

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 RDS' role during an audit or examination before the audit or examination proceedings begin.
- You have the right to receive a written description of the basis for any preliminary assessment, the basis for any penalty imposed by RDS regarding any preliminary assessment, and a method through which 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 hearing officer 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 examiner.
- You have the right, after giving reasonable advance notice to RDS, to make an audio recording of any in-person interview with an examiner.
- You have the right to apply for the abatement of any penalties attributable to erroneous written advice if furnished to you by an employee or representative of the taxing jurisdiction.

A complete listing of your rights is available from RDS or at <http://alisondb.legislature.state.al.us/acas/CodeOfAlabama/1975/coatoc.htm>

ALABAMA TAXPAYERS' BILL OF RIGHTS
(See ALA. CODE § 40-2A-4 for full listing)

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ALABAMA TAXPAYERS' BILL OF RIGHTS



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ROLE OF THE EXAMINER AND TAXPAYER DURING AN AUDIT

TIME LIMITATIONS

In most cases, a taxing jurisdiction has three (3) years from the date a tax return is due or filed, whichever is later, to audit your tax return and send you a notice of any change in the amount of tax, penalty, and interest you may owe, or notify you of any refund owed to you. (See Title 40, Chapter 2A, Code of Alabama 1975.)

Under certain circumstances the time limitation to audit your tax returns may be extended. These are:

1. you signed an agreement with the taxing jurisdiction or its designee to extend the time period to adjust your tax return, (waiver).
2. you omitted more than 25 percent of the taxable base that should have been reported on your tax return.
3. you failed to file a return or intentionally understated or fraudulently filed your tax return.

AUDIT CONTACT

The audit process will begin with the examiner giving you reasonable notice of your audit and scheduling an appointment to meet with you during normal business hours. When your appointment is made, the examiner will notify you in writing as to the necessary books and records required for your audit. You also have the right to request the criteria used to select taxpayers for examination.

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 your authorized representative, and states the effective date of representation. To obtain a *Power of Attorney* form, you may call 205.324.0088, or write:

RDS
Attn: Audit
600 Beacon Parkway West, Suite 900
Birmingham, AL 35209

If you wish, you may audio record any in-person interview with a RDS employee, provided you notify RDS 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 RDS, you must make a written request and pay the established fee.

AFTER THE AUDIT

After your audit, one of the following three actions will be taken:

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 any changes are proposed to your tax return, the examiner will explain the reason. Please inquire about anything that is unclear to you.

If you do not agree with the 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 thirty (30) days of the date of mailing or personal service of the preliminary assessment, whichever occurs earlier. A *Petition for Review* form will accompany each preliminary assessment entered.

The administrative hearing officer and/or Taxing Jurisdiction 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 administrative hearing officer. This conference will allow both you and the examiner to present each side of the issue and to review any additional information being presented.

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

If a final assessment is entered for sales, use, rental or lodgings tax, you will be notified in writing and advised that you may either appeal to the Alabama Tax Tribunal by filing a notice of appeal (form ATT-2) within 30 days from the date of mailing or personal service of a final assessment, whichever occurs earlier, or, in lieu of an appeal to the Alabama Tax Tribunal, you may appeal to the circuit court. For all other tax types, including municipal business license, you may appeal to the administrative hearing officer at RDS or, in lieu of an administrative appeal, you may appeal to the circuit court.

RDS, a division of PRA Government Services LLC, is a private auditing and collecting firm (See § 40-23-3(17), *Code of Alabama 1975*). RDS has been retained by numerous Alabama municipalities and counties to administer and/or audit for many of their taxes. RDS, and its auditors, agents and employees, is acting on behalf of those local taxing jurisdictions in conducting audits, issuing assessments and collecting taxes, fees, penalties and interest, as applicable. Each locality is the final authority on their respective taxes. For many localities, RDS has been delegated the responsibility of conducting administrative appeals of final assessments and issuing orders on their behalf, however, some localities will conduct their own administrative appeals of final assessments. Each final assessment issued will contain specific instructions for an administrative appeal for the specific local jurisdiction involved.

This leaflet is intended to provide you with general information on your rights and responsibilities under the Alabama Taxpayers Bill of Rights and Uniform Revenue Procedures Act (Chapter 14, Title 40, *Code of Alabama 1975*). You should consult your tax professional, legal counsel or other representative regarding your rights or obligations in your specific case.

For more information, please contact:

Audit Department
600 Beacon Parkway West, Suite 900
Birmingham, AL 35209

Or call: 800-556-7274 ext 34150