line 3A.
0110	Rents Received - Property B	12 N	Ala. Sch. E, line 3B.
0120	Rents Received - Property C	12 N	Ala. Sch. E, line 3C.
0125	Total Rents Received	12 N	Must equal the sum of lines 3A, B, and C. Must equal the sum of sequence numbers 0100, 0110, and 0120.
0130	Royalties Received - Property A	12 N	Ala. Sch. E, line 4A.
0140	Royalties Received - Property B	12 N	Ala. Sch. E, line 4B.
0150	Royalties Received - Property C	12 N	Ala. Sch. E, line 4C.
0155	Total Royalties Received	12 N	Must equal the sum of lines 4A, B, and C. Must equal the sum of sequence numbers 0130, 0140, and 0150.
0170	Advertising - Prop. A	12 N	Ala. Sch. E, line 5A.
0180	Advertising - Prop. B	12 N	Ala. Sch. E, line 5B.
0190	Advertising - Prop. C	12 N	Ala. Sch. E, line 5C.
0200	Auto-Travel - Prop. A	12 N	Ala. Sch. E, line 6A.
0210	Auto-Travel - Prop. B	12N	Ala. Sch. E, line 6B.
0220	Auto-Travel - Prop. C	12 N	Ala. Sch. E, line 6C.

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
0230	Cleaning-Maint - Prop. A	12 N	Ala. Sch. E, line 7A.
0240	Cleaning-Maint - Prop. B	12 N	Ala. Sch. E, line 7B.
0250	Cleaning-Maint - Prop. C	12 N	Ala. Sch. E, line 7C.
0260	Commissions - Prop. A	12 N	Ala. Sch. E, line 8A.
0270	Commissions - Prop. B	12 N	Ala. Sch. E, line 8B.
0280	Commissions - Prop. C	12 N	Ala. Sch. E, line 8C.
0290	Insurance - Prop. A	12 N	Ala. Sch. E, line 9A.
0300	Insurance - Prop. B	12 N	Ala. Sch. E, line 9B.
0310	Insurance - Prop. C	12 N	Ala. Sch. E, line 9C.
0320	Legal-Professional Fees - Prop. A	12 N	Ala. Sch. E, line 10A.
0330	Legal-Professional Fees - Prop. B	12 N	Ala. Sch. E, line 10B.
0340	Legal-Professional Fees - Prop. C	12 N	Ala. Sch. E, line 10C.
0342	Management Fees - Prop. A	12 N	Ala. Sch. E, line 11A.
0343	Management Fees - Prop. B	12 N	Ala. Sch. E, line 11B.
0344	Management Fees - Prop. C	12 N	Ala. Sch. E, line 11C.
0350	Mortgage Interest - Prop. A	12 N	Ala. Sch. E, line 12A.
0360	Mortgage Interest - Prop. B	12 N	Ala. Sch. E, line 12B.
0370	Mortgage Interest - Prop. C	12 N	Ala. Sch. E, line 12C.

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
0380	Total Mortgage Interest	12 N	Ala. Sch. E, line 12 (Total col.). Must equal the sum of lines 12A, 12B, and 12C. Must equal the sum of sequence number 0350, 0360, and 0370.
0390	Other Interest - Prop. A	12 N	Ala. Sch. E, line 13A.
0400	Other Interest - Prop. B	12 N	Ala. Sch. E, line 13B.
0410	Other Interest - Prop. C	12 N	Ala. Sch. E, line 13C.
0420	Repairs - Prop. A	12 N	Ala. Sch. E, line 14A.
0430	Repairs - Prop. B	12 N	Ala. Sch. E, line 14B.
0440	Repairs - Prop. C	12 N	Ala. Sch. E, line 14C.
0450	Supplies - Prop. A	12 N	Ala. Sch. E, line 15A.
0460	Supplies - Prop. B	12 N	Ala. Sch. E, line 15B.
0470	Supplies - Prop. C	12 N	Ala. Sch. E, line 15C.
0480	Taxes - Prop. A	12 N	Ala. Sch. E, line 16A.
0490	Taxes - Prop. B	12 N	Ala. Sch. E, line 16B.
0500	Taxes - Prop. C	12 N	Ala. Sch. E, line 16C.
0510	Utilities - Prop. A	12 N	Ala. Sch. E, line 17A.
0520	Utilities - Prop. B	12 N	Ala. Sch. E, line 17B.
0530	Utilities - Prop. C	12 N	Ala. Sch. E, line 17C.

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
0570	Other-Description 1	25 AN	Ala. Sch. E, line 18.
0580	Other Amount 1 - Prop. A	12 N	Ala. Sch. E, line 18A.
0590	Other Amount 1 - Prop. B	12 N	Ala. Sch. E, line 18B.
0600	Other Amount 1 - Prop. C	12 N	Ala. Sch. E, line 18C.
0610	Other-Description 2	25 AN	Ala. Sch. E, line 18.
0620	Other Amount 2 - Prop. A	12 N	Ala. Sch. E, line 18A.
0630	Other Amount 2 - Prop. B	12 N	Ala. Sch. E, line 18B.
0640	Other Amount 2 - Prop. C	12 N	Ala. Sch. E, line 18C.
0650	Other-Description 3	25 AN	Ala. Sch. E, line 18.
0660	Other Amount 3 - Prop. A	12 N	Ala. Sch. E, line 18A.
0670	Other Amount 3 - Prop. B	12 N	Ala. Sch. E, line 18B.
0680	Other Amount 3 - Prop. C	12 N	Ala. Sch. E, line 18C.
0690	Other-Description 4	25 AN	Ala. Sch. E, line 18.
0700	Other Amount 4 - Prop. A	12 N	Ala. Sch. E, line 18A.
0710	Other Amount 4 - Prop. B	12 N	Ala. Sch. E, line 18B.
0720	Other Amount 4 - Prop. C	12 N	Ala. Sch. E, line 18C.
0730	Other-Description 5	25 AN	Ala. Sch. E, line 18.
0740	Other Amount 5 - Prop. A	12 N	Ala. Sch. E, line 18A.
0750	Other Amount 5 - Prop. B	12 N	Ala. Sch. E, line 18B.

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
0760	Other Amount 5 - Prop. C	12 N	Ala. Sch. E, line 18C.
0970	Total Rental & Royalty Expenses - Prop. A	12 N	Ala. Sch. E, line 19A. Must equal the sum of sequence numbers 0170, 0200, 0230, 0260, 0290, 0320, 0342, 0350, 0390, 0420, 0450, 0480, 0510, 0580, 0620, 0660, 0700, and 0740.
0980	Total Rental & Royalty Expenses - Prop. B	12 N	Ala. Sch. E, line 19B. Must equal the sum of sequence numbers 0180, 0210, 0240, 0270, 0300, 0330, 0343, 0360, 0400, 0430, 0460, 0490, 0520, 0590, 0630, 0670, 0710, and 0750.
0990	Total Rental & Royalty Expenses - Prop. C	12 N	Ala. Sch. E, line 19C. Must equal the sum of sequence numbers 0190, 0220, 0250, 0280, 0310, 0340, 0344, 0370, 0410, 0440, 0470, 0500, 0530, 0600, 0640, 0680, 0720, and 0760.
1000	Total Expenses Properties A, B, and C	12 N	Ala. Sch. E, line 19 (Total col.). Must equal the sum of sequence numbers 970, 980 and 990.
1010	Depreciation Expense - Prop. A	12 N	Ala. Sch. E, line 20A.
1020	Depreciation Expense - Prop. B	12 N	Ala. Sch. E, line 20B.
1030	Depreciation Expense - Prop. C	12 N	Ala. Sch. E, line 20C.

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
1040	Total Depreciation	12 N	Ala. Sch. E, line 20 (Total col.). Must equal the sum of sequence numbers 1010, 1020, and 1030.
1050	Total Expenses - Prop. A	12 N	Ala. Sch. E, line 21A. Must equal the sum of sequence numbers 0970 and 1010.
1060	Total Expenses - Prop. B	12 N	Ala. Sch. E, line 21B. Must equal the sum of sequence numbers 0980 and 1020.
1070	Total Expenses - Prop. C	12 N	Ala. Sch. E, line 21C. Must equal the sum of sequence numbers 0990 and 1030.
1080	Net Rental/Royalty Income (Loss) - Property A	12 N	Ala. Sch. E, line 22A. Must equal the sum of sequence numbers 0100 and 0130, less sequence number 1050.
1090	Net Rental/Royalty Income (Loss) - Property B	12 N	Ala. Sch. E, line 22B. Must equal the sum of sequence numbers 0110 0140, less sequence number 1060.
1100	Net Rental/Royalty Income (Loss) - Property C	12 N	Ala. Sch. E, line 22C. Must equal the sum of sequence numbers 0120 and 0150, less sequence number 1070.

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
1150	Total Real Estate and Royalty Income or Loss	12 N	Ala. Sch. E, line 23 (Total col.). Must equal the sum of sequence numbers 1080, 1090 and 1100.
1170	Income Source Name/Address - 1	70 AN	Ala. Sch. E, Part II, col. g.
1172	Part/Est, Trust/S-Corp Ind - 1	1 AN	"P" for Partnerships, "E" for Estates and Trusts, "S" for S-corporations or blank. Ala Sch. E, Part II, col. h.
1180	Part/Est, Trust/S-Corp EIN - 1	9 N	Ala. Sch. E, Part II, col. i.
1190	Part/Est, Trust/S-Corp Income - 1	12 N	Ala. Sch. E, Part II, col. j.
1200	Income Source Name/Address - 2	70 AN	Ala. Sch. E, Part II, col. g.
1210	Part/Est or Trust/S-Corp Ind - 2	1 AN	"P" "E" "S" or blank, see sequence no. 1172. Ala Sch. E, Part II, col.h.
1230	Part/Est or Trust/S-Corp EIN - 2	9 N	Ala. Sch. E, Part II, col. i.
1240	Part/Est or Trust/S-Corp Income - 2	12 N	Ala. Sch. E, Part II, col. j.
1260	Income Source Name/Address - 3	70 AN	Ala. Sch. E, Part II, col. g.

Section 2 E

2007 Alabama Schedule E - Supplemental Income and Loss

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information /Explanation
1270	Part/Est or Trust/S-Corp Ind - 3	1 AN	"P" "E" "S" or blank, see sequence no. 1172. Ala Sch. E, Part II, col h.
1280	Part/Est or Trust/S-Corp EIN - 3	9 N	Ala. Sch. E, Part II, col. i.
1290	Part/Est or Trust/S-Corp Income - 3	12 N	Ala. Sch. E, Part II, col. j.
1320	Income Source Name/Address - 4	70 AN	Ala. Sch. E, Part II, col. g.
1330	Part/Est or Trust/S-Corp Ind - 4	1 AN	"P" "E" "S" or blank, see sequence no. 1172. Ala Sch. E, Part II, col. h.
1340	Part/Est or Trust/S-Corp EIN - 4	9 N	Ala. Sch. E, Part II, col. i.
1350	Part/Est or Trust/S-Corp Inc. - 4	12 N	Ala. Sch. E, Part II, col. j.
1945	Total Part/Est or Trust/S-Corp Net Income or Loss	12 N	Ala. Sch. E, line 24. Must equal the sum of sequence numbers 1190, 1240, 1290, and 1350.
2000	Total Income or Loss	12 N	Ala. Sch. E, line 25. Must equal the sum of sequence numbers 1150 and 1945.
	Form Terminus Character	1 AN	Value "\$"

Section 2 NOL - 85

Computation of Net Operating Loss

2007 Alabama Form NOL - 85

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information/Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value 'NOL85b'
	Page Number	5 AN	value 'PG01b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7 N	' 0000001'

Seq No.	Identification	Length/Type	Ref Information/Explanation
		Lost Year Ending	
010	Loss Year Ending - MMDD (Month/Day)	5 AN	Format as MM/DD: (Ex: 12/31)
015	Loss Year Ending - CCYY (Century/Year)	4 N	Format as CCYY: (Ex: 2007)

Part I – Excess of Non-business Deductions Over Non-business Income

NONBUSINESS DEDUCTIONS

020	Federal Income Tax Claimed	12 N	Line 1a: Enter the federal income tax claimed as a deduction on the loss year return.
025	Loss on Sale of Non-business Assets	12 N	Line 1b: Enter the total of all losses resulting from the sale of property and other assets not used in a trade or business.
030	Payments to IRA, Keogh, or SEP plan	12 N	Line 1c: Non-Business Deduction - (See Instructions for Lines 1c-1h).
035	Penalty on Early Withdrawal of Savings	12 N	Line 1d: Non-business Deduction - (See Instructions for Lines 1c-1h).

Part I – Excess of Non-business Deductions Over Non-business Income

NONBUSINESS DEDUCTIONS: (Continued)

Seq No.	Identification	Length/Type	Ref Information/Explanation
040	Alimony Paid	12 N	Line 1e: Non-business Deduction - (See Instructions for Lines 1c-1h).
045	Adoption Expenses	12 N	Line 1f: Non-business Deduction - (See Instructions for Lines 1c-1h).
050	Self-Employed Health Insurance Deduction	12 N	Line 1g: Non-business Deduction - (See Instructions for Lines 1c-1h).
054	Other (Explain): Description Field	35 AN	Line 1h: Describe/List all Other Non-business deductions. (See Instructions for Lines 1c-1h)
055	Other Non-Business Deductions Amount	12 N	Line 1h: Enter the total amount of all Other Non- business Deductions. (See Instructions for Lines 1c-1h)
060	Standard Deduction Claimed on Return	12 N	Line 2a: Enter the Standard the Deduction claimed on the Loss Year Return (If Applicable).
065	Total Itemized Deductions Claimed	12 N	Line 2b: Enter the total amount of all Itemized Deductions claimed on Schedule A of the Loss Year Return (If Applicable).
070	Casualty or Theft Loss	12 N	Line 3a: Enter the amount claimed as a deduction for a Casualty or Theft Loss on Schedule A of the Loss Year Return.

