

Income/Franchise:

Alabama DOR Reminds Minimum Business Privilege Tax is Repealed for Tax Years Beginning in 2024

Business Privilege Tax – FAQs: What taxpayers must file an Alabama Business Privilege Tax return?, Ala. Dept. of Rev. (7/24). As part of a series of recently posted answers to some frequently asked questions (FAQs) regarding Alabama's business privilege tax (BPT), the Alabama Department of Revenue (Department) reminds that pursuant to legislation enacted in 2022 [see H.B. 391 (Act 2022-252), for more details on this legislation], for taxable years beginning on or after January 1, 2024, every corporation, limited liability entity, and disregarded entity doing business in Alabama or organized, incorporated, qualified, or registered under the laws of Alabama who would otherwise be subject to the minimum tax due under the Alabama BPT shall be exempt from the tax. As explained in the Department's earlier notice on this law change, for taxable years beginning after December 31, 2023, there is a full exemption from the BPT on tax due of \$100 or less, and taxpayers with a BPT liability of \$100 or less are not required to file a BPT return. Also, beginning January 1, 2024, the Alabama Secretary of State Corporation Annual Report is no longer filed with the BPT return. Please contact us with any questions.

URL: <https://www.revenue.alabama.gov/faqs/what-taxpayers-must-file-an-alabama-business-privilege-tax-return/>

URL: <https://arc-sos.state.al.us/cgi/actdetail.mbr/detail?page=act&year=2022&act=252>

URL: <https://www.revenue.alabama.gov/notice-important-changes-to-the-2024-business-privilege-tax-filing-requirements/>

— Chris Snider (Miami)
Managing Director
Deloitte Tax LLP
csnider@deloitte.com

Joe Garrett (Birmingham)
Managing Director
Deloitte Tax LLP
jogarrett@deloitte.com

Meredith Harper (Birmingham)
Senior Manager
Deloitte Tax LLP
meharper@deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.