

Alabama Department of Revenue  
General Summary of State Taxes

**2015**



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# *Department's Mission Statement*

*The Alabama Department of Revenue will efficiently and effectively administer the revenue laws in an equitable, courteous and professional manner to fund governmental services for the citizens of Alabama.*

## **Introduction**

The *General Summary of State Taxes* is published for the purpose of offering a concise handbook of the revenue sources -- taxes or fees -- currently available to the state of Alabama.

Part One of this publication features helpful information about the Alabama Department of Revenue, including the department's website, the duties and responsibilities of the department, descriptions of the various units within the organization, statistical information, and useful contact information.

Part Two outlines the taxes with the statutory or constitutional authority, basis, rate, exemption, payment, and distribution through the 2015 second special session of the Alabama Legislature.

Part Three contains legislative changes made during the 2015 regular session, the 2015 first special session and the 2015 second special session of the Alabama Legislature.

# Part One – General Information

## Revenue Department Web Site

The Department maintains a web site to provide quick and easy access to a variety of state and local tax information including printable tax forms and publications, news and statistics, legal rulings and opinions, tax policy, electronic filing services and taxpayer assistance information. The department's web site address is [www.revenue.alabama.gov](http://www.revenue.alabama.gov).

The Department has a feature called “My Alabama Taxes - MAT”. In “My Alabama Taxes - MAT” taxpayers can register to view their account online. Taxpayers can also file and pay certain business taxes, print copies of their tax returns and letters. Taxpayers can access “My Alabama Taxes - MAT” by clicking on the link for “My Alabama Taxes - MAT” on the home page of the department’s website or by going to <https://myalabamataxes.alabama.gov>.

## Income Tax Refund Inquiry

Taxpayers may also check the status of their refund from their iPhone by downloading the free "My AL Refund" app from iTunes.

## Taxpayers’ Bill of Rights and Uniform Revenue Procedures Act and Taxpayer Advocate

Section 40-2A-1 et. seq., Code of Alabama 1975, guarantees taxpayers certain rights to uniform application and due process of Alabama’s tax laws. It integrates, in a logical sequence, all the procedures and provisions into one chapter and provides an advocate to resolve certain taxpayer matters.

## Historical Outline for the Alabama Department of Revenue

The current revenue system of the State of Alabama has evolved through a series of legislative enactments dating back to the early 1900s.

One of the earliest revenue organizations was the State Board of Assessment. Composed of the governor, secretary of state, state auditor, and state treasurer, the board was responsible for assessing tangible property of public utilities and public service corporations.

A legislative act of 1898-99 provided for the office of state tax commissioner, whose duties were to "aid revenue officers in the state in the collection of escaped, delinquent, back taxes and licenses, in discovering and prosecuting by civil and criminal penalties and costs all evasions or violations of the revenue laws of this state, and in the perfecting of all tax titles made under laws of this state."

A major organizational change took place in 1915 with the dissolution of the State Board of Assessment and the creation of a State Board of Equalization. This board, which assumed the duties of the State Tax Commission (created in 1907 to directly assess the intangible property of public utilities), was required to assess all tangible and intangible property of public utilities and public service corporations.

The State Board of Equalization lasted until 1919, when the State Tax Commission was re-created. It was at that time that the first attempt was made to undertake the task of direct tax collection. Although an income tax law was passed, the Supreme Court declared the tax unconstitutional.

Also significant in 1919 was the passage of the General Revenue Act, which authorized the State Tax Commission to issue tags to motor vehicle dealers, issue replacement tags, and collect charges for those services. The office of tax adjuster was created as part of this act, but was abolished several years later.

A second Revenue Act, passed in 1923, gave the State Tax Commission the power to directly assess the shares of domestic corporations. During this year, the first of a series of taxes on gasoline was levied.

The next few years brought additional duties to the State Tax Commission with the levying and direct collection of various taxes, among them taxes on tobacco, lubricating oil, gross receipts of rail line transportation companies, sleeping car companies, express companies, hydroelectric energy, and gross receipts of motor buses and automobiles for hire. A license tax for registering foreign securities, in lieu of an ad valorem tax, was provided by the legislature. The first income tax was enacted in 1933.

The passage of a third Revenue Act in 1935 centralized the authority of the State Tax Commission in the areas of assessment and collection. Numerous licenses and taxes which had previously been collected by other state offices were finally placed under the control of the State Tax Commission.

Also resulting from this act was the designation of a member of the State Tax Commission as the state land commissioner. Appointed by the governor, the commissioner administered laws dealing with lands acquired by the state for the non-payment of taxes.

Influential revenue measures were enacted into law beginning with the Special Session in 1936. The first of these was the levy of a one and one-half percent gross receipts tax, which was later repealed and replaced with a two percent sales tax. Since the act approving the sales tax provided for the exemption of many essential commodities, it was referred to as a luxury tax act.

The former State Tax Commission was abolished in 1939 with the creation of the present State Department of Revenue. Several acts resulted in a single executive officer being made ex-officio State Land Commissioner, and a Legal Counsel being provided to the department for assistance in tax litigation. Thus, the entire revenue department of the state was joined together under the new commissioner of revenue.

## **Duties and Responsibilities of the Department – Generally**

Included among the duties of the Alabama Department of Revenue are the following:

To inspect and examine at all reasonable business hours any books, documents, records, or papers kept by any person, firm, corporation, trustee, or receiver;

To make all assessments of taxes or penalties which it is authorized to enforce or collect and report the same to the Attorney General;

To have and exercise general and complete supervision and control of the valuation, equalization, and assessment of property, privilege, or franchise and of the collection of all property, privilege, license, excise, intangible, franchise, or other taxes for the state;

To require individuals, partnerships, associations, corporations, trustees, and receivers, and the agents, officers, and employees thereof, to furnish information concerning their capital, funded or otherwise, gross receipts, net profits or income, excess profits, current assets and liabilities, values of franchises, intangibles, value of property, earnings, operating and other expenses, bonds, deeds, conduct of business, and all other facts, records, books, papers, documents, and other information of any kind demanded which may be needful in order to enable the department to ascertain the value and relative burden to be borne by every kind of property in this state and to ascertain the proper amount of license, privilege, excise, corporation, franchise, income, or ad valorem taxes;

To cause the deposition of witnesses residing within or without the state to be taken upon such notice to the interested party, if any, as the department may prescribe, in like manner as depositions of witnesses are taken in actions pending in circuit court, in any matter which the department has authority to investigate and determine. The depositions shall be taken upon a commission issued by the Department of Revenue, or the secretary thereof, in the name of the department, and returnable to the department;

To investigate the tax system of other states; to thoroughly inform itself upon the subject of taxation and of the progress made in other states and counties in improving their tax system, to formulate and recommend such legislation as may be deemed expedient to prevent evasion of existing tax laws and to secure just and equal taxation and improvements in the system of taxation in this state; and

To consult and confer with the Governor upon the subject of taxation and the administration of the laws and progress of the work of the department, and to furnish to the Governor from time to time such information as he may require.

To issue executions and writs of garnishment.



# Office of the Commissioner of Revenue

## Commissioner

The Commissioner of Revenue serves as the chief executive officer of the Alabama Department of Revenue.

The commissioner is appointed by and serves at the pleasure of the governor.

As state revenue commissioner, the commissioner is responsible for the operation and management of the Alabama Department of Revenue. In addition to the administration, collection and enforcement of over 50 state taxes and fees, with annual collections exceeding \$9 billion, the commissioner is also, by law, the Ex-Officio Land Commissioner. As Ex-Officio Land Commissioner, the commissioner must oversee the sales of all property acquired and sold by the state for delinquent property taxes. By law, the Commissioner of Revenue also serves on the State Records Commission, the Alabama Education Authority, the Alabama Public School Corporation, the Enterprise Zone Advisory Council, the State Industrial Development Authority, and the Alabama Commerce Commission.

The appointment, term of office, and qualifications of State Revenue Commissioner are detailed in §40-2-41, Code of Alabama, 1975.

## Assistant Commissioner

The Assistant Commissioner of Revenue is the top senior management position within the Alabama Department of Revenue. The assistant commissioner is a merit system employee whose job classification provides for management continuity and stability for the department irrespective of changes in state administration. Code of Alabama §40-2-44 establishes the office of Assistant Commissioner of Revenue and provides that in the absence of the commissioner, the assistant commissioner will assume the duties of the office of the Commissioner of Revenue.

## Deputy Commissioners

The Deputy Commissioners of Revenue are appointed positions and hold offices according to the provisions of the state Merit System as provided by Chapter 26 of Title 36, Code of Alabama, 1975.

The Deputy Commissioners' roles include a myriad of duties and activities that are positioned to bring to fruition the plans and goals of the Commissioner of Revenue. These activities include, but are not limited to: the development and communication of major tax policies; the creation and implementation of actions that increase the efficiency and effectiveness of the Revenue Department; liaison functions with the Governor and his staff; interactions with various legislators, business groups, and professional associations.

## Secretary

The Director of Tax Policy and Research serves as the Secretary.

Duties of the secretary include keeping full and correct minutes and records of all hearings, transactions, proceedings, and findings of the department and other duties as may be required by law or by the department.

## Legal Counsel

The Commissioner of Revenue, with the approval of the Attorney General, appoints an attorney as legal counsel for the department who holds office at the pleasure of the Governor. The counsel shall be commissioned as an Assistant Attorney General and, in addition to the powers and duties conferred, have the authority and duties of an Assistant Attorney General; except, that his entire time shall be devoted to the Department of Revenue. He takes the oath required of other assistant attorneys general.

**Taxpayer Advocate**

The person designated by the Commissioner to assist the taxpayers of the State of Alabama with regard to tax issues resulting from any taxes administered or collected by the department.

# **Directory**

## **Alabama Department of Revenue**

Gordon Persons Building  
50 N. Ripley Street  
Montgomery, Alabama 36132

### **Commissioner**

Julie P. Magee  
Rm. 4112  
Gordon Persons Bldg.  
334-242-1175

## **Office of the Commissioner of Revenue**

### **Assistant Commissioner**

Mike Mason  
Rm. 4112  
Gordon Persons Bldg.  
334-242-1175

### **Deputy Commissioner**

Joe Garrett  
Rm. 4112  
Gordon Persons Bldg.  
334-242-1175

### **Deputy Commissioner**

Curtis Stewart  
Rm. 4112  
Gordon Persons Bldg.  
334-242-1175

### **Legal Division**

Mark Griffin, Chief Counsel  
Rm. 3114, GPB  
334-242-9690

### **Tax Policy and Research**

Mike Gamble, Director  
Rm. 4131, GPB  
334-242-1380

### **Taxpayer Advocate**

Brenda Russ, Director  
Rm. 1226, GPB  
334-242-1055

## **Divisions**

### **Business & License Tax Division - Janet W. Stathopoulos, Director**

First Floor of the Gordon Persons Building  
Rm. 1210, GPB, 334-242-9600

**Business Privilege Licenses, Automotive Dismantlers and Parts Recyclers, Buyer's Identification Cards, Severance Taxes, (Oil and Gas, Forest Products, Coal, Alabama Uniform Natural Minerals Tax and Local Solid Minerals), Tobacco Taxes (State and County), Escrow & Complimentary Legislation Provisions relating to the Tobacco Master Settlement Agreement, Hazardous Waste Fees, Dog Race Track Pari-Mutuel Pool Tax, State Horse Racing Fee, Underground/Aboveground Storage Tank Trust Fund Charge, Solid Waste Disposal Fees, Gasoline and Diesel Fuels Taxes, Lubricating Oil Tax, Aviation Fuels Tax, Wholesale Oil/Import License Fee, Motor Carrier Mileage Tax, Scrap Tire Environmental Fee, and County Fuel Taxes**

### **Collection Services Division – Valynn Helms, Director**

Joan Crumbley, Assistant Director, Rm. 3143, 334-242-1220

Third Floor of the Gordon Persons Building  
Rm. 3143, GPB, 334-242-1220

**Final Assessment Collection, Executions, Garnishments, Seizures,  
100% Penalty Assessments**

### **Economic Development**

Fourth Floor of the Gordon Persons Building  
Rm. 4112, GPB, 334-242-1175

### **Human Resources Division - Linda Ellis, Director**

Fourth Floor of the Gordon Persons Building  
Rm. 4102, GPB, 334-242-1670

### **Individual and Corporate Tax Division – James Lucy, Director**

Kathleen Abrams, Assistant Director, Individual Income Tax Section, Rm. 4212, 334-242-9819

Barry Estes, Assistant Director, Business Tax Section, Rm. 4340, 334-353-2240

Fourth Floor of the Gordon Persons Building  
Rm. 4212, GPB, 334-242-1000

**Individual & Corporate Income Tax, Withholding, Financial Institutional Excise Tax, Business Privilege Tax, Partnership, Fiduciary and Trusts**

### **Information Technology Division – Debbie Hornsby, Director**

Gary Graham, Assistant Director, Rm. 1115, 334-353-7634

First Floor of the Gordon Persons Building  
Rm. 1115, GPB, 334-242-8500

### **Investigations Division – Glen Powers, Director**

Mobile Taxpayer Service Center  
955 Downtowner Blvd., 251-344-4737

**Motor Vehicle Division – Brenda R. Coone, Director**

Jay Starling, Assistant Director  
Montgomery Taxpayer Service Center  
2545 Taylor Road, 334-242-9008

**Titles, Motor Vehicle Registration, Mandatory Liability Insurance, International Fuel Tax Agreement,  
International Registration Plan, Motor Vehicle Dealer, Rebuilder, Wholesaler and Off-Site Licenses**

**Processing Division - Anne Glenn, Director**

Don Graham, Assistant Director  
First Floor of the Gordon Persons Building  
Rm. 1101, GPB, 334-242-2017

**Property Tax Division - Bill Bass, Director**

Hartley McLaney, Assistant Director, Rm. 4126, 334-242-1525  
Fourth Floor of the Gordon Persons Building  
Rm. 4103, GPB, 334-242-1525

**Property Tax, Real Property Valuation, Personal Property Valuation, Motor Vehicle Valuation, Public  
Utility Assessments, Freight Line Equipment Tax, Land Sales**

**Sales and Use Tax Division – Rouen Reynolds, Director**

Ron Rein, Assistant Director, Rm. 4303, 334-242-1490  
Third and Fourth Floors of the Gordon Persons Building  
Rm. 4303, GPB, 334-242-1490

**Sales and Use Taxes, Casual Sales Tax, City and County Sales and Use Taxes, Rental Tax, Lodgings Tax,  
Utility Taxes, Mobile Communications Tax, TVA Tax, Contractors Gross Receipts Tax, Hospital Assessment  
for Medicaid Tax, Nursing Facilities Tax, Pharmaceutical Providers Tax, Dry Cleaning Environmental  
Response Trust Fund Fee, Prepaid Wireless 9-1-1 Charge**

## Taxpayer Service Centers

**PHYSICAL ADDRESSES - DO NOT USE THESE ADDRESSES FOR MAILING!**

(Mailing Addresses are shown on the Next Page)

**AUBURN/OPELIKA Service Center**

3300 Skyway Drive  
Auburn, AL 36830  
Phone -- (334) 887-9549

**JEFFERSON/SHELBY Service Center**

2020 Valleydale Road, Suite 208  
Hoover, AL 35244  
Phone -- (205) 733-2740

**DOTHAN Service Center**

344 North Oates St.  
Dothan, AL 36303  
Phone -- (334) 793-5803

**GADSDEN Service Center**

235 College Street  
Gadsden, AL 35901  
Phone -- (256) 547-0554

**HUNTSVILLE Service Center**

4920 Corporate Dr., Suite H  
Huntsville, AL 35805  
Phone -- (256) 837-2319

**MOBILE Service Center**

955 Downtowner Blvd  
Mobile, AL 36609  
Phone -- (251) 344-4737

**MONTGOMERY Service Center**

2545 Taylor Road  
Montgomery, AL 36117  
Phone -- (334) 242-2677

**MUSCLE SHOALS Service Center**

874 Reservation Road  
Muscle Shoals, AL 35661  
Phone -- (256) 383-4631

**TUSCALOOSA Service Center**

518 19th Avenue  
Tuscaloosa, AL 35401  
Phone -- (205) 759-2571

**MAILING ADDRESSES**  
**For Taxpayer Service Centers**

**AUBURN/OPELIKA Service Center**  
3320 Skyway Dr., Ste. 808  
Opelika, AL 36801

**JEFFERSON/SHELBY Service Center**  
PO Box 1927  
Pelham, AL 35124-1927

**DOTHAN Service Center**  
PO Box 5739  
Dothan, AL 36302-5739

**GADSDEN Service Center**  
PO Drawer 1190  
Gadsden, AL 35902-1190

**HUNTSVILLE Service Center**  
PO Box 11487  
Huntsville, AL 35814-1487

**MOBILE Service Center**  
PO Drawer 160406  
Mobile, AL 36616-1406

**MONTGOMERY Service Center**  
PO Box 327490  
Montgomery, AL 36132-7490

**MUSCLE SHOALS Service Center**  
PO Box 3148  
Muscle Shoals, AL 35662-3148

**TUSCALOOSA Service Center**  
PO Box 2467  
Tuscaloosa, AL 35403-2467

## Part Two – Tax Information

### *Agents Occupational License Tax*

#### **Authority**

Amendment 154 of the Constitution of Alabama.

#### **Basis**

A foreign corporation whose only business in Alabama is to take and hold mortgages on real property within the state is permitted to do so without qualifying as a foreign corporation.

#### **Rate**

Broker, custodian, or agent, pay \$100 for the first year for each foreign corporation represented and \$5 annually thereafter.

#### **Payment**

File Form FT 6-2 with the Alabama Department of Revenue, Individual and Corporate Tax Division, prior to engaging in loan activity.

#### **Distribution**

General Fund

### *Alabama Accountability Act*

#### **Authority**

Acts 2013-64 and 2013-265 of the 2013 Regular Session of the Alabama Legislature.

#### **Basis**

Income tax credits for parents of students enrolled in or assigned to attend a failing public K-12 school who transfer to a non-failing public school or nonpublic school in Alabama will be issued using sales tax revenues deposited in the Education Trust Fund by annual transfer into the Failing Schools Income Tax Credit Account.

#### **Rate**

Income tax credit for parents of students enrolled in or assigned to attend a failing public K-12 school in Alabama is limited to the lesser of (1) actual costs incurred to transfer a student to a non-failing public school or nonpublic school, or (2) 80% of the annual state cost of attendance for a public K-12 student during the applicable tax year. The student must transfer to a non-failing public school or nonpublic school in order for the parents to be eligible to claim an income tax credit.

Credit for individuals/married couples filing jointly and corporate taxpayers making contributions to Scholarship Granting Organizations (SGOs) that provide education scholarships to qualifying schools is equal to the total contribution to the scholarship organization up to 50% of the tax liability but limited to \$50,000 per individual taxpayer/couple. Tax credit claimed by a corporate taxpayer is equal to 100% of total contributions to the scholarship organization up to 50% of the tax liability; the cumulative amount of the tax credit for contributions to SGOs will not exceed \$30 million per year. The tax credits for both individuals/married couples filing jointly and corporate taxpayers can be carried forward for three years.



## **Payment**

For tax years beginning on or after January 1, 2013, any Alabama income tax credit due a parent of a student enrolled in/assigned to attend a failing school will be issued upon his/her making an application as prescribed by the Department of Revenue. An application for the tax credit will be filed with the department within the time prescribed for filing petitions for refund.

501(c)(3) organizations wishing to become SGOs must apply to the Department of Revenue using a form available on the department's website. The department will make available an electronic system for donors to enter donations to SGOs made during the year. In order to receive a portion of the available \$25 million in scholarship tax credits for a given year, donors must enter the actual scholarship donations and identifying information of the SGO to which the donation was made. Credits will be assigned to donors on a first-come, first-served basis. The allocation of a portion of the available tax credit amount to the donor is conditional, pending verification of the donation by the SGO within 30 days of receipt of the donation.

## **Distribution**

The Revenue Commissioner will annually certify to the Comptroller the amount of income tax credits due to parents, and the Comptroller will transfer into the Failing Schools Income Tax Credit Account only the amount of sales tax revenues sufficient for the Revenue Department to use to cover the income tax credits for the applicable tax year. The Revenue Commissioner will annually distribute the funds in the account to the parents.

## ***Alabama Uniform Natural Minerals Tax***

### **Authority**

Sections 40-13-50 through 40-13-61 Code of Alabama 1975.

### **Basis**

Severing natural minerals in any county of the state for sale and use as tangible personal property. The levy's primary purpose is to compensate counties for use of roads and infrastructure.

### **Rate**

\$.10 per ton.

### **Exemption**

Lime and limestone used for agricultural purposes and pollution control/abatement; minerals used for certain manufacturing or processing purposes; and marble, iron ore, quartzite, coal, oil and natural gas; minerals that are sold to a purchaser for use outside the state provided such minerals are not transported on public roads in Alabama; severed materials by an operator or producer and moved from one place to another on the same site, or transported to another site owned by the same operator; severed materials used for fill; and chert. Beginning October 1, 2012, a producer who severs materials and sells it to the first purchaser without the materials being transported on a public road shall be exempt from tax, provided that the materials will later be processed into a finished aggregate or limestone product for resale. In this instance, the tax shall be levied on the finished aggregate or limestone product made from the exempt material and shall be remitted by the first purchaser. Additional exemptions effective October 1, 2012: Severed material that is wasted by any manufacturing process provided the material is not transported on a public road in this state and is not sold to another entity; and direct purchases by the federal government and State of Alabama, along with their agencies and political subdivisions, including municipalities, counties, and city and county school boards.

The tax is not operative in Coosa County. (See Local Solid Mineral Taxes.) Geneva, Lamar, Lee, Marshall, and Wilcox counties elected to opt out, and may establish their own levies.

**Payment**

Tax collected at sale or delivery by producer from the purchaser; or, effective October 1, 2012, upon receipt and processing by the purchaser, and remitted to the Alabama Department of Revenue, Business & License Tax Division, Severance & License Section, not later than the 20th day of the month following the month of transaction.

**Distribution**

To counties severed.

***Alcoholic Beverage Control Revenues*****Authority**

Sections 28-3-43; 28-3-183 through 28-3-205; and 28-7-16, Code of Alabama 1975.

**Basis**

Sale of alcoholic beverages, also the license and filing fees required of distillers, manufacturers, wholesalers, and retailers.

**Rate**

Beer 5 cents per 12 fluid ounces or fraction thereof.

Local beer taxes 1.625 cents per 4 fluid ounces or fraction thereof.

Liquors & Fortified Wines 56% of cost marked up price.

Table wine containing not more than sixteen and one-half percent (16.5%) alcohol by volume 45 cents / liter (State – 38 cents; Local – 7 cents).

Table wine containing more than sixteen and one-half percent (16.5%) alcohol by volume \$2.42 / liter.

Annual license and rates based on activity and, in some application fee cases, population base.

**Note:** 4% sales tax also applies at time of consumer market purchase and 2% sales tax for the ABC store purchase.

**Payment**

Paid to Alcoholic Beverage Control Board.

Beer excise taxes are paid by wholesaler based on receipts.

Taxes on liquor and wine sold through state-operated stores are paid by consumer at time of purchase.

Taxes on table wines sold in retail establishments are paid by wholesaler and added to the retail price.

License and application fees paid annually by October 1.

Obtain forms from ABC Board.

***Automotive Dismantlers and Parts Recyclers*****Authority**

Sections 40-12-410 through 40-12-425, Code of Alabama 1975.

**Basis**

Engaging in the business of purchasing and dismantling wrecked, abandoned, or repairable motor vehicles; selling motor vehicles as a unit at wholesale; selling usable parts; or selling the hulk of the motor vehicle after salvageable parts have been removed.

A person is presumed to be engaged in the dismantling and/or parts recycling business if he possesses ten or more inoperable vehicles for more than 30 days.

**Rate**

License \$225 annually.

## **Payment**

File application, provide applicable bond, and remit fee to the Alabama Department of Revenue, Business & License Tax Division, Severance, and License Section, by October 31. If renewing the license, payment is delinquent on November 1.

## **Distribution**

General Fund

## ***Aviation Fuel Tax***

### **Authority**

Sections 40-17-325(a) (3), 40-17-326, and 40-17-360, Code of Alabama 1975.

### **Basis**

Fuel used to propel powered aircraft. Tax is imposed upon the withdrawal from the terminal, upon import, or when the product is blended.

### **Rate**

Aviation gasoline \$.095 per gallon

Jet fuel \$.035 per gallon

### **Exemptions/Refunds:**

Section 40-17-329 exempts the following:

- (1) Having first paid the tax owed under Section 40-17-325, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.
- (2) Having first paid the tax owed under Section 40-17-325, a licensed aviation fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within this state and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.
- (3) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor.)

The United States government or any agency thereof.

Any county governing body of this state.

Any incorporated municipal governing body of this state.

City and county boards of education of this state.

The Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and private and church school systems as defined in Section 16-28-1, and which offer essentially the same curriculum as offered in grades K-12 in the public schools of this state.

- (4) Having first paid the tax, a licensed air carrier with a hub operation within this state shall have the right to apply to the department for a refund on a quarterly basis for any purchases of jet fuel used to propel aircraft.

## **Payment**

Paid by 22nd of month following month of transaction to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section. Tax is due on imports acquired at an out-of-state terminal from a supplier who has not pre-collected the tax, on or before the 3<sup>rd</sup> business day following import using 3-Day Voucher.

**Distribution**

Department of Transportation

***Business Privilege License***

**Authority**

Sections 40-12-1 through 40-12-180, Code of Alabama 1975.

**Basis**

Engaging in certain businesses, professions, or occupations within Alabama as specified in the Code of Alabama 1975.

**Rate**

Rates vary, generally based on the population of the municipality in which the business is located. In some cases the license fee depends on the amount of capital invested; in others, the gross amount of orders or contracts accepted; or other conditions stipulated by the Code of Alabama 1975.

**Payment**

No tax returns are filed.

