

WILLIAM DANIEL HARRIS
115 Harris Haven Drive
Selma, AL 36701,

STATE OF ALABAMA
DEPARTMENT OF REVENUE
ADMINISTRATIVE LAW DIVISION

Taxpayer,

DOCKET NO. INC. 01-250

v.

STATE OF ALABAMA
DEPARTMENT OF REVENUE.

FINAL ORDER

The Revenue Department assessed William Daniel Harris (Taxpayer) for 1997 Alabama income tax. The Taxpayer appealed to the Administrative Law Division pursuant to Code of Ala. 1975, ' 40-2A-7(b)(5)a. A hearing was conducted on May 22, 2001. The Taxpayer attended the hearing. Assistant Counsel Margaret McNeill represented the Department.

The issues in this case are:

- (1) Was the Taxpayer subject to Alabama income tax in 1997 pursuant to Code of Ala. 1975, ' 40-18-2;
- (2) Was the Taxpayer subject to the jurisdiction of the Alabama Department of Revenue in 1997; and,
- (3) Did the Department correctly assess the Taxpayer for 1997 income tax based on the best information available.

The Taxpayer failed to file an Alabama income tax return in 1997. The Department received IRS information indicating that the Taxpayer resided in Selma, Alabama in 1997, and had sufficient income in that year to be liable for Alabama income tax. The Department contacted the Taxpayer concerning his 1997 Alabama liability. The Taxpayer responded that

he was not subject to Alabama income tax in that year. The Department subsequently assessed the Taxpayer based on the IRS information. The Taxpayer appealed.

The Taxpayer concedes that he and his wife, Melody Harris, resided in Selma, Alabama in 1997. He also concedes that he was employed by and received wages from International Paper in 1997. He argues, however, that he is not a person subject to Alabama income tax, and specifically, that he is a sovereign, natural born citizen. He is not the person or individual as referred to in (Chapter 18, Title 40, Code of Ala. 1975).@ (T. at 10). The Taxpayer also contends that he is not domiciled in the area of the land that is under the jurisdiction of the Alabama Department of Revenue.@ (T. at 13).

Alabama income tax is levied, in part, on every individual residing in Alabama,@ ' 40-18-2(1), and on every natural person domiciled in the State of Alabama.@ ' 40-18-2(7). As used in ' 40-18-2, the terms individual@ and natural person@ are synonymous. They refer to a person or human being. The Taxpayer is all of the above. Consequently, he is subject to the Alabama income tax levied at ' 40-18-2.

The Revenue Department has the statutory authority to enforce the tax laws of Alabama. Code of Ala. 1975, ' 40-2-11(1). It also has the authority to assess all tax due the State. Code of Ala. 1975, ' 40-2A-7(b). The Department thus had the authority and jurisdiction to assess the Taxpayer, as an individual or natural person residing and domiciled in Alabama in 1997, for Alabama income tax due for that year.

The Taxpayer also argues that in 1997, he was not living in an area of Alabama that was subject to the jurisdiction of the Revenue Department. As indicated, the Alabama income tax is on every individual or natural person residing or domiciled in Alabama. The

Department's jurisdiction to assess individuals or natural persons for Alabama income tax (and also non-resident individuals that receive income from property owned or business done in Alabama, Code of Ala. 1975, ' 40-18-2(6)) thus encompasses all of Alabama, including Selma, Alabama, where the Taxpayer lived in 1997.¹

The Department assessed the tax in issue based on information from the IRS, i.e. the best information available. Code of Ala. 1975, ' 40-2A-7(b)(1)a. A final assessment based on the best information available is *prima facie* correct, and the burden was on the Taxpayer to prove that the assessment was incorrect. Code of Ala. 1975, ' 40-2A-7(b)(5)c. The Taxpayer failed to do so.

The final assessment is affirmed. Judgment is entered against the Taxpayer for 1997 tax, penalty, and interest of \$395.45. Additional interest is also due from the date of entry of the final assessment, February 15, 2001.

¹The Taxpayer and his wife made a similar argument that they were not subject to Alabama's taxing jurisdiction in an earlier appeal of a joint 1996 final assessment entered against them by the Department. That argument was also rejected by the Administrative Law Division in *William D. & Melody F. Harris v. State of Alabama*, Inc. 97-316 (Admin. Law Div. 10/29/97). The Taxpayers admittedly reside and are domiciled in Selma, Dallas County, Alabama, which is clearly within the boundaries of the State of Alabama as established in Article II, Section 37 of the Alabama Constitution of 1901. Consequently, the Taxpayers' claim that they live in the Alabama Republic, and not the State of Alabama, is incorrect. @ *Harris* at 2.

This Final Order may be appealed to circuit court within 30 days. Code of Ala. 1975,
' 40-2A-9(g).

Entered July 3, 2001.