

Alabama
Department of Revenue

General Summary
of State Taxes



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 2008 first special session of the Alabama Legislature. This information is contained in Part 2 of this publication.

Part 1 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 1 -- 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.

Income Tax Refund Hot Line

Taxpayers may call the department's automated Income Tax Refund Hot Line to inquire about the status of their refund. The number is 334-353-2540. Be sure to have a copy of your tax return at hand for reference.

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 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 chief executive officer of the Department of Revenue shall be known as the Commissioner of Revenue, and all the powers, authority, and duties vested in the Department of Revenue shall be exercised by the Commissioner of Revenue.

Assistant Commissioner of Revenue

There is hereby created the office of Assistant Commissioner of Revenue of the Department of Revenue. Such Assistant Commissioner of Revenue shall possess the qualifications and take the oath of office required by law of the Commissioner of Revenue and shall be appointed and hold office under and according to the provisions of the state Merit System as provided now or hereafter by Chapter 26 of Title 36.

The Assistant Commissioner of Revenue shall perform such duties as are assigned to him by the Commissioner of Revenue. In the absence of the Commissioner of Revenue, the Assistant Commissioner of Revenue shall assume the duties of the office of the Commissioner of Revenue. He shall have and exercise in all matters the full authority granted by law to the Commissioner of Revenue if the Commissioner of Revenue shall have delegated such duties and authority to him in writing.

Deputy Commissioner of Revenue

There is hereby created the office of Deputy Commissioner of Revenue of the Department of Revenue. Such Deputy Commissioner of Revenue shall be appointed by the Commissioner of Revenue and shall perform such duties as are assigned to the office by the Commissioner of Revenue.

Duties of Secretary

The secretary of said department shall keep full and correct minutes and records of all hearings, transactions, proceedings, and findings of the department and shall perform such other duties as may be required of him by law or by said department from time to time.

Legal Counsel

The Commissioner of Revenue shall, with the approval of the Attorney General, appoint a competent attorney as legal counsel for the Department of Revenue, who shall hold office at the pleasure of the Governor. Such legal counsel shall be at least 30 years of age, of good moral and ethical character, learned in the law, and experienced in the legal phases of taxation. Such legal counsel shall be commissioned as an Assistant Attorney General and shall, in addition to the powers and duties herein 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 shall take the oath required of other assistant attorneys general.

Taxpayer Advocate

The person so designated from time to time 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.

Tax Policy Director

The person so designated from time to time by the Commissioner as the Department's primary source for the determination, coordination and communication of major tax policy issues to the professional community as well as the citizens of Alabama.

Directory

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

Commissioner of Revenue

Tim Russell
Rm. 4112
Gordon Persons Building (“GPB”)
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

Department Secretary

Lewis A. Easterly III
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

Henry Mixon
Rm. 4118, GPB
334-242-1055

Tax Administration Divisions

INDIVIDUAL & CORPORATE TAX DIVISION – RICHARD HENNINGER, DIRECTOR

Fourth Floor of the Gordon Persons Building

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

Ed Cutter, Assistant Director, Individual and Corporate, Rm. 4212, GPB, 334-242-1103
Louis Mills, Assistant Director, Field Operations, Rm. 4340, GPB, 334-242-9821

SALES, USE & BUSINESS TAX DIVISION -- JOSEPH W. COWEN, 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, Severance Taxes, Mobile Communications Tax, TVA Tax,
Contractor's Gross Receipts Tax, Medicaid Nursing Facility Tax, Medicaid
Pharmaceutical Providers' Tax, Dry Cleaning Environmental Response Trust Fund Fee,
Business Privilege Licenses, Tobacco Taxes (State and County), 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**

Dan Bass, Assistant Director, Sales and Use Tax, Rm. 4303, 334-242-1575
Janet Stathopoulos, Assistant Director, Business and License Tax, Rm. 3311, 334-242-9602

