

# **Department of Revenue**

## **Functional Analysis & Records Disposition Authority**

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# **Functional and Organizational Analysis of the Department of Revenue**

## **Sources of Information**

Members of the Internal Records Committee of the Department of Revenue  
Code of Alabama, 1975, sections 40-2-1 through 40-2A-11, and 40-7-1 through 40-7-74  
Alabama Government Manual (1994)  
Alabama Administrative Code, Chapter 810  
Government Records Division, State Agency Files (1985-ongoing)  
Government Records Division, Alabama. Department of Revenue. Agency History Record(1990)  
Government Records Division, Control File (1985-ongoing)  
Department of Revenue, Annual Report, 1987, 1989, 1991, 1992-1993, 1995, 1996  
Holdings of the Department of Archives and History for the Department of Revenue

## **Agency Organization**

The Department of Revenue consists of thirteen divisions and ten offsite taxpayer service centers. The chief executive officer within the department is the Commissioner of Revenue, whom the governor appoints. The top senior management position within the department is that of the assistant commissioner who is a merit system employee. The department employs a secretary and other personnel as necessary. An organizational chart is attached.

## **Historical Context**

The revenue commissioner, tax assessor and/or tax collector have always handled the function of assessment and collection of taxes on the county level of Alabama government. The agency responsible for overseeing this activity was the Auditor under the statutes of the Mississippi Territory. With the adoption of the Alabama Constitution of 1819, the Auditor became known as the Comptroller of Public Accounts. The Constitution of 1868 changed the title to the Office of the Auditor. This name became State Auditor in 1875. The legislature created the office of Tax Commissioner in 1897. The State Tax Commissioner worked under the supervision of the State Auditor until 1907 when the legislature created the State Tax Commission. The commission replaced the Tax Commissioner and was not supervised by the State Auditor. The State Tax Commission, composed of three members appointed by the governor, supervised valuation, equalization, assessment, and collection of taxes, and enforcement of tax laws. In 1915, the Board of Equalization replaced the Tax Commission until 1919 when the State Tax Commission replaced the board. The new commission, beyond assessment and collection of taxes, was also empowered to issue automobile licenses. In 1939, the legislature dissolved the Tax Commission and transferred the duties of the commission to the newly created Department of Revenue.

In 1899, the legislature created the Land Commission for the purpose of taking care of the land obtained by the state through the default of taxpayers. In 1915, the Land Commission was abolished and its duties were transferred back to the State Auditor. A land clerk was transferred to the Forestry Commission in 1932. The State Tax Commission was responsible for this activity from 1935 until it was transferred, in 1939, to the Commissioner of Revenue who now serves as State Land Commissioner, ex officio.

## **Agency Function and Subfunctions**

The mandated function of the Department of Revenue is to supervise and control the valuation, equalization, and assessment of property, to collect such taxes, and to enforce the tax laws of the state. The Department of Revenue is one of the agencies responsible for performing the Financial Management subcategory of the Administrative Support Operations function of Alabama government and the Regulatory function of Alabama government. In the performance of its mandated function, the Department of Revenue may engage in the following subfunctions:

- **Titling/Registering Motor Vehicles.** The department regulates and supervises the titling of motor vehicles in the state in accordance with the Alabama Uniform Certificate of Title and Anti-Theft Act, which provides a deterrent against crime in the state relating to motor vehicles, provides a means for the recovery of stolen motor vehicles, and provides a means for the recording of liens and ownership of motor vehicles. The staff of the department reviews applications and decides whether a title should be issued or not. After the staff has approved a title, information regarding the issuance of the title is entered into the Motor Vehicle Title/License Database, and the title is mailed to the owner of the vehicle. The department supervises the overall registration process for motor vehicles in the state by overseeing registration at the county level and supervises the issuance of replacement, personalized tags, and special tags. The department obtains tag information from the counties and enters it into the Motor Vehicle Tag Registration Database. Department staff enters information on personalized tags into one of the motor vehicle supporting databases. The department is responsible for the distribution of motor vehicle license plates manufactured by the Department of Corrections.

The department registers Alabama based interstate commercial vehicles under the provisions of the International Registration Plan (IRP). Department staff enters IRP information into several databases, issues license plates and cab cards to registrants, and ensures that there is compliance with the provisions of the IRP, applicable federal regulations, and state statutes and regulations. The IRP provides that registrants pay registration fees based on each jurisdiction's percent of mileage driven, or estimated to be driven, multiplied by the registration fees of the jurisdiction in which they operate. Forty-eight states, the District of Columbia, Alberta, British Columbia, and Saskatchewan participate in the IRP. The department also audits the financial and mileage records of the registrants.

- **Supervising and Controlling the Valuation, Equalization, and Assessment of Property, Privilege, and Franchise; and the Collection of Taxes.** It is the responsibility of the department to supervise and control the valuation, equalization, and assessment of property; the valuation, equalization, and assessment of privilege; the valuation, equalization, and assessment of franchise; and the collection of such taxes (Code of Alabama 1975, Section 40-2-11). The department advises and directs county tax assessors, county tax collectors, probate judges, and every state and county official charged with the assessment and collection of taxes. The department also collects certain taxes directly. Local officials remit, to the department, taxes collected for the department along with required reconciliation/receipt forms. The department makes phone calls to taxpayers to facilitate the collection of unpaid assessments, except those appealed to the courts. Taxpayers are also contacted when checks in payment of tax liabilities have been returned by their bank due to insufficient funds. When there is a problem with the collection of taxes, the department turns the case over to the collecting agents of the department, who then try to obtain payment prior to a final assessment. If it is necessary, the department issues a final assessment, after which the taxpayer has thirty days to appeal. The collection division then notifies the taxpayer of the tax owed. Division staff can take further action including garnishing wages and placing liens on property. The collection division can also transfer corporation liability to individuals.

**Assessing and Collecting Property Tax.** The Department of Revenue works in an advisory capacity with county tax assessors in the assessment and valuation of property and works with the tax assessors and the county boards of equalization to appraise the property at its fair and reasonable market value based on classifications and regulations created by the department (Code of Alabama 1975, Sections 40-7-15 through 40-7-26). The department prescribes the forms used by the tax assessors and certifies the assessment lists, known as the book of assessments. The department reviews petitions made by taxpayers who do not agree with the preliminary assessment and meets with taxpayers if necessary. After the meeting, or if no petition is filed, the Department enters a final assessment for the amount determined by the Department to be due. Taxpayers may appeal final assessments to the Department's Administrative Law Division or to circuit court (Alabama Administrative Code, Chapter 810-14-1). The Department also approves the Lists of Insolvents and Lists of Errors.

The Department designs a permanent uniform record system used by all counties for maintaining records of property ownership and property values (Code of Alabama 1975, Section 40-7-64). The department administers sales of land as a result of tax sales and handles all land redemptions and the laws relating to the four classes of property in the state. The department establishes and publishes annually the current use values of Class III agriculture and forest properties and a uniform aircraft assessment manual based on average retail value. The average retail value is based on the Aircraft Price Digest, the Blue Book of Aviation, aircraft dealers, and other reliable sources. The manual, known as "Uniform Aircraft Assessment Schedule," is distributed to each county assessing official charged with the duty of assessing aircraft.

All manufactured homes located on land owned by the owner of the manufactured home are subject to assessment for ad valorem tax purposes and are valued according to the Alabama Uniform Manufactured Home Valuation Schedule. The department designs decals to be placed on manufactured homes upon payment of the ad valorem tax (Code of Alabama 1975, Section 40-7-1). Each month the department receives, from county officials, a summary of the previous month's activities relating to the issuance of decals (AAC, Chapter 810-4-2).

**Assessing and Collecting Utility and Corporation Taxes.** The department administers the utility taxes and corporation associated taxes including the franchise tax, permit fees, and shares taxes on corporate stock. It is also the responsibility of the department to evaluate whether or not a business organization is qualified to transact business in the state.

**Assessing and Collecting Excise, Estate, and Income Taxes.** The department administers the excise tax on financial institutions, the estate tax, and income tax on both individuals and corporations. Taxpayers are responsible for maintaining their accounting records to be able to report income to the Department (Code of Alabama 1975, Section 40-2a-7(a) (1)).

The department reviews each tax return filed by taxpayers. Taxpayers may file tax returns electronically as well as by mail. If the department finds no error in the tax return, department staff enters the return in the tax roll. The department notifies taxpayers if the department determines a different amount of tax liability from the return, and sets a date for an informal conference where the taxpayers may protest verbally or in writing. After considering the taxpayers' responses, the department makes a final determination. If taxpayers are not satisfied with this determination, they may request a formal hearing before an Administrative Law Judge (AAC, Chapter 810-3-40).

