

DANA S. & CORINNE N. HENSLEY
c/o BEN J. SCHILLACI, CPA
601 VESTAVIA PKWY., SUITE 300
BIRMINGHAM, AL 35216,

§

STATE OF ALABAMA
DEPARTMENT OF REVENUE
ADMINISTRATIVE LAW DIVISION

§

Taxpayers,

§

DOCKET NO. INC. 09-1225

v.

§

STATE OF ALABAMA
DEPARTMENT OF REVENUE.

§

FINAL ORDER ON TAXPAYERS' APPLICATION FOR REHEARING

This appeal involves a final assessment of 2008 income tax entered against the above Taxpayers. A Final Order was entered on March 10, 2010 affirming the assessment.

The Taxpayers timely applied for a rehearing and submitted information for the Department's review. The Taxpayers claimed on rehearing that the income of \$206,395 reported on Dana Hensley's 2008 W-2 is tax exempt pension income. The Department responded that the "normal practice for pension-related income would be for it to be reported on a Form 1099R."

The Taxpayers were directed to submit a Form 1099R or other proof that the income is from an exempt pension plan. They did so. The Department has responded that the final assessment should be voided, and that the Taxpayers are due a refund of \$6,756, plus applicable interest. Judgment is entered accordingly. The Department should issue the refund in due course. The March 10, 2010 Final Order is voided.

This Final Order on Taxpayers' Application for Rehearing may be appealed to circuit court within 30 days pursuant to Code of Ala. 1975, §40-2A-9(g).

Entered May 7, 2010.

BILL THOMPSON
Chief Administrative Law Judge

bt:dr

cc: Lionel C. Williams, Esq.
Ben J. Schillaci, CPA
Kim Peterson