Part I – Excess of Non-business Deductions Over Non-business Income

NONBUSINESS DEDUCTIONS: (Continued)

Seq No.	Identification	Length/Type	Ref Information/Explanation
075	Other Miscellaneous Business Deductions	12 N	Line 3b: Enter the total amount of all business related expenses claimed on Schedule A as a miscellaneous deduction. (See Instructions for line 3b).
080	Total Adjustments to Schedule A	12 N	Line 4: Add lines 3a and 3b and enter the amount.
085	Total Non-Business Itemized Deductions	12 N	Line 5: Subtract Line 4 from line 2b and enter the amount.
090	Total Non-Business Deductions	12 N	Line 6: Add lines 1a through 2a and 5. Enter the amount.

NON-BUSINESS INCOME

095	Interest and Dividend Income (Form 40 Only)	12 N	Line 7a: Enter the amount of all Interest and Dividend Income including distributive shares of interest and dividend income received by a partnership or an Alabama S corporation.
100	Gain on Sale of Non-business Assets	12 N	Line 7b: Enter the amount of all Gains or Losses from the sale of assets not used in a trade or business (including distributive shares of gains or losses from such assets held by a partnership or an Alabama S corporation).

Part I – Excess of Non-business Deductions Over Non-business Income

NONBUSINESS INCOME

(Continued)

Seq No.	Identification	Length/Type	Ref Information/Explanation
105	Federal Income Tax Refunds Reported	12 N	Line 7c: Enter the amount of any Federal Income Tax Refunds reported on the loss year return (Form 40 Only).
110	Taxable Distributions from Pensions	12 N	Line 7d: Enter the amount of any Taxable Distributions from Pensions, Annuities, IRA's, or other retirement plans (Form 40 Only).
115	Alimony Received (Form 40 Only)	12 N	Line 7e: Enter the amount of any Alimony Received and Reported on the Loss Year Return.
120	Trust and/or Estate Income	12 N	Line 7f: Enter the amount of any Trust or Estate Income Reported on Schedule E of the Loss Year Return.
121	Other (Explain): Description Field	35 AN	Line 7g: Describe/List any Other Non-Business Income which includes items such as Gains from the Sale of a Personal Residence (to the extent recognized for Federal purposes), Royalty Income, Gambling Income, Prizes, Awards, and Director's Fees.

Part I – Excess of Non-business Deductions Over Non-business Income

NONBUSINESS INCOME: (Continued)

Seq No.	Identification	Length/Type	Ref Information/Explanation
125	Other Non-Business Income Amount	12 N	Line 7g: Enter the amount from any Non-Business Income which includes items such as Gains from the Sale of a Personal Residence (to the extent recognized for Federal purposes), Royalty Income, Gambling Income, Prizes, Awards, and Director's Fees.
130	Total Non-Business Income	12 N	Line 8: Add lines 7a through 7g and enter the amount.
135	Excess Non-Business Deductions Over Non-Business Income (Amount)	12 N	Line 9: If line 6 exceeds line 8, subtract line 8 from line 6. Enter the result here and on line 5, Part II. If line 8 exceeds line 6, then enter zero amount and on line 5, Part II.

Part II – Computation of Net Operating Loss

140	Taxable Income	12 N	Line 1: Enter the amount of taxable income shown on Form the E40.
145	Net Operating Loss Claimed	12 N	Line 2: Enter the amount of the Net Operating Loss Claimed on the Loss Year Return (See Instructions for Line 2).
150	Personal Exemption Claimed	12 N	Line 3: Enter the amount of the Personal Exemption Claimed on the Loss Year Return.

Part II – Computation of Net Operating Loss

(Continued)

Seq No.	Identification	Length/Type	Ref Information/Explanation
155	Dependent Exemption Claimed	12 N	Line 4: Enter the amount of the Dependent Exemption Claimed on the Loss Year Return.
160	Excess Non-Business Deductions Over Non-Business Income	12 N	Line 5: Enter the amount from line 9, Part I.
165	Total Modifications	12 N	Line 6: Add lines 2, 3, 4, and 5 and enter the amount.
170	Net Operating Loss Allowable	12 N	Line 7: Combine lines 1 and 6. If the result is a negative figure, enter the amount. If zero or a positive figure – Stop – Do not file this Form. You DO NOT have a Net Operating Loss.
171	Election to Forfeit Carryback Provision	1 AN	<u>Check Box:</u> By checking this box you hereby elect to forfeit the carryback provision and instead elect to carryforward any allowable Net Operating Loss for this taxable year.
	Form Terminus Character	1 AN	Value "\$"

Section 2 NOL - 85 A

Application of Net Operating Loss Carryback or Carryforward

2007 Alabama Form NOL - 85 A

Unformatted Record

Seq No.	Identification	Length/Type	Ref Information/Explanation
	Byte Count	4 N	'nnnn' for variable format
	Start of Record Sentinel	4 AN	value '!!!!'
	Record ID Type	6 AN	'STbbbb'
	Form Number	6 AN	value 'NOL85A'
	Page Number	5 AN	value 'PG01b'
	Taxpayer Identification Number	9 N	Primary SSN
	Filler	1	Blank
	Form/Schedule Number	7 N	' 0000001'

Seq No.	Identification	Length/Type	Ref Information/Explanation
For Year Ending – Enter Year to which Loss is being Carried			
200	For Year Ending - MMDD (Month/Day)	5 AN	Line 1a: Format as MM/DD: (Ex: 12/31)
205	For Year Ending - CCYY (Century/Year)	4 N	Line 1a: Format as CCYY: (Ex: 2007)
210	Year Net Operating Loss Incurred - Beginning	5 AN	Line 1a: Format as MM/DD: (Ex: 12/31)
215	Year Net Operating Loss Incurred - Beginning	4 N	Line 1a: Format as CCYY: (Ex: 2007)
220	Year Net Operating Loss Incurred - Ending	5 AN	Line 1a: Format as MM/DD: (Ex: 12/31)
225	Year Net Operating Loss Incurred - Ending	4 N	Line 1a: Format as CCYY: (Ex: 2007)
230	Election to Forfeit the Carryback Loss - YES	1 AN	Line 1b: <u>Check Box</u> – Did you elect on Form NOL-85 to forfeit the election to carry this loss back? If YES, then check this box.
235	Election to Forfeit the Carryback Loss - NO	1 AN	Line 1b: <u>Check Box</u> – Did you elect on Form NOL-85 to forfeit the election to carry this loss back? If NO, then check this box.

Application of Net Operating Loss Carryback or Carryforward

Seq No.	Identification	Length/Type	Ref Information/Explanation
240	NOL– Subsequent Year’s Return - YES	1 AN	Line 1c: <u>Check Box</u> – Did you timely file the subsequent year’s return and claim the Net Operating Loss? If YES, then check this box.
245	NOL– Subsequent Year’s Return – NO	1 AN	Line 1c: <u>Check Box</u> – Did you timely file the subsequent year’s return and claim the Net Operating Loss? If NO, then check this box.

Part I – Computation

250	Net Operating Loss – Form NOL- 85	12 N	Line 2: Enter the amount of the Net Operating Loss as shown on line 7, Part II, Form NOL – 85, or as shown on line 7, Form NOL- 85 A (See Instructions).
255	Taxable Income – Form E40	12 N	Line 3: Enter the taxable income as shown on Form E40 for the tax year to which the loss is being carried.

Modifications

260	Personal Exemption	12 N	Line 4a: Enter the amount of personal exemption claimed on the return to which the loss is being carried.
265	Dependent Exemption	12 N	Line 4b: Enter the amount of dependent exemption claimed on the return to which the loss is being carried.
270	Total Modifications	12 N	Line 5: Add lines 4a and 4b and enter the amount.

Application of Net Operating Loss Carryback or Carryforward

Modifications

(Continued)

Seq No.	Identification	Length/Type	Ref Information/Explanation
275	Modified Taxable Income	12 N	Line 6: Add lines 3 and 5. Enter the amount.
280	Unused Net Operating Loss	12 N	Line 7: If line 2 exceeds line 6, subtract line 6 from line 2. Enter the difference here and enter zero (0) on the tax due line of Form E40.
285	Net Operating Loss – Line 2, Part I	1 AN	Line b: <u>Check Box</u> - If Net Operating Loss on line 2, Part I is Equal to or greater than the taxable income reported on line 3, Part I, then check this box and SKIP lines 8 – 13, Part II, Application Section.

Part II – Application

290	Adjusted Gross Income	12 N	Line 8: Enter the amount of the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85 A) for the year to which the loss is being carried.
295	Net Operating Loss to be Applied	12 N	Line 9: Enter the amount from line 2, Part I, Computation Section.
300	Modified Adjusted Gross Income	12 N	Line 10: Subtract line 9 from line 8 and enter the amount (See Instructions).

Part II – Application

Deductions

Seq No.	Identification	Length/Type	Ref Information/Explanation
305	Standard Deduction	12 N	Line 11a: If you claimed the Standard Deduction on the return to which the loss is being carried, recomputed the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10.
310	Itemized Deductions	12 N	Line 11b: If you claimed Itemized Deductions on the return to which the loss is being carried, recomputed the Itemized Deductions based on the Modified Adjusted Gross Income shown on line 10.
315	Federal Income Tax	12 N	Line 11c: Enter the Federal Income Tax as last determined and claimed as a deduction on the return to which the loss is being carried.
320	Personal Exemption	12 N	Line 11d: Enter the Personal Exemption as last determined and claimed on the return to which the loss is being carried.

Part II – Application

Deductions (Continued)

Seq No.	Identification	Length/Type	Ref Information/Explanation
325	Dependent Exemption	12 N	Line 11e: Enter the Dependent Exemption as last determined and claimed on the return to which the loss is being carried.
330	Total Deductions	12 N	Line 12: Add lines 11a through 11e and enter the amount.
335	Taxable Income as Adjusted	12 N	Line 13: Subtract line 12 from line 10 and enter the amount.
340	Tax Due After Application of NOL	12 N	Line 14: Compute the Tax Due using the Tax Tables for the year to which the loss is being carried. Enter the amount here and also on the Tax Due line of Form E40.

Part III – Modified Adjusted Gross Income Percentage

NOTE: SINCE NON-RESIDENT RETURNS CANNOT BE E-FILED THIS SECTION IS EXCLUDED FROM THE ALABAMA E-FILE PROGRAM.

345	Reserved For Future Use	12 N	Reserved For Future Use (Excluded From AL E-File)
350	Reserved For Future Use	12 N	Reserved For Future Use (Excluded From AL E-File)
355	Reserved For Future Use	12 N	Reserved For Future Use (Excluded From AL E-File)
360	Reserved For Future Use	12 N	Reserved For Future Use (Excluded From AL E-File)
365	Reserved For Future Use	3 N	Reserved For Future Use (Excluded From AL E-File)
	Form Terminus Character	1 AN	Value "\$"

2007 ALABAMA ERROR REJECTION CODES

9/23/2007

- Any Additions/Changes/Updates or Deletions made to the Alabama Error Reject Codes are indicated with the symbol "=>" and highlighted with a "yellow background" in bold print. Text highlighted with a "blue background" denotes areas of special attention/interest. Text highlighted with a "red background" denotes Current Draft IRS/AL Form line numbers that are subject to change.

Please Note: Most of the lighted error reject codes have not actually changed – only the line number reference has changed – the field numbers are the same.

AL Error Codes	Error Description
000	Software Developer has not been approved for the Alabama E-File Program.
005	Primary Taxpayer Last Name (Field 060 - AL Generic Record) must be present. This is a required field and must never be blank.
010	Primary Taxpayer First Name & Spouse First Name (Field 070 - AL Generic Record) must be present. This is a required field and must never be blank. NOTE: Spouse First Name only applicable when a joint filing status is claimed.
015	Primary Taxpayer Address (Field 075 - AL Generic Record) must be present. This is a required field and must never be blank.
020	Primary Taxpayer City (Field 085 - AL Generic Record) must be present. This is a required field and must never be blank.
025	Primary Taxpayer Zip (Field 100 - AL Generic Record) must be present. This is a required field and must never be blank.
030	Primary Taxpayer SSN (Generic Record ID) must be present. This is a required field and must never be blank.
035	If Filing Status (Field 305 - AL Generic Record) is equal to 2 (Married Filing Joint), then Spouse First Name and Initial (Field 070 - AL Generic Record) must be present and Spouse SSN (Field 055 - AL Generic Record) must be present.
=> 040	If Filing Status (Field 305 – AL Generic Record) is equal to 3 (Married Filing Separate), then (Spouse's SSN) must be present in Field 305 - AL Generic Record.

AL Error Code	Error Description
041	If Filing Status (Field 305 – AL Generic Record) is equal to 3 (Married Filing Separate), then Spouse SSN must not be present in Generic Field 055.
045	If Filing Status Box (Field 305 - AL Generic Record) is equal to 4 (Head of Family), then (Qualifying Person/Last Name), (Qualifying Person /First Name), (Qualifying Person/ SSN), (Qualifying Person/Relationship), must be present in Field 305 - AL Generic Record.

=> 050 Total Alabama Wages (Field 350 - AL Generic Record), Form 40 Pg. 1, line 5, must equal the total amount of all State Wages (including Wages Earned Out of State) as reported in Box 16 of the NEW ELF 2007 (4) STATE WAGE AND LOCALITY Federal 1040 W-2 (State Wages 1, State Wages 2, State Wages 3 and State Wages 4). IRS Fields #'s 0390, 0460, 0515, and 0560.

NOTE: ALABAMA WILL ACCEPT AN ELECTRONIC RETURN WITH A STATUTORY EMPLOYEE VIA A W-2 OR FEDERAL SCHEDULE C.

