



Tim Russell
Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)

50 North Ripley Street
Montgomery, Alabama 36132

March 2, 2010

Cynthia Underwood
Assistant Commissioner

Lewis A. Easterly
Secretary

TO: ALL PERSONS, FIRMS, AND CORPORATIONS making sales at retail and/or purchasing tangible personal property for use, storage, or other consumption, or engaging in the business of leasing or renting tangible personal property, or engaging in the renting or furnishing of rooms, lodgings, or accommodations made to transients, in the **City of Demopolis**, Alabama and its police jurisdiction (located in Marengo County)

Sections 11-51-200, 11-51-202, 11-51-207, and 11-51-208, et seq., **Code of Alabama 1975**, authorize and empower counties to levy a true sales, use, rental, and lodgings tax and require the Alabama Department of Revenue upon request of the city to collect the tax.

On January 7, 2010, the governing body of the City of Demopolis adopted Resolution No. 2010-02 requesting the Alabama Department of Revenue to begin collecting the city's sales, use, rental, and lodgings tax **effective April 1, 2010** with a due date of May 20, 2010.

Sales & Use Tax Rates:	Rates
General Rate	3%
Admissions to places of amusement and entertainment	3%
Retail selling price of food for human consumption sold through vending machines	3%
Net difference paid for machines, machinery and equipment used in planting, cultivating, and harvesting farm products	1%
Machines, parts, and attachments for machines used in manufacturing tangible personal property	1%
Net difference paid for all automotive vehicles, truck trailers, semi-trailers, and house trailers	1%
Withdrawal fee for automotive vehicle dealers only	\$3.33
Rental Tax Rates:	
General Rate	3%
Lease or rental of automobile vehicles, truck trailers, semi-trailers, and house trailers	1.5%
Lease or rental of linens and garments	1%
Lodgings Tax Rates:	
General Rate	7%

If you are making sales at retail and/or purchasing tangible personal property for use, storage, or other consumption, or engaging in the business of leasing or renting tangible personal property, outside the corporate limits of the City of Demopolis but within the police jurisdiction, the rates of sales, use, and rental tax are one-half the rates shown above.

The Law requires that the City of Demopolis sales, use, rental, and lodgings taxes be collected, reported and remitted in the same manner as the State sales, use, rental and lodgings taxes. When you file and pay electronically, the City of Demopolis sales, use, rental, and lodgings taxes are to be included on the electronic city/county tax return assigned to you (City and County Tax Return, form 9501). Enter the gross amounts and deductions and then all of the calculations will be done automatically for you. You may file these taxes online through the Internet at www.revenue.alabama.gov/salestax/efiling.htm, or through the telephone by calling toll free **1-800-828-1727**. Telephone-filers should use Locality Code 9683.

Please direct all questions regarding City of Demopolis sales, use, rental, and lodgings taxes to this office:

Alabama Department of Revenue
Sales, Use & Business Tax Division
Post Office Box 327710
Montgomery, Alabama 36132-7710
334-242-1490 or 866-576-6531