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State of Alabama Department of Revenue

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NOTICE

TO: Municipal License Officers
Alabama League of Municipalities

RE: Five Year Adjustment to Municipal Business License Issuance Fees

Section 11-51-90, Code of Alabama 1975, which reads in part as shown below, requires the Department of Revenue to distribute information related to municipal business license issuance fees every five years. The last analysis was performed for calendar year 2013.

The issuance fee shall be increased **every five license years** by the Department of Revenue by an amount equal to the percentage increase, if any, in the U.S. Department of Labor's Producer Price Index during that five-year period, rounded to the nearest dollar, with the base year being 2006. The Department of Revenue shall notify all municipalities and the Alabama League of Municipalities of any such fee increase no later than the November 30 preceding the license year for which the increase shall take effect. (Emphasis added.)

Per Departmental Rule 810-8-5-.15, the Producer Price Index for finished goods for the year preceding the fifth license year shall be used to determine an increase, if any, in the municipal business license issuance fee. An analysis of the Producer Price Indexes was performed for calendar years 2011 and 2016. As a result, per the provisions of Section 11-51-90, municipal business license issuance fees **remain or may be adjusted to a maximum amount of \$12.00, at the discretion of the municipality**, for the license year beginning **January 1, 2018**.

Questions regarding this matter may be directed to:

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