The department inspects withholdings returns submitted by employers and those persons required to withhold income tax on proceeds of wages. These returns, which show the amount of tax deducted from wages, are sent to Revenue with the tax payments (Code of Alabama 1975, Section 40-18-74 and AAC, Chapter 810-3-74).

**Assessing and Collecting Sales, Use, and Associated Taxes.** The department has the responsibility for administering the state sales tax, use tax, lodgings tax, utility gross receipts tax, rental tax, contractors gross receipts tax, cellular radio telecommunication service tax, pharmaceutical providers tax, nursing facility tax, hydroelectric kilowatt hour tax, utility license tax, and more than two hundred county and municipal sales, use, lodgings, and rental taxes. The collection and distribution of local sales, use, lodgings, and rental taxes by the department are services that give the local governments an efficient method for collecting their taxes. The department assists local governing bodies with drafting the ordinances or resolutions necessary to levy local taxes and to provide for administration of the taxes by the department. The department also reviews and approves refund claims, reviews applications, and issues direct pay permits and exemption certificates.

**Assessing and Collecting Privilege Taxes.** The department is responsible for assessing privilege taxes. These privilege taxes, also known as business and license taxes, include the coal severance, forest products severance, the motor carrier mileage tax, tobacco tax laws, playing card tax, the gummed cigarette taxes, and taxes on the issuance of business, vocation, and occupation licenses. The department also administers severance taxes relating to the production of oil and gas excise taxes for the use of petroleum products in the state, and collects and distributes county tobacco, motor fuel, and severance taxes. The department reviews applications, issues permits and licenses, and reviews follow up reports submitted with remittance fees/taxes in accordance with the law. The department may inspect and/or audit the purchase and sales records of distributors.

- **Reporting.** The governor requires the department to transmit, 30 days before the meeting of the legislature, a report showing all taxable property in the state and the value of the same, in tabulated form, with recommendations for improvements in the system of taxation in the state, together with suggestions of such measures as the department may formulate for the consideration of the legislature. The department analyzes each revenue bill newly introduced into the legislature to determine its potential effect on tax receipts and on department operations and administration. To help in the creation of reports, the department maintains graphic and statistical summaries on the leading indicators affecting Alabama economy, taxes, and revenue estimates. The Department of Revenue, which files numerous reports required by various federal agencies such as the Bureau of the Census, and the Department of Commerce, exchanges a large volume of tax data with the tax administrators of other states. The department staff examines tax systems of other states; visits the counties of the state and investigates the methods of county tax collectors, tax assessors, probate judges and other officials charged with the duty of administering tax laws; examines and ascertains whether existing laws are defective or improperly administered; and consults with and makes recommendations on improvements in Alabama's tax system to the governor (Code of Alabama, Section 40-2-11.9 through 40-2-11.12).
- **Enforcing Tax Laws.** The department is responsible for enforcing the tax laws of the state. Any employees of the department designated in writing by the commissioner as peace officers have unlimited police power to enforce revenue laws relating to the administration and enforcement of licensing and registration of motor vehicles, gasoline tax, tax on motor fuels, and tobacco tax (Code of Alabama 1975, Section 40-2-10). The department handles the identification of rebuilt vehicles and installation of vehicle identification numbers (plates) and title-related investigations. Investigation officers also do pre-licensing investigations for motor vehicle dealers, reconditioners, rebuilders, wholesalers, and automotive parts recyclers. They also serve preliminary assessments on taxpayers in license tag violations where the assessment process is necessary. Designated officials have access to the confidential criminal record files of the Alabama Criminal Justice System and the Alabama Bureau of Investigations.

The department also supervises the manufacturing of all styles, types, and denominations of

tobacco stamps; approves designs as well as quality of the stamps; and periodically audits the production records of stamp manufacturers. The department audits monthly tobacco reports filed by wholesale distributors, audits accounting records, and conducts occasional on-sight inspections of warehouse inventories. To ensure compliance with the state's major tax laws, the department periodically audits most large corporations doing business within Alabama, usually at their national headquarters.

The department directs the institution of actions by the Attorney General, district attorneys, or special attorneys for collection of taxes or penalties due the state or any county and compels officers or taxpayers to comply with the provisions of the tax laws. The department also directs actions, prosecutions, and proceedings to enforce laws of the state relating to taxes, penalties, forfeitures, and liabilities, and to punish those not complying with the provisions of the tax laws. The department can instigate proceedings to remove a tax official from office or to obtain an order from circuit court enjoining or restraining a taxpayer from continuing business in Alabama. The department also issues executions and writs of garnishments directed to any sheriff of Alabama (Code of Alabama 1975, Section 40-2-11.16).

To help enforce the tax laws of the state, the department has 10 Taxpayer Service Centers throughout the state. The department personnel at these centers explain the tax laws to taxpayers to help citizens better understand the laws.

- **Establishing Rules, Regulations, And Requirements.** The department is responsible for establishing rules, regulations, and requirements relating to its public functions pursuant to the state administrative procedures act. When the department initiates a rulemaking action, either on its own initiative or in response to a petition submitted to it, the commissioner issues a notice of proposed rulemaking that is submitted for publication in the Alabama Administrative Monthly and is distributed as specified by the Alabama Administrative Procedures Act. The notice specifies the substance of the proposed rulemaking action, along with the date, time, and place of the public hearing. The secretary of the department or his designee conducts an oral hearing. All interested persons who notified the secretary seven days prior to the hearing may give an oral presentation. The secretary may allow those desiring to give an oral presentation, but who have not given prior notice, to do so. The secretary establishes an agenda for the hearing and, at the beginning of the hearing, advises all participants of the order of the presentations and the time allowed for each. Within fourteen days after the conclusion of the hearing, the secretary reports to the commissioner the substance of the written and oral comments on the proposed rule together with a recommendation for retaining, revising, or dismissing the proposed rule. Within fourteen days after receiving the report of the secretary, the commissioner issues and distributes a final order. The commissioner may also issue temporary emergency rules pursuant to section 41-22-5 of the Code of Alabama.

The commissioner can also issue a revenue ruling following receipt of a written request

submitted by a taxpayer. The ruling describes the substantive application to the individual of any law or regulation administered by the department. A \$200 fee must accompany requests. If the commissioner refuses to issue a ruling within 120 days, the department refunds the fee. Revenue rulings governing procedures of the department are called revenue procedures. Rulings are binding on the department and the state with respect to the taxpayer who made the original request for a ruling. The department publishes all revenue rulings and maintains them as public records (Code of Alabama 1975, section 40-2a-5).

- **Administering Internal Operations.** A significant portion of the agency's activities include general administrative, financial, and personnel activities geared toward the internal functioning of the agency. These administrative duties are grouped together under the subfunction Administering Internal Operations. Administering Internal Operations includes the following groups of activities:

**Managing the Agency:** Activities include internal office management activities common to most government agencies such as corresponding and communicating, scheduling, meeting, documenting policy and procedures, reporting, litigating, legislating (drafting, lobbying, tracking), publicizing and providing information, managing records, and managing information systems and technology. The Commissioner of Revenue serves as a member of Public School Corporation, Alabama Education Authority, Alabama Industrial Development Authority, State Records Commission, and the Enterprise Zone Advisory Council. The Commissioner of Revenue, with the approval of the Governor, appoints the county boards of equalization from names submitted by the county commission of each county, the county board of education, and the governing body of each incorporated municipality within the county. Code of Alabama 1975, section 41-9-90.1, requires the department to provide clerical and secretarial assistance to the State Athletic Commission and to assist the commission in creating administrative rules. The State Athletic Commission last met in 1983. While the State Athletic Commission was in operation, the Department of Revenue's activities regarding the commission were limited mainly to the collection of annual license fees for professional boxers, wrestlers, promoters, etc.

**Managing Finances:** Activities include budgeting (preparing and reviewing a budget package, submitting the budget package to the state Finance Department; documenting amendments and performance of the budget); purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the agency's budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; assisting in the audit process; investing; and issuing bonds.

**Managing Human Resources:** Activities include recruiting and hiring eligible individuals to fill positions within the agency; providing compensation to employees;

providing benefits to employees, such as leave, health insurance, unemployment compensation, worker's compensation, injury compensation, retirement, and death benefits; supervising employees by evaluating performance, promoting, granting leave, and monitoring the accumulation of leave; training and providing continuing education for employees; and disciplining.

**Managing Properties, Facilities, and Resources:** Activities include: inventorying and accounting for non-consumable property and reporting property information to the appropriate authority; constructing buildings and facilities; leasing and/or renting offices or facilities; providing security for property owned by the agency; insuring property; and assigning, inspecting and maintaining agency property, including vehicles.

