

Alabama Department of Revenue

General Summary of State Taxes

**2011**



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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. The taxes are outlined with the statutory or constitutional authority, basis, rate, exemption, payment, distribution, and changes through the 2011 session of the Alabama Legislature. This information is contained in Parts Two and Three of this publication.

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 address and phone number information.

## 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 print copies of letters and their tax returns. Taxpayer’s can access “My Alabama Taxes - MAT” by clicking on the logo for “My Alabama Taxes - MAT” on the home page of the department’s website.

### Income Tax Refund Inquiry

Taxpayers may call the department’s automated Income Tax Refund Hot Line to inquire about the status of their refund. The number is 1-800-558-3912. Make sure to have a copy of your tax return at hand for reference.

Taxpayers may also check the status of their refund by going to our website and clicking on the “Where’s My Refund?” tab. The department's web site address is [www.revenue.alabama.gov](http://www.revenue.alabama.gov).

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**

It shall be the duty of the Department of Revenue, and it shall have the power and authority, in addition to the authority now in it vested by law:

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.

# Office of the Commissioner of Revenue

## Commissioner of Revenue

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 \$8 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 of Revenue

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 Commissioner of Revenue

The Deputy Commissioner of Revenue is an appointed position and holds office according to the provisions of the state Merit System as provided by Chapter 26 of Title 36, Code of Alabama, 1975.

The Deputy Commissioner of Revenue's role includes 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.

## Duties of Secretary

Statutory duties of the secretary have been assigned to the Deputy Commissioner of Revenue.

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.

## Tax Policy Administrator

This position serves as the Department's primary source for the determination and coordination of major tax policy issues.

## 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 of Revenue**

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

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

#### **Assistant Commissioner**

Cynthia Underwood  
Rm. 4112  
Gordon Persons Bldg.  
334-242-1175

#### **Deputy Commissioner**

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

#### **Legal Division**

Ron Bowden, Chief Counsel  
Rm. 3114, GPB  
334-242-9690

#### **Tax Policy and Research**

Curtis Stewart  
Rm. 4131, GPB  
334-242-1380

#### **Taxpayer Advocate**

Brenda Russ  
Rm. 4118, GPB  
334-242-1055

## **Divisions**

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

Third Floor of the Gordon Persons Building

**Business Privilege Licenses, (Automotive Dismantlers and Parts Recyclers, Motor Vehicle Dealers, Reconditioners, Rebuilders, Wholesalers License), Severance Taxes, (Oil and Gas, Forest Products, Coal, Alabama Uniform Natural Minerals, Local Solid Minerals and Iron Ore), Tobacco Taxes (State and County), Escrow & Complimentary Legislation Provisions relating to the tobacco Master Settlement Agreement, Playing Cards Tax, 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 Motor Fuels Taxes, Lubricating Oil Tax, Aviation Fuels Tax, Wholesale Oil License Fee, Motor Carrier Mileage Tax, Scrap Tire Environmental Fee, and County Fuel Taxes**

Room 3311

Gordon Persons Bldg.

334-242-9600

### **Collection Services Division - Voncile Catledge, Director**

Third Floor of the Gordon Persons Building

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

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

### **Economic Development - Joe Garrett, Tax Policy Administrator**

Rm. 4112

Gordon Persons Bldg.

334-242-1175

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

Rm. 4102

Gordon Persons Bldg.

334-242-1670

### **Information Technology Division - Ken Ball, Director**

Rm. 1115

Gordon Persons Bldg.

334-242-8500

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

Fourth Floor of the Gordon Persons Building

Room 4212, GPB, 334-242-1000

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

Anne Winborne, Assistant Director, Room 4212, 334-242-1000

### **Investigations Division - Charles E. Crumbley, Director**

1021 Madison Ave

334-242-3012

**Motor Vehicle Division - Brenda Coone, Director**

First Floor of the Gordon Persons Building

**Titles, Motor Vehicle Registration, Mandatory Liability Insurance, International Fuel Tax Agreement,  
International Registration Plan**

Rm. 1216, GPB, 334-242-9000

Mike Gamble, Assistant Director, Rm. 1216, 334-242-9008

**Processing Division - Anne Glenn, Director**

Don Graham, Assistant Director

Rm. 1101

Gordon Persons Bldg.

334-242-2017

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

Fourth Floor of the Gordon Persons Building

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

Hartley McLaney, Assistant Director, Rm. 4126, 334-242-1525

**Sales and Use Tax Division - Joe Walls, Director**

Third and Fourth Floors of the Gordon Persons Building

**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, Nursing Facilities  
Tax, Pharmaceutical Providers Tax, Dry Cleaning Environmental Response Trust Fund Fee**

Dan Bass, Assistant Director, Sales and Use Tax, Rm. 4303, 334-242-1575

# Taxpayer Service Centers

## PHYSICAL ADDRESSES - DO NOT USE THESE 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**

1021 Madison Avenue  
Montgomery, AL 36104  
Phone -- (334) 242-2677

### **MUSCLE SHOALS Service Center**

874 Reservation Road  
Muscle Shoals, AL 35662  
Phone -- (256) 383-4631

### **TUSCALOOSA Service Center**

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

## MAILING ADDRESSES

**AUBURN/OPELIKA Service Center**  
PO Box 2929  
Auburn, AL 36831-2929

**JEFFERSON/SHELBY Service Center**  
PO Box 1927  
Pelham, AL 35124-5927

**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 Uniform Severance 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.

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 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 1.

### **Distribution**

General Fund

## ***Aviation Fuel Tax***

### **Authority**

Section 40-17-31(d), Code of Alabama 1975.

### **Basis**

Fuel used to propel powered aircraft.

### **Rate**

Aviation gasoline \$.03 per gallon

Jet fuel \$.01 per gallon

The commissioner of revenue adjusts rates annually in increments of \$.003 per gallon for reciprocating fuel and \$.001 per gallon for jet fuel to maintain net collections at \$600,000 annually.

### **Payment**

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

### **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 at the courthouse in the county in which the business, profession, or occupation is conducted.

### **Other**

Businesses, vocations, and occupations may also be subject to municipal licensing requirements which vary from city to city. 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. (**NOTE:** Expired as of 10/01/2011)

\$.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. (**NOTE:** Expired as of 10/01/2011)

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.

Monies remaining after payment of servicing the State Dock’s bonds, or any anticipated deficiencies in operating the docks for the current fiscal year, shall be distributed as follows:

- \$300,000 Alabama Mining Academy
  - \$500,000 Jefferson County General Fund
  - \$500,000 Tuscaloosa County General Fund
  - \$200,000 Walker County Economic and Industrial Development Authority
- In addition:
- \$100,000 Community Development Foundation, Inc.
  - \$100,000 Marion County Community Development Association, Inc.
  - \$100,000 West Alabama Development Association of Fayette County
  - \$100,000 Jackson County Economic Development Association

\$100,000 West Alabama Economic Development Association

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-6, 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. 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 Motor Fuel Taxes***

**Authority**

Sections 40-12-190 through 40-12-206; 40-17-1 through 40-17-22; 40-17-30 through 40-17-82; 40-17-220 through 40-17-225, 40-17-240; and 40-17-250; 40-17-290; and 40-17-291; Code of Alabama 1975.

**Basis**

Sale, consumption, distribution, storing, or withdrawing from storage gasoline or motor fuel.

