

ALABAMA DEPARTMENT OF REVENUE - SALES AND USE TAX RULES
Code of Alabama 1975, Sections 40-23-31 and 40-23-83

810-6-4-23. Application for the Abatement of the Sales and Use Tax Liability of the Private User of Private Use Property to which a Public Authority, County, or Municipal Government Has Title or a Possessory Right.

(1) Unless otherwise defined herein, the definitions of terms set forth in Code of Alabama 1975, Section 40-9B-3, are incorporated by reference herein.

(2) As used in this regulation, the term "public body" means a public authority, county, or municipal government.

(3) An application for an abatement of sales and use taxes may be made by any person who proposes to become a private user of industrial development property or of a major addition. Such application shall be made to the appropriate public body as outlined in Code of Alabama 1975, Section 40-9B-5, and shall be made in advance of commencing the acquisition, construction, or equipping of the project. Notwithstanding the foregoing, a private user who commences the acquisition, construction, or equipping of a project prior to making an application for abatement may nevertheless make said application (such application shall be made to the appropriate public body as outlined in Section 40-9B-5, Code of Alabama 1975, (1992 Cum. Supp.)) subsequent to the aforementioned commencement and, if the abatement is granted, receive an abatement of sales and use tax liabilities incurred during the period beginning with the date of execution and delivery by a public body of an abatement agreement and ending with the date the entire project is placed in service. Sales and use tax liabilities incurred prior to the effective date of the abatement cannot be abated.

(4) An application for an abatement of sales and use taxes may be made to the appropriate public body on an application form provided by the Alabama Department of Revenue. The application furnished by the Alabama Department of Revenue shall require the following information:

- (a) the type(s) of taxes for which an abatement is being requested,
- (b) applicant's SIC Code,
- (c) an indication as to whether the project is a new project or a major addition,
- (d) if applicable, an indication as to whether the major addition equals the lesser of \$2,000,000 or 30 percent of the original cost of existing industrial development property,
- (e) if the applicant is applying for an abatement for a major addition and indicates that 30 percent of original cost of the existing industrial development property is lesser than \$2,000,000; the original cost of the existing industrial development property,
- (f) project applicant's legal name, trade name, and complete address,
- (g) the city and county in which the project is located,

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- (h) the date the applicant's company was organized,
 - (i) the name and phone number of a contact person,
 - (j) a description of the project,
 - (k) estimated dates of when construction will begin, when construction will be completed, and when the property will be placed in service,
 - (l) estimates of the number of employees to be hired initially and in each of the succeeding three years,
 - (m) estimates of the annual payroll of new employees initially and in each of the succeeding three years,
 - (n) an estimate of the cost of real property broken down by estimates of the cost of land, new building(s), and existing building(s),
 - (o) an estimate of the cost of materials to become a part of realty,
 - (p) an estimate of the cost of personal property broken down by estimates of the cost of manufacturing machinery and the cost of all other personal property,
 - (q) an indication as to whether bonds have been issued for the project,
 - (r) if bonds have been issued for the project, the date the bonds were issued,
 - (s) if bonds have not been issued for the project, an indication as to whether bonds will be issued,
 - (t) if bonds will be issued for the project, the projected date of the bond issue,
and
 - (u) applicant's signature and title and the date of the signature.
- (5) The application form referenced in paragraph (4) shall instruct the applicant to attach to the application as complete a listing as possible of property and cost on which an abatement is requested to facilitate a cost/benefit analysis by the public body to which the application is submitted. (Adopted through APA effective May 23, 1993, amended December 10, 1996)