SPECIAL INSTRUCTIONS FOR AL ERROR CODE # 50:

NOTE: ALABAMA DOES NOT FOLLOW THE FEDERAL 1040 CRITERIA FOR SALARIES, WAGES, TIPS, ETC. (LINE 7, IRS FIELD # 0375).

=> THE 2007 AL40 INSTRUCTION BOOKLET FOR LINES 5A THROUGH 5D “WAGES, SALARIES, TIPS, ETC. STATES THE FOLLOWING: “INCOME”.... SHOW THE AMOUNT OF WAGES YOU WERE PAID BEFORE TAXES, INSURANCE, ETC. WERE DEDUCTED. YOU SHOULD USE THE AMOUNT SHOWN IN THE BOX HEADED “STATE WAGES” ON YOUR FORM W-2.” THE AMOUNT SHOWN IN THIS BOX MAY OR MAY NOT BE THE SAME AS THE AMOUNT TAXABLE FOR FEDERAL PURPOSES. ALL OTHER TAXABLE ITEMS LISTED ON YOUR W-2 FORM THAT ARE NOT INCLUDED IN THE “STATE WAGES” BOX SHOULD BE ENTERED ON LINE 8, PART 1, PAGE 2.

=> THE FOLLOWING INCOME AMOUNTS AS DEFINED BY LINE 7 OF THE FEDERAL 1040 MUST NOT BE INCLUDED IN ALABAMA GENERIC FIELD 350 (WAGES, SALARIES, TIPS), AL40, PG 1, LINE 5. THE ALABAMA E-FILE PROGRAM WILL GENERATE AN ALABAMA ERROR CODE # 50 AND REJECT THE ELECTRONIC RETURN. THESE AMOUNTS SHOULD BE REPORTED ON AL40, PG. 2, PART 1, LINE 8 “OTHER INCOME”, ALABAMA UNFORMATTED RECORD, SEQ. # 095. THE DESCRIPTION OF THE ITEM, LINE 8, “STATE NATURE AND SOURCE” SHOULD BE REPORTED IN AL UNFORMATTED RECORD, SEQ. # 090.

AL Error Code

Error Description

050 (CONTINUED)

Form 1099R:

1. Disability before minimum retirement age
2. Return of contributions

055 Reserved For Future Use

- => **060** Other Income (Field 365 - AL Generic Record), **Form 40, Pg. 1, line 7**, must equal the Total Other Income (AL Seq. no. 100 - AL Unformatted Record) reported on Pg. 2, Part I, line 9, Form 40.
- => **065** Total Income (Field 370 - AL Generic Record), **Form 40, Pg. 1, line 8**, must equal the sum of lines 5, 6, and 7 (Sum Fields 350, 355, and 365 - AL Generic Record).
- => **070** Total Adjustments to Income (Field 375 - AL Generic Record), **Form 40, Pg. 1, line 9**, must equal the Total Adjustments (AL Seq. no 190 - AL Unformatted Record) reported on Form 40, Pg. 2, Part II, line 8.
- => **075** Adjusted Gross Income (Field 380 - AL Generic Record), **Form 40, Pg. 1, line 10**, must equal line 8 less line 9 (Field 370 less 375).
- => **080** Itemized Deductions/Standard Deduction (Field 305 - AL Generic Record), **Form 40, Pg. 1, line 11**. If the deductions on the return are itemized, this field must equal Total Itemized Deductions (AL Seq. no. 190 - AL Unformatted Record) reported on AL Schedule A, line 26.
- => **081** **Federal Tax Liability Deduction, Form 40, Page 1, line 12** must equal the amount reported on **Federal 1040, line 56 plus line 59, Federal 1040 A, line 38 and Federal 1040 EZ, line 10. If none, enter zero amount. This amount must never be a negative figure. If negative, then enter zero amount.**
- 085 Itemized/Standard Deduction Flag (Field 305 - AL Generic Record): I = Itemized, S= Standard. One or the other must be present.

AL Error Code**Error Description**

090 Personal Exemption (Field 400 - AL Generic Record), Form 40, Pg. 1, line 14 is based on the Filing Status reported in (Field 305 - AL Generic Record), Form 40, Pg. 1, lines 1, 2, 3 or 4. The AL Personal Exemption must equal the exemption amount as defined by one of the following status exemptions:

1. Single \$1500.00
2. Married Filing Jointly \$3000.00
3. Married Filing Separately \$1500.00
4. Head of Family (Household): \$3000.00

=> **095** Dependent Exemption (Field 405 - AL Generic Record), **Form 40, Pg. 1, line 14**, must equal the Amount Allowed as reported on Form 40, Pg. 2, Part III, line 2 (AL Seq. no 450 - AL Unformatted Record).

=> **100** Total Deductions (Field 410 - AL Generic Record), **Form 40, Pg. 1, line 15**, must equal the sum of lines 11, 12, 13, and 14 (Sum Field 385, 390, 400 and 405).

=> **105** Taxable Income (Field 415 - AL Generic Record), **Form 40, Pg. 1, line 16**, must equal line **10 less line 15** (Field 380 less 410).

CAUTION: IF NEGATIVE DO NOT DEFAULT TO ZERO

110 **Reserved For Future Use:**

=> **111** **If Form AL40, Pg. 1, line 17, NOL - 85A "Check Box" equal "X", then AL Generic Field 420 must be present.**

115 Reserved For Future Use

120 Reserved For Future Use

125 Reserved For Future Use

=> **130** **Schedule OC Credit Flag (Field 305 - AL Generic Record), Form 40, Pg. 1, line 18, must be blank. The return cannot be filed electronically and a paper return must be filed.**

135 Reserved For Future Use

140 **Less Credits amount (Field 425 – AL Generic Record) must be greater than zero if CR – Credit Flag equal "X" (Field 305 – AL Generic Record).**

AL Error Code

Error Description

141 If AL Sch CR, line 5 (AL Seq # 500) is present then AL Sch CR, lines 1, 2, 3, and 4 must be present. (AL Sch CR Seq #s 50, 100, 200, 300, and 400.)

NOTE: Aggregate all Credits For Taxes Paid to Other States (if more than one) to the AL Sch CR – lines 1, 2, 3 and 4 (one occurrence). AL Sch CR Seq #s 50,100, 200, 300 and 400. The Description in line 1 (AL Seq # 50) must read “All States” . The aggregate total of all Out-of-State Credits must be reported on line 5 (AL Seq # 500) and the amount brought forward to Field 425 – AL Generic Record.

NOTE: AL Schedule CR is located at the bottom of the AL Sch B (AL Unformatted Record).

=> 145 Net Tax Due Alabama (Field 430 - AL Generic Record), **Form 40, Pg. 1, line 19a, must equal line 17 less line 18** (Field 420 less 425). **If line 18 is greater than line 17, then line 19a must be blank or zero.**

150 Reserved For Future Use

155 Reserved For Future Use

=> 160 Total Tax Liability and Voluntary Contributions (Field 455 - AL Generic Record), must equal line **19a plus line 19b, 20a, and 20b.** (Field 430 plus 435, 440, and 445)

=> 165 Alabama Income Tax Withheld (Field 460 - AL Generic Record), **Form 40, Pg. 1, line 22,** must equal the total ALABAMA Income Tax Withheld, as reported on the W-2s, W-2Gs, and 1099R's. Error Reject Code #165 will only be valid with W-2's, W-2G's and 1099R's. **AL withholding from any other source document will not be included in the calculation for Error Reject Code # 165 and will be rejected.**

NOTE: Income tax withheld for other states must not be included in this amount.

=> 170 Total Payments (Field 475 - AL Generic Record), **Form 40, Pg. 1, line 25,** must equal the sum of line 22, 23, and 24 (Sum Field 460, 465 and 470).

=> 175 Amount You Owe (Field 480 - AL Generic Record), **Form 40, Pg. 1, line 26,** must equal line 22 less line 26 (Field 455 which exceeds 475), **plus line 27** (Field 485).

AL Error Code

Error Description

=> 180	Overpaid (Field 490 - AL Generic Record), Form 40, Pg. 1, line 28, must equal line 25 less line 21, less line 27 . (Field 475 less 455 less 485).
=> 185	Total (Donations and Application to 2007 Estimated Tax) (Field 550 - AL Generic Record), Form 40, Pg. 1, line 31 , must equal the sum of line 29 and, 30 (Sum of Fields 495 and 500)
=> 187	Total Donations from Form 40, Schedule DC, Field 160, must equal Form 40, Pg 1, Line 30, Field 500)
190	Refunded To You (Field 555 - AL Generic Record), Form 40, Pg. 1, line 32 , must equal line 28 less line 31 (Field 490 less 550).
195	Business Income or (Loss) from Federal Schedule C or C-EZ, Form 40, Pg. 2, Part I, line 2 (AL Seq. no. 035 - AL Unformatted Record) must equal the AGGREGATE amount of the cumulative net profit or (loss) from line 31 of all 2007 Federal Schedule Cs, plus the cumulative net profit from line 3 of all C-EZs (IRS Field ID # 0710). ERROR CODE #195 WILL NOT BE VALID IF FED SCH C, LINE 30, IRS FORM 8829 "EXPENSES FOR BUSINESS USE OF YOUR HOME" (IRS FIELD 0703) IS PRESENT. ANY EXCESS BUSINESS USE EXPENSES BEYOND THE FEDERAL LIMITATIONS SHOULD BE REPORTED ON AL40, PG. 2, PART 1, LINE 8 "OTHER INCOME", ALABAMA UNFORMATTED RECORD, SEQ. #095. THE DESCRIPTION OF THE ITEM, LINE 8, "STATE NATURE AND SOURCE" SHOULD BE REPORTED IN AL UNFORMATTED RECORD, SEQ. #090.
200	Gain or (Loss) from Sale of Real Estate, Stocks, etc., Form 40, Pg. 2, Part I, line 3 (Alabama Schedule D) must equal the AGGREGATE amount reported as net profit or (loss) from all Alabama Schedule Ds, line 1(AL. Seq. no. 990 - AL Unformatted Record).
205	Rents, Royalties, Partnerships, Estates, Trusts, etc., Form 40, Pg. 2, Part I, line 6 (AL Seq.# 080) must equal the AGGREGATE amount reported as Total Income or (Loss) from all Alabama Schedule E's, line 25 (AL Seq. no. 2000 – AL Unformatted Record).
=> 210	Total Other Income, Form 40, Pg. 2, Part I, line 9 (AL Seq. no. 100 - AL Unformatted Record) must equal the sum of Part I, line 1, 2, 3, 4B, 5B, 6, 7 and 8. (AL Seq. no. 030, 035, 045, 065, 075, 080, 085, and 095). This amount must be brought forward to Form 40, Pg. 1, line 7 (Field 365 - Alabama Generic Record).

AL Error Code	Error Description
215	If Other Income, Form 40, Pg. 2, Part I, line 8 (AL Seq. no. 095 – AL Unformatted Record) is present, then Other Income, Form 40, Pg. 2, Part I, line 8 (Nature and Source – Description) must be present (AL Seq. no. 090 – AL Unformatted Record).
220	Alimony Recipient Last Name, Form 40, Pg. 2, Part II, line 4 (AL Seq. no. 125 - AL Unformatted Record). If Alimony Amount Paid is present on Form 40, Pg. 2, Part II, line 4 (AL Seq. no. 155 – AL Unformatted Record), then Alimony Recipient Last Name must be present.
225	Alimony Recipient SSN, Form 40, Pg. 2, Part II, line 4 (AL Seq. no. 130 – AL Unformatted Record). If Alimony Amount Paid is present on Form 40, Pg. 2, Part II, line 4 (AL Seq. no. 155 – AL Unformatted Record), then Alimony Recipient SSN must be present.
230	Reserved For Future Use
235	Moving Expenses - To State, Form 40, Pg. 2, Part II, line 6 (AL Seq. no. 170 - AL Unformatted Record). If Moving Expense Amount, Form 40, Pg. 2, Part II, line 6 (AL Seq. no. 180 – AL Unformatted Record) is present, then Moving Expenses – To State must be present and equal to “AL”.
240	Reserved For Future Use
245	Total Adjustments, Form 40 Pg. 2, Part II, line 8 (AL Seq. no. 190 – AL Unformatted Record) must be equal the sum of line 1A, 1B, 2, 3, 4, 5, 6, and 7 (AL Seq. no. 105, 110, 115, 120, 155, 160, 180 and 185 - AL Unformatted Record). This amount must be brought forward to Form 40, Pg. 1, line10 (AL Generic Record 375).
=> 250	Amount Allowed (For Dependent Exemption), Form 40, Pg. 2, Part III, line 2 (AL Seq. no. 450 - AL Unformatted Record) must equal amount on Form 40, Pg. 1, line 14 (Field 405 - Alabama Generic Record). If Amount on Form 40, Pg. 1, Line 10 (Field 375 – Generic Record equal 0 – 20,000 then Dependent Exemption must be \$1,000 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b.); if Amount on Form 40, Pg. 1, Line 10 (Field 375 – Generic Record equal 20,001 – 100,000) then Dependent Exemption must be \$500 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b. ; if Amount on Form 40, Pg. 1, Line 10 (Field 375 – Generic Record is over 100,000 then must be \$300 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b.) (see instructions page 10)

AL Seq. No 445 must never be a negative figure.