# **Analysis of Record Keeping System and Records Appraisal of the Department of Revenue**

## **Agency Record Keeping System**

The Department of Revenue operates a hybrid system composed of two computer networks (both of which are connected to the state mainframe), paper based record keeping, and micrographics.

Computer Systems: The current information system environment at the department utilizes a combination of client/server and mainframe operation. Two networks provide computing capabilities to the staff of the department: a departmental Local Area Network (LAN) and a Data Acquisition Network. The department uses the State Data Center's IBM mainframe as the central repository for information generated and stored by the assessing and collecting functional areas of the department. Currently systems hosted on the mainframe include: the Local Government Financial System (LGFS), the Government Human Resources System (GHRS), Alabama Revenue Information System (ARIS), Motor Vehicle Tag Registration database, Motor Vehicle Title/License Database, numerous supporting databases for motor vehicle registration, and collection's automated computer system. The department's central office, located in Montgomery, is networked to the campus ring and state mainframe.

Within the department, most personal computers are networked via a token ring to the department's IBM LAN. The LAN has over 1200 devices connected to it. Numerous servers provide print serving, data serving, and application serving to the department. Offsite Tax Assessment Centers have access to the mainframe via a 3270 connection.

A data acquisition network, which is a Novell network consisting of four file servers, performs the functions of scanning and data entry for the department in support of the ARIS system. This system serves as a remittance process where individual checks are endorsed, verified, and deposited into the state's banking accounts. The data acquisition network stores information on the four file servers in batches of one hundred images. Once entered, the data acquisition network batch upload the information to the ARIS system on the state mainframe. The ARIS system consists of over 200 database tables and serves as a single relational database that tracks the tax collection processes. It also provides a taxpayer's account history across all tax areas.

The state's mainframe houses several motor vehicle databases. Department staff enters information into the databases when a taxpayer obtains a tag or title or registers under the International Registration Plan. These databases are separate from ARIS and provide quick access to motor vehicle information.

Also housed on the state mainframe is a program created by the Department of Finance that the Department of Revenue uses for tax collection information. Collection section staff members enter information into the program to update collection activity. Staff members, while in contact with

taxpayers, verify information in the system and enter updated information as necessary. The information is never in paper format.

A midrange computer, the AS/400, is attached to the LAN within the department and serves as host for the Withholding Tax area and serves as a work server or reference server. Another application, for ad valorem tax, resides on a separate server attached to the departmental LAN. It is a DB II database.

Starting January 16, 1998, taxpayers will have the option of filing individual tax returns electronically. Taxpayers may file with an Electronic Return Originator (ERO) or may choose to file through one of two vendors that operate on the Internet. The department operates as an ERO for employees of the department and their dependents. With either the ERO or Internet option, the tax return is sent electronically to the federal government. The Department of Revenue downloads the tax return from the federal government into the appropriate program on ARIS where the department treats it like other tax returns. The paper tax return record, known as AL8453, is required to be kept by the ERO for three years. The department receives form OL8453 from the ERO or Internet vendor.

A complete system backup of the LAN occurs nightly and is stored both onsite and offsite. Backup tapes of the data acquisition network are kept for one month.

The department maintains a web site at <http://www.ador.state.al.us/>, which it uses to post notices of hearings, distribute copies of tax forms, provide phone numbers and e-mail addresses of staff, and provide tax information to the public.

**Paper-Based Systems:** Although the department uses the ARIS system to track taxpayer information, the department uses the paper records as the legal documents. ARIS enables the department's staff to locate information quickly. However, ARIS cannot replace the huge amount of paper that the department requires taxpayers to file. Revenue stores its inactive paper records at its records center until the records meet their disposition requirements or are microfilmed.

**Micrographics:** The department annually outputs to microfilm all of the information on the motor vehicle tag registration database. The Department of Industrial Relations develops the microfilm. The department sends one copy of the microfilm to Alabama Bureau of Investigation, and keeps another. Many of the other records created by the motor vehicle division are replaced with microfilm copies. Microfilm has been chosen as an alternative form for the records because of the huge volume of paper records flowing through the division. An example is the Motor Vehicle Title File, which averages about ten million paper documents per year.

The department also films many records from other divisions. The remittance section formerly sent computer tapes of reports to the Department of Industrial Relations for conversion to Computer Output Microfilm (COM), but now films from paper. The Department of Revenue currently stores its film in a vault at the Department of Revenue's record center.

## Records Appraisal

The following is a discussion of the two major categories of records created and/or maintained by the department: Temporary Records and Permanent Records.

**I. Temporary Records.** Temporary records should be held for what is considered their active life and be disposed of once all fiscal, legal, and administrative requirements have been met. Some of the temporary records created by the department are discussed below.

- **Motor Vehicle Title Stop Files.** These are records of vehicles registered in Alabama that are reported stolen. They retain administrative value to the division.
- **Suspense List.** This record documents duplicate title applications created prior to title issuance and retains administrative value.
- **Surrendered Titles.** When a vehicle registered in one state registers in a different state, the title for the previous state must be surrendered and canceled to prevent a car from being registered in two states at the same time. Surrendered titles retain administrative value to the division and are needed long-term.
- **MVD Title Locator Files.** These files document pending applications for certificates of title and are needed for long-term use because they retain administrative value.
- **Motor Vehicle Title Files.** These files, which the department microfilms, document a chain of ownership and record of lien activity for motor vehicles registered in the state. The department needs to retain this heavily referenced record for long-term administrative use.
- **Motor Vehicle Tag Registration Database.** When someone obtains a motor vehicle tag, the county sends a record to the department. Information is then keyed into the Motor Vehicle Registration Database. This information is used for easy access to motor vehicle tag information. All of the information on the motor vehicle tag registration database is output to microfilm annually and is developed by the Department of Industrial Relations. One copy of the microfilm is sent to Alabama Bureau of Investigation, and Revenue keeps the other.
- **Motor Vehicle Title/License Database.** When the department receives title applications, information is keyed into the title/license database. The database is used for quick access to title information. The paper title is kept for seventy-five years and is the official record.
- **Supporting Databases for Motor Vehicles.** There are several databases that are used in conjunction with the two main motor vehicle databases. These databases are used for quick access to information regarding IRP, personalized tags, and suspended titles. Information in these databases should not be kept longer than the corresponding paper record.

- **Final Abatement Letters.** Abatement is the reduction or elimination of a taxpayer's liability for tax. Final Abatement Letters are filed in the department after the abatement is granted. They are confidential and are used by the department solely for statistical and record-keeping activities (Code of Alabama 1975, Section 40-9B-6).
- **Taxpayer Information in Alabama Revenue Information System (ARIS).** The department created the computer system, ARIS, for ease of access to taxpayer information. The department enters information into the ARIS system from paper records. This information is then used to obtain taxpayer information quickly. The paper records from which the information in the ARIS system is entered have separate retention periods and are listed elsewhere in the RDA.
- **Tax Collection Information Maintained on Revenue Collections Computer System.** These records are the notations made on collections automated computer system detailing collection actions, taxpayer's and/or representative's conversations, or correspondence concerning final assessments. The information is not copied elsewhere and is needed by the department for twelve years to satisfy the retention period required by Code of Alabama 1975, Section 40-2a-7.
- **Registration of Securities.** Owners of securities may list their securities with the Department of Revenue. These securities are listed in a book that is indexed (Code of Alabama 1975, Section 40-24-3). These books are to be kept by the department.
- **Electronic Fund Transfer Error Listings.** These records are electronic payments that are not properly matched to the electronic payment screen. They are corrected on a daily basis.
- **Sales and Redemptions Records.** All records of sales and redemptions of real property sold under Code of Alabama 1975, Section 40-29-26, are required to be maintained by the department (Code of Alabama 1975, Section 40-29-31). These records include information on the tax for which the sale was made, the dates of seizure and sale, the amount of the expenses, the name of the purchaser, and the date of the deed. The deed is also recorded in the probate office of the county where the property is located.
- **Income Tax Check-offs.** These records are the amounts collected as designated from state income tax returns. The monies collected are distributed quarterly or annually as called for in the legislation of each particular check-off program.
- **Computerized Bankruptcy Filings Information.** This is a record of bankruptcy filings by Alabama taxpayers. Retention of the information for twenty years is necessary to compute the statute of limitations on collection of assessments.
- **Regulatory/Dismantler License Databases.** These databases include information obtained from application for regulatory/dismantler licenses. The licenses are printed from

information generated by the database(s).