**Rate**

Gasoline:	\$ .12 per gal.	Sec. 40-17-31
	<u>\$.04 per gal.</u>	Sec. 40-17-220
	\$ .16 per gal.	Total

Motor Fuel:	\$ .13 per gal.	Sec. 40-17-2
(Diesel)	<u>\$.06 per gal.</u>	Sec. 40-17-220
	\$ .19 per gal.	Total

**Exemption**

Section 40-17-240 exempts all Class I municipalities (Birmingham) from the payment of any oil, gasoline, or diesel fuel taxes.

In addition, Section 40-17-250 exempts all Class II (Mobile) municipalities from the payment of any oil, gasoline, or diesel fuel taxes. Mobile is the only qualifying Class II municipality.

Dyed motor fuel (diesel) is specifically exempt from the motor fuel levy.

The ultimate purchaser of gasoline and motor fuel used for certain on-farm purposes and for transporting biomass to be used in the generation of electricity shall be entitled to receive a refund of \$.11 per gallon for the state gasoline and motor fuel taxes paid. The refund for transporting biomass is limited to \$1,000 per year.

Gasoline and motor fuel used for the following are exempt from levies under Sections 40-17-220:

## Gasoline

- U. S. Government
- to propel certain aircraft, ships, vessels, barges, railroad locomotive and railroad equipment
- sales to governing bodies of counties and incorporated municipalities
- off-road vehicles not required to be licensed by the state
- sales to city and county boards of education
- sales to private and church schools as defined under Section 16-28-1
- Alabama Institute for Deaf and Blind
- Department of Youth Services school district

## Motor Fuel

- U. S. Government
- aircraft powered by jet or turbine engines
- governing bodies of counties and incorporated municipalities
- city and county boards of education
- Alabama Institute for Deaf and Blind, Department of Youth Services and private and church schools
- kerosene sold for lighting and heating purposes
- motor fuel sold from one Alabama licensed distributor to another Alabama licensed distributor
- motor fuel exported by a licensed distributor
- motor fuel sold for off-road agricultural purposes on a farm (only if dyed motor fuel is unavailable)

## Gasoline used for the following is exempt from the \$.12 levy under Section 40-17-31:

- U. S. Government
- city and county boards of education
- propel aircraft
- governing bodies of counties and incorporated municipalities
- Alabama Institute for Deaf and Blind
- Department of Youth Services school district
- private and church schools defined under Section 16-28-1

## Motor Fuels used for the following are exempt from the \$.13 levy under Section 40-17-2:

- U.S. Government
- aircraft powered by jet or turbine engine
- governing bodies of counties and incorporated municipalities
- city and county boards of education
- Alabama Institute for Deaf and Blind, Department of Youth services and private and church schools
- kerosene sold for lighting and heating purposes
- motor fuel sold from one Alabama licensed distributor to another Alabama licensed distributor
- motor fuel exported by a licensed distributor
- motor fuel sold for off-road agricultural purposes on a farm (only if dyed motor fuel is unavailable)

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

## **Payment**

File and remit by the 20th 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.

## **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:**

\$21.60/ton: waste listed under Section 3001 of the RCRA of 1976 as amended and "PCB" waste

\$83.60/ton: acute hazardous waste listed in 40 CFR 261.33(e) and having an EPA hazardous waste number designation beginning with letter "P"

\$46.60/ton: toxic hazardous waste listed in 40 CFR 261.33(f) and having a waste number designation beginning with letter "U"

\$11.60/ton: emission control dust/sludge from the primary production of steel in electric arc furnaces and any hazardous waste that is de-characterized and rendered non-hazardous.

\$11.60/ton: all other waste

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

In addition to the above fees, \$2.40 per ton is collected by counties with hazardous waste facilities. Sumter County also levies \$2.00 per drum or \$5.00 per ton on waste disposed of at the Emelle disposal facility.

#### **Distribution**

Fee	County	State	
\$ 21.60 / t	\$0.15 / t	\$ 21.45 / t	\$500,000 General Fund and ALERT Fund
83.60 / t	1.70 / t	81.90 / t	General Fund
46.60 / t	.775 / t	45.825 / t	General Fund

11.60 / t	General Fund and ADEM
11.60 / t	General Fund
1.00 / t	Hazardous Waste Substance Cleanup Fund

**Rates at all facilities, except the Emelle, Alabama location:**

\$ 41.60/ton: waste listed under Section 3001 of the RCRA of 1976 as amended and “PCB” waste

\$103.60/ton: acute hazardous waste listed in 40 CFR 261.33(e) and having an EPA hazardous waste number designation beginning with letter “P”

\$ 66.60/ton: toxic hazardous waste listed in 40 CFR 261.33(f) and having a waste number designation beginning with letter “U”

\$11.60/ton: emission control dust/sludge from the primary production of steel in electric arc furnaces and any hazardous waste that is de-characterized and rendered non-hazardous.

\$ 11.60/ton: all other waste

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

In addition to the above fees, \$2.40 per ton is collected by counties with hazardous waste facilities. Sumter County also levies \$2.00 per drum or \$5.00 per ton on waste disposed of at the Emelle disposal facility.

**Distribution**

Fee	County	State	
\$ 41.60 / t	\$0.65 / t	\$ 40.95 / t	\$500,000 General Fund and ALERT Fund
103.60 / t	2.20 / t	101.40 / t	General Fund
66.60 / t	1.275 / t	65.325 / t	General Fund
11.60 / t			General Fund and ADEM
11.60 / t			General Fund
1.00 / t			Hazardous Waste Substance Cleanup Fund

**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.

***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.

**Payment**

Assessment amounts are to be paid in equal quarterly installments on the tenth day of each quarter of the state’s 2012 and 2013 fiscal years. This program will end after the final payment date of July 1, 2013, unless extended by act of the legislature.

**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.

1021 Madison Avenue  
Montgomery, AL 36132

**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 \$2500, 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

Self-employed individuals with taxable income other than wages exceeding \$3,500 for single persons, head of family, married persons filing separately, or married persons filing jointly declare, estimate, and remit one-fourth on 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.

### ***Insurance Premiums Tax***

#### **Authority**

Sections 27-4A-1 through 27-4A-7, Code of Alabama 1975.

#### **Basis**

Transaction of insurance business in the state.

#### **Rate**

Fire and Casualty – 3.6% of gross premiums less returned premiums and prescribed dividends.

Wet or Ocean Marine Tax – 3/4% of 1% of the gross underwriting profit.

Life – 2.3% of premiums on policies with face amount greater than \$25,000; 1% on policies less than \$25,000.

Health – 0.5% of premiums on group plans with less than 50 participants; 1.6% on all other health premiums.

#### **Payment**

Obtain forms from Insurance Department. File and remit quarterly to the Insurance Department on the following dates: May 15, August 15, November 15, and March 1 of the following year.

### ***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 markers. 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 file with the Alabama Department of Revenue, Motor Vehicle Division, before the last day of April, July, October, and January.

### **Distribution**

That portion of revenues attributable to gasoline taxes shall be distributed in the manner prescribed for gasoline taxes levied under Sections 40-17-31 and 40-17-220.

That portion of revenues attributable to motor fuel (diesel) taxes shall be distributed in the manner prescribed for motor fuel (diesel) taxes levied under Sections 40-17-2 and 40-17-220.

(See Motor Carrier Fuel Tax.)

## ***International Registration Fees***

### **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.

### **Payment**

Application forwarded to the Alabama Department of Revenue, Motor Vehicle Division, for computation of fees. Registrations are renewed on a staggered basis from January through November.