Unless otherwise specified, privilege license fees are due and payable by October 1 and delinquent on November 1. Licenses are issued by the county-issuing authority in the county in which the business, profession, or occupation is conducted.

**Other**

Businesses, vocations, and occupations may also be subject to various additional county and municipal licensing requirements which vary by location. Municipal licenses are issued and administered by the municipalities.

**Distribution**

50% – General Fund, unless otherwise stated

50% – County general fund where collected

***Business Privilege Tax***

**Authority**

Sections 40-14A-21 through 40-14A-29, Code of Alabama 1975.

**Basis**

The tax is calculated on net worth plus additions, minus exclusions, times the apportionment factor, less the deductions, which equals taxable net worth.

**Rate**

The rate is based on the ability to pay and is determined by the entity’s federal taxable income in Alabama. The rate ranges from \$.25 to \$1.75 for each \$1,000 of net worth in Alabama.

If taxable income of the taxpayer is:

at least	but less than	The tax rate shall be
	\$1	\$0.25 per \$1,000
\$1	\$200,000	\$1.00 per \$1,000
\$200,000	\$500,000	\$1.25 per \$1,000
\$500,000	\$2,500,000	\$1.50 per \$1,000

\$2,500,000

\$1.75 per \$1,000

### **Payment**

The Business Privilege Tax accrues as of January 1 of every taxable year; or in the case of a taxpayer organized, incorporated, qualified, or registered during the year, or doing business in Alabama for the first time, as of the date the taxpayer qualifies to do business, or begins to do business, in Alabama.

Minimum privilege tax is \$100; plus the \$10 Secretary of State annual report fee for corporations.

Maximum privilege tax is \$15,000 for all years after 2000, unless otherwise stated.

The maximum privilege tax for financial institutions and insurance companies is \$3,000,000 for each tax year.

The maximum privilege tax for an Electing Family Limited Liability Entity is \$500.

The Business Privilege Tax is filed on Form PPT for pass through entities and on Form CPT for all other entity types.

Payment is to be made to the Alabama Department of Revenue, Individual and Corporate Tax Division. Payment and return are due by March 15 for calendar year corporations and April 15 for calendar year limited liability entities.

In the case of a fiscal year filer, payment and return are due by the 15th day of the third month from the beginning of the fiscal year for corporations and the 15th day of the fourth month from the beginning of the fiscal year for limited liability entities.

Payment and return for disregarded entities are due not later than the time its owner is required to file.

The initial return, Form BPT-IN, and tax are due two and one-half months after organization, incorporation, registration, qualification or beginning to do business, whichever occurs first.

### **Distribution**

A portion of the privilege tax will be distributed to each county and the remainder will be distributed to the General Fund.

### ***Charter (Filing) Fee***

#### **Authority**

Section 10A-1-4.31, Code of Alabama 1975.

#### **Basis**

Persons incorporating or registering in this state for the purpose of conducting business.

#### **Rate**

\$150 for domestic entity: \$100 for State of Alabama; \$50 for judge of probate

\$150 for foreign entity: \$150 for State of Alabama

### **Payment**

Paid one time to the Judge of Probate of the county in which business is incorporated or to the Secretary of State. Separate checks should be prepared when appropriate: one payable to the State of Alabama covering all charges for the Secretary of State; one payable to the Judge of Probate for all charges for the Judge of Probate.

### **Distribution**

#### Domestic Entities:

\$100 – Secretary of State Entity Fund 30%; General Fund 70%

\$50 – Judge of Probate of the county in which the business is incorporated.

Foreign Entities:

\$150 – Secretary of State Entity Fund 30%; General Fund 70%

***Coal Severance Tax***

**Authority**

Sections 40-13-1 through 40-13-10 and 40-13-30 through 40-13-36, Code of Alabama 1975.

**Basis**

Severing coal within state.

**Rate**

\$.135 per ton; levied under Sec. 40-13-2.

\$.20 per ton; levied under Sec. 40-13-31.

\$.335 total per ton severed.

**Payment**

File with the Alabama Department of Revenue, Business & License Tax Division, Severance and License Section, within 20 days after the end of each calendar month for the previous month’s operations.

**Distribution**

Section 40-13-5 and 40-13-6, Code of Alabama 1975.

The \$.135 per ton levy is first obligated to the State Docks Bulk Handling Facility Trust Fund, for the servicing of bonds issued for dock construction.

For the 2013-2014 fiscal year and for all fiscal years thereafter, monies remaining after payment of servicing the State Dock’s bonds, or any anticipated deficiencies in operating the docks shall be distributed as follows:

\$300,000      Alabama Mining Academy

60% transferred by Department of Revenue to the general fund of the county of severance based on the ratio of the \$.135 per ton coal severance tax collections from within the county to the total coal severance tax collections, except those sent to the Walker County Economic and Industrial Development Authority. Provided, however, the distribution to the Jefferson County General Fund shall be \$500,000.

In addition:

- \$100,000      Community Development Foundation, Inc.
- \$50,000      Marion County Community Development Association, Inc.
- \$50,000      West Alabama Development Association of Fayette County
- \$100,000      West Alabama Economic Development Association
- \$100,000      Winston County General Fund
- Remainder      General Fund

Section 40-13-32, Code of Alabama 1975.

The \$.20 per ton levy is distributed to the counties and municipalities where the coal is severed.

***Contractors Gross Receipts Tax***

**Authority**

Section 40-23-50, Code of Alabama 1975.

**Basis**

Engaging in the business of contracting to construct, reconstruct or build any public highway, road, bridge, or street within the state.

**Rate**

5% of gross receipts.

**Payment**

File and remit tax by the 20th of each month with the Alabama Department of Revenue, Sales and Use Tax Division, for the previous month's receipts.

**Distribution**

85% – Special Mental Health Fund

15% – Pensions and Security Trust Fund

***Corporate Income Tax*****Authority**

Sections 40-18-1 through 40-18-59 and 40-18-160 through 40-18-176, Code of Alabama 1975.

Sections 40-27-1 through 40-27-6, Code of Alabama 1975.

**Basis**

Corporations – Net taxable income from business within the state.

For tax years beginning on or after January 1, 2011, Alabama income is determined by a four-factor apportionment formula (property, payroll, and twice the sales factor).

**Constitutional Provisions**

Amendment No. 212 to the Constitution of Alabama of 1901 (proclaimed ratified December 18, 1963) increased allowable maximum corporate income tax rate to 5%, with deduction allowed for all federal income taxes paid. Taxes due by foreign corporations are to be based on income derived from sources within Alabama. (Further amended by Amendment No. 662.)

Amendment No. 662 to the Constitution of Alabama of 1901 (proclaimed ratified June 19, 2000) increased the corporate income tax rate to 6.5% beginning in calendar year 2001.

**Rate**

6.5% of annual net income with a deduction allowed for federal income tax paid or accrued.

**Payment**

Return and tax are due by March 15, or the 15th day of the third month after the end of fiscal year.

Corporations with an anticipated tax liability of \$500 or more shall file and pay estimates on a quarterly basis by April 15, or by the 15th day of the fourth month of the fiscal year.

The second, third, and fourth installments are due and payable on the 15th day of the sixth, ninth, and twelfth months of the fiscal year.

Quarterly estimates and payments shall equal at least 100% of the estimated tax.

Corporations file Form 20C with the Alabama Department of Revenue, Individual and Corporate Tax Division.

S corporation: Any corporation (except financial institutions) filing as a federal S corporation must file as an Alabama S corporation. Use Form 20S. Return and any tax due should be remitted on or before the 15th day of third month following close of accounting period. Any S corporation with nonresident shareholders who have not executed a Nonresident Agreement must pay the nonresident shareholders' tax. Use Form PTE-C. Form and any tax

due should be remitted on or before the 15th day of the third month following close of S corporation accounting period. File with the Alabama Department of Revenue, Individual and Corporate Tax Division.

### **Distribution**

Education Trust Fund

### ***Deeds and Assignments***

#### **Authority**

Sections 40-10-1 through 40-10-143, Code of Alabama 1975.  
(Sale of real property because of property tax delinquency.)

#### **Basis**

Voluntary payment by interested parties upon their purchase of the state's (which included the delinquent tax of all jurisdictions, plus all fees, interest, etc.) interest in real property which was acquired pursuant to judicial sale for non-payment of property tax.

Rate Sale amount is the accumulated delinquent tax (on the same basis as general property taxes), fees, and costs incurred in the sale to the state and interest on the taxes, fees, and costs at 12% per year from the date of delinquency.

#### **Payment**

Applications to purchase the state's interest in tax-delinquent property are accepted by the State Land Agent in the Property Tax Division. The applicant is then quoted the amount necessary to acquire the state's interest. Upon remittance of the appropriate amount, the purchaser will either be assigned the Certificate of Sale held by the state or be given a tax deed to the property, depending on whether the administrative redemption period has expired.

#### **Distribution**

All property taxing jurisdictions receive their proportional share of the taxes and interest on the taxes. Fees, and interest on the fees, are received by the official who levied the fee. Costs, and interest on the costs, are deposited in the General Fund.

### ***Dry Cleaning Environmental Response Trust Fund Fee***

#### **Authority**

Section 22-30D-1 through 22-30D-12, Code of Alabama 1975.

#### **Basis**

Voluntary payment by dry cleaning owners or operators, wholesale distributors selling dry cleaning agents, owners of abandoned dry cleaning facilities, and impacted third parties to a trust fund benefiting a dry cleaning industry self-insurance program to cover the costs of investigating, assessing and remediating dry cleaning contamination.

#### **Rate**

Dry cleaning owners or operators who establish a new dry cleaning facility shall pay a one-time registration fee equal to \$5,000 for the first year of operation, and for the second year of operation, shall pay an annual registration fee equal to the greater of \$5,000 or 2% of the gross receipts earned the prior year. For each year thereafter, the new owner or operator shall pay an annual registration fee equal to 2% of the gross receipts earned in the state during the prior calendar year, not to exceed a total of \$25,000 per year.

Dry cleaning owners or operators, who acquire an existing dry cleaning facility, shall pay an annual registration fee equal to 2% of the gross receipts earned in the state by the prior owner or operator during the prior calendar year, not to exceed a total of \$25,000 per year.

Wholesale distributors, annual registration fee of \$5,000.



Abandoned dry cleaning facility owners and impacted third parties, registration fee equal to \$5,000 per year per site.

### **Payment**

Dry cleaning owners or operators -- file return on or before April 19, annually, to the Alabama Department of Revenue, Sales and Use Tax Division. Payments due in one-fourth increments on April 1, July 1, October 1, and January 1, becoming delinquent on the 20th day of each said month.

Wholesale distributors -- return and annual fee due April 1, becoming delinquent on the 20th day of April.

Abandoned dry cleaning facility owners and impacted third parties April 1, becoming delinquent on the 20<sup>th</sup> day of April.

### **Distribution**

Alabama Dry Cleaning Environmental Response Trust Fund.

### ***Estate Tax***

Estate Tax in Alabama is linked, constitutionally, to the Federal Estate Tax. The federal Economic Growth and Tax Relief Reconciliation Act of 2001 mandated the phase out of the "Credit for State Death Taxes" on federal Estate Tax Return (Form 706). This is the amount that Alabama collected as Estate Tax. Because of this mandated phase out, decedents who die after 12/31/2004 have no Estate Tax liability to the State of Alabama and are not required to file an Estate Tax Return with the State of Alabama.

### ***Fiduciary Income Tax***

#### **Authority**

Section 40-18-25, Code of Alabama 1975.

#### **Basis**

Taxable net income earned from all sources by resident estates or trusts. Income with business situs in Alabama or from real property located in Alabama by non-resident trusts and estates.

#### **Rate**

When adjusted gross income is \$1,500 or more; 2% on the first \$500 of taxable income, 4% on the next \$2,500, and 5% on all over \$3,000.

#### **Payment**

Returns filed with Alabama Department of Revenue, Individual and Corporate Tax Division, by April 15, except when filed on fiscal year basis which are due 105 days after the close of the fiscal year. Estimated payments are not required by law.

#### **Exemption**

Exemption credit of \$1,500 on net income.

#### **Distribution**

Education Trust Fund

### ***Financial Institutions' Excise Tax***

#### **Authority**

Sections 40-16-1 through 40-16-8, Code of Alabama 1975.

**Basis**

Excise tax measured by net income of bank, banking association, trust company, credit card company, building, and loan association, industrial or other loan company doing business in Alabama. For tax years beginning after December 31, 1999, multistate corporations shall allocate and apportion income to the state of Alabama.

**Rate**

6.5% of taxable income.

**Payment**

File Form ET-1 with the Alabama Department of Revenue, Individual and Corporate Tax Section, by April 15.

**Distribution**

25% – General Fund

25% – counties of origin

50% – cities of origin

***Forest Products' Severance Tax*****Authority**

Sections 9-13-80 through 9-13-108, Code of Alabama 1975.

**Basis**

Severing timber or other forest products for sale, profit, or commercial use.

**Rate**

Pine lumber \$.50/1000' bd. meas.

Pine logs \$.75/1000' log scale or \$.10/ton

Hardwood lumber \$.30/1000' bd. meas.

Hardwood logs \$.50/1000' log scale or \$.065/ton

Pulpwood, chemical wood, bolts \$.25/cord or \$.10/ton

Crossties \$.015/piece or \$.15/ton

Switch ties \$.025/piece or \$.17/ton

Mine ties and coal mine props \$.125/100 pcs. or \$.15/ton

Pine ore mine props \$.75/1000 log scale or \$.15/ton

Hardwood ore \$.50/1000 log scale, \$3.125/m lineal mine props ft. or \$.15/ton

Piling and poles \$1.875/1000' bd. measure or \$.205/ton

Turpentine (crude gum) \$.15/400 lb. bbl.

Stumpwood (tarwood) \$.125/ton

Pulpwood chips \$.25/190 cubic feet or \$.10/ton

There is also a privilege tax of 50% of the severance tax above, against processors of forest products and manufacturers using forest products.

**Payment**

File with the Alabama Department of Revenue, Business & License Tax Division, Severance and License Section, within 30 days after the expiration of each quarterly period during the calendar year.

**Distribution**

State Forestry Commission – Special State Forestry Fund.

***Freight Line Equipment Companies Tax*****Authority**

Section 40-21-52, Code of Alabama 1975, as limited by U.S. Congress Railroad Revitalization and Regulatory Reform Act.

**Basis**

Reasonable value (allocated on a mileage basis) of private railroad cars operated, rented, or leased in this state for the transportation of freight.

**Rate**

3-1/2% of 20% of the market value of the number of cars within the state during the preceding fiscal year.

**Payment**

File Form U3-1 with the Alabama Department of Revenue, Property Tax Division, Utilities Section, by March 1. Tax liability established by the Property Tax Division and payable within 30 days of prescribed date, unless appealed by taxpayer.

**Distribution**

General Fund

***Gasoline and Diesel Fuel Taxes*****Authority**

Sections 40-17-320 through 40-17-363, Code of Alabama 1975.

**Basis**

Gasoline and diesel fuel sold at the terminal rack, imported into Alabama, or blended with a motor fuel product.

**Rate**

Gasoline: \$.16 per gal. Sec. 40-17-325 (a) (1)  
(Comprised of \$.07, \$.05 and \$.04 levies)  
Diesel Fuel: \$.19 per gal. Sec. 40-17-325 (a) (2)  
(Comprised of \$.13 and \$.06 levies)

**Exemption**

Section 40-17-329 exempts the following:

- (1) All motor fuel exported from this state for which proof of export is available in the form of a terminal issued destination state shipping document that is (a) exported by a supplier who is licensed in the destination state or (b) is sold by a supplier to a licensed exporter for immediate export to a state for which the applicable destination state motor fuel excise tax has been collected by the supplier who is licensed to remit the tax to the destination state. This exemption shall not apply to any motor fuel which is transported and delivered outside this state in the motor fuel supply tank of a highway vehicle.
- (2) All K-1 Kerosene or aviation jet fuel that is produced at a refinery in this state and is either exported from this state directly by the operator of that refinery or is sold for immediate export by the operator to a licensed exporter. In either case proof of export is to be available in the form of a terminal destination

state shipping document and in addition all relevant sales documents are to reference the product known as “K-1 Kerosene” or “aviation jet fuel” as applicable.

- (3) All sales of dyed diesel fuel.
- (4) Gasoline blendstocks or cellulosic biofuel when sold to a. a licensed supplier or b. a person who will not be using the blendstocks or cellulosic biofuel in the manufacture of gasoline or as a motor fuel, as evidenced by the exemption certificate prescribed under regulations promulgated under Section 4081, Title 26 of the United States Code.
- (5) All motor fuel sold by a licensed supplier or licensed permissive supplier to an exempt agency electing to be licensed under Section 40-17-332.
- (6) Motor fuel that is delivered by a licensed supplier from one terminal to another terminal when ownership in the motor fuel has not changed, or by a licensed supplier from a terminal to a refinery operated by the licensed supplier.
- (7) Having first paid the tax owed under Section 40-17-325, Code of Alabama 1975, a licensed aviation fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to the state of Alabama on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within Alabama and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.
- (8) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor or through a credit card issuer.)

The United States government or any agency thereof.

Any county governing body of this state.

Any incorporated municipal governing body of this state.

City and county boards of education of this state.

The Alabama Institute for Deaf and Blind, the Department of Youth Services' school district, and private and church school systems as defined in Section 16-28-1, and which offer essentially the same curriculum as offered in grades K-12 in the public schools of this state

- (9) Having first paid the tax owed under Section 40-17-325, Code of Alabama 1975, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.

Certain counties and cities levy additional gasoline and diesel fuels taxes ranging from \$.005 to \$.05 per gallon.

## **Payment**

File and remit by the 22nd day of the month following the month of sale or other activity to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section. Tax is due on imports acquired at an out-of-state terminal from a supplier who has not pre-collected the tax, on or before the 3<sup>rd</sup> business day following import using 3-Day Voucher.

## **Distribution**

Gasoline – 1.23% of the \$.12 levy goes to the Conservation Department.

35% of 1% of the \$.12 levy is credited to the Water Safety Fund and the Seafood Fund.

70% of 1% of the \$.12 levy is credited to the Game and Fish Fund.

18% of 1% of the \$.12 levy is credited to the Water Safety Fund and the Seafood Fund.

60% of the \$.05 supplemental tax goes to the State Road and Bridge Fund.

Remaining 40% is distributed according to the 45%/55% pattern below.

The balance of the \$.12 levy and the entire \$.04 gasoline levy are distributed as follows:

(1) 45% to the State Road & Bridge Fund. The distributions to the Game and Fish Fund (70%) and the distributions to the Water Safety Fund and the Seafood Fund (18%) are deducted from the State Road and Bridge Fund.

(2) 55% to be shared by the counties and their municipalities as follows:

(a) 25% of the net tax proceeds are distributed equally to the 67 counties;

(b) 30% of the net tax proceeds are allocated to the 67 counties based on population.

1. 10% of the counties' share received shall be allocated to each municipality therein, based on a population ratio.

2. Remaining portion to the county.

Motor Fuels – The \$.13 and \$.06 levies are distributed as follows:

\$.13 to Department of Transportation

\$.06 as follows:

.93% of net collections is allocated among the incorporated municipalities of the state and distributed as provided in Section 8-17-91(a) (2) c.

4.69% distributed equally among each of the 67 counties of the state monthly.

Balance paid to the State Treasury to be used for highway purposes by the State Department of Transportation.

## ***Hazardous Waste Fee***

### **Authority**

Sections 22-30B-1 through 22-30B-20, Code of Alabama 1975.

### **Basis**

Fee on operators of commercial sites for the disposal of hazardous waste or hazardous substance for each ton of waste or substance received for disposal at such sites.

Rates at the commercial facility located at Emelle, Alabama:

\$5.50/ton: waste listed under Section 3001 of the RCRA of 1976 as amended and "PCB" waste

\$5.50/ton: all other waste

\$1.00/ton: additional fee on all wastes or substances

In addition to the above fees, Sumter County also levies \$2.00 per drum or \$5.00 per ton on waste disposed of at the Emelle disposal facility.

### **Payment**

State Fee – File and remit to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax Section. Payment is due by the 30th of the month following receipt of hazardous waste or substance for disposal.

County Fee – File and/or remit the county fees to the county in which the site is located.

### **Distribution**

\$5.50/t RCRA/PCB Base Fee

Both \$5.50 rates will be used to meet the annual guarantee amount of \$4.2M to the county. After the \$4.2M is met, any

remaining amounts are to be split 50/50 between the General Fund and the County.

\$5.50/t All Other Waste

Both \$5.50 rates will be used to meet the annual guarantee amount of \$4.2M to the county. After the \$4.2M is met, any remaining amounts are to be split 50/50 between the General Fund and the County.

\$1.00/ton

All to Alabama Hazardous Substance Cleanup Fund

### ***Hospital Assessment for Medicaid Tax***

#### **Authority**

Sections 40-26B-72 and 40-2A-7(a)(5), Code of Alabama 1975.

#### **Basis**

Privately operated hospitals in the state of Alabama that are funded through the Alabama Medicaid program are taxed according to their net patient revenue. The assessment is a cost of doing business as a privately operated hospital in the State of Alabama

#### **Rate**

5.14% of the hospital's net patient revenue. Effective October 1, 2013, the rate will be 5.5% of the net patient revenue in fiscal year 2011.

#### **Payment**

Assessment amounts are to be paid in equal quarterly installments by the tenth working day of each quarter of the state's 2014, 2015 and 2016 fiscal years. This program will end after the final payment date of July 2016, unless extended by act of the legislature. Remit fees to the Alabama Department of Revenue, Sales & Use Tax Division.

#### **Distribution**

Alabama Medicaid Agency

### ***Hydroelectric KWH Tax***

#### **Authority**

Section 40-21-56, Code of Alabama 1975.

#### **Basis**

Privilege tax on the manufacture and sale of hydroelectric power within Alabama.

#### **Rate**

2/5 mill on each kilowatt hour of hydroelectric power manufactured and sold.

#### **Payment**

Pay by September 25 on power sold during prior calendar year. File Form FT: 5-4 with the Alabama Department of Revenue, Sales and Use Tax Division.

#### **Distribution**

58% – Special Mental Health Fund

42% – Education Trust Fund

## ***Illegal Drug Tax***

### **Authority**

Sections 40-17A-1 through 40-17A-16, Code of Alabama 1975.

### **Basis**

Excise tax on illegal possession, distribution, sales, use, and other transactions involving certain drugs or controlled substances.

### **Rate**

Grams Marijuana	<u>Cost Per Stamp</u> Controlled Substance by Weight
1 \$ 3.50	\$ 200
5 \$17.50	\$1,000
10 \$35.00	\$2,000
20 \$70.00	\$4,000

Dosage Units	<u>Cost Per Stamp</u> Controlled Substance Not by Weight
50	\$ 2,000
100	\$ 4,000
500	\$20,000
1,000	\$40,000

### **Payment**

Forms for the purchase of stamps may be obtained from any Alabama Department of Revenue Taxpayer Service Center.

Stamps may be obtained from the Investigations Division located in Montgomery.

#### Mail orders:

R.I.D.S.

2545 Taylor Road

Montgomery, AL 36117

### **Distribution**

General Fund

## ***Income Tax Withholding***

### **Authority**

Sections 40-18-70 through 40-18-91, Code of Alabama 1975.

This is a component of Individual Income Tax.

### **Basis**

Wages as defined under laws of the United States in effect July 1, 1982, reduced by optional standard deduction provided by Section 40-18-15, Code of Alabama 1975, federal income tax liability, and personal and dependent exemption granted under Section 40-18-19.

**Rate**

Persons claiming single or zero exemption: 2% on first \$500 of taxable wages, 4% on next \$2,500, and 5% on all over \$3,000.

Persons claiming married exemption: 2% on first \$1,000 of taxable wages, 4% on next \$5,000, and 5% on all over \$6,000.

**Payment**

All employers file Form A-1 by the last day of month following close of each quarter.

Employers who withhold \$1,000 or more during first or second months of quarter should file Form A-6 by the 15th of the month following the month in which \$1,000 or more is withheld with the Alabama Department of Revenue, Individual and Corporate Tax Division.

**Distribution**

See Individual Income Tax.

***Individual Income Tax*****Authority**

Sections 40-18-1 through 40-18-30 and 40-18-40 through 40-18-59, Code of Alabama 1975.

**Basis**

Taxable net income earned from all sources by residents.

**Constitutional Provisions**

Amendment No. 25 to the Constitution of Alabama of 1901 (proclaimed ratified August 2, 1933) authorized the legislature to levy and collect taxes on taxable, individual income at a rate not to exceed 5%.

It further provides for minimum personal exemptions of \$1,500 for single taxpayers, \$3,000 for joint filers; and, a minimum dependent exemption of \$300 for each dependent.

Amendment No. 61 to the Constitution of Alabama of 1901 (proclaimed ratified September 11, 1947) provided for distribution of income tax receipts to (1) replace revenue lost to the funds affected by the state homestead exemption; and (2) the Education Trust Fund to be used only for the payment of public school teachers' salaries.

Amendment No. 225 to the Constitution of Alabama of 1901 (proclaimed ratified December 13, 1965) provided deduction for federal income taxes paid by individual taxpayers.

**Rate**

Single persons with adjusted gross income of \$4,000, head of family with adjusted gross income of \$7,700, and married persons filing separate returns with adjusted gross income of \$5,250 or more; 2% on first \$500 of taxable income, 4% on next \$2,500, and 5% on all over \$3,000.

Married persons filing a joint return with adjusted gross income of \$10,500 or more; 2% on first \$1,000, 4% on next \$5,000, and 5% on all over \$6,000.

**Payment**

Taxpayers that reasonably expect to owe \$500 or more shall file and pay estimated tax quarterly and must remit one-fourth of the estimated amount due on the 15th of April, June, September, and January.

Returns filed with Alabama Department of Revenue, Individual and Corporate Tax Division, by April 15, except if fiscal year basis, which is due 105 days after close of fiscal year.