- **Buyer Identification Cards.** These are ID cards dealers use for admission to salvage sales. The cards have no expiration date, therefore they could possibly be used for the lifetime of a person.
- **Photographs for Use in Publications.** The department uses photographs in the creation of annual reports, newsletters, and other publications. The photographs should be disposed of by the Department of Revenue when they are no longer useful.
- **Commissioner's Office Audit Report.** Every two years an internal audit is performed for security purposes. The department performs this audit separate from the audit performed by the Examiners of Public Accounts. Revenue maintains the audit report until the following internal audit is completed.

**II. Permanent Records.** The Government Records Division recommends the following records as permanent.

#### **Titling/Registering Motor Vehicles**

- **Motor Vehicle Manuals.** The Motor Vehicle Division creates manuals to explain the registration and titling process. Some manuals instruct county officials on how to issue license plates and collect motor vehicle taxes. The manuals are updated with inserts when the laws change and are reprinted when necessary. Other manuals explain the titling process to title agents. Because each manual documents how the motor vehicle tax laws are carried out, they retain historical value. (RDA page 3-2) (**Bibliographic Title: Motor Vehicle Manuals**)

#### **Supervising and Controlling the Valuation, Equalization, and Assessment of Property, Privilege, and Franchise; and the Collection of Taxes**

- **Deed Books for Land Sold by the State.** Deed books, which document the sale of tax delinquent property, retain legal value as evidence of transactions and are often needed as proof against litigation. Often the deed books contain the only recorded document relating to the transaction that can be admitted as evidence in court. The books retain historic value because they trace land ownership. (RDA page 3-7) (**Bibliographic Title: Deed Books**)
- **Applications for Assignment of Certificate of Sale or Tax Deed.** The applications contain information that is indispensable in determining that the state has complied with the law and conducted a valid sale by properly collecting all outstanding taxes due on a property. (RDA page 3-7)

- **Record of Certificates of Land Bid in for the State (Book of Lands).** The Record of Certificates contains information regarding the acquisition and disposition of properties sold to the state and is used to track the history of a property during a dispute or title search. The record retains research value because it can be used to trace ownership. (RDA page 3-7) **(Bibliographic Title: Land Books)**
- **Uniform Assessment/ Valuation Manuals.** These manuals are used to create uniform assessments. They retain historic and evidentiary value as they document the basis for assessments in a given period. (RDA page 3-7) **(Bibliographic Title: Assessment/Valuation Manuals)**

### Reporting

- **Annual Reports.** Annual Reports provide summary documentation of the activities of the department in a given period. They also document how the department views its mission and the way it tries to fulfil that mission. (RDA page 3-14) **(Bibliographic Title: Annual Reports)**
- **Graphic and Statistical Summaries/Analysis Reports (Revenue Abstract, Individual Income Tax Components Analysis Report, General Summary of Taxes, Cumulative Projection Report, Legislative/Tax Analyses, Revenue Distributions, Revenue Estimates and Forecasts).** The department creates these records to provide summaries of information to the department and others for many purposes. This information is used to assist officials to make decisions that will be affected by revenue or will effect revenue in the state. They provide documentation of the statistics that influence decisions as well as document the statistics themselves and therefore are deemed to maintain historic and evidentiary value. (RDA page 3-15) **(Bibliographic Title: Summary Reports; Analysis Reports)**

### Enforcing Tax Laws

- Permanent records documenting this subfunction are found in the department's minutes and annual report as described in the subfunctions above and below.

### Establishing Rules, Regulations, and Requirements

- **Economic Impact Statements.** These statements are created to satisfy the requirement of Code of Alabama 1975, 41-22-23f, which requires any rule submitted to the legislative committee that has an economic impact to be accompanied by an economic impact statement. The statement includes a determination of need, the expected benefit of the regulation, a determination of the costs and benefits associated with the regulation, the effect of the regulation on competition, the effect on the cost of living in the area affected by the regulation, the source of revenue to be used to implement and enforce the regulation, the effect of the regulation on the environment and public health, and the detrimental effect on

the environment and public health if the regulation is not implemented. The department maintains the statements for long term reference and research use. (RDA page 3-18) **(Bibliographic Title: Economic Impact Statements)**

### **Administering Internal Operations**

- **Files of the Commissioner.** This record includes correspondence from and to the commissioner of the department and other records of the commissioner. It contains information that documents actions/policies of the department that may not be found elsewhere, and therefore retains evidentiary and historical value. (RDA page 3-18) **(Bibliographic Title: Commissioner's Files )**
- **Assistant Commissioner/Department Secretary Files.** These records document the activities of the divisions of the department. As not all of the information in these files is found in the annual report or minutes of the department, these files serve as the only documentation of some activities of the department. Not all of the documents in these files are Permanent. To facilitate retention of these records, staff of the Department of Revenue may want to examine these files and remove records listed elsewhere in the RDA. (RDA page 3-18) **(Bibliographic Title: Assistant Commissioner's Files; Department Secretary's Files)**
- **Press Releases/Speeches/Public Service Announcements.** These records document official statements of the department that may not be found elsewhere and therefore retain historical value. (RDA page 3-18) **(Bibliographic Title: Press Releases; Speeches; Public Service Announcements)**
- **Organizational Records.** These records document the way a particular commissioner or assistant commissioner organizes the department. Usually the organization of the department reflects the goals of a particular commissioner. The organizational records are useful tools in understanding the activities and goals of the department at a particular time. These records include orders of the commissioner, correspondence, and other information on the organization. (RDA page 3-18) **(Bibliographic Title: Organizational Records)**
- **Department Meeting Minutes.** These records are the core documentation of the actions of the department and retain legal and historical value. (RDA page 3-18) **(Bibliographic Title: Meeting Minutes)**
- **Publications.** Publications help document how the department carries out its mandate. (RDA page 3-19) **(Bibliographic Title: Publications)**

- **Web Sites.** The Department has a web site at: [www.ador.state.al.us](http://www.ador.state.al.us). The web site is comprehensive and includes frequently asked questions about different taxes administered by the Department of Revenue, in addition to forms which may be downloaded. The web site also includes other information to educate the public about taxes. The disposition statement calls for retaining a “snap shot” of complete web site information annually or as often as significant changes are made to the site. (RDA page 3-21)

## **Accessibility of Records**

In 1994, the United State Congress enacted the Driver’s Privacy Protection Act that provides for the confidentiality of certain personal information maintained by state agencies that retain motor vehicle records. This act states that “a state department of motor vehicles and any other officer, employee, or contractor, thereof, shall not knowingly disclose or otherwise make available to any person or entity personal information about any individual obtained by the department in connection with a motor vehicle record” (18 United States Code, Section 2721 (a)). According to Attorney General Opinion 97-00161, the Department of Revenue should treat all personal information collected and maintained by the department pursuant to the administration of the motor vehicle registration laws and motor vehicle titling laws as confidential.

**Permanent Records List**  
**Function: Administrative Support Operations**  
**Regulatory**  
**Department of Revenue**

**Titling/Registering Motor Vehicles:**

1. Motor Vehicle Manuals

**Supervising and Controlling the Valuation, Equalization, and Assessment of Property, Privilege, and Franchise; and the Collection of Taxes:**

1. Deed Books for Land Sold by the State
- \*2. Applications for Assignment of Certificate of Sale or Tax Deed
3. Record of Certificates of Land Bid in for the State (Book of Lands)
4. Uniform Assessment/ Valuation Manuals

**Reporting:**

1. Annual Reports
2. Graphic and Statistical Summaries/Analysis Reports (for Revenue Abstract, Individual Income Tax Components Analysis Report, General Summary of Taxes, Cumulative Projection Report, Legislative/Tax Analyses, Revenue Distributions, and Revenue Estimates and Forecasts)

**Establishing Rules, Regulations, And Requirements**

1. Economic Impact Statements

**Administering Internal Operations:**

1. Files of the Commissioner.
2. Assistant Commissioner/Department Secretary Files
3. Press Releases/Speeches/Public Service Announcements
4. Organizational Records
5. Department Meeting Minutes
6. Publications
7. Web Sites

\*indicates records that ADAH anticipates will remain in the care and custody of the creating agency. ADAH staff is available to work with agency staff in determining the best location and storage conditions for the long-term care and maintenance of permanent records.

## Department of Revenue Records Disposition Authority

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975, Sections 41-13-5 and 41-13-20 through 21. It was compiled by the Government Records Division, Alabama Department of Archives and History (ADAH), which serves as the commission's staff, in cooperation with representatives of the Department of Revenue. The RDA lists records created and maintained by the Department of Revenue in carrying out its mandated functions and activities. It establishes retention periods and disposition instructions for those records and provides the legal authority for the Department of Revenue to implement records destruction.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from "mutilation, loss, or destruction," so that they may be transferred to an official's successor in office and made available to members of the public. Under the Code of Alabama 1975, Section 36-12-40, "every citizen has a right to inspect and take a copy of any public writing in this state, except as otherwise expressly provided by statute." Records must be kept in accordance with auditing standards approved by the Examiners of Public Accounts (Code of Alabama 1975, Sections 36-12-2, 36-12-4, and 41-5-23). For assistance in implementing this RDA, or for advice on records disposition or other records management concerns, contact the ADAH Government Records Division at (334) 242-4452.