### **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

## ***Iron Ore Severance Tax***

### **Authority**

Section 40-12-128, Code of Alabama 1975.

### **Basis**

Privilege tax levied on every person mining iron ore in Alabama.

### **Rate**

\$.03 per ton of 2240 pounds

### **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**

Education Trust Fund.

## ***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 40-17-225; 40-17-240 and 40-17-250, 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 is exempt from the \$.02/gallon tax levied under Section 40-17-171.

Governing bodies of counties and incorporated municipalities, U.S. Government, sales for use in off-road vehicles, aircraft, ships, vessels, barges, railroad locomotives, and equipment and lubricating products sold for agricultural purposes are specifically exempt from the \$.04/gallon tax levied under Section 40-17-220.

Class I municipalities, city and county boards of education, Alabama Institute for Deaf and Blind, Department of Youth Services, and private and church schools as defined in Section 16-28-1, are exempt from the \$.06/gallon tax under Section 40-17-240.

Class II municipalities are exempt from the \$.06/ gallon tax under Section 40-17-250.

**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-22, 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, 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 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 vehicle tag 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, at their county licensing official’s office, with the Administrative Office of Courts, or the circuit clerk of any county.

**Distribution**

The department retains all fees collected in accordance with the MLI law for use in the administration of this chapter, except fifteen percent (15%) of the net proceeds of reinstatement fees received by the department which is deposited by the department into the Alabama Peace Officers' Annuity and Benefit Fund, as authorized by Section 36-21-66. If the fees are collected by the vehicle owner's county license plate issuing official, the Administrative Office of Courts, or the circuit clerk of any county, these entities shall remit the fee, less retained fees, as prescribed by statute, to the department.

***Manufactured Home Certificate of Title 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 county 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 Communication 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 1975 or later and travel trailers designated 1990 or later, for which no certificate of title has been issued.

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
Certificate after transfer	\$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**

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

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

### **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 Dealers Off-Site License***

### **Authority**

Section 40-12-395, Code of Alabama 1975.

### **Basis**

Any new or used motor vehicle dealer is required to obtain a license in order to conduct sales of new or used motor vehicles from locations off-site of their permanent locations.

### **Rate**

License- \$25 per off-site sale. (Limited to three per license year.)

(A privilege license under Section 40-12-51 is needed for each offsite sale.)

### **Payment**

File application, with the Alabama Department of Revenue, Business & License Tax Division, Severance and License Section, 14 days prior to conducting the off-site sale.

**Distribution**

General Fund

***Motor Vehicle Dealers, Reconditioners, Rebuilders and Wholesalers License*****Authority**

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

**Basis**

Motor Vehicle Dealer—Engaging in the business of buying, selling, exchanging, negotiating, offering, or displaying for sale motor vehicles at retail.

Motor Vehicle Reconditioner—Engaging in the business of refurbishing, repairing, or replacing damaged parts of motor vehicles to prepare for resale under the same identification as before refurbishment.

Motor Vehicle Rebuilder—Engaging in the business of making or causing to be made extensive repairs, replacements, or combination of different motor vehicles to the extent of eliminating the identity of the original motor vehicle.

Motor Vehicle Wholesaler—Engaging in the business of buying, selling, or exchanging motor vehicles at wholesale.

**Rate**

License – \$10 annually per type of activity.

Each additional place of business – \$5.

(A retail or wholesale dealer is required to purchase a privilege license under Section 40-12-51 for each location.)

**Payment**

File application, with applicable bond, insurance certificate, and other documents (i.e. picture of location, proof of landline telephone) with the Alabama Department of Revenue, Business & License Tax Division, Severance and License Section, by October 1.

**Distribution**

General Fund

***Motor Vehicle Registration*****Authority**

Sections 40-12-240 through 40-12-302 and 32-6-51 through 32-6-660, 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

**Payment**

Remit to county license plate-issuing official in county of residence (if an individual) or where the vehicle is principally used (if a business).

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 first \$10 of passenger car and pickup truck registration fees and the first \$8 of motorcycle registration fees 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 divided evenly between the "additional" and "base" amounts and 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. The supplemental rate is set to expire August 31, 2013.

**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:

66-2/3% is distributed as follows:

25% -- Counties where severed

10% -- Municipalities where severed

First \$150,000:

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

16-2/3% -- General Fund

16-2/3% -- Counties where severed

**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

***Playing Cards Tax*****Authority**

Section 40-12-144, Code of Alabama 1975.

**Basis**

A privilege tax imposed on the storage, sale, use, or consumption of packaged playing cards containing not more than 54 cards to the deck or package.

**Rate**

\$.10 per package or deck of playing cards.

**Payment**

Order stamps from the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax Section.

**Distribution**

General Fund

***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. 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, not to exceed 160 acres, whose owners are less than 65 years of age, are exempt from state property tax up to \$4,000 of assessed value. County exemptions vary from \$2,000 to \$4,000 of assessed value for the regular homestead.

The first \$2,000 exemption applies to county property taxes, except county wide and school district taxes. An optional exemption not to exceed \$4,000 may be granted to county and municipal taxes, provided county wide school district or municipal school district property exemptions are approved by resolution of the governing body and school system boards.

Homesteads whose owners are more than 65 years of age or older, retired due to permanent and total disability or who are blind, regardless of age or income, shall be exempt from all state property taxes.

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 who are retired due to permanent and total disability, regardless of age, or who are blind, regardless of age, shall receive a \$5,000 exemption on the assessed value for county taxes.

Those owners, 65 years of age or older, with a net taxable income of \$7,500 or less, as reported on the federal income tax return of taxpayer and spouse, or who is totally disabled regardless of age, or income, shall be exempt, upon proper qualification, from all state, county, and city property taxes up to 160 acres.

Property tax exemptions include state, county, and municipal property; property devoted exclusively to religious, educational, or charitable purposes; household and kitchen furniture; farm tractors, farming implements used for agricultural purposes by the owner; stocks of goods, wares, 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 Use and Business 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 \$1,000 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, is 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 deposits (quarterly/yearly) into the account based on its cigarette and roll-your-own distributions into the State, and file quarterly/yearly 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. 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 (NPM) allowed to make yearly certifications are to make escrow deposits by April 15. Non-participating manufacturers on the quarterly basis are to make 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 and distributor failure to timely file penalties: 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, smoking tobacco, chewing tobacco, and snuff, rates vary, depending on weight or retail selling price of the package.

**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 makes annual payments to Alabama, in lieu of taxes, under federal law 16 USC, Section 831. State law then determines the direct-served counties’ share using formulae that analyze:

- T.V.A. industrial/residential power sales ratios;
- Book value ratios of T.V.A. property; and,
- Construction in counties where T.V.A. services are provided.

#### **Payment**

In addition, dry (non-alcoholic) counties not served by T.V.A. receive a guaranteed share of this annual 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
- 78% – Direct-served counties
- 5% – Dry non-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 the \$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 \$0.0125 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 Industrial Relations. File by end of month following close of each quarter.

## ***Use Tax***

### **Authority**

Sections 40-23-60 and 40-23-86, 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.

## ***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

The tax is:

respecting a person are:

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, or other public utility).

### **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 License***

### **Authority**

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

### **Basis**

Wholesale sales of illuminating, lubricating, or fuel oils. Rate 1/2 of 1% on gross sales for the preceding fiscal year.