Individuals who have a balance due after credit is allowed for payments on an estimate and tax withheld must remit payment when returns are filed.



## Deduction

The standard deduction is based on the filing status and the adjusted gross income.

Married Filing Joint			Married Filing Separate		
Alabama AGI		Standard Deduction	Alabama AGI		Standard Deduction
0	20,499	7,500	0	10,249	3,750
20,500	20,999	7,325	10,250	10,499	3,662
21,000	21,499	7,150	10,500	10,749	3,574
21,500	21,999	6,975	10,750	10,999	3,486
22,000	22,499	6,800	11,000	11,249	3,398
22,500	22,999	6,625	11,250	11,499	3,310
23,000	23,499	6,450	11,500	11,749	3,222
23,500	23,999	6,275	11,750	11,999	3,134
24,000	24,499	6,100	12,000	12,249	3,046
24,500	24,999	5,925	12,250	12,499	2,958
25,000	25,499	5,750	12,500	12,749	2,870
25,500	25,999	5,575	12,750	12,999	2,782
26,000	26,499	5,400	13,000	13,249	2,694
26,500	26,999	5,225	13,250	13,499	2,606
27,000	27,499	5,050	13,500	13,749	2,518
27,500	27,999	4,875	13,750	13,999	2,430
28,000	28,499	4,700	14,000	14,249	2,342
28,500	28,999	4,525	14,250	14,499	2,254
29,000	29,499	4,350	14,500	14,749	2,166
29,500	29,999	4,175	14,750	14,999	2,078
30,000 and over		4,000	15,000 and over		2,000

Head of Family			Single		
Alabama AGI		Standard Deduction	Alabama AGI		Standard Deduction
0	20,499	4,700	0	20,499	2,500
20,500	20,999	4,565	20,500	20,999	2,475
21,000	21,499	4,430	21,000	21,499	2,450
21,500	21,999	4,295	21,500	21,999	2,425
22,000	22,499	4,160	22,000	22,499	2,400
22,500	22,999	4,025	22,500	22,999	2,375
23,000	23,499	3,890	23,000	23,499	2,350
23,500	23,999	3,755	23,500	23,999	2,325
24,000	24,499	3,620	24,000	24,499	2,300
24,500	24,999	3,485	24,500	24,999	2,275
25,000	25,499	3,350	25,000	25,499	2,250
25,500	25,999	3,215	25,500	25,999	2,225
26,000	26,499	3,080	26,000	26,499	2,200
26,500	26,999	2,945	26,500	26,999	2,175
27,000	27,499	2,810	27,000	27,499	2,150
27,500	27,999	2,675	27,500	27,999	2,125
28,000	28,499	2,540	28,000	28,499	2,100
28,500	28,999	2,405	28,500	28,999	2,075
29,000	29,499	2,270	29,000	29,499	2,050
29,500	29,999	2,135	29,500	29,999	2,025
30,000 and over		2,000	30,000 and over		2,000

**Exemption**

Single or married person filing a separate return – \$1,500.

Married persons filing a joint return and head of family – \$3,000.

Dependents – \$1,000 each for adjusted gross income \$20,000 and under, \$500 each if adjusted gross is \$20,001 but under \$100,000 and \$300 each if adjusted gross income is over \$100,000.

**Distribution**

Replaces state property tax lost due to the homestead exemption; remainder to Education Trust Fund.

***International Fuel Tax Agreement*****Authority**

Sections 40-17-150 and 40-17-270 through 40-17-275, Code of Alabama 1975.

**Basis**

Every motor carrier who operates on any highway in Alabama a motor vehicle designed, used, or maintained for transportation of persons or property, except recreational vehicles, and which meets any of the following: a. has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms; b. has three or more axles regardless of weight; c. and is used in combination, when the weight of the combination exceeds 26,000 pounds or 11,797 kilograms gross vehicle or registered gross vehicle weight; shall be subject to this tax. Motor carriers with motor vehicles which are operated or caused to be operated wholly within Alabama are exempt from this tax.

**Rate**

Any motor carrier meeting the above requirements shall pay an annual fee per vehicle to obtain identification decals. The fee for the decals is \$17.00 per set.

Excise tax upon motor fuels used in the operation of a motor carrier in Alabama shall be at the same rate per gallon as currently in effect for the classification of fuels, defined in Section 40-17-140, (gasoline \$0.16 and motor fuels \$0.19).

**Payment**

Every motor carrier must electronically file IFTA quarterly tax returns with the Alabama Department of Revenue, Motor Vehicle Division, before the last day of April, July, October, and January. Payments of \$750 or more must be remitted electronically.

**Distribution**

That portion of revenues attributable to gasoline taxes shall be distributed in the manner prescribed for gasoline taxes levied under Section 40-17-359.

That portion of revenues attributable to motor fuel (diesel) taxes shall be distributed in the manner prescribed for motor fuel (diesel) taxes levied under Section 40-17-361.

(See Motor Carrier Fuel Tax.)

***International Registration Plan*****Authority**

Section 32-6-56, Code of Alabama 1975.

**Basis**

Motor carriers operating in interstate commerce with a qualified motor vehicle. A qualified motor vehicle is one which has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or

11,797 kilograms; or has three or more axles regardless of weight; or is used in combination, when the weight of the combination exceeds 26,000 pounds or 11,797 kilograms gross vehicle or registered gross vehicle weight. Registrants are issued an apportioned license plate and a cab card.

**Rate**

Registration fees are dependent on mileage traveled in IRP member jurisdictions, the fee structure of the member jurisdictions and the number of months the vehicle(s) is to be registered. Alabama fees are apportioned based on the fee schedule provided in Section 40-12-248.

**Payment**

Registrations are renewed on a staggered basis from January through November. Payments of \$750 or more must be remitted electronically.

**Distribution**

Base amount:

72% – Road and Bridge Fund

21% – city or county of residence

7% – counties and cities

Additional amount:

64.75% – Road and Bridge Fund

35.25% – counties

***Local Solid Minerals Taxes***

**Authority**

Coosa County            Act 99-544

Jackson County        Acts 79-349 and 97-220

Marshall County       Act 81-482

**Basis**

Coosa County levies a tax on sand, clay, silt, loam, dirt, gravel, rock, sand-gravel, and sand-clay. Jackson and Marshall Counties levy a tax on coal severed within their counties.

**Rate**

\$.25 per ton    (Coosa County)

\$.20 per ton    (Jackson and Marshall Counties)

**Payment**

File with the Alabama Department of Revenue, Business & License Tax Division, Severance and License Section, within 20 days after the end of each calendar month for the previous month's operations.

***Lodgings Tax***

**Authority**

Section 40-26-1 through 40-26-21, Code of Alabama 1975.

**Basis**

Renting rooms, lodgings, or accommodations to transients in any hotel, motel, inn, tourist camp, or cabin, except where accommodations are furnished for a period of 180 continuous days or more.

**Rate**5% in the following counties:

Blount, DeKalb, Lauderdale, Marion, Cherokee, Etowah, Lawrence, Marshall, Colbert, Franklin, Limestone, Morgan, Cullman, Jackson, Madison and Winston

4% in all other counties:

In addition to the above, several counties and municipalities levy local lodgings taxes, ranging in rate between 1% and 8-1/2%. Some of the local lodgings taxes are collected by the Department of Revenue and others are self-administered.

**Payment**

File return and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, and to the proper local authority, by the 20th of month for the preceding month's liability.

**Distribution**4% tax:

75% – General Fund

25% – Bureau of Tourism and Travel

1% tax:

Special levy for Mountain Lakes Counties

***Lubricating Oils Tax*****Authority**

Sections 40-17-170 through 40-17-186; 40-17-220 through 40-17-223 and 40-17-225, Code of Alabama 1975.

**Basis**

Selling, distributing, or withdrawing from storage in Alabama, for any use, lubricating oils or greases (does not include products commercially known as "fuel oils" or "crude oil.")

**Rate**

\$.02 per gal. levied under Sec. 40-17-171.

\$.04 per gal levied under Sec. 40-17-220.

\$.06 per gal. total

(Eight pounds of grease equals one gallon.)

**Exemption**

The U.S. Government, governing bodies of counties and incorporated municipalities, city and county boards of education, the Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and private and church schools as defined in Section 16-28-1 are exempt from the \$.02/gallon tax levied under Section 40-17-171.

Governing bodies of counties and incorporated municipalities, city and county boards of education, U.S. Government, sales for use in off-road vehicles, aircraft, ships, vessels, barges, railroad locomotives, and railroad equipment, private and church school systems as defined in Section 16-28-1, Alabama Institute for Deaf and Blind, Department of Youth Services, and lubricating products sold for agricultural purposes are specifically exempt from the \$.04/gallon tax levied under Section 40-17-220.

**Payment**

File and remit to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section, by 20th of month following month of transaction.

## **Distribution**

\$ .02 revenues – General Fund

\$ .04 revenues:

45% – State Road & Bridge Fund

55% – to be shared by the counties and their municipalities as follows:

(a) 25% of the net tax is distributed equally to the 67 counties;

(b) 30% of the net tax is allocated to the 67 counties based on population.

1. 10% of county's share received shall be allocated to each municipality therein, based on a population ratio.

2. Remaining portion to the county.

## ***Mandatory Liability Insurance (MLI)***

### **Authority**

Sections 32-7A-1 through 32-7A-26 and Sections 32-7B-1 through 32-7B-7, Code of Alabama 1975.

### **Basis**

No person shall operate, register, or maintain registration of, and no owner shall permit another person to operate, register, or maintain registration of, a motor vehicle designed to be used on a public highway unless the motor vehicle is covered by a liability insurance policy, commercial automobile liability insurance policy, motor vehicle liability bond, or deposit of cash. The insurance policy must provide a minimum of \$25,000 for bodily injury/death liability for one person in an accident, \$50,000 for all injuries/deaths in an accident, and \$25,000 for property damage in an accident in accordance with Section 32-7-6, Code of Alabama 1975. The policy must be an Alabama policy issued by an insurance company qualified to issue motor vehicle liability insurance in Alabama.

### **Rate**

If it is determined that a vehicle was not insured in accordance with the MLI law, the department will suspend the motor vehicle registration. The registration reinstatement fee will be \$200 for the first suspension, and the owner will be required to provide proof of current liability insurance. For subsequent registration reinstatements, the fee will be \$400 after the owner has served a four month suspension and upon presentation of proof of current liability insurance.

### **Payment**

If a registration reinstatement fee is due from a registrant, as detailed above, the registrant may pay the reinstatement fee directly to the Department of Revenue or at their licensing official's office.

### **Distribution**

A portion of the fees collected in accordance with the MLI law is used by the department exclusively for the operation and management of the mandatory liability insurance law. Fifteen percent (15%) of the net proceeds of reinstatement fees received by the department is deposited by the department into the Alabama Peace Officers' Annuity and Benefit Fund, as authorized by Section 36-21-66. After the payment of the expenses, the remaining funds are deposited into the General Fund.

If the fees are collected by the vehicle owner's license plate issuing official, the Administrative Office of Courts, or the circuit clerk of any county, these entities will remit the fee, less retained fees, as prescribed by statute, to the department.

## ***Manufactured Home Title and Cancellation Fee***

### **Authority**

Sections 32-20-1 through 32-20-48, Code of Alabama 1975.

### **Basis**

Fee required of owners of manufactured homes designated not more than twenty model years old:

Each application for first certificate of title	\$20*
Each application for transfer of certificate of title	\$20*
Each application for cancellation of a certificate of origin or certificate of title	\$20*
Each application for replacement certificate of title	\$15
Each notice of security interest	\$15
Each assignment by lien holder	\$15
Each title history	\$15
Each application for corrected title	\$15
Each title printout	\$ 5*

### **Payment**

Application and fee forwarded to the Alabama Department of Revenue by designated agents of the department.

Designated agents are all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, licensed manufactured home dealers, and financial institutions that qualify.

### **Distribution**

General Fund

\*\$5 of each fee is designated to go to the nonprofit 501(c)3 foundation known as the Alabama Housing Foundation.

## ***Manufactured Home Registration Fee***

### **Authority**

Sections 40-7-1, 40-8-1, 40-11-1, 40-12-252, and 40-12-255, Code of Alabama 1975.

### **Basis**

Registration fee in lieu of property taxes on manufactured homes in Alabama which are rented or leased or located on land owned by someone other than the owner of the manufactured home. (An owner-occupied manufactured home located on land owned by the occupant is subject to property taxes.)

A decal is displayed on each unit and serves as proof of payment of the fee due. Dealer or manufacturer inventory units are not subject to the registration fee.

### **Rate**

#### Owner-occupied:

\$24.00 single wide (one transportable module)

\$48.00 double wide (two or more transportable modules)

#### All others:

\$48.00 single wide (one transportable module)

\$96.00 double wide (two or more transportable modules).

Manufactured homes ten years or older shall be subject to 75% of the fees above, while those 20 years or older shall be subject to 50% of the fees above.

Additionally, each manufactured home registered is subject to a \$5.00 issuance fee at the time of registration.

**Payment**

Registration and payment will take place in the county in which the manufactured home is customarily located. Decals will be issued by the county official that collects property tax on manufactured homes. Fees are due October 1 each year and will be considered delinquent after November 30.

**Distribution**Registration Fee

State General Fund – 25%

County General Fund – 25%

County School Board – 25%, unless the manufactured home is located within the city school district, in which case this portion will go to the city school board.

City or municipality where the manufactured home is located – 25%.

Should the manufactured home be located outside the corporate limits of the nearest city or municipality, then this portion will go to the County General Fund.

Issuance Fee

An additional \$5.00 issuance fee is charged by the issuing official.

***Mineral Documentary Tax*****Authority**

Sections 40-20-30 through 40-20-37, Code of Alabama 1975.

**Basis**

Filing and recording any instrument creating a leasehold interest in any non-producing oil, gas, or other similar mineral interest in Alabama and upon every deed, instrument, transfer, or evidence of sale conveying interest or right to receive royalties from such property.

**Rate**

Minimum fee – \$1.00

Term of leasehold less than 10 years – \$.05 per mineral or royalty acre.

Term of leasehold more than 10 but less than 20 years – \$.10 per mineral or royalty acre.

Term of leasehold greater than 20 years – \$.15 per mineral or royalty acre.

**Payment**

Paid one time to probate judge of county containing property upon filing instrument of record, in lieu of payment of property tax.

**Distribution**

35% – County General Fund

35% – County Public School Fund

30% – State General Fund

***Mobile Telecommunication Services Tax*****Authority**

Section 40-21-120 through 40-21-125, Code of Alabama 1975.

**Basis**

Privilege tax on providing mobile telecommunication services in Alabama.

**Rate**

6% on monthly recurring access charges and all airtime charges.

**Payment**

File return and remit tax by the 20th of each month to the Alabama Department of Revenue, Sales and Use Tax Division, for the preceding month's liability.

Taxpayers with an average monthly tax liability of \$10,000 or more during the preceding calendar year shall pay, by the 20th of the month in which the liability occurs, an estimated amount not less than the actual tax liability for the same month during the preceding year.

**Distribution**

Amount to be appropriated for use by the State Treasurer to pay at the respective maturities of the principal and interest due in the fiscal year on the outstanding bonds issued by the Alabama Revolving Loan Fund Authority.

One-third of the remaining proceeds, plus \$1.5 million to the Education Trust Fund.

The residual balance thereof remaining to the State General Fund.

***Motor Carrier Mileage Tax*****Authority**

Sections 40-19-1 through 40-19-17, Code of Alabama 1975.

**Basis**

Motor carrier hired for transportation of persons or property on the highways of Alabama.

**Rate****Seating Capacity Tax Rate:**

Not less than nine nor more than 16: 1/4 cents per mile

17–21: 1/2 cents per mile

22–25: 3/4 cents per mile

Greater than 25: 1 cent per mile

**Payment**

File and remit to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section, by the 15th of the month after tax accrues.

**Exemption**

Tour bus operations are exempted from the provisions of the motor carrier mileage tax law.

**Distribution**

Public Service Commission operating costs

Balance – State Highway Fund

***Motor Vehicle Carrier Permit Fees*****Authority**

Sections 37-3-1 through 37-3-34, Code of Alabama 1975.

**Basis**

Fee for any person transporting passengers or property by motor vehicle for compensation in Alabama, whether directly or by lease, contract or other arrangement.



**Rate**

\$100 for intrastate certificate of public convenience or permit.

\$100 for amendment of an intrastate certificate or permit.

\$ 25 for interstate registration.

\$ 25 for transfer of a certificate or permit.

\$ 10 for approval of a lease of a certificate for a period of more than six months.

\$ 4 registration fee for every motor vehicle used by a motor carrier on a state highway.

**Payment**

To the Alabama Public Service Commission upon application by the motor carrier.

**Distribution**

General Fund

***Motor Vehicle Certificate of Title Fee*****Authority**

Sections 32-8-1 through 32-8-88, Code of Alabama 1975.

**Basis**

Fee required of owners of motor vehicles designated 35 model years old or newer and travel trailers designated 20 model years old or newer.

Registrants must have a certificate of title or an application for certificate of title before license plates can be issued.

Original certificate of title	\$15
Replacement certificate	\$15
Transfer of certificate of title	\$15
Notice of security interest	\$15
Assignment by lien holder	\$15
Title history	\$15
Corrected title	\$15
Salvage title	\$15
Title printout*	\$ 5
Registration printout*	\$ 5
Notice of Junk Cancellation**	\$ 5

**Payment**

Every designated agent must electronically submit the application for certificate of title to the Alabama Department of Revenue, Motor Vehicle Division. Payment of application fees must also be remitted electronically.

Designated agents are all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, and the following entities, which are legally authorized to do business in Alabama and have a place of business in Alabama: automobile dealers, manufactured home dealers, financial institutions, pawnshops and insurance companies.

**Distribution**

General Fund

\*Distribution designated as follows: 50% to general fund and 50% to motor vehicle training and technology fund.

\*\*Distribution to motor vehicle training and technology fund. In lieu of a per transaction fee, automotive dismantler and parts recyclers and secondary metals recyclers may pay an annual fee of \$500. The annual fee is also distributed to the motor vehicle training and technology fund.

## ***Motor Vehicle Dealer, Rebuilder, Wholesaler and Off-Site Licenses***

### **Authority**

Sections 40-12-390 through 40-12-400, Code of Alabama 1975.

### **Basis**

New Motor Vehicle Dealer – any person, firm, or corporation which holds a bona fide contract or franchise in this state in effect with a manufacturer or distributor of new motor vehicles and is engaged in the business of selling, advertising or negotiating the sale of new motor vehicles or new and used motor vehicles, to include trailers (except those not subject to titling in this state) and motorcycles. The term also includes a motor vehicle rebuilder and motor vehicle wholesaler.

Used Motor Vehicle Dealer – any person, firm, or corporation engaged in the business of buying, selling, exchanging, advertising, or negotiating the sale of five or more motor vehicles at retail during a calendar year, to include trailers (except those not subject to tilting in this state) and motorcycles. The term also includes a motor vehicle rebuilder and motor vehicle wholesaler.

Motor Vehicle Rebuilder – any person, firm, or corporation engaged in the business of making or causing to be made extensive repairs, replacements, or combination of different motor vehicles to the extent of extinguishing the identity of the original vehicle to the extent finished vehicle may be assigned a new identification number by the Department of Revenue. This term also includes refurbishing, repairing, or replacing damaged parts of motor vehicles for the purpose of preparing the vehicle for resale under the same identification and identity as the vehicle had before the refurbishing.

Motor Vehicle Wholesaler – any person, firm, or corporation engaged in the business of buying, selling, or exchanging motor vehicles at wholesale to motor vehicle dealers and not to the public.

### **Rate**

New motor vehicle dealer	\$25
Used motor vehicle dealer	\$25
Wholesaler	\$25
Rebuilder	\$25
Each additional place of business	\$25
Off-site sales license	\$25 (Limited to three per dealer license year.)

A privilege license under Sections 40-12-51, 40-12-62, or 40-12-169 is needed for each off-site sale.

### **Payment**

Applications are filed with the department online at <https://dealerlicense.mvtrip.alabama.gov> for new, renewal, and off-site licenses. Dealers may apply for licenses beginning August 1 of each year. Licenses expire on September 30 of each year. Off-site licenses are only valid for 10 consecutive calendar days. Visit [http://revenue.alabama.gov/motorvehicle/pdf/Dealer\\_License\\_Brochure.pdf](http://revenue.alabama.gov/motorvehicle/pdf/Dealer_License_Brochure.pdf) for more information.

### **Distribution**

General Fund

## ***Motor Vehicle Registration Fees***

### **Authority**

Sections 40-12-240 through 40-12-302 and 32-6-51 through 32-6-680, Code of Alabama 1975.

**Basis**

Motor vehicle operation and use upon the public highways of Alabama.

**Rate**

Passenger cars and pickup trucks	\$23 to \$105
Motorcycles	\$15
Buses (based on seating)	\$47.50 to \$210
Taxicabs (based on weight)	\$21 to \$40
Hearses and ambulances (based on city population)	\$15 to \$55
Trucks and truck-tractors (based on gross wt.)	\$23 to \$890
Motor homes (based on gross wt.)	\$23 to \$890
Commercial trailers	\$20
Travel and utility trailers	\$12
Rental utility trailers	\$15
Permanent trailers	\$60

**Payment**

Remit to license plate-issuing official in county of residence (if an individual) or where the vehicle is principally used (if a business). Fees can be remitted to participating city license plate issuing officials for Jefferson County residents only.

Registration is staggered based on the first letter of the individual’s last name:

January: A, D	June: M, I
February: B	July: P, L
March: C, E	August: J, K, R
April: F, G, N	September: Q, S, T
May: H, O	October: U, V, W, X, Y, Z

Trucks and commercial and fleet vehicles will be registered during October and November of each year.

**Distribution**

The additional fee of \$10 for passenger automobiles and pickup trucks and the additional fee of \$8 for motorcycles are distributed to the state’s general fund for use by the Public Safety Department for enforcing traffic and motor vehicle laws. The remainder is distributed as follows:

Balance:

Base Amount:

72%	Public Road and Bridge Fund
21%	City or County of Residence
7%	Cities and Counties

Additional Amount: (For Trucks)

64.75%	Public Road and Bridge Fund
35.25%	Counties

***Nursing Facility Tax***

**Authority**

Sections 40-26B-20 through 40-26B-27, Code of Alabama 1975.

**Basis**

Privilege tax on the business activities of every nursing facility in Alabama.

**Rate**

Annual rate of \$1,899.96 per year for each bed in the facility and a supplemental rate of \$1,603.08 for each bed in the facility. Act 2013-240 amends Section 40-26B-21, as last amended by Act 2012-536, to extend the current supplemental privilege assessment and monthly surcharge on nursing facilities to August 31, 2015. For periods beginning September 1, 2011 and ending August 31, 2015, the supplemental privilege assessment will be \$1,603.08, annually, for each bed in the nursing facility. Beginning with the monthly payment for the supplemental privilege assessment due on September 20, 2012, the monthly surcharge will be \$43.75 per licensed bed.

**Payment**

File return and remit monthly installment payment to Alabama Department of Revenue, Sales and Use Tax Division, on or before the 20<sup>th</sup> day of the month for the preceding month's liability.

**Distribution**

Alabama Health Care Trust Fund

***Oil and Gas Privilege Tax*****Authority**

Sections 40-20-1 through 40-20-13 & 40-20-20 through 40-20-23, Code of Alabama 1975.

**Basis**

Engaging in the business of producing or severing oil or gas within the state.

**Rate****4% Privilege**

Oil wells producing 25 BBLS or less per day.

Gas wells producing 200 MCF or less per day.

Incremental production from qualified enhanced recovery projects and supplemental enhanced recovery projects approved by State Oil and Gas Board.

**6% Privilege**

Offshore wells, at depths less than 8,000 feet below mean sea level, granted permits on or after July 1, 1988, by State Oil and Gas Board.

Onshore wells permitted on or after July 1, 1988, except those qualifying for lower tax rates.

**8% Privilege**

Tax on all other taxable production not covered under above provisions.

**3.65% Privilege**

Offshore wells producing from depths greater than 8,000 feet below mean sea level, computed as a percentage of gross proceeds.

**Reduced Privilege Tax**

Any well permitted between July 1, 1996, and July 1, 2002, that is not a replacement well, will qualify for a 50% tax rate reduction for five years from first production.

**Exemption**

Natural gas lawfully injected into oil or gas pools, or reservoirs in the soil, or beneath the soil or waters of the state for the purpose of lifting oil or gas is exempt from this tax. However, if any gas injected is sold or injected into

underground storage facilities, that gas shall not be exempt from this tax. Natural gas lawfully vented or flared in connection with the production, treatment, or processing of oil or gas is exempt from the tax.

**Payment**

File return and remit payment to the Alabama Department of Revenue, Business & License Tax Division, Severance and License Section, by the 15th day of the second month following production.

**Distribution**

Onshore:

25% -- General Fund

75% -- Distributed as follows:

16-2/3% -- General Fund

16-2/3% -- Counties where severed

66-2/3% -- Distributed as follows:

25% -- Counties where severed

10% - Municipalities where severed

First \$150,000 of remainder:

50% -- State General Fund

42-1/2% -- Counties where severed

7-1/2% -- Municipalities

Remainder:

84% -- State General Fund

14% -- Counties where severed

2% -- Municipalities

Offshore:

90% -- General Fund

10% -- Counties where severed

***Oil and Gas Production Tax***

**Authority**

Sections 9-17-25 through 9-17-31 & 9-17-34 through 9-17-35, Code of Alabama 1975.

**Basis**

Production of oil or gas from a well in Alabama.

**Rate**

2% of gross value at point of production

1% for any well permitted between July 1, 1996, and July 1, 2002, that is not a replacement well, for five years from first production.

1.66% for offshore wells producing from depths greater than 8,000 feet below mean sea level, computed as a percentage of gross proceeds.

**Payment**

Paid to the Alabama Department of Revenue, Business & License Tax Division, Severance and License Section, by the 15th day of the second month following production.