Property Tax Division -- Bill Bass, Director

Fourth Floor of the Gordon Persons Building

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

Hartley McLaney, Assistant Director, Rm. 4103, 334-242-1525

Collection Services Division - Dwight Pridgen, Director

Third Floor of the Gordon Persons Building

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

Joan Crumbley, Assistant Director, 334-242-1220

Motor Vehicle Tags, Titles, and Registration

MOTOR VEHICLE DIVISION - BRENDA COONE, DIRECTOR

First Floor of the Gordon Persons Building

**Titles, Vehicle Registration Fees, Motor Vehicle License Plates, International Fuel
Agreement, International Registration Plan**

Rm. 1216, GPB, 334-242-9000

Functional Divisions of the Revenue Department

Human Resources Division

Charlie M. Lassiter, Director
Rm. 4102
Gordon Persons Bldg.
334-242-1670

Information Technology Division

Ken Ball, Director
Rm. 1115
Gordon Persons Bldg.
334-242-8500

Investigations Division

Charles E. Crumbley, Director
1021 Madison Ave
334-242-3012

Economic Development

Bill Morrison, Director
Rm. 4112
Gordon Persons Bldg.
334-242-1175

Processing Division

Anne Glenn, Assistant Director
Rm. 1101
Gordon Persons Bldg.
334-242-2017

Taxpayer Service Centers

PHYSICAL ADDRESSES - DO NOT USE THESE FOR MAILING!

(Mailing Addresses are Shown on the Next Page)

Effective August 1, 2007, the Birmingham Service Center has moved to a new location and has been renamed the Jefferson/Shelby Service Center. Please see the new physical and mailing addresses listed below.

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

994 Explorer Boulevard
Huntsville, AL 35806
Phone -- (256) 922-1082

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 2 -- 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 Natural Minerals 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, Sales, Use, and Business Tax Division, 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 56% of cost marked up price.

Table wine 45 cents / liter

(State – 38 cents; Local – 7 cents).

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, Sales, Use & Business 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 \$.027 per gallon

Jet fuel \$.009 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, Sales, Use & Business 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.

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, by March 15 for Form CPT and April 15 for all calendar year filers.

In the case of a fiscal year filer, the return is due by the 15th day of the third month after the fiscal year end.

The initial return is due two and one-half months after organization, incorporation, registration, qualification for beginning to do business.

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**

Sections 10-2B-1.22 and 10-3A-200, Code of Alabama 1975.

Basis

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

Rate

\$85 for profit corporations.

\$45 for non-profit corporations.

Payment

Paid one time to the probate judge of the county in which business is incorporated.

DistributionProfit Corporations:

\$50 – Secretary of State Corporations Fund (\$40 Secretary of State; \$10 name reservation);

\$35 – Probate judge of the county in which the business is incorporated.

Non-profit Corporations:

\$20 – Secretary of State Corporations Fund (Secretary of State);

\$25 – Probate judge of the county in which the business is incorporated.

Coal Severance Tax**Authority**

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

Basis

Severing coal within state.

Rate

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

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

\$.335 total per ton severed.

Payment

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

Distribution

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

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

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, Use & Business 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.

Alabama income is determined by a three-factor apportionment formula (property, payroll, and sales).

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 \$5,000 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 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 20SC. 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 and annual fee quarterly 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 -- return and annual fee due prior to receipt of any payment from the Alabama Dry Cleaning Environmental Response Trust Fund.

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 net income.

The excess of the tax levied by this chapter computed using a rate of 6-1/2% and the tax computed using a rate of 6% shall be deposited in the General Fund.

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, Sales, Use & Business 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, Sales, Use & Business 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 is distributed equally to the 67 counties;

(b) 30% of the net tax proceeds is 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, Sales, Use & Business 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.

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 5-24 with the Alabama Department of Revenue, Sales, Use & Business 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 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.

Income from sources within this state by nonresidents and part-year 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.

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, IFTA Section, 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 Plan Registration Fees

Authority

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

Basis

Motor carriers operating in interstate commerce pay proportional registration fees derived from mileage traveled in member jurisdictions. 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 October.

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, Sales, Use & Business 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, Sales, Use & Business 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, 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, Use & Business 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, Sales, Use & Business 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.

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.

RateOwner-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.

DistributionRegistration 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.

Medicaid 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.

Payment

File return and remit monthly installment payment to Alabama Department of Revenue, Sales, Use & Business Tax Division, on or before the 10th day of the month for the preceding month's liability.