⇒ **305** If Standard Deduction Box is checked, Form 40, Page 1, line 11b, (Field # 305), then Generic Field 385 must contain the criteria found on the chart in the Form 40 Instruction Booklet on page 9:

AL Error Code	Error Description
310	If Itemized Deduction Box is checked, Form 40, line 11a, (Field # 305), then AL Sch A, line 26, (Seq. #190) <u>must be equal to or greater than zero.</u>
315	AL 40, Schedule A (If present), line 26 (AL Seq. #190) must equal the sum of lines 4, 9, 13, 17, 18c, 23, 24 and 25 (AL Seq. no's 045, 075, 105, 125, 140, 175, 180 and 187).
320	AL 40, Schedule B, line 3 (AL Seq. #280) must equal the sum of line 1 - Interest Income and line 2 - Dividend Income (AL Seq. no's. 040, 055, 070, 085, 100, 115, 130, 145, 160, 175, 185, 195, 205, 215, 225, 235, 245, 255, 265 and 275). NOTE: Alabama Schedule B is a required ELF form if Total Taxable Interest and Dividend Income is <u>greater than \$1500.00.</u>
321	If AL Sch CR line 5 is present (AL Seq # 500) then AL Sch B, Seq # 280 <u>must be equal to or greater than zero.</u> NOTE: If no AL Sch B is required in the electronic return but an AL CR must generated then zero fill the Seq #'s found in AL Error Code # 320.
325	Reserved For Future Use
330	Reserved For Future Use
335	If state wages, tips, etc. (Field # 390) is present then Employer's \ state ID number (Field # 380) must be present. For income derived from a state that does not have an income tax, the Employer's FEIN should be used.
340	If state wages, tips, etc. (Field # 460) is present then Employer's state ID number (Field # 450) must be present.
345	If state wages, tips, etc. (Field # 515) is present then Employer's state ID number (Field # 500) must be present.
350	If state wages, tips, etc. (Field # 560) is present then Employer's state ID number (Field # 550) must be present.

- 351** If IRS Form **1099R**, **Box 7** (IRS Field #0190) "Distribution Code" is equal to **Code 7** and (IRS Field 0200) "IRA/SEP/SIMPLE" indicator box is checked, then AL40, Pg.2, Part 1, line 4b (AL Seq. #065) must be present. If (IRS Field # 0190) "Distribution Code" is equal to **code G**, then **AL ERROR REJECT CODE #351 is invalid and will be ignored.**
- 352** If IRS Form **1099R**, **Box 1 or 2a "1 Gross Distribution – 2a Taxable Amount"** is present (IRS Field Codes # **0110** and # **0120**), then **Box 7 (IRS Field Code # 0190)** must be present.
- 355 Consumer Use Tax, Form AL 40, Pg. 1, line 20b (AL Generic Field no. 435) must never be a negative number.
- 356** If AL40, Sch B "Interest and Dividend income" **is greater than \$1500.00**, then AL40, Sch B, Line 3 (AI Seq. # 280) must be present and equal to AL40, Page 1, line 7 (AL Seq. #355).
- 900 Duplicate Return on File For SSN/TAXYR. An electronic return is already on file for this taxpayer. **The return is being processed by ADOR and no further action is required.**

September 21, 2007

Dear Alabama EROs:

During the **2007** filing season, Alabama received over **1,080,000 +** E-Filed income tax returns. The Department continues to be enthusiastic about the Electronic Filing Program and EROs have played a major part in the success of this program. Your efforts and interest have been greatly appreciated.

NOTABLE INFORMATION FOR THE YEAR 2007

- **Part Year Return can be Efiled**

- **IRS Field # 020 Declaration Control Number: Year Digit changed to Value '8'.**

- **AL Error Reject Codes: Alabama will be adding/updating AL Error Reject Codes. See Section 3 for additions/changes.**

Thank you again for your hard work. We are confident that working together we can make the **Tax Year 2007** even more successful for the Alabama Electronic Filing Program. Your comments and suggestions are always welcome.

Sincerely,
Richard Henninger



Director
Individual and Corporate Tax Division

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INTRODUCTION

The Alabama Department of Revenue (ADOR) participates with the Internal Revenue Service (IRS) in the Federal/State Electronic Filing Program. Under the program Alabama individual income tax returns are filed electronically with federal individual income tax returns.

Those who wish to participate in the Federal/State Electronic Filing Program must first apply to the IRS by submitting Form 8633, Application to Participate in the Electronic Filing Program. IRS Publication 1345 specifies the application process and requirements for federal participation.

The ADOR automatically accepts electronic filers (electronic return originators and transmitters) which have been accepted to participate in the Federal Electronic Filing Program. No additional registration is required on the part of electronic filers.

This document, Alabama Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 2007), is to be used in conjunction with IRS Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns.

IRS Publication 1345 provides detailed instructions on policies and procedures for the federal electronic filing program. All rules, regulations, and requirements governing tax preparers, transmitters, and originators of returns specified by the IRS are in effect for the ADOR. This document sets forth the requirements unique to the filing of Alabama individual income tax returns. Together the documents specify the requirements for the joint electronic filing of Alabama individual income tax returns and federal individual income tax returns. Therefore, electronic filers are encouraged to become thoroughly familiar with both documents.

If there are any questions, comments, or suggestions concerning this handbook please write to:

Tavares D. Mathews - Alabama E - File Coordinator
Alabama Department of Revenue
Income Tax Electronic Filing Center
P.O. Box 327450
Montgomery, Al 36132

E-Mail: tavares.mathews@revenue.alabama.gov

ERO FORM RETENTION REQUIREMENTS

Alabama refund, nonpayment and balance due returns requiring the following forms and schedules can be filed electronically for the 2007 tax year:

Form 40	Alabama Individual Income Tax Return,
Form 40	Schedule A Itemized Deductions,
Form 40	Schedule B Interest and Dividend Income,
Form 40	Schedule D Profit from Sale of Real Estate, Stocks, etc.,
Form 40	Schedule E Supplemental Income and Loss,
Form 40	Schedule CR Credit for Taxes Paid to Other States, (including the other state's return)
Alabama Form 4952A	Investment Interest Expense Deduction,
Federal Schedule C	Profit or Loss from Business,
Federal Schedule C EZ	Profit or Loss from Business, (Short Form)
Federal Schedule F	Profit or Loss from Farming,
Federal Form 2106	Employee Business Expenses,
Federal Form 2106 EZ	Employee Business Expenses (Short Form)
Federal Form 3903	Moving Expenses,
Federal Form 4562	Depreciation and Amortization,
Federal Form 4684	Casualties and Thefts,
Federal Form 6252	Installment Sale Income,
Federal Form 8283	Noncash Charitable Contributions, and
Federal Form 8829	Expenses for Business Use of Your Home.

The Electronic Return Originator (ERO) is required to retain an electronic copy of the above forms and schedules for a period of three years from the due date of the return or the date the return is filed, whichever is later. **Note: This list is not all inclusive.**

If the need arises, ADOR 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.

BALANCE DUE RETURNS

The ADOR accepts the transmission of balance due returns. The Alabama Form 40V, Individual Income Tax Payment Voucher, will serve as the remittance advice for Alabama individual income tax payments made by check or money order. **Credit card payments can no longer be paid with the Alabama Form 40V Payment voucher.**

HOW TO PAY YOUR ALABAMA TAXES BY CREDIT CARD

You can use your American Express, Discover/Novus, Visa or Master Card to pay your Alabama income taxes. Credit Card payments may be made by telephone by calling 1-800-2PAY-TAX

(1-800-272-9829), or over the internet by visiting **www.officialpayments.com**, and clicking on the "Payment Center" link. There is a convenience fee for this service. The fee is paid directly to Official Payments Corporation based on the amount of your tax payment. You must enter a Jurisdiction Code when prompted. **The Jurisdiction Code for Alabama is 1100.**

ALABAMA SALARIES, WAGES, AND TIPS

NOTE: ALABAMA DOES NOT FOLLOW THE FEDERAL 1040 CRITERIA FOR SALARIES, WAGES, TIPS, ETC.

Total AL Wages: Form 40, Pg. 1, line 5. Total Alabama Wages (Field 350 - AL Generic Record) must equal the total amount of all state wages (including Wages Earned Out of State) as reported in Box 16 of the Federal 1040 W-2 (IRS Fields #'s 0390 and 0460). **ALABAMA WILL ACCEPT AN ELECTRONIC RETURN WITH A STATUTORY EMPLOYEE VIA A W-2 OR FEDERAL SCHEDULE C.** A plus/minus +/- \$3.00 variance allowance has been added to Generic Field 350 to allow for rounding errors.

The 2007 AL40 Instruction Booklet for **LINES 5A THROUGH 5D “WAGES, SALARIES, TIPS, ETC. STATES THE FOLLOWING:** “Income” show the amount of wages you were paid before taxes, insurance, etc. were deducted. You should use the amount shown in the box headed “State Wages” on your Form W-2. The amount shown in this box may or may not be the same as the amount taxable for federal purposes. **ALL OTHER TAXABLE ITEMS LISTED ON YOUR W-2 FORM THAT ARE NOT INCLUDED IN THE “STATE WAGES” BOX SHOULD BE ENTERED ON LINE 8, PART 1, PAGE 2 “OTHER INCOME”.**

The following income amounts as defined by line 7 of the federal 1040 **MUST NOT BE INCLUDED IN ALABAMA WAGES, SALARIES, TIPS, AL40, PG 1, LINE 5.** The ALABAMA E-FILE PROGRAM will generate an **ALABAMA ERROR CODE # 50 AND REJECT THE ELECTRONIC RETURN. THESE AMOUNTS SHOULD BE REPORTED ON AL40, PG. 2, PART 1, LINE 8 “OTHER INCOME”. THE DESCRIPTION OF THE ITEM, LINE 8, “STATE NATURE AND SOURCE” MUST ALSO BE REPORTED.**

ITEMS NOT ON FORM W-2 OR FORM 1099R:

1. Miscellaneous Income, from Federal Form 1099-MISC
2. Earned Income from Federal Form 2555 (Foreign Earned Income)
3. Excess reimbursement, from Federal Form 2106
4. Excess Adoption Benefits
5. Forfeited Childcare Benefits from Federal Form 2441
6. Excess moving expense reimbursement, from Federal Form 3903
7. Wages earned as a household employee – House Hold W-2
8. Sick pay or disability payments
9. Wages from a Foreign Source

ALABAMA SALARIES, WAGES, AND TIPS

(Continued)

10. Ordinary income from ESPP stock sale
11. Ordinary income from incentive stock options
12. Federal "Guaranteed" Payments to K-1 Partnership
13. Taxable Scholarships
14. Taxable tips from Federal Form 4137

Form W-2:

1. Social Security Tips
2. Bonuses
3. Fees
4. Commissions
5. Allocated Tips OR tips from Federal Form 4137
6. Advanced EIC payments
7. Dependent Care Benefits

Form 1099R:

1. Disability before minimum retirement age
2. Return of contributions

ALABAMA ELECTRONIC FILING CALENDAR - TAX YEAR 2007

For Tax Period January 1, 2007 to December 31, 2007

- **Begin Federal Software Testing** **November 13, 2007**

- **Begin ADOR Software Testing** **November 13, 2007**

- **Final Date for
First ADOR Test** **January 1, 2007**

- **Federal/State Electronic Filing Operational** **January 11, 2007**

- **Last Date For Timely Filed Returns** **April 15, 2007**

- **Last Date for Extended Filing** **October 15, 2007**

- **NOTE: These dates are subject to change at any time.**

There are no testing requirements for EROs under the Alabama Electronic Filing Program.

**SOFTWARE COMPANIES INTENDING TO OFFER
ELECTRONIC ALABAMA INDIVIDUAL INCOME TAX RETURNS**

2007 TAX YEAR

2nd Story Software
ATX
CCH
C & S Technologies
Creative Solutions
Data Group
Drake Software
H&R Block
Intuit (Turbo Tax / ProSeries)
Jackson Hewitt Tax Service
Lacert (Intuit)
OrrTax Software Company
Petz Enterprises
RCS - Rhodes Computer Service (TAXSLAYER)
RIA – Research Institute Associates
TaxCut (Block Financial)
Tax Simple
Taxware Systems, Inc
Tax Works by Laser Systems
Universal Tax Systems, Inc.

CONTACT NAMES AND PHONE NUMBERS

Tavares D. Mathews: Alabama E-File Coordinator	(334) 353-9497
Fax	(334) 353-8068
E-Mail	tavares.mathews@revenue.alabama.gov
Alabama ERO Help Desk	(334) 353-9497
ADOR Internet Web Site	www.revenue.alabama.gov
IRS Help Line	(866) 255-0654

PUBLICATIONS

The following publications specify the applicable policies and procedures for Federal/State Electronic Filing, and for the Alabama Electronic Filing Program:

INTERNAL REVENUE SERVICE PUBLICATIONS

Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns

Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns (Tax Year 2007)

Publication 1436, Test Package for Electronic Filing of Individual Income Tax Returns (Tax Year 2007)

ALABAMA DEPARTMENT OF REVENUE PUBLICATIONS

Alabama Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 2007)

Electronic Return Record Layouts for Alabama Individual Income Tax Returns (Tax Year 2007)

Alabama Test Package for Electronic Filing of Individual Income Tax Returns (Tax Year 2007)

HOW FEDERAL/STATE ELECTRONIC FILING WORKS

Electronic Return Originators (EROs) and transmitters accepted in the IRS Electronic Filing Program will be automatically accepted into the Alabama Electronic Filing Program, and will be able to file both the federal return and the state return to the IRS Austin Service Center (MSC). The IRS acts as a conduit through which the ADOR will retrieve the state data packet for processing.

EROs and transmitters serve as agents of the ADOR for the origination and transmission of Alabama electronic returns and the retention of the non-electronic Alabama return data. The software used to prepare the returns and transmit the data must be tested and approved by both the IRS and ADOR – otherwise the Alabama returns will be rejected by the ADOR.

The sequence of events are as follows:

1. The ERO prepares the returns and signature documents, reviews the tax return information with the taxpayer, obtains the necessary signatures from the taxpayers, and using electronic filing software submits the electronic portion of the return for transmission to the IRS ASC.