**Distribution**

General Fund

***Pari-Mutuel Pool Tax*****Authority**

Sections 40-26A-1 through 40-26A-17, Code of Alabama 1975.

**Basis**

Privilege tax on every person engaged in the business of operating a dog race track in the state.

**Rate**

1% of the pari-mutuel pool on all pari-mutuel races.

In addition, there is also a 1% levy on the pari-mutuel pool on all races requiring the selection of three or more racers.

**Payment**

File and remit payment by the 20th day of each month to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax Section.

**Distribution**

General Fund

***Partnership Income Tax*****Authority**

Sections 40-18-22, 40-18-24.2, 40-18-24.3, and 40-18-28, Code of Alabama 1975.

This is a component of Individual and Corporate Income Tax.

**Basis**

Partnerships are a pass-through entity. Income is calculated on the partnership informational return, Form 65. The income is reported and taxes paid on the partners' (individual or corporate) income tax returns.

**Payment**

Partnerships (other than QIPs, low income housing projects, and large partnerships treated as corporations) with nonresident partners must file Form PTE-C and remit a composite payment of 5% of the nonresident partners' share of income. The form and any tax due should be remitted on or before the 15th day of the fourth month following the close of the partnership's accounting period. File with the Alabama Department of Revenue, Individual and Corporate Tax Division, Pass Through Entity Unit.

**Distribution**

See Individual Income Tax and Corporate Income Tax.

***Pharmaceutical Providers Tax*****Authority**

Sections 40-26B-1 through 40-26B-8, Code of Alabama 1975.

**Basis**

Privilege tax on the business activities of every provider of pharmaceutical services to Alabama citizens, except for pharmacies serving hospital inpatients or pharmacies owned or operated by the state of Alabama.

**Rate**

Ten cents for each prescription filled or refilled for a citizen of Alabama.

**Payment**

File and remit tax to Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month's liability.

**Distribution**

Alabama Health Care Trust Fund

***Prepaid Wireless 9-1-1 Charge*****Authority**

Sections 11-98-1 through 11-98-15, Code of Alabama 1975.

**Basis**

Each retail transaction involving the sale of prepaid wireless telecommunications services.

**Rate**

Effective August 1, 2014, the charge per retail transaction occurring in this state increased to \$1.75.

**Payment**

File return and remit monthly payment to the Alabama Department of Revenue, Sales and Use Tax Division, on or before the 20<sup>th</sup> day of the month for the preceding month's liability.

**Distribution**

Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.

***Property (Ad Valorem) Tax*****Authority**

Sections 40-1-1 through 40-11-4 and 40-21-1 through 40-21-34, Code of Alabama 1975; Amendment 373, Constitution of Alabama.

**Basis**

Ownership of real and personal property within this state.

**Rate**

The state tax rate is 6.5 mills.

County millages vary from 17.5 mills to 55.8 mills. City millages vary from zero to 49.3 mills.

Counties and cities may decrease their ad valorem tax rate, provided the decrease does not jeopardize the payment of bonded indebtedness.

Any increase in the county and municipal tax rate must be approved by the governing authority, the legislature, and the voters of the taxing jurisdiction.

The county commission, at its first regular meeting in February, shall levy the amount of general taxes required for county expenses for the current year, not to exceed 1/2 of 1% of the value of taxable property as shown by the books of assessment.

All nonexempt property is divided into the following classes and subject to the assessment ratios indicated:

Class I -- all utility property used in such utilities. 30%

Class II -- all property not otherwise classified. 20%

Class III -- all agricultural, forest, and single-family, owner-occupied residential property, including owner-occupied residential manufactured homes (formerly known as “mobile homes”) located on land owned by the manufactured home owner, and historic buildings and sites. Residential property shall include single-family dwellings and the fully-developed underlying lot owned by a home builder licensed by the Alabama Homebuilders Licensure Board or who is otherwise authorized by the board to construct single family homes; provided that this classification shall not exceed a period of 24 months. 10%

Class IV -- All private passenger automobiles and motor trucks of the type commonly known as “pickups” or “pickup trucks” owned and operated by an individual for personal or private use and not for hire, rent, or compensation. Automobiles and “pickup” trucks under lease-purchase option agreements which are leased by an individual for personal or private use are also included. 15%

One tax rate must be applied to all property taxed by the state. One tax rate must be applied to all property taxed by a county, municipality, or other taxing authority within its taxing jurisdiction.

With the exception of the cities of Mountain Brook, Vestavia Hills, and Huntsville, the amount of property tax paid on any item of taxable property shall never exceed the percentage of market value for that class as shown below:

Class I -- 2% 66.7 Mills Tax Rate

Class II -- 1-1/2% 75 Mills Tax Rate

Class III -- 1% 100 Mills Tax Rate

Class IV -- 1-1/4% 83.3 Mills Tax Rate

All taxable property is to be appraised at its fair and reasonable market value, with the exception of Class III property, which may be appraised by the assessor on current use value if the owner of the property requests. All taxpayers have the right to appear before the county board of equalization concerning property valuation.

### **Exemption**

Homesteads, whose owners are less than 65 years of age, are exempt from state levied property taxes not to exceed \$4,000 in assessed value, or 160 acres in area for any resident of this state who is not over 65 years of age.

Homesteads of residents of this state, over 65 years of age, or who are retired due to permanent and total disability, regardless of age, or who are blind as defined in Section 1-1-3, regardless of age or whether such person is retired, shall be exempt from all state levied property taxes.

Homesteads, whose owners are less than 65 years of age, are exempted from county levied property taxes, except countrywide and school district property taxes levied for school purposes, not to exceed \$2,000 in assessed value, nor 160 acres in area. An additional exemption, not to exceed \$4,000 in assessed value may be granted for county and municipal taxes, provided county wide school district or municipal school district exemptions are approved by resolution of the governing body and school system boards.

Homesteads, whose owners are 65 years of age or older, with an annual adjusted gross income of less than \$12,000, as reflected on the most recent state income tax return or some other appropriate evidence, or who are retired due to permanent and total disability, regardless of age, or who are blind as defined in Section 1-1-3, regardless of age or whether such person is retired, are exempted from property taxes levied by any county of this state, including taxes levied for school districts, not to exceed \$5,000 in assessed value, nor 160 acres in area.

The principal residence and 160 acres adjacent thereto of any person who is 65 years of age or older having a net annual taxable income of \$12,000 or less, as shown on such person's and spouse's latest United States income tax return or some other appropriate evidence acceptable to the Department or who is permanently and totally disabled, regardless of age or income, are exempt from all state, county and municipal property taxes on their principal residence.

Property tax exemptions include state, county, and municipal property; property devoted exclusively to religious worship, educational, or charitable purposes; household and kitchen furniture; farm tractors, farming implements



used for agricultural purposes by the owner; stocks of goods, wares, and merchandise; and manufactured homes rented or leased, not located on land owned by the manufactured home owner (these homes must be registered).

In order to encourage the development of new industry in the state, as well as to encourage the expansion of existing industry, there are provisions in the law for exemptions from property taxes in some cases.

Manufacturers of calcium cyanamid, aluminum, or aluminum products are specifically exempt from all state, county, and municipal property tax levies for ten years.

### **Payment**

Individuals, partnerships, corporations, etc., pay tax annually to county tax collectors between October 1 - December 31, following assessment.

Public utilities and railroads file returns annually with the Alabama Department of Revenue, Property Tax Division, by March 1. Assessments are made by the department and collected by the counties.

### **Distribution**

3 mills: (46.15%) – Public School Fund

2.5 mills: (38.46%) – General Fund

1 mill: (15.38%) – Human Resources Fund

### ***Recordation Tax***

#### **Authority**

Sections 40-22-1 through 40-22-12, Code of Alabama 1975.

#### **Basis**

Recordation of mortgages, deeds, bills of sale, conditional sale contracts, etc.

#### **Rate**

Mortgages – \$.15 per \$100 of indebtedness or fraction thereof. (Also deeds of trust, conditional sale contracts, etc.).

Deeds – \$.50 per \$500 of value or fraction thereof. (Also bills of sale.)

#### **Payment**

Paid to probate judge upon presentation for record; except for deeds conveying property in two or more counties, mortgages conveying property both within and without Alabama, and open-end mortgages.

In the instances noted above, the tax is also paid to probate judges, but only after petition is made to the Department of Revenue and the department has issued an order determining the amount and distribution of said tax.

#### **Distribution**

2/3 – General Fund

1/3 – County

### ***Rental or Leasing Tax***

#### **Authority**

Section 40-12-220 through 40-12-227, Code of Alabama 1975.

#### **Basis**

Privilege tax on persons engaging in the business of leasing or renting tangible personal property.

#### **Rate**

4% of gross proceeds from leasing or rental of tangible personal property.

1-1/2% of gross proceeds from leasing or renting automotive vehicles, truck trailers, semi-trailers, or house trailers.  
2% of gross proceeds from leasing or rental of linens or garments.

**Payment**

File return and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of month for preceding month's liability.

Taxpayers whose total state rental tax liability for the preceding calendar year averaged less than \$200 per month may elect to file and pay state rental tax on a calendar quarter basis (Prior approval required).

Taxpayers whose total state rental tax liability for the preceding calendar year was \$10 or less may file and pay state rental tax on a calendar year basis (Prior approval required).

Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

**Distribution**

General Fund

***Restored (Salvage) Vehicle Inspection Fee***

**Authority**

Section 32-8-87(1), Code of Alabama 1975.

**Basis**

Inspection fee for inspection of salvage vehicle restored to operating condition which existed before event which caused a salvage motor vehicle title to be issued. Fee pays for costs of inspection to determine that the identification numbers of the vehicle or its parts have not been removed, falsified, altered, defaced, destroyed, or tampered with and that there are no indications that the vehicle or any of its parts are stolen.

**Rate**

\$75.00 per application for inspection.

**Payment**

Payable to state with submission of application for inspection form (INV 26-15) plus title fee of \$15.00 and supporting documents. Submitted to the Inspections Section of the Alabama Department of Revenue, Investigations Division.

**Distribution**

\$75.00 -- To the Alabama Department of Revenue for "personnel and maintenance costs of the vehicle inspection program."

\$15.00 -- Title fee to the General Fund.

***Sales Tax***

**Authority**

Sections 40-23-1 through 40-23-39, Code of Alabama 1975.

**Basis**

Gross proceeds from sale of all taxable items for consumption or other use to consumers (except as specifically exempted by law) within Alabama and the gross receipts from conducting or operating public places of amusement or entertainment.

## **Rate**

4% of gross proceeds of sale of tangible personal property.

4% of gross receipts from conducting or operating public places of amusement or entertainment.

2% of net trade difference of new or used automotive vehicles, truck trailers, semi-trailers or house trailers.

2% of gross proceeds of sale of manufactured home set-up materials and related supplies.

1-1/2% selling price of machinery used in mining or manufacturing tangible personal property.

1-1/2% of net trade difference of new or used farm machines, machinery, and equipment that is used in production of agricultural produce or products, livestock or poultry on farms.

3% of retail selling price of food products sold through vending machines.

The Department of Revenue collects and administers approximately 200 county and municipal sales and/or gross receipts taxes ranging in rate between 1/4 of 1% to 5%. In addition, some counties and municipalities may choose to administer their own sales and/or gross receipts taxes.

## **Payment**

File and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month's liability.

Taxpayers whose total state sales tax liability for the preceding calendar year averaged less than \$200 per month may elect to file and pay state sales tax on a calendar quarter basis (prior approval required).

Taxpayers whose total state sales tax liability for the preceding calendar year was \$10 or less may file and pay state sales tax on a calendar year basis (prior approval required).

Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

Taxpayers with an average monthly tax liability of \$2,500 or greater during the preceding calendar year shall pay, by the 20th day of the month in which the liability occurs, an estimated amount equal to the lesser of 2/3 of the taxpayer's actual tax liability for the same calendar month of the preceding year or 2/3 of the current month's estimated liability.

## **Distribution after the deduction of collection costs**

Education Trust Fund, except as follows:

- \$ 378,000 is distributed to the Counties.
- \$1,322,000 is distributed to the Department of Human Resources.
- 42% of the 2% tax on gross proceeds from sale of automotive vehicles and from sale of mobile home set-up materials and related supplies goes to the General Fund.
- An amount equal to 5% of the value of food stamp benefits issued statewide in excess of the amount paid by recipients is distributed to the Department of Human Resources.
- An amount for debt service is distributed to the Alabama Public School and College Authority.
- Revenue generated from \$400 discount cap goes to pay debt service on bonds issued by the Alabama State Parks System Improvement Corporation and/or the Alabama Public Historical Sites and Parks Improvement Corporation and to pay the greater of \$5 million or \$5 million adjusted by a percentage growth in receipts from the cap allocated to the Department of Conservation and Natural Resources for repairs and capital outlays for state parks. The balance goes to the General Fund. Act No. 2011-642, effective October 1, 2011, amended Section 40-23-35, Code of Alabama 1975, to change the distribution of the sales tax discount. The act provides that only for fiscal years ending September 30, 2012 and September 30, 2013, the \$5 million normally disbursed to the Department of Conservation and Natural Resources will, instead, be disbursed to the State General Fund.

## ***Scrap Tire Environmental Fee***

### **Authority**

Sections 22-40A-1 through 22-40A-24, Code of Alabama 1975.

### **Basis**

Fee on sale of new, used or retread tires, whether mounted or not, to the consumer.

### **Rate**

\$1 per tire

### **Payment**

File and remit to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section. Payment is due by the 20th of each month for the previous month's operation.

### **Distribution**

All fees collected, less administrative expenses, are deposited into the Scrap Tire Fund to be distributed for use by the Alabama Department of Environmental Management.

## ***Solid Waste Disposal Fee***

### **Authority**

Sections 22-27-1 through 22-27-18, Code of Alabama 1975.

### **Basis**

Fees levied upon generators of solid waste disposing of the waste at permitted solid waste management facilities.

### **Rate**

One dollar (\$1) per ton for all waste disposed of in a municipal solid waste landfill, regulated solid waste that may be approved by ADEM as alternate cover materials in landfills and regulated solid waste received from out-of-state for disposal at permitted public solid waste facilities.

One dollar (\$1) per ton or twenty-five cents (\$0.25) per cubic yard for all waste disposed of in public industrial landfills, construction and demolition landfills, non-municipal solid waste incinerators, or composting facilities, which receive waste not generated by the permittee; regulated solid waste that may be approved by ADEM as alternate cover materials in landfills; and regulated solid waste received from out-of-state for disposal at permitted public solid waste facilities.

Twenty-five cents (\$0.25) per cubic yard for all waste disposed of in a private solid waste management facility, not to exceed one thousand dollars (\$1,000) per calendar year.

### **Payment**

File a quarterly report and remit to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax Section. Payment is due no later than the 20th day of January, April, July, and October on all waste delivered to the solid waste facilities for disposal.

### **Distribution**

25% - Alabama Recycling Fund (ARF)

25% - Solid Waste Fund (SWF)

45% - Alabama Department of Environmental Management (ADEM)

4% - Retained by Owners/Operators collecting the solid waste fee

1% - Alabama Department of Revenue

## ***State Horse Wagering Fee***

### **Authority**

Sections 11-65-1 through 11-65-47, Code of Alabama 1975.

### **Basis**

Fee on each licensed horse-racing operator.

### **Rate**

1% of the operator's horse-racing handle.

### **Payment**

Remit payment by the end of the calendar month for activity during the preceding calendar month to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax Section.

### **Distribution**

General Fund

## ***Store and Chain Store License***

### **Authority**

Sections 40-12-310 through 40-12-319, Code of Alabama 1975.

### **Basis**

Any person, firm, corporation, association, or co-partnership, foreign or domestic, is required to obtain a license to operate, maintain, open, or establish any store in this state in which goods, wares, or merchandise of any kind are sold, at either retail or wholesale.

Two or more stores which are under a single or common ownership or management, if directly or indirectly owned or controlled by a single person or group having a common interest, shall be termed a chain of stores and shall be required to pay the additional license tax for each store so maintained.

### **Rate**

1 Store	\$1
2-5 Stores	\$15 each additional store
6-10 Stores	\$22.50 each additional store
11-20 Stores	\$37.50 each additional store
More than 20	\$112.50 each additional store

New businesses beginning on or after April 1 may pay one-half of the full rate for a part-year license.

### **Payment**

Store/chain store licenses are due and payable by October 1 and delinquent on November 1. Licenses are issued by the county-issuing authority at the courthouse in the county where the principal or main store is located.

### **Distribution**

Education Trust Fund

## ***Tobacco Master Settlement Agreement – Escrow & Complementary Legislation Provisions***

### **Authority**

Sections 6-12-1 through 6-12-4 and 6-12A-1 through 6-12A-7, Code of Alabama 1975.

**Basis**

Provides that tobacco product manufacturers not signatory to the Master Settlement Agreement (MSA) establish a qualified escrow account, make quarterly deposits into the account based on its cigarette and roll-your-own distributions into the State, and file quarterly forms certifying the amount deposited into escrow and the number of cigarette and roll-your-own units distributed. The statute further provides for a monthly report from tobacco distributors identifying manufacturers of cigarettes and roll-your-own tobacco who are not participating from those who are participating in the MSA and whose products were sold tax-paid in Alabama. Additionally, effective April 8, 2014, any cigarettes and roll-your own sold in a transaction not exempted from Alabama taxation by federal statute or constitution shall also be shown on the monthly report. It also provides for a yearly certification by all tobacco products manufacturers (TPMs) wishing to distribute their product in the State. All tobacco product manufacturers are required to have their name and brand(s) listed on the Directory of Cigarettes Approved for Stamping and Sale in Alabama to legally distribute their products in the State.

**Payment**

Non-participating manufacturers are to make quarterly escrow deposits by January 31, April 30, July 31, and October 31.

Amounts to be placed into the escrow fund, as adjusted for inflation, are as follows:

For 2007 and each year thereafter: \$.0188482 per unit sold.

**Distribution**

Non-compliant NPM civil penalties collected by the Legal Division; distributor failure to timely file penalties and amounts collected via the NPM's quarterly posted bond:

100% - General Fund

***Tobacco Tax*****Authority**

Sections 40-25-1 through 40-25-29 and 40-25-40 through 40-25-47, Code of Alabama 1975.

**Basis**

Sale, storage, use, or distribution of tobacco products by wholesalers, retailers, and consumers.

**Rate**

42.5¢ on each package of 20 cigarettes. On other tobacco products such as cigars, filtered cigars, cigar wrappers, smoking tobacco, chewing tobacco, and snuff, rates vary, depending on weight or number of cigars received.

**Payment**

For cigarettes (state and state administered counties), tax is paid by affixing stamps. For other tobacco products, a report (state and state administered counties) shall be submitted to the state with the appropriate tax remitted.

File and remit to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax Section, by the 20th of the month for the stamps and/or products handled during the preceding month.

In addition to state tobacco taxes, cigarettes and other tobacco products are subject to taxation at the local level.

The department administers these taxes in some counties. State administered local tobacco taxes range from \$.04 to \$.25 per pack of cigarettes and other tobacco products of various packages and containers and up to \$.25 per package of rolling papers.

Municipal taxes, where applicable, are collected and administered by the municipality.

## **Distribution**

Cigarettes

38.82% as follows:

66.67%	General Fund
12.12%	Bonds maturing for purpose of acquiring and constructing mental health facilities, remainder to General and Mental Health Fund
6.06%	State Public Welfare Trust Fund
6.06%	Bonds issued by State Parks Development Authority, remainder to State Parks Fund
9.09%	IDA Bonds, Remaining to “General and Mental Health Fund”

61.18% as follows:

\$2 million to counties to offset administrative expenses

Balance--General Fund for Medicaid services

Other Tobacco Products 100% – General Fund

## ***TVA Electric Payment***

### **Authority**

Sections 40-28-1 through 40-28-4, Code of Alabama 1975.

### **Basis**

The Tennessee Valley Authority (TVA) makes annual payments to Alabama, in lieu of taxes, under federal law 16 USC, Section 831.

### **Payment**

Paid by TVA in monthly installments to the Alabama Department of Revenue, Financial Operations Section, by the first of every month.

## **Distribution**

17% – State General Fund

83% – Direct-served counties

The direct-served counties’ share is allocated among the counties using formulae that analyze:

TVA industrial/residential power sales ratios;

Book value ratios of TVA property; and,

Construction in counties where TVA services are provided.

Prior to fiscal year 2010, the dry (non-alcoholic) non-served counties were allocated 5% of the TVA payments and the direct-served counties were allocated 78%. Beginning with fiscal year 2010, the portion allocated to the dry non-served counties was reduced by the increase in certain liquor tax revenues, until the replacement liquor tax revenues equaled the amount of the TVA payments allocated to the dry non-served counties for fiscal year 2009. Thereafter, the portion previously allocated to the dry non-served counties is being allocated to the direct-served counties.

## ***Underground and Aboveground Storage Tank Trust Fund Charge***

### **Authority**

Sections 22-35-1 through 22-35-13, Code of Alabama 1975.

### **Basis**

Charge is imposed on the first withdrawal of a motor fuel from bulk and on motor fuels imported into Alabama.

**Rate**

Based on invoiced gallons in an amount which shall be not greater than \$0.02 per gallon, nor less than \$0.003 per gallon as determined by the Alabama Environmental Management Commission and the Trust Fund Management Board. The current rate is \$0.01 per gallon.

**Payment**

File returns and remit charge to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax Section, by the 20th of the month for the preceding month's activity.

**Distribution**

Alabama Underground and Aboveground Trust Fund

***Unemployment Compensation Tax*****Authority**

Sections 25-4-52 and 25-4-54, Code of Alabama 1975.

**Basis**

Annual earnings paid to each employee.

**Rate**

Tax is due by an employer on the first \$8,000 paid to each employee during a calendar year.

Rates per employee are determined under an experience rating plan. Under this plan, rates range (in 17 steps) from 0.59% to 6.19%. Special assessments may be made to support special requirements.

**Payment**

Reporting forms are mailed the last week of each quarter to all registered employers by the Department of Labor. File by end of month following close of each quarter.

***Use Tax*****Authority**

Sections 40-23-60 and 40-23-88, Code of Alabama 1975.

**Basis**

Excise tax on tangible personal property purchased outside Alabama for storage, use, or other consumption in Alabama.

**Rate**

4% of selling price of general merchandise and items.

2% of selling price of mobile home set-up materials and related supplies.

2% of net trade difference of new and used automotive vehicles.

1-1/2% of selling price of machinery used in mining and manufacturing.

1-1/2% of net trade difference of farm machines, machinery, or equipment.

**Note:** Each purchaser liable for use tax on tangible personal property is entitled to full credit for the combined amount of legally imposed sales or use taxes paid by the purchaser with respect to the same property to another state and any subdivision thereof.



**Payment**

File and remit to the Alabama Department of Revenue, Sales and Use Tax Division, on the 20th day of month for the preceding month’s liability.

Taxpayers whose total state use tax liability for the preceding calendar year averaged less than \$200 per month may elect to file and pay state use tax on a calendar quarter basis (Prior approval required).

A taxpayer whose total state use tax liability for the preceding calendar year was \$10 or less may file and pay state use tax on a calendar year basis (Prior approval required).

Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

**Distribution**

Education Trust Fund, except for 42% of the 2% tax on gross proceeds from sale of automotive vehicles which will go to the General Fund, and revenues from the repealed discount which go to the Foster Children’s Program and the Department of Conservation and Natural Resources. Effective October 1, 2011, Act No. 2011-642 provides that only for fiscal years ending September 30, 2012 and September 30, 2013, the \$1 million normally disbursed to the Coastal Programs will instead be disbursed to the State General Fund. Act No. 2012-599 provides that effective October 1, 2012, after the distribution of the 2% tax on gross proceeds from the sales of automotive vehicles and other distributions provided in Section 40-23-85, 75% of future collections from remote sellers and 25% of all current use taxes will be deposited into the General Fund. An amount sufficient to fund the Children’s Health Insurance Program (CHIP) will be distributed annually as a first charge against the amounts allocated to the General Fund under Section 40-23-85. It is the legislative intent that all amounts collected on transactions involving a seller located outside the state when the property is shipped or transported from outside the state will be considered use tax for the purpose of distribution, regardless of whether the taxes are considered sales taxes for other purposes.

***Utility Gross Receipts Tax***

**Authority**

Sections 40-21-80 through 40-21-88, Code of Alabama 1975.

**Basis**

Privilege tax on every utility (electric, domestic water, natural gas, telegraph, and telephone) furnishing services in Alabama.

**Rate**

Tax on utilities furnishing electricity, domestic water or natural gas:

If monthly gross sales or gross receipts

respecting a person are:

The tax is:

Not more than \$40,000

4% of gross sales or gross receipts

Over \$40,000 but not over \$60,000

\$1,600 plus 3% of excess over \$40,000

Over \$60,000

\$2,200 plus 2% of excess over \$60,000

Tax on utilities furnishing telegraph or telephone services:

6% on gross sales or gross receipts

**Payment**

File return and remit tax by the 20th of each month to the Alabama Department of Revenue, Sales and Use Tax Division, for the preceding month’s liability.

Taxpayers with an average monthly tax liability of \$10,000 or more during the prior calendar year, pay by the 20th of month in which liability occurs an estimated amount no less than the actual tax liability for the same month during the preceding year.

**Distribution**

\$14,600,000 – Special Mental Health Trust Fund

Remainder – Education Trust Fund

***2.2% Utility License Tax***

**Authority**

Sections 40-21-50 through 40-21-51 and 40-21-53, Code of Alabama 1975.

**Basis**

License tax for operating a public utility (hydroelectric, electric, gas, other public utility, or privately owned and operated wastewater facility).

**Rate**

2.2% on each dollar of gross receipts.

**Payment**

File Form FT 5-7 with the Alabama Department of Revenue, Sales and Use Tax Division, on or before October 14, annually. Payment based on gross receipts for the preceding year due in one-fourth increments on October 1, January 1, April 1, and July 1.

**Distribution**

85% – Special Mental Health Fund

15% – General Fund

***Wholesale Oil/Import License Fee***

**Authority**

Section 40-17-174, Code of Alabama 1975.