Distribution

Alabama Health Care Trust Fund

Medicaid 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, Use & Business Tax Division, by the 20th of the month for the preceding month's liability.

Distribution

Alabama Health Care Trust Fund

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 40-21-121, 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, Use & Business 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 that paid 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, Sales, Use & Business 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, mobile homes, 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 registration 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
Information on status of title	\$15
Corrected title	\$15
Salvage title	\$15

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

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.

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

Payment

File application, with the Alabama Department of Revenue, Sales, Use & Business 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 the sale of 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 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, Sales, Use & Business 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 32-6-592, Code of Alabama 1975.

Basis

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

Rate

Passenger cars and pickup trucks	\$23
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 \$845
Motor homes (based on gross wt.)	\$23 to \$500
Commercial trailers	\$20
Private utility trailers	\$12
Rental utility trailers	\$15

Payment

File with and remit to county license plate-issuing official in county of residence or where the vehicle is principally used.

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.

Balance:

Base Amount	Additional Amount	
72%	64.75%	State Road and Bridge Fund
	35.25%	Counties
21%		City or County of Residence
7%		Counties and Cities

Oil and Gas Privilege Tax**Authority**

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

Basis

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

Rate4% 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.

Offshore wells, at depths greater than 18,000 feet below mean sea level, granted permits on or after July 1, 1988, by State Oil and Gas Board.

6% Privilege

(1) Offshore wells producing at depths greater than 18,000 feet and permitted prior to July 1, 1988.

(2) Offshore wells producing at depths less than 18,000 feet and permitted on or after July 1, 1988.

(3) 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.

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, Sales, Use & Business 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, Code of Alabama 1975.

Basis

Production of oil or gas from a well in Alabama.

Rate

2% of gross value at point of production or 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.

Payment

Paid to the Alabama Department of Revenue, Sales, Use & Business 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, Sales, Use & Business Tax Division, Tobacco Tax Section.

Distribution

General Fund

Partnership Income Tax**Authority**

Sections 40-18-22, 40-18-24, 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

Any partnership with nonresident partners who have not executed a Nonresident Agreement must pay the nonresident partners' tax, using Form 65. 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.

Playing Card 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, Sales, Use & Business 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 more than 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 in agriculture; 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 the property tax in some cases.

Manufacturers of calcium cyanamide, 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 40-12-222, 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, Use & Business 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 40-23-2 and 40-23-37, 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 210 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.

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.

Quarterly and annual returns are due by the 20th of the month following the period covered by the return (Prior approval required).

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 (Prior approval required).

Distribution

\$1,322,000 – Human Resources Fund

\$ 378,000 – Counties

Balance – 42% of the 2% tax on gross proceeds from sale of automotive vehicles goes to the General Fund.

\$400 discount cap – Foster Children Program and repairs and capital outlays for state parks, public historic sites, and public historical parks.

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, Sales, Use & Business 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, Sales, Use & Business 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% - 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, Sales, Use & Business 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 Provisions

Authority

Sections 6-12-1 through 6-12-3 and 6-12A-1 through 6-12A-7, Code of Alabama 1975.

Basis

Provides that tobacco product manufactures 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. Statute further provides for a monthly report from tobacco distributors identifying manufacturers of cigarettes and roll-your-own tobacco who are not participating in the MSA and whose product was sold tax-paid in Alabama. And provides for a yearly certification by all tobacco products manufacturers (TMPs) wishing to distribute their product 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:

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, Sales, Use & Business 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, as amended.

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 \$0.01 per gallon, nor less than \$0.003 per gallon.

Payment

File returns and remit charge to the Alabama Department of Revenue, Sales, Use & Business 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 40-23-61 and 40-23-63, 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, Use & Business 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.

Utility Gross Receipts Tax

Authority

Sections 40-21-82, 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, Use & Business 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 that paid 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, Use & Business 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, Sales, Use & Business Tax Division, Motor Fuels Section.

