

Alabama Department of Revenue

News Release
April 2, 2007

Don't Get Caught with a Tax Penalty

Montgomery—The Alabama Department of Revenue reminds taxpayers to pay attention to upcoming tax return filing deadlines and avoid any late-filing or delinquent penalties.

Failing to file tax returns on time can be costly. If a taxpayer fails to file any required return on or before the due date of the return, a late-filing penalty is added to the total amount due. Here are some important things to consider:

- A delay in filing can result in a failure to timely file penalty, also known as a delinquent penalty or late-filing penalty.
- Interest is charged on any unpaid tax from the due date of the return until the date of payment. Alabama law has no provision for waiving interest.
- Business tax returns are required to be filed for the respective tax periods regardless of whether the taxpayer or employer had any tax to report. In such cases, the business taxpayer should file applicable tax returns showing “zero” tax due to avoid any late filing penalties.
- For some business taxes, filing a late return could result in the loss of discount.
- Under Alabama’s tax laws, a Form W-2 is defined as a tax return, and employers filing delinquent copies of Forms W-2 are subject to late-filing penalties.
- Alabama’s delinquent or late-filing penalty is equal to 10 percent of the tax due or \$50, whichever is greater. **The \$50 late-filing penalty applies even if there is no tax due for the tax period.** A business taxpayer is required to file a return for each tax period even if the business taxpayer has “zero” tax to report.

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- Alabama's delinquent or late-filing penalty applies to any return that is filed after its due date, unless an extension is in effect. The delinquent penalty applies to returns reflecting zero tax due balances, additional tax due balances, and tax refunds, including individual income tax refund returns, due April 17, 2007.

For more information regarding Alabama's tax penalties, visit the department's Web site at www.revenue.alabama.gov.

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