**Note:** This is levied on the first wholesale transaction in Alabama.

### **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**

Division	Tax Source	General	Education	Road & Bridge	Counties	Cities	Mental Health	Health	Conservation	Human Resources	Other
BLT	Automotive Dismantler License	All									
BLT	Automotive Recon/Rebuild Fee	All									
IT	Business Privilege Tax	(24)									
BLT	Coal Severance Tax (20 cents per ton)				(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)
TPR	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)					(17)
BLT	Iron Ore Severance Tax		(33)								
MV	IRP Registration Fees			(13)	(13)	(13)					(18)
BLT	Local Solid Minerals Tax										(28)
ST	Lodgings Tax	(12)			(12)						(12)
MV	Mandatory Liability Insurance (MLI)	(31)									(31)
ST	Medicaid Nursing Facility Tax										(21)
ST	Medicaid Pharmaceutical Services Tax										(21)
MV	Miscellaneous Tags			All							
ST	Mobile Communications Services Tax	(25)	(25)								(25)
BLT	Motor Carrier Fuel Tax			(16)	(16)	(16)					(17)
BLT	Motor Carrier Mileage Tax			Bal (5)							
BLT	Motor Fuels (Diesel)			(27)	(27)	(27)					
MV	Motor Vehicle Title Fees	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									
BLT	Playing Cards Tax	All									
ST	Rental or Leasing Tax	All									
ST	Sales Tax	(19)	Balance		\$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	Balance			(8)						
BLT	Underground and Aboveground Storage Tank Trust Fund Charge	(23)								(23)	
BLT	Uniform Natural Minerals Tax										(28)
ST	Use tax	(20)	Balance								
ST	Utility Gross Receipts Tax		Balance				\$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; TPR – Tax Policy & Research

## 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) 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.
- (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 motor fuels (diesel) shall be distributed in the manner of the motor fuels (diesel) 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 and fees per ton. Note: General fund distributions are also subject to a county guarantee.

*Annual County Fund*

<u>FEES</u>	<u>Distribution</u>	<u>Distribution</u>
\$ 21.60/t	\$0.15/t	\$ 21.45/t General Fund & \$500,000 to ALERT (Alabama Legacy for Environmental Research Trust), if available
\$ 83.60/t	\$1.70/t	\$ 81.90/t General Fund
\$ 46.60/t	\$0.775/t	\$ 45.825/t General Fund
\$ 11.60/t	50%	50% to General Fund
\$ 11.60/t		All to General Fund
\$ 1.00/t		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) Education Trust Fund
- (34) 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%

\*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 Industrial Relations  
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 day of each quarter, effective Fiscal Years 2012 and 2013.	
	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.
February	10 Quarterly NPM certification and bank verification due.
	28 Annual withholding return due.
March	1 Freight line equipment return due. Annual insurance premiums tax return and payment 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. 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.
May	10	Quarterly NPM certification and bank verification due.
May	15	Quarterly insurance premiums tax return and payment 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.
		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.
August	10	Quarterly NPM certification and bank verification due.
	15	Quarterly insurance premiums tax return and payment 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.
		Quarterly Dry Cleaning Trust Fund Fee return and payment due.
		Manufactured home registration and fee due.
		Motor fuel identification markers issued.
		Motor vehicle dealers, reconditioners, rebuilders and wholesalers' license due.

**Note:** 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.
		Quarterly Hospital Assessment for Medicaid Tax due.
	14	Annual wholesale oil license 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.
		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.
	15	Quarterly insurance premiums tax return and payment 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	Gasoline information return due from carriers, transporters, and warehouses. Lubricating oils information return due from carriers, transporters, and warehouses. 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	Aviation fuel 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. Gasoline tax return and payment due. Iron ore severance tax return and payment due. Local solid minerals tax returns and payments due. Lodgings tax 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 Communication services tax return and payment due. Motor fuel tax return and payment due. Pari-mutuel pool tax return and payment due. Rental or leasing tax return and payment due. Sales tax (state and local) return and payment due. Schedule D (NPM Cigarette Activity) report due. Tobacco tax (state and county) return, reports and payment due. Underground and aboveground storage tank trust fund charge due. Uniform Severance Tax return and payment due. Scrap Tire Environmental Fee return and payment due. Use tax return and payment due. Utility gross receipts tax return and payment due.
30	Hazardous waste fee return and payment due.
Last day of month	State horse wagering fee return and payment due.

## Part Three – Revenue Legislation

### General Revenue Related Acts 2011 Regular Session

#### **Act 2011-155 (HB 61)**

##### **Allows Qualifying Employees to Deduct from Alabama Gross Income 100 Percent of Amounts Paid as Health Insurance Premiums**

This act amends Section 40-18-15.3 of the Code of Alabama 1975; allows qualifying employees to deduct from Alabama gross income 100 percent of the amounts the employees pay as health insurance premiums as part of an employer provided health insurance plan provided by a qualifying employer; allows qualifying employers to deduct in the computation of Alabama taxable income 100 percent of the amounts the employer pays as health insurance premiums on behalf of qualifying employees in connection with an employer provided health insurance plan.

*Effective Date:* April 21, 2011

#### **Act 2011-164 (HB 33)**

##### **Continues the Alabama Athletic Commission until October 1, 2013**

This act, relating to the Alabama Sunset Law, continues the existence and functioning of the Alabama Athletic Commission until October 1, 2013; amends Sections 41-9-1021, 41-9-1023, 41-9-1024, 41-9-1029, and 41-9-1030 of the Code of Alabama 1975; provides further for the regulation of amateur and professional mixed martial arts matches, contests, or exhibitions; requires that board members be citizens of Alabama; requires that applicants for licensure be United States citizens or legally present in the United States; the commission has the sole jurisdiction to license the promotion or holding of each professional match, contest, or exhibition of boxing or mixed martial arts promoted or held within Alabama; the commission has the authority to license participants in any professional match, contest, or exhibition of boxing or mixed martial arts held in Alabama; repeals Sections 41-9-90.1 and 41-9-96 of the Code of Alabama 1975, relating to the inactive State Athletic Commission; eliminates the Alabama Department of Revenue's involvement in providing secretarial and clerical help to the commission, and eliminates Revenue's authority to collect license and permit fees.

*Effective Date:* April 28, 2011

#### **Act 2011-205 (SB 253)**

##### **Establishes License Plate Category for Mini-Trucks**

This act adds Section 32-6-59 to the Code of Alabama 1975; amends Sections 32-8-31 and 40-12-240 of the Code; establishes a license plate category for mini-trucks; exempts mini-trucks from certificate of title requirements; establishes a definition and safety standards for mini-trucks.

*Effective Date:* January 1, 2012

#### **Act 2011-258 (HB 50)**

##### **Coal Waste Ash Exemption Eliminated from Solid Waste**

This act amends Section 22-27-2 and Section 22-27-3 of the Code of Alabama 1975; concerns solid waste disposal; removes the existing exemptions for fly ash, bottom ash, boiler slag, and flue gas emission control wastes; authorizes regulation of these substances as solid waste.

*Effective Date:* May 25, 2011

#### **Act 2011-312 (SB 129)**

##### **Voluntary Contribution by Ad Valorem Taxpayers on Check-Off of Annual Tax Statements for Alabama Firefighters Annuity and Benefit Fund**

This act amends Section 36-21-186 of the Code of Alabama 1975; provides for a voluntary contribution by ad valorem taxpayers to the Alabama Firefighters Annuity and Benefit Fund made by check-off on the annual income tax returns.

