Your Rights As A Taxpayer

Your rights are guaranteed by law under the Taxpayers' Bill of Rights and Uniform Revenue Procedures Act. They are as follows:

◆ You have the right to receive a clear and simple written description of your role and the department's role during an audit or examination **before** the audit or examination proceedings begin.

◆ You have the right to a written description of the basis for any preliminary assessment, the basis for any penalty imposed by the department regarding any preliminary assessment, and a method describing how you can request an administrative review of any preliminary assessment.

◆ You have the right to receive a written description of how to exercise your right of appeal to the Administrative Law Division or to circuit court at or before the issuance of a final assessment.

◆ You have the right to have examinations conducted during regular business hours and to arrange for a convenient time.

◆ You have the right to be assisted or represented by your authorized representative during dealings with the department.

◆ You have the right, after giving reasonable advance notice to the department, to make an audio recording of any in-person interview with a department representative.

◆ You have the right to obtain assistance from the Taxpayer Advocate on matters that have been pending for an unreasonable length of time.

◆ You have the right to apply for the abatement of any penalties attributable to erroneous written advice if furnished to you by an employee of the department.

Taxpayer Service Centers:

Auburn/Opelika - 3300 Skyway Drive (36830)
P.O. Box 2929, Auburn (36831-2929)
Phone (334) 887-9549

Birmingham - 2024 3rd Avenue North (35203)
P.O. Box 10128 (35202-0128)
Phone (205) 323-6387

Dothan - 344 North Oates Street (36303)
P.O. Box 5739 (36302-5739)
Phone (334) 793-5803

Gadsden - 235 College Street (35901)
P.O. Drawer 1190 (35902-1190)
Phone (256) 547-0554

Huntsville - 994 Explorer Boulevard (35806)
P.O. Box 11487 (35814-1487)
Phone (256) 922-1082

Mobile - 955 Downtowner Boulevard (36609)
P.O. Drawer 160406 (36616-1406)
Phone (251) 344-4737

Montgomery - 1021 Madison Avenue (36104)
P.O. Box 327490 (36132-7490)
Phone (334) 242-2677

Muscle Shoals - 874 Reservation Road (35661)
P.O. Box 3148 (35662-3148)
Phone (256) 383-4631

Tuscaloosa - 518 19th Avenue (35401)
P.O. Box 2467 (35403-2467)
Phone (205) 759-2571

TDD Number - (334) 242-3061

Office of Taxpayer Advocacy

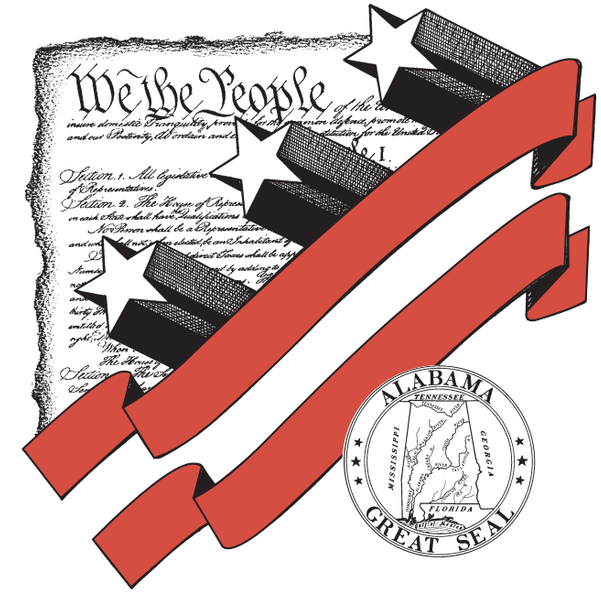
50 N. Ripley Street, Room 4118
Montgomery, AL 36132
Phone (334) 242-1055

www.revenue.alabama.gov

To request tax forms, please write:

Alabama Department of Revenue
Tax Forms
P.O. Box 327470
Montgomery, AL 36132-7470

August 2006



Alabama

TAXPAYERS'

Bill of Rights

Alabama Department of Revenue

Role of The Department and The Taxpayer During an Audit

Audit Contact

In most cases, we accept tax returns as filed. However, if we select your return for audit and the audit cannot be completed through correspondence, then your tax records will be reviewed by an examiner. The audit process will begin with the examiner giving you reasonable notice of your audit and then scheduling an appointment to meet with you during the department's normal business hours (or other hours in special cases). When your appointment is made, the examiner will notify you in writing as to the necessary books and records required for your audit.