2. The ASC either accepts or rejects the federal return.

If the return is accepted, the ASC acknowledges acceptance of the federal return with an electronic acknowledgment which is transmitted to the electronic filer.

If the return is rejected, the ASC transmits a rejection notice which provides error codes explaining the reason for rejection – the return (including the state return) is then corrected and retransmitted.

3. Within 24 hours of receiving the electronic acknowledgment, the ERO must submit the Federal Form 8453.
4. Upon the federal return being accepted by the ASC, the state return is available for the ADOR to download and load to its computer system.
5. If the state return was prepared using ADOR approved software, and the return contains no omissions or mathematical errors, an electronic acknowledgment will be transmitted to the IRS. If the state return was not prepared by ADOR-approved software and/or contains mathematical errors or omissions, an electronic rejection notice will be transmitted to the electronic filer. The State Acknowledgement file will contain an Alabama Error Code that will identify the condition that caused the Alabama return to reject. The Alabama return should be corrected and resubmitted to the IRS - ASC (Austin Service Center) using the IRS 'SO' State-Only option.

HOW FEDERAL/STATE ELECTRONIC FILING WORKS

(continued)

6. The ERO must retain the Alabama Form AL8453 and all Federal and State Forms and Schedules for a period of three years from the due date of the return or the date the return is filed, whichever is later. If a credit for taxes paid to another state is claimed, the ERO must also retain a copy of the other state's return for the three year period.
- Approved refunds will be processed as soon as possible from the date the accepted acknowledgment is posted to the **IRS EMS System**. Alabama acknowledgments should be available for retrieval by transmitters within three business days or less from the dates of the Internal Revenue Service acknowledgments.

ALABAMA TESTING

Neither EROs nor transmitters are required to test data nor are they required to test transmissions. However, they should ensure that their software has been accepted and approved by both the Internal Revenue Service and the Alabama Department of Revenue. A master list of all approved software developers will be maintained by the Alabama ERO Help Desk and will be available upon request. An approved list of vendors can also be found on our ADOR website at the following URL address:

<http://www.revenue.alabama.gov/incometax/efilemain.htm>

All software developers are required to annually test their software with Alabama test data. Only software which has been tested and approved by the ADOR may be used for Alabama electronic filing. An Alabama ELF return will not be rejected if the return is prepared using ADOR approved software and the return meets the criteria as defined in the 2007 Alabama Error Reject Codes.

Upon request, software developers will be provided software specifications and test materials with instructions. When these software developers have successfully completed testing with the IRS, they may begin Alabama testing. The department will retrieve the state test data through the IRS Austin Service Center, process it, evaluate it, and notify the software developers of the results, usually within 24 hours of receipt.

WHO CAN PARTICIPATE, ACCEPTANCE PROCESS

There are three (3) classifications of participants in the Federal/State Electronic Filing Program, as defined in IRS Publication 1345:

1. Electronic Return Originators (EROs)
2. Transmitters
3. Software Developers

The IRS's definition of electronic return originator, transmitter, and software developer are also applicable to the Alabama Electronic Filing Program. Acceptance into the federal program allows an electronic filer (an ERO or transmitter) automatic acceptance into the Alabama Electronic Filing Program.

EROs accepted into the Alabama Electronic Filing Program serve as agents of the ADOR for the origination of Alabama electronic returns and the retention of the non-electronic Alabama return data.

Those who wish to participate in the Federal/State Electronic Filing Program must first apply to the IRS by submitting Form 8633, Application to Participate in the Electronic Filing Program. IRS Publication 1345 specifies the application process and requirements for federal participation.

Although no separate application form is necessary for the Alabama Electronic Filing Program, electronic return originators, transmitters, and software developers must indicate on Form 8633 that they expect to transmit returns. The IRS will provide the ADOR with an electronic file of accepted EROs and transmitters.

The Electronic Filing Identification Number (EFIN) and the Electronic Transmitter Identification Number (ETIN) are assigned to EROs and electronic transmitters by the IRS. The ADOR will use the IRS-assigned EFINs and ETINs to identify EROs and electronic transmitters in the administration of the Alabama Electronic Filing Program.

Software developers must obtain annual approval of their software from the ADOR.

RIGHT TO REVOKE ACCEPTANCE AND APPROVAL

The Alabama Department of Revenue reserves the right to revoke the acceptance of an ERO or transmitter for cause. Furthermore, the ADOR reserves the right to revoke the approval of any software developer for cause. Failure to comply with the guidelines set forth in the Alabama Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 2007) and in Electronic Return Record Layouts for Alabama Individual Income Tax Returns (Tax Year 2007) is considered just cause.

The following may result in the revocation of a participant's acceptance into the program:

- (1) Conviction of a criminal offense under the revenue laws of any state, or of any offense involving dishonesty, or breach of trust.
 - (2) Failure to file timely and accurate tax returns, both personal and business.
 - (3) Failure to pay personal tax liabilities or business tax liabilities.
 - (4) Suspension or rejection from the program in a prior year if corrective action is not taken and approved by the Alabama Department of Revenue.
 - (5) Other facts or conduct of a disreputable nature that would reflect adversely on the program.
 - (6) Unethical practices in return preparation.
 - (7) Suspension by IRS.
- Applicants and participants may inquire about filing and paying any outstanding personal and business taxes by contacting the **Alabama Department of Revenue ERO Help Desk** for assistance at **(334) 353-9497**.

RANDOM MONITORING VISITS

- EROs serve as agents of the ADOR for the origination of Alabama electronic returns and the retention of the non-electronic Alabama return data, and the ADOR will conduct random monitoring visits with EROs in order to verify compliance with the requirements of the Alabama Electronic Filing Program. **Failure to comply with Administrative Rule 810-3-27-.09 - .10 "Mandatory E-File" may also lead to a random monitoring visit.**

ALABAMA EXCLUSIONS

The following state returns are excluded from the Alabama E – File Program:

Alabama returns with more than **10 dependents** are excluded for the 2007 tax year.

- Alabama Schedule D: Alabama can accommodate for **20 occurrences** of the Alabama **Schedule D (400 transactions)**. The return cannot be electronically filed if there are more than **20 occurrences** of the **Alabama Schedule D**.

Alabama Schedule E: Alabama can accommodate for **15 occurrences** of the Alabama Schedule E. A return requiring more than **15** cannot be electronically filed.

2106/2106-EZ: Alabama can accommodate for 2 (two) 2106 EZs and 2 (two) 2106's. **One per taxpayer per return.**

AL will accommodate for **7 occurrences** of the Federal Schedule C, C-EZ. An AL return with more than 7 Federal Schedule C's cannot be filed electronically. **Note: only one Schedule C-EZ per taxpayer can be transmitted per return.**

Alabama will not allow for more than **20 W-2s** to be electronically transmitted. If there are **more than 20 W-2s** the Alabama return cannot be electronically filed.

AL Withholding from K-1's and /or 1099INT **disallows** the ELF return.

Form 40X, Amended Alabama Individual Income Tax Return.

Prior year returns - any return not for tax year 2007.

Non-calendar year filers.

Non-residents - Form 40NR.

Form 40A.

Foreign Address Returns.

'SO' State – Only Amended returns.

Deceased taxpayers or any Federal return containing the Federal 1310.

Form 40, Page 1, Line 19 - Credits: If a taxpayer must claim a credit for the Basic Skills Education Credit, the Coal Credit, the Rural Physician Credit, the Capital Credit, or the Alabama Enterprise Zone Act Credit, the taxpayer cannot file the return electronically for 2007.

- **NOTE: THE NOL EXCLUSION HAS BEEN REMOVED FROM THE AL E-FILE PROGRAM.**

TRANSMITTING THE ALABAMA ELECTRONIC RETURN

The Alabama electronic return will be transmitted with the federal return to the IRS Austin Service Center. The transmitter must comply with all electronic transmitting procedures, communications requirements, and technical specifications required by the IRS, as defined in IRS Publication 1345.

Participants in the Federal/State Electronic Filing Program should confirm with their software developers and direct transmitters that the software can process and transmit the state data along with the federal data to the Austin Service Center.

TRANSMITTING THE ALABAMA RETURN USING THE 'SO' STATE-ONLY OPTION

➤ State-Only Filing IS:

A method to file a State Tax return through the current Fed/State system. The state return will contain all the States generic and unformatted data (States Forms and Schedules). It will be transmitted with a "dummy" Federal return (1040 Page 1 record) to allow it to pass through the Fed/State system. The IRS will send a Federal acknowledgement for transmission of the State-Only return.

Return types that can be transmitted through the Fed/State system as a State-Only return include:

1. Previously rejected Alabama E- File return.
2. Multiple state returns for one taxpayer, each to go the respective state.
3. Married filing separately with Alabama and filing a joint federal return.

➤ State-Only Filing is NOT:

1. Going to be batched separately from the Fed/State (piggyback) returns.
2. Technically a method for transmitting Amended returns. Alabama will reject the 'SO' return if an amended return is attempted.
3. A method for the "piggybacking" of State data. Only one State packet per return will be allowed.

Your software vendor will incorporate the 'SO' option into your software.

REJECTION BY THE AUSTIN SERVICE CENTER

The IRS will identify certain conditions in the federal and state return data that will cause rejection when the return data is received and will provide a rejection code in the acknowledgment record. IRS Publication 1345 "Filing Season Supplement" provides a list of all reject codes, including those applicable to the state data.

Repeated rejection of transmissions can cause the IRS to rescind the electronic filing privileges of an electronic filer.

REJECTION BY ADOR

- **The Internal Revenue Service (IRS) shall provide State Acknowledgement service on its Front End Processing System, known as EMS (Electronic Management System). Alabama will send their State Acknowledgements to EMS for trading partners to pick up when they pick up their Federal Acknowledgement.**

Transmitters must contact the State regarding rejections, taxpayer problems or any other questions that may arise about the state acknowledgement.

An Alabama ELF return will not be rejected if the return is prepared using ADOR approved software and the return meets the criteria as defined in the 2007 Alabama Error Reject Codes. All accepted Alabama electronic returns (meaning those received and not rejected), will be processed.

Rejection of the filing will be indicated with an "R" in the **IRS-Alabama Acknowledgement Record File**. Each rejected return will contain a specific Alabama error code. The error code is a three position numeric field located in the **IRS-Alabama Acknowledgement Record File**. For example: (050, 085, 135, etc). The error reject code will specifically define the problem with the Alabama ELF Return. Most software developers will provide you, the ERO, with a list of the Alabama Error Reject Codes. The Alabama Error Reject Codes can also be found on our website at the following url link: <http://www.revenue.alabama.gov/incometax/efilemain.htm>

If rejected by Alabama, the transmitter can correct the error and then retransmit the Alabama return using the IRS "SO" State – Only option. The AL40 can be retransmitted indefinitely until the return is accepted by Alabama. Your software vendor will incorporate the 'SO' option into your software.

Acceptance of the filing will be indicated with an "A" in the in the **IRS- Alabama Acknowledgement Record File**.

- **Note: The IRS will be "shutting-down the Austin Service Center in July, 2007. All direct transmitters will be required to transmit returns thereafter to the Kansas City Service Center.**

IRS/AL ACKNOWLEDGMENTS

Purpose of the Alabama Acknowledgment System: The Alabama Acknowledgment System is designed to inform transmitters that the Alabama return data packet has been retrieved from the IRS, and whether the filing is accepted or rejected.

The Alabama acknowledgment record does not indicate acceptance of the return as filed, nor does it guarantee that a refund for the requested amount will be issued.

Software developers will provide the Fed/AL acknowledgment retrieval service as a part of their software package. If you are a direct transmitter, and the software developer you deal with provides the service, then a separate account with the IRS is not necessary. Please check with your software developer before contacting the IRS.

State Acknowledgements (State ACKS)

- **The IRS State Acknowledgement file will be implemented in January 2007. The Internal Revenue Service will provide State Acknowledgement service on its Front End Processing System known as EMS (Electronic Management System). EMS will process, validate, and route the files for the Trading Partner to pick up when they pick up their Federal Acknowledgement. The State will transmit Acknowledgement files to EMS; an outer TRANA, an outer TRANB, at least one inner TRANB, and at least one ACK Key Record. It may contain zero or multiple ACK Error Records, at least one inner RECAP, and an outer RECAP.**
- **States are scheduled to test the State Acknowledgement on November 1, 2007.**
- **Note: The IRS will be “shutting-down the Austin Service Center in July, 2007. All direct transmitters will be required to transmit thereafter to the Kansas City Service Center.**

Under normal processing conditions, Alabama acknowledgments are posted on a daily basis, upon return retrieval from the IRS. Transmitters who transmit for electronic return originators must notify the EROs of the Alabama acknowledgment within one day of receipt.

Contact **Tavares D. Mathews at (334) 353-9497** for more information about the **Alabama/Federal** Acknowledgment System or if Alabama acknowledgments are not received within **five** days.

ERROR RESOLUTION FOR ALABAMA ELECTRONIC RETURNS

Although the error rate is very low for electronic returns, a few errors may be identified on Alabama returns when they enter the tax processing system at the ADOR. Returns prepared with software that is not approved by the ADOR will be rejected. Returns with errors will be rejected (AL Error Reject Codes), but can be corrected and retransmitted as a ‘SO’ State-Only return. Some errors that may be identified are duplicate returns, omission of required data, duplicate social security numbers, and computation errors.

Unless authorized by the taxpayer to discuss the return with the preparer (see the 2007 Alabama Form AL8453), the ADOR 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, pursuant to the limited disclosure statement on Alabama Form AL8453, including acknowledgment of receipt by the ADOR through the IRS, the reason for any

processing or refund delay, and the date the refund check is released.

REFUND ANTICIPATION LOANS

The Alabama Department of Revenue neither supports nor prohibits Refund Anticipation Loans (RALs). Filing an electronic return that indicates a refund is due does not guarantee a refund will be issued.

