



TIM RUSSELL
Commissioner

State of Alabama Department of Revenue

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50 North Ripley Street
Montgomery, Alabama 36132

CYNTHIA UNDERWOOD
Assistant Commissioner
LEWIS A. EASTERLY
Secretary

June 16, 2008

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BY:

John Sebert, Executive Director
National Conference of Commissioners on Uniform State Laws (NCCUSL)
111 N. Wabash Ave. Suite 1010
Chicago, Illinois 60602

Dear Mr. Sebert:

On behalf of the Alabama Department of Revenue I write to support the NCCUSL efforts to review, and where appropriate, revise the Uniform Division of Income for the Tax Purposes Act (UDITPA).

UDITPA has served and continues to serve both the states and taxpayers as they struggle with the task of dividing a multi-state business' income between the states. But we believe NCCUSL's current review of UDITPA, some fifty years after its adoption, is appropriate and necessary. Certain parts of UDITPA do not meet the demands of today's changing business environment with the prevalence of cross border transactions involving e-commerce and a multitude of intangible goods and services.

Those who argue against the NCCUSL UDITPA project are generally the same groups that argue in favor of federal preemption. We believe that states can and should address the complexities of multi-state business taxes on their own. Federal preemption of state tax sovereignty in this area is not the answer. The NCCUSL UDITPA project moves us in the right direction.

If I can be of any additional support please feel free to contact me (334-242-1175) to discuss.

Sincerely,

Tim Russell
Commissioner