**Basis**

All diesel fuel that is sold across the rack at a terminal within this state and all diesel fuel imported into Alabama are subject to the fee. Diesel fuel exported from Alabama for which proof of export is available in the form of a terminal issued shipping document is exempt from this fee. Transmix is exempt from this fee. Biodiesel sold to a licensed supplier at the terminal is exempt from this fee.

**Rate**

\$.0075 per gallon of diesel fuel.

**Payment**

By October 14, file and remit the amount due to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section.

**Distribution**

General Fund

## Distribution of Taxes/Fees Collected by the Alabama Department of Revenue

DIV	Tax Source	General	Education	Road & Bridge	Counties	Cities	Mental Health	Health	Conservation	Human Resources	Other
IT	Alabama Accountability Act										(37)
BLT	Alabama Uniform Natural Minerals Tax										(28)
BLT	Automotive Dismantler License	ALL									
MV	Automotive Recon/Rebuild Fee	ALL									
IT	Business Privilege Tax	(24)									
BLT	Coal Severance Tax				(14)	(14)					(14)
ST	Contractor's Gross Receipts Tax							85%			(24)
IT	Corporate Income Tax	(4)	BAL (4)								
PT	Deeds and Assignments	38.461% (34)	46.154% (34)							15.385% (34)	
ST	Dry Cleaning Trust Fund Fee										ALL
IT	Estate Tax	ALL									
IT	Financial Institutions' Excise Tax	25%			25%	50%					
BLT	Forest Products' Severance Tax										(2)
PT	Freight Line R.R. Equipment Tax	ALL									
BLT	Gasoline Tax			(3)	(3)	(3)			(3)		
BLT	Gasoline Aviation and Jet Fuel										(17)
BLT	Hazardous Waste Fee	(22)			(22)						(22)
ST	Hospital Assessment for Medicaid										(31)
BLT	Horse Wagering Fee	ALL									
ST	Hydro-Electric K.W.H. Tax		42%					58%			
IN	Illegal Drug Tax	ALL									
IT	Income Tax	(4)	BAL (4)								
MV	International Fuel Tax Agreement			(16)	(16)	(16)					(18)
MV	International Registration Plan			(13)	(13)	(13)					(18)
BLT	Local Solid Minerals Tax										(28)
ST	Lodgings Tax	(12)			(12)						(12)
MV	Mandatory Liability Insurance (MLI)	(30)									(30)
MV	Manufactured Home Title and Cancellation Fee	ALL									(36)

BLT – Business & License Tax; FO – Financial Operations; IT – Individual and Corporate Tax Division; IN – Investigations; MV – Motor Vehicle; PT – Property Tax; ST – Sales & Use Tax

## Distribution of Taxes/Fees Collected by the Alabama Department of Revenue Contd.

DIV	Tax Source	General	Education	Road & Bridge	Counties	Cities	Mental Health	Health	Conservation	Human Resources	Other
ST	Medicaid Nursing Facility Tax										(21)
ST	Medicaid Pharmaceutical Services Tax										(21)
ST	Mobile Telecommunications Services Tax	(25)	(25)								(25)
BLT	Motor Carrier Fuel Tax			(16)	(16)	(16)					
BLT	Motor Carrier Mileage Tax			BAL (5)							
BLT	Motor Fuels (Diesel)			(27)	(27)	(27)					
MV	Motor Vehicle Dealer Licenses	ALL									
MV	Motor Vehicle Registration Fee			(13)	(13)	(13)					
MV	Motor Vehicle Title Fee	ALL									
BLT	Oil and Gas Privilege Tax	(6)			(6)	(6)					
BLT	Oil and Gas Production Tax (2%)	ALL									
BLT	Oil Lubricating Tax	(7)		(7)	(7)	(7)					
BLT	Oil Wholesale License Tax	ALL									
BLT	Pari-Mutuel Pool Tax	ALL									
ST	Prepaid Wireless 9-1-1 Charge										(35)
ST	Rental or Leasing Tax	ALL									
ST	Sales Tax	(19)	BAL		\$378,000					\$1,322,000	
IN	Salvage Vehicle Inspection Fee										(15)
BLT	Scrap Tire Environmental Fee										(26)
BLT	Solid Waste Disposal Fee										(32)
BLT	Store License		ALL								
BLT	Tobacco Products (Cigarettes) Tax	66.67% (29)					9.09% (29) (10)	12.12% (29) (9)	6.06% (29)	6.06% (29)	(29)
BLT	Tobacco Products (Tobacco) Tax	ALL									
FO	TVA Electric	BAL			(8)						
BLT	Underground and Aboveground Storage Tank Trust Fund Charge	(23)								(23)	
ST	Use tax	(20)	BAL								
ST	Utility Gross Receipts Tax		BAL				\$14,600,000				
ST	Utility License Tax (2.2%)	15%					85%				

BLT – Business & License Tax; FO – Financial Operations; IT – Individual and Corporate Tax Division; IN – Investigations; MV – Motor Vehicle; PT – Property Tax; ST – Sales & Use Tax

## References to Distributions of Taxes/Fees

- (1) A portion of the Business Privilege Tax will be distributed to each county and the remainder will go to the General Fund.
- (2) 100% Special State Forestry Fund administered by the State Forestry Commission.
- (3) Gasoline has a total 16-cent per gallon tax levy comprised of a 7 cent levy, 5 cent supplemental levy, and a 4-cent levy. 1 & 23/100% of net collections of the 12-cent tax levy (7-cent and 5-cent supplemental tax levy) goes to Conservation (60% of the 35/100% to the State Water Safety Fund and 40% of the 35/100% to the Seafood Fund; 70/100% to the Game and Fish Fund; 60% of 18/100% to the State Water Safety Fund and 40% of the 18/100% to the Seafood Fund). The distribution to the Game and Fish Fund (70/100%) and the additional distribution to the Water Safety Fund and the Seafood Fund (18/100%) are deducted from the funds allocated to the State Road and Bridge Fund. These credits cannot diminish the allocations provided to the counties. Original 7-cent levy - 45% of net tax proceeds goes to the State Road and Bridge Fund and 55% of the net tax proceeds goes to the 67 counties of which 10% of the counties' share is distributed to the cities. Supplemental 5-cent tax - 3/5 of the net tax proceeds goes to the State Road & Bridge Fund and 2/5 is distributed as follows: 45% State Road & Bridge Fund and 55% to counties of which 10% of the counties' share is distributed to the cities. Additional 4-cent tax levy - 100% of net collections (45% goes to the State Road & Bridge Fund and 55% goes to counties of which 10% of the counties' share is distributed to the cities).
- (4) Portion necessary to reimburse the Property Tax Relief Fund for homestead exemptions. Balance to Education Trust Fund.
- (5) Administrative cost to Public Service Commission.
- (6) Onshore Production:  
25%, General Fund; 75% balance distributed as follows: 66-2/3% distributed as follows: 25%, counties severed; 10%, cities severed; 50% of the first \$150,000 remaining to General Fund; 42.5%, counties severed; and 7-1/2%, cities. Remainder of 66-2/3%: 84%, General Fund; 14%, counties severed, 2%, cities; 16-2/3%, General Fund; 16-2/3%, Counties severed.  
Offshore Production: 90%, General Fund; 10%, counties severed.
- (7) 1935 Act - 2 cents to the General Fund  
1980 Act - 4 cents: 45%, State Road and Bridge Fund; 55% to counties (10% of which is distributed to the cities).
- (8) TVA served counties, 75%; Dry non-TVA served counties, 5%.
- (9) Mental health facility construction; balance - 30%, Health; 70%, Mental Health.
- (10) Debt service of IDA bonds; balance - 36%, Health; 64%, Mental Health.
- (11) At the Revenue Commissioner's discretion, the Commissioner shall cease to make deposits to the General Fund so as to maintain the trust fund in which to make payment of claims. The trust fund shall retain an amount not greater than \$1,000,000. Persons dying intestate and leaving unclaimed funds: such funds go to Public School Fund.
- (12) 75% of 4% tax to the General Fund.  
25% of 4% tax to Alabama Bureau of Tourism and Travel.  
50% of 1% tax to Alabama Mountain Lakes Association. 50% of 1% tax to Alabama Mountain Lakes counties.
- (13) Base fee distribution: 2.5% commission to licensing official, 5% Public Road & Bridge Fund, 72% Public Road & Bridge Fund, 21 % City or County, 7% Cities & Counties. Additional fee distribution: 64.75% Public Road & Bridge Fund, 35.25% Counties.
- (14) \$0.20 monies: coal or lignite severed within police jurisdiction or municipal limits as they existed on Jan. 1, 1977: 50%, municipality where severed and 50%, county where severed. Coal or lignite severed other than within police jurisdiction or municipal limits: 100%, county where severed.  
\$0.135 monies: State Mining Academy, State Docks Bulk Hand Facility Trust Fund, various

- counties and other agencies per Section 40-13-6.
- (15) Administrative cost to Alabama Department of Revenue for Salvage Vehicle Inspection Program.
  - (16) That portion attributable to the use of gasoline shall be distributed in the manner of the gasoline tax. That portion attributable to the use of diesel fuels shall be distributed in the manner of the diesel fuels tax.
  - (17) Department of Transportation – Aeronautics Division.
  - (18) Prorated to participating states.
  - (19) Sales tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to state parks and Foster Children Program.\*
  - (20) Use tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to Department of Conservation and Natural Resources.\*
  - (21) Alabama Health Care Trust Fund.
  - (22) Distribution of funds based upon the waste type. Note: General fund distributions are also subject to a county guarantee.  
\$5.50 RCRA/PCB and All Other Wastes – will be used to meet the annual guarantee amount of \$4.2M to the county. After the \$4.2M is met, any remaining amounts are to be split 50/50 between the General Fund and the County. \$1.00/ton – All to Alabama Hazardous Substance Cleanup Fund
  - (23) 100% to the Alabama Underground and Aboveground Trust Fund.
  - (24) 15% to the Pensions and Security Trust Fund.
  - (25) Appropriated amount for annual payment of principal and interest due to outstanding Alabama Revolving Loan Fund Authority bonds. \$1.5 million to Special Education Trust and remainder to the State General Fund.
  - (26) 100% to the Department of Environmental Management – Scrap Tire Fund.
  - (27) 100% of 13 cent levy – Road and Bridge Fund  
4.69% of 6 cent levy – distributed equally among the 67 counties  
.93% of 6 cent levy – distributed to incorporated municipalities as provided in § 8-17-91(a)(2)c  
Remainder of 6 cent levy – Road and Bridge Fund
  - (28) Counties where severance occurs.
  - (29) Of 100% collected: 61.18% - Medicaid, with up to \$2 million to local governments to defray the cost of obtaining and affixing stamps. Of the remaining 38.82%: 66.67% to General Fund; 9.09% to Health; 12.12% to Mental Health; 6.06% to Parks (Conservation); 6.06% to Welfare (Human Resources).
  - (30) From the net proceeds Revenue receives, 15% is distributed to the Alabama Peace Officers' Annuity and Benefit Fund. Administrative costs for the MLI program are paid and any remaining funds are distributed to the General Fund.
  - (31) 100% to Medicaid.
  - (32) 25% to the Alabama Recycling Fund; 25% to the Solid Waste Fund; 45% to the Alabama Department of Environmental Management; 4% Administrative Collection Allowance for owners & operators; 1% Administrative Collection Allowance for ADOR.
  - (33) All property taxing jurisdictions receive their proportional share of the taxes, fees, and interest upon the sale of tax delinquent property. State portion of funds: General fund receives 38.461% for costs, and interest on the costs; Education Fund receives 46.154% and Human Resources receives 15.385%
  - (34) Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.
  - (35) Additional \$5.00 issuance fee is distributed to the Alabama Housing Foundation.
  - (36) The Revenue Commissioner will annually distribute the funds in the Failing Schools Income Tax Credit Account, set up in the Education Trust Fund, to qualifying parents.

\*Effective Oct.1, 2002, the lesser of \$500,000 or entire amount to Human Resources. Balance to Department of Conservation and Natural Resources.

## *Agency Directory for Tax Numbers*

### **State Sales, Use, Income Tax Withholding, Rental and Lodgings Tax Numbers, Name and/or Address Changes**

Request Form COM: 101 from the following address:

Alabama Department of Revenue  
Central Registration Unit  
50 N. Ripley Street  
Room 4301 Gordon Persons Building  
Montgomery, AL 36132  
334-242-1170

Form COM: 101 and Electronic Combined Registration/Application  
are also available on the department's web site at:

[www.revenue.alabama.gov](http://www.revenue.alabama.gov)

### **Unemployment Compensation Tax Number**

Alabama Department of Labor  
Industrial Relations Building  
Status Unit, Rm. 4201  
649 Monroe Street  
Montgomery, AL 36131  
334-242-8830

### **Federal Employer Identification Tax Number**

Internal Revenue Service  
1-800-829-3676

Call and ask for Form SS-4 in order to apply for  
federal employer identification tax number.

## *Department of Revenue Tax Calendar*

<b>Due Date</b>	<b>Tax Activity</b>
January	1 Quarterly Dry Cleaning Trust Fund Fee return and payment due. Utility license (2.2%) second quarterly payment due.
	10 Quarterly Hospital Assessment for Medicaid Tax due.
<b>Note:</b> Act 2011-615 changed the due date of the quarterly Hospital Assessments to the tenth working day of each quarter.	
	15 Fourth installment of estimated personal income tax due.
	20 Quarterly sales tax return and payment due. Annual sales tax return and payment due. Quarterly use tax return and payment due. Annual use tax return and payment due. Quarterly rental or leasing tax return and payment due. Annual rental or leasing tax return and payment due. Quarterly Solid Waste Disposal Fee return and payment due.
	30 Quarterly forest products' severance tax return and payment due.
	31 Quarterly withholding return and payment due from employer. Quarterly IFTA tax return and payment due. Quarterly NPM payment due into escrow. Annual Terminal Operator return and/or payment due. Quarterly Construction Employer Fee due.
February	10 Quarterly NPM certification and bank verification due.
	28 Annual withholding return due.
March	1 Freight line equipment return due. Public utility property tax return delinquent after this date.
	15 Corporate income tax return and information return due (for calendar-year taxpayers). Business Privilege Tax return.
April	1 Annual Dry Cleaning Trust Fund Fee return and payment due by wholesalers of dry cleaning agents. Quarterly Dry Cleaning Trust Fund Fee return and payment due. Utility license (2.2%) third quarterly payment due.
	10 Quarterly Hospital Assessment for Medicaid Tax due.
	15 Annual NPM payment due into escrow. Estimated personal income tax and first installment due. Financial institutions' excise tax return and payment due. Business Privilege tax return due for limited liability entities. First installment of estimated corporate income tax due (for calendar-year taxpayers).
<b>Note:</b> Other fiscal-period taxpayers pay their corporate estimated tax on the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year and file their return on the 15th day of the third month following the close of their tax year.	
	Partnership income tax return due. Personal income tax return and payment due.
	20 Quarterly sales tax return and payment due. Quarterly use tax return and payment due. Quarterly rental or leasing tax return and payment due. Quarterly Solid Waste Disposal Fee return and payment due.
	30 Annual TPM certification due. Annual NPM certification and bank verification due. Quarterly forest products' severance tax return and payment due.



		Quarterly NPM payment due into escrow.
		Quarterly withholding return and payment due from employer.
		Quarterly IFTA tax return and payment due.
		Quarterly Construction Employer Fee due.
May	10	Quarterly NPM certification and bank verification due.
June	15	Second installment of estimated corporate income tax due (for calendar-year taxpayers).
		Second installment of estimated personal income tax due.
July	1	Quarterly Dry Cleaning Trust Fund Fee return and payment due.
		Utility License (2.2%) fourth quarterly payment due.
	10	Quarterly Hospital Assessment for Medicaid Tax due.
	20	Quarterly sales tax return and payment due.
		Quarterly use tax return and payment due.
		Quarterly rental or leasing tax return and payment due.
		Quarterly Solid Waste Disposal Fee return and payment due.
	30	Quarterly forest products' severance tax return and payment due.
	31	Quarterly NPM payment due into escrow.
		Quarterly withholding return and payment due from employer.
		Quarterly IFTA tax return and payment due.
		Quarterly Construction Employer Fee due.
August	10	Quarterly NPM certification and bank verification due.
September	15	Third installment of estimated corporate income tax due (for calendar-year taxpayers).
		Third installment of estimated personal income tax due.
	25	Hydroelectric gross receipts' return and payment due.
October	1	Property tax on real and personal property due.
		Automotive dismantlers and parts recyclers' license due.
		Business privilege license fee due.
		Automotive dismantlers and parts recyclers' annual MV records fee due.
		Quarterly Dry Cleaning Trust Fund Fee return and payment due.
		Manufactured home registration and fee due.
		Motor fuel identification markers issued.
		Motor vehicle dealer, rebuilder, wholesaler and off-site licenses due.
<b>Note:</b> Effective Oct. 1, 2003, dealer license plates and manufacturer license plates will be issued through county license plate issuing officials.		
		Store and chain store license tax due.
		Utility license (2.2%) return and first quarterly payment due.
	10	Quarterly Hospital Assessment for Medicaid Tax due.
	14	Annual wholesale oil/import license fee return and payment due.
	20	Quarterly sales tax return and payment due.
		Quarterly Solid Waste Disposal Fee return and payment due.
		Quarterly use tax return and payment due.
		Quarterly rental or leasing tax return and payment due.
	30	Quarterly forest products' severance tax return and payment due.
	31	Quarterly NPM payment due into escrow.
		Quarterly withholding return and payment due from employer.
		Quarterly IFTA tax return and payment due.
		Quarterly Construction Employer Fee due.
		Annual business privilege licenses delinquent after this date.
		Store and chain store licenses delinquent after this date.
November	10	Quarterly NPM certification and bank verification due.
	30	Last day to register and pay fee for manufactured homes without penalty.

December	15	Fourth installment of estimated corporate income tax due (for calendar-year taxpayers).
	31	Property tax on real and personal property delinquent after this date. Expiration of the previous calendar year's motor fuel identification markers. Property Tax Assessments Delinquent after this date. Last day to claim Exemptions/Abatements on Ad Valorem tax assessments.

## ***Required Monthly Returns***

<b>Day</b>	<b>Tax Activity</b>
10	Tobacco use tax return and payment due. Monthly Jenkins Act Report
15	Motor carrier mileage tax return and payment due. Oil and gas production tax and privilege tax return and payment due the second month following the month of production. Withholding return and payment due from those employers required to remit on a monthly basis.
20	Alabama Uniform Natural Minerals Tax return and payment due. Coal severance tax return and payment due. Coal transporters' and purchasers' returns due. Contractors gross receipts tax return and payment due. Local solid minerals tax returns and payments due. Lodgings tax (state and local) return and payment due. Lubricating oils tax return and payment due. Medicaid-related tax return and payment due for nursing facilities. Medicaid tax return and payment due from pharmaceutical service providers. Mobile telecommunication services tax return and payment due. Pari-mutuel pool tax return and payment due. Prepaid Wireless 9-1-1 Charge return and payment due. Rental or leasing tax (state and local) return and payment due. Sales tax (state and local) return and payment due. Schedule D (NPM Cigarette Activity) report due. Scrap Tire Environmental Fee return and payment due. Tobacco tax (state and county) return, reports and payment due. Underground and aboveground storage tank trust fund charge due. Use tax (state and local) return and payment due. Utility gross receipts tax return and payment due.
22	Blender return and payment due. Exporter return due. Importer return due. Supplier/Permissive Supplier return and payment due.
30	Hazardous waste fee return and payment due.
Last day of month	State horse wagering fee return and payment due. Terminal Operator return due. Transporter return due.

## Part Three – Revenue Legislation

### General Revenue Related Acts 2015 Regular Session

#### **Act 2015-003 (SB 45)**

##### **Creates Alabama School Choice and Student Opportunity Act; Creates Alabama Public Charter School Commission**

This act creates the Alabama School Choice and Student Opportunity Act and sets up an Alabama Public Charter School Commission; grants authority to provide membership powers, duties and liabilities of the commission; sets up the application process for establishing public and conversion charter schools, administering terms contracts and preopening requirements and conditions for charter schools; provides for accountability and autonomy of public charter schools; provides for funding; provides for facilities.

*Effective Date:* March 19, 2015

#### **Act 2015-024 (HB 59)**

##### **Enacts the Alabama Reinvestment and Abatements Act**

This act enacts the Alabama Reinvestment and Abatements Act; extends the abatement period to 20 years; provides for sales and use, property and utility tax abatements in addition to certain AIDT training; any project that has not entered into a project agreement with the Governor for any other tax incentives, meeting a qualifying business activity and making a \$2M investment as part of any addition, expansion, improvement, renovation, re-opening, rehabilitation, or replacement of any equipment can receive an abatement of: a) sales and use tax for the constructing and equipping of a qualifying project, including capitalized repairs, rebuilds, maintenance and replacement equipment, which are currently not allowed under Section 40-9B tax abatement incentives, and b) property tax abatements on the increase in the state property taxes and the local non-educational property taxes owed from the current tax year over the property taxes owed from the tax year immediately before the qualifying project is placed in service on all qualifying expenditures, including capitalized repairs, rebuilds, maintenance and replacement equipment, which are currently not allowed under Section 40-9B tax abatement incentive; each taxing agency must consent to abate their own tax by resolution. The county and/or city may allow a public industrial authority to abate their taxes by resolution for such consent on their behalf; a qualifying project can also receive a refund up to 10 years for the increase in utility taxes (electricity, gas, telephone, water) paid in the incentive year over the average utility taxes paid during the three tax years immediately before the qualifying project was placed in service provided the Governor approves the incentive; to receive the refund, the incentivized company will be required to submit documentation for utility taxes paid during the year; once certified, Commerce will notify ADOR and ADOR will have to calculate the refund and issue it to the company; requires the local granting authority to divide any payment, contribution or other financial or in-kind award related to the abatement that is received from the private user to all parties whose taxes were abated in relation to the taxes abated; the property tax abatement will be void after a private user ceases operations for 6 months.

*Effective Date:* June 24, 2015 (90 days from enactment date of March 26, 2015)

#### **Act 2015-027 (HB 58)**

##### **Enacts the Alabama Jobs Act**

This act enacts the Alabama Jobs Act; creates a new Article 16 of Chapter 18 of Title 40; amends Sections 40-21-87 and 40-21-107; repeals Articles 7, 7A and 9 of Chapter 18 of Title 40; provides a jobs tax credit and/or an investment tax credit to incentivized companies that have entered into a project agreement with the Governor; the jobs act incentives (both jobs credit and investment credit) are discretionary and the Department of Commerce is the administrative agency; state docks credit and the tariff credit (Articles 7, 7A, 9) will be

repealed, but all approved projects will be grandfathered in; the jobs credit is not allowed to any company that has been approved and receiving incentives under Articles 7, 7A, or 9; qualified companies must be deemed an approved company by Commerce and the Governor; qualified projects must have activities that fall under the activities listed in the statute or subsequently approved by the Secretary of Commerce and create a minimum of 50 jobs (certain activities are exempt from this requirement); jobs credit is equal to 3% of the total wages paid to eligible employees during the prior year and the incentive period is 10 years; an incentivized company is not allowed to take the credit unless a project agreement is in place and the method is identified in the agreement; identified methods are: 1) the credit is paid to the incentivized company as a refund out of utility taxes during the incentive period, regardless of the amount of utility taxes paid by the incentivized company; the Department of Commerce will certify the wages and notify the Department of Revenue (DOR), who will then calculate the refund and issue the refund directly to the incentivized company (DOR will have to determine how the refund will be issued through regulation) and 2) the credit is claimed as a credit against the utility taxes actually paid by the incentivized company during the incentive period; any amounts exceeding the actual taxes paid can be carried forward for up to 5 years if allowed by the project agreement; the investment credit is a 1.5% credit of the capital investment incurred as of the beginning of the incentive period that is allowed to offset the following taxes: 1) Income taxes including estimated taxes, 2) Financial Institution Excise Tax (FIET), 3) Insurance premiums tax, including estimated taxes, 4) Utility taxes or a combination of the above for a period of 10 years; the Governor can decrease amounts and duration to ensure the anticipated revenues will exceed the amount of incentives sought; incentivized companies can: 1) claim a credit against taxes actually paid and any unused credit can be carried forward up to 5 years; prior to claiming the credit, the company must certify the investment amounts actually paid with the Department of Commerce; Commerce shall certify the amounts and notify DOR of the credit awarded to the company, and 2) allow the credit to a pass through entity as long as the project agreement provides for this; provides this credit to be applied against employee stock ownership plans, mutual funds, and Real Estate Investment Trust (REIT) and offset the employee/owners of a pass through entity owned by an employee stock ownership plan; and 3) transfer all or part of the credit for the first three years provided certain conditions are met as provided for in the agreement; the credit can be transferred to up to 3 transferees per year, but no transferees are allowed to transfer the credit; the credit may be sold as long as there is a written, notarized contract that is approved by Commerce and the Governor; the annual investment credit to be transferred shall be certified by Commerce as to its capital investment as of the dates specified in the project agreement; unless the purchase of the credit is made in a fraudulent manner or the transfer is in anticipation of bankruptcy, insolvency or closure, the transferee shall not be liable for recapture of the unpaid tax, interest and penalties associated with any unearned credit.

*Effective Date:* July 2, 2015 (or ninety days from the enactment date of April 3, 2015). Incentives authorized by this act will not be available for qualifying projects for which project agreements have not been executed on or prior to December 31, 2019, unless the Legislature votes to continue or reinstate the incentives for new projects after that date.