REFUND / RETURN PROBLEMS

Taxpayers are advised to confirm acknowledgment of their Alabama returns with their ERO or transmitter, and are advised to wait at **least twelve weeks** from the date of acknowledgment before calling or writing the ADOR to inquire about the status of a refund check.

If a taxpayer and/or spouse owes money to the **ADOR, another State agency or the IRS** the amount owed may be deducted from the refund. Payment of the debt will delay the processing of the taxpayer's refund because all claims against the refund must be resolved before a refund check can be processed. The same policy applies to paper returns.

ERO HELP DESK

The Alabama Department of Revenue operates a Help Desk for EROs and transmitters to ensure the prompt resolution of processing problems.

The operating hours will be Monday through Friday, **8:00 AM to 4:30 PM. CST** except holidays. The **Help Desk telephone number, (334) 353-9497**, is to be used exclusively by electronic return originators.

The ERO Help Desk number should not be provided to your clients. To do so will only hinder the quality of service the Alabama ERO Help Desk can provide EROs.

ALABAMA REFUND HOTLINE

The Alabama Refund Hotline number is **(334) 353-2540**. The Refund Hotline is a simple, easy way for your clients to check on their Alabama income tax refund. To access the hotline, all the taxpayer needs is a touch tone phone, and a copy of their current year tax return. Please share the Refund Hotline number with your clients. **Your clients can now check on the status of their refund by visiting our ADOR website using the following url link: www.revenue.alabama.gov/indi.html.**

PAYMENT OF REFUNDS

DIRECT DEPOSIT - PAPER CHECK – APPLIED TO NEXT YEAR'S TAXES

Taxpayers can elect to have their overpaid taxes applied to next year's taxes, issued in the form of a paper refund check, or directly deposited into their financial institution. The ADOR neither guarantees a specific date a refund will be deposited into a taxpayer's financial institution account nor issues written notices to a taxpayer to confirm direct deposit.

An Electronic Return Originator must follow the same rules and guidelines for the Alabama Direct Deposit as specified in the IRS handbook for Electronic Filing (Publication 1346), under Refunds and Direct Deposit.

The ADOR will make every attempt to process a direct deposit. However, if a direct deposit cannot be properly completed, a paper check will be issued.

RESPONSIBILITIES OF EROs

EROs and transmitters must maintain a high degree of integrity, compliance, and accuracy to continue participation in the Alabama Electronic Filing Program.

Compliance: All EROs and transmitters must comply with the requirements and specifications set forth in IRS publication 1345 and this handbook. Persons or firms not meeting these requirements are subject to having their acceptance into the program revoked. Should an ERO decide to no longer remain in the business, the ADOR must be notified, in order to, determine the proper resolution of electronic filing program documents and records.

Timeliness of Filing: EROs must ensure that electronic returns are filed in a timely manner. The transmission date of an Alabama electronic return will be considered the filing date for the return.

Deadline for Filing: The ADOR will accept electronically filed Alabama individual income tax returns which have been submitted for transmission to the Internal Revenue Austin Service Center (MSC) through October 15, 2007. Any Alabama returns submitted after October 15, 2007, must be filed as paper documents.

Changes to the Returns: If the ERO or taxpayer wishes to make any changes after the electronically filed return has been accepted, the taxpayer must file an amended paper return on Alabama Form 40X. The taxpayer should ensure that the original electronic return has been processed before filing the amended return.

Responsibility to Clients: EROs have been 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 of the requirement to file a paper return.

ALABAMA FORM AL8453

ALABAMA FORM AL8453 - INSTRUCTIONS

NOTE: DO NOT MAIL THE ALABAMA SIGNATURE DOCUMENT TO THE ALABAMA DEPARTMENT OF REVENUE!

The Alabama Form AL8453 is to be retained by the ERO for a period of three years from the due date of the return or the date it is filed, whichever is later. Again, **Do Not Mail the AL8453 to the Alabama Department of Revenue!**

EROs serving as agents of the ADOR are required to retain the original Form AL8453 for a period of three years from the due date of the return or the date the return was filed, whichever is later. Transmission of the Alabama electronic return by the ERO is an attestation by the ERO that the Form AL8453 has been properly prepared and is being retained by the ERO.

Certain occasions may arise where the original Form AL8453 is required by the ADOR. If the need arises, the ADOR will request the document in writing and the ERO will provide the original Form AL8453 within five working days of the request.

If for any reason the ERO ceases his/her business, all Form AL8453's and Wage and Tax Statements (W-2s) currently maintained by the ERO must be forwarded to the ADOR - contact the **Alabama ERO Help Desk at (334) 353-9497**. Responsibility for the Alabama Forms AL8453 can be transferred to another ERO upon receiving written approval from the Department.

The ERO, if also the paid preparer must provide the taxpayer with a copy of the Alabama return, including the Form AL8453. Otherwise, the ERO must provide the taxpayer only with a copy of the completed Form AL8453.

ALABAMA FORM AL8453 - INSTRUCTIONS

(continued)

PREPARATION OF FORM AL8453

Declaration Control Number (DCN): The DCN is usually printed on the Alabama Form AL8453 by tax preparation software. If not, enter the IRS DCN for the return in the appropriate boxes at the top left hand portion of the document.

Label: If the taxpayer receives a mailing label from the Alabama Department of Revenue, the ERO should attach the label to the name/address portion of Form AL8453. Any necessary corrections should be made on the label.

Part I - Tax Return Information

Enter the information as requested from the Alabama Individual Income Return. Use only whole dollar amounts.

Part II – Direct Deposit of Refunds

Part II – Enrollment in direct deposit is voluntary and applies only to the current year. Taxpayers who want their refunds directly deposited into their bank or financial institution must complete Part II before transmitting the return. The ADOR and Regions Bank will not honor request completed after transmission of the return. Likewise, the ADOR and Regions Bank are not responsible when a bank or financial institution rejects the direct deposit due to an error in the routing number or account number. Taxpayers who are unsure of their routing number and/or account number should contact their bank or financial institution for assistance.

If the direct deposit is rejected, a paper check will be issued. Neither Regions Bank nor the ADOR will notify the taxpayer of a rejected direct deposit.

Line 1 – The routing number must be nine digits and begin with 01 through 12 or 21 through 32.

Line 2 - The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. If fewer than 17 characters, enter the number from left to right and leave the unused boxes blank.

Line 3 – Check the appropriate box that indicates the taxpayer's choice for direct deposit. Either checking or saving, but not both.

Part III - Declaration of Taxpayer

After the return has been prepared and before the return is transmitted electronically, the taxpayer (and spouse, if a joint return) must verify the information on the return and sign and date the completed Form AL8453. **Blank Form AL8453s must not be signed by taxpayers.** The ERO, if also the paid preparer must provide the taxpayer with a copy of the Alabama return, including the Form AL8453. Otherwise, the ERO must provide the taxpayer only with a copy of the completed Form AL8453.

ALABAMA FORM AL8453 - INSTRUCTIONS

(continued)

The taxpayers' signature in Part III authorizes the Alabama Department of Revenue to disclose to the ERO and/or the transmitter reasons for a delay in the processing of the return or the date the refund was issued. The taxpayer may elect to authorize the ADOR to discuss the taxpayer's return and attachments with the preparer of the tax return. The taxpayer makes the election for Alabama electronic returns by checking the box in Part III of the Form AL8453.

Part IV - Declaration of Electronic Return Originator (ERO) and Paid Preparer

EROs and paid preparers (if different from the ERO) are required to furnish all information requested in Part IV of Form AL8453. The federal employer identification number may be provided in lieu of the electronic return originator's or paid preparer's social security number. When the ERO is not the paid preparer, if the taxpayer is unable to obtain the paid preparer's signature on the Alabama Form AL8453 a copy of the appropriate pages of the paper return with the paid preparer's signature must be retained with the Form AL8453.

FAILURE TO COMPLY

Failure to properly complete and retain AL8453s can cause an ERO's acceptance in the Alabama Electronic Filing Program to be revoked.

CORRECTION TO FORM AL8453

If the ERO makes changes to the electronic return after the taxpayer has signed Form AL8453 but before the data has been transmitted, the ERO must require the taxpayer to complete a corrected Form AL8453, if the following conditions apply:

1. Alabama taxable income changes by more than \$500.
2. State refund changes by more than \$25.

Non-substantive changes are permissible on Form AL8453, provided the ERO or the person making the correction initials the change. Non-substantive changes are limited to corrections within the above tolerances for arithmetic errors, transposition errors, misplaced entries and spelling errors.

REGULATIONS FOR THE ALABAMA ELECTRONIC FILING PROGRAM

- 810-3-27-.04 Participation in the Federal/State Electronic Filing Program
- 810-3-27-.05 Requirements for the Alabama Electronic Individual Income Tax Return
- 810-3-27-.06 Requirements for the Individual Income Tax Declaration for Electronic Filing
- 810-3-27-.07 Requirements for Electronic Filing Software
- 810-3-27-.08 Acceptance into the Alabama Electronic Filing Program, Monitoring, and Revocation of Acceptance into the Program

810-3-27-.04 Participation in the Federal/State Electronic Filing Program.

- (1) The Department will participate with the Internal Revenue Service in the Federal/State Electronic Filing Program for the joint electronic filing of individual income tax returns, effective for tax year 1997.
- (2) The requirements of the Alabama Electronic Filing Program for electronic return originators and transmitters are stated in the Alabama Handbook for Electronic Filers of Individual Income Tax Returns, which is issued on an annual basis by the Department.

810-3-27-.05 Requirements for the Alabama Electronic Individual Income Tax Return.

- (1) A complete Alabama electronic individual income tax return will consist of data transmitted electronically and supporting paper documents. A complete Alabama electronic return must contain the same information as a comparable Alabama return as if filed entirely on paper.
- (2) The transmission date of an Alabama electronic individual 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 individual income tax return.

810-3-27-.06 **Requirements for the Individual Income Tax Declaration for Electronic Filing.**

- (1) The Individual Income Tax Declaration for Electronic Filing requires the following information:
 - (a) The Declaration Control Number of the electronic return.
 - (b) The taxpayer's first name, middle initial and last name.
 - (c) The taxpayer's social security number.
 - (d) If a joint return, the spouse's first name, middle initial, last name and social security number.
 - (e) The taxpayer's address.
 - (f) The Alabama taxable income reported by the electronic return.
 - (g) The net tax liability reported by the electronic return, which is computed by adding the net tax due Alabama to the voluntary contributions to the Alabama Election Campaign Fund and the Neighbors Helping Neighbors Fund.
 - (h) The total tax payments reported by the electronic return.
 - (i) The amount of the refund reported by the electronic return.
 - (j) The signature of the taxpayer and date of the signature.
 - (k) If a joint return, the signature of the spouse and date of the signature.
 - (l) The signature of the electronic return originator and date of the signature.
 - (m) An indication whether the electronic return originator is self-employed.
 - (n) The firm name of the electronic return originator.
 - (o) The address, including the zip code, of the electronic return originator.
 - (p) The federal employer identification number of the electronic return originator.

- (q) 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.
- (2) The signatures of the taxpayer(s), 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 - Individual Income Tax Declaration for Electronic Filing 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, in lieu of the paid preparer's signature the electronic return originator may attach to the Alabama Form AL8453 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 blank Alabama Forms AL8453.
- (3) The completed and signed Alabama Form AL8453 will serve as the filing declaration for the electronic Alabama individual income tax return.
- (4) The completed and signed Alabama Form AL8453, and the state copies of wage and tax statements (Forms W-2, W-2G, and 1099R), 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.
- (5) Electronic transmission of the Alabama individual income tax return by the electronic return originator is an attestation by the electronic return originator that a properly completed and properly signed Alabama Form AL8453 is being retained on file by the electronic return originator.
- (6) The electronic return originator will provide the Department with the original Alabama Form AL8453 and the related wage and tax statements within five business days of receiving a written request for the documents from the Department.

- (7) In the event that the electronic return originator ceases operations, the electronic return originator is responsible for contacting the Department and transferring to the Department all of the original Alabama Forms AL8453 along with the related wage and tax statements. Responsibility for the Alabama Forms AL8453 can be transferred to another electronic return originator upon receiving written approval from the Department.
- (8) Nonprofit, volunteer tax preparation organizations such as Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) can elect, upon receiving written approval from the Department, to transfer all of the organization's original Alabama Forms AL8453 to the Department. The documents must be submitted to the Department in Declaration Control Number order.

810-3-27-.07 Requirements for Electronic Filing Software.

- (1) Record layouts and specifications for a complete Alabama electronic individual income tax return are issued annually by the Department in Electronic Return Record Layouts - Alabama Individual Income Tax Returns.
- (2) Software developers are required to obtain prior approval from the Department by submitting for testing sample Alabama electronic individual income tax returns prepared by and transmitted by their software products.
- (3) Software developer testing will occur in conjunction with IRS testing in accordance with IRS Publication 1436, Test Package for Electronic Filing of Individual Income Tax Returns.
- (4) Alabama electronic individual income tax returns received by the Department which are prepared by software 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 individual income tax returns must then be submitted by the taxpayers.

810-3-27-.08 Acceptance into the Alabama Electronic Filing Program, Monitoring, and Revocation of Acceptance into the Program.

- (1) Electronic return originators and transmitters accepted by and in good standing with the Federal Electronic Filing Program are automatically accepted into the Alabama Electronic Filing Program.
- (2) Electronic return originators and transmitters accepted into the Alabama Electronic Filing Program serve as agents of the Alabama Department of Revenue, and must comply with the requirements of the program as stated in the Alabama Handbook for Electronic Filers of Individual Income Tax Returns.
- (3) The Alabama Department of Revenue 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.
- (4) The Alabama Department of Revenue 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 Handbook for Electronic Filers of Individual Income Tax Returns is considered just cause.
- (5) 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 Alabama Department of Revenue.
 - (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 : Ed Cutter
Authority: Sections 40-2A-7(a)(5) and 40-30-6, Code of Alabama 1975
History: New rule filed April 23, 1998, effective date May 28, 1998.

