

AT&T INC.
Form 8-K
October 01, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported) September 27, 2010

AT&T INC.
(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	1-8610 (Commission File Number)	43-1301883 (IRS Employer Identification No.)
--	---------------------------------------	--

208 S. Akard St., Dallas, Texas (Address of Principal Executive Offices)	75202 (Zip Code)
--	------------------------

Registrant's telephone number, including area code (210) 821-4105

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240-14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On September 27, 2010, AT&T reached a settlement with the Internal Revenue Service on certain tax basis calculations taken on AT&T's 2008 federal tax return, relating to a restructuring of our wireless operations. The amortization deductions generated by this settlement are expected to cover a 15-year period, which began in 2008. As a result of this settlement, we will pay approximately \$300 million to the IRS during the fourth quarter of 2010, representing the tax effect of certain disallowed deductions taken in 2008 and 2009. We will decrease our net tax liabilities by approximately \$8.3 billion and the cash flow impacts of the settlement are expected to be recognized over a 15-year period, which began in 2008. The effect of the change to our net tax liabilities will be recognized through our income statement in the third quarter of 2010 as a reduction in income tax expense.

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

Information set forth in this filing contains financial estimates and other forward-looking statements that are subject to risks and uncertainties. A discussion of factors that may affect future results is contained in AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any obligation to update or revise statements contained in this filing based on new information or otherwise.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AT&T INC.

Date: October 1, 2010

By: /s/ John J. Stephens
John J. Stephens
Senior Vice President and Controller