## **Act 2015-041 (HB 57)**

### **Enacts the Alabama Veterans and Targeted Counties Act**

This act enacts the Alabama Veterans and Targeted Counties Act; adds sections 40-18-376.1 and 40-18-376.2 to Article 16 of Chapter 18, Title 40; adds a new Article 2B to Chapter 10 of Title 41; provides a jobs tax credit to incentivized companies that have entered into a project agreement with the Governor; jobs act incentives are discretionary and the Department of Commerce is the administrative agency; the jobs credit is not allowed to any company that has been approved and receiving incentives under Articles 7, 7A, or 9; qualifying companies for incentives must be deemed an approved company by Commerce and the Governor; qualifying project's activities must fall under the activities listed in the statute or subsequently approved by the Secretary of Commerce and create a minimum of 50 jobs (certain activities are exempt from this requirement); the jobs credit is equal to 4% of the total wages paid to eligible employees during the prior year and the incentive period is 15 years; an additional jobs credit of .5% of wages is allowed to employers that employed, in the prior year, at least 12% of its eligible employees as veterans; the Department of Labor will periodically verify the number of veterans employed; incentivized companies are not allowed to take the credit unless a project agreement is in

place and the method is identified in the agreement; the Accelerate Alabama Fund is created for eligible taxpayers to borrow money in order to fund their eligible project.

*Effective Date:* July 2, 2015 (effective the same date as HB58 of the 2015 Regular Session)

**Act 2015-050 (SB 111)**

**Establishes the Alabama Transportation Infrastructure Bank**

This act establishes the Alabama Transportation Infrastructure Bank; purpose of the bank is to assist certain governmental entities in financing highway and public transportation projects; specifies the membership, powers, duties, terms, sources for capitalization and liability of the bank; provides procedures for the issuance of loans and other financial assistance to certain government entities for certain qualified projects; requires bank to report annually to the Governor and the Legislature; allows an annual contribution to the bank from motor vehicle registration fees collected pursuant to Section 40-12-248 (license taxes and registration fee - truck or truck tractors), to be used to capitalize the bank; redistributes to the bank up to \$.01 per gallon of the gasoline tax remaining after distributions from the Public Road and Bridge Fund to cities and counties; further provides that moneys used to fund the bank shall not exceed the balance remaining in the Public Road & Bridge fund pursuant to Section 40-12-270 (d)(3), after distributions to Section 40-12-270-(d)(1), which is the amount collected under Section 40-12-269(a)(2) to be used by the Department of Revenue for tag manufacturing costs and 40-12-270(d)(2) which is payment of bonds.

*Effective Date:* July 1, 2015

**Act 2015-052 (SB 130)**

**Filing and Remittance of County and Municipal Lodgings Tax Through ONE SPOT Filing System**

This act amends Sections 40-23-240 and 40-23-241; adds Section 40-23-244; includes state, county or municipal lodgings tax as a filing option within the ONE SPOT filing system; provides a uniform due date for taxes eligible to be filed through the ONE SPOT system, including local sales, use, rental and lodgings taxes; due date for eligible taxes will coincide with the corresponding state tax whether or not the payment is made through the ONE SPOT system.

*Effective Date:* October 1, 2016

**Act 2015-054 (SB 133)**

**Repeals and Adds Code Sections Relating to Collection and Distribution of Certain Petroleum Products by the Department of Revenue**

This act amends Sections 8-17-80, 8-17-84, 8-17-87, 8-17-91, 8-17-92, 8-17-93, 40-17-325, 40-17-329, 40-17-340, 40-17-359, 40-17-362; adds Sections 8-17-95, 8-17-96, 8-17-97, 8-17-98, 8-17-99, 8-17-100, 8-17-101, 8-17-102; repeals Section 8-17-89; moves the collection of the inspection fee that pertains to gasoline to the terminal excise tax return and dyed diesel fuel, dyed kerosene and lubricating oil products to a return collected and administered by the Department of Revenue (DOR); extends the statute of limitations to three years and changes definitions to coincide with the definitions provided by DOR; exempts aviation fuel and jet fuel from the inspection fee previously levied at fortieth of one cent; changes the disposition of funds to provide for an amount to DOR for the administration in collecting the fee; the \$.02 per gallon inspection fee on gasoline will be added to the \$.16 gasoline excise tax, thereby changing the excise tax to \$.18 per gallon and it will be collected at the terminal rack; for fiscal year beginning October 1, 2015, an amount of \$500,000 will be appropriated to DOR as a charge against the costs to implement and administer the articles set within the bill; beginning October 1, 2015 and every year thereafter, an amount equal to two and one-half percent of the balance of the proceeds received each month after deducting distributions or no less than \$87,500, whichever is greater, is appropriated and deposited to DOR to offset the costs of collection; removes counties' specific requirements for the use of the proceeds for the construction and rehabilitation of roads and bridges, as well as removes the creation of the Secondary Road Committee; requires the county proceeds to be used for purposes authorized under Section 40-17-362, which stipulates the use of proceeds for highway purposes; changes the due date which importers importing motor fuel from a bulk plant or other non-terminal storage location would pay and file the tax levied; due date changes from the 3rd business day following importation to the 22nd day of

each calendar month for the preceding month; due date change is effective June 1, 2015; requires licensees under Section 40-17-332(a), (b), or (f) and under Section 8-17-96 to keep and maintain records pertaining to the petroleum products, delivery tickets, invoices, etc., for a period of three years.

*Effective Date:* In Section 4 of the act, Section 40-17-340 will become effective June 1, 2015 (first day of the second month following enactment). In Section 1 of the act, in the amended Section 8-17-91(a)(2)e., the new paragraph e. will become effective October 1, 2015. All other parts of the act will become effective on October 1, 2016.

#### **Act 2015-70 (HB 40)**

##### **Repeals Obsolete and/or Unenforceable Alabama Code Sections**

This act repeals various sections of the Code of Alabama 1975 which are obsolete, unenforceable or no longer have purpose or relevance; for fiscal years 2017, 2018 and 2019, supervision and inspection fees for telecommunications carriers subject to Section 37-2A-10(1), (2) or (4) will be reduced in three equal installments; for fiscal years 2020 and subsequent years, the supervision and inspection fees will be paid pursuant to the formula contained in Section 37-2-41; effective October 1, 2019, Section 37-2A-10, relating to supervision and inspection fees, is repealed; the Code Commissioner will identify any board, commission, council, task force or similar entity that is defunct or has been inactive by not holding a meeting within the last four years of the effective date of this act and report the list to the Speaker of the House of Representatives and the President Pro Tempore of the Senate on or before January 1, 2016, for consideration of a repeal of any law or resolution granting authority to these entities.

*Effective Date:* April 21, 2015. Subdivisions (82) through (93), inclusive, in Section 1 will become effective on October 1, 2015. Section 2 will become effective immediately (April 21, 2015) and will apply as provided in that section. The remaining portions of the act will become effective immediately following this act's becoming law (April 21, 2015). Section 37-2A-10 will be repealed effective October 1, 2019.

#### **Act 2015-079 (SB 124)**

##### **Reduces Redemption Period of Foreclosed Property**

This act amends Sections 6-5-248, 6-5-252 and 8-1-172; reduces the redemption period of certain real property foreclosed on under a mortgage or sold by virtue of a judgment to 180 days; provides foreclosure procedures on residential property on which a homestead exemption was claimed.

*Effective Date:* January 1, 2016

#### **Act 2015-121 (SB 157)**

##### **Establishes Fostering Hope Scholarship Act of 2015**

This act establishes the Fostering Hope Scholarship Act of 2015; creates a tuition scholarship program for qualified current or former foster children in Alabama, including children adopted from the program at the age of 14 or older; program begins with the 2016-2017 academic year; the State Department of Human Resources will administer the program and develop administrative rules; pays for tuition and required fees at any public two-year or four-year institution of higher education in the state; pays required fees for approved job training courses or skill certifications offered at the public institutions; includes mentor service as a support system for scholarship program participants; repeals Section 40-18-362, relating to postsecondary education assistance for students in foster care.

*Effective Date:* October 1, 2015

#### **Act 2015-165 (HB 54)**

##### **Clarifications to the Alabama Limited Liability Company Law of 2014**

This act amends Sections 10A-5A-1.05, 10A-5A-1.06, 10A-5A-1.07, 10A-5A-4.06 and 10A-5A-12.01; clarifies the law as it pertains to foreign limited liability companies; clarifies which jurisdictions can govern a limited liability company; clarifies what liability exists for a member of a limited liability company for wrongful distributions; makes technical changes.

*Effective Date:* May 14, 2015. Section 10A-5A-12.01, as amended, states that except for provisions provided in subsection (c), on and after January 1, 2017, this chapter governs all limited liability companies.

**Act 2015-208 (SB 177)**

**Allows Ad Valorem Taxpayers to Voluntarily Contribute to the Alabama Association of Rescue Squads, Inc.**

This act allows ad valorem taxpayers to voluntarily contribute a minimum annual amount of \$3.00 to the Alabama Association of Rescue Squads, Inc.; establishes a check-off box on the annual ad valorem tax statements, beginning with the lien date October 1, 2015, for the contribution; the county tax collector or revenue commissioner will collect the contributions and remit them to the executive director by the tenth day of each month succeeding that in which the contribution is paid.

*Effective Date:* October 1, 2015

**Act 2015-225 (HB 411)**

**Revises and Clarifies Legislative Intent Relating to Combined Sales of Motor Fuel**

This act amends Sections 8-22-2, 8-22-4, 8-22-8 and 8-22-10; revises and clarifies the Motor Fuel Marketing Act relating to combined sales of motor fuel and other goods; changes "replacement cost" to "weighted-average" cost in three places; defines "other goods" and "basic cost of other goods"; provides that it is not a violation for a retailer to sell motor fuel combined with the sale of other goods when the retailer's combined selling price is not below the cost to the retailer of all motor fuel and other goods included in the transaction.

*Effective Date:* May 27, 2015

**Act 2015-237 (SB 119)**

**Preparation and Distribution of a Tax Expenditure Report by the Legislative Fiscal Office**

This act requires the Legislative Fiscal Office (LFO) to annually submit a report to the Legislature which lists all of the tax expenditures in effect for each fiscal year with an estimate of the amount of the expenditure and the fund source to which the revenue source is dedicated; authorizes LFO to request and receive from the Department of Revenue or any other state or local agency or official any information necessary to complete the tax expenditure report; information will be subject to the confidentiality and disclosure provisions of Section 40-2A-10; the tax expenditure report will be prepared annually, beginning in the 2017 Regular Session.

*Effective Date:* May 27, 2015

**Act 2015-281 (SB 179)**

**Education Trust Fund Budget FY 2015-2016**

This act makes appropriations for the support, maintenance and development of public education in Alabama, for debt service, and for capital outlay for the fiscal year ending September 30, 2016.

*Effective Date:* October 1, 2015

**Act 2015-291 (HB 210)**

**Revisions to Administrative Procedures Act: Disapproval of Rules by Legislature, Appeals to Lt. Governor and Delays Effective Date of Certain Rules in Certain Circumstances**

This act amends Sections 41-22-5, 41-22-5.1, 41-22-6, 41-22-22 and 41-22-23; repeals Section 41-22-24; provides that the disapproval of a rule may be appealed to the Lt. Governor; the Lt. Governor may review the rule and hold public hearings if he or she determines that it is necessary, within 15 days after the disapproval of the rule; if the Lt. Governor sustains the disapproval of the rule, he or she shall notify the committee and return the rule to the agency; if the Lt. Governor approves the rule, he or she shall notify the chair of the committee; the rule shall become effective upon adjournment of the next regular session that commences after the approval unless, prior to that time, the Legislature adopts a joint resolution that overrules the approval by the Lt. Governor and sustains the action of the committee; if the Lt. Governor fails to approve or disapprove the rule, within the 15 day period, the rule will be deemed approved and will become effective upon adjournment of the next regular session that commences after the deemed approval, unless if prior to that time, the Legislature



adopts a joint resolution that overrides the deemed approval of the Lt. Governor and sustains the action of the committee; extends the time rules generally become effective from 35 days after filing the certified rule to 45 days after filing; allows the committee to extend that period to 60 days if it determines a business economic impact is required for the rule.

*Effective Date:* October 1, 2015

**Act 2015-306 (SB 20)**

**Revises Fleet Management Program; Requires State Vehicles Must Be Purchased or Leased from an Alabama Dealership**

This act amends Section 23-1-50.1; requires that state vehicles acquired for the Fleet Management Program of the Department of Transportation must be purchased or leased from a dealership located in the State of Alabama.

*Effective Date:* September 1, 2015

**Act 2015-315 (SB 283)**

**Provides for Distribution of Proceeds of Hazardous Waste Disposal Facility Fees to Counties Having a Commercial Site for Hazardous Waste Disposal and the State General Fund**

This act amends Sections 22-30B-2.1, and 22-30B-4 and 22-30B-4.1; provides for distribution of proceeds of hazardous waste disposal facility fees to counties having a commercial site for hazardous waste disposal and the State General Fund; revenues generated pursuant to Section 22-30B-2(1) and (2), beginning October 1, 2015, will be distributed as follows: 1) amounts necessary to meet the annual guaranteed amount of \$4,200,000.00 to the county as provided by this section, 2) 50% to the State General Fund and, 3) 50% to the county; provides for the distribution of certain state fees by local law; provides for the authorization for certain local laws levying additional fees.

*Effective Date:* June 3, 2015. Retroactive to April 1, 2015.

**Act 2015-325 (SB 458)**

**Trucks Delivering Asphalt Plant Mix Not Required to Conform to Axle Spacing Requirements**

This act amends Section 32-9-20; provides that trucks delivering asphalt will not be required to conform to the axle spacing requirements provided the truck does not exceed the maximum gross weights otherwise provided; dump trucks operating within 50 miles of their base are not required to conform to weight requirements provided they are limited to a maximum gross load not to exceed 66,000 pounds for vehicles with three axles and 82,500 pounds for vehicles with four axles.

*Effective Date:* September 1, 2015

**Act 2015-327 (SB 375)**

**Provides Flexibility for State Entities to Utilize State Revenue for Other Purposes in Addition to the Stated Purpose under Current State Law**

This act provides flexibility for state entities to utilize state revenue for other purposes which are in addition to the stated purpose under current state law; provides the definition for "state tax receipt"; state entities may, in addition to the designated purpose, use state tax receipts that are designated for a particular purpose to offset the reduction in other funding for any given year; flexibility of this act will not apply to funds which are constitutionally dedicated for a specific purpose, or to Medicaid provider taxes from hospitals, nursing homes and pharmacies and Medicaid intergovernmental transfers from public hospitals and public nursing homes, or to funds otherwise designated by the federal government or State or Federal court order, or to portions of a state-levied tax that are distributed directly to counties.

*Effective Date:* June 3, 2015

**Act 2015-341 (HB 47)**

**Allows a Person under the Age of 18 to Receive or Possess a Firearm, Under Certain Conditions**

This act amends Sections 13A-11-57, 13A-11-61.2, 13A-11-72, 13A-11-76, 13A-11-79, 13A-11-84, 22-52-10.8 and 40-12-143; allows a person under the age of 18 to receive or possess a pistol under certain conditions; provides that a minor may receive title to a pistol, bowie knife, or other knife of like kind by inheritance; specifies that a person may possess a firearm or ammunition in an employee's privately-owned vehicle while parked or operated in a public or private parking area at a secure building where firearms are otherwise prohibited; provides for the entry of certain mental health information into the National Instant Criminal Background Check System (NICS); allows a person who has been found insane, mentally incompetent, or not guilty by reason of mental disease or defect to petition for the removal of applicable firearm prohibitions; eliminates certain record-keeping and administrative requirements relating to firearm sales; requires that certain firearm sales records be permanently removed and destroyed within a certain time frame; provides an exception.  
*Effective Date:* September 1, 2015

**Act 2015-349 (HB 630)**

**Regional Care Organizations Exempt from Payment of All License Fees**

This act exempts regional care organizations from the payment of all state, county and municipal license fees including any business privilege or license tax; exemptions do not extend to the individual health care providers who are members of the regional care organization.  
*Effective Date:* June 5, 2015

**Act 2015-361 (HB 377)**

**Annexation of Property by General or Local Law will not Extend Police Jurisdiction Unless Specifically Provided for in the Law**

This act amends Sections 11-40-10, 11-51-91, 11-51-206 and 11-52-30; provides that the annexation of property by general or local law would not extend the police jurisdiction unless specifically provided for in the general or local law; specifies that a municipality could only change its police jurisdiction based on annexation and deannexation once a year; municipality can only enforce certain ordinances, collect license fees, and levy and collect taxes within its police jurisdiction after providing notice to affected persons; requires that a municipality provide an annual accounting of all revenues collected in its police jurisdiction and an itemization of its expenditures for providing services within the police jurisdiction; when any noncontiguous property has been annexed or is being annexed into a municipality, the municipal governing body, by resolution, may elect not to exercise any jurisdiction or authority in any portion of the police jurisdiction extended as a result of the annexation.  
*Effective Date:* September 1, 2015

**Act 2015-362 (HB 17)**

**Authorizes Issuance of Motorcycle License Plates to Qualifying Disabled Veterans**

This act amends Sections 32-6-64, 32-6-64.1, 32-6-250, 32-6-251, 32-6-271, 32-6-280, 32-6-300, 32-6-301, 32-6-630, 32-8-30, 32-8-34, 32-8-35, 32-8-39, 40-12-244 and 40-12-414; provides for the implementation of distinctive license plate categories, as well as, the fee and distribution of the fee; provides for an additional annual fee and a one-time fee at the point of issuance for all distinctive plate categories; authorizes the issuance of motorcycle license plates for all distinctive license plate categories, except the amateur radio/civil air patrol category, and provides for the same license plate and registration fee as available for private passenger or pleasure motor vehicles to qualifying individuals; provides for an additional annual fee for firefighter distinctive license plates; allows distinctive license plates to be personalized, with noted exceptions; standardizes surety bond amounts for designated agents for the issuance of titles; requires the owner of a motor vehicle subject to titling to make the certificate of title reflect owner's current legal name.  
*Effective Date:* Section 2 of this act will become effective on October 1, 2015; Sections 1 and 3 to 6 will become effective on January 1, 2016

### **Act 2015-382 (SB 243)**

#### **Removes Good Standing Certificate**

This act amends Section 40-2A-10; removes the Certificate of Good Standing; provides for a compliance certificate that certifies that the entity is in compliance with all state taxes; the Department of Revenue (DOR) will charge a fee of \$10.00 for each certificate of compliance issued; for the fiscal year beginning October 1, 2015, DOR will be appropriated the fees collected for the certificates of compliance, to be used for administrative purposes.

*Effective Date:* October 1, 2015

### **Act 2015-434 (SB 71)**

#### **Amendments to the Alabama Accountability Act of 2013**

This act amends Sections 16-6D-4 and 16-6D-9, relating to the Alabama Accountability Act of 2013; increases cumulative amount of tax credits to \$30M; allows S-Corporations and other Subchapter K entities to claim credit for a scholarship granting organization (SGO) contribution; the credit would be distributed based on the taxpayer's pro-rata share, to the members of the pass through entity; changes who is eligible for scholarship, based on income; changes the \$7,500 credit limitation for individuals making SGO contributions to \$50,000; individual taxpayers making SGO contributions will be able to offset up to 50% of the tax liability; allows SGO to retain up to 5% of donations for administrative costs; does not require that the 5% retained would be used for the current year's administrative costs; allows donations to be claimed in the 2014 tax year if donations are made before the filing date, with extensions, of the 2014 return; effectively detaches the "failing school requirement" by allowing eligible students attending a non-failing school to be awarded the scholarship funds that remain available after May 15th of each year; changes the release date for unaccounted scholarship funds from September 15 to July 31; clarifies and confirms that once an eligible student receives an educational scholarship, the student remains eligible to receive the scholarship until the student graduates from high school or reaches 19 years of age, regardless of whether or not the student is zoned to attend a failing school; SGOs are publicly required to report to the Department of Revenue (DOR), by the 15<sup>th</sup> day after the close of each calendar quarter, certain information concerning educational scholarships granted during the quarter; requires SGOs to submit to DOR annual verification of their policies and procedures used to determine scholarship eligibility, and annual verification that their actions or policies do not restrict a parent's educational choice in the enrollment of eligible students in a qualifying school if the student received educational scholarships from other SGOs; an independent research organization, selected by the DOR, will report to DOR every other year the learning gains of students receiving educational scholarships.

*Effective Date:* June 9, 2015. Except for amendments to subdivision (4) of Section 16-6D-4 and paragraphs f. and o. of subdivision (1) of subsection (b) of Section 16-6D-9, this act will apply retroactively to tax years or periods beginning on or after January 1, 2015. The other amendments, regarding the clarification that SGOs may use up to 5% of scholarship donations for administrative and operating expenses and the continuing eligibility of a student once he or she receives an educational scholarship, will be retroactively effective to and as of March 14, 2013, the effective date of the Alabama Accountability Act of 2013.

### **Act 2015-435 (SB 76)**

#### **Creates the Division of Facilities Management, the Division of Construction Management and the Division of Energy Management**

This act amends Sections 41-4-2, 41-4-3, 41-4-261 and Section 41-9-141; repeals Sections 41-4-183, 41-6A-4(10), 41-9-140 and 41-9-142; this act creates the Division of Facilities Management, the Division of Construction Management and the Division of Energy Management within the Department of Finance to centralize the authority and responsibility for the efficient and economical management of all state-owned and leased real property; effective October 1, 2015, the Building Commission established in Section 41-9-140 is abolished and all powers, authority and jurisdiction of the commission are transferred to the Division of Construction Management; creates a Permanent Joint Legislative Committee on the Management of State-Owned and Leased Real Property.

*Effective Date:* October 1, 2015

**Act 2015-439 (SB 200)**

**Provides for the Crime of Theft of Consigned Motor Fuels or the Proceeds of Consigned Motor Fuels**

This act adds Article 3B to Chapter 8 of Title 13A; makes it a crime of theft of property if any person takes, uses, sells or disposes of consigned motor fuel or its proceeds without the consent of the owner of the fuel; provides for punishment of the theft of property.

*Effective Date:* September 1, 2015

**Act 2015-441 (SB 216)**

**Allows Authorized State Agencies to Increase Fees Retained by the Agency to Fund Its Operations or Programs**

This act allows a state agency to increase its operational or program fees by the percentage increase in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics from the end of December in the tenth year preceding the year in which the fee increase is to be effective or from the end of December in the last year the fee was increased, whichever is shorter, to the end of the month preceding the month in which the fee increase is to be effective, rounded down to the nearest dollar; after the initial fee increase, every five years the agency may repeat the process using the Consumer Price Index for the previous five years forward to the date of the requested change; the change is not to exceed an increase of two percent per year; if the agency adopts an increase, the funds will be retained by the agency to fund its operations and programs under its control; exempts the Alabama Public Service Commission, the State Banking Department and the State Parks Division of the Department of Conservation and Natural Resources from any provisions of the act.

*Effective Date:* June 9, 2015

**Act 2015-442 (SB 226)**

**Renames the Wallace-Folsom College Savings Investment Plan the Wallace-Folsom Savings Investment Plan and Creates the Achieving a Better Life Experience (ABLE) Act**

This act amends Sections 16-33C-1, 16-33C-2, 16-33C-2.1, 16-33C-3, 16-33C-4, 16-33C-5, 16-33C-10, 16-33C-11, 16-33C-12 and 40-18-19; changes the name of Alabama's college savings program from the Wallace-Folsom College Savings Investment Plan to the Wallace-Folsom Savings Investment Plan; adds the "Achieving a Better Life Experience (ABLE) Act" to the college savings program; ABLE, following under the guidelines of IRC§ 529, will encourage Alabamians to save private funds for the purpose of supporting Alabama citizens with disabilities to maintain health, independence and quality of life; beginning January 1, 2016, all income, interest, dividends, gains or benefits of any kind received from ABLE savings accounts administered under Title 16, Chapter 33C, are exempt from all income taxation by the state.

*Effective Date:* June 9, 2015

**Act 2015-443 (SB 287)**

**Provides Income Tax Refund Check-Off for a Contribution to the USS Alabama Battleship Commission**

This act amends Section 40-18-140; provides an income tax refund check-off for a contribution to the USS Alabama Battleship Commission; check-off contributions will begin in the 2015 tax year.

*Effective Date:* September 1, 2015

**Act 2015-447 (SB 388)**

**Provides Income Tax Refund Check-Off for a Contribution to the Children First Trust Fund**

This act amends Section 40-18-140; provides an income tax refund check-off for a contribution to the Children First Trust Fund; check-off contributions will begin in the 2015 tax year.

*Effective Date:* September 1, 2015

**Act 2015-448 (SB 437)****Establishes “The Simplified Seller Use Tax Remittance Act”**

This act establishes “The Simplified Seller Use Tax Remittance Act”, a voluntary program for only those remote sellers with no physical presence in Alabama to remit, on behalf of their customers, use tax on sales delivered into Alabama; eligible sellers voluntarily enrolled and approved by the Department of Revenue (DOR) for the program will be required to collect, report and remit the simplified sellers use tax of eight percent; participation in the program does not subject the eligible seller to franchise, income, occupation or any other tax types or licensing requirements levied by the state and any locality; the program is to be administered by DOR, through an easily-accessible online system; eligible sellers may participate in the program by submitting an application to DOR; DOR will then review the application for approval into the program; the simplified sellers tax is to be remitted to DOR on a monthly basis on a single state form, absent of the requirement of locality-specific information; eligible sellers may deduct and retain a discount of two percent of the simplified sellers use tax collected and properly remitted to the department in a timely manner; no discount is given for taxes which are not timely reported and remitted; the collection and remittance of simplified sellers use tax relieves the eligible seller and the purchaser from any additional state or local sales and use taxes on the transaction; the participating seller must provide the purchaser with a statement or invoice showing that the simplified sellers use tax was collected and is to be remitted on the purchaser's behalf; any taxpayer who pays the simplified sellers use tax that is higher than the actual state and local use taxes levied where the purchase was delivered, may file for a refund or credit of the excess amount; an individual taxpayer seeking a refund or credit may submit a direct petition for refund to DOR; in the event that the refund is less than \$25.00, the payment may be deferred by DOR and combined with amounts to be paid with subsequent years for a period of up to three years; a business taxpayer who has a registered consumer use tax account with DOR may claim credit for overpayment of simplified sellers use tax on their consumer use tax return in a manner as prescribed by DOR; interest due on refunds shall be paid beginning on the 91st day after the receipt date of a properly-documented refund petition; proceeds of the simplified sellers use tax are to be appropriated to DOR, and amounts shall be retained by DOR to cover the amount necessary to fund the administrative costs of implementing and operating the program and for amounts paid of refunds; the balance of the amounts collected shall be distributed as: 1) 50% to the state treasury - allocated as 75% to the General Fund and 25% to the Education Trust Fund, 2) 25% to each county - prorated according to most current federal population census, and 3) 25% to each municipality - prorated according to most current federal population census; the distributions to the counties and municipalities are to occur on a quarterly basis and in a manner as prescribed by DOR; in the event that a national agreement for the collection of sales and use taxes from remote sellers or other similar federal legislation or U.S. Supreme Court decision is enacted, the eligible sellers which are enrolled in the program at least six months prior to the change in federal law, may continue to remit the simplified sellers use tax through DOR's program; participants in the simplified sellers use tax program will be granted amnesty for uncollected simplified sellers tax that may have been due on sales made to purchasers in Alabama for 12 months preceding the enrollment into the program; amnesty is not available for prior paid and remitted taxes, as well as matters for which an eligible seller has received notice of an audit; amnesty is not applicable to sellers use taxes due from an eligible seller in his or her capacity as a buyer.