### Explanation of Records Requirements

- This RDA supersedes any previous records disposition schedules governing the retention of the Alabama College System. Copies of superseded schedules/RDAs are no longer valid and may not be used for records disposition.
- The RDA establishes retention and disposition instructions for records, regardless of the medium on which those records may be kept.
- Electronic mail is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.
- Some temporary records listed under the Administering Internal Operations subfunction of this RDA represent duplicate copies of records listed for long-term or permanent retention in the RDAs of other agencies.
- Certain other record-related materials need not be retained as records under the disposition requirements in this RDA. They may be disposed of in whatever way the agency determines best. Such materials include: (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period required; (2) catalogs, trade journals, and other publications received that require no action and do not document government activities; (3) stocks of blank stationary, blank forms, or other surplus

materials that are not subject to audit and have become obsolete; (4) transitory records which are temporary records created for short-term internal purposes that may include, *but are not limited to*: telephone call-back messages; drafts of ordinary documents not needed for their evidential value; copies of material sent for information purposes but not needed by the receiving office for future business; and internal communications about department social activities, such as a note to a group going to lunch.

- Any record created by the department prior to 1900 shall be regarded as permanent unless there is a specific action by the State Records Commission to authorize its destruction.

## **Records Disposition Requirements**

This section of the RDA is arranged by subfunctions of the Department of Revenue and lists the groups of records created and/or maintained by the commission as a result of activities and transactions performed in carrying out these subfunctions. The department may submit requests to revise specific records disposition requirements to the State Records Commission for consideration at its regular quarterly meetings.

### **■ Titling/Registering Motor Vehicles**

#### MOTOR VEHICLE MANUALS

Disposition: PERMANENT RECORD.

#### Motor Vehicle Title Stop Files

- a. Stolen Vehicle Title Stop Files  
Disposition: Retain in office (Code of Alabama 1975, section 32-8-37).
- b. Administrative Title Stop Files  
Disposition: Temporary Record. Retain 2 years.

County, Municipal, and Public Utility Department (PUD) Applications for License Plates  
Disposition: Retain 3 years after the end of the fiscal year in which the records were created.

#### Motor Vehicle Tag Registration Database

Disposition: Temporary Record. Retain for useful life following verification of film.

#### Motor Vehicle License/Title Database

Disposition: Temporary Record. Retain for useful life.

#### Supporting Databases for Motor Vehicles

Disposition: Temporary Record. Retain for useful life.

#### Motor Vehicle Registration Receipt Printouts

Disposition: Temporary Record. Retain 10 years.

Temporary License Tags and Registration Certificates

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Paid and Settled Assessment Files

Disposition: Temporary Record. Retain 5 years.

Unpaid Assessment Files

Disposition: Temporary Record. Retain 10 years.

Requests for Motor Vehicle Registration Records

Disposition: Temporary Record. Retain 5 years.

Motor Vehicle/Temporary Tag Remittance Advice

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Motor Vehicle Daily Title Accounting Printouts

Disposition: Temporary Record. Retain for useful life.

Monthly Suspense File

Disposition: Temporary Record. Retain 2 years.

Distribution Reports

Disposition: Temporary Record. Retain 4 years.

Daily Cash Statement Sheets

Disposition: Temporary Record. Retain 4 years.

Recaps Printout

Disposition: Temporary Record. Retain 4 years.

International Registration Plan Registration Computer Printouts

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

International Registration Plan Dealer Tag Receipts

Disposition: Temporary Record. Retain 4 years.

International Registration Plan Trip Permits

Disposition: Temporary Record. Retain 4 years.

Application for Consular License Plates

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Motor Vehicle Apportioned License Applications Audit Files

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Applications for Apportioned Registration Under International Registration Plan

Disposition: Temporary Record. Retain 10 years after the year of issue.

International Registration Cab Cards

Disposition: Temporary Record. Retain 10 years.

Suspense List

Disposition: Temporary Record. Retain for useful life.

Surrendered Titles

Disposition: Temporary Record. Retain for useful life.

Motor Vehicle Title Locator File

Disposition: Temporary Record. Retain for useful life.

Motor Vehicle Title Files

Disposition: Temporary Record. Retain 24 years from issue date.

Void Titles

Disposition: Temporary Record. Retain 5 years.

Cleared Hits

Disposition: Temporary Record. Retain 10 years.

Motor Vehicle Transactions/Daily Listings

Disposition: Temporary Record. Retain 4 years.

Abstract of Motor Vehicle License Plates

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Billings of Colleges/Universities for License Plate Manufacturing Costs.

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

International Fuel Tax Agreement License Application Files

Disposition: Temporary Record. Retain 4 years.

Quarterly International Fuel Tax Agreement Return Files

Disposition: Temporary Record. Retain 6 years.

International Fuel Tax Agreement Annual Vehicle Identification Decal Request Files

Disposition: Temporary Record. Retain 4 years.

International Fuel Tax Agreement Audit Files

Disposition: Temporary Record. Retain 6 years.

Cancelled Designated Agent Files

Disposition: Temporary Record. Retain 5 years.

National Crime Information Center Reports

Disposition: Temporary Record. Retain 5 years.

■ **Supervising and Controlling the Valuation, Equalization, and Assessment of Property, Privilege, and Franchise; and the Collection of Taxes**

Withholding Tax Applications

Disposition: Temporary Record. Retain 24 years.

Taxpayer Information in ARIS System

Disposition: Retain for useful life.

Copies of Acts

Disposition: Temporary Record. Retain for useful life.

Voluntary Compliance Agreements/Letters

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the company ceases activities in the state.

Final Abatement Letters

Disposition: Retain in office. Code of Alabama 1975, Section 40-9B-6.

Estate Tax Files

Disposition: Temporary Record. Retain 11 years after file is closed.

Routine Taxpayers' Correspondence

Disposition: Temporary Record. Retain 6 years after matter is resolved.

Refund Offset Letters

Disposition: Temporary Record. Retain 12 years.

Certified Mail Cards

Disposition: Temporary Record. Retain 12 years.

Daily Activity Reports

Disposition: Temporary Record. Retain 3 years.

Multi-Party Payments

Disposition: Temporary Record. Retain current year plus 1 year.

Daily Posting Printouts

Disposition: Temporary Record. Retain 12 years.

Certificates of Deposit

Disposition: Temporary Record. Retain current year plus 3 years.

Transfer Payment Tickets

Disposition: Temporary Record. Retain for useful life.

Refunds Processed Summary Report

Disposition: Temporary Record. Retain 5 years.

Refund Printouts

Disposition: Temporary Record. Retain 2 years.

Garnishment Information

Disposition: Temporary Record. Retain 12 years.

Copy of Writs of Executions

Disposition: Temporary Record. Retain 12 years.

Advertisements for Sales/Seizures of Property

Disposition: Temporary Record. Retain 3 years.

Deleted and Vacant Files

Disposition: Temporary Record. Retain 12 years.

Monthly Statistical Reports

Disposition: Temporary Record. Retain 2 years.

Delinquent Record for Each District

Disposition: Temporary Record. Retain 30 days.

Sales and Redemptions Records

Disposition: Retain in office (Code of Alabama 1975, Section 40-29-31).

Tax Collection Information Maintained on Revenue Collection Computer System

Disposition: Temporary Record. Retain 12 years.

Final Assessments

Disposition: Temporary Record. Retain 12 years.

Lien Record

Disposition: Temporary Record. Retain 12 years.

Inactive/Uncollectible Files

Disposition: Temporary Record. Retain 10 years.

Electronic Fund Transfer Error Listings

Disposition: Temporary Record. Retain until error listings are corrected.

Combined Registration/Application/Change Forms (COM 101)

Disposition: Temporary Record. Retain 3 years.

Combined Registration/Application/Change Correspondence (COM 102)

Disposition: Temporary Record. Retain until disposition of corresponding COM 101.

**Assessing and Collecting Property Tax:**

Certificate of Land Bid in for the State- Redeemed

Disposition: Temporary Record. Retain for 5 years after the end of year in which the records were created.

DEED BOOKS FOR LAND SOLD BY THE STATE

Disposition: PERMANENT RECORD.