*Effective Date:* September 1, 2011

#### **Act 2011-535 (HB 56)**

##### **Beason-Hammon Alabama Taxpayer and Citizen Protection Act**

This act shall be known and may be cited as the "Beason-Hammon Alabama Taxpayer and Citizen Protection Act". This bill concerns illegal immigration; defines terms; requires the Attorney General to attempt to negotiate a Memorandum of Agreement under certain conditions; requires a person to present proof of citizenship and residency before voting; precludes any state or local government or official from refusing to assist the federal government in the enforcement of federal immigration laws; prohibits an illegal alien from receiving any state or local public benefits; prohibits an illegal alien from being eligible on the basis of residence for education benefits; requires businesses or employers seeking economic incentives to verify the employment eligibility of their employees and provides penalties; prohibits illegal aliens from seeking employment in this state and provides penalties; requires the verification of the legal status of persons by law enforcement officers; criminalizes certain behavior relating to concealing, harboring, shielding illegal aliens and provides penalties; creates the crime of dealing in false identification documents and the crime of vital records identity fraud and provides penalties; prohibits businesses, employers, or public employers from knowingly employing an illegal alien and provides penalties; prohibits certain deductible business expenses; makes it a discriminatory practice for a business or employer to fail to hire a legally present job applicant or discharge an employee while retaining an employee who is an illegal alien; requires the verification of illegal status of every alien charged with a crime for which bail is required; amends Section 32-6-9 of the Code of Alabama 1975, relating to driver's licenses; requires law enforcement to detain any alien whose lawful immigration status cannot be verified; requires Alabama Department of Homeland Security to establish and maintain an E-Verify employer agent service; prohibits the enforcement of certain contracts; requires public schools to determine citizenship and immigration status of enrolling students; prohibits an illegal alien from entering into a business transaction and provides penalties.

*Effective Date:* Sections 22 and 23 of this act are effective June 9, 2011; Section 9 becomes effective on January 1, 2012; Section 15 becomes effective on April 1, 2012; and the remainder of the act becomes effective September 1, 2011

#### **Act 2011-540 (HB 105)**

##### **Licensing and Registration of Tow Trucks**

This act amends Section 40-12-248 of the Code of Alabama 1975; provides for the licensing and registration of motor vehicle wreckers, commonly known as tow trucks, based on the gross vehicle weight of the wrecker only without regard to the gross vehicle weight of any motor vehicle to be towed by the wrecker.

*Effective Date:* June 9, 2011

#### **Act 2011-544 (HB 179)**

##### **Homeowners and Storm Victims Protection Act of 2011**

This act shall be known as and may be cited as the "Homeowners and Storm Victims Protection Act of 2011"; amends Section 40-8-1, Code of Alabama 1975; expands and clarifies the definition of residential property to include single-family dwellings and lots under construction until sold or otherwise put to a use other than as a single-family dwelling for a period of up to 24 months (two years); the owner may request an extension not to exceed an additional 24 months (two years) upon submission of proof that the work necessary to rebuild or restore the destruction or damage could not be contracted or, if contracted, could not be completed within 24 months (two years) from the date of the destruction or damage.

*Effective Date:* September 1, 2011

#### **Act 2011-551 (HB 230)**

##### **Full Employment Act of 2011**

This act may be cited as the "Full Employment Act of 2011". This bill provides an incentive for job creation in Alabama; establishes an Alabama income and financial institution excise tax credit for small businesses (businesses that employ 50 or fewer employees) that create new jobs paying more than ten dollars (\$10) per hour; the credit shall equal one thousand dollars (\$1,000) and shall be available in the tax year during which the employee has completed 12 months (one year) of consecutive employment; the employer must have a net increase in the total number of full time employees in Alabama on the last date of each tax year during which employees are hired for which the employer claims a credit, over the number employed in Alabama as of the last day of the tax year immediately preceding the first employment year; the increase must equal or exceed the number of newly hired employees for which a credit is sought by one employee for each newly hired employee for whom a credit is being sought for the current year, plus one employee for all employees for whom credits were claimed in prior years; the credit shall be allowed against the tax imposed by Chapter 16 or Chapter 18, Title 40; a financial institution shall be allowed to claim the credit against the liability determined in Chapter 16 of Title 40; the income tax credit may be claimed only for employees who are hired following the date this act is signed by the Governor or is otherwise formally enacted.

*Effective Date* For tax years beginning on or after January 1, 2011

**Act 2011-552 (HB 243)**

**Income Tax Refund Check-Off for Alabama Firefighters Annuity and Benefit Fund**

This act amends Section 40-18-140 of the Code of Alabama 1975; allows an income tax refund check-off for a contribution to the Alabama Firefighters Annuity and Benefit Fund; contributions to the fund shall be deposited with the State Treasurer for distribution.

*Effective Date:* For tax years beginning after December 31, 2012

**Act 2011-554 (HB 256)**

**Limits the Number of Dealer License Plates Purchased by a Licensed New Motor Vehicle Dealer, a Used Motor Vehicle Dealer, and a Motorcycle Dealer**

This act amends Section 40-12-264 of the Code of Alabama 1975; limits the number of dealer license plates purchased by a licensed new motor vehicle dealer, a used motor vehicle dealer, and a motorcycle dealer; removes provision allowing licensed motor vehicle wholesalers, rebuilders, and reconditioners to purchase dealer license plates; limits the use of dealer license plates to certain individuals and to vehicles in the dealer's inventory; permits licensed new and used motor vehicle dealers, wholesalers, rebuilders, and reconditioners to purchase dealer transit license plates; disallows refunds of dealer license plates fees; increases second and subsequent civil penalties for misuse of dealer and dealer transit license plates; provides for a criminal penalty for willful misstatements in the purchase of dealer license plates; authorizes the Department of Revenue to deny a dealer regulatory license to a dealer who has unpaid civil penalties; requires dealers to purchase license plates for vehicles withdrawn from inventory.

*Effective Date:* October 1, 2011

**Act 2011-563 (HB 355)**

**Establishes the Alabama Streamlined Sales and Use Tax Commission**

This act establishes the Alabama Streamlined Sales and Use Tax Commission to identify and develop the programs necessary to come into compliance with the Streamlined Sales and Use Tax Agreement in the event that Alabama becomes a participating member of the agreement; requires the commission to research Alabama's existing tax laws to identify what changes in existing law will be necessary in order to bring Alabama in compliance with the agreement in the event that federal legislation adopting the agreement becomes law.

*Effective Date:* June 9, 2011

**Act 2011-565 (HB 399)**

**Alabama Terminal Excise Tax Act**

This act shall be known and may be cited as the "Alabama Terminal Excise Tax Act." This bill revises the motor fuel tax collection and enforcement system; imposes the tax upon the removal or withdrawal of motor fuel from the terminal using the terminal rack and not by bulk transfer, when the supplier would collect the tax

from the entity ordering the removal or withdrawal; imposes the tax when motor fuel is imported into the state, other than by bulk transfer; imposes the tax on blended motor fuel at the point motor fuel is blended; provides for the levy of the tax on certain products and provides for exemptions; provides for licensing and fees, for returns, disposition of the proceeds of the tax, and penalties for violations.