810-3-27-.09 Alabama Requirements for Mandatory E-File of Original Individual Income Tax Returns.

(1) (a) If an income tax return preparer prepares 250 or more acceptable, original individual income tax returns using tax preparation software in calendar year 2004, and 100 or more acceptable individual income tax returns using tax preparation software in calendar year 2005, then for the calendar year 2005 all acceptable individual income tax returns prepared by that income tax 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 Alabama 1975. An "Electronic Filing" as defined in Section 40-30-3(2) shall include, pursuant to this regulation, the technology commonly referred to as two dimensional (2-D) barcode technology if such returns using this technology conform to format prescribed by the Department.

(b) If an income tax return preparer prepares 50 or more acceptable, original individual income tax returns using tax preparation software in calendar year 2007, then for that calendar year and for each subsequent calendar year thereafter, all acceptable individual income tax returns prepared by that income tax 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 Alabama 1975. An "Electronic Filing" as defined in Section 40-30-3(2) shall include, pursuant to this regulation, the technology commonly referred to as two dimensional (2-D) barcode technology if such returns using this technology conform to format prescribed by the Department.

(2) For purposes of this rule, the following definitions apply:

(a) "Income tax preparer" means a person that meets both the following:

1. Any person that prepares an Alabama individual income tax return in exchange for compensation.

2. Or any person who employs another person to prepare, in exchange for compensation, any current year Alabama individual income tax return.

(b) "Original individual income tax return" means any return that is required, to be filed with respect to the tax imposed as defined by Section 40-18-2, Code of Alabama 1975. For purposes of paragraphs (1)(a) and (1)(b) above, a "timely" original individual tax return means any original individual tax return that is filed, without regard to extensions, during the calendar year for which that tax return is required to be filed.

(c) "Acceptable individual income tax return" means, for the purposes of the mandatory individual income tax filing program, any original individual 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 Alabama 1975, and as specifically authorized by Section 40-30-3(2) granting additional rule making authority in this specific area, shall also include returns using what is commonly referred to as two dimensional (2-D) barcode technology if such returns using this technology conform to the format prescribed by the Department.

(d) "Tax preparation software" means any computer software program intended for accounting, tax return preparation, or tax compliance.

(3) Paragraph (1)(a) shall cease to apply to an income tax preparer if, during the 2004 calendar year, the income tax preparer prepared no more than 75 original individual income tax returns and during the 2005 calendar year and all subsequent years, the income tax preparer prepared no more than 50 original individual income tax returns.

(a) Paragraph (1)(a) of this rule, applies to acceptable individual income tax returns required to be filed for taxable years beginning on and after January 1, 2004.

(b) Paragraph (1)(a) of this rule, may not be interpreted to require electronic filing of acceptable individual income tax returns that are required to be filed on or before January 1, 2004.

Author: Buddy Bray, Richard Henninger, Kathleen Campbell, Ann F. Winborne, CPA, and Michael E. Mason, CPA

Authority: Sections 40-2A-7(a)(5), 40-18-40, and 40-30-1 through 6, Code of Alabama 1975

History: New rule: Filed June 4, 2004, effective July 9, 2004.

Amended: Filed November 7, 2005, effective December 12, 2005.

➤ **810-3-27-10 Alabama Requirements for Compliance with Administrative Rule 810-3-27-09.**

(1) An income tax preparer may be subject to a random audit for each acceptable original individual income tax return prepared by that income tax preparer that is not electronically filed, unless it is shown that failure to electronically file that acceptable original individual income tax return is due to reasonable cause and not due to willful neglect.

(2) For purposes of this rule, reasonable cause includes, but is not limited to:

(a) A taxpayer's election not to electronically file an acceptable original individual income tax return by filing a signed paper original individual income tax return.

(b) Any electronically prepared original individual income tax return that cannot be filed or transmitted electronically by the tax preparer, or any original individual income tax return that cannot be accepted by the Department.

(3) Any original individual income tax return prepared, including those not electronically filed due to "reasonable cause", as indicated in subparagraphs (a) and (b) of this rule, will be included in the total mandate return count as defined in 810-3-27-.09.

Author: Buddy Bray, Richard Henninger, Kathleen Campbell

Authority: Sections 40-2A-7(a)(5), 40-18-40, and 40-30-1 through 6, Code of Alabama 1975

History: New rule: Filed June 4, 2004, **effective July 9, 2004.**

2007 ALABAMA ERROR REJECTION CODES

9/23/2007

- Any Additions/Changes/Updates or Deletions made to the Alabama Error Reject Codes are indicated with the symbol "=>" and highlighted with a "yellow background" in bold print. Text highlighted with a "blue background" denotes areas of special attention/interest. Text highlighted with a "red background" denotes Current Draft IRS/AL Form line numbers that are subject to change.

Please Note: Most of the lighted error reject codes have not actually changed – only the line number reference has changed – the field numbers are the same.

AL Error Codes	Error Description
000	Software Developer has not been approved for the Alabama E-File Program.
005	Primary Taxpayer Last Name (Field 060 - AL Generic Record) must be present. This is a required field and must never be blank.
010	Primary Taxpayer First Name & Spouse First Name (Field 070 - AL Generic Record) must be present. This is a required field and must never be blank.
	NOTE: Spouse First Name only applicable when a joint filing status is claimed.
015	Primary Taxpayer Address (Field 075 - AL Generic Record) must be present. This is a required field and must never be blank.
020	Primary Taxpayer City (Field 085 - AL Generic Record) must be present. This is a required field and must never be blank.
025	Primary Taxpayer Zip (Field 100 - AL Generic Record) must be present. This is a required field and must never be blank.
030	Primary Taxpayer SSN (Generic Record ID) must be present. This is a required field and must never be blank.
035	If Filing Status (Field 305 - AL Generic Record) is equal to 2 (Married Filing Joint), then Spouse First Name and Initial (Field 070 - AL Generic Record) must be present and Spouse SSN (Field 055 - AL Generic Record) must be present.
=> 040	If Filing Status (Field 305 – AL Generic Record) is equal to 3 (Married Filing Separate), then (Spouse’s SSN) must be present in Field 305 - AL Generic Record.

AL Error Code**Error Description**

- 041 If Filing Status (Field 305 – AL Generic Record) is equal to 3 (Married Filing Separate), then Spouse SSN must not be present in Generic Field 055.
- 045 If Filing Status Box (Field 305 - AL Generic Record) is equal to 4 (Head of Family), then (Qualifying Person/Last Name), (Qualifying Person /First Name), (Qualifying Person/ SSN), (Qualifying Person/Relationship), must be present in Field 305 - AL Generic Record.

=> 050 Total Alabama Wages (Field 350 - AL Generic Record), Form 40 Pg. 1, line 5, must equal the total amount of all State Wages (including Wages Earned Out of State) as reported in Box 16 of the NEW ELF 2007 (4) STATE WAGE AND LOCALITY Federal 1040 W-2 (State Wages 1, State Wages 2, State Wages 3 and State Wages 4). IRS Fields #'s 0390, 0460, 0515, and 0560.

NOTE: ALABAMA WILL ACCEPT AN ELECTRONIC RETURN WITH A STATUTORY EMPLOYEE VIA A W-2 OR FEDERAL SCHEDULE C.

SPECIAL INSTRUCTIONS FOR AL ERROR CODE # 50:

NOTE: ALABAMA DOES NOT FOLLOW THE FEDERAL 1040 CRITERIA FOR SALARIES, WAGES, TIPS, ETC. (LINE 7, IRS FIELD # 0375).

=> THE 2007 AL40 INSTRUCTION BOOKLET FOR LINES 5A THROUGH 5D "WAGES, SALARIES, TIPS, ETC. STATES THE FOLLOWING: "INCOME" SHOW THE AMOUNT OF WAGES YOU WERE PAID BEFORE TAXES, INSURANCE, ETC. WERE DEDUCTED. YOU SHOULD USE THE AMOUNT SHOWN IN THE BOX HEADED "STATE WAGES" ON YOUR FORM W-2." THE AMOUNT SHOWN IN THIS BOX MAY OR MAY NOT BE THE SAME AS THE AMOUNT TAXABLE FOR FEDERAL PURPOSES. ALL OTHER TAXABLE ITEMS LISTED ON YOUR W-2 FORM THAT ARE NOT INCLUDED IN THE "STATE WAGES" BOX SHOULD BE ENTERED ON LINE 8, PART 1, PAGE 2.

=> THE FOLLOWING INCOME AMOUNTS AS DEFINED BY LINE 7 OF THE FEDERAL 1040 MUST NOT BE INCLUDED IN ALABAMA GENERIC FIELD 350 (WAGES, SALARIES, TIPS), AL40, PG 1, LINE 5. THE ALABAMA E-FILE PROGRAM WILL GENERATE AN ALABAMA ERROR CODE # 50 AND REJECT THE ELECTRONIC RETURN. THESE AMOUNTS SHOULD BE REPORTED ON AL40, PG. 2, PART 1, LINE 8 "OTHER INCOME", ALABAMA UNFORMATTED RECORD, SEQ. # 095. THE DESCRIPTION OF THE ITEM, LINE 8, "STATE NATURE AND SOURCE" SHOULD BE REPORTED IN AL UNFORMATTED RECORD, SEQ. # 090.

AL Error Code	Error Description
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050 (CONTINUED)

ITEMS NOT ON FORM W-2 OR FORM 1099R:

- 2. Miscellaneous Income, from Federal Form 1099-MISC**
- 2. Earned Income from Federal Form 2555 (Foreign Earned Income)**
- 3. Excess reimbursement, from Federal Form 2106**
- 4. Excess Adoption Benefits**
- 5. Forfeited Childcare Benefits from Federal Form 2441**
- 6. Excess moving expense reimbursement, from Federal Form 3903**
- 7. Wages earned as a household employee – House Hold W-2**
- 8. Sick pay or disability payments**
- 9. Wages from a Foreign Source**
- 10. Ordinary income from ESPP stock sale**
- 11. Ordinary income from incentive stock options**
- 15. Federal “Guaranteed” Payments to K-1 Partnership**
- 16. Taxable Scholarships**
- 17. Taxable tips from Federal Form 4137**

Form W-2:

- 1. Social Security Tips**
- 2. Bonuses**
- 3. Fees**
- 4. Commissions**
- 5. Allocated Tips OR tips from Federal Form 4137**
- 6. Advanced EIC payments**
- 7. Dependent Care Benefits**

AL Error Code

Error Description

050 (CONTINUED)

Form 1099R:

3. Disability before minimum retirement age

2. Return of contributions

055 Reserved For Future Use

- ⇒ **060** Other Income (Field 365 - AL Generic Record), **Form 40, Pg. 1, line 7**, must equal the Total Other Income (AL Seq. no. 100 - AL Unformatted Record) reported on Pg. 2, Part I, line 9, Form 40.
- ⇒ **065** Total Income (Field 370 - AL Generic Record), **Form 40, Pg. 1, line 8**, must equal the sum of lines 5, 6, and 7 (Sum Fields 350, 355, and 365 - AL Generic Record).
- ⇒ **070** Total Adjustments to Income (Field 375 - AL Generic Record), **Form 40, Pg. 1, line 9**, must equal the Total Adjustments (AL Seq. no 190 - AL Unformatted Record) reported on Form 40, Pg. 2, Part II, line 8.
- ⇒ **075** Adjusted Gross Income (Field 380 - AL Generic Record), **Form 40, Pg. 1, line 10**, must equal line 8 less line 9 (Field 370 less 375).
- ⇒ **080** Itemized Deductions/Standard Deduction (Field 305 - AL Generic Record), **Form 40, Pg. 1, line 11**. If the deductions on the return are itemized, this field must equal Total Itemized Deductions (AL Seq. no. 190 - AL Unformatted Record) reported on AL Schedule A, line 26.
- ⇒ **081** **Federal Tax Liability Deduction, Form 40, Page 1, line 12** must equal the amount reported on **Federal 1040, line 56 plus line 59. Federal 1040 A, line 38 and Federal 1040 EZ, line 10. If none, enter zero amount. This amount must never be a negative figure. If negative, then enter zero amount.**
- 085 Itemized/Standard Deduction Flag (Field 305 - AL Generic Record): I = Itemized, S= Standard. One or the other must be present.

AL Error Code**Error Description**

090 Personal Exemption (Field 400 - AL Generic Record), Form 40, Pg. 1, line 14 is based on the Filing Status reported in (Field 305 - AL Generic Record), Form 40, Pg. 1, lines 1, 2, 3 or 4. The AL Personal Exemption must equal the exemption amount as defined by one of the following status exemptions:

1. Single \$1500.00
2. Married Filing Jointly \$3000.00
3. Married Filing Separately \$1500.00
4. Head of Family (Household): \$3000.00

=> **095** Dependent Exemption (Field 405 - AL Generic Record), **Form 40, Pg. 1, line 14**, must equal the Amount Allowed as reported on Form 40, Pg. 2, Part III, line 2 (AL Seq. no 450 - AL Unformatted Record).

=> **100** Total Deductions (Field 410 - AL Generic Record), **Form 40, Pg. 1, line 15**, must equal the sum of lines 11, 12, 13, and 14 (Sum Field 385, 390, 400 and 405).

=> **105** Taxable Income (Field 415 - AL Generic Record), **Form 40, Pg. 1, line 16**, must equal line **10 less line 15** (Field 380 less 410).