APPLICATIONS FOR ASSIGNMENT OF CERTIFICATE OF SALE OR TAX DEED

Disposition: PERMANENT RECORD.

RECORD OF CERTIFICATES OF LAND BID IN FOR THE STATE (BOOK OF LANDS)

Disposition: PERMANENT RECORD.

Notice of Intent to Sell (Advertising Books)

Disposition: Temporary Record. Retain 10 years after issuance of tax deed.

UNIFORM ASSESSMENT/ VALUATION MANUALS

Disposition: PERMANENT RECORD.

Airline/Water Company/Railroad/Electric Cooperative Annual Reports

Disposition: Temporary Record. Retain 10 years.

Public Utility Lease/Rental and Investment Reports

Disposition: Temporary Record. Retain 5 years.

Public Utility County Distribution Forms

Disposition: Temporary Record. Retain 10 years.

Manufactured Home Decal Disposition Documents

Disposition: Temporary Record. Retain 5 years.

Abatement Files

Disposition: Temporary Record. Retain 20 years.

Tag Order Books

Disposition: Temporary Record. Retain 5 years.

**Assessing and Collecting Utility and Corporation Taxes:**

Franchise/Excise Tax Records, Returns, Permit Applications, Report Forms  
Disposition: Temporary Record. Retain year of creation plus 6 years.

Distribution/Refund Files

Disposition: Temporary Record. Retain year of creation plus 3 years.

2.2% Utility Gross Receipts License Tax Return Files

Disposition: Temporary Record. Retain year of creation plus 6 years.

**Assessing and Collecting Excise, Estate, and Income Taxes:**

Income Tax Check-Offs

Disposition: Temporary Record. Retain 3 years following end of current fiscal year.

AL8454/OL8454

Disposition: Temporary Record. Retain 3 years.

Tax Return for Assessment of Shares of Domestic Corporations

Disposition: Temporary Record. Retain for 6 years after the end of the tax year in which the records were created.

Income Records (Returns, Extensions, Declarations of Estimated Tax, Payment Vouchers, Non-Resident Files)

Disposition: Temporary Record. Retain current year plus 6 years.

Refund Ledgers/Registers

Disposition: Temporary Record. Retain year of creation plus 3 years.

Withholding Tax Forms

Disposition: Temporary Record. Retain year of creation plus 6 years.

Withholding Tax Refund Application

Disposition: Temporary Record. Retain year of creation plus 3 years.

Annual Non-Wage Income Information Return Files

Disposition: Temporary Record. Retain year of creation plus 6 years.

Applications for Estate Tax Waiver

Disposition: Temporary Record. Retain 6 months after approval/denial.

Unpaid Assessments

Disposition: Temporary Record. Retain 10 years.

Good Standing/Noncompliance Certificate Files

Disposition: Temporary Record. Retain year of creation plus 3 years.

**Assessing and Collecting Sales, Use, and Associated Taxes:**

Sales and Use Tax License Application Files

Disposition: Temporary Record. Retain 6 years after close of taxpayer's account.

Monthly Sales and Use Tax Returns

Disposition: Temporary Record. Retain for 6 years after due date of the tax return or the date the tax return is filed with the agency, whichever is longer.

Sales/use Tax Refund Petition Files

Disposition: Temporary Record. Retain 3 years after the end of the year in which the records were created.

Daily Tax Deposit Reports

Disposition: Temporary Record. Hard Copy: Retain 6 months, then destroy. Database: Retain 6 years, then delete.

Monthly Delinquent Taxpayer Lists

Disposition: Temporary Record. Hard Copy: Retain 1 month. Database: Retain 6 years.

Daily Tax Return Discrepancy Reports

Disposition: Temporary Record. Retain 3 months.

Uncollectible Returned Check Files

Disposition: Temporary Record. Retain 6 years after returned check is deemed uncollectible.

Daily Returned Check Lists

Disposition: Temporary Record. Retain 3 years.

Sales Tax Certificate of Exemption Files

Disposition: Temporary Record. Retain 6 years after certificate of exemption expires or is canceled, revoked, or denied.

Sales Tax Direct Pay Permit Files

Disposition: Temporary Record. Retain 6 years after permit expires or is canceled, revoked, or denied.

Tax Distribution Voucher Files

Disposition: Temporary Record. Retain 5 years.

Paid Final Assessment Files

Disposition: Temporary Record. Retain 6 years after date of final settlement.

Uncollectible Final Assessment Files  
Disposition: Temporary Record. Retain 10 years.

Lien for Taxes Files  
Disposition: Temporary Record. Retain 10 years after the end of the year in which the lien was filed.

Lead Information Files  
Disposition: Temporary Record. Retain 6 years.

Paid Taxpayer Audit Files  
Disposition: Temporary Record. Retain 5 years.

**Assessing and Collecting Privilege Taxes:**

Business Privilege/Corporate Shares Tax Returns and Annual Reports (Form PSA) and Extensions (Form PSE)  
Disposition: Temporary Record. Retain 6 years after the end of the tax year in which the record was created.

Applications for Agents Occupational License As Mortgage Loan Broker Forms  
Disposition: Temporary Record. Retain year of creation plus 6 years.

Registration of Securities (No Longer Created After 2000)  
Disposition: Retain in Office.

Tax Returns  
Disposition: Temporary Record. Retain current year plus 6 years.

Monthly Tax Distribution Files  
Disposition: Temporary Record. Retain current year plus 3 years.

Internal Audit Files  
Disposition: Temporary Record. Retain 6 years after operation ceases.

Registration Forms  
Disposition: Temporary Record. Retain 6 years after operation ceases.

Monthly Reports  
Disposition: Temporary Record. Retain current year plus 6 years.

Local Tax Ordinance Files  
Disposition: Temporary Record. Retain for useful life.

Assessment Database  
Disposition: Temporary Record. Retain for 6 years.

Assessment Cards

Disposition: Temporary Record. Retain 10 years after closure.

Field Personnel Memos

Disposition: Temporary Record. Retain 6 years.

Regulatory License File

Disposition: Temporary Record. Retain 10 years.

Automotive Dismantler/Recycler File

Disposition: Temporary Record. Retain 10 years.

Citation File

Disposition: Temporary Record. Retain 6 years.

Deposit Records

Disposition: Temporary Record. Retain 6 years.

Refunds/Refund Information

Disposition: Temporary Record. Retain 6 years.

Warrant Regulations

Disposition: Temporary Record. Retain 6 years.

Receipt Books

Disposition: Temporary Record. Retain 6 years.

Abstracts

Disposition: Temporary Record. Retain 1 year.

Regulatory/Dismantler License Databases

Disposition: Temporary Record. Retain 6 years.

Buyer Identification Cards

Disposition: Temporary record. Retain until death of dealer.

Monthly Mileage Tax Report

Disposition: Temporary Record. Retain 6 years.

Request for Citation Books

Disposition: Temporary Record. Retain 3 years.

Referrals for Investigations File

Disposition: Temporary Record. Retain 2 years.

Revenue Projections

Disposition: Temporary Record. Retain 2 years.

Reports (Daily, Expense, Productivity, Statistical, Retail Service Station, Cleared Contractors)

Disposition: Temporary Record. Retain 3 years.

Reports (Daily Call-In)

Disposition: Temporary Record. Retain 1 year.

Daily Collection Reports

Disposition: Temporary Record. Retain current year plus 1 year.

Audit Reports

Disposition: Temporary Record. Retain 6 years.

Audit in Progress Reports

Disposition: Temporary Record. Retain 1 year.

Chain Store Reports

Disposition: Temporary Record. Retain 6 years

#### **Hazardous Waste Fee Records**

Audits, Refunds, Recap of Distributions, Payments, Transfer Sheets

Disposition: Temporary Record. Retain current year plus 3 years.

Fee Returns, Sumpter County Fee Guarantee

Disposition: Temporary Record. Retain current year plus 6 years.

#### **Pari-Mutual Records**

Pool Audits

Disposition: Temporary Record. Retain current year plus 3 years.

Tax/Fee Returns

Disposition: Temporary Record. Retain current year plus 6 years.

#### **Tobacco Tax Records**

Purchase Orders, Invoices, Monthly Returns

Disposition: Temporary Record. Retain current year plus 6 years.

Confiscation Files, Uncollectible Tax Files

Disposition: Temporary Record. Retain 10 years.

Returned Stamps/Destructions, Inventory Reports/Reconciliation, Denied Refund Petitions, Daily Cash & Consignment Stamp Sales, Daily Collections & Recaps, Revenue Reports & Distribution Slips, Consignment Accounts Balances, Petitions for Refund, Manufacturers/Importers/Wholesalers' Reports, National Guard Reports, Invoices, Reports of Products Shipped into Alabama, Tax Audits, Applications/Permits to Distribute/Transfer Tobacco, Out-of-business Distributers Files, County Collections & Summaries, Filers/Nonfilers Lists, Petitions for Refund  
Disposition: Temporary Record. Retain current year plus 3 years.