*Effective Date:* October 1, 2012

**Act 2011-614 (HB 383)**

**Extends Supplemental Assessment; Increases Supplemental Provider Privilege Assessment on Nursing Facilities**

This act amends Sections 40-26B-21 through 40-26B-26, of the Code of Alabama 1975; extends the nursing facility supplemental assessment referred to in Section 40-26B-21(b) through August 31, 2013; increases the supplemental provider privilege assessment beginning September 1, 2011; the privilege assessment will remain \$1,899.96 for each bed in the facility; the supplemental privilege assessment annual rate is increased from \$1,063.08 to \$1,603.08; the new annual rate is \$3,503.04, or \$291.92 per month; this act also changes the due date from the tenth of the month to the twentieth of the month; all references to "tax" have been changed to "assessments."

*Effective Date:* September 1, 2011

**Act 2011-615 (HB 392)**

**Extends the Private Hospital Assessment and Medicaid Funding Program for Fiscal Years 2012 and 2013**

This act amends Article 5, Chapter 26B, Title 40, Code of Alabama 1975; extends the private hospital assessment and Medicaid funding program for fiscal years 2012 and 2013; changes the base year to fiscal year 2009 for purposes of calculating the assessment; changes the assessment rate for fiscal years 2012 and 2013; changes the due date for quarterly payment of the assessment; changes the methodology for base payments for outpatient hospital services for state fiscal years 2012 and 2013.

*Effective Date:* June 9, 2011

The program shall be of no effect if federal financial participation under Title XIX of the Social Security Act is not available to Medicaid at the approved federal Medicaid assistance percentage, established under Section 1905 of the Social Security Act for State fiscal years 2010, 2011, 2012, and 2013.

The program will automatically terminate September 30, 2013, unless a later bill is passed extending the program to future fiscal years.

**Act 2011-616 (HB 434)**

**Double-Weighted Sales Factor and Market Sourcing**

This act amends Section 40-27-1, Code of Alabama 1975; double-weights the sales factor in the currently equal-weighted three factor formula used to apportion business income to Alabama; amends Alabama's apportionment methodology by converting Alabama from a "cost of performance" state to a "market source" state for certain receipts from intangibles or services; provides that sales of services and other intangible property would be sourced to Alabama if the taxpayer's market for the sales is in Alabama.

*Effective Date:* For all tax years beginning on or after December 31, 2010

**Act 2011-620 (SB 65)**

**Income Tax Refund Check-Off for Alabama State Historic Preservation Fund and the Archives Services Fund**

This act amends Section 40-18-140, Code of Alabama 1975; provides an income tax refund check-off for a contribution to the Alabama State Historic Preservation Fund and the Archives Services Fund; funds will be deposited with the State Treasurer for distribution.

*Effective Date:* For tax years beginning after December 31, 2012

**Act 2011-628 (SB 185)**

**Electronic Uniform Non-Traffic Citation and Complaint (eUNTCC)**

This act concerns the issuance of a complaint and summons or notice to appear in court for persons arrested for misdemeanor non-traffic violations; provides for the use of an electronic uniform non-traffic citation and complaint (eUNTCC) as an alternative method for issuing tickets; provides for a notice to appear in court similar to the e-tickets used for traffic offenses.

*Effective Date:* July 1, 2011

**Act 2011-631 (SB 219)**

**Interest-Bearing Warrants for Educational Purposes**

This act concerns financing for public education; authorizes county and city boards of education to issue interest-bearing warrants for educational purposes, with the approval of the State Superintendent of Education, and payable from such revenues or tax proceeds as are lawfully available; the warrants would be sold at public or private sale; the warrants and interest thereon are exempt from all state, county, municipal, and other taxation under the laws of the State.

*Effective Date:* August 1, 2011

**Act 2011-633 (SB 224)**

**Transfer of Motor Vehicles without Title to Automotive Dismantler and Parts Recycler or Secondary Metals Recycler**

This act amend Sections 32-8-87, 40-12-412, and 40-12-116, Code of Alabama 1975; provides for transfer of certain motor vehicles without a title to an automotive dismantler and parts recycler or secondary metals recycler; requires a statement from the owner containing certain information with regard to a vehicle sold without a title; requires an automotive dismantler and parts recycler or secondary metals recycler to maintain certain records and electronically transmit such records to the Department; requires an annual license fee of \$200 per piece of car crushing equipment for persons other than the licensed dismantlers, recyclers or junk dealers; provides criminal penalties for violations; requires the Department of Revenue to maintain an electronic lien verification system; adds Section 32-8-64.2 to the Code of Alabama 1975, relating to release of certain liens.

*Effective Date:* Section 1 of this act becomes effective January 1, 2012; the remaining sections of this act become effective October 1, 2011

**Act 2011-641 (SB 295)**

**Establishes the Individual Development Account Program**

This act establishes the Individual Development Account Program in the Department of Human Resources; authorizes certain persons with low income to enter into agreements developed with a fiduciary organization for the establishment of an individual development account; requires the agreement to provide for the amount of savings deposits, match fund rates, asset goals and financial literacy education classes to be completed, additional training specific to the asset, and financial counseling the individual will attend, as well as other services designed to increase the financial independence of the person; provides that the funds in the account shall be matched under certain circumstances; provides that money may be withdrawn from the account for certain qualified purposes; allows money to be withdrawn from the account if money is withdrawn for emergencies; removes a person from the program if money is withdrawn for other purposes; requires the account holder to fulfill certain requirements before the withdrawal of money from the account; provides that money deposited in the account shall not be considered gross income for income tax purposes; provides that money withdrawn from the account for qualified purposes shall not be considered gross income for income tax purposes; provides for the selection of fiduciary organizations to administer the program; provides for the duties of financial institutions holding individual development accounts; provides that an account owner's savings and matching funds shall not affect his or her eligibility for any means-tested public benefits.

*Effective Date:* September 1, 2011

**Act 2011-642 (SB 337)**

**Changes Distributions of the Sales Tax Discount and the Use Tax Discount**

This act amends Section 40-23-35 and 40-23-77 of the Code of Alabama 1975; changes the distributions of the sales tax discount and the use tax discount; this act provides that for fiscal years ending September 30, 2012 and September 30, 2013, only, the five million dollars of the sales tax discount normally disbursed to the Department of Conservation and Natural Resources will be disbursed to the State General Fund; this act provides that for fiscal years ending September 30, 2012 and September 30, 2013, only, the one million dollars of the use tax discount normally disbursed to the Coastal Programs will be disbursed to the State General Fund.  
*Effective Date:* October 1, 2011

**Act 2011-644 (SB 395)**

**Income Tax Deduction for Retrofitting Homes against Catastrophic Windstorm Events**

This act concerns homeowners insurance and homeowners who retrofit or upgrade their new or existing homes to help resist damages associated with a hurricane, tornado, other catastrophic windstorm event, or rising floodwaters; provides an income tax deduction not to exceed the lesser of 50 percent of the costs of such retrofitting and upgrades or \$3,000; provides that all rate filings and related actuarial information for homeowners insurance coverage shall be treated as public information, available for review in the office of the Commissioner of Insurance in Montgomery, Alabama, and via the Internet on the website of the Department of Insurance.

*Effective Date:* Sections 1 and 2 of this act become effective June 9, 2011; Section 3 of this act becomes effective on September 1, 2011

**Act 2011-645 (SB 404)**

**Allows Issuance of Title on Stolen Vehicle to Insurance Company**

This act amends Section 32-8-84, Code of Alabama 1975; allows the issuance of an electronic certificate of title on a stolen vehicle to an insurance company, where settlement has occurred between the insured and the insured's insurance company; a certificate of title in paper form can be issued once the vehicle is recovered.