CAUTION: IF NEGATIVE DO NOT DEFAULT TO ZERO

110 Reserved For Future Use:

=> **111** **If Form AL40, Pg. 1, line 17, NOL - 85A "Check Box" equal "X", then AL Generic Field 420 must be present.**

115 Reserved For Future Use

120 Reserved For Future Use

125 Reserved For Future Use

=> **130** **Schedule OC Credit Flag (Field 305 - AL Generic Record), Form 40, Pg. 1, line 18, must be blank. The return cannot be filed electronically and a paper return must be filed.**

135 Reserved For Future Use

140 **Less Credits amount (Field 425 – AL Generic Record) must be greater than zero if CR – Credit Flag equal "X" (Field 305 – AL Generic Record).**

AL Error Code

Error Description

141 If AL Sch CR, line 5 (AL Seq # 500) is present then AL Sch CR, lines 1, 2, 3, and 4 must be present. (AL Sch CR Seq #s 50, 100, 200, 300, and 400.)

NOTE: Aggregate all Credits For Taxes Paid to Other States (if more than one) to the AL Sch CR – lines 1, 2, 3 and 4 (one occurrence). AL Sch CR Seq #s 50,100, 200, 300 and 400. The Description in line 1 (AL Seq # 50) must read “All States” . The aggregate total of all Out-of-State Credits must be reported on line 5 (AL Seq # 500) and the amount brought forward to Field 425 – AL Generic Record.

NOTE: AL Schedule CR is located at the bottom of the AL Sch B (AL Unformatted Record).

=> 145 Net Tax Due Alabama (Field 430 - AL Generic Record), **Form 40, Pg. 1, line 19a, must equal line 17 less line 18** (Field 420 less 425). **If line 18 is greater than line 17, then line 19a must be blank or zero.**

150 Reserved For Future Use

155 Reserved For Future Use

=> 160 Total Tax Liability and Voluntary Contributions (Field 455 - AL Generic Record), must equal line **19a plus line 19b, 20a, and 20b.** (Field 430 plus 435, 440, and 445)

=> 165 Alabama Income Tax Withheld (Field 460 - AL Generic Record), **Form 40, Pg. 1, line 22,** must equal the total ALABAMA Income Tax Withheld, as reported on the W-2s, W-2Gs, and 1099R's. Error Reject Code #165 will only be valid with W-2's, W-2G's and 1099R's. **AL withholding from any other source document will not be included in the calculation for Error Reject Code # 165 and will be rejected.**

NOTE: Income tax withheld for other states must not be included in this amount.

=> 170 Total Payments (Field 475 - AL Generic Record), **Form 40, Pg. 1, line 25,** must equal the sum of line 22, 23, and 24 (Sum Field 460, 465 and 470).

=> 175 Amount You Owe (Field 480 - AL Generic Record), **Form 40, Pg. 1, line 26,** must equal line 22 less line 26 (Field 455 which exceeds 475), **plus line 27** (Field 485).

AL Error Code

Error Description

=> 180	Overpaid (Field 490 - AL Generic Record), Form 40, Pg. 1, line 28, must equal line 25 less line 21, less line 27 . (Field 475 less 455 less 485).
=> 185	Total (Donations and Application to 2007 Estimated Tax) (Field 550 - AL Generic Record), Form 40, Pg. 1, line 31 , must equal the sum of line 29 and, 30 (Sum of Fields 495 and 500)
=> 187	Total Donations from Form 40, Schedule DC, Field 160, must equal Form 40, Pg 1, Line 30, Field 500)
190	Refunded To You (Field 555 - AL Generic Record), Form 40, Pg. 1, line 32 , must equal line 28 less line 31 (Field 490 less 550).
195	Business Income or (Loss) from Federal Schedule C or C-EZ, Form 40, Pg. 2, Part I, line 2 (AL Seq. no. 035 - AL Unformatted Record) must equal the AGGREGATE amount of the cumulative net profit or (loss) from line 31 of all 2007 Federal Schedule Cs, plus the cumulative net profit from line 3 of all C-EZs (IRS Field ID # 0710). ERROR CODE #195 WILL NOT BE VALID IF FED SCH C, LINE 30, IRS FORM 8829 “EXPENSES FOR BUSINESS USE OF YOUR HOME” (IRS FIELD 0703) IS PRESENT. ANY EXCESS BUSINESS USE EXPENSES BEYOND THE FEDERAL LIMITATIONS SHOULD BE REPORTED ON AL40, PG. 2, PART 1, LINE 8 “OTHER INCOME”, ALABAMA UNFORMATTED RECORD, SEQ. #095. THE DESCRIPTION OF THE ITEM, LINE 8, “STATE NATURE AND SOURCE” SHOULD BE REPORTED IN AL UNFORMATTED RECORD, SEQ. #090.
200	Gain or (Loss) from Sale of Real Estate, Stocks, etc., Form 40, Pg. 2, Part I, line 3 (Alabama Schedule D) must equal the AGGREGATE amount reported as net profit or (loss) from all Alabama Schedule Ds, line 1(AL. Seq. no. 990 - AL Unformatted Record).
205	Rents, Royalties, Partnerships, Estates, Trusts, etc., Form 40, Pg. 2, Part I, line 6 (AL Seq.# 080) must equal the AGGREGATE amount reported as Total Income or (Loss) from all Alabama Schedule E's, line 25 (AL Seq. no. 2000 – AL Unformatted Record).
=> 210	Total Other Income, Form 40, Pg. 2, Part I, line 9 (AL Seq. no. 100 - AL Unformatted Record) must equal the sum of Part I, line 1, 2, 3, 4B, 5B, 6, 7 and 8. (AL Seq. no. 030, 035, 045, 065, 075, 080, 085, and 095). This amount must be brought forward to Form 40, Pg. 1, line 7 (Field 365 - Alabama Generic Record).

AL Error Code	Error Description
215	If Other Income, Form 40, Pg. 2, Part I, line 8 (AL Seq. no. 095 – AL Unformatted Record) is present, then Other Income, Form 40, Pg. 2, Part I, line 8 (Nature and Source – Description) must be present (AL Seq. no. 090 – AL Unformatted Record).
220	Alimony Recipient Last Name, Form 40, Pg. 2, Part II, line 4 (AL Seq. no. 125 - AL Unformatted Record). If Alimony Amount Paid is present on Form 40, Pg. 2, Part II, line 4 (AL Seq. no. 155 – AL Unformatted Record), then Alimony Recipient Last Name must be present.
225	Alimony Recipient SSN, Form 40, Pg. 2, Part II, line 4 (AL Seq. no 130 – AL Unformatted Record). If Alimony Amount Paid is present on Form 40, Pg. 2, Part II, line 4 (AL Seq. no. 155 – AL Unformatted Record), then Alimony Recipient SSN must be present.
230	Reserved For Future Use
235	Moving Expenses - To State, Form 40, Pg. 2, Part II, line 6 (AL Seq. no. 170 - AL Unformatted Record). If Moving Expense Amount, Form 40, Pg. 2, Part II, line 6 (AL Seq. no. 180 – AL Unformatted Record) is present, then Moving Expenses – To State must be present and equal to “AL”.
240	Reserved For Future Use
245	Total Adjustments, Form 40 Pg. 2, Part II, line 8 (AL Seq. no. 190 – AL Unformatted Record) must be equal the sum of line 1A, 1B, 2, 3, 4, 5, 6, and 7 (AL Seq. no. 105, 110, 115, 120, 155, 160, 180 and 185 - AL Unformatted Record). This amount must be brought forward to Form 40, Pg. 1, line10 (AL Generic Record 375).

=> **250** Amount Allowed (For Dependent Exemption), Form 40, Pg. 2, Part III, line 2 (AL Seq. no. 450 - AL Unformatted Record) must equal amount on **Form 40, Pg. 1, line 14** (Field 405 - Alabama Generic Record). If Amount on Form 40, Pg. 1, Line 10 (Field 375 – Generic Record equal 0 – 20,000 then Dependent Exemption must be \$1,000 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b.); if Amount on Form 40, Pg. 1, Line 10 (Field 375 – Generic Record equal 20,001 – 100,000) then Dependent Exemption must be \$500 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b. ; if Amount on Form 40, Pg. 1, Line 10 (Field 375 – Generic Record is over 100,000 then must be \$300 times number of dependents in field 445 of unformatted record, Form 40, Pg. 2, Part III, line 1b.) (see instructions page 10)

AL Seq. No 445 must never be a negative figure.

255 If Total Number of Dependents Claimed, Form 40, Pg. 2, Part III, line 1b (AL Seq. No. 445 - AL Unformatted Record) is present, then Dependents First Name/Last Name, Form 40, Pg. 2, Part III, line 1a (1) must be present

(First Name: AL Seq no's. 195, 220, 245, 270, 295, 320, 345, 370, 395, and 420). (Last Name: AL Seq. no's. 200, 225, 250, 275, 300, 325, 350, 375, 400 and 425, respectively).

AL Error Code	Error Description
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| 260 | If Total Number of Dependents Claimed, Form 40, Pg. 2, Part III, line 1b (AL Seq. No. 445 - AL Unformatted Record) is present then, Dependents Relationship, Form 40, Pg. 2, Part III, line 1a(3) must be present (AL Seq nos. 210, 235, 260, 285, 310, 335, 360, 385, 410, and 435). |
| 265 | If Total Number of Dependents Claimed, Form 40, Pg. 2, Part III, line 1b, (AL Seq. No. 445 - AL Unformatted Record) is present then, Dependent SSN must be present. |

=> **270** Residency Flag, Form 40, Pg. 2, Part IV, line 1 (AL Seq. no. 455 – AL Unformatted Record) must = F (Full Year Alabama Resident) or P (Part Year Resident) If P (Part Year Alabama Resident), then the return cannot be filed electronically and a paper return must be filed.

=> **272** If AL Seq. no. 455 – AL Unformatted Record is P (Part-Year Resident) then Fields 460, 465, and 470 of the unformatted Record must be present.

275 Federal Adjusted Gross Income, Form 40, Pg 2, Part IV, Line 5 (AL Seq. no 535 - AL Unformatted Record) must equal Federal **Form 1040, Pg 1, Line 38** (FD 1040, Pg 1, Seq. 750), **Form 1040A, Pg 1, Line 21** (FD 1040A, Pg 1, Seq. 750) or **Form 1040-EZ, Line 4** (FD 1040-EZ, Seq. 750).

280 Federal Taxable Income, Form 40, Pg 2, Part IV, Line 5 must equal Fed **Form 1040, Pg 2, Line 42**, Fed **Form 1040A, Pg 2, Line 27** or Fed **Form 1040-EZ, Line 6**.

285 Other Federal Income Flag, Form 40, Pg. 2, Part IV, line 6 (AL Seq. no. 540 - AL Unformatted Record). If Other Federal Income Flag box is checked with an "X", then the Source Description and Source Amount, Form 40, Pg. 2, Part IV, line 6 must be present (AL Seq. no. 550 and/or 560).

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=> **305** If Standard Deduction Box is checked, Form 40, Page 1, line 11b, (Field # 305), then Generic Field 385 must contain the criteria found on the chart in the Form 40 Instruction Booklet on page 9:

AL Error Code	Error Description
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310 If Itemized Deduction Box is checked, Form 40, line 11a, (Field # 305), then AL Sch A,
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line 26, (Seq. #190) **must be equal to or greater than zero.**

315 AL 40, Schedule A (If present), line 26 (AL Seq. #190) must equal the sum of lines 4, 9, 13, 17, 18c, 23, 24 and 25 (AL Seq. no's 045, 075, 105, 125, 140, 175, 180 and 187).

320 AL 40, Schedule B, line 3 (AL Seq. #280) must equal the sum of line 1 - Interest Income and line 2 - Dividend Income (AL Seq. no's. 040, 055, 070, 085, 100, 115, 130, 145, 160, 175, 185, 195, 205, 215, 225, 235, 245, 255, 265 and 275).

NOTE: Alabama Schedule B is a required ELF form if Total Taxable Interest and Dividend Income is greater than \$1500.00.

321 If AL Sch CR line 5 is present (AL Seq # 500) then AL Sch B, Seq # 280 **must be equal to or greater than zero.**

NOTE: If no AL Sch B is required in the electronic return but an AL CR must generated then zero fill the Seq #'s found in AL Error Code # 320.

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335 If state wages, tips, etc. (**Field # 390**) is present then Employer's \ state ID number (**Field # 380**) must be present. **For income derived from a state that does not have an income tax, the Employer's FEIN should be used.**

340 If state wages, tips, etc. (**Field # 460**) is present then Employer's state ID number (**Field # 450**) must be present.

345 If state wages, tips, etc. (**Field # 515**) is present then Employer's state ID number (**Field # 500**) must be present.

350 If state wages, tips, etc. (**Field # 560**) is present then Employer's state ID number (**Field # 550**) must be present.

351 If IRS Form **1099R, Box 7** (IRS Field #0190) "Distribution Code" is equal to **Code 7** and (IRS Field 0200) "IRA/SEP/SIMPLE" indicator box is checked, then AL40, Pg.2, Part 1, line 4b (AL Seq. #065) must be present. If (IRS Field # 0190) "Distribution Code" is equal to **code G**, then **AL ERROR REJECT CODE #351 is invalid and will be ignored.**

352 If IRS Form **1099R, Box 1 or 2a** "1 Gross Distribution – 2a Taxable Amount" is present (IRS Field Codes # 0110 and # 0120), then Box 7 (IRS Field

Code # 0190) must be present.

355 Consumer Use Tax, Form AL 40, Pg. 1, line 20b (AL Generic Field no. 435) must never be a negative number.

356 If AL40, Sch B "Interest and Dividend income" **is greater than \$1500.00**, then AL40, Sch B, Line 3 (Al Seq. # 280) must be present and equal to AL40, Page 1, line 7 (AL Seq. #355).

900 Duplicate Return on File For SSN/TAXYR. An electronic return is already on file for this taxpayer. **The return is being processed by ADOR and no further action is required.**