*Effective Date:* October 1, 2015

**Act 2015-458 (HB 238)****Extends Supplemental Privilege Assessment and Monthly Surcharge on Nursing Facilities through August 31, 2017**

This act amends Section 40-26B-21; extends the current supplemental privilege assessment and surcharge on nursing facilities through August 31, 2017; stipulates that the Medicaid nursing facility program will continue to be administered by the Alabama Medicaid Agency until at least October 1, 2017.

*Effective Date:* June 11, 2015

**Act 2015-470 (HB 458)****Revisions to State Laws for Unclaimed or Abandoned Motor Vehicles**

This act amends Sections 32-8-84, 32-13-1, 32-13-2, 32-13-3, 32-13-4 and 32-13-6; adds Sections 32-13-9 and 32-13-10; streamlines the notification requirements for unclaimed vehicles regardless of industry or trade; defines that motor vehicles left unattended on property for more than 48 hours without consent are deemed unclaimed motor vehicles; reports of unclaimed motor vehicles must be submitted to the Department of Revenue (DOR) within 5 calendar days from the date the motor vehicle was considered unclaimed; DOR then places a 45 calendar-day hold on the title record; requires the person or entity reporting the unclaimed motor vehicle to query the National Motor Vehicle Title Information System (NMVTIS) to determine the title state of record and submit a records request to titling state within 5 calendar days from the date the motor vehicle was reported as unclaimed to DOR; requires the person or entity to send a notice, within 5 calendar days of receiving records request, advising the owner or lienholders of record that vehicle will be deemed abandoned after 30 days from the date of the notice; failure to properly report a vehicle as unclaimed will result in forfeiture of charges for garaging, parking, and storing prior to the time the motor vehicle is reported unclaimed; provides an updated definition of an abandoned motor vehicle, as well as, provides procedures for the sale of an abandoned motor vehicle; the abandoned motor vehicle definition is updated to include attached aftermarket equipment and other permanent modifications; abandoned definition updated as a vehicle deemed unclaimed as per Section 32-8-84 for no less than 30 calendar days from date notice was sent to owner/lienholders of record; the notice of public auction for an abandoned motor vehicle must be submitted to DOR at least 35 calendar days prior to auction date; the notice must include the VIN, year, make and model as well as date, time and location of auction; within 5 calendar days of the notice of public auction, DOR shall send a termination notice to owner or lienholders of record advising their interest in the vehicle will be terminated upon its sale, along with auction and vehicle information; all abandoned motor vehicle pre-sale appeals are to be heard by the Alabama Tax Tribunal or circuit court; all abandoned motor vehicle post-sale appeals and associated fee disputes are to be heard by circuit court in county of sale; records of abandoned motor vehicle sales are to be maintained by the seller 3 years from the date of the sale; establishes a Class C Felony for false statements relating to the sale of abandoned vehicles; requires the person holding the unclaimed/abandoned motor vehicle to publish the sale of the vehicle once a week for two successive weeks in a newspaper of general circulation in the county in which the sale of the vehicle is to be held; provides that the vehicle sale is only required to be published when the vehicle is registered in the county in which the sale is to be held.

*Effective Date:* July 1, 2016

**Act 2015-479 (SB 229)****Electronic Process for Recordation of Business Entity Filings with Judge of Probate and Secretary of State**

This act provides an electronic process for the recordation of business entity filings with the judge of probate and the Secretary of State; requires the Secretary of State to develop an electronic processing program and allow any county that voluntarily chooses to participate in the program to do so by written agreement; the Secretary of State or the county may terminate an agreement at any time upon 120 days' written notice; authorizes county commissions and judges to satisfy general and local law requirements by participating in the electronic processing program; allows the Secretary of State to contract with a vendor to provide the electronic processing services; the Secretary of State may develop a certification process to allow third parties to provide the electronic processing services; cooperation between the Secretary of State and a county will be at no additional cost to the county or the state.

*Effective Date:* September 1, 2015

**Act 2015-484 (SB 327)****Increases Permissible Exemptions Available to Surviving Spouse for Homestead and Personal Property**

This act amends Sections 6-10-2, 6-10-6, 6-10-11, 43-8-110, 43-8-111, 43-8-113 and 43-8-115; adds Sections 6-10-6.1, 6-10-12 and 43-5-116, to provide for the adjustment of allowances and deductions under certain

conditions; increases permissible exemptions available to a surviving spouse to \$15,000 for homestead and \$7,500 for personal property; increases an Alabama debtor's individual homestead exemption to \$15,000 and an individual's personal property exemption to \$7,500; protects a person's homestead allowance and personal property in excess of any security interests in furniture, automobiles, furnishings, appliances, and personal effects.

*Effective Date:* June 11, 2015

**Act 2015-494 (SB 220)**

**Property Insurance and Energy Reduction Act of Alabama**

This act creates the Property Insurance and Energy Reduction Act of Alabama; allows a county or municipality to adopt programs to finance, through bonds or notes issued by the governmental entity, necessary improvements to properties in designated regions for the purpose of increasing energy efficiency and resistance to storm-related events, such as high winds and flooding; establishes the procedures to create a program; provides for the contractual relationship between the local government and the private property owner participating in the program; provides that an unpaid contractual assessment under the program would be a lien on the affected property similar to ad valorem tax liens; requires the local assessing official to provide information about the status of the property tax on any affected property for the past three years; local governments, or a combination of local governments, the state or designee, may establish a loss reserve fund; the Governor may appoint an existing state agency to exercise regulatory jurisdiction over programs and activities in this act.

*Effective Date:* September 1, 2015

**Act 2015-499 (HB 217)**

**Allows Farmers to Purchase License Plates for Truck Tractors**

This act amends Sections 40-12-240 and 40-12-248; provides for the definition of farmer, in relation to license tax and registration fees for truck tractors; changes the limitation authorizing a farmer to obtain a tag at a reduced annual license tax and registration fee (\$250.00) from one truck tractor to four truck tractors; for each additional truck tractor the annual license tax and registration fee will be determined from the "schedule of base amounts" and "the schedule of additional amounts" based on the gross vehicle weight in pounds, between \$585.00 to \$890.00; the reduced annual license tax and registration fee will not be available for truck tractors used on a for-hire basis.

*Effective Date:* June 12, 2015

## **Local Revenue Related Acts 2015 Regular Session**

### **Act 2015-025 (HB 87)**

#### **Alters, Rearranges and Extends Boundary Lines and Corporate Limits in Hayden**

This act alters, rearranges and extends the boundary lines and corporate limits of the municipality of Hayden in Blount County.

*Effective Date:* June 1, 2015

### **Act 2015-026 (SB 35)**

#### **Elected or Appointed Public Officials in Lamar County May Participate in ERS**

This act proposes a Constitutional Amendment that would allow certain elected or appointed public officials in Lamar County to participate in the Employee' Retirement System (ERS) in lieu of participating in a supernumerary program or system.

*Effective Date:* Contingent upon voter approval

### **Act 2015-035 (SB 84)**

#### **Abatement of Grass or Weeds for City of Athens**

This act provides for the abatement of grass or weeds which becomes a nuisance under certain conditions; provides that in the event the city is required to take care of the nuisance, the cost to do so will be charged to the owner of the property; if the owner does not satisfy the charges, the city will notify the Limestone County Revenue Commissioner, who will add the "weed lien" amount to the next property tax bill.

*Effective Date:* April 7, 2015

### **Act 2015-036 (SB 176)**

#### **Distribution of TVA Funds in Morgan County**

This act amends Act 2007-339, pertaining to the distribution of certain payments made in-lieu-of taxes by the Tennessee Valley Authority; amends the original act to expand the jurisdiction of the Morgan County Industrial Park and Economic Development Cooperative District to include the entire county for the purposes of economic development.

*Effective Date:* April 7, 2015

### **Act 2015-057 (HB 300)**

#### **Provides for Annual Salary Increase of Shelby County Property Tax Commissioner**

This act provides for an annual salary increase of the Shelby County Property Tax Commissioner to \$110,000.00 commencing on October 1, 2015; Section 40-6A-2 provides that the official's salary shall be paid by each fund or agency receiving ad valorem taxes on a pro rata basis.

*Effective Date:* April 17, 2015. Salary of Shelby County Property Tax Commissioner will be effective on October 1, 2015.

### **Act 2015-072 (HB 291)**

#### **Alters/Rearranges Boundary Lines of Alexander City in Tallapoosa County**

This act alters or rearranges the boundary lines of the City of Alexander City, Tallapoosa County, to include within the corporate limits of Alex City all territory not within the corporate limits and certain other territory contiguous in Alex City.

*Effective Date:* April 21, 2015



**Act 2015-074 (HB 357)**

**Authorizes the Randolph County Commission to Levy Additional Sales and Use Taxes Up to One Percent**

This act authorizes the Randolph County Commission to levy an additional sales and use tax, up to one percent, to be used exclusively for the construction, maintenance or operation of a hospital in Randolph County; the County Commission will pass a resolution to terminate the tax levy once all bonds, warrants, notes or other obligations issued by the county to construct the hospital have been fully paid and retired; provides for an advisory referendum regarding the authorization of the taxes; provides that the taxes will not be abated pursuant to Chapter 9B, Title 40; authorizes the pledge of the taxes by Randolph County to secure indebtedness issued for the purposes for which the taxes are authorized.

*Effective Date:* Contingent upon voter approval

**Act 2015-077 (HB 378)**

**Authorizes Wilcox County to Levy a Lodgings Tax**

This act authorizes Wilcox County to levy a lodgings tax in the amount of \$4.00 per night per room, lodgings, or accommodations within the county; exempted from the tax are the following: 1) charges for property sold or services furnished which are required to be included in the tax levied by the State Sales Tax Act, and 2) charges for rental of rooms, lodgings or accommodations to a person pursuant to the exemption provision of Alabama's Transient Occupancy Tax; the tax will be due and payable to the Department of Revenue (DOR) on or before the 20<sup>th</sup> day of the month next succeeding the month in which the tax accrues; DOR will charge and deduct from the proceeds of the levied tax an amount equal to the cost to the agency of making the collections and the charge will not exceed five percent of the total tax collected; all proceeds from the tax levied shall be deposited to the Wilcox County General Fund and one-half of the proceeds deposited in the fund will be deposited to the account of the Wilcox Area Chamber of Commerce for promotion of tourism and special events.

*Effective Date:* June 1, 2015

**Act 2015-105 (SB 255)**

**Alters/Rearranges Boundary Lines of Alexander City in Tallapoosa County**

This act alters or rearranges the boundary lines of the City of Alexander City, Tallapoosa County, Alabama, to include within the corporate limits of Alexander City all territory now within such corporate limits and also certain other territory contiguous thereto, in Alexander City, Tallapoosa County, Alabama.

*Effective Date:* May 1, 2015

**Act 2015-127 (HB 184)**

**Levies Tobacco Tax in Monroe County**

This act proposes to levy a tax on tobacco products sold or distributed in Monroe County by Constitutional Amendment, which mean taxpayer vote is required; ADOR, by county resolution, may be required to administer/distribute this tax, if the tax is allowed by law.

*Effective Date:* Contingent upon voter approval

**Act 2015-162 (HB 306)**

**Authorizes the City of Athens to Increase Ad Valorem Tax Rate**

This act authorizes the governing body of the City of Athens, in Limestone County, to increase their millage levy to a maximum of 12 mills (\$1.20 on each one hundred dollars) upon approval of a majority of the electorate.

*Effective Date:* Contingent upon voter approval

**Act 2015-174 (HB 108)**

**Alters/Rearranges Boundary Lines and Corporate Limits of Foley in Baldwin County**

This act alters or rearranges the boundary lines and corporate limits of the City of Foley, Baldwin County, Alabama.

*Effective Date:* August 1, 2015

**Act 2015-177 (HB 138)**

**Alters/Rearranges Boundary Lines and Corporate Limits of Bay Minette in Baldwin County**

This act alters or rearranges the boundary lines and corporate limits of the City of Bay Minette, Baldwin County, Alabama.

*Effective Date:* August 1, 2015

**Act 2015-181 (HB 497)**

**Additional Fee on Probate Documents in Washington County**

This act amends Section 2 of Act 95-220; provides for the assessment of an additional fee on all documents submitted for recording in the office of the judge of probate which are subject to a deed or mortgage tax in Washington County; creates the Washington County Probate Judge Fund; funds will be used by the judge of probate, at his or her sole discretion, for the operation of said office for the digitalization of records, acquiring, updating, and replacing existing technology.

*Effective Date:* May 14, 2015

**Act 2015-191 (SB 396)**

**Authorizes Jackson County to Levy Additional Sales and Use Tax**

This act authorizes the Jackson County Commission to levy an additional sales and use tax, up to one percent, subject to the outcome of voter referendum; funds from the tax levied will be paid to the Jackson County General Fund without restriction or earmark.

*Effective Date:* Contingent upon voter approval

**Act 2015-194 (SB 356)**

**Special Recording Fee and Tag Issuance Fee for Bullock County**

This act provides for a special recording fee of \$7.00 and an additional tag issuance fee of \$4.00 to be charged and collected by the Bullock County Judge of Probate; the recording fees collected for each document or instrument recorded in the office of the judge of probate will be deposited into a special account to be used by the judge of probate for office operations; the additional tag fee will be deposited in the county general fund.

*Effective Date:* August 1, 2015

**Act 2015-196 (HB 539)**

**Special Recording Fee and Tag Issuance Fee for Bullock County**

This act provides for a special recording fee of \$7.00 and an additional tag issuance fee of \$4.00 to be charged and collected by the Bullock County Judge of Probate; the recording fees collected for each document or instrument recorded in the office of the judge of probate will be deposited into a special account to be used by the judge of probate for office operations; the additional tag fee will be deposited in the county general fund.

*Effective Date:* August 1, 2015

**Act 201-202 (HB 600)**

**Increases Sales and Use Taxes and Changes Distribution of Tax Proceeds in Tuscaloosa County**

This act amends Sections 1, 3, 4 and 11 of Acts 1953, No. 56 (as amended by Act 94-535) and Act 94-554; authorizes Tuscaloosa County to levy an additional sales and use tax; creates the Tuscaloosa County Road Improvement Commission to provide oversight for the prioritization and financing of public road and bridge projects within Tuscaloosa County; county tax rate will increase by 3% in each jurisdiction; county rate will be 8% for locations outside the city limits and police jurisdictions of the cities in Tuscaloosa County.

*Effective Rate:* June 1, 2016

**Act 2015-204 (HB 146)**

**Electronic Filing of Business Personal Property Tax Returns with Mobile County Revenue Commissioner**

This act provides for the electronic filing of business personal property returns in the office of the Mobile County Revenue Commissioner; authorizes the revenue commissioner to establish procedures for filing the returns including payment of any taxes due; allows revenue commissioner to establish procedures that do not conflict with Act 2014-415; revenue commissioner will develop a certification process for third-party systems for filing business personal property tax returns.

*Effective Date:* May 26, 2015.

**Act 2015-205 (HB 349)**

**Establishes a Service of Process Fee for Houston County Sheriff's Office**

This act provides for a service of process fee of \$25.00 for service or attempted service of process on each document requiring personal service of process in Houston County; provides for the distribution of the fees; establishes the Houston County Sheriff's Law Enforcement Fund for disposition of service of process fees.

*Effective Date:* August 1, 2015

**Act 2015-219 (HB 594)**

**Grants Sixteenth Section and School Lands Located in Winston County to the Winston County Board of Education**

This act proposes a Constitutional Amendment; grants sixteenth section and school lands located in Winston County, and held in trust by the state for education purposes in the county, to the Winston County Board of Education; authorizes county board of education to manage, sell, lease and control those lands and any timber, minerals or other natural resources of the land; provides for the distribution of any proceeds and interest generated by the properties.

*Effective Date:* Contingent upon voter approval

**Act 2015-221 (HB 89)**

**Levies a Sales Tax on Spirituous or Vinous Liquors Sold in Calhoun County**

This act levies a five percent sales tax upon the retail and wholesale sale of spirituous or vinous liquors in Calhoun County by the Alcoholic Beverage Control Board and its stores; the ABC Board will withhold five percent of the tax collected under the act for costs of administration and collection up to \$2000.00 per year.

*Effective Date:* August 1, 2015

**Act 2015-226 (HB 573)**

**Authorizes Jefferson County Commission to Levy and Assess Additional Sales and Use Tax**

This act authorizes the Jefferson County Commission to levy an additional sales and use tax, not to exceed one percent; requires the simultaneous cancellation of existing sales and use taxes levied by the county under Ordinance 1769; funds from the tax levied will be directed to the county commission; creates the Jefferson County 2015 Sales Tax Fund which will be administered and maintained by the county commission; creates the Jefferson County Community Service Committee, which consists of four elected members, voted in by members of the Jefferson County Legislative Delegation; the committee and committee funds will be used to serve a public purpose within Jefferson County; the additional sales and tax will be levied only as long as any refunding school warrants are outstanding and are not fully paid; when all school warrants have been fully paid, the levy of the tax will be terminated unless extended by law.

*Effective Date:* May 27, 2015

**Act 2015-241 (SB 374)**

**Authorizes Designated City Officers or City Employees in Jefferson County to Issue Motor Vehicle Registrations**

This act clarifies legislative intent of Act 2012-196; allows designated city officers and city employees in Jefferson County to issue motor vehicle registrations; allows cities in Jefferson County to collect the same

issuance fees as provided for the county license plate issuing officials; collected fees will be retained by the city and credited to the city general fund; the cities may levy and collect an additional issuance fee, not to exceed \$5.00, which is to be deposited into the city general fund and used for the operation of the city license plate issuing official's office; the cities will also deduct and retain in the city general fund all commissions on the collection of taxes for the state and county in the same manner as the county license issuing official.

*Effective Date:* May 27, 2015. Retroactive to April 1, 2014.

**Act 2015-242 (SB 399)**

**Authorizes the Russell County Commission to Levy Additional Issuance Fee on Motor Vehicle Registrations**

This act authorizes the Russell County Commission to levy an additional issuance fee of up to \$10.00 on each motor vehicle registration in the county; individuals exempt from paying ad valorem taxes under Section 40-9-21 are exempt from the additional issuance fee; the additional issuance fee will become due at the same time the state license and registration fee becomes due pursuant to Section 32-6-61; proceeds from the fee will be deposited into the county general fund.

*Effective Date:* January 1, 2016

**Act 2015-264 (HB 367)**

**Additional One-Time Service of Process Fee in Montgomery County**

This act authorizes an additional one-time service of process fee of \$30 per document in the criminal and civil divisions of the district and circuit courts of Montgomery County; provides for distribution of funds to the circuit clerk's fund and the general fund of Montgomery County; the additional fee will not be imposed if substantial hardship is verified; the Montgomery County district attorney, law enforcement and grand juries are exempt from payment of the fee.

*Effective Date:* August 1, 2015

**Act 2015-265 (HB 383)**

**Transfers Duties, Responsibilities and Liabilities Regarding Real Estate Sales for Failure to Pay Taxes from Mobile County Judge of Probate to County Revenue Commissioner**

This act transfers all duties, responsibilities and liabilities regarding real property sales for failure to pay taxes and any subsequent redemption performed by the Mobile County Judge of Probate to the Mobile County Revenue Commissioner.

*Effective Date:* August 1, 2015

**Act 2015-269 (HB 523)**

**Authorizes the Jackson County Commission to Levy an Additional Sales and Use Tax**

This act authorizes the Jackson County Commission to levy an additional sales and use tax, up to one percent, subject to the outcome of referendum; funds from the tax levied shall be paid to the Jackson County General Fund without restriction or earmark.

*Effective Date:* Contingent upon voter approval

**Act 2015-270 (HB 535)**

**Authorizes the Cherokee County Commission to Increase Recording Fee of Judge of Probate Documents**

This act authorizes the Cherokee County Commission to increase the recording fee of all documents filed for record in the office of the judge of probate by a maximum of \$5.00 for the first page of each document; all fees collected will be paid into the county general fund.

*Effective Date:* August 1, 2015

**Act 2015-271 (HB 558)**

**Authorizes Hartselle in Morgan County to Increase Ad Valorem Tax**

This act authorizes the City of Hartselle in Morgan County, upon passage of referendum, to replace current county ad valorem tax levy set to expire September 30, 2017, with a 7.3 mill levied by the City of Hartselle to replace lost revenues when the county levy expires.

*Effective Date:* Contingent upon voter approval

**Act 2015-272 (HB 607)**

**Authorizes Covington County to Increase Lodgings Tax Levy**

This act authorizes Covington County to increase the local lodgings tax levy from 4% to 7% of the charge for rooms, lodgings or accommodations, including the charge for use of rental or personal property and services furnished in the room or rooms.

*Effective Date:* August 1, 2015

**Act 2015-274 (HB 616)**

**Levy and Distribution of Proceeds of Waste Disposal Fees in Sumter County**

This act amends Sections 2 and 4 of Act 83-480; provides for the levy of a fee to be paid by each operator of a commercial site for the disposal of hazardous waste in Sumter County of \$3.50 per ton; provides for the distributions of the proceeds; repeals conflicting local laws, including specifically Act 90-612, as amended by Act 94-700.

*Effective Date:* August 1, 2015

**Act 2015-287 (SB 439)**

**Provides for the Use of Land Owned or Controlled as a Park by Cullman County and the Collection and Disposition of Certain Fees Associated with the Park**

This act provides for the use of land owned or controlled as a park by Cullman County and the collection and disposition of certain fees associated with the park; the Cullman County Commission is authorized to conduct events requiring the collection of fees and disbursements to the winners of the events; the commission will establish and maintain a Cullman County Park Event Disbursement Fund; the commission will keep an account of all fees collected and disbursements for audit.

*Effective Date:* June 2, 2015

**Act 2015-310 (SB 198)**

**Creates the Hale County Sheriff Service of Process Serving Fund**

This act creates the Hale County Sheriff Service of Process Serving Fund; provides for service of process in the county; provides that the sheriff may contract with or enter into agreement with a private, public or governmental entity for the purpose of service of process; sets the fee for civil or criminal documents with certain exceptions; provides for disposition of funds.

*Effective Date:* September 1, 2015

**Act 2015-324 (SB 447)**

**Revises Distribution of Etowah County Sales and Use Tax**

This act amends Section 45-28-244.01; revises the distribution of the county sales and use tax in Etowah County; eliminates certain distributions to the Etowah County Rescue Squad and Attalla Rescue Squad; reduces amounts distributed to Gadsden State Community College, the Etowah County Fund, the Etowah County Community Development Committee, the Etowah County Library Committee and the county Volunteer Fire Departments; provides for distributions to the Etowah County Drug Enforcement Task Force, the District Attorney's Office, the Sheriff's Department and the Etowah County Sports Authority.

*Effective Date:* June 3, 2015

**Act 2015-326 (SB 460)**

**Alters/Rearranges Boundary Lines of Section in Jackson County**

This act alters or rearranges the boundary lines and corporate limits of the municipality of Section, Jackson County, Alabama.

*Effective Date:* September 1, 2015

**Act 2015-332 (HB 512)**

**Alters/Rearranges Boundary Lines and Corporate Limits of Jacksonville in Calhoun County**

This act alters or rearranges the boundary lines and corporate limits of the City of Jacksonville, Calhoun County, Alabama; subsection (a) of this act is be operative until 90 days after the effective date of this act; during the 90-day period, the owner or owners of property that is included in the description in subsection (a) to be annexed may request in writing to the city clerk to be excluded from the annexation if the property is classified for ad valorem tax purposes as Class III property and not in a platted subdivision.

*Effective Date:* September 1, 2015. Subsection (a) of this act is not operative until November 29, 2015 (90 days after the effective date of September 1, 2015).

**Act 2015-333 (HB 557)**

**Additional Fire Protection Service Fee in Cleburne County**

This act provides for an additional fire protection service fee on certain owners of dwellings, commercial buildings, and agricultural buildings in Cleburne County; fees will be collected by the county revenue commissioner at the same time as ad valorem taxes; the fee will be in addition to the 2 mill property tax currently levied and collected for fire protection in Cleburne County; adds additional responsibilities to the county revenue commissioner.

*Effective Date:* June 3, 2015

**Act 2015-334 (HB 566)**

**Authorizes Russell County Commission to Levy Additional Issuance Fee on Motor Vehicle Registrations**

This act authorizes the Russell County Commission to levy an additional annual issuance fee of up to \$1.00 on motor vehicle registrations; persons exempt from paying ad valorem under Section 40-9-21 are exempt from the annual issuance fee; issuance fee is due at the same time the state license and registration fee becomes due pursuant to section 32-6-61; provides for distribution of proceeds.