Tobacco Tax Cash and Consignment Ledgers  
Disposition: Temporary Record. Retain for useful life.

Tobacco Wholesaler Stamping Permit Files  
Disposition: Temporary Record. Retain for useful life after permit has been canceled.

County Deposit & Distribution Files  
Disposition: Temporary Record. Retain for useful life.

County Taxpayers Ledger Diskette  
Disposition: Temporary Record. Retain for useful life.

Warrant Requests/Distribution  
Disposition: Temporary Record. Retain for useful life.

Tobacco Products Distributers/Consumers Registration Files  
Disposition: Temporary Record. Retain until taxpayer has gone out-of-business.

Escrow Account Printout  
Disposition: Temporary Record. Retain 1 year.

### **Playing Card Tax Records**

Stamp Sales, Petitions for Refund, Cash Receipts/Log Sheets  
Disposition: Temporary Record. Retain current year plus 3 years.

Deposit and Distribution Record  
Disposition: Temporary Record. Retain for useful life.

### **Storage Tank Charge Records**

Monthly Trust Fund Returns, NonApplicable Application Files  
Disposition: Temporary Record. Retain current year plus 6 years.

Refund Petitions, Monthly Collection Reports, Gasoline Import/Export Listings, Audits, Canceled Taxpayers Information  
Disposition: Temporary Record. Retain current year plus 3 years.

Permitted Taxpayers Information Files  
Disposition: Temporary Record. Retain for useful life.

### **Motor Fuel Tax Records**

Audit Form A/R-1, Tax Returns, Listing of Number of Tax Returns Filed Monthly, Carrier Reports of Shipments of Fuel, National Guard Canteen Reports, Alabama/Georgia Motor Fuel Imports/Export Lists, Store Stock Forms, Undyed Fuel Refunds, Cashier Distributions/Recaps, Mailroom Deposits, Cashier Daily Worksheets, Cashier Cash Sheets, Cashier Daily Collection Reports, Bad Check Files, Returned Check Listings, Filing Fees, EFT Summary/Detail Listing Reports, Cashier Distribution Balance Worksheets, Balancing Escrow Accounts, Balancing Balance Sheet Accounts, Cashier Ledgers, Collateral Bond Information, SGS Refunds/Status Report, County Distributions, Refund Petitions, Collections Report, Assessments, Inactive/Closed Files, Referral for Investigation, ARIS Reports, Statements of Gross Sale, Gasoline Report/American Petroleum Institute, SGS Exchanges Spreadsheet, County Collections Spreadsheet  
Disposition: Temporary Record. Retain 6 years.

Department of Agriculture Import Listing  
Disposition: Temporary Record. Retain 1 year.

Storage Tank Capacity, Joint Tax Compliance Project, Internal Revenue Service Files, Report of Losses Due to Insufficient Bonds, Audit Requests, License Booklets, Revenue Projections, Past Distributor Books, Motor Fuels Booklet, Listing of Licensees, Proposed Legislation, Summary of Rates, Special Audit Files, SGS Comparisons/Deadfile/Summary/File Information, Monthly Status Reports, Summary of Fuel Tax Rates, Federal Information, International Fuel Tax Agreement Information, Electronic Fund Transfer File  
Disposition: Temporary Record. Retain 2 years.

Copy of Notices to Distributors, Regulations, Fiscal Year Procedures  
Disposition: Temporary Record. Retain for useful life.

Active Bond Files  
Disposition: Temporary Record. Retain 10 years after closure.

Assessment List  
Disposition: Temporary Record. Retain for useful life.

Statement of Gross Sales Tax Licenses/Cancellations  
Disposition: Temporary Record. Retain for useful life.

## ■ Reporting

### ANNUAL REPORT

Disposition: PERMANENT RECORD.

### Revenue Abstracts

Disposition: Temporary Record. Retain 2 years.

### Analysis of Pending Legislation Reports

Disposition: Temporary Record. Retain 8 years.

### Survey/Project Documentation

Disposition: Temporary Record. Retain for useful life.

GRAPHIC AND STATISTICAL SUMMARIES/ANALYSIS REPORTS (For Revenue Abstract, Individual Income Tax Components Analysis Report, General Summary of Taxes, Cumulative Projection Report, Legislative/tax Analysis, Revenue Distributions, Revenue Estimates and Forecasts)

Disposition: PERMANENT RECORD.

## ■ **Enforcing Tax Laws**

### Suits

Disposition: Temporary Record. Retain 6 years after completion of the action.

### Injunction Actions

Disposition: Temporary Record. Retain 6 years after completion of the action.

### Bankruptcy Notices

Disposition: Temporary Record. Retain 3 years after closing of bankruptcy file.

### Bankruptcy Papers

Disposition: Temporary Record. Retain 4 years after closing of bankruptcy file.

### Bankruptcy Payments

Disposition: Temporary Record. Retain 20 years.

### Bankruptcy Deposits

Disposition: Temporary Record. Retain 6 years.

### Computerized Bankruptcy Filings Information

Disposition: Temporary Record. Retain 20 years.

### Criminal Action

Disposition: Temporary Record. Retain 6 years after completion of the action.

### Mortgage and Deed Tax Orders

Disposition: Temporary Record. Retain 6 years.

### Records of Legal Actions

Disposition: Temporary Record. Retain 20 years.

### Legal Action Journals

Disposition: Temporary Record. Retain 30 years.

### Department Copies of Legal Opinions, Court and Administrative Law Cases

Disposition: Temporary Record. Retain for useful life.

### Administrative Law Judge Appeals

Disposition: Temporary Record. Retain 6 years.

### Legal Action Cards

Disposition: Temporary Record. Retain 6 months after close of case.

### Reply Correspondence

Disposition: Temporary Record. Retain 30 years.

#### Administrative Appeals

Disposition: Temporary Record. Retain 5 years after closing.

#### Daily Activity Reports

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

#### Notice to Obtain License Plate

Disposition: Temporary Record. Retain current year plus 2 years.

#### Motor Vehicle Investigation Records

Disposition: Temporary Record. Retain current year plus 3 years.

#### Uniform Traffic Complaint

Disposition: Temporary Record. Retain 3 years or until settled.

#### Non-Traffic Complaint

Disposition: Temporary Record. Retain 3 years or until settled.

#### Salvage Vehicle Inspection Files

Disposition: Temporary Record. Retain 3 months.

#### Suspense Salvage Inspection Files

Disposition: Temporary Record. Retain until vehicle is inspected/titled.

#### Dyed Fuel Violation Reports

Disposition: Temporary Record. Retain current year plus 3 years.

#### Drug Tax Assessment File

Disposition: Temporary Record. Retain 10 years from date of assessment.

#### Tax Fraud Cases

Disposition: Temporary Record. Retain current year plus 6 years.

#### Tax Fraud Investigations

Disposition: Temporary Record. Retain until the case is closed.

#### District Court Instruction Sheet

Disposition: Temporary Record. Retain until superseded.

#### Tax Lien Releases

Disposition: Temporary Record. Retain 10 years after date of assessment.

Information Items

Disposition: Temporary Record. Retain current year plus 6 years.

Tax Fraud Referrals

Disposition: Temporary Record. Retain until no longer useful.

Income Tax Log

Disposition: Temporary Record. Retain current year plus 6 years.

Monthly Status Reports

Disposition: Temporary Record. Retain current year plus 4 years.

Enforcement Training Files

Disposition: Temporary Record. Retain current year plus 4 years.

## ■ Establishing Rules, Regulations, and Requirements

### Opinions

Disposition: Temporary Record. Retain 30 years.

### Register of Administrative Rules

Disposition: Retain in office (Code of Alabama, 1975, section 41-22-6 and 41-22-7).

### Public Hearing Notices

Disposition: Temporary Record. Retain 1 year.

### Revenue Rulings

Disposition: Temporary Record. Retain 30 years.

### Administrative Law Actions

Disposition: Temporary Record. Retain 6 years after completion of the action.

### Copies of Revenue-related Bills/Acts, First Reading Reports, Bill Status Reports

Disposition: Temporary Record. Retain 8 years

### ECONOMIC IMPACT STATEMENTS

Disposition: PERMANENT RECORD

### Revenue Draft Legislation Files

Disposition: Temporary Record. Retain for useful life.

### Rulemaking Hearing Records

Disposition: Temporary Record. Retain 20 years.

### Survey/Project Documentation

Disposition: Temporary Record. Retain for useful life.