Distribution

General Fund

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

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

Due Date	Tax Activity		
January	1	Quarterly Dry Cleaning Trust Fund Fee return and payment due. Utility license (2.2%) second quarterly payment due.	
	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.	
	30	Quarterly Solid Waste Disposal Fee return and payment due. 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 (Form PSA due for corporations).
	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.
15		Annual NPM payment due into escrow. Declaration of estimated personal income tax and first installment due. Financial institutions' excise tax return and payment due. Business Privilege tax return (Form PSA) due for limited liability entities. First installment of estimated corporate income tax due (for calendar-year taxpayers).	
20		Partnership income tax return due. Personal income tax return and payment due. Quarterly sales tax return and payment due. Quarterly use tax return and payment due. Quarterly rental or leasing tax return and payment due. Scrap tire environmental fee return and payment due.	
30		Quarterly Solid Waste Disposal Fee return and payment due. Annual TPM certification due. Annual NPM certification and bank verification due.	

Note: 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.

		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	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.
	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 tax due.
		Quarterly Solid Waste Disposal Fee return and payment 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.
	14	Annual wholesale oil license 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.
	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

Day	Tax Activity
10	Medicaid-related tax return and payment due for nursing facilities. Tobacco use tax return and payment due.
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. Alabama Uniform Natural Minerals Severance Tax 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 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 payment due.

General Revenue Related Acts 2007 Regular Session

Act 2007-199 (HB 664)

Alabama Economic Incentive Enhancement Act

Further authorizes the abatement of ad valorem taxes, construction related transaction taxes, utility taxes, and enhanced capital credit for qualifying entities that invest in *very* large projects in Alabama that are of a size and character to produce substantial economic benefits to the entire state. Income tax withholding requirements are strengthened to ensure proper employee withholding amounts are reported and paid to the state.

Effective date: July 1, 2007

Act 2007-204 (HB 372)

Equalized taxable value of certain property excluded from taxation

This bill proposes to exclude the value of equalized taxable properties located within the boundaries of a military reservation (jurisdiction ceded to the United States) when calculating the limit on the aggregate value of equalized taxable property that may be located within a tax increment district.

Effective date: May 23, 2007

Act 2007-283 (HB 56)

Adopt Uniform Estate Tax Apportionment Act

Although no current application for Alabama estate tax exists due to federal suspension until 2011, this act provides additional state statutory language that addresses decedents in the state dying on or after July 26, 1951, and before January 1, 2008, and to the estate of any decedent who dies after December 31, 2007, if that decedent continuously lacks testamentary capacity from January 1, 2008, until the date of death.

Effective date: October 1, 2007

Act 2007-366 (HB 739)

Income Tax Credit for foreign country business income

Amends §40-18-21, Code of Alabama 1975, relating to certain income tax credits, to provide an income tax credit for certain income taxes paid to a foreign country with respect to the business income attributable to that country.

Effective date: January 1, 2007, and all tax years thereafter.

Act 2007-379 (HB 292)

Distinctive license tag; Barber Motorsports Museum

Provides a distinctive motorcycle license plate category for the Barber Vintage Motorsports Museum for owners of motorcycles in Alabama, for an additional \$50.00 registration fee.

Effective date: January 1, 2008

Act 2007-381 (SB 4)

Ad valorem; filing of objection extended to 30 days

Extension of filing period to 30 days for the objection to notices of property valuation.

Effective date: September 1, 2007

Act 2007-383 (SB 108)

Distinctive license tag; Disabled Veteran service designation

The Department of Revenue must provide a field on the disabled veteran's distinctive license plate to show the branch of service in which the individual served.

Effective date: January 1, 2008

Act 2007-417 (HB 830)

Community development districts

Provides for, inter alia, additional and alternate definition of a 'community development district' and relevant operations of such a district. Some additional provision is made where alcoholic beverage tax revenue in a district must offset TVA In-lieu-of taxes payments going to a dry non-served county.

Effective date: September 1, 2007

Act 2007-453 (HB 138)

Sales tax exemption for all food banks

Exempts all food banks from the payment or collection of any state, county and municipal sales and use taxes.

Effective date: June 14, 2007

Act 2007-504 (SB 412)

Supersedeas bond appeal; lowers to 125%

Lowers the supersedeas bond requirement to 125% of the final assessment or judgment amount; also allows taxpayer additional 30 days to cure deficiency.