*Effective Date:* January 1, 2016

**Act 2015-337 (HB 637)**

**Alters/Rearranges Boundary Lines of Section in Jackson County**

This act alters or rearranges the boundary lines and corporate limits of the municipality of Section, Jackson County, Alabama.

*Effective Date:* September 1, 2015

**Act 2015-310 (SB 198)**

**Creates the Hale County Sheriff Service of Process Serving Fund**

This act creates the Hale County Sheriff Service of Process Serving Fund; provides for service of process in the county; provides that the sheriff may contract with or enter into agreement with a private, public or governmental entity for the purpose of service of process; sets the fee for civil or criminal documents with certain exceptions; provides for disposition of funds.

*Effective Date:* September 1, 2015

**Act 2015-326 (SB 460)**

**Alters/Rearranges Boundary Lines and Corporate Limits of Section in Jackson County**

This act alters or rearranges the boundary lines and corporate limits of the municipality of Section, Jackson County, Alabama.

*Effective Date:* September 1, 2015

**Act 2015-346 (HB 658)**

**Creates the Etowah County Mega Sports Complex Authority**

This act creates the Etowah County Mega Sports Complex Authority; the authority will evaluate the development of a sports complex for Etowah County, and upon the authority's approval, initiate the development and management of a public mega sports complex in the county; authorizes distribution of T.V.A. in-lieu-of-taxes payments that the county keeps, after dispersing funds to the municipalities, to be used for financing and operating the complex.

*Effective Date:* June 5, 2015

**Act 2015-354 (HB 670)**

**Authorizes Barbour County Commission to Levy Additional Ad Valorem Tax**

This act authorizes the Barbour County Commission to levy an additional 2 mills of ad valorem tax on the assessed value of taxable property in the county; provides for a referendum.

*Effective Date:* Contingent upon voter approval

**Act 2015-371 (HB 511)**

**Transfers All Duties, Responsibilities and Liabilities Regarding Real Estate Sales for Failure to Pay Taxes to Chilton County Revenue Commissioner**

This act provides for the transfer of all duties, responsibilities and liabilities regarding real estate sales for failure to pay taxes and subsequent redemptions from the judge of probate to the revenue commissioner in Chilton County.

*Effective Date:* Immediately following the Chilton County Revenue Commissioner taking office in October 2015

**Act 2015-384 (SB 310)**

**Exempts Birmingham Zoo, Inc., from Sales and Use Taxes**

This act amends Section 40-23-5: exempts The Birmingham Zoo, Inc. from paying state, county and municipal sales and use taxes; exemption is limited to only sales and use taxes associated with any and all capital expenditures; requires the zoo to collect and remit all other taxes to the appropriate taxing authorities; requires the zoo to file an annual report with the Department of Revenue on the sales for which the exemption is granted; exemption provided pursuant to subsections(s) of Section 40-23-5 will no longer be available four years after the effective date of this act.

*Effective Date:* September 1, 2015

**Act 2015-388 (SB 485)**

**Transfers All Duties, Responsibilities and Liabilities of Motor Vehicle Ad Valorem Taxes to Bullock County Revenue Commissioner**

This act provides for the transfer of all duties, responsibilities and liabilities of motor vehicle ad valorem tax assessment and collection from the revenue commissioner to the judge of probate in Bullock County; provides for the transfer of all duties, responsibilities and liabilities regarding real estate sales for failure to pay taxes and any subsequent redemptions from the county judge of probate to the county revenue commissioner.

*Effective Date:* June 5, 2015

**Act 2015-389 (SB 488)**

**Authorizes Barbour County Commission to Levy Additional Ad Valorem Tax**

This act authorizes the Barbour County Commission to levy an additional 2 mills of ad valorem tax on the assessed value of taxable property in the county; provides for a referendum.

*Effective Date:* Contingent upon voter approval

**Act 2015-412 (HB 631)**

**Distribution of Sales and Use Tax Proceeds in Etowah County**

This act amends Section 45-28-244.01; updates the distribution of the proceeds of county sales and use tax in Etowah County; adds CED Mental Health Center, Etowah County Mega Sports Complex Authority, Etowah County Drug Enforcement Task Force, Etowah County District Attorney and the Etowah County Sheriff's Department to the distribution list; reduces distributions to Gadsden State Community College, Etowah County Fund, Etowah County Community Development Committee and Etowah County Library Committee.

*Effective Date:* June 9, 2015

**Act 2015-413 (HB 635)**

**Alters/Rearranges Boundary Lines and Corporate Limits of Lincoln in Talladega County**

This act alters or rearranges the boundary lines and corporate limits of the City of Lincoln, Talladega County, Alabama, to remove certain property from the corporate limits of the city.

*Effective Date:* June 9, 2015

**Act 2015-414 (HB 672)**

**Authorizes Macon County Commission to Levy Excise Tax on Sales and Withdrawals of Gasoline and Motor Fuel Products**

This act authorizes the Macon County Commission to levy an excise tax on sales and withdrawals of gasoline and motor fuel products in the county in an amount not to exceed two cents per gallon; provides for a specific tax exemption for any company or retailer of fuel products located or under construction in Macon County that has entered into a form project agreement with a local government of Macon County in the past 24 months; the exemption is for a period of not less than 24 months; within 30 days after tax has been imposed, every distributor, retail dealer or storer will furnish a report to the county commission showing the place and post office address at which the distributor, retailer dealer or storer is engaged in business; failure to file reports and pay tax will result in a Class C misdemeanor upon conviction; requires that an agent of any railroad company, bus or truck operator, or other transportation company or agency operating in Macon County will report to the county commission on the 15th of January, April, July and October of each year all shipments of gasoline or motor fuel handled and delivered in the county; county commission may, by resolution, request the Department of Revenue to administrate and collect the tax levied; one-half of the proceeds will be paid into the road and bridge fund in the county treasury and the remaining one-half of the proceeds will be distributed to the Macon County Economic Development Authority.

*Effective Date:* June 9, 2015

**Act 2015-417 (HB 676)**

**Updates Distribution of Privilege License Tax in Baldwin County**

This act amends Section 45-2-244.183; updates the distribution of the privilege license tax in Baldwin County; increases distribution of proceeds to the Baldwin County Legislative Office; reduces distribution to the Historic Blakeley Authority; establishes the Baldwin County Community Capital Fund and provides for the fund's distribution of proceeds.

*Effective Date:* October 1, 2015

**Act 2015-420 (HB 687)**

**Alters/Rearranges Boundary Lines and Corporate Limits of Spanish Fort in Baldwin County**

This act alters or rearranges the boundary lines and corporate limits of the City of Spanish Fort, Baldwin County, Alabama, to include within the corporate limits of the city all territory now within the corporate limits and certain other territory contiguous thereto; provides for referendum.

*Effective Date:* Contingent upon voter approval



**Act 2015-421 (HB 691)**

**Levies a Lodging Tax in Pike County**

This act levies a transient occupancy tax in Pike County equal to four percent on the charge of rooms, lodgings or accommodations; requires the tax to be due and payable to the Department of Revenue; provides for exemptions and distribution of proceeds from the tax.

*Effective Date:* September 1, 2015

**Act 2015-449 (SB 486)**

**Authorizes Macon County Commission to Levy Excise Tax on Sales and Withdrawals of Gasoline and Motor Fuel Products in the County**

This act authorizes the Macon County Commission to levy an excise tax on sales and withdrawals of gasoline and motor fuel products in the county, in an amount not to exceed two cents per gallon; provides for a specific tax exemption for any company or retailer of fuel products located or under construction in the county that has entered into a form project agreement with a local government of the county in the past 24 months; this exemption would be for a period of not less than 24 months; an additional exemption is granted for any form of fuel such as propane gas that is sold for lighting, heating or industrial use; within 30 days after tax has been imposed, every distributor, retail dealer, or storer shall furnish a report to the county commission showing the place and post office address at which the distributor, retailer dealer, or storer is engaged in business; failure to file reports and pay tax shall result in a Class C misdemeanor upon conviction; requires that an agent of any railroad company, bus or truck operator, or other transportation company or agency operating in the county will report to the county commission on the 15th of January, April, July and October of each year all shipments of gasoline or motor fuel handled and delivered in the county; the county commission may, by resolution, request the Department of Revenue to administrate and collect the tax levied.

*Effective Date:* June 9, 2015

## **General Revenue Related Acts 2015 First Special Session**

### **Act 2015-502 (HB 18)**

#### **Automated Sales Suppression Device or Phantom-Ware Now a Class C Felony**

This act amends Section 40-29-119; adds Section 40-19-121; makes the possession or use of an automated sales suppression device, or phantom-ware, a Class C felony; punished by a fine of not more than \$100,000, or \$500,000 in the case of a corporation; the person is also liable for all lost revenue due the state and any locality; illegal activity includes knowingly selling, purchasing, installing, transferring or being in possession of any automated sales suppression device or phantom-ware within the State of Alabama.

*Effective Date:* August 11, 2015

### **Act 2015-503 (HB 25)**

#### **Removes Existing Sales Tax Exemption from Certain Motor Vehicles**

This act amends Section 40-23-2; provides the sale of automobiles, motorcycles, trucks, truck trailers and semi-trailers exempt from the 72-hour drive-out provision are subject to Alabama automotive sales tax unless the state in which the purchaser will title or register the vehicle allows an Alabama resident to purchase a motor vehicle for first titling and registration in Alabama without the payment of tax to that state; provides for the exclusion of vehicle campers and motor homes from the drive-out provision; excludes the collection of county and municipal sales tax on those transactions where the state sales tax is due on certain purchases of automotive vehicles to be registered or titled outside of Alabama in a state which does not allow an Alabama resident to purchase a vehicle without payment of tax to that state when it will be removed and titled in Alabama; requires that beginning on January 1, 2016, and each January 1 thereafter, the Department of Revenue will publish, on the Departmental website, a list of those states that do not allow drive-out provisions to Alabama residents; the Alabama seller of the automotive vehicles will be relieved of the sales tax liability if they rely on Revenue's listing of reciprocal states published on the Departmental website and the information published is incorrect.

*Effective Date:* January 1, 2016

### **Act 2015-504 (HB 42)**

#### **Creates the Alabama Taxpayer and Fraud Prevention Act**

This act creates the Alabama Taxpayer and Fraud Prevention Act; amends Section 40-18-73; repeals the total withholding exemption; requires all employers to withhold taxes on all wages paid to employees; individual employees will file an individual income tax return with the Department of Revenue and can claim a refund if the taxpayer is entitled; Revenue may provide downloadable withholding forms in English and other languages on the Departmental website.

*Effective Date:* September 1, 2015

### **Act 2015-505 (HB 49)**

#### **Establishes a Factor Presence Nexus Standard for Business Activity for Income Tax Purposes**

This act adds a new Section 40-18-31.2; establishes minimum factor presence nexus standard for nonresident individuals and business entities organized outside of the state; substantial nexus is established if any of the following thresholds are exceeded during the tax period: 1) \$50,000 for property, 2) \$50,000 for payroll, 3) \$500,000 for sales or 4) 25% of total property, total payroll or total sales; taxpayers whose business activities in Alabama do not exceed the defined/set minimum thresholds will not be required to file returns or pay the related business privilege tax, income tax and financial institution excise tax.

*Effective Date:* August 11, 2015. For tax years beginning after December 31, 2014.

**Act 2015-506 (SB 23)**

**Removes License Plate Restrictions from National Guard Plates and Provides for the Acceptance of Electronic Evidence of Insurance**

This act amends sections 31-2-12, 32-6-110, 40-12-244, and 32-7A-6; adds Section 32-7A-26; removes the restriction that the registration fee exemption for active and retired members of the Alabama National Guard or the Alabama State Guard must be applied to the distinctive National Guard plate; updates the law to include that the evidence of insurance may be provided either tangibly or in an electronic format with acceptable electronic formats such as those displayed as electronic images on a cellular phone or other electronic device; confirms that the use of a cellular phone or other electronic device to display evidence of insurance does not constitute consent to access any other contents on the electronic device by law enforcement or other governmental employees; provides that any law enforcement or governmental employee presented with an electronic device pursuant to insurance verification is immune from any liability resulting in damage to the electronic device; grants the Department of Revenue the authority to promulgate rules regarding electronic notices (i.e. insurance questionnaires, notices of suspension, reinstatement notices, etc.), allowing the department to send electronic notices, instead of paper notices, to the registrant; clarifies that the liability insurance policy must be an Alabama policy in order to be considered compliant with Alabama law.

*Effective Date:* August 11, 2015

**Act 2015-527 (SB 46)**

**Provides for the Review by the Lieutenant Governor of Rules Disapproved by the Joint Committee on Administrative Regulation Review**

This act amends Section 41-22-23, as amended by Act 2015-291; amends Section 4 of Act 2015-291 to specify that the Act will be prospective in operation to rulemaking commenced on or after October 1, 2015; provides for the review by the Lieutenant Governor of rules disapproved by the Joint Committee on Administrative Regulation Review under certain conditions; specifies that an agency may appeal the disapproval of a rule to the Lieutenant Governor with 15 days of the disapproval and the Lieutenant Governor will have an additional 15 days to review the disapproved rule; the appeal must be in the format of a written letter; the Office of the Lieutenant Governor will stamp the written appeal to denote the date the appeal was received; specifies that if the Office of the Lieutenant Governor is vacant, the rule would be suspended until adjournment of the next regular legislative session and would be reinstated at the time unless the Legislature sustains the disapproval by Joint Resolution; provides that the act will apply prospectively to rulemaking commenced by an agency by the filing of a Notice of Intent pursuant to Section 41-22-5 on or after October 1, 2015.

*Effective Date:* October 1, 2015

**Act 2015-534 (SB 24)**

**Requires Applicable Entities Exempt from Sales, Use and Lodgings Taxes to Obtain an Annual Certificate of Exemption**

This act requires all persons or companies, including but not limited to those cited in Title 40, Chapter 9, other than governmental entities, which have a statutory exemption from the payment of sales, use and lodgings tax to annually obtain a certificate of exemption from the Department of Revenue; certificates of exemption shall be valid for one year from the date of issuance and will be renewed each year; this act applies only to entities that have been granted a general exemption from sales, use or lodgings tax; the purchase of tangible personal property that is exempt from sales or use tax does not trigger the requirements of the act; exempt entities include public corporations under the provisions of Chapter 50 of Title 11 (Public Utilities), Chapter 50A of Title 11 (Municipal Electric Authorities), Chapter 5 of Title 37 (Power Districts) and Chapter 7 of Title 39 (Improvement Authorities); any person or company that fails to renew a certificate will no longer be allowed to make tax-exempt purchases or rent tax-exempt accommodations; allows Revenue to assess persons or companies with state and local sales, use or lodgings tax for any transaction conducted with a certificate not properly accounted for and reported or renewed; allows for penalties to be assessed for non-compliance; provides that based on the person or company's willful misuse of the exemption, they may be barred from using the exemption for up to two years; any person or company who does not comply with reporting requirements

will be subject to the following: 1) for the first offense, the entity will be barred from use of the exemption for six months, 2) for the second offense, the entity will be barred from use of the exemption for one year and, 3) for the third offense, the entity will be barred from use of the exemption until the person or company is authorized by joint resolution by the Alabama legislature; the reporting requirements and renewal shall be operative for all exempt persons or companies on January 1, 2016.

*Effective Date:* August 19, 2015. Reporting requirements and renewal of exemptions will be operative for all exempt entities on January 1, 2016.

## **Local Revenue Related Acts 2015 First Special Session**

### **Act 2015-507 (SB 18)**

#### **Alters, Rearranges and Extends the Boundary Lines and Corporate Limits of Lincoln in Talladega County**

This act alters, rearranges and extends the boundary lines and corporate limits of the City of Lincoln in Talladega County; provides for the police jurisdiction of the city.

*Effective Date:* August 11, 2015

### **Act 2015-513 (HB 03)**

#### **Allows Franklin County to Establish Fire Districts**

This act provides that the existing volunteer fire districts in Franklin County and the City of Russellville constitute districts for the purpose of preventing fires and for fire protection; provides for the manner in which a new district may be formed and authorizes a referendum in each fire district to provide funding for the district through a fire protection service fee on each occupied residence, dwelling, or business; provides for certain exemptions for the service fee and the collection and distribution of the funds derived from the service fee.

*Effective Date:* Contingent upon voter approval

### **Act 2015-514 (HB 11)**

#### **Alters, Rearranges and Extends the Corporate Limits of Jacksonville in Calhoun County**

This act amends Act 2015-332; alters, rearranges and extends the corporate limits of the City of Jacksonville in Calhoun County; corrects and restates the description of the corporate limits to make technical corrections.

*Effective Date:* November 29, 2015. Subsection (a) will not be operative until 90 days after September 1, 2015.

### **Act 2015-515 (HB 14)**

#### **Provides for the Distribution of Any Sales Tax Revenue Accruing from the Collection of Taxes at Shooting Ranges in Unincorporated Areas of Talladega County**

This act amends Act 91-533, as amended by Act 2000-758; all revenue accruing from the collection of taxes at any shooting range in the unincorporated area of Talladega County will be earmarked in a special account in the Talladega County Special Tax Fund and used solely for the resurfacing of county roads in the unincorporated areas of the county.

*Effective Date:* August 14, 2015

### **Act 2015-523 (SB 11)**

#### **Allows Russell County to Levy a Fire Protection Service Fee**

This act allows Russell County to levy a fire protection service fee on certain owners of residences (\$50 annually) and commercial buildings (\$100 annually) outside the corporate limits of the City of Phenix City; provides for the collection, accounting and uses of funds derived from the fee; provides for the distribution of the funds to eligible volunteer fire departments and to the Russell County Firefighters Association; provides for treatment of funds upon dissolution or abandonment of an eligible volunteer fire department; provides that Russell County will be immune from certain liability; provides for a referendum.

*Effective Date:* Contingent upon voter approval

**Act 2015-524 (SB 17)**

**Alters, Rearranges and Extends the Corporate Limits of Jacksonville in Calhoun County**

This act amends Act 2015-332; alters, rearranges and extends the corporate limits of the City of Jacksonville in Calhoun County; corrects and restates the description of the corporate limits to make technical corrections.

*Effective Date:* November 29, 2015. Subsection (a) will not be operative until 90 days after September 1, 2015.

**Act 2015-530 (SB 50)**

**Alters, Rearranges and Extends the Corporate Limits of Homewood in Jefferson County**

This act alters, rearranges and extends the corporate limits of the municipality of the City of Homewood in Jefferson County.

*Effective Date:* November 1, 2015

## **General Revenue Related Acts 2015 Second Special Session**

### **Act 2015-535 (HB 03)**

#### **Increases Tax on Cigarettes**

This act amends Sections 40-23-1, 40-23-35, 40-25-2 and 40-25-5; increases the tax on cigarettes to \$0.675 per pack of 20 cigarettes; decreases the tobacco tax stamp discount to 4.75%; changes the distribution of sales tax on consumable vapor products; imposes a floor-stock tax; requires wholesalers of tobacco products to stamp cigarettes and collect tobacco tax when those products are sold to a reservation tobacco vendor in Alabama; provides for the refund of tobacco taxes paid by tribal members on purchases of cigarettes and other tobacco products purchased within the boundaries of a federally-recognized Indian reservation; notwithstanding any other provision of Chapter 25, Title 40, all revenue received from the increased cigarette tax will be deposited into the State General Fund for the Medicaid Program.

*Effective Date:* October 1, 2015

### **Act 2015-536 (HB 12)**

#### **Adds Secondary Supplemental Assessment to the Privilege Assessment on Nursing Facilities for Fiscal Years 2016 and 2017**

This act amends Section 40-26B-21; adds a secondary supplemental assessment on each bed in a nursing facility for fiscal years 2016 and 2017; contingent upon a minimum General Fund appropriation to the Medicaid program in the 2016 fiscal year of \$685,000,000.00; for the period October 1, 2015 through August 31, 2017, an additional tax of \$401.28 annually per bed will be imposed.

*Effective Date:* October 1, 2015

### **Act 2015-537 (HB 08)**

#### **Supplemental Privilege Tax of 15 Cents for Each Prescription Filled or Refilled during Fiscal Years 2016 and 2017**

This act levies a supplemental privilege tax rate of 15 cents (\$0.15) on each prescription filled or refilled for Alabama citizens during the 2016 and 2017 fiscal years; the supplemental tax takes effect on September 1, 2015; the supplemental privilege tax will cease to be collected on or before September 30, 2017, unless enabling legislation for its continuance is enacted by the Legislature.

*Effective Date:* September 1, 2015

### **Act 2015-538 (HB 29)**

#### **Annual Appropriation Cap for Education Trust fund Rolling Reserve Act to Include PACT**

This act amends Sections 29-9-3, 29-9-4, 29-9-5 and 29-9-6; the calculation of the annual appropriation cap for the Education Trust Fund Rolling Reserve Act will include payments to the Prepaid Affordable College tuition (PACT) Trust Fund; any new recurring revenue measures and any changes in the distribution of Education recurring revenues enacted during the First or Second Special Sessions of 2015 will not require any addition or reduction in the fiscal year appropriation cap for the fiscal year ending September 30, 2016; provides for the use of revenues from the Education Trust Fund Budget Stabilization Fund and the Education Trust Fund Advancement and Technology Fund.

*Effective Date:* September 17, 2015

### **Act 2015-539 (HB 30)**

#### **Changes to the Distribution of Use Tax Funds**

This act amends Section 40-23-85; changes the distribution percentage of use tax; after the distribution of automotive use tax levied in 40-23-61(c) and after the distribution of remote use tax, any remaining amounts of

use tax will be split between the Education Trust Fund (47%) and the General Fund (53%); an amount sufficient to fund the Children's Health Insurance Program shall be distributed annually as a first charge against the amounts allocated to the General Fund.

*Effective Date:* Contingent upon the enactment of House Bill 29 of the 2015 Second Special Session, which was enacted as Act 2015-538 with an effective date of September 17, 2015.

**Act 2015-540 (HB 01)**  
**General Fund FY 2016**

This act makes appropriations for the ordinary expenses of the executive, legislative and judicial agencies of the State, for other functions of government, for debt service, and for capital outlay for the fiscal year ending September 30, 2016.

*Effective Date:* October 1, 2015

**Act 2015-551 (HB 20)**

**Sales Tax Exemption for Motor Vehicles Exported or Removed From This State**

This act amends Section 40-23-2; clarifies that, for sales of motor vehicles that will be registered or titled outside of Alabama, that are exported within 72 hours by the purchaser for first-time use outside Alabama, in no case will the amount of Alabama sales tax due exceed the amount that would be paid in the state where the vehicle is first registered or titled.

*Effective Date:* January 1, 2016

**Act 2015-553 (HB 37)**

**Autocycles Defined; Regular Driver's License Required**

This act adds Chapter 6A to Title 32; provides for the definition of an autocycle; it is defined as a motor vehicle that is designed to travel with three wheels on the ground, equipped with a steering wheel, equipped with seating that does not require the operator to straddle or sit astride the seat, and is manufactured and certified to comply with federal safety requirements for a motorcycle; requires that the operator of an autocycle be subject to the seat belt laws when operating the vehicle, and requires the autocycle to be licensed and registered in the same manner as a motorcycle for the purposes of Title 32 and Title 40; stipulates that operators 17 years of age or younger are subject to the operating hours, exceptions, and suspensions of Section 32-6-7.2.

*Effective Date:* September 21, 2015

**Act 2015-555 (SB 20)**

**Provides an Amnesty Program for All Taxes Administered by the Department of Revenue, Except Motor Fuel Taxes**

This act provides for an amnesty program to be implemented by Department of Revenue for at least two months during 2016, occurring before August 31, 2016; the amnesty program will apply to all taxes administered by the Department of Revenue, except the motor fuel taxes; the amnesty program will be available to eligible taxpayers; eligible taxpayers include those who have not been contacted by the Department regarding the tax types included in the amnesty application; ineligible taxpayers are those who have been contacted, who are parties to any criminal investigation or criminal litigations in any court of the United States or the State of Alabama; a 3 year look-back period will apply to tax types qualifying for the amnesty program; the look-back period is defined as the last 3 full years of delinquent returns; tax periods eligible for amnesty include: (1) Taxes due prior to January 1, 2015; or (2) Taxes for taxable periods that began before January 1, 2015; if amnesty application is approved, all penalties and ½ of interest will be waived; participation in the amnesty program shall be conditioned upon the agreement of the taxpayer that the right to protest or initiate an administrative or judicial proceeding is barred; the agreement shall only apply to the specific tax and the tax period for which amnesty is granted; no interest shall be paid on refunds for those amounts previously collected by the department from the taxpayer for a tax period for which amnesty is granted; for taxable periods beginning on or after January 1, 2016, and before December 31, 2023, taxpayers that participate in the amnesty and later fail to



comply with any payment or filing provisions administered by the Department will be subject to the negligence penalty.

*Effective Date:* September 21, 2015. The amnesty program to be implemented by the Department of Revenue will occur for at least two months during 2016, occurring before August 31, 2016

**Act 2015-556 (SB 13)**

**Removes Deferral of Ad Valorem Taxes on New Motor Vehicles Registered for First Time with Manufacturer's Certificate of Origin**

This act amends Section 40-12-253; removes deferral of ad valorem taxes on a new motor vehicle registered for the first time with a manufacturer's certificate of origin where the motor vehicle meets the definition of Class IV property.

*Effective Date:* January 1, 2016

## **Local Revenue Related Acts 2015 Second Special Session**

### **Act 2015-554 (HB 43)**

#### **Authorizes Lawrence County Commission to Levy a Sales & Use Tax Outside Corporate Limits**

This act proposes to allow Lawrence County to levy additional sales tax rates in the unincorporated areas of the county and in the police jurisdictions of Moulton, Town Creek, North Courtland, and Hillsboro in amounts such that the total sales tax rate in those areas would be the same as the rates in the incorporated areas of the county, 9%; the levy would be effective on the first day of the third month following an election receiving a majority of favorable votes by qualified electors in the county.

*Effective Date:* Contingent upon voter approval