## ■ **Administering Internal Operations**

### **Managing the Agency:**

Photographs for Use in Publications

Disposition: Temporary Record. Retain for useful life.

FILES OF COMMISSIONER

Disposition: PERMANENT RECORD.

ASSISTANT COMMISSIONER/DEPARTMENT SECRETARY FILES

Disposition: PERMANENT RECORD.

Media Summary Memoranda

Disposition: Temporary Record. Retain until obsolete.

PRESS RELEASES/SPEECHES/PUBLIC SERVICE ANNOUNCEMENTS

Disposition: PERMANENT RECORD.

ORGANIZATIONAL RECORDS

Disposition: PERMANENT RECORD.

DEPARTMENT MEETING MINUTES

Disposition: PERMANENT RECORD.

Correspondence Other than Commissioner's

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Administrative Reference Files

Disposition: Temporary Record. Retain for useful life.

Calendars

Disposition: Temporary Record. Retain 1 year.

Requests for Information

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Mailing Lists

Disposition: Temporary Record. Retain for useful life.

Problem Resolution Record

Disposition: Temporary Record. Retain until completion of one internal audit.

Commissioner's Office Audit Report

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Internal Audit Records

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

PUBLICATIONS

Disposition: PERMANENT RECORD.

Visitor Logs

Disposition: Temporary Record. Retain 1 year.

Telephone Logs

Disposition: Temporary Record. Retain 3 years.

Printing Service Files (includes negatives and plates)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Tax Forms and Negatives

Disposition: Temporary Record. Retain 5 years.

Back-up Records File

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Status Reports

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Mail Production Records

Disposition: Temporary Record. Retain for useful life.

Microfilm/Records Services Production Reports

Disposition: Temporary Record. Retain current year plus 1 year.

Microfilm/Record Services Yearly Production Reports

Disposition: Temporary Record. 3 years.

Records of Microfilm Production and Quality Control

Disposition: Temporary Record. Retain until microfilm is disposed of.

Microfilm Vault Location Log Book

Disposition: Temporary Record. Retain until superseded.

Data Entry Statistics

Disposition: Temporary Record. Retain for useful life.

Electronic Inventory Management

Disposition: Temporary Record. Retain for useful life.

Order Processing System

Disposition: Temporary Record. Retain for useful life.

Change Management Problem Tracking Reports

Disposition: Temporary Record. Retain for useful life.

Electronic Equipment Repair Logs

Disposition: Temporary Record. Retain for useful life.

Problem Data Sheets

Disposition: Temporary Record. Retain until problem is resolved.

Service Requests

Disposition: Temporary Record. Retain until work is complete.

Records documenting the implementation of the agency's RDA (copies of transmittals forms to Archives or State Records Center, evidence of obsolete records destroyed, and annual reports to the State Records Commission)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Copy of RDA

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the RDA was superseded.

System Documentation (hardware/software manuals and diskettes, warranties, Y2K records)

Disposition: Temporary Record. Retain documentation of former system 3 years after the end of the fiscal year in which the former hardware and software no longer exists anywhere in the agency and all permanent records have been migrated to a new system.

WEB SITES

Disposition: PERMANENT RECORD. RETAIN A "SNAP SHOT" OF COMPLETE WEB SITE INFORMATION ANNUALLY OR AS OFTEN AS SIGNIFICANT CHANGES ARE MADE TO THE SITE.

**Managing Finances:**

Grant Files and Grant Financial Files

Disposition: Temporary Record. Retain 6 years after submission of final expenditure report.

Records documenting the preparation of a budget request package and reporting of the status of funds, requesting amendments of allotments, and reporting program performance

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting the requisitioning and purchasing of supplies and equipment, receipting and invoicing for goods, and authorizing payment for products

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records of original entry such as journals, registers, and ledgers; and records of funds deposited outside the state treasury

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Cash Register Operation Records

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Staff Fuel/Gas Tickets/Receipts

Disposition: Temporary Record. Retain 3 months.

Subsistence Reports

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Statement of Official Per Diem Forms

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting requests for authorization from supervisors to travel on official business and other related materials, such as travel reimbursement forms and itineraries

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Contractual records established for the purpose of services or personal property

Disposition: Temporary Record. Retain 6 years after expiration of the contract.

Records documenting the bid process, including requests for proposals and unsuccessful responses

Disposition: Retain in office (Code of Alabama 1975, Sections 41-16-24).

Agency Audit Reports

Disposition: Temporary Record. Retain 6 years after end of the fiscal year in which the records were created.

Records documenting the preparation of a budget request package and reporting of the status of funds, requesting amendments of allotments, and reporting program performance

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

**Managing Human Resources:**

Requests for Mandatory Leave

Disposition: Temporary Record. Retain 1 year.

Job Recruitment Materials

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Application Materials

Disposition: Temporary Record. Retain 1 year.

Position Classification Questionnaire

Disposition: Temporary Record. Retain 4 years after reclassification of the position.

Position Files

Disposition: Temporary Record. Retain 7 years.

Certification of Eligibles for Employment

Disposition: Temporary Record. Retain until superseded.

Position Control Files

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the record is superseded.

Records documenting payroll (e.g. pre-payroll reports, payroll check registers)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting payroll deductions for tax purposes

Disposition: Temporary Record. Retain 3 years after end of year in which the records were created.

Records documenting employee hours worked, leave earned, and leave taken

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting employees' daily and weekly work schedules

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting leave donations

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records of final leave status

Disposition: Temporary Record. Retain record of individual employees' cumulative leave 6 years after separation of employee from the agency.

Annual and Probationary Raise Reports

Disposition: Temporary Record. Retain 5 years.

Records documenting an employee's work history - generally maintained as a case file

Disposition: Temporary Record. Retain 6 years after separation of an employee from the agency.

Employee Flexible Benefits Plan Files (applications and correspondence)

Disposition: Temporary Record. Retain 6 years.

Records documenting the State Employee Injury Compensation Trust Fund (SEICTF) Claims

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency

Employee Administrative Hearing Files

Disposition: Temporary Record. Retain 6 years after separation of employee from the agency.

Section/Division Personnel Files

Disposition: Temporary Record. Retain until separation of an employee from the agency.

Records documenting the training of staff including tapes and class rosters

Disposition: Temporary Record. Retain for useful life.

**Managing Properties, Facilities, and Resources:**

Real Property Leasing/Rental Records

Disposition: Temporary Record. Retain 6 years after termination of lease or rental agreement.

Semiannual Inventory Lists

Disposition: Retain in office (Code of Alabama 1975, Section 36-16-8[1]).

Agency Copies of Transfer of State Property Forms (SD-1)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Property Inventory Cards and/or Computer Files

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the items were removed from inventory.

Property Inventory Affidavits

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Receipts of Responsibility for Property

Disposition: Temporary Record. Retain until return of item to property manager.

Records documenting the use, maintenance, ownership, insurance, and disposition of vehicles

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the vehicle was removed from the property inventory.

## **Requirement and Recommendations for Implementing the Records Disposition Authority**

Under the Code of Alabama 1975, Section 41-13-21, “no state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission.” This Records Disposition Authority constitutes authorization by the State Records Commission for the disposition of the records of the Department of Revenue (hereafter referred to as the agency) as stipulated in this document.

One condition of this authorization is that the agency submit an annual Records Disposition Authority (RDA) Implementation Report on agency records management activities, including documentation of records destruction, to the State Records Commission in July of each year. In addition, the agency should make every effort to establish and maintain a quality record-keeping program through the following activities:

- The agency should designate a records liaison, who is responsible for: ensuring the development of quality record keeping systems that meet the business and legal needs of the agency, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, and ensuring the regular implementation of the agency’s approved RDA.
- Permanent records in the agency’s custody should be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation.
- Destruction of temporary records, as authorized in this RDA, should occur agency-wide on a regular basis--for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. Despite the RDA’s provisions, no record should be destroyed that is necessary to comply with requirements of the state Sunset Act, audit requirements, or any legal notice or subpoena.
- The agency should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the agency chooses to maintain permanent records solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records’ permanent preservation and accessibility.

The staff of the State Records Commission or the Examiners of Public Accounts may examine the condition of the permanent records maintained in the custody of the agency and inspect records destruction documentation. Government Records Division archivists are available to instruct the agency staff in RDA implementation and otherwise assist the agency in implementing its records management program.

The State Records Commission adopted this records disposition authority on January 23, 2003.

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Edwin C. Bridges, Chairman  
State Records Commission

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Date

Receipt Acknowledged:

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Dwight Carlisle, Commissioner  
Department of Revenue

\_\_\_\_\_  
Date