Throughout any examination process, you may represent yourself or with proper written authorization, you may elect to have an "authorized representative" act on your behalf. When you meet with the examiner you have the right to have an authorized representative present, or the authorized representative may represent you in your absence. In order for this representative to act on your behalf, you must (prior to your audit appointment) sign a "Power of Attorney and Declaration of Representative" form or such other form (such as a federal power of attorney form) which designates you as the taxpayer, identifies the type of tax or assessment, identifies your authorized representative, and states the effective date of representation. To obtain a "Power of Attorney and Declaration of Representative" form, you may call our Taxpayer Service Center nearest you, or write:

Alabama Department of Revenue
Tax Forms
P.O. Box 327470
Montgomery, AL 36132-7470

To download a form from the department's Web site, go to www.revenue.alabama.gov/coll/2848a.pdf.

If you wish, you may audio record any in-person interview with an ADOR employee, provided you notify the department at least 24 hours prior to your interview. Likewise, we may audio record an in-person interview with you, provided we notify you at least 24 hours prior to your interview or if you have arranged to audio record your interview. In order to obtain a copy of any transcript or audio recording made by the ADOR, you must make a written request and pay the established fee.

Time Limitations

In most cases, the ADOR has three years from the date a tax return is due or filed, whichever is later, to audit your tax return and assess any additional tax, penalty, and interest due. A taxpayer also generally has three years to claim a refund of any tax overpaid. However, if the tax was paid by withholding or estimated payments, and you failed to timely file a return, any refund must be claimed within two years from the original due date of the return. This authority is granted under Title 40, Chapter 2A, **Code of Alabama 1975**.

There are, however, certain circumstances in which the time limitations to assess additional tax may be extended. Some of those circumstances are as follows:

1. The Internal Revenue Service (IRS) adjusts your federal income tax return and these changes affect your Alabama return.
2. You signed an agreement with the Alabama Department of Revenue to extend the time period to adjust your state or local tax return.
3. You omitted more than 25 percent of the taxable base that should have been reported on your tax return.
4. You failed to file a return or intentionally misstated or fraudulently filed your tax return.

After The Audit

After your audit, we will take one of the following three actions:

1. Accept your tax return(s) as filed;
2. Issue a "preliminary assessment" which will state any additional tax, penalty, and interest we believe you owe; or
3. Issue a refund of tax and any applicable interest to you.

If we propose any changes to your tax return, we will explain the reasons. Please inquire about anything that is unclear to you.

If you do not agree with the department's decision in your case, you may appeal this decision by filing a written "petition for review" to request a conference on your case. The petition for review must be filed within 30 days of the issuance date of the preliminary assessment. To request a petition for review form, you may call our Taxpayer Service Center nearest you, or write:

Alabama Department of Revenue
Tax Forms
P.O. Box 327470
Montgomery, AL 36132-7470

Forms may also be downloaded from the department's Web site at http://www.revenue.alabama.gov/salestax/petreview.pdf (Sales, Use & Business Tax) or http://www.revenue.alabama.gov/incometax/IT_FA_04_05.pdf (Individual & Corporate Tax).

The ADOR will review your petition and schedule a conference if requested or otherwise necessary.

During this conference you will have the opportunity to discuss your case with a designated hearings officer from the division whose actions you are contesting. This conference will allow both you and the department to present each side of the issue and to review any additional information being presented.

Based on the outcome of this conference, the ADOR will either cancel, change, or affirm its previous action. If you do not timely file your petition for review or the ADOR determines from the conference that the preliminary assessment is due to be upheld in whole or in part, the ADOR will enter a final assessment.

If a final assessment is entered, you will be notified in writing and advised that you may appeal to either the ADOR's Administrative Law Judge or to circuit court.