



JULIE P. MAGEE
Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

JOE W. GARRETT, JR.
Deputy Commissioner
CURTIS E. STEWART
Deputy Commissioner
BRENDA R. COONE
Deputy Commissioner
MICHAEL D. GAMBLE
Deputy Commissioner

August 12, 2016

Business License Newsletter

Fall 2016

BUSINESS LICENSE REPORTS

Some counties are still not including the required taxpayer identification information for all licenses

- As a reminder, ALL applicants for business licenses MUST SUBMIT THEIR TAX IDENTIFICATION NUMBER, EITHER SSN OR FEIN, as well as a business address, in order to purchase a license. If a customer refuses to provide this information, a license **cannot** be sold. Please notify the taxpayer that if they are found to be operating without a license, a citation may be issued.
- Verify that the SSN or FEIN is included. Do not enter all zeros or leave this field blank.
- Business license reports are required to be uploaded to the secure server by the 20th of the month (by the 30th in October, November and December).
- When uploading your file please use the following file format:

BPLCounty201506.txt

Failure to use this format will result in the file failing to upload.



LICENSE HANDBOOKS

Please consult the handbook prior to contacting our office as many questions can be answered by reviewing the interpretations in the handbook. The most current license handbook is always posted on ADOR's website at:

http://revenue.alabama.gov/publications/business-taxes/licenses/Handbook_of_Privilege_&_Store_Licenses.pdf

HALF-YEAR LICENSES

Only taxpayers that are new business owners qualify for the half-year license after April 1st. If the taxpayer previously had a business license in a prior year(s) but not in the current year, this does not qualify as a new business.

LICENSE TRANSFER FEES

Per Section 40-12-15, when a business is sold to a new owner, the license may be transferred for a fee of \$1. The \$1 fee applies to each license code section shown on the license. For example, if a store is sold and the previous owner purchased Sections 315, 44, 69, 72, then the transfer fee would be \$4.



CITATIONS

The following is a list of items that must be completed in order to successfully process citations in our office.

1. Citations must be legible, preferably typed. County license inspectors and examiners who would like to receive an Excel spreadsheet that can be used to enter this information and generate an electronic copy of the citation, please contact our office.
2. Citations which are not paid within two weeks should be mailed to our office for assessment processing. Note: All citations for a fiscal year must be received by **August 31** each year, if an assessment is needed.
3. Citations should include the

transmittal form when forwarded to this office.

4. When issuing citations to businesses operating in multiple counties, a separate citation must be received for each county.
5. Calculations should be verified prior to submission.

CODE SECTIONS WITH FREQUENT QUESTIONS FROM THE COUNTIES



Sections 46 & 84

Q. When do both sections apply to a HVAC installer?

They both apply when the HVAC installer sells air conditioners and has other contract work.

Sec. 146

Q. How does the owner obtain the bond for a pool hall?

The owner must obtain the bond application from the Judge of Probate in the penal sum of \$1,000 in the county where the business is located.

Sec. 176 (P)

Q. Should a Section 176(p) be issued for bingo machines?

*Yes. All vending machines that provide services or where amusements are vended should obtain this license. Note: The decal **does not** indicate the legality of the bingo machines.*

Sec. 315 (A)

Q. Does a convenience store need a store license if the owner sells more gas than merchandise?

*No. If the sale or distribution of **petroleum products** represents 51% or more of the*

business. Convenience stores meeting the petroleum product sales percentage are not required to purchase a chain store license.

Note: The owner will still need to purchase licenses for the items that are sold in the store such as calculators, tobacco, etc.

Sec. 171

Q. Do interstate trucking companies need the above section?

No. However, they will need to contact Motor Carrier Services (Motor Vehicle Division) and ALDOT to obtain IFTA and IRP permits to operate within Alabama.

2016-17 LICENSE YEAR PAPER

The color of the privilege license paper for 2016 – 2017 is **Purple-Pantone Basic**. If your county is currently printing its licenses on paper that you purchased rather than the paper supplied by the State Comptroller’s office, please use this color for the new license year. IF YOU DECIDE NOT TO USE THIS PAPER, PLEASE NOTIFY THE COMPTROLLER’S OFFICE AT 334-242-7070.

FREQUENTLY CALLED NUMBERS

Please share the following numbers with taxpayers requesting information.



| | AGENCY | TELEPHONE # |
|-------------------------------|--------------------------------|----------------|
| Alabama Income Tax Refunds | ADOR/Income Tax Division | (855) 894-7391 |
| Business Privilege Tax | ADOR/Income Tax Division | (334) 353-7923 |
| Car dealers, tent sales | ADOR/Motor Vehicle Division | (334) 242-9000 |
| Cosmetology | Cosmetology Board | (334) 242-1918 |
| Contractors | General Contractor's Board | (334) 272-5030 |
| Driver's licenses | Alabama Law Enforcement Agency | (334) 242-4400 |
| Home builders | Home Builder's Board | (334) 242-2230 |
| FEINs/taxpayer identification | Internal Revenue Service | (800) 829-1040 |
| Pardons / paroles | Pardons & Parole Board | (334) 242-8700 |
| Registering LLC or Corp | Alabama Secretary of State | (334)242-7200 |