*Effective Date:* January 1, 2012

**Act 2011-648 (SB 477)**

**Tariff Credit Act of 2011**

This act shall be known as the "Tariff Credit Act of 2011"; provides limited economic development incentives to offset business transitional costs to encourage direct investment by qualified projects of a minimum capital investment; the minimum capital investment of a qualifying project is \$100 million; the qualifying project would have to create at least 100 new job, with a base wage of not less than the state's individual median income; approved investing companies would be eligible to receive a transferrable income tax credit up to the amount of their Federal tariff costs during the term of the qualifying project, but not to exceed the lesser of \$20 million or 25% of the total amount of an investing company's capital investment in the qualifying project; any project seeking the credit must go through a recommendation process involving ADO, ADOR, and the Governor's Office.

*Effective Date:* For tax years and periods beginning after December 31, 2010

**Act 2011-688 (SB 137)**

**Online Insurance Verification System for Motor Vehicles**

This act amends Sections 32-7-19, 32-7-20, 32-7-22, 32-7-24, 32-7A-2 through 32-7A-8, Code of Alabama 1975; adds Sections 32-7B-1 through 32-7B-6; repeals Sections 32-7A-9 through 32-7A-22; adds Sections 32-7A-9 through 32-7A-25; permits the Department of Public Safety to verify financial responsibility via an online insurance verification system in real time rather than using the manual process now in place; permits the Department of Revenue, all road side law enforcement, and licensing officials to verify liability insurance coverage on motor vehicles via an online insurance verification system in real time; permits licensing officials to verify insurance coverage prior to the issuance of motor vehicle registrations; conforms to the Insurance Industry Committee on Motor Vehicle Administration (IICMVA) best practices for insurance verification; establishes an advisory council comprised of insurance industry and government representatives to establish policies and procedures for the online insurance verification system; increases reinstatement fees.

*Effective Date:* Sections 2, 5, and 7 becomes effective June 14, 2011; Sections 1, 3, 4, and 6 become effective on January 1, 2013, except that a portion of Section 3, containing the reenacted Section 32-7A-12, becomes effective June 14, 2011

**Act 2011-689 (SB 158)**

**Neighborhood Infrastructure Incentive Plan Act of 2011**

This act creates the Neighborhood Infrastructure Incentive Plan Act of 2011; allows homeowners and business owners to form neighborhood infrastructure authorities in existing neighborhoods to manage and finance local projects; provides for the organization of the authorities; each homeowner and business assessed pursuant to this act, beginning in the 2012 tax year, shall be eligible for an income tax credit of 10 percent of the amount of assessment paid, not to exceed one thousand dollars (\$1,000) credit in any tax year, for a period not exceeding 10 successive tax years.

*Effective Date:* June 14, 2011

This act automatically expires December 31, 2015, unless specifically extended by an act of the Legislature; all authorities in existence as of December 31, 2015, shall continue in existence until all existing projects of the authority are completed and the authority seeks dissolution

**Act 2011-695 (SB 255)**

**Rebates for Qualified Production Companies**

This act amends Sections 41-7A-43 and 41-7A-45, Code of Alabama 1975; makes several technical corrections to the film incentives portion of the Entertainment Industry Act of 2009; clarifies the qualified expenditures applicable to a television series or commercial; the income tax credits are available in the year in which the production activity concludes; the sales, use and lodgings tax exemption only applies to the state portion of these taxes; provides maximum expended amounts beyond which rebates and exemptions are not allowed.

*Effective Date:* June 14, 2011

**Act 2011-707 (SB 450)**

**Repeals "John L. Buskey Trust Fund Matching Act of 1993"**

This act repeals Title 41, Chapter 15A, Article 2, of the Code of Alabama 1975, entitled the "John L. Buskey Trust Fund Matching Act of 1993", which required the State of Alabama to provide a one-to-one match to the Penny Trust Fund for those monies that are deposited into the Penn Trust Fund during each fiscal year.

*Effective Date:* September 30, 2011

**Act 2011-709 (SB 493)**

**Tornado Recovery Tax Incentive Protection Act of 2011**

This act establishes the Tornado Recovery Tax Incentive Protection Act of 2011; protects the granting and extension of economic benefits that became impacted and disrupted by the tornado outbreaks on April 15 and April 27, 2011, due to property damage and unexpected deadline delays during the qualification processes.

*Effective Date:* June 14, 2011

**Act 2011-710 (SB 506)**

**Classification of Property as Residential or Homestead Not Affected When Property is Damaged by Natural Disaster**

This act amends Section 40-8-1 and Section 40-9-19, Code of Alabama 1975; provides that the classification of property as residential property or a homestead would not be affected under certain conditions when the property is damaged by a natural disaster.

*Effective Date:* September 1, 2011

## **Local Revenue Related Acts 2011 Regular Session**

### **Act 2011-237 (HB 30)**

#### **Additional Index Fee on Property Instruments in Marengo County**

This act affects Marengo County and authorizes a special index fee of five dollars (\$5) to be collected by the Judge of Probate on each real or personal property instrument, or other instrument recorded or filed for record in the probate court of the county; the index fee is in addition to all other fees, taxes, and other charges required by law to be paid upon recording or filing for record of any instrument; the Judge of Probate will deposit all funds collected into a special fund to be maintained by the Judge of Probate for improved recording, archiving, Internet technology, preservation, retrieving of records and other equipment, maintenance, training, and services necessary for the improvement of the recording, court, and license divisions of the office of the judge of probate.

*Effective Date:* June 1, 2011

### **Act 2011-246 (HB 397)**

#### **Proposed Ad Valorem Tax Increase in Dothan**

This act approves a proposed increase in ad valorem taxation to be levied by the City Council of Dothan, in an amount not exceeding 15 mills that is in addition to the current 5 mills for a combined total amount not exceeding 20 mills, subject to approval by a majority vote of the qualified electors residing in Dothan to vote in a special municipal election to be held no later than October 1, 2013; and thirteen-fifteenths of any net additional ad valorem tax revenues shall be distributed to the Dothan City Board of Education to be used exclusively for public school purposes, the remainder of any additional ad valorem tax revenues shall be distributed to Houston-Love Memorial Library Board to be used exclusively for the improvement, operation, and maintenance of public libraries within Dothan.

*Effective Date:* Contingent upon voter approval

### **Act 2011-256 (HB 148)**

#### **Additional Ad Valorem Tax in Hale County**

This act allows the Hale County Commission to levy an additional ad valorem tax in the amount of three mills to pay for a new jail; allows the distribution of any excess amount collected to the County General Fund to be used for law enforcement purposes.

*Effective Date:* Contingent upon voter approval

### **Act 2011-263 (HB 530)**

#### **Additional Ad Valorem Tax in Pike Road**

This act authorizes the municipal governing body of Pike Road in Montgomery County to levy and collect additional ad valorem taxes in the amount of 25 mills on taxable property located in Pike Road; the proceeds from the additional taxes will be allocated for public schools in the town; all ad valorem taxes in Pike Road shall be levied, collected, administered and enforced at the same time, in the same manner, and under the same requirements and laws as state ad valorem taxes.

*Effective Date:* Contingent upon voter approval

### **Act 2011-265 (SB 208)**

#### **Lodging Tax in Perry County**

This act authorizes Perry County to levy and collect a five percent lodging tax in the county; any rentals or services taxed under Division 1 of Article 1 of Chapter 23 of Title 40, Code of Alabama 1975, are exempted from the lodging tax; the tax does not apply to rooms, lodgings, or accommodations supplied for a period of 30 continuous days or more in any place: after collection costs, ninety percent of the tax collections will be

distributed to a fund established by the Perry County Commission for reduction of the county debt; ten percent of the tax collections will be distributed to the Perry County General Fund.

