



CYNTHIA UNDERWOOD  
Commissioner

# State of Alabama Department of Revenue

Montgomery, Alabama 36132  
(www.dor.state.al.us)

CYNTHIA UNDERWOOD  
Assistant Commissioner  
LEWIS A. EASTERLY  
Secretary

May 21, 2004

Reply to  
Attn of: Income Tax Division, Special Audit and Compliance  
Section (334) 242-1511

[REDACTED]  
[REDACTED]  
Selma, AL [REDACTED]

Re: Alabama Income Tax Return CY 2001  
Social Security Number: [REDACTED]  
File Number: [REDACTED]  
Amount Due: \$16,296.86

This is to acknowledge your response to our Notice of Preliminary Assessment letter dated May 5, 2004 in which you stated that you were not obligated pay taxes with the State of Alabama.

Our contention is that you are required to file and pay income taxes to the State of Alabama for the tax year of 2001. Section 40-18-2 (copy enclosed) states that every individual residing in Alabama is subject to paying taxes on their taxable income. On your 2001 Alabama return, you stated that you were a full-year resident of Alabama. Information received from the Internal Revenue Service indicates that you had sufficient taxable income to be required to file an Alabama return. Also refer to our letter dated March 9, 2004 (copy enclosed) which included other related information.

If you disagree with our determination of your taxes for 2001, please provide conclusive information indicating that the Internal Revenue Service has changed their original audit of your 2001 federal return or that our audit amounts are incorrect.

If pertinent information is not received within 30 days, a final assessment will be entered on this file to protect the interest of the State of Alabama. If you still disagree with our determination at that time, you may appeal the final assessment. Appeal instructions will be included on the back of the final assessment.

Section 40-18-2**Levied; persons and subjects taxable generally.**

In addition to all other taxes now imposed by law, there is hereby levied and imposed a tax on the taxable income, as defined in this chapter, which tax shall be assessed, collected, and paid annually at the rate specified herein and for each taxable year as hereinafter provided. Persons and subjects taxable under this chapter are:

- (1) Every individual residing in Alabama;
- (2) Every corporation domiciled in Alabama or licensed or qualified to transact business in Alabama;
- (3) Every corporation doing business in Alabama or deriving income from sources within Alabama, including income from property located in Alabama;
- (4) Every resident individual or corporation acting in a fiduciary capacity;
- (5) Every estate and trust resident in the State of Alabama;
- (6) Every nonresident individual receiving income from property owned or business transacted in Alabama;
- (7) Every natural person domiciled in the State of Alabama, and every other natural person who maintains a permanent place of abode within the state or spends in the aggregate more than seven months of the income year within the state, shall be presumed to be residing within the state for the purposes of determining liability for income taxes under this chapter.

*(Acts 1935, No. 194, p. 256; Code 1940, T. 51, §373; Act 98-502, §1.)*



STATE OF ALABAMA

--VS--

[REDACTED]  
SELMA AL [REDACTED]

STATE OF ALABAMA  
DEPARTMENT OF REVENUE  
MONTGOMERY, AL 36132

NOTICE OF  
PRELIMINARY  
ASSESSMENT

TYPE OF TAX: INDIVIDUAL INCOME  
SOCIAL SECURITY NUMBER: [REDACTED]  
ASSESSMENT #: [REDACTED]  
TAX PERIOD ENDING: 12-31-2001

FILE #: 3J535341  
SECTION: 7472  
FORM: 40

Under provisions of the Code of Alabama 1975, as amended, the Department of Revenue has determined the following amount to be due for the liability described:

ADDITIONAL TAX DUE . . . . .	\$ 14,110.00
PENALTY . . . . .	\$ 705.50
INTEREST . . . . .	\$ 1,481.36
RETURNED CHECK SERVICE CHARGE . . . . .	\$ .00
BALANCE NOW DUE . . . . .	\$ 16,296.86

You may appeal this assessment by filing a written petition for review with the Section of the Revenue Department shown below. The petition must be filed within thirty days of the assessment date. See the reverse side for an additional explanation of your appeal rights.

Entered: MAY 5, 2004

STATE OF ALABAMA, DEPARTMENT OF REVENUE

By: Richard M. Henninger Director  
Individual and Corporate Tax Division

KEEP THIS PART FOR YOUR RECORDS

RETURN THIS PART WITH PAYMENT OR SEE CREDIT CARD PAYMENT OPTION ON REVERSE SIDE

TYPE OF TAX: II  
TAX PERIOD ENDING: 12-31-2001  
FORM: 40  
SECTION: 7472

FILE #: 3J535341  
TIN: [REDACTED]  
ASSESSMENT #: [REDACTED]  
ENTERED: 05-05-2004

TAX, PENALTY, INTEREST . . . . .	\$ 16,296.86
RETURNED CHECK SERVICE CHARGE . . . . .	\$ .00

PAY THIS AMOUNT . . . . . \$ 16,296.86

[REDACTED]  
SELMA AL [REDACTED]

MAIL TO: ALABAMA DEPARTMENT OF REVENUE  
SPECIAL AUDIT SECTION RAR GROUP  
PO BOX 327442  
MONTGOMERY AL 36132-7442

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