Effective date: June 15, 2007

Act 2007-594 (HB 257)

Lowered commercial hazardous waste fee

Amends §22-30B-2, Code of Alabama 1975, to lower the base fee for the disposal of certain hazardous wastes.

Effective date: June 15, 2007

General Revenue Related Acts 2008 Regular Session

Act 2008-151 (HB 395)

Establishes a statewide program for solid waste management to be coordinated by the Department of Environmental Management

The bill further authorizes fees for disposal of solid waste within the state; the proceeds shall be used to adequately fund the solid waste management program. ADOR will collect and administer disposal fees from owners/operators of landfills; impose appropriate interest on disposal fees; owner/operator shall certify to ADOR the volumes of solid waste received for disposal; ADOR may retain one percent of the solid waste fees collected as an administrative collection allowance.

Effective date: April 15, 2008

Act 2008-275 (HB 234)

Alternative and Renewable Energy Act of 2008

This bill provides for tax credits and abatements for various energy-related expenditures. It further provides for the review by ADOR of payroll filings and withholdings for wages paid to certain construction workers.

Effective date: May 5, 2008. Section 6: effective August 6, 2008 (90 days after bill became law)

Act 2008-377 (HB 43)

Provides income tax deduction for APACTP/ACESP contributions

This provides for an income tax deduction for contributions, subsequent to December 31, 2007, to the Alabama Prepaid Affordable College Tuition Program or the Alabama College Education Savings Program, and provides a recapture provision for nonqualified withdrawals.

Effective date: August 1, 2008 (contingent upon HB 357 being enacted)

Act 2008-393 (SB 4)

Increases limits of Motor Vehicle Safety-Responsibility Act

This bill increases the required liability insurance limits to \$25,000 for bodily injury to or death of one person in any one accident, and \$50,000 for bodily injury to or death of two or more persons in any one accident, and \$25,000 because of injury to or destruction of property of others in any one accident. This bill also increases certain proof of financial responsibility.

Effective date: August 30, 2008, for new policies (90 days from the first day of the month following passage and approval)

November 28, 2008, for renewal policies (180 from the first day of the month following passage and approval)

Act 2008-504 (HB 357)

Withholding tax on the sale or transfer of real property and associated tangible property by nonresidents

This bill creates a new Section 40-18-86, relating to withholding tax on the sale or transfer of real property and associated tangible property by nonresidents.

Effective date: August 1, 2008

General Revenue Related Acts 2008 First Special Session

Act 2008-519 (HJR 84)

Continuation of capital credits

This joint resolution continues the capital credits authorized by Article 7 of Chapter 18, Title 40, Code of Alabama (40-18-7), from December 31, 2008, until December 31, 2013.

Effective date: December 31, 2008, to December 31, 2013

Act 2008-543 (HB 62)

Defines the term "Captive REIT" and limits Captive REITs the preferential dividend treatment afforded ordinary REITs for Alabama corporate income tax purposes

This bill amends Sections 10-13-21, 40-18-1, and 40-18-35; defines the term "Captive REIT" and limits Captive REITs the preferential dividend treatment afforded ordinary REITs for Alabama corporate income tax purposes; clarifies Section 40-18-35(b) regarding the exceptions in the original add-back provisions; and requires ADOR to waive certain penalties.

Effective date: For all tax years beginning after December 31, 2006; contingent upon passage of HB61 of the 2008 First Special Session

Act 2008-549 (HB 56)

Excludes federal rebate checks from Alabama income tax

This bill provides for an exclusion from Alabama individual income tax for federal tax rebates received in 2008 and to prohibit additional federal deductions or credits.

Effective date: June 9, 2008

Act 2008-554 (SB 104)

Additional fee to distinctive license tag, "God Bless America"

This bill provides for personalized "God Bless America" distinctive license plates; provides for an annual additional fee of \$50; and provides for the distribution of the fee to the Alabama Veterans Living Legacy.

Effective date: September 1, 2008

Act 2008-559 (HB 61)

Income tax deduction allowed for health insurance premiums paid by small businesses

The bill increases the income tax deductions allowed for health insurance premiums paid by qualifying small businesses and their employees.

Effective date: June 10, 2008