

What taxpayers must file an Alabama Business Privilege Tax return?

According to the Alabama business privilege tax law, every corporation, limited liability entity, and disregarded entity doing business in Alabama or organized, incorporated, qualified, or registered under the laws of Alabama is required to file an Alabama Business Privilege Tax Return and Annual Report. The Business Privilege Tax remains due every registered year until the entity is legally dissolved/withdrawn through Alabama Secretary of State, regardless of whether or not such entity is actively doing business in Alabama.

- C-corporations, Financial Institution Groups, insurance companies, REITs, and business trusts must file Alabama Form CPT. Limited liability entities taxed as corporations for federal income tax purposes must also file Alabama Form CPT.
- S-corporations, limited liability entities and disregarded entities must file Alabama Form PPT.
- Limited liability entity is defined in [Section 40-14A-1, Code of Alabama 1975](#), as: Any entity, other than a corporation, organized under the laws of this or any other jurisdiction through which business may be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity and which is taxable under subchapter K of the Code, including, without limitation, limited liability companies, registered limited liability partnerships, and limited partnerships
- Corporation is defined in [Section 40-14A-1, Code of Alabama 1975](#), as: Any entity, including a limited liability company electing to be taxed as a corporation for federal income tax purposes, through which business can be conducted while offering limited liability to the owners of the entity with respect to some or all of the obligations of the entity, other than a limited liability entity or a disregarded entity
- "S-corporation" is defined in [Section 40-14A-1, Code of Alabama 1975](#), as: An S corporation defined under [Section 40-18-160](#)