*Effective Date:* August 1, 2011

**Act 2011-267 (SB 456)**

**Allocation and Expenditure for Money Received from the TVA Distributed to Morgan County**

This act provides for the allocation and expenditure of money received from the Tennessee Valley Authority distributed to Morgan County pursuant to Act 2010-135 of the 2010 Regular Session to the Hartselle, Decatur, and Morgan County Boards of Education for fiscal years 2012 and 2013. Distribution of proceeds are as follows: 1) the first \$125,000 distributed among the school systems to be used expressly for the support and benefit of each system's robotics programs; 2) fifty percent of the remaining proceeds to be divided among the school systems for teachers and personnel expenses; 3) thirty percent of the remaining proceeds to be divided among the school systems for technological purposes; 4) twenty percent of the remaining proceeds to be divided among the school systems' teachers, librarians, and educational personnel for instructional and teaching materials and supplies; 5) any excess funds shall be divided among each school in the respective school systems.

*Effective Date:* May 25, 2011

**Act 2011-268 (SB 99)**

**Prohibits the Imposition of an Occupational Tax in Baldwin County**

This act proposes an amendment to the Constitution of Alabama of 1901, to prohibit the imposition of an occupational tax in Baldwin County.

*Effective Date:* Contingent upon voter approval

**Act 2011-269 (SB 100)**

**Prohibits the Imposition of an Occupational Tax in Tuscaloosa County**

This act proposes an amendment to the Constitution of Alabama of 1901, to prohibit the imposition of an occupational tax in Tuscaloosa County.

*Effective Date:* Contingent upon voter approval

**Act 2011-523 (SB 378)**

**Lee County Commission Authorized to Levy Sales and Use Taxes outside the Corporate Limits of Auburn, Opelika, and Phenix City**

This act amends Section 1 of Act 1254 of the 1969 Special Session, amended by Act 2005-306 of the 2005 First Special Session, and Sections 1 and 2 of Act 89-629 of the 1989 Regular Session; authorizes the Lee County Commission to levy sales and use taxes outside the corporate limits of Auburn, Opelika, and Phenix City, generally paralleling the state sales and use taxes; the commission shall not levy any tax measured by gross receipts, except a sales or use tax which generally parallels, except for the rate of tax, that imposed by the state under applicable law.

*Effective Date:* June 9, 2011

**Act 2011-527 (SB 473)**

**Distribution of Additional TVA Payments in Marshall County**

This act provides for the distribution of additional TVA in-lieu-of taxes payments received by Marshall County pursuant to Act 2010-135, to the school systems in the county and as provided by a committee appointed for that purpose. Distributions of proceeds are as follows: 1) twenty-five percent distributed to the Marshall County Board of Education, the Arab City Board of Education, the Guntersville City Board of Education; the Albertville City Board of Education, and the Boaz City Board of Education, based on student enrollment; 2) seventy-five percent to the county discretionary fund.

*Effective Date:* June 9, 2011

**Act 2011-588 (HB 540)**

**Lee County Commission Authorized to Levy Sales and Use Taxes outside the Corporate Limits of Auburn, Opelika, and Phenix Cities**

This act amends Section 1 of Act 1254 of the 1969 Special Session, amended by Act 2005-306 of the 2005 First Special Session, and Sections 1 and 2 of Act 89-629 of the 1989 Regular Session; authorizes the Lee County Commission to levy sales and use taxes outside the corporate limits of Auburn, Opelika, and Phenix City, generally paralleling the state sales and use taxes; the commission shall not levy any tax measured by gross receipts, except a sales or use tax which generally parallels, except for the rate of tax, that imposed by the state under applicable law.

*Effective Date:* June 9, 2011

**Act 2011-596 (HB 599)**

**Increases Lodging Tax in Clarke County**

This act amends Section 45-13-243, Code of Alabama 1975; increases the lodging tax in Clarke County in an amount of four percent of the charge on each room, rooms, lodgings, or accommodations; exempted from the tax are any rentals or services taxed under Division 1 of Article 1 of Chapter 23 of Title 40; the tax doesn't apply to rooms, lodgings, or accommodations supplied for a period of 30 continuous days or more in any place; the net proceeds, after collection costs, shall be paid into the county treasury to be exclusively used for the promotion of tourism and economic development.

*Effective Date:* September 1, 2011

**Act 2011-602 (HB 613)**

**Distribution of TVA Payments in Marshall County**

This act provides for the distribution of additional TVA in-lieu-of taxes payments received by Marshall County pursuant to Act 2010-135, to the school systems in the county and as provided by a committee appointed for that purpose. Distributions of proceeds are as follows: 1) twenty-five percent distributed to the Marshall County Board of Education, the Arab City Board of Education, the Guntersville City Board of Education; the Albertville City Board of Education, and the Boaz City Board of Education, based on student enrollment; 2) seventy-five percent to the county discretionary fund.

*Effective Date:* June 9, 2011

**Act 2011-611 (HB 676)**

**Distribution of TVA Payments in Jackson County**

This act provides for the distribution of TVA in-lieu-of-taxes payments in Jackson County; and repeals Act 79-743, 1979 Regular Session, Act 88-292, 1988 Regular Session, and Act 99-550, 1999 Regular Session.

Distribution of proceeds are as follows: 1) four percent to equip and maintain the Jackson County Legislative Delegation Office; 2) forty percent to the county's public school system; 3) thirty percent to the incorporated municipalities; 4) twenty-six percent to the county general fund.

*Effective Date:* June 9, 2011

**Act 2011-654 (SB 503)**

**Distribution of TVA Payments in Jackson County**

This act provides for the distribution of TVA in-lieu-of-taxes payments in Jackson County; and repeals Act 79-743, 1979 Regular Session, Act 88-292, 1988 Regular Session, and Act 99-550, 1999 Regular Session.

Distribution of proceeds are as follows: 1) four percent to equip and maintain the Jackson County Legislative Delegation Office; 2) forty percent to the county's public school system; 3) thirty percent to the incorporated municipalities; 4) twenty-six percent to the county general fund.

*Effective Date:* June 9, 2011

**Act 2011-662 (HB 664)**

**Annual Business License Tax on the Privilege of Engaging in Certain Businesses in Jefferson County**

This act authorizes the levy in Jefferson County of an annual business license tax on the privilege of engaging in certain businesses, vocations, occupations, callings or professions, specifically excluding persons engaging in

business in the county and required by law to pay tax pursuant to Sections 40-16-4, 40-21-50, 40-21-52, 40-21-53, 40-24-56, or 40-21-60 of the Code of Alabama 1975; tax will be measured by the gross receipts after certain deductions; establishes minimum and maximum initial business license taxes; authorizes levy of a minimum flat fee for the issuance of business licenses; provides for the levy of the business license tax in respect of businesses engaged in more than one business; provides for the deposit of the taxes collected into Jefferson County's General Fund.

*Effective Date:* June 9, 2011

**Act 2011-692 (SB 231)**

**Creates Public Authority for Purpose of Promoting and Developing Tourism and Development**

This act authorizes one or more municipalities, counties, or any combination of municipality and county, to create a public authority for the purpose of promoting and developing tourism and development; provides for the duties, powers, and board membership of the authority; authorizes the authority to create a tourism promotion and development district; provides for the boundaries of the district.

*Effective Date:* June 14, 2011